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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte* BEJOY MATHEW

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Appeal 2018-003454  
Application 14/166,115<sup>1</sup>  
Technology Center 3600

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

STEPHENS, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant appeals under 35 U.S.C. § 134(a) from a final rejection of claims 1–7, 9–14, 16–21, which are all of the claims pending in the application. We have jurisdiction under 35 U.S.C. § 6(b). Claims 8 and 15 have been cancelled.

We AFFIRM.

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<sup>1</sup> According to Appellant, the real party in interest is MASTERCARD INTERNATIONAL INCORPORATED (App. Br. 2).

### CLAIMED SUBJECT MATTER

According to Appellant, the claims are directed to systems and methods “to facilitate consideration of assets other than a customer’s current cash and available credit amounts” for a purchase (Spec. 3:2–15). Claim 1, reproduced below, is representative of the claimed subject matter:

1. A method, comprising:

providing an asset confirmation platform including a business rules and logic database;

determining a purchase cannot be completed based on the cash and credit funds provided by a customer to a remote merchant device, where the cash and credit is only enough to partially pay for the purchase;

receiving, at the asset confirmation platform, transaction information about the purchase being made by the customer directly from the remote merchant device;

triggering the asset confirmation platform to automatically determine a monetary value of at least one asset owned by the customer in response to the received transaction information;

determining at least one business rule or logic, by the asset confirmation platform, to apply to the determined monetary value of the at least one asset;

applying, via a computer processor of the asset confirmation platform, the determined at least one business rule or logic to the determined monetary value of the at least one asset owned by the customer;

determining whether the monetary value of the at least one asset satisfies the determined at least one of the one or more business rules and logic; and

transmitting, by the asset confirmation platform at least to the merchant, an indication associated with the monetary value of the at least one asset to provide information on whether the purchase can be completed additionally using said at least one asset.

## REJECTION

Claims 1–7, 9–14, and 16–21 stand rejected under 35 U.S.C. § 101 as directed to patent-ineligible subject matter (Final Act. 3–6).

### *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 recently published revised guidance on the application of § 101 (*see* 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50 (Jan. 7, 2019 (“Memorandum”))). Under the Memorandum 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

*35 U.S.C. § 101: Claims 1–7, 9–14, and 16–21*

The Examiner concluded claims 1–7, 9–14, and 16–21 are directed to patent-ineligible subject matter (Final Act. 3–6). Appellant argues the invention as recited in claims 1–7, 9–14, and 16–21 is directed to patent-eligible subject matter (App. Br. 5–11). Therefore, the issue presented by the arguments is whether the Examiner erred in concluding the invention as recited is patent-ineligible.

## ANALYSIS

Appellant argues all pending claims as a group (*see* App. Br. 5–11). Accordingly, we address all pending claims as a group and we select independent claim 1 as representative of the claimed subject matter (*see* 37 C.F.R. § 41.37(c)(1)(iv)(2017)).

### 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). We determine that independent claim 1 recites a method, independent claim 11 recites a non-transitory computer-readable medium, and independent claim 17 recites a system. As such, the claims are directed to statutory classes of invention within 35 U.S.C. § 101, i.e., methods, manufactures, and machines.

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,” which include “fundamental economic practice[s]” (Final Act. 3–4).

Referring to part of the Examiner’s discussion at page 3 of the Final Office Action, Appellant argues the Examiner’s determination “overgeneraliz[es] the claim and simplif[ies] it into its ‘gist’ or core principles” (App. Br. 8 (emphasis omitted)).

Contrary to Appellant’s argument, however, the Examiner inspected the claims and determined the claims recite “a series of behavioral activities including receiving data, determining monetary value, and transmitting the monetary value, which, when viewed individually and in combination, constitute an abstract idea of certain methods of organizing human activity” (Final Act. 4; *see* Ans. 3). An inspection of the claims supports the Examiner’s determination.

For example — putting aside the computing components recited in the claim, which we consider at a later step, e.g., “an asset confirmation platform including a business rules and logic database,” “a computer processor of the asset confirmation platform,” and a “a remote merchant device” — claim 1 recites a process of: (1) “determining a purchase cannot be completed based on the cash and credit funds provided by a customer to a remote merchant device, where the cash and credit is only enough to partially pay for the purchase,” (2) “receiving . . . transaction information

about the purchase being made by the customer directly from the remote merchant device,” (3) “determin[ing] a monetary value of at least one asset owned by the customer in response to the received transaction information,” (4) “determining at least one business rule or logic . . . to apply to the determined monetary value of the at least one asset,” (5) “applying . . . the determined at least one business rule or logic to the determined monetary value of the at least one asset owned by the customer,” (6) “determining whether the monetary value of the at least one asset satisfies the determined at least one of the one or more business rules and logic,” and (7) “transmitting . . . to the merchant, an indication associated with the monetary value of the at least one asset to provide information on whether the purchase can be completed additionally using said at least one asset.” Those claim limitations, under their broadest reasonable interpretations, recite a typical process of aggregating various financial resources, i.e., things of value, a buyer has in order to make a purchase from a seller.

For example, claim limitation (1) determines that a buyer does not have sufficient cash and credit financial resources to make a purchase from a seller, a typical calculation when making a purchase. Claim limitations (2) – (4) recite a process to value additional financial resources, e.g., “assets” such as stocks, bonds, real estate, etc. (Spec. 6:20–27), which can be pooled to complete the purchase; it is typical to consider all possible funds that can be used to pay for an item. Claim limitations (5) – (6) broadly recite a process to determine that the value of the additional resources is adequate to fund a purchase; ensuring that a buyer has enough resources to make a purchase after considering all potential sources of value is a typical consideration when making a purchase. Claim limitation (7) recites a

process which notifies the seller that the buyer has enough combined resources to make a purchase, which is information a seller would typically want to know before completing a sale. As such, the claims recite a procedure to aggregate resources in order to complete a purchase and to gather resources to fund the purchase, which is a fundamental economic activity (*see Credit Acceptance Corp. v. Westlake Servs.*, 859 F.3d 1044, 1054 (Fed. Cir. 2017) (“the abstract idea of processing an application for financing a purchase”) (citations omitted)). Accordingly, we conclude the claims recite a fundamental economic practice, which is one method of organizing human activity identified in the Memorandum, and thus, 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).

The Examiner determines the claims do not recite an “[i]mprovement to another technology or technical field,” “[i]mprovements to the functioning of the computer itself,” the use of “a particular machine,” “a transformation or reduction of a particular article to a different state or thing,” or any “[o]ther meaningful limitations beyond generally linking the use of an abstract idea to a particular technological environment” (Final Act. 4–5).

Appellant argues “the claims are clearly focused on a specific asserted technological improvement” and “solve[] the technical problem of limiting a user’s transaction power based on available cash and credit amounts” (App. Br. 8–9). Appellant further argues the claims “recite specific steps to accomplish the desired result (i.e., determine, via the asset confirmation platform, whether a monetary value of assets other than cash and credit satisfy a rule and increase a user’s transactional power)” (Reply Br. 2–3).

We are not persuaded by Appellant’s argument that the claims provide a technological improvement or solve a technological problem (App. Br. 8–9). As an initial matter, Appellant has not articulated any particular technological improvement provided by the claims (*see id.*). Moreover, Appellant’s Specification describes that the invention solves the problem where a

customer thinking about making a purchase from a merchant will typically consider his or her current cash . . . and an amount of credit that is readily available . . . . If the cost of the transaction is greater than, or even constitutes a substantially large portion of, his or her overall cash and available credit amounts, the customer may be unlikely to complete the transaction (Spec. 3:1–8). The Specification then describes that the solution to that problem is “to facilitate consideration of assets other than a customer’s current cash and available credit amounts” (*id.* at 3:14–15). That is, the Specification has described a problem in funding a purchase, and the solution proposed by the Specification is to use additional funding sources for the purchase. Neither the problem nor the solution is directed to technology, rather, the problem and the solution are financial problems and solutions—e.g., if a buyer does not have enough money to make a purchase,

the buyer can sell some possession to then have enough money to make the purchase.

Further, Appellant’s argument that the claims recite technology-improving subject matter similar to the subject matter found patent-eligible in *Trading Techs. Int’l, Inc. v. CQG, INC.* (675 F. App’x 1001, 1004 (Fed. Cir. 2017)) is unpersuasive (Reply Br. 2). In *Trading Techs.*, the Federal Circuit found that “the claimed graphical user interface method imparts a specific functionality to a trading system” and therefore was “directed to a specific improvement to the way computers operate” (*Trading Techs.* 675 F. App’x at 1006). Here, the claims are not directed to the functioning of a graphical user interface in a trading system, or any other particular computer function or system. Rather, as discussed above, the claims recite a process for aggregating resources to complete a purchase.

Furthermore, contrary to Appellant’s argument that the claims recite “specific steps to accomplish the desired result” (Reply Br. 2–3 (citing *Finjan, Inc. v. Blue Coat Sys., Inc.*, 879 F.3d 1303 (Fed. Cir. 2018))), the claims are so broadly “drafted in such a result-oriented way that they amounted to encompassing the ‘principle in the abstract’ no matter how implemented” (*Interval Licensing LLC v. AOL, Inc.*, 896 F.3d 1335, 1343 (Fed. Cir. 2018)). For example, claim limitation (3) merely recites “determin[ing] a monetary value of at least one asset,” but does not explain how that monetary value is actually calculated or what particular steps are taken to calculate the monetary value. Similarly, claim limitation (6) merely recites “determining whether the monetary value of the at least one asset satisfies the determined at least one of the one or more business rules and logic,” but does not explain how the business rules and logic are satisfied

and what particular steps are taken to determine their satisfaction. As such, the claims fail to “embody a concrete solution to a problem having ‘the specificity required to transform a claim from one claiming only a result to one claiming a way of achieving it’” (*id.* (citing *SAP Am., Inc. v. InvestPic, LLC*, 890 F.3d 1016, 1021–22 (Fed. Cir. 2018))).

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)).

The Examiner determines the claims do not recite significantly more than the abstract idea itself because “the elements involved in the recited process undertake their roles in performance of their activities according to their generic functionalities which are well-understood, routine and conventional” (Final Act. 5–6).

Appellant argues “the specific ordered combination of the claimed features is not well-known, as there are no pending other rejections except for § 101” (App. Br. 10). Appellant further argues the Examiner “falls far short of the required explanation of why the elements taken individually and in combination do not amount to a claim as a whole that is significantly more than the abstract idea” (*id.* (emphasis omitted)).

As to Appellant’s argument that the ordered combination of elements is not well-known because “there are no pending other rejections except for § 101” (App. Br. 10), our reviewing court has determined that it is not enough “for subject-matter eligibility that claimed techniques be novel and nonobvious in light of prior art, passing muster under 35 U.S.C. §§ 102 and 103” (*SAP Am.* 898 F.3d at 1163).

Furthermore, we agree with the Examiner’s finding that the recited steps are well-understood, routine, and conventional computing functions, all performed by a generic computing device (Final Act. 5–6). For example, the remaining claim limitations of claim 1, not reciting the fundamental economic practice discussed above, recite a number of generic computing components, i.e., “an asset confirmation platform including a business rules and logic database,” “a computer processor of the asset confirmation platform,” and a “a remote merchant device.” The Specification confirms that those computing elements are generic computing components. For example, the Specification states that “the embodiments described herein may be implemented using any number of different hardware configurations,” e.g., the “asset confirmation platform 800 comprises a processor 810, such as one or more commercially available Central Processing Units” (Spec. 10:3–7; *see* Spec. 10:9–11:16). Furthermore, the claims recite that those generic computing components perform generic computer functions, e.g., analyzing information to make determinations and transmitting and receiving data. But, “[a]ppending rote conventional activity in this way to an abstract idea does not amount to an inventive concept” (*Interval Licensing*, 896 F.3d at 1348).

Still further, when considered as an ordered combination and even assuming some computing device performs the recited processes, the claims only recite a conventionally ordered series of generic and conventional computing steps. For example, claim 1 recites a series of broadly recited information analysis processes resulting in the transmission of the result of the analysis, as discussed above. In this particular case, the broadly claimed sequence of information analysis and output, which focuses on the result rather than the technical details of its implementation is generic and conventional and is similar to language otherwise held to be abstract (*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)). 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, Appellant's argument that the claims "cannot reasonably be seen to risk pre-empting the alleged abstract idea" does not persuade us that the claims are directed to patent-eligible subject matter (App. Br. 10). 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

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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. Appellant argues the claims as a group and so we sustain the rejection of claims 1–7, 9–14, and 16–21 under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter.

#### DECISION

The Examiner’s rejection of claims 1–7, 9–14, and 16–21 under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter 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). *See* 37 C.F.R. § 41.50(f).

AFFIRMED