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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte AMIT GAUR and ADAM LEE

Appeal 2018-005624¹
Application 13/470,067
Technology Center 3600

Before MICHAEL C. ASTORINO, BRADLEY B. BAYAT, and
AMEE A. SHAH, *Administrative Patent Judges*.

BAYAT, *Administrative Patent Judge*.

DECISION ON APPEAL

Amit Gaur and Adam Lee (Appellant)² appeal pursuant to 35 U.S.C. § 134(a) from the decision rejecting claims 1, 4–6, 9–13, 16–18, and 21–24, which are the only claims pending in the application. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Our Decision references Appellant’s Appeal Brief (“App. Br.,” filed June 27, 2017) and Reply Brief (“Reply Br.,” filed May 10, 2018), the Examiner’s Answer (“Ans.,” mailed April 4, 2018), and Final Office Action (“Final Act.,” mailed Jan. 27, 2017).

² We use the term “Appellant” to refer to “applicant” as defined in 37 C.F.R. § 1.42. According to Appellant, the real party in interest is “Boku, Inc.” App. Br. 3.

STATEMENT OF THE CASE

Claimed Subject Matter

Appellant's invention "relates generally to a transactions network and to a method and system for managing electronic transactions." Spec. ¶ 1. Claims 1 and 13 are the independent claims on appeal. Claim 13, reproduced below with bracketed notations, is illustrative of the subject matter on appeal.

13. A computer-based method of managing electronic transactions comprising:

[(a)] storing, with a processor, a plurality of merchant accounts in a data store, each merchant account having a respective merchant account identifier;

[(b)] receiving, with the processor, an offer entry over the network interface device from each of a plurality of merchant computer systems;

[(c)] storing, with the processor, the offer entry in the data store in association with the merchant account having the respective merchant account identifier;

[(d)] storing, with a processor of a server computer system, a plurality of consumer accounts in a data store, each consumer account having a respective consumer account identifier;

[(e)] detecting, with the processor, registration of a consumer account identifier of a consumer account for transmission to the network computer system;

[(f)] transmitting, with the processor, the consumer account identifier of the consumer account via a network interface device to a network computer system if the consumer account has been registered by the registration detection module;

[(g)] receiving, with the processor, transaction data in a first retrieval from the network computer system, the transaction data that is received in the first retrieval from the network computer system being consumer transaction data including the consumer account identifier that has been

registered and being received due to transmission of the consumer account identifier that has been registered via a network interface device to the network computer system;

[(h)] building, with the processor, a profile utilizing the transaction data;

[(i)] transmitting, with the processor, a selected one of the offer entries to a consumer device, wherein the offer entry that is transmitted is based at least in part on the profile

[(j)] detecting, with the processor, deregistration of a consumer account identifier of a consumer account;

[(k)] transmitting, with the processor, the consumer account identifier that has been deregistered via a network interface device to a network computer system; and

[(l)] receiving, with the processor, transaction data in a second retrieval from the network computer system, the transaction data that is received in the second retrieval from the network computer system including the consumer account identifier that has been registered and being received due to transmission of the consumer account identifier that has been registered via a network interface device to the network computer system and the transaction data that is received in the second retrieval from the network computer system excluding the consumer account identifier that has been deregistered and being excluded due to transmission of the consumer account identifier that has been deregistered via a network interface device to the network computer system.

App. Br. 39–40, Claims Appendix.

Rejections

- I. Claims 1, 4–6, 9–13, 16–18, and 21–24 are rejected under 35 U.S.C. § 112 (Pre-AIA), first paragraph, as failing to comply with the written description requirement.
- II. Claims 1, 4–6, 9–13, 16–18, and 21–24 are rejected under 35 U.S.C. § 101 as directed to a judicial exception without significantly more.

- III. Claims 1, 4–6, 9–13, 16–18, and 21–24³ are rejected as unpatentable under 35 U.S.C. § 103 over Mercuri et al., (US 2012/0278172 A1, published Nov. 1, 2012) (“Mercuri”), Pourfallah et al., (US 8,939,356 B2, issued Jan. 27, 2015) (“Pourfallah”), Orbke et al., (US 2002/0059430 A1, published May 16, 2002) (“Orbke”), and Hamilton et al., (US 2003/0097571 A1, published May 22, 2003) (“Hamilton”).

OPINION

Rejection I

35 U.S.C. § 112, first paragraph

We are persuaded the Examiner erred in rejecting claims 1, 4–6, 9–13, 16–18, and 21–24 as failing to comply with the written description requirement because “the Examiner is unable to find support in the applicant’s [S]pecification for the added limitation” recited in step (I) of claim 13. Final Act. 2–3. In response to Appellant’s arguments that paragraphs 56 and 64 of the Specification provide support for limitation (I), the Examiner asserts that those paragraphs do not teach or suggest the limitation:

transaction data retrieval module in a **second retrieval retrieving** transaction from the network system, the transaction data that is received in the **second retrieval** from the network computer system including the consumer account identifier that has been registered and **being received due to transmission of the consumer account identifier that has been registered** via a network interface device to the network computer system and

³ We modify the statement of rejection because it included canceled claims 7, 8, 19, and 20. *See* Final Act. 7.

the transaction data that is received in the second retrieval from the network computer system excluding the consumer account identifier that has been deregistered and being excluded due to transmission of the consumer account identifier that has been deregistered via a network interface device to the network computer system

Ans. 3.

Appellant responds:

The Examiner appear[s] to agree that first retrieval is very clearly described. A PAN can then be registered or deregistered as described in paragraphs [0056 and 0064]. As described, the registration or deregistration of the PAN will result in data being included or not included in a data retrieval. Clearly such data retrieval must be a subsequent data retrieval after the first data retrieval. No other interpretation will make sense. Furthermore, paragraph [0093] states that the targeting system only extracts customers that have been registered within the last week, two weeks or the like. If data for new customers are available, then it also means that data for customers that were registered before the last week, two weeks or the like was also available. There must, therefore, have been a prior data retrieval representing customers that were registered before the last week, two weeks or the like, and therefore a first data retrieval and a second data retrieval.

Reply Br. 13–14.

Whether a specification complies with the written description requirement of 35 U.S.C. § 112, first paragraph, is a question of fact and is assessed on a case-by-case basis. *See, e.g., Purdue Pharma L.P. v. Faulding, Inc.*, 230 F.3d 1320, 1323 (Fed. Cir. 2000) (citing *Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1561 (Fed. Cir. 1991)). The disclosure, as originally filed, need not literally describe the claimed subject matter (i.e., using the same terms or in *haec verba*) in order to satisfy the written description requirement. But the Specification must convey with reasonable

clarity to those skilled in the art that, as of the filing date, Appellant was in possession of the claimed invention. *See id.* We agree with Appellant that although the Specification does not literally describe the limitation at issue, it is clear from the context of the invention, and in particular paragraphs 56, 64, and 93 of the Specification, that Appellant was in possession of the claimed subject matter because Appellant’s transaction data retrieval module performs periodic retrievals (*e.g.*, 1st, 2nd, 3rd . . .) to retrieve transaction data from the network computer system. As such, we determine the Examiner’s written description requirement is unfounded.

Accordingly, we do not sustain the rejection of claims 1, 4–6, 9–13, 16–18, and 21–24 as failing to comply with the written description requirement.

Rejection II

35 U.S.C. § 101

Under 35 U.S.C. § 101, an invention is patent eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101. The Supreme Court, however, has long interpreted § 101 to include an implicit exception: “[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).

The Supreme Court, in *Alice*, reiterated the two-step framework previously set forth in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66 (2012), “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice Corp.*, 573 U.S. at 217. The first step in that analysis is to “determine whether the claims at issue are

directed to one of those patent-ineligible concepts.” *Id.* If the claims are not directed to a patent-ineligible concept, e.g., an abstract idea, the inquiry ends. Otherwise, the inquiry proceeds to the second step where the elements of the claims are considered “individually and ‘as an ordered combination’” to determine whether there are additional elements that “‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (quoting *Mayo*, 566 U.S. at 78, 79). This is “a search for an ‘inventive concept’ — *i.e.*, an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Id.* at 217–18 (alteration in original).

In rejecting the pending claims under 35 U.S.C. § 101, the Examiner determines:

Based on the broadest reasonable interpretation of the claims, consistent with Applicant’s specification, the examiner submits that the claims are directed to awarding a discount based on user interaction with the content, which represents the abstract ideas of comparing information regarding a sample or test subject to a control or target data, comparing new and stored information and using rules to identify options, which is similar to cases *Ambry*, *Myriad CAFC*, and *Classen* that have been found to have concepts considered to be an abstract idea.

Final Act. 4.

In contesting the rejection, Appellant argues all pending claims together as a group. *See* App. Br. 15–29. We select independent claim 13 as the representative claim for the group; thus, claims 1, 4–6, 9–12, 16–18, and 21–24 stand or fall with claim 13. 37 C.F.R. § 41.37(c)(1)(iv). In their Appeal Brief, Appellant does not contest the Examiner’s characterization of

the abstract idea.⁴ Instead, Appellant contends “the first step in the *Alice* inquiry in this case asks whether the focus of the claims is on the specific asserted improvement in computer capabilities (i.e., the self-referential table for a computer database) or, instead, on a process that qualifies as an ‘abstract idea’ for which computers are invoked merely as a tool.” App. Br. 17. According to Appellant, the claims “are directed to a specific improvement to the way computers operate, embodied in **consumer identifier registration/deregistration based on/off switching of consumer data retrieval from a network.**” *Id.* at 18. For the following reasons, we are not persuaded by Appellant’s arguments.

After Appellant’s briefs were filed, and the Examiner’s Answer mailed, the U.S. Patent and Trademark Office (the “USPTO”) published revised guidance for use by USPTO personnel in evaluating subject matter eligibility under 35 U.S.C. § 101. 2019 REVISED PATENT SUBJECT MATTER ELIGIBILITY GUIDANCE, 84 Fed. Reg. 50, 57 (Jan. 7, 2019) (the “2019 Revised Guidance”). That guidance revised the USPTO’s examination procedure with respect to the first step of the *Alice* framework by (1) “[p]roviding groupings of subject matter that [are] considered an abstract idea”; and (2) clarifying that a claim is not “directed to” a judicial exception if the judicial exception is integrated into a practical application of that exception. *Id.* at 50. The 2019 Revised Guidance, by its terms, applies to all

⁴ *Ex parte Frye*, 94 USPQ2d 1072, 1075 (BPAI 2010) (precedential) (“If an appellant fails to present arguments on a particular issue — or, more broadly, on a particular rejection — the Board will not, as a general matter, unilaterally review those uncontested aspects of the rejection.”).

applications, and to all patents resulting from applications, filed before, on, or after January 7, 2019. *Id.*⁵

We have reviewed the eligibility of the pending claims through the lens of the 2019 Revised Guidance, but we are not persuaded the Examiner erred in concluding that the claims are directed to a judicial exception without significantly more.

Step One of the Alice Framework (2019 Revised Guidance, Step 2A)

The first step in the *Alice* framework, as mentioned above, is to determine whether the claims at issue are “directed to” a patent-ineligible concept, e.g., an abstract idea. *Alice Corp.*, 573 U.S. at 217. This first step, as set forth in the 2019 Revised Guidance (i.e., Step 2A), is a two-prong test; in Step 2A, Prong One, we look to whether the claim recites a judicial exception, e.g., one of the following three groupings of abstract ideas: (1) mathematical concepts; (2) certain methods of organizing human activity, e.g., fundamental economic principles or practices, commercial or legal interactions; and (3) mental processes. 2019 Revised Guidance, 84 Fed. Reg. at 54. If so, we next consider whether the claim includes additional elements, beyond the judicial exception, that “integrate the

⁵ The 2019 Revised Guidance supersedes MANUAL OF PATENT EXAMINING PROCEDURE (“MPEP”) § 2106.04(II) and also supersedes all versions of the USPTO’s “Eligibility Quick Reference Sheet Identifying Abstract Ideas.” See 2019 Revised Guidance, 84 Fed. Reg. at 51 (“Eligibility-related guidance issued prior to the Ninth Edition, R-08.2017, of the MPEP (published Jan. 2018) should not be relied upon.”). Accordingly, Appellant’s arguments challenging the sufficiency of the Examiner’s rejection will not be addressed to the extent those arguments are based on currently superseded USPTO guidance.

[judicial] exception into a practical application,” i.e., that apply, rely on, or use the judicial exception in a manner that imposes a meaningful limit on the judicial exception, such that the claim is more than a drafting effort designed to monopolize the judicial exception (“Step 2A, Prong 2”). *Id.* at 54–55. Only if the claim (1) recites a judicial exception and (2) does not integrate that exception into a practical application do we conclude that the claim is “directed to” the judicial exception, e.g., an abstract idea.

The Federal Circuit has explained that “the ‘directed to’ inquiry applies a stage-one filter to claims, considered in light of the specification, based on whether ‘their character as a whole is directed to excluded subject matter.’” *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016) (quoting *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015)). It asks whether the focus of the claims is on a specific improvement in relevant technology or on a process that itself qualifies as an “abstract idea” for which computers are invoked merely as a tool. *See id.* at 1335–36. Here, it is clear from the Specification (including the claim language) that the claims focus on an abstract idea, and not on any improvement to technology and/or a technical field.

Appellant’s Specification is entitled “TRANSACTION DATA RETRIEVAL AND TARGETING” and, as mentioned above, the “invention relates generally to a transactions network and . . . for managing transactions.” Spec. ¶ 1. Independent claim 13 recites a “method of managing electronic transactions comprising:” (a) storing a plurality of merchant accounts in a data store; (b) receiving an offer entry; (c) storing the offer entry; (d) storing a plurality of consumer accounts; (e) detecting registration of a consumer account identifier; (f) transmitting the consumer

account identifier of the consumer account if the consumer account has been registered; (g) receiving transaction data in a first retrieval; (h) building a profile utilizing the transaction data; (i) transmitting a selected one of the offer entries to a consumer; (j) detecting deregistration of a consumer account identifier of a consumer account; (k) transmitting the consumer account identifier that has been deregistered; and (l) receiving transaction data in a second retrieval, the transaction data that is received in the second retrieval including the consumer account identifier that has been registered and excluding the consumer account identifier that has been deregistered.

Under the broadest reasonable interpretation, these limitations recite collecting information, i.e., storing, building, and receiving information (steps (a)–(d), (g), (h), (l)); analyzing information, i.e., detecting registration/deregistration data (steps (e), (j)); and sending information, i.e., transmitting data (steps (f), (i), (k)). In essence, steps (a)–(i) of claim 13 describe a method of targeting content/advertising (offers) to a registered user based on the user profile, which utilizes past user transaction data. The process of targeting content/advertising to a consumer is a commercial interaction between a seller or marketer and a consumer, which is a method of organizing human activity and, therefore, an abstract idea. *See* 2019 Revised Guidance, 84 Fed. Reg. at 52 (describing “Certain methods of organizing human activity” as including “commercial or legal interactions (including . . . advertising, marketing or sales activities or behaviors”).

Steps (j)–(l) ostensibly describe a result of updating consumer deregistration with the system by detecting a consumer deregistration, communicating it to the system, and receiving transaction data in a second retrieval that excludes the deregistered account identifier. In other words,

the deregistered account identifier must have been updated in the system before the second retrieval in step (l), which as a result, excludes the deregistered account identifier. *See, e.g.*, Spec. ¶ 53 (“Immediately upon detection of a registration or deregistration of a PAN, the PAN update log generation module 412 records both the PAN and a flag to indicate that the PAN is registered or deregistered.”). Our reviewing court has found updating an activity log to be insignificant extra-solution activity. *See Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014).

The abstract idea here is not meaningfully different from the ideas found to be abstract in other cases before our reviewing court involving methods of organizing human activity. For example, in *Bridge and Post, Inc. v. Verizon Communications, Inc.*, 778 F. App’x 882 (Fed. Cir. 2019), the Federal Circuit held that abstract ideas include tracking a user’s computer network activity and using information gained about the user to deliver targeted media, such as advertisements. *See also, e.g., Affinity Labs of Texas, LLC v. Amazon.com, Inc.*, 838 F.3d 1266, 1271 (Fed. Cir. 2016) (customizing a user interface to have targeted advertising based on user information); *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1370 (Fed. Cir. 2015) (tailoring information presented to a user based on particular information); *Morsa v. Facebook, Inc.*, 77 F. Supp. 3d 1007, 1013 (C.D. Cal. 2014), *aff’d*, 622 F. App’x 915 (Fed. Cir. 2015) (concluding that targeting advertisements to certain consumers is no more than an abstract idea). In light of these precedents, we conclude that claim 13 equally recites an abstract idea.

Having concluded that claim 13 recites a judicial exception, i.e., an abstract idea (Step 2A, Prong One), we next consider whether the claim

recites additional elements that integrate the judicial exception into a practical application (Step 2A, Prong Two). When a claim recites a judicial exception and fails to integrate the exception into a practical application, the claim is “directed to” the judicial exception. 2019 Revised Guidance, 84 Fed. Reg. at 51. The claim may integrate the judicial exception when, for example, it reflects an improvement to technology or a technical field. *Id.* at 55.

To that end, Appellant contends claim 13 is not directed to an abstract idea because

the invention specifically deals with a particular technique of **“consumer account identifier registration/deregistration based on/off switching of consumer data retrieval from a network”**. Furthermore, the techniques that are used are not conventional for carrying out any abstract idea. A consumer account number is registered or deregistered and the data structure is thereby updated so that the computer can determine which sets of transaction data should be downloaded. Such an update of the data structure is sufficient to pass muster under *Enfish* and there is no need for any particular database technique in how computers carry out one of their basic functions of storage and retrieval of data.

Reply Br. 32–33; *see also* App. Br. 18–20.

In response to Appellant’s argument, the Examiner asserts that “the appellant merely copies claim language and language from the specification but does not explain what the problem is that is being solved. Does not explain how there is an improvement to the functioning of the computer or another technology.” Ans. 4–5. We agree with the Examiner.

First, as the Examiner states, it is unclear from Appellant’s argument how updating the registration/deregistration of a consumer account for sending targeted offers only to registered consumers reflects a technological

improvement of any sort. We have reviewed paragraph 64 of the Specification, which Appellant alleges supports “an improvement of an existing technology” (App. Br. 21), but we do not see and Appellant does not adequately explain how only identifying transactions from consumer accounts registered within the system reflects a technological improvement. *See* Spec. ¶ 64 (account data received due to transmission of a consumer account identifier that has been registered).

Second, we disagree with Appellant’s contention that claim 13 reflects non-abstract improvements to computer technology under *Enfish*.⁶ Indeed, there is a fundamental difference between computer functionality improvements, on the one hand, and uses of existing computers as tools to perform a particular task, on the other. In *Enfish*, the court noted that “[s]oftware can make non-abstract improvements to computer technology just as hardware improvements can.” *Enfish*, 822 F.3d at 1335. The court asked “whether the focus of the claims is on [a] specific asserted improvement in computer capabilities . . . or, instead, on a process that qualifies as an ‘abstract idea’ for which computers are invoked merely as a tool.” *Id.* at 1335–36. The court found that the “plain focus of the claims” there was on an improvement to computer functionality itself (a self-referential table for a computer database, designed to improve the way a computer carries out its basic functions of storing and retrieving data), not on a task for which a computer is used in its ordinary capacity. *Id.*

Unlike *Enfish*, we find the focus of the claim as a whole here is directed to a result or effect that itself is the abstract idea, because the

⁶ *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016).

processor claimed is merely invoked as a tool to transmit offers based on a consumer profile to a registered consumer device. We disagree with Appellant’s contention that “[t]he manner that the data structure is updated to reflect which accounts are registered and which accounts are deregistered for purposes of determining which transaction data to retrieve is sufficient to pass muster under *Enfish*.” Reply Br. 34. Maintaining which consumer account identifiers are registered with the system, by updating a registration log to exclude deregistered consumer account identifiers, is not the focus of claim 13 and does not reflect any sort of technological improvement; rather, updating a registration list (i.e., PAN list) by removing deregistered accounts is tangential to the process of transmitting targeted profile based offers to registered consumers. See Spec. ¶¶ 52–56. The removal of a deregistered consumer account identifier and updating the account numbers to reflect only registered consumer account identifiers, as mentioned above, is akin to updating an activity log, which is insignificant extra-solution activity.

We also are unpersuaded by Appellant’s contention that similarly to *McRO*,⁷ the claims before us reflect a technological improvement. See App. Br. 24–27. There, the Federal Circuit addressed claims directed to “[a] method for automatically animating lip synchronization and facial expression of three-dimensional characters” *McRO*, 837 F.3d at 1307. The court reviewed the specification of the patent at issue and found that, rather than invoking the computer merely as a tool, “[c]laim 1 of the [asserted] patent is focused on a specific asserted improvement in computer animation.” *Id.* at 1314. The court found that the plain focus of the claim

⁷ *McRO, Inc. v. Bandai Namco Games America Inc.*, 837 F.3d 1299 (Fed. Cir. 2016) (hereinafter “McRO”).

was on an improvement to computer functionality itself, not on economic or other tasks for which a computer is used in its ordinary capacity. Contrary to Appellant’s arguments and unlike *McRO*, which focused on a specific means or method that improved computer animation technology, claim 13 here is not purported to improve any technology. Instead, claim 13 is focused on using generic computer operations, in which a generic computer is used in its ordinary capacity to transmit targeted profile based offers to a registered consumer device, by receiving, storing, detecting, and transmitting data.

Therefore, we determine that the claim does not “apply, rely on, or use the judicial exception in a manner that imposes a meaningful limit on the judicial exception, such that the claim is more than a drafting effort designed to monopolize the judicial exception,” i.e., the claim does not integrate the abstract idea into a practical application. *See* 2019 Revised Guidance, 84 Fed. Reg. at 54.⁸

Step Two of the Alice Framework (2019 Revised Guidance, Step 2B)

Having determined under step one of the *Alice* framework that claim 13 is directed to an abstract idea, we next consider under Step 2B of the 2019 Revised Guidance, the second step of the *Alice* framework, whether claim 13 includes additional elements or a combination of elements that provides an “inventive concept,” i.e., whether claim 13 adds specific limitations beyond the judicial exception that are not “well-understood, routine, conventional” in the field. *Id.* at 56. To determine whether a claim

⁸ For purposes of maintaining consistent treatment within the Office, these considerations are made under Step 1 of *Alice* (Step 2A of Office guidance).

provides an inventive concept, the additional elements are considered—individually and in combination—to determine whether they (1) add a specific limitation beyond the judicial exception that is not “well-understood, routine, conventional” in the field or (2) simply append well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception. *Id.*

In that regard, the Examiner determined:

The claims do not recite an improvement to another technology or technical field, an improvement to the functioning of the computer itself, or meaningful limitations beyond generally linking the use of an abstract idea to a particular technological environment. For the role of a computer in a computer implemented invention to be deemed meaningful in the context of this analysis, it must involve more than performance of “well-understood, routine, [and] conventional activities previously known to the industry.” *Id.* at 2359 (quoting *Mayo*, 132 S. Ct. at 1294 (internal quotation marks and brackets omitted)). Further, “the mere recitation of a generic computer cannot transform a patent ineligible abstract idea into a patent-eligible invention.” *Id.* at 2358. None of the hardware offers a meaningful limitation beyond generally linking the system to a particular technological environment, that is, implementation via computers. Viewed as a whole, the claims do not purport to improve the functioning of the computer itself, or to improve any other technology or technical field. Use of an unspecified, generic computer does not transform an abstract idea into a patent-eligible invention. Thus, the claim does not amount to significantly more than the abstract idea itself.

Final Act. 5.

Under the second step of the *Alice* and *Mayo* framework, we are not apprised of error in the Examiner’s determination that the elements of the claim do not contain an “inventive concept” sufficient to “transform” the

claimed abstract idea into a patent-eligible application. In the Appeal Brief, Appellant does not dispute these findings. As such, any basis for asserting error in this regard has been waived. *See* 37 C.F.R. § 41.37(c)(1)(vii). The additional limitations merely perform functions of storing,⁹ receiving,¹⁰ detecting,¹¹ updating,¹² and transmitting data over a network, all of which have been held by the courts to be well-understood, routine, and conventional computer functions.

Thus, we are not persuaded of error in the Examiner’s determination that claim 13 is directed to patent-ineligible subject matter. Accordingly, we sustain the rejection of independent claim 13 under 35 U.S.C. § 101, and claims 1, 4–6, 9–12, 16–18, and 21–24, which fall with claim 13.

Rejection III

35 U.S.C. § 103

We are persuaded by Appellant’s argument that Hamilton (App. Br. 31), on which the Examiner relies (*see* Final Act. 10; *see also* Ans. 6), fails to disclose

⁹ *Versata Dev. Group, Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1334 (Fed. Cir. 2015); *OIP Techs.*, 788 F.3d 1359, 1363 (Fed. Cir. 2015) (Storing and retrieving information in memory).

¹⁰ Receiving or transmitting data over a network, *e.g.*, using the Internet to gather data, *Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1321, 1362 (Fed. Cir. 2016) (utilizing an intermediary computer to forward information); *In re TLI Communications LLC Patent Litigation*, 823 F.3d 607, 610 (Fed. Cir. 2016).

¹¹ *Cleveland Clinic Foundation v. True Health Diagnostics LLC*, 859 F.3d 1352, 1362 (Fed. Cir. 2017).

¹² Electronic recordkeeping, *Alice Corp.*, 134 S. Ct. at 2359 (creating and maintaining “shadow accounts”); *Ultramercial*, 772 F.3d at 716 (updating an activity log).

transaction data retrieval module in a second retrieval retrieving transaction data from the network computer system . . . the transaction data that is received in the second retrieval from the network computer system excluding the consumer account identifier that has been deregistered and being excluded due to transmission of the consumer account identifier that has been deregistered via a network interface device to the network computer system,

as recited in claim 1. In particular, Appellant acknowledges that is it known to register and deregister accounts and concedes that Hamilton discloses registration and deregistration of consumer accounts, but argues that Hamilton does not teach or suggest “a transaction data retrieval module that, in the second retrieval from the network computer system, includes the consumer account identifier that has been registered and excludes the consumer account identifier that has been deregistered as claimed in the final element of claim 1.” Reply Br. 42.

The difficulty with the Examiner’s position is that it fails to account for all the terms in the disputed claim limitation. As our reviewing court has emphasized, “[c]laims must be ‘interpreted with an eye toward giving effect to all terms in the claim.’” *Becton, Dickinson & Co. v. Tyco Healthcare Group, LP*, 616 F.3d 1249, 1257 (Fed. Cir. 2010) (quoting *Bicon, Inc. v. Straumann Co.*, 441 F.3d 945, 950 (Fed. Cir. 2006)). Responding to Appellant’s argument, the Examiner states:

The reference of Hamilton was used to reject the deregistration of consumer accounts which Hamilton discloses at [0210], “updating registration information, handling transfers of ownership, making account adjustments, and canceling accounts. The personal computers at the customer service system 1120 can be utilized by operators to make changes regarding registration updates, ownership issues, account

adjustments, the cancellation of accounts, etc.” Thus using broadest reasonable interpretation the cancellation of an account is equivalent to deregistration.

Ans. 6–7. But the claim limitation requires more than basic consumer account registration/deregistration and canceling accounts. For example, claim 1 requires communication between a transaction data retrieval module and the network computer system, such that as part of a second retrieval of transaction data, the transaction data that is received from the network computer system excludes the consumer account identifier due to transmission of the consumer account identifier that has been deregistered. The Examiner has not identified any of these elements in Hamilton and fails to explain how communication between these components is accomplished in Hamilton. A rejection based on 35 U.S.C. § 103 clearly must rest on a factual basis. The Examiner has the initial duty of supplying the factual basis for the rejection and may not resort to speculation, unfounded assumptions, or hindsight reconstruction to supply deficiencies in its factual basis. *In re Warner*, 379 F.2d 1011, 1017 (CCPA 1967). Because the Examiner has not established that Hamilton discloses the limitation

the transaction data retrieval module in a second retrieval retrieving transaction data from the network computer system, the transaction data that is received in the second retrieval from the network computer system including the consumer account identifier that has been registered and being received due to transmission of the consumer account identifier that has been registered via a network interface device to the network computer system and the transaction data that is received in the second retrieval from the network computer system excluding

the consumer account identifier that has been deregistered and being excluded due to transmission of the consumer account identifier that has been deregistered via a network interface device to the network computer system

(App. Br. 35–36, Claims Appendix), we are apprised of reversible error. Therefore, we do not sustain the rejection of independent claim 1 as unpatentable over Mercuri, Pourfallah, Orbke, and Hamilton, and independent claim 13, which recites a substantially similar limitation that was rejected based on the same deficient findings in Hamilton. We also do not sustain the rejection of dependent claims 4–6, 9–12, 16–18, and 21–24. *Cf. In re Fritch*, 972 F.2d 1260, 1266 (Fed. Cir. 1992) (“dependent claims are nonobvious if the independent claims from which they depend are nonobvious.”).

CONCLUSION

Rejection I under 35 U.S.C. § 112, first paragraph, is reversed.

Rejection II under 35 U.S.C. § 101 is affirmed.

Rejections III under 35 U.S.C. § 103 is reversed.

DECISION SUMMARY

Claims Rejected	35 U.S.C. §	Reference(s)/Basis	Affirmed	Reversed
1, 4–6, 9–13, 16–18, 21–24	112, first paragraph	Written Description		1, 4–6, 9–13, 16–18, 21–24
1, 4–6, 9–13, 16–18, 21–24	101	Eligibility	1, 4–6, 9–13, 16–18, 21–24	
1, 4–6, 9–13, 16–18, 21–24	103	Mercuri, Pourfallah, Orbke, Hamilton		1, 4–6, 9–13, 16–18, 21–24

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Claims Rejected	35 U.S.C. §	Reference(s)/Basis	Affirmed	Reversed
Overall Outcome:			1, 4-6, 9-13, 16-18, 21-24	

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