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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte DARRYL S. O'NEILL¹

Appeal 2018-007700
Application 12/880,212
Technology Center 3600

Before DEBORAH KATZ, TAWEN CHANG, and
RACHEL H. TOWNSEND, *Administrative Patent Judges*.

CHANG, *Administrative Patent Judge*.

DECISION ON APPEAL

This is an appeal under 35 U.S.C. § 134(a) involving claims to a server based method of registering banking and customer information as part of enrollment for electronic banking services, which have been rejected as being directed to a judicial exception to patent-eligible subject matter without significantly more. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Appellant identifies the Real Party in Interest as NCR Corporation. (Appeal Br. 2.)

STATEMENT OF THE CASE

According to the Specification,

[r]egistering a bank account for electronic banking services, such as electronic deposits or electronic payments, is typically performed by a financial institution requesting a customer wishing to register to send a void check. The financial institution extracts information from this void check (account number and bank number) and uses the extracted information to enroll that customer.

(Spec. 1:5–9.) The Specification states that “[i]t would be desirable to make this process quicker, easier, and/or more efficient.” (*Id.* at 10–11.)

Claims 1–7 and 16–24 are on appeal. Claim 1 is illustrative and reproduced below:

1. A server based method of registering banking and customer information as part of enrolment for electronic banking services, the method comprising:
 - receiving from a customer seeking to enroll for the electronic banking services a transmitted image of a blank check of the customer by the server, wherein receiving further includes receiving the image as two images in a sent-message from the customer with a first image being a front image of the blank check and a second image being a rear image of the blank check;
 - locating the banking information from a portion of the transmitted image containing a magnetic ink character recognition line by the server;
 - performing optical character recognition to automatically extract the banking information by the server;
 - locating customer name and customer address information for the customer from a customer field of the image identifying a payer of the blank check;
 - performing optical character recognition to automatically extract a customer name and a customer address from the customer name and customer address information by the server;
 - marking the front image with a word “VOID”; and

processing the banking information and the customer name and the customer address for enrolling the customer for the electronic banking services by the server by interacting with an enrollment program downloaded on a device of the customer that prompts the customer to take an image of the blank check using a camera of the device and in response thereto correctly orienting the image of the check, and interacting, by the server, with the customer through the enrollment program for obtaining a Uniform Resource Locator (URL) link from the customer for sending, by the server, subsequent check images, captured by the enrollment program, wherein at least one electronic banking service includes registering a particular check of the customer to a third party account, and wherein the URL link is an address to the at least one electronic banking service.

(Appeal Br. 12 (Claims App).)

The Examiner rejects claims 1–7 and 16–24 under 35 U.S.C. § 101 as being directed to a judicial exception to patent-eligible subject matter without significantly more. (Ans. 3.)

DISCUSSION

Issue

The Examiner concludes that claim 1 is directed to enrolling the customer for the electronic banking services by interacting with an enrollment program that prompts the customer to take an image of the blank check, sending subsequent check images using a Uniform Resource Locator (URL) link addressed to the at least one electronic banking service, and registering a particular check of the customer to a third party account.

(Ans. 4.) The Examiner concludes that claim 1 is thus directed to subject matter similar to those previously found by courts to be abstract ideas in, e.g., *Elec. Power Group, LLC v. Alstom S.A.*, 830 F.3d 1350 (Fed. Cir. 2016)

and *FairWarning IP LLC v. Iatric Sys., Inc.*, 839 F.3d 1089 (Fed. Cir. 2016). (*Id.* at 4–6.) The Examiner further finds that the additional elements of claim 1, whether taken individually or as an ordered combination, are “well-understood, routine, and conventional elements that amount to no more than implementing the abstract idea . . . with a computerized system.” (*Id.* at 6.)

Appellant contends that claim 1 is not directed to an abstract idea because the “claim[] recite[s] a specific means or method for determining how to enroll a customer for a service and not directed to the effect, which is enrollment in the service.” (Appeal Br. 8–9; *see also* Reply Br. 2, 3–4.)

Appellant contends that “the features recited in claim 1 present an improvement ‘in computers as tools.’” (Appeal Br. 9; *see also* Reply Br. 2–3.) Appellant also contends that, to the extent claim 1 is directed to an abstract idea, claim 1 “recites ‘significantly more,’” because (1) “the improvements recited by claim 1 address problems that arise with existing computing processing associated with enrolling a customer in a banking service”; (2) the Examiner has not made any prior art rejections; and (3) “there was no existing human-based activity that was performing the [claimed] method.” (Appeal Br. 9–10; *see also* Reply Br. 2, 4.)

Appellant does not separately argue the claims. We therefore limit our analysis to claim 1 as representative. The issues with respect to this rejection are (1) whether claim 1 is directed to a patent-ineligible concept (i.e., a law of nature, a natural phenomenon, or an abstract idea) and, if so, (2) whether claim 1 contains elements that, individually or as an ordered combination, transform the nature of the claim into a patent-eligible application.

Analysis

Unless otherwise noted, we adopt the Examiner’s findings of fact and reasoning regarding the Examiner’s rejection of claim 1 under 35 U.S.C. § 101 (Final Act. 2–6; Ans. 3–11) and agree that claim 1 is unpatentable as being directed to a judicial exception without significantly more. Only those arguments timely made by Appellant in the briefs have been considered; arguments not so presented in the briefs are waived. *See* 37 C.F.R. § 41.37(c)(1)(iv) (2015); *see also Ex parte Borden*, 93 USPQ2d 1473, 1474 (BPAI 2010) (informative) (“Any bases for asserting error, whether factual or legal, that are not raised in the principal brief are waived.”). We highlight the following points for emphasis.

We analyze this case under the framework the Supreme Court set forth in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66 (2012) and applied in *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 573 U.S. 208 (2014). As the Supreme Court explained in *Alice*:

In *Mayo* . . . , we set forth a framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts. First, we determine whether the claims at issue are directed to one of those patent-ineligible concepts. . . . If so, we then ask, “[w]hat else is there in the claims before us?” . . . To answer that question, we consider the elements of each claim both individually and “as an ordered combination” to determine whether additional elements “transform the nature of the claim” into a patent-eligible application. . . . We have described step two of this analysis as 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 217–218.

Whether Claim 1 Is Directed to Patent-Ineligible Concept

We begin with the first step of the *Mayo* test, namely whether a claim is “directed to” a patent-ineligible concept. On January 7, 2019, the Director of the USPTO issued the “2019 Revised Patent Subject Matter Eligibility Guidance” (“Revised Guidance”), which provides further details regarding how the Patent Office analyzes patent-eligibility questions under 35 U.S.C. § 101. 84 Fed. Reg. 50–57 (Jan. 7, 2019). Under the Revised Guidance, the first step of the *Mayo* test (i.e., Step 2A of the Revised Guidance) is “a two-pronged inquiry.” *Id.* at 54. In prong one, we evaluate whether the claim recites a judicial exception, such as laws of nature, natural phenomena, or abstract ideas. *Id.* If the claim recites a judicial exception, the claim is further analyzed under prong two, which requires “evaluat[ion of] whether the claim recites additional elements that integrate the exception into a practical application of that exception.” *Id.* The Revised Guidance explains that, “[i]f the recited exception is integrated into a practical application of the exception, then the claim is eligible at Prong Two of . . . Step 2A [of the Revised Guidance].” *Id.*

Prong One of Step 2A of Revised Guidance

Following the Revised Guidance, we first consider whether claim 1 recites a judicial exception such as an abstract idea. We agree with the Examiner that claim 1 recites an abstract idea. (Ans. 4.)

Courts have held that patent-ineligible abstract ideas include certain methods of organizing human activity, such as fundamental economic practices, commercial or legal interactions, and managing personal behavior or relationships or interactions between people. *See, e.g., Alice*, 573 U.S. at 219–20; *Bilski*, 561 U.S. at 611. Abstract ideas also include mental processes, including subject matter that covers performance in the mind but for the recitation of generic computer components. *Gottschalk v. Benson*, 409 U.S. 63, 69 (1972); *Mortg. Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1324 (Fed. Cir. 2016) (holding that computer-implemented method for “anonymous loan shopping” was an abstract idea because it could be “performed by humans without a computer”).

We find that all the steps of claim 1, collectively as an ordered combination, recite a method of “registering banking and customer information as part of enrolment for electronic banking services,” which is a method of organizing human activity (e.g., commercial interactions) similar to other concepts that have been identified by the courts as abstract. *See, e.g., Credit Acceptance Corp. v. Westlake Servs.*, 859 F.3d 1044, 1054 (Fed. Cir. 2017) (citing *Alice* and *Bilski* and holding that claims directed processing an application for financing a purchase to be patent-ineligible).

In particular, claim 1 on appeal is similar to the claims at issue in *Bilski* and *Alice*, in that it is directed to a computer-implemented method for carrying out a process that was widespread long before computers, the Internet, and electronic banking: the process of enrolling a customer for a banking service. For instance, the Specification states that, prior to the claimed invention, registering a bank account for electronic banking services involves a financial institution “requesting a customer wishing to register to

send a void check, . . . extract[ing] information from this void check . . . [,] and us[ing] the extracted information to enroll that customer,” which are essentially the steps recited in claim 1, performed manually.

In other words, as in *Mortgage Grader*, “[t]he series of steps covered by [claim 1] . . . could all be performed by humans without a computer.” *Mortgage Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1324 (Fed. Cir. 2016). More particularly, the steps of claim 1 correspond to the electronic versions of:

- asking for and receiving a blank check from a customer wishing to enroll in a banking service (“prompt[ing] the customer to take an image of the blank check,” “receiving . . . a transmitted image of a blank check of the customer,” and “orienting the image of the check”);
- reading the banking and personal information from the check (“locating” and “extract[ing]” the “banking information” and “customer name and customer address information”);
- voiding the check (“marking the front image with a word ‘VOID’”);
- receiving address information regarding the bank (“obtaining a Uniform Resource Locator (URL) link from the customer . . . wherein the URL link is an address to the at least one electronic banking service”);
- sending the blank checks and/or the banking and personal information to the bank (“sending . . . subsequent check images”);
and

- enrolling the customer in the banking service (“processing banking information and the customer name and . . . address for enrolling the customer,” “registering a particular check of the customer to a third party account”).

Furthermore, we note that among the above steps there are also those that may be performed entirely in the human mind, for instance “locating” and “extract[ing]” the “banking information” and “customer name and customer address information.”

Thus, we agree with the Examiner that claim 1 recites an abstract idea: the claimed method recites mental processes that can be performed by humans without a computer and is also among the “methods of organizing human activity”—specifically, “commercial interactions” such as “business relations”—that have been recognized as abstract ideas. *See* 84 Fed. Reg. at 52.

Prong Two of Step 2A of Revised Guidance

Although claim 1 recites an abstract idea, it would still be patent-eligible if “the claim as a whole integrates the recited judicial exception into a practical application of the exception”; i.e., whether the claim “appl[ies], rel[ies] on, or use[s] the judicial exception in a manner that imposes a meaningful limit on the judicial exception.” 84 Fed. Reg. at 54. This analysis includes “[i]dentifying whether there are any additional elements recited in the claim beyond the judicial exception(s)” and “evaluating those additional elements individually and in combination to determine whether they integrate the exception into a practical application.” *Id.* at 54–55.

One of the “examples in which a judicial exception has not been integrated into a practical application” is when “[a]n additional element . . .

merely includes instructions to implement an abstract idea on a computer, or merely uses a computer as a tool to perform an abstract idea.” *Id.* at 55. *See also buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1355 (Fed. Cir. 2015) (stating that “[t]he Court in *Alice* made clear that a claim directed to an abstract idea does not move into section 101 eligibility territory by ‘merely requir[ing] generic computer implementation’”) (alteration in original).

We agree with the Examiner that claim 1 does not integrate the recited abstract idea into a practical application, because the recited functions of “receiving . . . transmitted image[s],” “locating . . . information . . . from . . . the transmitted image,” “extract[ing] . . . information,” “marking the . . . image,” “processing . . . information,” “interacting with [a remote program],” “orienting the image,” “sending . . . image,” and “registering” an image/information to an account are all conventional functions of a computer.

Claim 1 itself recites only generic hardware and software elements such as a server, “a device of the customer” having a camera, and an “enrollment program.” Consistent with claim 1, the Specification does not describe the claimed method as requiring any unconventional computer functionality. *See, e.g.*, Spec. 8–12. Thus, the claimed method does not use the recited abstract idea in conjunction with a particular machine or manufacture, nor does it reflect a technical improvement to the recited computer functions: receiving, sending, and manipulating images; locating, extracting, and processing information from the images; and interacting with remote devices.

In summary, claim 1 recites an abstract idea and does not integrate the abstract idea into a practical application. Therefore, claim 1 is directed to an abstract idea.

Whether Claim 1 Amounts to “Significantly More”

Finally, the Revised Guidance directs us to consider whether claim 1 includes “additional elements . . . [that] provide[] ‘significantly more’ than the recited judicial exception.” 84 Fed. Reg. at 56. The Revised Guidance states that an additional element that “simply appends well-understood, routine, conventional activities previously known in the industry, specified at a high level of generality, to the judicial exception, . . . is indicative that an inventive concept may not be present.” *Id.*

Here, the only elements recited in claim 1, other than the abstract idea itself, are a server, a “sent-message from the customer with a first image being a front image of the blank check and a second image being a rear image of the blank check,” information encoded in a magnetic ink character recognition line and the extraction of information by optical character recognition, and an enrollment program downloaded onto a device of the customer, which device contains a camera.

The Specification makes clear that no unconventional technology is required for the device of the customer used in this method. For instance, the Specification states that the device of the customer described in claim 1 may be a cell phone comprising “conventional cell phone components.” (Spec. 8:19–24.) The Specification also suggests that no unconventional technology is required for server and other claim elements recited above. The Specification describes the server and the enrollment program only in functional terms (*id.* at 8–12) and also states that “[s]oftware is available that

can perform” the function of “extract[ing] the . . . check image from the image captured by the camera [of the customer’s device] and correctly orient[ing] the . . . check image” (*id.* at 9:15–21).

Thus, the Specification does not describe any unconventional features of either the server, the customer device, or the enrollment program. And, as discussed above, claim 1 does not recite, and the Specification does not describe, any unconventional computer hardware or software as being needed for the claimed method. Therefore, claim 1 requires using only a generic computer system, and “the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention.” *Alice*, 573 U.S. at 223. The combination of elements recited in the method of claim 1 does not amount to significantly more than the judicial exception itself, and under 35 U.S.C. § 101 the claimed method is ineligible for patenting.

Appellant’s Arguments

Appellant contends that claim 1 is not abstract because it is “not directed to the result (enrollment in a service)” but rather “recites specific features, limitations, and processing context for an improved way in which a device terminal is operated by a customer and provided real-time specific information for enrolling in the banking service.” (Appeal Br. 8–9.)

Appellant contends that “[r]ead in its entirety, the features recited in claim 1 present an improvement ‘in computers as tools.’” (*Id.* at 9.)

We are not persuaded. The fact that a claim is directed to more than a result does not remove the claim from the realm of abstract ideas. The claim found to be patent-ineligible in *Alice*, for instance, does not merely recite the result of intermediated settlement but also recites specific steps such as

“creating a shadow credit record and a shadow debit record” for each stakeholder party, “obtaining . . . a start-of-day balance for each shadow credit record and shadow debit record,” “for every transaction resulting in an exchange obligation . . . adjusting each . . . shadow credit record or shadow debit record” and allowing only transactions meeting certain requirements, and instructing an exchange institution to “exchange credits or debits to the credit record and debit record of the respective parties in accordance with the adjustments of . . . permitted transactions.” *Alice*, 573 U.S. at 213, n. 2.

Appellant’s citation to *Enfish*, *McRO*, and *NVIDIA* is inapposite. *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016); *McRO, Inc. v. Bandai Namco Games America Inc.*, 837 F.3d 1299 (Fed. Cir. 2018); *Visual Memory LLC v. NVIDIA Corp.*, 867 F.3d 1253 (Fed. Cir. 2017). Appellant contends that, as in these cases, Appellant’s claims “recite a specific means or method for determining how to enroll a customer for a service and not directed to the effect, which is enrollment in the service.” (Appeal Br. 8–9; *see also* Reply Br. 3.) However, the claims in those cases were found to be patent eligible not merely because they recite specific steps for achieving a result, but because they recite improvements to the way computers operate or improvements to a relevant technology: The claims in *Enfish* are directed to a “self-referential” model of a database that provides advantages over the traditional “relational” model, *Enfish*, 822 F.3d at 1333, 1336; *McRO*’s claims are directed to “automatic use of rules of a particular type” that do not merely “use a computer as a tool to automate conventional activity” but “allowed computers to produce ‘accurate and realistic lip synchronization and facial expressions in animated characters,’” *McRO*, 873

F.3d at 1313–1314; and the claims in *NVIDIA* are directed to an improved computer memory system, *NVIDIA*, 867 F.3d at 1259.

In contrast, Appellant’s alleged improvement is not to the functioning of a computer or other technology or technical field, but to the abstract method of registering information for purposes of enrolling a customer in a banking service. Such an improvement does not confer patentability to an otherwise patent-ineligible claim. *See Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1335 (Fed. Cir. 2015) (affirming unpatentability of claims that use a computer to improve the performance of price determination but does not improve the computer’s performance).

In the Reply Brief, Appellant contends that “[a]n improvement does not have to be only directed to the performance of the computer” and that adding “[a] new feature function to a computer is not ‘use of a computer as a tool[]’ but is rather . . . an ‘improvement in a computer as a tool.’” (Reply Br. 2–3.) Appellant contends that “[t]he present claims provide an improvement in a device/system as a tool by providing new feature function that provides a mechanism for enrolling a customer with services through processing an image of a blank check provided by a device of the customer.” (Reply Br. 3.)

We are not persuaded. We agree that an improvement that confers patent eligibility is not limited to an improvement to computer performance and include improvement to other technology or technical field. However, it remains the case that any alleged improvement in claim 1 is not to a *technology* or *technical* field. Rather, the improvement is to an abstract method using conventional computer equipment – i.e., the improvement is using generic computers (e.g., conventional servers and cell phones) to make

a previously manual process “quicker, easier, and/or more efficient.” (Spec. 1:5–11.)²

In the Reply Brief, Appellant also complains that the Examiner changed the alleged abstract idea and that, by “reciting a specific implementation and copying a large portion of the claim language, the Examiner has transformed a previously-asserted abstract idea into a specific implementation which is not an abstract idea.” (Reply Br. 1–2.) Appellant also contends that, in any event, the claims “still recite additional specific details that further limit the alleged abstract idea” and that there is thus no concern of pre-emption. (*Id.* at 3.)

We are not persuaded. As we discussed above, the fact that a claim recites specific steps of arriving at a result does not confer patent eligibility on the claim where these steps merely recite abstract ideas and performance using conventional computer equipment.³ As to Appellant’s argument

² Appellant’s citation to *McRO*, *Core Wireless Licensing*, *Enfish*, and *NVIDIA* in the Reply Brief remain inapposite. We have already discussed *McRO*, *Enfish*, and *NVIDIA* above. The claims in *Core Wireless Licensing* are directed to “an improved user interface for computing devices, not to the abstract idea of an index,” because the specific limitations recited in the claims “disclose[d] a specific manner of displaying a limited set of information to the user, *rather than using conventional user interface methods to display a generic index on a computer.*” *Core Wireless Licensing S.A.R.L. v. LG Electronics, Inc.*, 880 F.3d 1356, 1362–1363 (Fed. Cir. 2018) (emphasis added). In contrast, claim 1 uses conventional computer equipment to perform the steps of the abstract method for enrolling a customer in a banking service.

³ To the extent Appellant’s complaint is that the Examiner has made a new ground of rejection in the Answer without designating it as such, we note that such a complaint is a matter petitionable to the Director, rather than appealable to the Board. *Compare* 37 C.F.R. § 1.181 and 37 C.F.R.

regarding the lack of preemption, we note that, although “preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *See Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015).

Appellant contends that claim 1 does not “simply automate an existing process” because “enrollment in banking service is not done in real time and is not done entirely by the customer at a customer operated device.”

(Appeal Br. 10.) Appellant contends that claim 1 is thus “similar to the situation presented in *McRO* where there was no existing human-based activity that was performing the method.” (*Id.*)

We are not persuaded. As the Specification explains, “[r]egistering a bank account for electronic banking services . . . is typically performed by a financial institution requesting a customer wishing to register to send a void check” and “[t]he financial institution extract[ing] information from this void check . . . to enroll that customer.” (Spec. 1:5–9.) Such a process would be performed in “real time” where the customer is enrolling in the banking service at the bank with the help of a bank teller or at an intermediary institution. As to Appellant’s argument that prior to the invention the enrollment would not be done “entirely by the customer at a customer operated device,” we note that claim 1 does not describe a process that is done entirely by the customer at a customer operated device – for

§ 41.40(a). Failure to timely file a petition waives any arguments that a rejection must be designated as a new ground of rejection. 37 C.F.R. § 1.181. Furthermore, assuming that the Examiner has made a new ground of rejection in the Answer, Appellant responded in the Reply Brief to the substance of the rejection as formulated in the Answer. Accordingly, we address all the arguments timely presented in the Answer and the Reply Briefs.

instance a server is required to receive the information sent by the customer, which in turn sends the information to the electronic banking service. Indeed, claim 1 does simply “automate” an existing process, by using computer equipment (i.e., the customer device such as a cell phone) to perform a function that would have previously been done manually, i.e., by the customer handing a voided check to a teller or sending the voided check to the financial institution through the mail.

Appellant contends that claim 1 also recites “significantly more” than the alleged abstract idea because “the improvements recited by claim 1 address problems that arise with existing computing processing associated with enrolling a customer in a banking service.” (Appeal Br. 9.) Appellant contends that the lack of prior art rejections “evidences that the claims have to be significantly more.” (*Id.* at 9–10.) Finally, in the Reply Brief, Appellant contends that the claims are significantly more than the abstract idea because they “recite more than the abstract idea itself” and “require specific data and elements (front and rear images, a single sent message, *etc.*) that is processed in a specific manner . . . for purposes of achieving one limited sub-species of the newly-asserted abstract idea in a specific and limited implementation.” (Reply Br. 4.)

We are not persuaded for many of the reasons already discussed. Appellant has not specified what problems in *computer processing* are addressed by claim 1.⁴ Instead, as discussed above and as made clear from

⁴ As discussed above, Appellant states in the Reply Brief that “[t]he present claims provide an improvement . . . by providing new feature functions that provides a mechanism for enrolling a customer with services through processing an image of a blank check provided by a device of the customer.”

the Specification, the alleged improvements recited in the claim are at best improvements to the abstract method of registering information for purposes of enrolling a customer in a banking service, not improvements to computer processing. Spec. 1:5–11 (stating that it would be desirable to make the process of registering a bank account for electronic banking services “quicker, easier, and/or more efficient”).

We are likewise unpersuaded by Appellant’s argument that the claims have to be “significantly more” in light of the lack of prior art rejections. The fact that Appellant’s claim may be novel and nonobvious does not make the claim eligible for a patent under § 101 where the novelty or inventive concept is grounded in an abstract idea. *See, e.g., Parker v. Flook*, 437 U.S. 584, 591–92 (1978).

Finally, we remain unpersuaded by Appellant’s contention that the claims are significantly more than the abstract idea because they “require specific data and elements . . . that [are] processed in a specific manner . . . for purposes of achieving one limited sub-species of the newly-asserted abstract idea in a specific and limited implementation.” (Reply Br. 4.) As discussed above, recitation of specific elements do not automatically render a claim patent-eligible: a step that is abstract (e.g., a mental process) remains patent-ineligible even if it is “specific”; recitation of elements in addition to the abstract idea does not confer patent eligibility on an otherwise ineligible claim, even if the elements are non-abstract and specific, if the elements are well-understood, routine, and conventional individually and as an ordered

(Reply Br. 3.) This, however, is not a solution to a problem in *computer processing*.

combination; and “the absence of complete preemption does not demonstrate patent eligibility.” *Ariosa*, 788 F.3d at 1379.

In the Reply Brief, Appellant also cites *Berkheimer v. HP, Inc.*, 881 F.3d 1360 (Fed. Cir. 2018) and the April 19, 2018 PTO Memorandum regarding that case (Berkheimer Memorandum) for the proposition that “whether claims are conventional . . . is a question of fact” and to argue that “the record does not reflect any factual evidence to support the Examiner’s opinions and conclusions that the claims are conventional.” (Reply Br. 2.) More specifically, Appellant contends that “[i]t is not conventional [to] send two images as a single sent message for both a front and rear of a check, and it is not conventional to mark a front image of the check with ‘VOID.’” (*Id.* at 4.) Appellant further asserts that “the claim as a whole is unconventional because it is not conventional to enroll a customer in banking services through a device operated by the customer with interaction to a server, where that server is not the banking service; rather, a URL link provided is the banking services.” (*Id.*)

As an initial matter, these arguments are waived because they were not presented in the opening brief, thereby denying the Board the benefit of the Examiner’s response, and no showing of good cause was made by Appellant to explain why the late argument should be considered by the Board.⁵ See 37 C.F.R. § 41.41(b)(2); *cf. Optivus Technology, Inc. v. Ion*

⁵ We note that although the Berkheimer Memo was issued on April 19, 2018, after the Appeal Brief was filed on March 23, 2018, *Berkheimer* itself was issued February 8, 2018. Furthermore, as to Appellant’s arguments that certain claim elements are not well-known, routine, and conventional, it has long been the law that the second step of Section 101 patent eligibility analysis requires a determination as to whether the claim contains an inventive concept sufficient to transform the claimed abstract idea into a

Beam Applications S.A., 469 F.3d 978, 989 (Fed. Cir. 2006) (argument raised for the first time in the Reply Brief that could have been raised in the opening brief is waived).

In any event, we are not persuaded by Appellants' arguments. As discussed above, the only elements recited in claim 1, other than the abstract idea itself, are a server, a "sent-message from the customer with a first image being a front image of the blank check and a second image being a rear image of the blank check," information encoded in a magnetic ink character recognition line and the extraction of information by optical character recognition, and an enrollment program downloaded onto a device of the customer, which device contains a camera, and the Specification evidences that no unconventional technology is required for these elements. (Spec. 8:19–24 (customer device may be a cell phone comprising "conventional cell phone components"); 8–12 (functional description of server and enrollment program); 9:15–21 ("[s]oftware is available that can perform" the function of "extract[ing] the . . . check image from the image captured by the camera [of the customer's device] and correctly orient[ing] the . . . check image").)

We are likewise unpersuaded by Appellant's arguments that specific elements of claim 1 are not well-understood, routine, and conventional. As to Appellant's argument that it is not conventional to mark a front image of the check with "VOID" (Reply Br. 4), we note that the Specification states that, even prior to the invention, registering a bank account for electronic

patent-eligible application, including whether additional claim elements are merely well-understood, routine, and conventional activities previously known to the industry. *See, e.g., Alice*, 573 U.S. at 221, 225.

banking services typically involved a financial institution requesting a void check from the customer (Spec. 1:5–7).

As to Appellant’s argument that “[i]t is not conventional [to] send two images as a single sent message for both a front and rear of a check” (Reply Br. 4), we note that sending and receiving information, including images, are a well-known, routine, and conventional function of a generic computer. *See buySAFE*, 765 F.3d at 1355 (“[t]hat a computer receives and sends information over a network—with no further specification—is not even arguably inventive”); *In re TLI Communications LLC Patent Litigation*, 823 F.3d 607, 614 (Fed. Cir. 2016) (server that receives data, extracts classification information from the received data, and stores the digital images insufficient to add an inventive concept). The particular content of the information sent – images of the front and rear of a check – does not render the step unconventional.

Finally, enrolling a customer in banking services through an intermediary (e.g., a server) does not confer patent eligibility. Using a server as an intermediary is well-understood, routine, and conventional. Merriam-Webster, for instance, defines a server as “a computer in a network that is used to provide services (such as access to files or shared peripherals or the routing of e-mail) to other computers in the network.”⁶

SUMMARY

For the reasons above, we affirm the Examiner’s decision rejecting claim 1. Claims 2–7 and 16–24, which are not separately argued, fall with claim 1. 37 C.F.R. § 41.37(c)(1)(iv).

⁶ “server.” MERRIAM-WEBSTER, <https://www.merriam-webster.com/dictionary/server> (last visited Sept. 13, 2019.)

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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).

AFFIRMED