UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
14/538,512	11/11/2014	James Roskind	00008-0262-01000	1072

114629	7590	02/27/2020
Bookoff McAndrews		
2020 K Street, NW		
Suite 400		
Washington, DC 20006		

EXAMINER
LIU, CHIA-YI

ART UNIT	PAPER NUMBER
3695	

NOTIFICATION DATE	DELIVERY MODE
02/27/2020	ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

Kross@bomcip.com
eofficeaction@appcoll.com
usptomail@bomcip.com

PTOL-90A (Rev. 04/07)

UNITED STATES PATENT AND TRADEMARK OFFICE

————————

BEFORE THE PATENT TRIAL AND APPEAL BOARD

————————

Ex parte JAMES ROSKIND

————————

Appeal 2018-004679
Application 14/538,512
Technology Center 3600

————————

Before JASON V. MORGAN, ERIC B. CHEN, and HUNG H. BUI,
Administrative Patent Judges.

CHEN, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Pursuant to 35 U.S.C. § 134(a), Appellant[1] appeals from the Examiner's decision to reject claims 35–41, 43–51, 53, and 54. Claims 1–34, 42, and 52 have been cancelled. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

CLAIMED SUBJECT MATTER

The claims are directed to constructing and using a smart wallet, which is a repository of payment instruments with automatic selection, when making a purchase in an online environment. (Abstract.)

Claim 35, reproduced below, is illustrative of the claimed subject matter, with bracketing added and with disputed limitations in italics:

> 35. A method for automatically selecting a payment instrument in an online environment including a smart wallet application storing information about one or more payment instruments held by a user, the stored information comprising a number of and types of available payment instruments of the user, discount and incentive information from manufacturers, discount and incentive information from financial instrument companies and a predetermined priority with which to rank the user's payment instruments, the method comprising the following operations performed by one or more processors:
>
> [i] receiving, from a web browser of the user, data representing an indication from the user to make a purchase transaction for a plurality of products or services from at least one merchant;

---

[1] We use the word "Appellant" to refer to "Applicant" as defined in 37 C.F.R. § 1.42(a). Appellant identifies the real party in interest as Oath Inc. (Appeal Br. 3.)

[ii] receiving, by the smart wallet application, purchase transaction information from a merchant application identifying the purchase transaction and a listing of payment instruments accepted by the at least one merchant;

[iii] automatically processing, by the smart wallet application, the purchase transaction information to:

determine which of the user's stored payment instruments are accepted by the at least one merchant;

determine, for the determined user's stored payment instruments that are accepted by the at least one merchant, a ranking based on the predetermined priority;

[iv] *automatically select, based on the ranking, the highest rank payment instrument from the stored payment instruments*;

[v] *determine, based on information received from financial instrument companies, that the highest rank payment instrument is the only instrument to provide a discount for the purchase of the plurality of products or services*;

[vi] *provide, to the web browser to the user, a recommendation to bundle the purchase of the plurality of products or services with the highest rank payment instrument*; and

[vii] charge, responsive to an approval from the web browser of the user, the bundled purchase to the highest rank payment instrument.

REFERENCES

Name	Reference	Date
Mahaffey	US 2003/0195773 Al	Oct. 16, 2003
Krajec	US 2003/0200157 A1	Oct. 23, 2003
Iannacci	US 2002/0062249 A1	May 23, 2002
Yun et al.	US 2002/0069122 A1	June 6, 2002
Banerjee et al.	US 2002/0188503 A1	Dec. 12, 2002
Silva et al.	US 2001/0034658 A1	Oct. 25, 2001

REJECTIONS

Claims 35–41, 43–51, 53, and 54 stand rejected under 35 U.S.C. § 101 as directed to patent-ineligible subject matter.

Claims 35–41, 43–51, 53, and 54 stand rejected under 35 U.S.C. § 112(a) as failing to comply with the written description requirement.

Claims 35–41, 43–51, 53, and 54 stand rejected under 35 U.S.C. § 112(b) as indefinite for failing to particularly point out and distinctly claim the subject matter which the inventor or a joint inventor regards as the invention.

Claims 35, 36, 39–41, 43–46, 49–51, 53, and 54 stand rejected under 35 U.S.C. § 103 as being unpatentable over Iannacci, Krajec, Silva, and Mahaffey.

Claims 37, 38, 47, and 48 stand rejected under 35 U.S.C. § 103 as being unpatentable over Iannacci, Krajec, Silva, Mahaffey, and Yun.

Claims 35, 36, 39–41, 43–46, 49–51, 53, and 54 stand rejected under 35 U.S.C. § 103 as being unpatentable over Iannacci, Banerjee, Silva, and Mahaffey.

Claims 37, 38, 47, and 48 stand rejected under 35 U.S.C. § 103 as being unpatentable over Iannacci, Banerjee, Silva, Mahaffey, and Yun.

OPINION

§ 101 Rejection

We are unpersuaded by Appellant's arguments (Appeal Br. 11–14; *see also* Reply Br. 9–13) that independent claims 35 and 45 are directed to patent-eligible subject matter under 35 U.S.C. § 101.

The Examiner determined that

> [t]hese [recited] steps describe the concept of making [a] selection based on stored information[,] provid[ing] [a] recommendation[,] and charg[ing a] bundled purchase based on [a] ranking, which corresponds to concepts identified as abstract ideas by the courts, such as collecting information, analyzing it and displaying certain results of the collection and analysis (Electric Power Group)

(Final Act. 3; *see also* Ans. 4.) Moreover, the Examiner determined that "[t]he use of generic computer components (web browser and applications) to receive, notify, process, determine, select and charge based on human instructions does not impose any meaningful limit on the computer implementation of the abstract idea." (Final Act. 4; *see also* Ans. 4.) We agree with the Examiner's determinations and ultimate conclusion that the claims are directed to patent-ineligible subject matter.

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. *E.g.*, *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 Alice*, 573 U.S. 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, 67 (1972)). Concepts determined to be patent eligible include physical and chemical processes, such as "molding rubber products" (*Diamond v. Diehr*, 450 U.S. 175, 191 (1981)); "tanning, dyeing, making water-proof cloth, vulcanizing India rubber, smelting ores" (*id.* at 182 n.7 (quoting *Corning v. Burden*, 56 U.S. 252, 267–68 (1854))); 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.* at 191 (citing *Benson* and *Flook*); *see also, 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 (citation 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.*

Last year the PTO published revised guidance on the application of § 101. USPTO's 2019 REVISED PATENT SUBJECT MATTER ELIGIBILITY GUIDANCE, 84 Fed. Reg. 50 (Jan. 7, 2019); *see also* USPTO, *October 2019 Update: Subject Matter Eligibility*, 84 Fed. Reg. 55942 (Oct. 17, 2019). Under that 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) (9th ed. 2019)).

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 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 84 Fed. Reg. 56.

*Are the claims at issue directed
to a patent-ineligible concept?*

Step One

Claim 35 is a method claim, which falls within the "process" category of 35 U.S.C. § 101. Likewise, claim 45 is an apparatus claim, which falls within the "machine" category of 35 U.S.C. § 101. Therefore, claims 35 and 45 fall within one of the four statutory categories of patentable subject matter identified by 35 U.S.C. §101.

Although claims 35 and 45 fall within the statutory categories, we must still determine whether the claims are directed to a judicial exception, namely an abstract idea. *See Alice*, 573 U.S. at 216. Thus, we must determine whether the claims recite a judicial exception and whether the exception is integrated into a practical application. *See* 84 Fed. Reg. at 52–55. If a claim recites a judicial exception without integrating the judicial

exception into a practical application, the claim is directed to a judicial exception under the first step of the *Alice/Mayo* test. *See id.*

Step 2A, Prong One

Independent claim 35 recites the following limitations: "[i] receiving . . . data representing an indication from the user to make a purchase transaction for a plurality of products or services from at least one merchant," "[ii] receiving . . . purchase transaction information from a merchant . . . identifying the purchase transaction and a listing of payment instruments accepted by the at least one merchant,"

> [iii] processing . . . the purchase transaction information to: determine which of the user's stored payment instruments are accepted by the at least one merchant; determine, for the determined user's stored payment instruments that are accepted by the at least one merchant, a ranking based on the predetermined priority

"[iv] select, based on the ranking, the highest rank payment instrument from the stored payment instruments," "[v] determine, based on information received from financial instrument companies, that the highest rank payment instrument is the only instrument to provide a discount for the purchase of the plurality of products or services," and "[vi] provide . . . a recommendation to bundle the purchase of the plurality of products or services with the highest rank payment instrument."

Such limitations of claim 35 recite a patent-ineligible abstract idea of mental processes, such as collecting and analyzing information. *See e.g., Elec. Power Grp.*, 830 F.3d at 1354 ("[t]he advance they purport to make is a process of gathering and analyzing information of a specified content, then

displaying the results, and not any particular assertedly inventive technology for performing those functions.").

Alternatively, the limitations of claim 35 recite a patent-ineligible abstract idea of mental processes because these limitations can be performed either by human thought alone, by a human using pen and paper, or by humans without a computer. *See CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1372–73 (Fed. Cir. 2011) ("[U]npatentable mental processes" include "steps [that] can be performed in the human mind, or by a human using a pen and paper."); *see also Mortg. Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1324 (Fed. Cir. 2016) ("The series of steps covered by the asserted claims . . . could all be performed by humans without a computer."). In particular, a consumer could have three separate credit card accounts: (i) a gasoline credit card that offers rewards for only gasoline purchases; (ii) a grocery credit card that offers rewards for only grocery purchases; and (iii) a specialty retail credit card that offers rewards for purchase from only a specific retailer. Depending upon the purchase (e.g., gas, groceries, or items from the specific retailer), the consumer would perform the mental steps of ranking the different credit cards based on rewards. For example, for a grocery purchase, the consumer would mentally select the grocery credit card, after determining that such credit card is accepted by the grocer. In another example, if the consumer were purchasing gas and other items from the specific retailer, the consumer may choose to use the specialty retail credit card for both purchases.

Accordingly, claim 35 recites a judicial exception. Claim 45, a corresponding apparatus claim, recites limitations similar to those discussed with respect to claim 35. Thus, claim 45 also recites a judicial exception.

Step 2A, Prong Two

Because claims 35 and 45 recite a judicial exception, we next determine if the claims recite additional elements that integrate the judicial exception into a practical application.

The preamble of claim 35 recites "a payment instrument in an *online environment* including a *smart wallet application* storing information" (emphases added). Claim 35 further recites the following limitations: "[i] receiving, *from a web browser of the user*, data representing an indication from the user to make a purchase transaction," "[ii] receiving, *by the smart wallet application*, purchase transaction information *from a merchant application*," "[iii] automatically processing, *by the smart wallet application*, the purchase transaction information," and "[vi] provide, *to the web browser to the user*, a recommendation."

The recited additional elements, including "online environment," "smart wallet application," "web browser," and "merchant application" are merely a tools for performing the recited abstract idea. *See Affinity Labs v. DirecTV*, 838 F.3d 1253, 1262 (Fed. Cir. 2016) ("[T]he claims are directed not to an improvement in cellular telephones but simply to the use of cellular telephones as tools in the aid of a process focused on an abstract idea.").

Moreover, claim 35 further recites "[vii] charge, responsive to an approval from the web browser of the user, the bundled purchase to the highest rank payment instrument." Such limitation merely adds insignificant extra-solution activity to the judicial exception. *See Flook*, 437 U.S. at 590 ("The notion that post-solution activity, no matter how conventional or

obvious in itself, can transform an unpatentable principle into a patentable process exalts form over substance").

Accordingly, claim 35 does not recite additional elements that integrate the judicial exception into a practical application. Claim 45 recites similar additional limitations.

Is there something else in the claims
that ensures that they are directed to significantly
more than a patent ineligible concept?

Step 2B

Because claims 35 and 45 are directed to a judicial exception, we next determine, according to *Alice*, whether these claims recite an element, or combination of elements, that is enough to ensure that the claim is directed to significantly more than a judicial exception.

Claim 35 is a method claim, which includes the additional elements of an "online environment," a "smart wallet application," a "web browser," and a "merchant application." Claim 45, an apparatus claim, recites similar limitations.

With respect to the claimed additional elements, Appellant's Specification discloses the following:

> *Online purchases have become a viable and widely-used environment for consumers to shop.* Typically, a consumer goes to the World Wide Web (Web) site of a particular merchant to browse items available for purchasing or to find a particular item. Once an item is found, the consumer then proceeds to purchase that item by entering payment and shipping information to the merchant's Web site. The merchant's Web site manages the transaction and, upon confirmation, informs the consumer that the item is on its way.

(Spec. 1:15–22 (emphasis added).)

> Fig. 1 is a high level, simplified schematic diagram of the main components and their interactions according to one embodiment of the invention. A user 100 decides to purchase a product or service online from a merchant's application display 110 including products and services. For example, the user 100 could be browsing the merchant's Web page and clicks the appropriate button, link, etc. to indicate a purchase is desired. The merchant 110 receives the message from the user 100 of the desire to purchase the item. Accordingly, the merchant proceeds to obtain funds for the item. *The merchant then messages the user's pre-established account (smart wallet) application 120 giving information about the item purchased, as well as indicating to the smart wallet that the user requests purchasing the item.*

(Spec. 11:8–18 (emphasis added).)

> It should be appreciated that the term smart wallet is used in the discussion to mean any of, but not limited to, smart wallet application, smart payment instrument selection, smart financial instrument selection, a repository of payment instruments with automatic selection, and the like. Likewise, the term merchant is used interchangeably herein with merchant application, in the appropriate context.

(Spec. 11:1–6.)

The generalized functional terms by which the additional elements are described reasonably indicate that Appellant's Specification discloses: (i) a conventional online environment (e.g., online purchases made using a merchant Website); (ii) a conventional "smart wallet" application,[2] which

---

[2] One relevant technical definition of "application" is "[a] program designed to assist in the performance of a specific task, such as word processing, accounting, or inventory management." MICROSOFT® COMPUTER DICTIONARY 31 (5th ed. 2002).

performs the specific task of payment instrument selection; (iii) a conventional web browser, which permits a user to access a merchant's Web site; and (iv) a conventional "merchant" application, which performs the specific task of allowing users to purchase products or services online.

Moreover, Figure 1 of Appellant's Specification illustrates a simplified schematic diagram of user 100, merchant 110, and smart wallet 120, such that when user 100 browses on the merchant's Web page and purchases an item, smart wallet 120 processes the information about the item from merchant 110 and generates a prioritized list of the user's payment instruments. (Spec. 9:13–15). In other words, Appellant's Figure 1 illustrates that merchant 110, smart wallet 120, and the Web page function cooperatively as an ordered combination.

Nonetheless, even in view of Appellant's Specification, the claimed additional elements, considered as an ordered combination that includes an "online environment," "smart wallet application," "web browser," and "merchant application," are simply generic, purely conventional elements.

Thus, claims 35 and 45 are generic, purely conventional computer elements intended to perform generic computer functions, rather than to improve computer capabilities.

First, Appellant argues that

> [t]he Office Action asserts that the claims are directed to concepts such as "comparing new and stored information and using rules to identify options," "intermediate settlement," and "processing information through a clearinghouse." The Office Action provides no plausible support or evidence for these assertions. Indeed, these assertions are incorrect and contrary to the language of the claims. Instead, Applicant's claims are rooted in technology and employ unconventional techniques for

> automatically selecting payment instruments to enable transactions for a user in an online environment.

(Appeal Br. 11 (emphases omitted); *see also* Reply Br. 9.) Contrary to Appellant's arguments, the Examiner has identified the appropriate judicial exception of "metal processes" and the Examiner has compared the claimed concepts of independent claim 35 to the appropriate Federal Circuit decision (i.e., *Electric Power Group*). Accordingly, the Examiner has met the burden of a general prima facie notice requirement. *See In re Jung*, 637 F.3d 1356, 1363 (Fed. Cir. 2011) ("[A]ll that is required of the [Patent] [O]ffice to meet its prima facie burden of production is to set forth the statutory basis of the rejection and the reference or references relied upon in a sufficiently articulate and informative manner as to meet the notice requirement of [section] 132."). Moreover, Appellant is improperly conflating part one of the *Alice* test with part two of the *Alice* test, which includes consideration of an element or combination of elements to determine if the claim recites "additional features."

Second, Appellant argues that the "claims are not directed to an abstract idea because they do not threaten to monopolize or 'pre-empt' any abstract idea." (Appeal Br. 12; *see also* Reply Br. 10–11.) Although "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 two-step Alice analysis, as they are here, "preemption concerns are fully addressed and made moot." *Id.*

Third, Appellant argues

the claims solve a problem grounded in software and network
based technology, and the problem would not be relevant but for
computerized systems operating over an electronic network. In
addition, as discussed on page 8 of Appellant's Specification,
various improvements can be realized from the claimed
combination of elements, including, the ability to "automatically
store, track, and manage a user's coupons, discounts,
promotional offerings," and "provide value to a user by
suggesting the best payment instrument that can save the user
money."

(Appeal Br. 13–14; *see also* Reply Br. 11–12.) However, Appellant has not

adequately explained why the claim "purport[s] to improve the functioning

of the computer itself" or "any other technology or technical field." *Alice*,

573 U.S. at 225. In particular, Appellant has not explained why the ability

to "automatically store, track, and manage a user's coupons, discounts,

promotional offerings," which is related to marketing and advertising,

improves the function of a computer or other technology.

Fourth, Appellant argues that: (i) "the claims are patentable over the

technology described in the prior art, and thus by definition include

limitations other than what is well-understood, routine and conventional in

the field"; and (ii) "Appellant's claims are neither anticipated nor rendered

obvious by the prior art of record – which cuts against the assertion that the

claims recite well-understood, routine, and conventional concepts." (Appeal

Br. 14; *see also* Reply Br. 12.) However, Appellant improperly conflates the

requirements for eligible subject matter with the independent requirements

of novelty and non-obviousness. "The 'novelty' of any element or steps in a

process, or even of the process itself, is of no relevance in determining

whether the subject matter of a claim falls within the § 101 categories of

possibly patentable subject matter." *Diehr*, 450 U.S. at 188–89.

Last, Appellant argues that "the claims are unambiguously tied to network and computer technology [as in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257 (Fed. Cir. 2014)] that solves a 'problem specifically arising in the realm of' computerized solutions for automatically selecting a payment instrument in an online environment including a smart wallet application." (Appeal Br. 14; *see also* Reply Br. 12–13.) Similarly, Appellant argues that "[a]s with the claimed technology in *DDR Holdings*, the above elements of claim 35 yield a 'result that overrides the routine and conventional sequence of events,' to address a technical problem of which there is no 'conventional' counterpart." (*Id.* at 15.) However, as discussed previously, Appellant has not explained why the collecting, analyzing, and routing data related to managing transactions or financing, is necessarily rooted in or improves the function of a computer or other technology.

Thus, we agree with the Examiner that claims 35 and 45 are directed towards patent-ineligible subject matter.

Accordingly, we sustain the rejection of independent claims 35 and 45 under 35 U.S.C. § 101. Claims 36–41, 43, 44, 46–51, 53, and 54 depend from claims 35 and 45, and Appellant has not presented any additional substantive arguments with respect to these claims. Therefore, we sustain the rejection of 36–41, 43, 44, 46–51, 53, and 54 under 35 U.S.C. § 101, for the same reasons discussed with respect to independent claims 35 and 45.

§ 112(a) Rejection

We are persuaded by Appellants' arguments (Appeal Br. 17) that the limitations "providing, to the web browser of the user, a recommendation to bundle the purchase of the plurality of products or services with the highest

rank payment instrument" and "charge, responsive to an approval from the web browser of the user, the bundled purchase to the highest rank payment instrument," as recited in independent claim 35, comply with the written description requirement under 35 U.S.C. § 112(a).

> The Examiner found that

> the limitation "providing, to the web browser of the user, a recommendation to bundle the purchase of the plurality of products or services with the highest rank payment instrument["] and ["]charge, responsive to an approval from the web browser of the user, the bundled purchase to the highest rank payment instrument" is new matter not described in the Specification.

(Final Act. 5 (emphases omitted).) In particular, the Examiner found that the "[r]ecommendation to 'split' purchase based on two discounts from two instruments is not the same as recommendation to 'bundle' purchase when only one instrument provides a discount" and "independent claims [35 and 45] specifically recites that there is only one instrument to provide a discount and provide recommendation to bundle the purchase to the web browser of user which is not described anywhere in the Specification." (Ans. 20.) We do not agree with the Examiner's findings.

> Appellant's Specification discloses the following:

> The preferred embodiment of the invention provides for multiple financial instrument selections for a single purchase. For example, suppose a user purchases a printer from company A and a modem from Company B. Suppose also that Financial Instrument Company C offers a discount for Company B's modem and a Financial Instrument Company D offers a discount for Company A's printer. In this case, *the smart wallet application suggests splitting the purchase into two appropriate and respective invoices for charging Company C for Company B's modem and charging Company D for Company A's printer, respectively, to obtain both discounts*.

(Spec. 15:20 to 16:3 (emphasis added).)

> Manufacturers, merchants, financial instruments, etc., have incentive to give information to the smart wallet application because, *in the case of a bundled purchase, if no other financial instrument company offers a discount, then the smart wallet application may suggest that first financial instrument company offering the discount gets charged the entire bundled purchase.*

(Spec. 16:5–10 (emphasis added).) While Appellant's Specification discloses "splitting the purchase into two appropriate and respective invoices . . . to obtain both discounts" (Spec. 15:26–16:3), the Specification also discloses the related concept of "a bundled purchase," in which the "first financial instrument company offering the discount gets charged the entire bundled purchase" (Spec. 16:5–10). Thus, Appellants' Specification adequately supports the claim limitations "providing, to the web browser of the user, a recommendation to bundle the purchase of the plurality of products or services with the highest rank payment instrument" and "charge, responsive to an approval from the web browser of the user, the bundled purchase to the highest rank payment instrument."

Accordingly, we are persuaded by Appellants' arguments that "[t]he Specification also describes, for example, a recommendation for bundling of a plurality of products for charging according to the highest rank payment instrument." (Appeal Br. 17.)

Thus, we do not agree with the Examiner that the Specification fails to provide written description support for the limitations "providing, to the web browser of the user, a recommendation to bundle the purchase of the plurality of products or services with the highest rank payment instrument"

and "charge, responsive to an approval from the web browser of the user, the bundled purchase to the highest rank payment instrument."

Accordingly, we do not sustain the rejection of independent claim 35 under 35 U.S.C. § 112(a). Claims 35–41, 43, and 44 depend from claim 35. Therefore, we do not sustain the rejection of claims 35–41, 43, and 44 under 35 U.S.C. § 112(a) for the same reasons discussed with respect to independent claim 35.

Independent claim 45 recites limitations similar to those discussed with respect to independent claim 35. Claims 46–51, 53, and 54 depend from claim 45. Therefore, we do not sustain the rejection of claims 46–51, 53, and 54 under 35 U.S.C. § 112(a) for the same reasons discussed with respect to independent claim 35.

§ 112(b) Rejection

We are persuaded by Appellants' arguments (Appeal Br. 17–18; *see also* Reply Br. 7–8) that independent claims 35 and 45 are not indefinite under 35 U.S.C. § 112(b).

The Examiner found that the "limitation 'provide . . . a recommendation to bundle the purchase of the plurality of products or services with the highest rank payment instrument' . . . renders the claims indefinite." (Final Act. 5.) In particular, the Examiner found the following:

> One can either 1) recommend to bundle purchase of plurality of products and services or 2) recommend to charge bundled products or services to highest rank payment instrument and it is unclear what application meant by "recommendation to bundle products/services with instrument."

(Ans. 20 (emphases omitted).) We do not agree with the Examiner.

As discussed previously with respect to the 35 U.S.C. § 112(a)
rejection, Appellant's Specification discloses "splitting the purchase into two
appropriate and respective invoices . . . to obtain both discounts" (Spec.
15:26–16:3), but also discloses the related concept of "a bundled purchase,"
in which the "first financial instrument company offering the discount gets
charged the entire bundled purchase" (Spec. 16:5–10). Thus, in the context
of Appellant's Specification, one of ordinary skill in the art would
understand that the limitation "provide . . . a recommendation to bundle the
purchase of the plurality of products or services with the highest rank
payment instrument" means bundling purchases and paying via the highest
ranked payment instrument.

Thus, we are persuaded by Appellants' arguments that "one of
ordinary skill in the art reading Appellant's *Specification* . . . would
understand the metes and bounds of the claim terms, including 'bundle the
purchase' and 'highest rank payment instrument.'" (Appeal Br. 17; *see also*
Reply Br. 7.)

The Examiner further found that the "[c]laims 35 and 45 recite the
limitation 'the only instrument'" and "[t]here is insufficient antecedent basis
for this limitation in the claim." (Final Act. 6.) Again, we do not agree with
the Examiner.

The preamble of independent claim 35 recites "the stored information
comprising *a number of and types of available payment instruments* of the
user" (emphasis added). Claim 35 further recites "determine, based on
information received from financial instrument companies, that *the highest
rank payment instrument is the only instrument* to provide a discount for the
purchase of the plurality of products or services" (emphasis added). Thus,

the recitation of "a number of and types of available *payment instruments*" in the preamble and the limitation "the highest rank *payment instrument*" provides an antecedent basis for "the only instrument."

Accordingly, we are persuaded by Appellant's argument that "there is antecedent basis for 'the only instrument' which is recited in the claimed 'determine . . . that the highest rank payment instrument is the only instrument to provide a discount for the purchase of the plurality of products or services'" because the preamble of "independent claim 35 recites 'the stored information compris[es] a number of and types of available payment instruments of the user.'" (Appeal Br. 17–18 (emphasis omitted); *see also* Reply Br. 7–8.)

Thus, we do not sustain the rejection of independent claims 35 and 45 under 35 U.S.C. § 112(b). Claims 36–41, 43, 44, 46–51, 53, and 54 depend from claims 35 and 45. Therefore, we do not sustain the rejection of claims 36–41, 43, 44, 46–51, 53, and 54 under 35 U.S.C. § 112(b) for the same reasons discussed with respect to independent claims 35 and 45.

§ 103 Rejection—Iannacci, Krajec, Silva, and Mahaffey

First, we are unpersuaded by Appellant's arguments (Appeal Br. 19–20; *see also* Reply Br. 3) that the combination of Iannacci, Krajec, Silva, and Mahaffey would not have rendered obvious independent claim 35, which includes the limitation "determine, for the determined user's stored payment instruments that are accepted by the at least one merchant, a ranking based on the predetermined priority."

The Examiner found that the transaction processing system of Iannacci, which selects the payment method with the maximum benefits

according to the user's profile, corresponds to the limitation "determine, for the determined user's stored payment instruments that are accepted by the at least one merchant, a ranking based on the predetermined priority." (Final Act. 8; *see also* Ans. 8.) We agree with the Examiner's findings.

Iannacci relates to a "settlement program . . . [that] functions to produce and acquire the maximum or preferred benefit items for users by guiding and automating appropriate payment and settlement actions." (¶ 3.) Figure 1 of Iannacci illustrates a block diagram of transaction processing system 100 "for establishing and executing payment, discount, and incentive (PDI)" (¶ 363), which includes universal cardholder 110, merchant 120, universal server 135, PDI option suppliers 145, and payment/award issuers 165 (¶ 367). Iannacci explains that the "server, online with the payment network, finds the member's appropriate benefits and ranks them in terms of preference and value" and "selects the payment methods that will acquire the maximum benefits according to the member's profile." (¶ 122.) In one example, Iannacci explains that "Visa, MasterCard, bank debit, Delta SkyMiles, MyPoints, Macy's and any other existing or immediately available user accounts are all contenders with the best account being automatically selected and transmitted for each transaction." (*Id.*) In another example, Iannacci explains the following:

> A user may want to display credit card information assembled according to the best airline mile benefits. The user then may select a displayed item for further action. The example may appear as: (1) American Express offers 5-for-1 miles, (2) Visa offers 3-for-1 miles, (3) Discover offers 2-for-1 miles.

(¶ 327.) Iannacci further explains that "[a] further advantage of the present invention is that only acceptable settlement options will be produced for

use" and as an example, "an American Express account will not be produced if the merchant does not accept such a payment method." (¶ 175.) Because Iannacci explains that transaction processing system 100 automatically selects the payment methods based on maximum benefits (e.g., credit card information based upon best airline mile benefits), according to the member's profile such that merchant accepts the payment, Iannacci teaches the limitation "determine, for the determined user's stored payment instruments that are accepted by the at least one merchant, a ranking based on the predetermined priority."

> Appellant argues that:

> While Iannacci in paragraph [0411] discloses a "VISA and a priority rank of 1 (e.g., first payment type to be requested and accepted if possible)," and checkbox preferences 625 manually selected and sorted by rank (Fig. 6), nowhere does Iannacci disclose to "determine, for the determined user's stored payment instruments that are accepted by the at least one merchant, a ranking based on the predetermined priority."

(Appeal Br. 19–20.) Similarly, Appellant argues that "paragraphs [0129]–[0130] of *Iannacci* simply describe resolving a 'payment option (e.g. MasterCard, Visa, bank debit) . . . to acquire the highest value,' and to 'determine if the resolved payment option (e.g., Visa) currently exists in the member's profile.'" (*Id.* at 20.) However, the Examiner also cited to paragraphs 122 and 327 of Iannacci for teaching the limitation "determine, for the determined user's stored payment instruments that are accepted by the at least one merchant, a ranking based on the predetermined priority." (Ans. 8.) Appellant has not presented any arguments or evidence as to why the Examiner's findings with respect to Iannacci are erroneous.

Appellant further argues that "[t]he Examiner's reference to a user's manual selection in paragraphs [0122] and [0327] undercuts the argument that Innacci teaches the above elements of claims 35." (Reply Br. 3 (emphasis omitted).) Contrary to Appellant's arguments, Iannacci explains that the "server . . . selects the payment methods that will acquire the maximum benefits according to the member's profile" and "user accounts are all contenders with the best account being automatically selected and transmitted for each transaction." (¶ 122.)

Thus, we agree with the Examiner that the combination of Iannacci, Krajec, Silva, and Mahaffey would have rendered obvious independent claim 35, which includes the limitation "determine, for the determined user's stored payment instruments that are accepted by the at least one merchant, a ranking based on the predetermined priority."

Second, we are unpersuaded by Appellant's arguments (Appeal Br. 19–20; *see also* Reply Br. 3) that the combination of Iannacci, Krajec, Silva, and Mahaffey would not have rendered obvious independent claim 35, which includes the limitation "automatically select, based on the ranking, the highest rank payment instrument from the stored payment instruments."

The Examiner found that the central processor of Iannacci, which reviews available benefits and determines if the payment option is available to the merchant, corresponds to the limitation "automatically select, based on the ranking, the highest rank payment instrument from the stored payment instruments." (Final Act. 8; *see also* Ans. 8.) We agree with the Examiner's findings.

Iannacci explains that "[t]he central processor will determine the highest value benefit offer from among all grouped offers and then resolve

which payment option (e.g., MasterCard, Visa, bank debit) or actions must be used to acquire the highest value and preferred benefit offer." (¶ 129.) Moreover, Iannacci explains that "[t]he central processor also will determine if the resolved payment option (e.g., a Visa account) is acceptable to the originating merchant otherwise a recursive processing loop will continue until a determined highest value benefit offer generates a resolved payment option acceptable to the merchant." (*Id.*) Because Iannacci explains that the central processor determines the highest value benefit offer and if the payment option is accepted by merchants, Iannacci teaches the limitation "automatically select, based on the ranking, the highest rank payment instrument from the stored payment instruments."

> Appellant argues that
>
> While *Iannacci* in paragraph [0411] discloses a "VISA and a priority rank of 1 (e.g., first payment type to be requested and accepted if possible)," and checkbox preferences 625 manually selected and sorted by rank (Fig. 6), nowhere does *Iannacci* disclose to . . . "automatically select, based on the ranking, the highest rank payment instrument from the stored payment instruments."

(Appeal Br. 19–20; *see also* Reply Br. 3.) Similarly, Appellant argues "paragraph [0026] of *Iannacci* discloses the Microsoft 'Passport wallet express purchase option' allows only for 'non-benefit-driven manual user-selection settlement' to add a singular credit card for singular purchase." (Appeal Br. 20 (emphasis omitted).) However, the Examiner also cited to paragraph 129 of Iannacci for teaching the limitation "automatically select, based on the ranking, the highest rank payment instrument from the stored payment instruments." (Ans. 8.) Appellant has not presented any arguments

or evidence as to why the Examiner's findings with respect to Iannacci are erroneous.

Appellant further argues that "paragraphs [0129]–[0130] of *Iannacci* simply describe resolving a 'payment option (e.g. MasterCard, Visa, bank debit) . . . to acquire the highest value,' and to 'determine if the resolved payment option (e.g., Visa) currently exists in the member's profile.'" (Appeal Br. 20.) However, this argument is not persuasive because Appellant merely provides an oversimplified summary of Iannacci with a conclusory statement that Iannacci does not teach the limitations of independent claim 35. As discussed previously, Iannacci explains that the central processor determines the highest value benefit offer and if the payment option is accepted by merchants (¶ 129) and accordingly, teaches the limitation "automatically select, based on the ranking, the highest rank payment instrument from the stored payment instruments."

Thus, we agree with the Examiner that the combination of Iannacci, Krajec, Silva, and Mahaffey would have rendered obvious independent claim 35, which includes the limitation "automatically select, based on the ranking, the highest rank payment instrument from the stored payment instruments."

Last, we are unpersuaded by Appellant's arguments (Reply Br. 3–4) that the combination of Iannacci, Krajec, Silva, and Mahaffey would not have rendered obvious independent claim 35, which includes the limitation "determine, based on information received from financial instrument companies, that the highest rank payment instrument is the only instrument to provide a discount for the purchase of the plurality of products or services."

The Examiner found that the loyalty provider network of Iannacci, which matches benefits to user profiles, and incentives offered by credit card issuers of Iannacci collectively correspond to the limitation "determine, based on information received from financial instrument companies, that the highest rank payment instrument is the only instrument to provide a discount for the purchase of the plurality of products or services." (Final Act. 9; *see also* Ans. 9.) We agree with the Examiner's findings.

Iannacci explains the following:

> The present invention creates a loyalty provider network that matches benefits and the means to acquire benefits with payments, queries, and exchanges. Users complete a personal profile listing benefits by priority to them, e.g. airline miles, cash discounts, lowest fees, etc. All purchases, queries, and exchanges are then matched against this profile to automatically select the best benefit-driven settlement solution.

(¶ 121.) As discussed previously, Iannacci explains that "Visa, MasterCard, bank debit, Delta SkyMiles, MyPoints, Macy's and any other existing or immediately available user accounts are all contenders with the best account being automatically selected and transmitted for each transaction." (¶ 122.) Iannacci explains that "[t]he present invention will be connected with credit card issuers," such that "[i]ncentives and benefits offered by these companies and more will be continuously updating." (¶ 124.) Because Iannacci explains that the loyalty provider network provides a best benefit-driven settlement solution between users and credit card issuers, and such credit card users offer incentive and benefits, Iannacci teaches the limitation "determine, based on information received from financial instrument companies, that the highest rank payment instrument is the only instrument

to provide a discount for the purchase of the plurality of products or services."

Appellant argues "it is uncontested that Iannacci also fails to disclose 'determin[ing], based on information received from financial instrument companies, that the highest rank payment instrument is the only instrument to provide a discount for the purchase of the plurality of products or services.'" (Reply Br. 3–4.) Contrary to Appellant's conclusory statement, the Examiner cited to paragraphs 121, 122, and 124 of Iannacci for teaching the limitation "determine, based on information received from financial instrument companies, that the highest rank payment instrument is the only instrument to provide a discount for the purchase of the plurality of products or services." Appellants has not provided any arguments or evidence as to why the Examiner's findings with respect to Iannacci are erroneous.

Thus, we agree with the Examiner that the combination of Iannacci, Krajec, Silva, and Mahaffey would have rendered obvious independent claim 35, which includes the limitation "determine, based on information received from financial instrument companies, that the highest rank payment instrument is the only instrument to provide a discount for the purchase of the plurality of products or services."

Accordingly, we sustain the rejection of independent claim 35 under 35 U.S.C. § 103. Claims 36, 39–41, 43, and 44 depend from claim 35, and Appellant has not presented any additional substantive arguments with respect to these claims. Therefore, we sustain the rejection of claims 36, 39–41, 43, and 44 under 35 U.S.C. § 103, for the same reasons discussed with respect to independent claim 35.

Independent claim 45 recites limitations similar to those discussed with respect to independent claim 35, and Appellant has not presented any additional substantive arguments with respect to this claim. We sustain the rejection of claim 45, as well as dependent claims 46, 49–51, 53, and 54, for the same reasons discussed with respect to claim 35.

§ 103 Rejection—Iannacci, Krajec, Silva, Mahaffey, and Yun

Although Appellant nominally argues the rejection of dependent claims 37, 38, 47, and 48 separately (Appeal Br. 22), the arguments presented do not point out with particularity or explain why the limitations of these dependent claims are separately patentable. Instead, Appellant argues that "*Iannacci, Mahaffey, Krajec,* . . . and *Silva*, individually and collectively fail to disclose or suggest each and every element recited by independent claims 35 and 45" and "*Yun* fails to cure any of the aforementioned deficiencies." (*Id.*) Accordingly, we sustain this rejection.

§ 103 Rejection—Iannacci, Banerjee, Silva, and Mahaffey

We sustain the rejection of claims 35, 36, 39–41, 43–46, 49–51, 53, and 54 for the same reasons discussed with respect to rejection of claims 35 and 45 under 35 U.S.C. § 103 as being unpatentable over Iannacci, Krajec, Silva, and Mahaffey.

§ 103 Rejection—Iannacci, Banerjee, Silva, Mahaffey, and Yun

We sustain the rejection of claims 37, 38, 47, and 48 for the same reasons discussed with respect to rejection of claims 37, 38, 47, and 48

under 35 U.S.C. § 103 as being unpatentable over Iannacci, Krajec, Silva, Mahaffey, and Yun.

CONCLUSION

The Examiner's decision rejecting claims 35–41, 43–51, 53, and 54 under 35 U.S.C. § 101 is affirmed.

The Examiner's decision rejecting claims 35–41, 43–51, 53, and 54 under 35 U.S.C. § 112(a) is reversed.

The Examiner's decision rejecting claims 35–41, 43–51, 53, and 54 under 35 U.S.C. § 112(b) is reversed.

The Examiner's decision rejecting claims 35–41, 43–51, 53, and 54 under 35 U.S.C. § 103 is affirmed.

DECISION

In summary:

Claims Rejected	Basis	Affirmed	Reversed
35–41, 43–51, 53, 54	§ 101	35–41, 43–51, 53, 54	
35–41, 43–51, 53, 54	§ 112(a)		35–41, 43–51, 53, 54
35–41, 43–51, 53, 54	§ 112(b)		35–41, 43–51, 53, 54
35–41, 43–51, 53, 54	§ 103	35–41, 43–51, 53, 54	
Overall Outcome		35–41, 43–51, 53, 54	

TIME PERIOD FOR RESPONSE

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