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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte ROBERT B. KIRSH

Appeal 2018-001635
Application 14/024,691¹
Technology Center 4100

Before ELENI MANTIS MERCADER, NORMAN H. BEAMER, and
ADAM J. PYONIN, *Administrative Patent Judges*.

BEAMER, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant appeals under 35 U.S.C. § 134(a) from the Examiner's Non-Final Rejection of claims 12–24. We have jurisdiction over the pending rejected claims under 35 U.S.C. § 6(b).

We affirm.

¹ Appellant identifies First Data Corporation as the real party in interest. (App. Br. 3.)

THE INVENTION

Appellant's disclosed and claimed invention is directed to collecting, from one source, (1) employment eligibility data for an employer and (2) bank customer identification data for a financial institution. (Abstract.)

Independent claims 12 and 14, reproduced below, are illustrative of the subject matter on appeal:

12. A method for collecting and maintaining employment eligibility verification data and bank customer identification data, comprising:

on behalf of an employer, collecting, at a payroll payment enrollment system, personal identifying data identifying a prospective employee;

accessing a database external to the payroll payment enrollment system, in order to verify the accuracy of the personal identifying data and satisfy a first legal requirement to verify the eligibility of the prospective employee to work in a jurisdiction;

verifying, at the payroll payment enrollment system, the personal identifying data based on accessing the external database;

after the personal identifying data is verified, evaluating, at the payroll payment enrollment system and on behalf of a financial institution, the personal identifying data in order to collect bank customer identification data and satisfy a separate, second legal requirement that the financial institution verify the identity of a person opening an account;

storing, at the payroll payment enrollment system and on behalf of the employer, the personal identifying data and verification data reflecting that the personal identifying data has been verified pursuant to the first legal requirement; and

storing, at the payroll payment enrollment system and on behalf of the financial institution, the collected bank customer identification data and the verification data, the collected bank customer identification data and the verification data stored on

behalf of the financial institution stored as a data record pursuant to the second legal requirement and separate from the personal identifying data and verification data stored on behalf of the employer.

14. A system for collecting and maintaining data for two different entities, wherein the data comprises information relating to the same subject but that is required to be collected and maintained under plural, different requirements, the system comprising:

a processor; and

a memory, the memory having stored therein a sequence of instructions which, when executed by the processor, cause the processor to:

receive, at a third party system that is operated by a third party that is not one of the two different entities, a first set of data entered at a user device for the subject and required for collection by a first entity of the two entities under a first of the plural, different requirements that the eligibility of a person to work be verified;

determine at the third party system if the first set of data is verified as valid;

after the first set of data is verified, capture, at the third party system, a second set of data from the first set of data, the second set of data relating to the same subject and required for collection by a second entity of the two entities under a second of the plural, different requirements that the identity of a person opening an account be verified;

store, at the third party system and on behalf of the first entity, the first set of data; and

store, at the third party system and on behalf of the second entity, the second set of data, the second set of data stored as a data record separate from the first set of data.

REJECTIONS

The Examiner rejected claims 12–24 under 35 U.S.C. § 101 because the claimed invention is not directed to patent eligible subject matter. (Non-Final Act. 4.)

The Examiner rejected claims 12–24 under 35 U.S.C. § 103 as being unpatentable over Hermann (US 2008/0015883 A1, pub. Jan. 17, 2008) and Rosenfeld et al. (US 7,941,351 B1, iss. May 10, 2011) (hereinafter “Rosenfeld”). (Non-Final Act. 11.)

ISSUES ON APPEAL

Appellant’s arguments in the Appeal and Reply Briefs present the following issues:²

Issue One: Whether the Examiner erred in finding claims 12–24 as directed to non-statutory subject matter. (App. Br. 7–13; Reply Br. 2–6.)

Issue Two: Whether the Examiner erred in finding the combination of Hermann and Rosenfeld teaches or suggests the independent claim 14 limitation,

after the first set of data is verified, capture, at the third party system, a second set of data from the first set of data, the second set of data relating to the same subject and required for collection by a second entity of the two entities under a second of the plural, different requirements that the identity of a person opening an account be verified,

² Rather than reiterate the arguments of Appellant and the positions of the Examiner, we refer to the Appeal Brief (filed Feb. 24, 2017); the Reply Brief (filed Nov. 30, 2017); the Non-Final Office Action (mailed Sept. 28, 2016); and the Examiner’s Answer (mailed Oct. 3, 2017) for the respective details.

and the commensurate limitations recited in independent claims 12 and 13.
(App. Br. 13–16; Reply Br. 6–7.)

ANALYSIS

We have reviewed the Examiner’s rejections in light of Appellant’s arguments. Arguments Appellant could have made but chose not to make are deemed to be waived. *See* 37 C.F.R. § 41.37(c)(1)(iv).

First Issue

The Examiner determines the claims are patent ineligible under 35 U.S.C. § 101, because the claims

are deemed to claim an abstract idea and are rejected under § 101. The [c]laims 12–24 are abstract idea of a method of organizing human activities, which is used to describe concepts relating to interpersonal and intrapersonal activities, such as managing relationships or transactions between people, social activities, and human behavior; satisfying or avoiding a legal obligation; advertising, marketing, and sales activities or behaviors; and managing human mental activity

(Non-Final Act. 6–7), and because

[t]he combination of elements in the claim(s) add nothing that is not already presented when looking at the elements taken individually. There is no indication that the combination of elements improves functioning of computer or improves any other technology. Their collective functions merely provide conventional and generic computer implementation.

(Non-Final Act. 10; *see also Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 573 U.S. 208, 217 (2014) (Describing the two-step framework “for distinguishing patents that claim laws of nature, natural phenomena, and

abstract ideas from those that claim patent-eligible applications of those concepts.”.)

After the mailing of the Answer and the filing of the Briefs in this case, the USPTO published revised guidance on the application of § 101. (2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50 (Jan. 7, 2019) (hereinafter “Memorandum”).) Under the Memorandum, the Office first looks to whether the claim recites:

- (1) any judicial exceptions, including certain groupings of abstract ideas (i.e., mathematical concepts, certain methods of organizing human activity such as a fundamental economic practice, or mental processes); and
- (2) additional elements that integrate the judicial exception into a practical application (*see* MPEP § 2106.05(a)–(c), (e)–(h)).

Only if a claim (1) recites a judicial exception and (2) does not integrate that exception into a practical application, does the Office then look to whether the claim:

- (3) adds a specific limitation beyond the judicial exception that are not “well-understood, routine, conventional” in the field (*see* MPEP § 2106.05(d)); or
- (4) simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception.

(*See* Memorandum.)

We are not persuaded the Examiner’s rejection is in error. We adopt the Examiner’s findings and conclusions as our own, and we add the

following primarily for emphasis and clarification with respect to the Memorandum.

Appellant argues that “the Examiner’s characterized abstract idea is not proper, but rather is merely a high level statement of the problem and background to which Appellant’s invention is directed” and that “the proper test (in determining whether claims are directed to an abstract idea) is to evaluate the *focus of the claimed advance over the prior art* to determine the claim’s character as a whole.” (Reply Br. 2 (citing *Smartflash LLC v. Apple Inc.*, 680 F. App’x 977 (Fed. Cir. 2017), and *Affinity Labs of Texas, LLC v. DIRECTV, LLC*, 838 F.3d 1253 (Fed. Cir. 2016)).) Appellant further contends that the Examiner’s comparison of claims identified by the Federal Circuit as directed to abstract ideas to Appellant’s claimed method is in error because “the abstract idea identified in each case is, on its face, clearly not similar to the abstract idea characterized by the Examiner” for Appellant’s claimed method. (Reply Br. 4.)

We agree with the Examiner that claim 12 is directed to an abstract idea. (*See* Ans. 2.) The claim is directed to a “method for collecting and maintaining employment eligibility verification data and bank customer identification data,” and the recited steps

- (a) comprise performance of a fundamental economic practice related to the employment and payment of workers,
- (b) describe both a commercial and legal interaction as identity verification is a requirement for both employment and the establishment of financial institution accounts, and
- (c) are a mental process because the steps involved in identity verification may be, and have traditionally been, manually performed.

Thus, the claim is directed to the abstract ideas of “certain methods of organizing human activity” and “mental processes.” (Memorandum, Section I (Groupings of Abstract Ideas); *see also* Spec. ¶ 2 (describing the federal legal framework for data collection related to individuals seeking employment or the establishment of new financial accounts).)³ Our determination that the claim’s character as a whole is directed to excluded subject matter is made upon review of the focus of the claimed advance over the prior art, which here relates to the introduction of a “payroll payment enrollment system” and a “database external to the payroll payment enrollment system,” which together act “on behalf of an employer” and “on behalf of a financial institution.” (*See* claim 12.)

We are unpersuaded by Appellant’s argument that “the abstract idea identified in each case [cited by the Examiner] is, on its face, clearly not similar to the abstract idea characterized by the Examiner,” because we are unaware of any legal test to discern similarity “on its face.” (Reply Br. 4.)

³ (*See also Bilski v. Kappos*, 561 U.S. 593, 611 (2010) (“The concept of hedging, described in claim 1 and reduced to a mathematical formula in claim 4, is an unpatentable abstract idea”); *Alice*, 573 U.S. at 218 (“These claims are drawn to the abstract idea of intermediated settlement.”); *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1355 (Fed. Cir. 2014) (claims that “are squarely about creating a contractual relationship—a ‘transaction performance guaranty’” held as “directed to an abstract idea”); *Accenture Glob. Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1345 (Fed. Cir. 2013) (claims reciting “generalized software components arranged to implement an abstract concept [of generating insurance-policy-related tasks based on rules to be completed upon the occurrence of an event] on a computer” not patent eligible); *Bancorp Servs., L.L.C. v. Sun Life Assur. Co. of Can. (U.S.)*, 687 F.3d 1266, 1277 (Fed. Cir. 2012) (determining a “‘method for managing a life insurance policy comprising’ seven steps” is abstract).)

Nor has Appellant provided any factual basis in support of the contention that the Examiner “grossly oversimplif[ied] the abstract ideas identified in the cited court decisions.” (Reply Br. 4.)

We also do not find the claimed method includes additional elements that integrate the judicial exception into a practical application. While claim 12 recites a “payroll payment enrollment system” and a “database external to the payroll payment enrollment system,” these elements are recited as generic computer elements. We agree with the Examiner that

Figure 4 of the Appellant[’s] drawing[s] clearly indicate[] that the claims run on a generic computer device with a software to perform the functions of the claims. The specification paragraph 11 also indicates that the invention could be implemented in an exemplary computer system which is a generic computer system.

(Ans. 7.) We find nothing in the claim or the disclosure that indicates (1) a particular computer system architecture, (2) non-generic, non-routine, and non-conventional elements are used to perform the method, or (3) any kind of technological improvement. No particular machine is claimed, in that the disclosure refers only to use of “data collection/verification system 210,” “employment eligibility database 220,” and “bank customer identification database 230.” (Spec ¶¶ 28, 37–40; Figs. 2, 4.)

Nor does the claim recite an additional element or elements that reflect an improvement in the functioning of a computer, or an improvement to other technology or technical field. (*See* Non-Final Act. 8–10.) Rather, the disputed limitations are part of the abstract idea itself. (*See Alice*, 573 U.S. at 222 (“In holding that the process was patent ineligible, we rejected the argument that ‘implement[ing] a principle in some specific fashion’ will

‘automatically fal[l] within the patentable subject matter of § 101.’”
(alterations in original) (quoting *Parker v. Flook*, 437 U.S. 584, 593
(1978))).)

Accordingly, we determine the claim does not integrate the judicial exception into a practical application. (*See* Memorandum, Section III(A)(2) (Prong Two: If the Claim Recites a Judicial Exception, Evaluate Whether the Judicial Exception Is Integrated Into a Practical Application).) Nor do we find the claim includes a specific limitation or a combination of elements that amounts to significantly more than the judicial exception itself. (*See* Memorandum, Section III(B) (Step 2B: If the Claim Is Directed to a Judicial Exception, Evaluate Whether the Claim Provides an Inventive Concept); *see also Aatrix Software, Inc. v. Green Shades Software, Inc.*, 890 F.3d 1354, 1359 (Fed. Cir. 2018) (Moore, J., concurring) (“the ‘inventive concept’ cannot be the abstract idea itself”).) The remaining claim elements only recite generic computer components that are well-understood, routine, and conventional. (*See* Spec ¶¶ 28, 37–40; Figs. 2, 4; *Alice*, 573 U.S. at 212 (“merely requiring generic computer implementation fails to transform [the] abstract idea into a patent-eligible invention”).)

Accordingly, we agree with the Examiner that claim 12 is patent ineligible, as well as independent claims 13 and 14 not separately argued, and dependent claims 15–24 not separately argued. (*See* App. Br. 8–13.)

Second Issue

In finding that the combination of Hermann and Rosenfeld teaches or suggests the claim 14 limitation at issue, the Examiner relies on the disclosure of Hermann wherein employment eligibility is verified in a web-based system via the electronic completion of Form I-9 by automatically

processing work authorization documents and Social Security numbers, with results reported back to the hiring organization. (Non-Final Act. 12–13; Hermann Abstract, ¶¶ 3, 32, Figure 1.) The Examiner further relies on the disclosure of Rosenfeld whereby using a payroll account management module, an employee in a payroll system is associated with a direct deposit account, and the employee may divert funds from the deposit account into other accounts and have debit card access. (Rosenfeld 10:66–11:19; *see also* Fig. 1.)

Appellant argues that the

portion of Rosenfeld relied upon by the Examiner simply discloses a payroll account management module providing an employee with the option to divert funds from the deposit account (into which funds are deposited as a direct deposit paycheck) to other accounts of that employee.

(App. Br. 14.) Particularly, Appellant argues

Rosenfeld does not disclose receiving and capturing two different sets of data that are needed for different requirements, namely a legal requirement “that the eligibility of a person to work be verified” and a separate legal requirement “that the identity of a person opening an account be verified,” as recited, e.g., in claim 14, and that one set of data be stored on behalf of the first entity (i.e., the employer) and the other set of data be stored separately on behalf of the second entity (i.e., the financial institution).

(App. Br. 15.)

We are not persuaded by Appellant’s arguments. The Examiner finds, and we agree, that

[Rosenfeld] teaches elements regarding capture, at the third party system, a second set of data from the first set of data, the second set of data relating to the same subject and required for

collection by a second entity of the two entities under a second of the plural, different requirements that the identity of a person opening an account be verified

(Non-Final Act. 13 (citing Rosenfeld 10:66–11:19)) and that

the claimed invention is merely a combination of old elements [from the teachings of Hermann and Rosenfeld], and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

(Non-Final Act. 14.)

Appellant does not point to any evidence of record that the combination relied upon would be “uniquely challenging or difficult for one of ordinary skill in the art” or “represented an unobvious step over the prior art.” (*Leapfrog Enters., Inc. v. Fisher-Price, Inc.*, 485 F.3d 1157, 1162 (Fed. Cir. 2007) (citing *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 418–19 (2007)).) The Examiner’s findings are reasonable because the skilled artisan would “be able to fit the teachings of multiple patents together like pieces of a puzzle” because the skilled artisan is “a person of ordinary creativity, not an automaton.” (*KSR*, 550 U.S. at 420–21.) We are persuaded the claimed subject matter exemplifies the principle that “[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” (*KSR*, 550 U.S. at 416.)

Accordingly, we sustain the Examiner’s rejection of independent claim 14, as well as independent claims 12 and 13 commensurate in scope, and dependent claims 15–24 not separately argued. (*See App. Br.* 13–16.)

CONCLUSION

For the reasons stated above, we affirm

1. the non-statutory subject matter rejection of claims 12–24; and
2. the obviousness rejection of claims 12–24.

DECISION

The Examiner’s decision rejecting claims 12–24 under 35 U.S.C. § 101 is affirmed.

The Examiner’s decision rejecting claims 12–24 under 35 U.S.C. § 103 is affirmed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED