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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte UJIN CHANG, WILLIAM YOUNG,
GARY WILLIAMS, PETER HAZLEHURST, and
MATTHEW AMAN

Appeal 2018-003438
Application 11/857,123¹
Technology Center 3600

Before DEBRA K. STEPHENS, DANIEL J. GALLIGAN, and
DAVID J. CUTITTA II, *Administrative Patent Judges*.

STEPHENS, *Administrative Patent Judge*.

DECISION ON APPEAL
STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 21–24 and 26–30, which are all of the claims pending in the application. We have jurisdiction under 35 U.S.C. § 6(b). Claims 1–20 and 25 have been cancelled.

We AFFIRM.

¹ According to Appellants, the real party in interest is Yodlee.com, Inc. (App. Br. 2).

CLAIMED SUBJECT MATTER

According to Appellants, the claims are directed to a billing system in which billers create an electronic bill with payment instructions and the corresponding bill payment is deposited into multiple bank accounts according to percentages specified by the bill's payment instructions (Spec. 18:6–10, 19:13–14, Abstract). Claim 21, reproduced below, is representative of the claimed subject matter:

21. A system of computerized servers having a connection to the Internet, each storing and executing software providing structure and management of electronic deposits remitted from payers to billers comprising:

a first software routine executing from a computerized portal server providing a first interface accessible by the payers using computerized appliances connected to the Internet, said first interface enabling each one of the payers to register a plurality of personally owned financial accounts holding accessible funds for the payers and a second personalized interface enabling the billers, using computerized appliances connected to the Internet, to register a plurality of financial accounts, receiving deposits, and enabling the billers to create electronic bills including payment instructions to payers;

a second software routine executing from a main processing server generating a separate financial account identifier unique from and associated with actual financial account numbers of each one of the registered financial accounts owned by the payers and the billers, each of the financial account identifiers specifically matched directly to the actual financial account number of each of the registered financial accounts; and

a connection between the portal server, the main processing server and a data repository, said data repository storing information for the financial accounts registered and owned by the billers and the payers including said financial account identifiers and their respective actual financial account numbers;

wherein the electronic bills include the payment instructions enabled to automatically cause the distribution of received funds for the bill by indicating the account identifiers owned by the biller automatically creating a second payment instruction including directing a withdraw from the payers financial account and a deposit to two or more of the registered financial accounts owned by the billers, as identified in the electronic bills, said payers financial accounts also identified by the financial account identifiers received with the second payment instruction, and the payment instructions include assignments for each of a plurality of the account identifiers for the billers for said deposit including at least specific separate percentages of the deposit amount assigned to each of two or more of the plurality of the account identifiers for the billers, and the second software matches financial account numbers of the financial accounts in the data repository with the received financial account identifiers, the financial account identifier used in place of the actual financial account number in the second payment instruction wherein deposit amounts dictated by the percentages are deposited in each one of the financial accounts owned by the billers.

REJECTION

Claims 21–24 and 26–30 stand rejected under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter (Non-Final Act. 7–23).

Our review in this appeal is limited only to the above rejection and the issues raised by Appellants. Arguments not made are waived (*see* MPEP § 1205.02; 37 C.F.R. §§ 41.37(c)(1)(iv)).

Principles of Law

An invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter” (35 U.S.C. § 101).

However, the Supreme Court has long interpreted 35 U.S.C. § 101 to include

implicit exceptions: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable (*Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014)).

In determining whether a claim falls within an excluded category, we are guided by the Supreme Court’s two-step framework, described in *Mayo* and *Alice* (*id.* at 217–18 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 75–77 (2012))). In accordance with that framework, we first determine what concept the claim is “directed to” (*see id.* at 219 (“On their face, the claims before us are drawn to the concept of intermediated settlement, i.e., the use of a third party to mitigate settlement risk.”); *see also Bilski v. Kappos*, 561 U.S. 593, 611 (2010) (“Claims 1 and 4 in petitioners’ application explain the basic concept of hedging, or protecting against risk.”))).

Concepts determined to be abstract ideas, and thus patent-ineligible, include certain methods of organizing human activity such as fundamental economic practices (*Alice*, 573 U.S. at 219–20; *Bilski*, 561 U.S. at 611); mathematical formulas (*Parker v. Flook*, 437 U.S. 584, 594–95 (1978)); and mental processes (*Gottschalk v. Benson*, 409 U.S. 63, 69 (1972)). Concepts determined to be patent-eligible include physical and chemical processes, such as “molding rubber products” (*Diamond v. Diehr*, 450 U.S. 175, 192 (1981)); “tanning, dyeing, making waterproof cloth, vulcanizing India rubber, smelting ores” (*id.* at 184 n.7 (quoting *Corning v. Burden*, 56 U.S. 252, 267–68 (1853))); and manufacturing flour (*Benson*, 409 U.S. at 69 (citing *Cochrane v. Deener*, 94 U.S. 780, 785 (1876))). In *Diehr*, the claim at issue recited a mathematical formula, but the Supreme Court held that “[a] claim drawn to subject matter otherwise statutory does not become

nonstatutory simply because it uses a mathematical formula” (*Diehr*, 450 U.S. at 176; *see also id.* at 191 (“We view respondents’ claims as nothing more than a process for molding rubber products and not as an attempt to patent a mathematical formula”). Having said that, the Supreme Court also indicated that a claim “seeking patent protection for that formula in the abstract . . . is not accorded the protection of our patent laws, . . . and this principle cannot be circumvented by attempting to limit the use of the formula to a particular technological environment” (*id.* (citing *Benson and Flook*); *see, e.g., id.* at 187 (“It is now commonplace that an application of a law of nature or mathematical formula to a known structure or process may well be deserving of patent protection.”)).

If the claim is “directed to” an abstract idea, we turn to the second step of the *Alice* and *Mayo* framework, where “we must examine the elements of the claim to determine whether it contains an ‘inventive concept’ sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application” (*Alice*, 573 U.S. at 221 (quotation marks omitted)). “A claim that recites an abstract idea must include ‘additional features’ to ensure ‘that the [claim] is more than a drafting effort designed to monopolize the [abstract idea]’” (*id.* (quoting *Mayo*, 566 U.S. at 77)). “[M]erely requir[ing] generic computer implementation[] fail[s] to transform that abstract idea into a patent-eligible invention” (*id.*).

USPTO January 7, 2019 Revised Section 101 Memorandum

The USPTO published revised guidance on the application of § 101 (*see* 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg.

50 (Jan. 7, 2019 (“2019 Guidance”)). Under the 2019 Guidance, we first look 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, do we then look to whether the claim:

(3) adds a specific limitation beyond the judicial exception that is not “well-understood, routine, conventional” in the field (*see* MPEP § 2106.05(d)); or

(4) simply appends well-understood, routine, and conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception.

ISSUE

The Examiner concluded claims 21–24 and 26–30 are directed to patent-ineligible subject matter (Non-Final Act. 7–23). Appellants argue the invention as recited in claims 21–24 and 27–29 is directed to patent-eligible subject matter (App. Br. 6–8). Therefore, the issue presented by the arguments is whether the Examiner erred in concluding the invention as recited is patent-ineligible.

ANALYSIS

Appellants argue all pending claims as a group (*see* App. Br. 6–8). Accordingly, we address all pending claims as a group and we select independent claim 21 as representative of the claimed subject matter (*see* 37 C.F.R. § 41.37(c)(1)(iv)).

STEP 1

Section 101 provides that “[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title” (35 U.S.C. § 101). Representative independent claim 21 recites a system and, thus, is directed to a statutory class of invention within 35 U.S.C. § 101, i.e., a machine.

STEP 2A, Prong 1

Under Step 2A, Prong 1 of the Memorandum, we must determine whether the claims, being directed to statutory classes of invention, nonetheless fall within a judicial exception.

We agree with the Examiner’s determination that the claims recite an abstract idea, namely certain methods of organizing human activity, because the claims recite “the sending of bills to payer[s] and having the payers make deposits to billers[’] accounts in accordance with the biller[s’] instructions,” which the Examiner determines is a “**human activity** relating to commercial practices,” i.e., a commercial interaction (Non-Final Act. 10).

Appellants argue the Examiner erred by “not interpreting the creation of a new electronic bill, including embedded instructions, as claimed, as a

new instrument or tool created by software” (App. Br. 6). Appellants highlight that “the bill provides instructions for withdrawal and creating instruction[s] for the biller to negotiate payments associated with the bill to deposit (percentages [of payments]) into two or more accounts” (Reply Br. 3).

We are not persuaded. Appellants’ argument describes the use of an electronic bill, but that electronic bill is used to implement the commercial interaction identified by the Examiner. That is, although the commercial interaction is implemented using an electronic bill, the claims nonetheless recite a commercial interaction. In particular, the Examiner determines that the claims recite “sending . . . bills to payer[s] and having the payers make deposits to billers[’] accounts in accordance with the biller[s’] instructions” (Non-Final Act. 10) and enabling “a payee [to] be compensated in multiple accounts” (*id.* at 20). Supporting the Examiner’s determination, representative claim 21 recites, in part,:

- [a] payers . . . register a plurality of personally owned financial accounts holding accessible funds for the payers;
- [b] billers . . . register a plurality of financial accounts;
- [c] create . . . bills including payment instructions to payers;
- [d] a separate financial account identifier unique from and associated with actual financial account numbers of each one of the registered financial accounts owned by the payers and the billers, each of the financial account identifiers specifically matched directly to the actual financial account number of each of the registered financial accounts;
- [e] the payment instructions enabled to . . . cause the distribution of received funds for the bill by indicating the account identifiers owned by the biller . . . creating a second payment instruction including directing a withdraw from the payers financial account and a deposit to two or more of the registered financial accounts owned by the billers, as identified in the . . . bills, said payers

financial accounts also identified by the financial account identifiers received with the second payment instruction, and the payment instructions include assignments for each of a plurality of the account identifiers for the billers for said deposit including at least specific separate percentages of the deposit amount assigned to each of two or more of the plurality of the account identifiers for the billers, and . . . match[ing] financial account numbers of the financial accounts . . . with the received financial account identifiers, the financial account identifier used in place of the actual financial account number in the second payment instruction wherein deposit amounts dictated by the percentages are deposited in each one of the financial accounts owned by the billers.

(bracketed labels added). Those limitations reflect “commercial practices,” i.e., commercial interactions, in banking (Non-Final Act. 10). Limitations [a], [b], and [d] recite registering payer and biller financial accounts and associating the registered financial accounts with respective unique payer and biller account identifiers. Such processes establish ownership of financial accounts, and identifying the owner, or identifying the owner’s financial accounts, is a process part of a commercial interaction. Limitation [c] recites the creation of a bill with payment instructions, and limitation [e] details those payment instructions, specifically, that the bill payment will be deposited into different financial accounts at specific percentages using account identifiers. Providing a bill with particular payment instructions is a common practice in a commercial interaction. Further, making a payment, e.g., a deposit, into different accounts based on instructed percentages describes a common commercial interaction. For example, an employee can provide instructions for the employee’s salary deposit to be split between the employee’s checking account and the employee’s savings account. And, as described above, using an account identifier to identify the financial

accounts to withdraw money from or deposit money into is a process in a commercial interaction.

As such, the claims recite a system implementing a commercial interaction. Additionally, taking a payment and depositing that payment into multiple accounts can also be described as a fundamental economic principle because directing where, and how much, money is held is a long-standing economic practice. Both commercial interactions and fundamental economic principles are certain methods of organizing human activity, as identified in the 2019 Guidance. Therefore, we determine the claims recite an abstract idea.

STEP 2A Prong 2

Next, we determine whether the claims are directed to the abstract concept itself or whether the claims are instead directed to some technological implementation or application of, or improvement to, the recited concept, i.e., integrated into a practical application (*see, e.g., Alice*, 573 U.S. at 223, discussing *Diehr*, 450 U.S. at 175).

As discussed above, Appellants argue “the creation of a new electronic bill, including embedded instructions” is “a new instrument or tool created by software” and so is an “improvement of technology” (App. Br. 6–7; Reply Br. 2). Appellants further argue the “electronic bill” allows “separate instructions [to] be generated on the fly changing percentages and accounts for distributing each payment, which clearly advances the technology of bill generation and payment from a user’s computer” (App. Br. 8; Reply Br. 3–4).

We are not persuaded that Appellants' broadly claimed electronic implementation of a bill with payment instructions is an improvement to technology or otherwise integrates the abstract concept into a practical application. Rather, we agree with the Examiner's determination that the recited bill and associated payment instructions "cannot be seen to improve the performance of the computer system itself" (Ans. 8; Non-Final Act. 13). The claims broadly recite that the bill's payment instructions include information considered by the system, e.g., "separate percentages of the deposit amount assigned to each of two or more of the plurality of the account identifiers," and recite the results of those payment instructions, e.g., "automatically cause the distribution of received funds for the bill . . . to two or more of the registered financial accounts owned by the billers" and "deposit amounts dictated by the percentages are deposited in each one of the financial accounts owned by the billers." But that recitation of the information considered and the desired results is not particular to electronic billing technology such that the improvement is an improvement to electronic billing technology. Rather, the alleged improvement recited by the claims splits a payment into multiple identified accounts, which is an improvement to the abstract idea discussed above. Although Appellants argue that the bill includes "[e]mbedded software" (Reply Br. 3), claim 21 does not include limitations reciting that the claimed instructions are unique to software.

Furthermore, the improvements Appellants highlight, i.e., "separate instructions can be generated on the fly changing percentages and accounts for making a payment and distributing each payment" (App. Br. 8; Reply Br. 3-4), are not reflected in the claims. The claims only recite "including

payment instructions,” but do not recite that those instructions are changed, much less how the system provides “on the fly” changes.

Accordingly, the claims are not directed to a specific asserted improvement in computer technological implementation or otherwise integrated into a practical application and thus are *directed to* a judicial exception.

STEP 2B

Next, we determine whether the claims include additional elements that provide significantly more than the recited judicial exception, thereby providing an inventive concept (*Alice*, 573 U.S. at 218–219 (quoting *Mayo*, 566 U.S. at 72–73)).

We agree with the Examiner’s determination that the claims do not recite significantly more than the abstract idea itself because the claims do not recite “meaningful limitations beyond generally linking the use of an abstract idea to a particular technological environment” (Non-Final Act. 13). In particular, we agree with the Examiner that the claims “generically recite[] computer elements such as ‘servers[,]’ ‘Internet[,]’ ‘software[,]’ ‘portal server[,]’ and ‘main processing server[,]’” which are “routine in any computer implementation” (*id.* at 13) and perform generic computing functions (*id.* at 16–17). Indeed, the remaining claim limitations recited in claim 21, which are not part of the abstract idea discussed above, recite generic computing elements and functions, e.g., “a first software routine executing from a computerized portal server providing a first interface accessible by the payers using computerized appliances connected to the Internet,” “a second personalized interface,” “a second software routine

executing from a main processing server,” and “a connection between the portal server, the main processing server and a data repository, said data repository storing information for the financial accounts registered” (App. Br. § Claims)

The Specification supports the Examiner’s determination that those remaining limitations implement the claimed invention using generic computing elements performing generic computing functions. For example, the Specification describes that the processes recited are performed using generic computers, such as a “main processing server 110” (Spec. 6:17–19) and “a desktop computer 124 running an instance of browser software (BS) 126” (*id.* at 7:15–16). Further, the Specification describes that the interfaces for registering accounts “may be presented in any Web-based language interface like HTML, SHTML, XML, or other markup versions” (*id.* at 13:5–6). Still further, the Specification describes that data are stored in a “mass data repository 111” which can be “any one of a number of known types such as magnetic or optical storage, RAID array, or other storage facility” (*id.* at 6:26–29).

Furthermore, considering the claimed functions of the generic computing components as an ordered combination, we determine those computer functions are generic, routine, and conventional computer activities that are performed only for their conventional uses in an ordinary manner (*see Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014) (sequence of receiving, selecting, offering for exchange, display, allowing access, and receiving payment recited an abstraction); *see also In re Katz Interactive Call Processing Patent Litigation*, 639 F.3d 1303, 1316 (Fed. Cir. 2011) (“Absent a possible narrower construction of the terms

‘processing,’ ‘receiving,’ and ‘storing,’ . . . those functions can be achieved by any general purpose computer without special programming.’)). The claimed ordering of the steps therefore is ordinary and conventional. We thus conclude the claims do not provide an inventive concept because the additional elements recited in the claims do not provide significantly more than the recited judicial exception.

Additionally, Appellants’ argument that the claims “do[] not preempt all applications of the exception” does not persuade us that the claims are directed to patent-eligible subject matter (App. Br. 8; Reply Br. 4). Although preemption is characterized as a driving concern for patent eligibility, preemption itself is not the test for patent eligibility. Rather, “[w]hile preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility” (*Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015)). Where claims are deemed to recite only patent-ineligible subject matter under the *Alice* analysis, as they are here, “preemption concerns are fully addressed and made moot” (*id.*).

Accordingly, the claims do not recite patent-eligible subject matter. Appellants argue the claims as a group and so we sustain the rejection of claims 21–24 and 26–30 under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter.

DECISION

The Examiner’s rejection of claims 21–24 and 26–30 under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter is affirmed.

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Application 11/857,123

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) (*see* 37 C.F.R. § 41.50(f)).

AFFIRMED