UNITED STATES PATENT AND TRADEMARK OFFICE

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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 ERICK WONG

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Appeal 2018-007535
Application 13/517,512
Technology Center 3600

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Before CARL W. WHITEHEAD JR., ERIC B. CHEN, and
AARON W. MOORE, *Administrative Patent Judges*.

CHEN, *Administrative Patent Judge*.

DECISION ON APPEAL

This is an appeal under 35 U.S.C. § 134(a) from the final rejection of claims 1, 2, 4, 8, 9, 11–13, 20–22, and 25–32. Claims 3, 5–7, 10, 14–19, 23, and 24 have been cancelled. We have jurisdiction under 35 U.S.C. § 6(b). We affirm-in-part.

STATEMENT OF THE CASE

Appellant's invention relates to mobile payments, in particular, an application running on a phone that includes a mobile gateway that determines whether one or more transactions were conducted within a time window. (Abstract.)

Claim 1 is exemplary, with disputed limitations in italics:

1.   A method comprising:

[i] receiving, by a mobile gateway from a mobile communication device, a time window specified by a consumer during which the consumer does not have to reenter a passcode for each transaction after a payment application in the mobile communication device has verified the consumer's passcode, the time window including a start time point and an end time point;

[ii] receiving, by the mobile gateway from the mobile communication device comprising the payment application over a first network, a validation message that includes an indication that the payment application has verified the consumer's passcode, an account identifier, and a timestamp when the passcode was entered into the mobile communication device;

[iii] storing, by the mobile gateway in a database, the validation message including the indication that the payment application has verified the consumer's passcode, the account identifier, and the timestamp when the passcode was entered into the mobile communication device;

[iv] receiving, by a payment processing network, a first authorization request message comprising the account identifier from a first access device over a second network, after the first access

device interacts with the mobile communication device during a first transaction;

[v] *querying, the mobile gateway by the payment processing network, to determine if the consumer's passcode has been validated*;

[vi] searching, by the mobile gateway, the database using the account identifier received in the first authorization request message from the first access device;

[vii] determining, as a result of searching the database by the mobile gateway, *that the validation message associated with the mobile communication device has been received indicating that the payment application has verified the consumer's passcode*;

[viii] determining, by the mobile gateway, that the first transaction is occurring within the time window after the timestamp;

[ix] receiving, by the payment processing network from the mobile gateway, the indication that the payment application has verified the consumer's passcode has been received, and a determination that the validation message with the indication that the payment application has verified the consumer's passcode has been received and that the first transaction is occurring during the time window;

[x] modifying, by the payment processing network, the first authorization request message based on a determination that the validation message with the indication that the payment application has verified the consumer's passcode has been received and that the first transaction is occurring during the time window by including the indication that the payment application has verified the consumer's passcode in the first authorization request message to form a modified first authorization request message;

[xi] transmitting, by the payment processing network, the modified first authorization request message to an issuer computer for authorization;

[xii] receiving, by the payment processing network, a second authorization request message from a second access device, after the second access device interacts with the mobile communication device during a second transaction, and wherein the consumer did not re-

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enter the passcode into the payment application to conduct the second transaction;

[xiii] *determining, by the mobile gateway, that the second transaction occurs within the time window*;

[xiv] receiving, by the payment processing network from the mobile gateway, the determination that the second transaction occurs within the time window;

[xv] modifying, by the payment processing network, the second authorization request message based on the determination that the second transaction occurs within the time window by including the indication that the payment application has verified the consumer's passcode in the second authorization request message to form a modified second authorization request message; and

[xvi] transmitting, by the payment processing network, the modified second authorization request message to the issuer computer for authorization.

Claims 1, 2, 4, 8, 9, 11–13, 20–22, and 25–32 stand rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

Claims 1, 2, 4, 8, 9, 20–22, 25–30, and 32 stand rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the enablement requirement.[1]

Claims 11–13 and 31 stand rejected under 35 U.S.C. § 112, second paragraph, as indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.[2]

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[1] The Examiner inadvertently rejected these claims under 35 U.S.C. § 112, second paragraph, "as being incomplete for omitting essential steps/functions." (Final Act. 11.)

[2] Appellant does not present any arguments with respect to the rejection of claims 11–13 and 31 under 35 U.S.C. § 112, second paragraph. Thus, any such arguments are deemed to be waived. *See* 37 C.F.R. § 41.37(c)(1)(iv).

§ 101 Rejection

We are persuaded by Appellant's arguments (App. Br. 11; *see also* Reply Br. 2) that the Examiner has not satisfied the initial burden of demonstrating that independent claims 1 and 11 are directed to patent-ineligible subject matter under 35 U.S.C. § 101.

The Examiner found that the "[c]laims are directed to performing the transaction by utilizing a computer which is considered to [be] an abstract idea as such activity is considered both fundamental economic practice and organizing human activities" (Final Act. 2) and thus, "[t]he claim is similar in nature to claims that [have] been held by the court to be directed toward abstract idea such as *Alice* . . . which dealt with fundamental economic practice[s] and organizing human activities by utilizing the computer" (*id.* at 6).

Although the Examiner generally states that "performing the transaction by utilizing a computer [as recited in claim 1] . . . is considered both [a] fundamental economic practice and organizing human activities" (Final Act. 2) with a citation to *Alice* (*id.* at 6), such statement does not provide a reasoned rationale that identifies the judicial exception recited in the claim and why it is considered an exception. In particular, while method claim 1 recites sixteen separate detailed payment processing steps, the Examiner has not adequately articulated why the claimed concepts recited in these sixteen steps are either a "fundamental economic practice" or "organizing human activities." Therefore, the Examiner has not satisfied the prima facie burden of clearly articulating the reasons why the claimed invention is not eligible.

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Accordingly, we are persuaded by Appellant's arguments that "[s]ince the Examiner fails to clearly identify the abstract idea or apply the patent eligibility test correctly, the Examiner has failed to establish that the claims are prima facie ineligible." (App. Br. 11; *see also* Reply Br. 2.)

Thus, we do not sustain the rejection of claims 1 and 11 under 35 U.S.C. § 101. Claims 2, 4, 8, 9, 12, 13, 20–22, and 25–32 depend from independent claims 1 and 11. We do not sustain the rejection of claims 2, 4, 8, 9, 12, 13, 20–22, and 25–32 under 35 U.S.C. § 101 for the same reasons discussed with respect to independent claims 1 and 11.

§ 112, First Paragraph Rejection

We are persuaded by Appellants' arguments (App. Br. 18–19) that independent claim 1 complies with 35 U.S.C. § 112, first paragraph.

The Examiner concluded that independent claim 1 is not enabled "as being incomplete for omitting essential steps/functions, such omission amounting to a gap between the steps/functions." (Final Act. 11.) In particular, the Examiner found that:

> Claim[] [1] recites "[v] to determine if the consumer's passcode has been validated" and "[vii] indicating that the payment application has verified the consumer's passcode." The omitted steps are: "validating by the payment application a consumer's passcode" and "verifying by the payment application the consumer's passcode"

(*id.*), and

> Claim 1 recites "[xiii] determining by the mobile gateway that the second transaction occurs within the time window." It is unclear to one of the ordinary skill in the how the mobile gateway can determine the second transaction without receiving second transaction data from payment processing network.

(*Id.* at 11–12.) We do not agree.

In general, a claim that omits matter disclosed in the Specification to be essential may be rejected under 35 U.S.C. 112, first paragraph, as not enabled. *See In re Mayhew*, 527 F.2d 1229, 1233 (CCPA 1976). However, in determining that claim 1 omits essential matter, the Examiner has not provided any citations to Appellants' Specification that "validating by the payment application a consumer's passcode," "verifying by the payment application the consumer's passcode," and "receiving second transaction data from payment processing network" are essential elements. Therefore, the Examiner has not met the initial burden of demonstrating that 1, 2, 4, 8, 9, 20–22, 25–30, and 32 fail to satisfy the enablement requirement set forth under 35 U.S.C. § 112, first paragraph.

In addition, claim 1 recites "querying, the mobile gateway by the payment processing network, *to determine if the consumer's passcode has been validated*," which implicitly requires performing the initial step of validating by the payment application a consumer's passcode. Likewise, the limitations "determining, as a result of searching the database by the mobile gateway, that the validation message associated with the mobile communication device has been received *indicating that the payment application has verified the consumer's passcode*" and "determining, by the mobile gateway, that the second transaction occurs within the time window" implicitly require performing the initial steps of verifying by the payment application the consumer's passcode and receiving second transaction data from payment processing network, respectively.

Accordingly, we do not sustain the rejection of claims 1, 2, 4, 8, 9, 20–22, 25–30, and 32 under 35 U.S.C. § 112, first paragraph, as failing to comply with the enablement requirement.

DECISION

The Examiner's decision rejecting claims 1, 2, 4, 8, 9, 11–13, 20–22, and 25–32 under 35 U.S.C. § 101 is reversed.

The Examiner's decision rejecting claims 1, 2, 4, 8, 9, 20–22, 25–30, and 32 under 35 U.S.C. § 112, first paragraph is reversed.

The Examiner's decision rejecting claims 11–13 and 31 under 35 U.S.C. § 112, second paragraph, is affirmed.

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

AFFIRMED-IN-PART