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 ANANT NAMBIAR and GEETHA PANCHAPAKESAN

_____

Appeal 2018-008908
Application 12/270,180
Technology Center 3600

_____

Before BRADLEY W. BAUMEISTER, KARA L. SZPONDOWSKI, and
RUSSELL E. CASS, *Administrative Patent Judges*.

SZPONDOWSKI, *Administrative Patent Judge*.

DECISION ON APPEAL

Pursuant to 35 U.S.C. § 134(a), Appellant[1] appeals from the
Examiner's decision to reject claims 22–25 and 30–36, and 38–40, which
constitute all the claims pending in this application. Claims 1–21, 26–29,
and 37 have been cancelled. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

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[1] We use the word "Appellant" to refer to "applicant" as defined in
37 C.F.R. § 1.42. Appellant identifies the real party in interest as
MasterCard International Incorporated. Appeal Br. 3.

STATEMENT OF THE CASE

Appellant's invention generally relates to electronic payment systems, and more specifically, to techniques for a bulk payment account. Spec. 1. Claim 22, reproduced below, is representative of the claimed subject matter:

22.   A system comprising:

a front end communications processor disposed between an acquirer and a payment network;

a memory coupled to said front end communications processor, said memory storing a plurality of registered payment device account numbers, said plurality of registered payment device account numbers being registered for a first offer of a first merchant on a first ware, said first ware being available for purchase using any of said plurality of registered payment device account numbers for a first predetermined period of time, wherein each registered payment device account number is associated with a corresponding accepting holder; and

said front end communications processor and said memory operative to:

send an authorization request over said payment network to an issuer in response to determining, during said first predetermined period of time, that an account number associated with a first transaction is stored in said memory, wherein said authorization request includes an amount in accordance with said first offer, wherein said authorization request facilitates processing said first transaction in accordance with said first offer on said first ware, wherein said first offer does not require purchase of any product or service other than said first ware.

REJECTIONS

Claims 22–25, 30–36, and 38–40 stand rejected under 35 U.S.C. § 101 because the claimed invention is directed to an exception to patent-eligible subject matter without reciting significantly more.

Claims 22–25, 30–36, and 38–40 stand rejected under 35 U.S.C. § 112(a) or 35 U.S.C. § 112 (pre-AIA), first paragraph, as failing to comply with the written description requirement.

Claims 22 and 24 stand rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 22–25, 30–36, and 38–40 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Kumar et al. (US 2003/0126006 A1; published July 3, 2003) ("Kumar"), Nicholson (US 2006/0293947 A1; published Dec. 28, 2006), and Fiebiger et al. (US 2007/0262139 A1; published Nov. 15, 2007) ("Fiebiger").

ANALYSIS

35 U.S.C. § 101 Rejections

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 U.S. 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 Court's two-part framework, described in *Mayo* and *Alice*.

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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 waterproof cloth, vulcanizing India rubber, smelting ores" (*id.* at 182 n.7 (quoting *Corning v. Burden*, 56 U.S. 252, 267–68 (1853))); and manufacturing flour (*Benson*, 409 U.S. at 69 (citing *Cochrane v. Deener*, 94 U.S. 780, 785 (1876))).

If the claim is "directed to" an abstract idea, we turn to the second step of the *Alice* and *Mayo* framework, where "we must examine the elements of the claim to determine whether it contains an 'inventive concept' sufficient to 'transform' the claimed abstract idea into a patent-eligible application." *Alice*, 573 U.S. at 221 (quotation marks omitted). "A claim that recites an abstract idea must include 'additional features' to ensure 'that the [claim] is more than a drafting effort designed to

monopolize the [abstract idea].'" *Id.* (alterations in original) (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.*

In January 2019, the U.S. Patent and Trademark Office (USPTO) published revised guidance on the application of § 101. 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50 (Jan. 7, 2019) ("2019 Revised Guidance").[2] "All USPTO personnel are, as a matter of internal agency management, expected to follow the guidance." *Id.* at 51; *see also* October 2019 Update at 1.

Under the 2019 Revised Guidance and the October 2019 Update, 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) ("Step 2A, Prong One"); and
>
> (2) additional elements that integrate the judicial exception into a practical application (*see* MPEP § 2106.05(a)–(c), (e)–(h) (9th ed. Rev. 08.2017, Jan. 2018)) ("Step 2A, Prong Two").[3]

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[2] In response to received public comments, the Office issued further guidance on October 17, 2019, clarifying the 2019 Revised Guidance. USPTO, *October 2019 Update: Subject Matter Eligibility*, 84 Fed. Reg. 55942 (the "October 2019 Update") (available at https://www.uspto.gov/ sites/default/files/documents/peg_oct_2019_update.pdf).

[3] This evaluation is performed by (a) identifying whether there are any additional elements recited in the claim beyond the judicial exception, and (b) evaluating those additional elements individually and in combination to determine whether the claim as a whole integrates the exception into a practical application. *See* 2019 Revised Guidance - Section III(A)(2), 84 Fed. Reg. 54–55.

2019 Revised Guidance, 84 Fed. Reg. at 52–55.

Only if a claim (1) recites a judicial exception and (2) does not integrate that exception into a practical application, do we then look, under Step 2B, to whether the claim:

> (3) adds a specific limitation beyond the judicial exception that is not "well-understood, routine, conventional" in the field (*see* MPEP § 2106.05(d)); or
>
> (4) simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception.

2019 Revised Guidance, 84 Fed. Reg. at 52–56.

2019 Revised Guidance, Step 2A, Prong One

The Examiner determines the claims are directed to processing an electronic payment using a front end communication processor disposed between an acquirer and a payment network, which is an abstract idea. Final Act. 7. Specifically, the Examiner determines the limitations "storing a plurality of registered payment device account numbers . . ." and "send[ing] an authorization request over said payment network to an issuer in response to determining, during said first predetermined period of time, that an account number . . ." recite a fundamental economic practice. Final Act. 7.

Appellant argues the claims are not directed to a fundamental economic practice, but instead

> are directed to a front end communications processor disposed between an acquirer and a payment network and operative to send an authorization request over the payment network to an issuer in response to determining, during a first predetermined period of time, that an account number associated with a first

transaction is stored in a memory coupled to the front end communications processor.

Appeal Br. 10.

Appellant has not persuasively rebutted the Examiner's findings and conclusions. Independent claim 22 recites

said memory storing a plurality of registered payment device account numbers, said plurality of registered payment device account numbers being registered for a first offer of a first merchant on a first ware, said first ware being available for purchase using any of said plurality of registered payment device account numbers for a first predetermined period of time, wherein each registered payment device account number is associated with a corresponding account holder,

and

send[ing] an authorization request over said payment network to an issuer in response to determining, during said first predetermined period of time, that an account number associated with a first transaction is stored in said memory, wherein said authorization request includes an amount in accordance with said first offer, wherein said authorization request facilitates processing said first transaction in accordance with said first offer on said first ware, wherein said first offer does not require purchase of any product or service other than said first ware.

Appeal Br. 18. Independent claims 24 and 32 recite similar limitations. Appeal Br. 20–21.

In the Specification, Appellant states that the invention relates to electronic payment systems, and particularly, to techniques for offering a "bulk" negotiated rate for specific products and services to holders of a particular type of payment card, such as a MasterCard. Spec. 1, 3, 4. Appellant explains that card holders receive the advantage of lower price, while the operator of the payment network (e.g., MasterCard International Incorporated) benefits by inducing a greater volume of transactions. Spec.

3. To receive the negotiated rate, customers may have to register the payment card, and the negotiated rate may only be offered for a specific period of time. Spec. 4.

We see no meaningful distinction between this type of electronic payment practice and "the concept of intermediated settlement" held to be abstract in *Alice*, 573 U.S. at 219, the "basic concept of hedging" held to be abstract in *Bilski*, 561 U.S. at 611, or "the concept of offer-based price optimization" held to be abstract in *OIP Technologies, Inc. v. Amazon.com, Inc.*, 788 F.3d 1359 (Fed. Cir. 2015). *See* Final Act. 3. Therefore, claims 22, 24, and 32 recite the abstract idea of processing an electronic payment, and in particular, to providing an offered rate for specific wares to registered holders of a particular payment device, and authorizing processing of a transaction in accordance with the offer.

These claims, then, reasonably can be characterized as reciting a certain method of organizing human activity that entails a fundamental economic practice, a commercial interaction, or advertising, marketing or sales activities. The 2019 Revised Guidance recognizes all of these specific types of organizing human activity as constituting patent-ineligible abstract ideas. 2019 Revised Guidance, 84 Fed. Reg. at 52–55.

Accordingly, Appellant has not sufficiently demonstrated that the claims do not recite an abstract idea, and we agree with the Examiner's findings and conclusions. *See* Final Act. 2–4, 7, 8. Therefore, we determine the claims recite a fundamental economic practice pursuant to Step 2A, Prong One, of the guidance. *See* 2019 Revised Guidance, Section III(A)(1) (Prong One: Evaluate Whether the Claim Recites a Judicial Exception).

2019 Revised Guidance, Step 2A, Prong Two

In determining whether the claims are "directed to" the identified abstract idea, we next consider whether the claims recite additional elements that integrate the judicial exception into a practical application.[4] We discern no additional element (or combination of elements) recited in the claims that integrates the judicial exception into a practical application. *See* 2019 Revised Guidance, 84 Fed. Reg. at 54–55.

The Examiner determines additional limitations "a front end communications processor disposed between an acquirer and a payment network," and "a memory coupled to said front end communications processor" merely represent data input to the abstract idea and/or insignificant post-solution activity. Final Act. 8. The Examiner further determines these limitations are merely an attempt to limit the abstract idea to a particular technological environment. *Id.* In addition, the Examiner determines the claims are performed by a generically recited processor, and are merely instructions to implement the abstract idea on a computer, and, therefore, do not recite an improvement to another technology or technical field, or an improvement to the functioning of the computer itself. *Id.* at 3; *see also* Ans. 2–3, 5–6.

Appellant argues the claims are not directed to an abstract idea, but instead "embod[y] a technical improvement in a payment network[,]"

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[4] We acknowledge that some of the considerations at Step 2A, Prong Two, properly may be evaluated under Step 2 of *Alice* (Step 2B of the 2019 Revised Guidance). For purposes of maintaining consistent treatment within the Office, we evaluate them under Step 1 of *Alice* (Step 2A of the 2019 Revised Guidance). *See* 2019 Revised Guidance, 84 Fed. Reg. at 55 n.25, 27–32.

whereby a discounted price is reflected at the point-of-sale in the authorization request, avoiding after-the-fact statement rebates and the associated communications, wherein a card holder benefits from a lower price while an operator of a payment network benefits by inducing a greater volume of transactions to be carried out with the network." Appeal Br. 9–10; *see* Reply Br. 10. Appellant also argues the claims "address[] the challenge of sending authentication requests over a payment network to an issuer **with time sensitive information** . . . for processing a transaction stored in memory." Appeal Br. 10.

Appellant's arguments are unpersuasive. Appellant has not sufficiently explained how or why the claims constitute a technical improvement. Although Appellant argues the claimed technical improvement derives from the claimed "front end communication processor disposed between an acquirer and a payment network" (Reply Br. 10), Appellant does not direct us to any disclosure in the Specification that describes the technical problem the system, as claimed, is intended to overcome, or how the system, as claimed, overcomes that problem. *Contra Visual Memory LLC v. NVIDIA Corp.*, 867 F.3d 1253, 1260 (Fed. Cir. 2017) ("And like the patents at issue in *Enfish* and *Thales*, the specification discusses the advantages offered by the technological improvement").

Appellant describes the problem and solution as avoiding after-the-fact statement rebates and communications by offering a discounted price at the point-of-sale in the authorization request. Appeal Br. 9–11. However, we agree with the Examiner that offering a discounted (or adjusted) price at the point-of-sale in the authorization request is not directed to a technical improvement, but rather, is an improvement to the abstract idea. *See* Final

Act. 3–4; Ans. 2–3, 5–6. Specifically, rather than being directed to any improvement in computer capabilities or functionality, the claim language and Specification (e.g., Spec. 1, 3, 4) support a determination that the claimed subject matter is directed to facilitating electronic payment through the use of generic computer devices.

Claim 22 recites additional limitations of "a front end communications processor disposed between an acquirer and a payment network," "a memory coupled to said front end communications processor," and "said front end communications processor and said memory operative to . . . " Appeal Br. 18 (Claims Appendix). Claims 24 and 32 recite similar limitations. *Id.* at 18–21. The Specification supports that these additional limitations are generic computer devices performing generic computer functionality. *See*, e.g. Spec. 15–18; *id.* at 18 ("aspects of the invention can be implemented, for example, by one or more appropriately programmed general purpose computers . . .").

For example, Appellant describes the claimed front end communications processor generically. Spec. 14 ("A front end communications processor 550, such as a MASTERCARD INTERFACE PROCESSOR or MIP processor . . ."); *see also id.* at 15. Appellant likewise describes the claimed "memory" generically. E.g., Spec. 17 ("[t]he memories could be implemented as an electrical, magnetic or optical memory, or any combination of these or other types of storage devices."). Unlike the claims in *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016), the claimed front end communications processor and memory are used in their ordinary capacity, rather than as an improvement to computer functionality. *See* Final Act. 4; Ans. 5–6.

Appellant contends the additional limitations of "using a front end communications processor between an acquirer and a payment network and comprising a memory that stores registered payment device account numbers, sending, by a front end communications processor, an authorization request over a payment network to an issuer in response to determining that an account number associated with a first transaction is stored in said memory, and causes said issuer to process said first transaction in accordance with said first offer on said first ware," are meaningful limitations because they "solve an Internet-centric problem . . . with a claimed solution that is necessarily rooted in computer technology, similar to the additional elements in *DDR Holdings*." Appeal Br. 10–11. Appellant also argues these limitations provide unconventional steps that confine the abstract idea to a particular useful application. *Id.* at 11.

Appellant's arguments are not persuasive. In *DDR Holdings, LLC v. Hotels.com, L.P.*, the disputed claims solved an Internet-specific problem (i.e., third-party merchants luring a host website's visitor traffic away from the host website in response to clicking on a merchant's advertisement link displayed on the host site) with an Internet-based solution (i.e., generating a composite web page displaying product information from the third-party merchant, but retaining the host website's "look and feel") that was "necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks." 773 F.3d 1245, 1257–58 (Fed. Cir. 2014).

That is not the case here. Appellant has not persuasively explained why offering a discounted price at the point-of-sale and in the authorization request is an Internet-centric problem. Rather than being "necessarily rooted

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in computer technology in order to overcome a problem specifically arising in the realm of computer networks," Appellant's claims merely link the use of the abstract idea to an electronic environment, which is insufficient to integrate the abstract idea into a practical application. *See, e.g., Ultramercial*, 772 F.3d at 716; *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1354 (Fed. Cir. 2014); *see* Ans. 3–4; Final Act. 3

Accordingly, Appellant does not sufficiently demonstrate that the claims integrate the judicial exception into a practical application. *See* 2019 Revised Guidance, Section III(A)(2) (Prong Two: If the Claim Recites a Judicial Exception, Evaluate Whether the Judicial Exception Is Integrated Into a Practical Application). We, therefore, agree with the Examiner that the claims are directed to a judicial exception. *See* Final Act. 2–4, 7–8; Ans. 2–6.

2019 Revised Guidance, Step 2B

Turning to step 2 of the *Alice/Mayo* framework, we look to whether the claims (a) add a specific limitation or combination of limitations that are not well-understood, routine, conventional activity in the field, or (b) simply append well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception. 2019 Revised Guidance, 84 Fed. Reg. at 56.

The Examiner determines the additional limitations "are merely instructions to implement the abstract idea on a computer and require no more than a generic computer to perform generic computer functions that are well-understood, routine and conventional activities previously known to the industry." Ans. 3.

Appellant argues "none of the claims appears to have been considered as a whole." Appeal Br. 8. Appellant argues the claims "specify an arrangement, i.e., a front end communications processor disposed between an acquirer and a payment network facilitating a transaction . . . and are believed to embody an inventive concept." Appeal Br. 11; *see also id.* at 9 ("[c]laims 22 and 24 are directed to a particular arrangement of processors"). According to Appellant, the claim limitations "specify a non-conventional and non-generic arrangement." Reply Br. 14.

Appellant's arguments are not persuasive. For the following reasons, we determine that when viewed as a whole, nothing in the claim adds significantly more (i.e., an inventive concept) to the abstract idea. The identified additional claim limitations, instead, amount to no more than mere instructions to apply the exception using generic computer components, which is insufficient to provide an inventive concept. *See, e.g.*, Spec. 15–18.

Appellant does not direct our attention to anything in the Specification that reasonably indicates the claimed processor arrangement is non-conventional and non-generic, or performs anything other than well-understood, routine, and conventional processing functions, such as storing, processing, and sending data. *See Intellectual Ventures 1 LLC v. Erie Indemnity Co.*, 850 F.3d 1315, 1329 (Fed. Cir. 2017) ("the remaining limitations recite routine computer functions, such as the sending and receiving information to execute the database search"); *Electric Power Group, LLC v. Alstom S.A.*, 830 F.3d 1350, 1355 (Fed. Cir. 2016) ("Nothing in the claims, understood in light of the specification, requires anything other than off-the-shelf, conventional computer, network, and display technology

for gathering, sending, and presenting the desired information"); *buySAFE*,
765 F.3d at 1355 ("That a computer receives and sends the information over
a network—with no further specification—is not even arguably inventive");
Alice, 573 U.S. at 224–26 (basic calculating, receiving, storing, sending
information over networks insufficient to add an inventive concept).

Furthermore, we are unable to discern anything in the claims, even
when the recitations are considered in combination, that represents
something more than the performance of routine, conventional functions of a
generic computer. That is, the claims at issue do not require any
nonconventional computer components, or even a "non-conventional and
non-generic arrangement of known, conventional pieces," but merely call for
performance of the claimed information storing, processing, and sending
data "on a set of generic computer components." *Bascom Glob. Internet
Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1350 (Fed. Cir. 2016).

Appellant's preemption argument is likewise unpersuasive of
Examiner error. *See* Appeal Br. 11–12. Although preemption "might tend
to impede innovation more than it would tend to promote it, 'thereby
thwarting the primary object of the patent laws,'" (*Alice*, 573 U.S. at 216
(citing *Mayo*, 566 U.S. at 70–71)), "the absence of complete preemption
does not demonstrate patent eligibility." *Ariosa Diagnostics, Inc. v.
Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015); *see also OIP*, 788
F.3d at 1362–63 (Fed. Cir. 2015) ("[T]hat the claims do not preempt all
price optimization or may be limited to price optimization in the e-
commerce setting do not make them any less abstract.").

Appellant does not separately argue the dependent claims. *See* Appeal Br. 12. For the foregoing reasons, then, we sustain the Examiner's 35 U.S.C. § 101 rejection of claims 22–25, 30–36, and 38–40.

35 U.S.C. § 112, ¶ 1 Rejections

The Examiner finds that the originally-filed Specification lacks adequate written description for the following limitations: "determining . . . that an account number associated with a first transaction is stored in said memory" (claims 22, 24, 32); "determining that an account number associated with said first transaction is present in a file structure accessible to said front-end communications processor" and "determining that a merchant identifier associated with said first transaction matches said first merchant" (claims 30, 31); and "determining . . . that a second account number associated with a second transaction is stored in said memory" (claim 34). Final Act. 9. Specifically, the Examiner finds the Specification "gives several examples[,] but does not provide the algorithm that performs the claimed [limitations] . . . in sufficient detail such that one of ordinary skill can reasonably conclude that the inventor had possession of the claimed subject matter." Final Act. 9; *see also* Ans. 6.

Appellant argues there is no requirement that the specification must include an algorithm. Appeal Br. 12 (citing *In re Hayes Microcomputer Prods., Inc. Patent Litigation*, 982 F.2d 1527 (Fed. Cir. 1992). Appellant identifies page 15, lines 1–26, of the Specification as providing the required written description. Appeal Br. 12; *see also* Reply Br. 16.

We agree with Appellant. Whether a Specification complies with the written description requirement of 35 U.S.C. § 112, first paragraph, is a

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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, does not need to 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.* The written description requirement may be satisfied when the particular steps, i.e., an algorithm, necessary to perform the claimed function, are "described in the specification." *See, e.g.*, *In re Hayes*, 982 F.2d at 1533–34.

Here, the Specification discloses an algorithm in prose that a person of ordinary skill in the art would understand indicates the inventor had possession of the claimed subject matter. For example, Appellant's Specification describes that "[f]ile structure 554 may include, for example, a list of account numbers of cards that have registered for special pricing. ***Processor 550 may be programmed to check the account numbers in authorization messages that it receives from merchant 504 and compare them against file structure 554 to see if they have registered and are eligible for the special pricing*** . . ." Spec. 15, lines 1–6 (emphasis added).

Accordingly, we are persuaded the Examiner erred. We, therefore, do not sustain the Examiner's 35 U.S.C. § 112, ¶ 1 rejection of claims 22–25, 30–36, and 38–40.

35 U.S.C. § 112, ¶ 2 Rejections

The Examiner determines the limitation "send an authorization request over . . . in response to determining, during said first predetermined period of time, that an account number associated with a first transaction is stored in said memory" is indefinite because "there is no determining step." Final Act. 10; *see also* Ans. 7.

Appellant argues the claim language explicitly "requires that the front end communications process is operative to perform 'determining, during said first predetermined period of time, that an account number associated with a first transaction is stored in said memory.'" Appeal Br. 14; *see also* Reply Br. 17.

We fail to see, and the Examiner does not adequately explain, why a person of ordinary skill in the art would be unable to determine the metes and bounds of the claim protection being sought, which is the test for indefiniteness. *See In re Zletz*, 893 F.2d 319, 322 (Fed. Cir. 1989) (During examination, after applying the broadest reasonable interpretation to the claim, if the metes and bounds of the claimed invention are not clear, the claim is indefinite and should be rejected); *Orthokinetics, Inc. v. Safety Travel Chairs, Inc.*, 806 F.2d 1565, 1576 (Fed. Cir. 1986) (The test for definiteness under 35 U.S.C. § 112, second paragraph is whether "those skilled in the art would understand what is claimed when the claim is read in light of the specification.").

We cannot agree with the Examiner that the limitation "send an authorization request over . . . in response to determining, during said first predetermined period of time, that an account number associated with a first transaction is stored in said memory," as recited in claims 22 and 24, is

unclear or that this limitation renders claims 22 and 24 indefinite. Instead, we determine that a person of ordinary skill in the art would understand what is claimed when the claim is read in light of the Specification, namely, that authorization is requested in response to determining that an account number associated with a first transaction is stored in said memory.

Accordingly, we are persuaded the Examiner erred. We, therefore, do not sustain the Examiner's 35 U.S.C. § 112, ¶ 2, rejection of claims 22 and 24.

35 U.S.C. § 103 Rejections

The Examiner relies on Kumar to teach or suggest a "plurality of registered payment device account numbers being registered for a first offer of a first merchant on a first ware," as recited in independent claim 22 and commensurately recited in independent claims 24 and 32. Final Act. 10–11 (citing Kumar ¶¶ 6, 36, 43, 49, 88, and 109).

Appellant contends "[n]one of the cited references teaches or suggests cardholders registered to receive offers of a merchant." Appeal Br. 16. With respect to Kumar, Appellant argues there is no registration, as Kumar "teaches how to select recipients of a promotional communication likely to exhibit a desired or designated action or behavior." Appeal Br. 16.

In response, the Examiner explains:

> Kumar in at least paragraph 49 discloses different formulas, predictor variables, intercepts, etc. may be developed for different offers, different merchants, different financial products, different groups of actual or potential recipients of communications, etc. In addition, predictor variables, formulas, intercepts, etc. may change over time as more customer data and communication result information is obtained and analyzed. As previously mentioned above, in some embodiments, prior to or

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as part of the step 102, the manager may need to identify, select or otherwise determine some **or all of the plurality of recipients.** Kumar also in at least paragraph 88 discloses the recipient information database 300 may include a recipient identifier field 302 that may include codes or other identifiers for one or more recipient, a recipient name field 304 that may includes names or other information associated with the recipients identified in the field 302, an associated account identifier *(i.e, registered cardholder)* field 306 that may include codes or other identifiers of accounts associated with the recipients identified in the field 302, an age field 308 that may include age information for the recipients identified in the field 302, an annual income field 310 that may include information regarding the annual incomes of the recipients identified in the field 302, and an associated communication identifier field 312 that may include codes or other identifiers for communications sent or provided to the recipients identified in the field 302.

Ans. 8.

We are persuaded by Appellant's arguments. Kumar is generally directed to promoting the use of a financial product, such as a credit card. Kumar, Abstr. Kumar seeks to use various data points associated with recipients of promotional offers, for example, responses to prior promotional offers, to indicate future responses to potential recipients and the likelihood of obtaining a desired response. *Id.* Such information may be used to identify or select future recipients. *Id.* ¶ 49.

Information about recipients may be stored in a recipient information database, which may include

> a recipient identifier field 302 that may include codes or other identifiers for one or more recipient, a recipient name field 304 that may include[] names or other information associated with the recipients identified in the field 302, *an associated account identifier field 306 that may include codes or other identifiers of accounts associated with the recipients identified in the field 302,*

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an age field 308 that may include age information for the recipients identified in the field 302, an annual income field 310 that may include information regarding the annual incomes of the recipients identified in the field 302, and an associated communication identifier field 312 that may include codes or other identifiers for communications sent or provided to the recipients identified in the field 302.

Kumar ¶ 88 (emphasis added).

The Examiner relies on the "associated account identifier" field 306 as teaching a "registered payment device account number." Ans. 8. Kumar describes that this field "may include codes or other identifiers of accounts associated with the recipients identified." Kumar ¶ 88. We fail to see, and the Examiner has not sufficiently explained, how this disclosure teaches or suggests a "plurality of registered payment device account numbers being registered for a first offer of a first merchant on a first ware," as claimed.

Accordingly, on this record, we agree with Appellant that the Examiner erred in rejecting independent claims 22, 24, and 32, and dependent claims 23, 25, 30, 31, 33–36, and 38–40, for the same reasons.

CONCLUSION

In summary:

Claims Rejected	35 U.S.C. §	Reference(s)/Basis	Affirmed	Reversed
22–25, 30–36, 38–40	101	Eligibility	22–25, 30–36, 38–40	
22–25, 30–36, 38–40	112, ¶ 1	Written Description		22–25, 30–36, 38–40
22, 24	112, ¶ 2	Indefiniteness		22, 24

Claims Rejected	35 U.S.C. §	Reference(s)/Basis	Affirmed	Reversed
22–25, 30–36, 38–40	103	Kumar, Nicholson, Fiebiger		22–25, 30–36, 38–40
Overall Outcome			22–25, 30–36, 38–40	

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

AFFIRMED.