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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* SHASHI KAPUR, GARY PALMER, RALPH A. BIANCO,  
TERRY DOOLEY, and ERIC MEANS

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Appeal 2019-000297  
Application 13/159,936  
Technology Center 3600

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BEFORE BRADLEY W. BAUMEISTER, ADAM J. PYONIN, and  
RUSSELL E. CASS, *Administrative Patent Judges*.

PYONIN, *Administrative Patent Judge*.

DECISION ON APPEAL

Pursuant to 35 U.S.C. § 134(a), Appellant<sup>1</sup> appeals from the Examiner's decision. Final Act. 1. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

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<sup>1</sup> We use the word "Appellant" to refer to "Applicant" as defined in 37 C.F.R. § 1.42(a). Appellant identifies the real party in interest as "MTS Holdings, Inc.[,] a wholly owned subsidiary of MasterCard International Incorporated." App Br. 4.

STATEMENT OF THE CASE

The Application “relates to automated balance inquiries and/or electronic funds transfers (‘EFTs’), which may include withdrawing funds from or depositing funds into a bank account.” Spec. ¶ 1. Claims 1–4, 7, 9, 18–21 and 24 are pending and rejected, of which claim 1 and 18 are independent; claims 10–17 and 26 are withdrawn. Appeal Br. 4, 31–37. Claim 1 is reproduced below for reference (emphases added):

1. A method of processing balance inquiries of a financial account of a user over a mobile device of the user, the method comprising:

receiving, by a computing device and from the mobile device of the user over a first communication channel, a request for a balance inquiry of the financial account from the user and an account identifier of the financial account;

receiving, by the computing device, contact information associated with the financial account;

initiating, by the computing device and in response to receipt of the request for the balance inquiry, a communication with the mobile device of the user over a second communication channel via the contact information, wherein the second communication channel is different from the first communication channel;

receiving, by the computing device, a personal identification number (PIN) from the user via the communication with the mobile device of the user over the second communication channel, wherein the PIN authorizes access to the financial account;

*requesting, by the computing device, a balance inquiry of the financial account based on the account identifier and the PIN from an electronic funds transfer (EFT) provider over an EFT network;*

receiving, by the computing device, a balance of the financial account from the EFT provider; and

*providing, by the computing device and to the mobile device of the user, the balance of the financial account received from the EFT provider,*

wherein the user does not directly access a financial institution that manages the financial account.

#### REFERENCES

Singh	US 2003/0046094 A1	Mar. 6, 2003
King	US 2003/0233318 A1	Dec. 18, 2003
Yuen	US 2007/0107044 A1	May 10, 2007

#### REJECTIONS

Claims 1–4, 7, 9, 18–21 and 24 are rejected under 35 U.S.C. § 101 as being patent ineligible. Final Act. 2.

Claims 1–4, 7, 9, 18–21 and 24 are rejected under 35 U.S.C. § 103(a) as being unpatentable over King, Yuen, and Singh. Final Act. 9.

#### OPINION

We have reviewed the Examiner’s rejections in light of Appellant’s arguments. Arguments Appellant could have made but chose not to make are deemed to be waived. *See* 37 C.F.R. § 41.37(c)(1)(iv). We disagree with Appellant that the Examiner erred and adopt as our own the findings and reasons set forth by the Examiner, to the extent consistent with our analysis below.

#### *The § 101 Rejection*

The Examiner determines the claims are patent ineligible under 35 U.S.C. § 101, because “the claimed invention is directed to a judicial exception (i.e., law of nature, natural phenomenon, or abstract idea) without

significantly more.” Final Action 2–3; *see also Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 217 (2014) (Describing the two-step framework “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.”).

After the docketing of this Appeal, the USPTO published revised guidance on the application of § 101. *See* USPTO’s 2019 REVISED PATENT SUBJECT MATTER ELIGIBILITY GUIDANCE, 84 Fed. Reg. 50 (Jan. 7, 2019) (“2019 Guidance”). Under Step 2A of the 2019 Guidance, the Office looks to whether the claim recites:

- (1) Prong One: any judicial exceptions, including certain groupings of abstract ideas (i.e., mathematical concepts, certain methods of organizing human activity such as a fundamental economic practice, or mental processes); and
- (2) Prong Two: additional elements that integrate the judicial exception into a practical application (*see* MPEP § 2106.05(a)–(c), (e)–(h)).

2019 Guidance, 84 Fed. Reg. 52–55.

Only if a claim (1) recites a judicial exception and (2) does not integrate that exception into a practical application, does the Office then continue under Step 2B to look 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 Guidance, 84 Fed. Reg. 56.

We agree with the Examiner's determination the claims are not patent eligible; we add the following primarily for emphasis and clarification with respect to the 2019 Guidance.

*I. Step 2A, Prong One*

Pursuant to the 2019 Guidance, we agree with the Examiner that claim 1 recites one or more abstract ideas. *See* Final Act. 3. The claim recites a method of accomplishing a financial task, by “processing balance inquiries and electronic funds transfers (EFTs) using multi-factor authentication” (Abstract), and the claim can be performed for a user “at a casino table, [so] a user may process a balance inquiry and/or acquire additional chips (via funds transfer) using [a] mobile device [] without leaving the table” (Spec. ¶ 33). Specifically, other than computer hardware, the claim recites the following method limitations:

receiving . . . over a first communication channel, a request for a balance inquiry of the financial account from the user and an account identifier of the financial account;

receiving . . . contact information associated with the financial account;

initiating, . . . in response to receipt of the request for the balance inquiry, a communication with the . . . user over a second communication channel via the contact information, wherein the second communication channel is different from the first communication channel;

receiving . . . a personal identification number (PIN) from the user via the communication . . . over the second communication channel, wherein the PIN authorizes access to the financial account;

requesting . . . a balance inquiry of the financial account based on the account identifier and the PIN from an . . . funds transfer [] provider over an [funds transfer] network;

receiving . . . a balance of the financial account from the [funds transfer] provider; and  
providing . . . to the . . . user, the balance of the financial account received from the [funds transfer] provider,  
wherein the user does not directly access a financial institution that manages the financial account.

The above limitations reasonably may be characterized as steps of “mitigating risk[,] . . . sales activities or behaviors[,] business relations[,] . . . and following rules or instructions,” which fall within the 2019 Guidance’s categories of “fundamental economic principles or practices,” “commercial or legal interactions,” and “managing personal behavior or relationships or interactions between people.” 84 Fed. Reg. 52. Pursuant to the 2019 Guidance, such limitations constitute certain methods of organizing human activity that are identified as abstract ideas by the 2019 Guidance. *Id.*

Furthermore, these limitations are steps of “observation, evaluation, judgment, [or] opinion” and, thus, reasonably may be characterized as mental processes, which are another category of abstract ideas identified by the 2019 Guidance. 84 Fed. Reg. 52; *see also Versata Dev. Grp. v. SAP Am., Inc.*, 793 F.3d 1306, 1335 (Fed. Cir. 2015) (“Courts have examined claims that required the use of a computer and still found that the underlying, patent-ineligible invention could be performed via pen and paper or in a person’s mind.”).

Accordingly, claim 1 recites one or more abstract ideas under Prong One of the 2019 Guidance. Fed. Reg. 52, 54.

*II. Step 2A, Prong Two*

We are also unpersuaded the Examiner's rejection is in error pursuant to Step 2A, Prong Two, of the 2019 Guidance. Appellant argues the recited use of the EFT network to obtain a balance inquiry "amounts to an additional element that is significantly more than any abstract idea articulated by the Examiner." Appeal Br. 14. Particularly, Appellant contends the claim "extends the functionality previously provided by EFT networks" (Appeal Br. 18) because "[p]rior to Appellant's invention, users were not permitted to access these EFT providers to obtain such balance inquiries via their mobile devices." (Appeal Br. 14).

This argument is unpersuasive, pursuant to Step 2A, Prong Two of the 2019 Guidance. Using two-channel authentication and a financial network to obtain a balance is part of the judicial exception discussed above. Thus, the disputed limitations are not "additional elements" that confer patent eligibility to the claims. *See* 2019 Guidance, 84 Fed. Reg. 55 fn. 24. Moreover, Appellant has not shown that adding the term "electronic" to the financial network is more than "merely us[ing] a computer as a tool to perform an abstract idea." 2019 Guidance, 84 Fed. Reg. 55.

Further, the EFT provider and EFT network, even considered as additional elements, do not provide a "meaningful limit on the judicial exception." 2019 Guidance, 84 Fed. Reg. 54. Contrary to Appellant's assertion, the claim does not recite the user will access the EFT Provider over an EFT network.<sup>2</sup> *See* Appeal Br. 14. Rather, the user communicates

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<sup>2</sup> *See, e.g., Two-Way Media Ltd. v. Comcast Cable Commc'ns, LLC*, 874 F.3d 1329, 1339 (Fed. Cir. 2017) ("Neither the protocol nor the selection

with a separate entity: the recited “computing device.” It is the computing device, not the user or user’s mobile device, that requests and receives information over the EFT network with the EFT provider. Appellant does not persuade us the EFT network and EFT provider, as claimed, “use[] the judicial exception in some other meaningful way beyond generally linking the use of the judicial exception to a particular technological environment.” *See* 2019 Guidance, 84 Fed. Reg. 55; *see also Alice*, 573 U.S. at 226.

Accordingly, claim 1 does not integrate the judicial exception into a practical application. 84 Fed. Reg. at 54. As the “claim recites a judicial exception and fails to integrate the exception into a practical application” (*id.* at 51), “the claim is directed to the judicial exception” (*id.* at 54).

### *III. Step 2B*

Under step 2B of the 2019 Guidance, we next analyze whether claim 1 includes any specific limitations beyond the judicial exception that are not “well-understood, routine, conventional” in the field. 84 Fed. Reg. 56; MPEP § 2106.05(d).

Appellant argues the Examiner errs because the “Examiner Unreasonably Interprets ‘EFT provider’ as Any Generic Funds Transfer Provider and ‘EFT Network’ as any Generic Funds Transfer Network.” Appeal Br. 11 (emphasis omitted). Particularly, Appellant contends “EFT providers and EFT networks refer to specific providers and specific networks that operate within specific technical and legal frameworks for the purpose of conducting specific types of EFT transactions” (Appeal Br. 13)

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signals are claimed, precluding their contribution to the inventive concept determination.”).

such “that ‘EFT provider’ can not be properly interpre[]ted as ‘any provider of any funds transfer’ and similarly that ‘EFT network’ can not be properly interpre[]ted as ‘any network’” (Appeal Br. 12).

We are not persuaded the Examiner errs in determining the recited *additional elements* do not add significantly more to the judicial exception. *See* Final Act. 14. Even considered as additional elements, we agree with the Examiner that the “EFT network” and “EFT provider,” as claimed, refer to generic computer components. *Ans.* 5. Appellant provides no persuasive evidence or reasoning to support the assertion that these elements would have been known to those of skill in the art as having special meaning beyond conventional components. *See* Appeal Br. 13.

Pursuant to the Specification, the claimed “EFT provider” is an entity that provides electronic funds transfers. *Spec.* ¶ 20. The Specification, furthermore, only mentions “EFT network” briefly, as a network that supports payment messages sent from the computing device. *Spec.* ¶ 48.

Moreover, the Specification explains the network used by the computing device to communicate with entities such as an “EFT Provider” is “[n]etwork 102[, which] may include a Local Area Network, a Wide Area Network, a cellular communications network, a Public Switched Telephone Network, and/or other networks or combination of networks, wired or wireless, as would be appreciated.” *Spec.* ¶ 18; *Fig.* 1. This network may also include “the Internet and/or [a] wireless network of a casino.” *Spec.* ¶ 30. Thus, consistent with the Specification, we agree with the Examiner the disputed limitations’ additional elements were “well-understood, routine, and conventional activities previously known to the industry.” *Final Act.* 4.

Appellant further contends the Examiner “has failed to provide any support . . . for the allegations that the . . . features of claim 1 were “well-understood, routine, or conventional.” Appeal Br. 8. We find the Examiner’s determination to be reasonable in view of the record before us.

As discussed above, the claimed EFT provider and EFT network are conventional elements in light of the Specification. We also agree with the Examiner that the remaining claimed additional elements and combination of elements only recite generic components and steps that are well-understood, routine, and conventional. *See* Final Act. 4–5; Spec. ¶¶ 2–5; 18, 20, 30, 48, 54, 71, 76; *see also* *Alice*, 573 U.S. at 226; *Credit Acceptance Corp. v. Westlake Servs.*, 859 F.3d 1044, 1056–57 (Fed. Cir. 2017).

We also are not persuaded by Appellant’s argument that claim 1 includes an “inventive concept” in the form of “employing a two-channel authentication approach for receiving a PIN from a mobile device to request a balance from an EFT provider over an EFT network.” Appeal Br. 16. As discussed above, receiving a PIN and requesting a balance from an EFT provider over an EFT network over different channels are elements of the judicial exception and, therefore, do not qualify as additional elements beyond the judicial exception that confer patent eligibility under *Alice* Step 2B. *See BSG Tech LLC v. BuySeasons, Inc.*, 899 F.3d 1281, 1290 (Fed. Cir. 2018) (“It has been clear since *Alice* that a claimed invention’s use of the ineligible concept to which it is directed cannot supply the inventive concept that renders the invention ‘significantly more’ than that ineligible concept.”); *Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1151 (Fed. Cir. 2016) (“[A] claim for a new abstract idea is still an abstract idea.”) (emphasis omitted); *SAP Am., Inc. v. InvestPic, LLC*, 898 F.3d 1161, 1168

(Fed. Cir. 2018) (“What is needed is an inventive concept in the non-abstract application realm.”).

Accordingly, we sustain the Examiner’s patent eligibility rejection of independent claim 1, as well as independent claim 18, for which Appellant does not provide separate, substantive arguments. *See* Appeal Br. 21–22.

#### *IV. Dependent Claims*

Appellant argues the dependent claims are patent eligible. *See* Appeal Br. 13–18. These arguments, however, consist of quoting the respective claim limitations and asserting the Examiner has failed to provide proper support. *Id.* We disagree; as with claim 1 discussed above, we do not find error in the Examiner’s rejection based on the record before us. *See* Final Act. 8; Ans. 7–17. Further, Appellant’s statements are insufficient to show error in the Examiner’s rejection. *See In re Lovin*, 652 F.3d 1349, 1357 (Fed. Cir. 2011) (“[W]e hold that the Board reasonably interpreted Rule 41.37 to require more substantive arguments in an appeal brief than a mere recitation of the claim elements and a naked assertion that the corresponding elements were not found in the prior art.”).

Accordingly, we sustain the Examiner’s patent eligibility rejection of dependent claims 2–4, 7, 9, 19–21 and 24.

#### *The § 103(a) Rejection*

Appellant argues the Examiner’s obviousness rejection is in error because “there is no Proper Motivation to Combine the References” and “the Examiner has Engaged in Impermissible Hindsight Reconstruction.” Appeal

Br. 26–27 (emphasis omitted). Appellant contends “[n]one of references relied upon by the Examiner include Appellant’s inventive concept, namely, employing a two channel authentication approach for receiving a PIN from a mobile device to request a balance inquiry from an EFT provider over an EFT network.” *Id.* at 27.

We are not persuaded the Examiner errs. First, Appellant argues that no single references teaches all claim limitations (*see, e.g.*, Reply Br. 10), whereas the Examiner’s rejection is based on the combined teachings of Yuen, King, and Singh. *See* Final Act. 9; *In re Keller*, 642 F.2d 413, 425 (CCPA 1981) (“The test for obviousness is not . . . that the claimed invention must be expressly suggested in any one or all of the references. Rather, the test is what the combined teachings of the references would have suggested to those of ordinary skill in the art.”). Thus, Appellant does not show the Examiner errs in finding the claim limitations obvious in view of the combination of King teaching performing a financial transaction—such as a balance inquiry—using a mobile device, Yuen teaching using two channel authentication for receiving a PIN in a transaction, and Singh teaching receiving a balance inquiry over an EFT network. *See* Final Act. 9–12; King Figs. 3–4, ¶¶17, 23; Yuen Abstract, ¶ 99; Singh Fig. 5, ¶¶ 4, 14, 24. We find the Examiner has provided a factual basis sufficient to support the finding of obviousness. *See* Final Act. 9–12; Ans. 19–21; *In re Warner*, 379 F.2d 1011, 1017 (CCPA 1967) (“A rejection based on section 103 clearly must rest on a factual basis.”).

Second, Appellant asserts that the Examiner’s reasoning is faulty, but does not provide support or explanation for their conclusory assertions. *See, e.g.*, Appeal Br. 26–27; *cf. Application of Pearson*, 494 F.2d 1399, 1405

(CCPA 1974) (“[T]here is no competent evidence which would negate the board's conclusion that the elimination of soil fungi could be the object of one skilled in the art rather than a leaf fungus. Attorney’s argument in a brief cannot take the place of evidence.”). We find that the Examiner has provided sufficient articulated reasoning to support the rejection, as one of ordinary skill would combine these references to increase security and facilitate transactions. *See* Final Act. 11–12; Ans. 18; Yuen ¶ 43 (describing improvements in security); Singh ¶ 14 (describing improvements in security and ease of transacting). Each reference teaches methods of conducting financial transactions, and Appellant has not shown the combination of King with Yuen and Singh, as found by the Examiner, is “more than the predictable use of prior art elements according to their established functions.” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 401 (2007).

Appellant further argues “Singh teaches away from the claimed invention,” because “Singh expressly states: ‘It is an important feature of the subject invention that the registered user **never** has to input his ATM or other card or account number and PIN number once registered.’” Appeal Br. 28 (quoting Singh ¶ 40).

We disagree. Although Singh teaches a transaction without inputting a PIN, such disclosure does not preclude the use of a PIN, and is not inconsistent with the Examiner’s finding that one of skill in the art would utilize a PIN when combining the references. “A given course of action often has simultaneous advantages and disadvantages, and this does not necessarily obviate motivation to combine.” *Medichem, S.A. v. Rolabo, S.L.*, 437 F.3d 1157, 1165 (Fed. Cir. 2006) (citation omitted); *see also Bayer Pharma AG v. Watson Labs., Inc.*, 874 F.3d 1316, 1327 (Fed. Cir. 2017)

("[T]he teaching away inquiry does not focus on whether a person of ordinary skill in the art would have merely favored one disclosed option over another disclosed option.").

Here, the Examiner has found Yuen teaches that two-channel authentication can increase security of using a PIN in a transaction. *See* Final Act. 10; Yuen ¶ 43. Further, as correctly noted by the Examiner, Singh discloses an embodiment of using a PIN. *See* Ans. 20; Singh claim 35. Accordingly, we do not find one of skill in the art "would be led in a direction divergent from the path that was taken by the applicant." *In re Gurley*, 27 F.3d 551, 553 (Fed. Cir. 1994).

We are not persuaded the Examiner errs in finding independent claim 1 to be obvious in view of King, Yuen, and Singh. Appellant does not present separate substantive arguments for the remaining claims. *See* Appeal Br. 29. Thus, we sustain the Examiner's obviousness rejection of claims 1-4, 7, 9 and 18-21 and 24.

#### CONCLUSION

<b>Claims Rejected</b>	<b>35 U.S.C. §</b>	<b>Basis</b>	<b>Affirmed</b>	<b>Reversed</b>
1-4, 7, 9, 18-21 and 24	101		1-4, 7, 9, 18-21 and 24	
1-4, 7, 9, 18-21 and 24	103	King, Yuen, and Singh	1-4, 7, 9, 18-21 and 24	
<b>Overall Outcome</b>			1-4, 7, 9, 18-21 and 24	

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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). *See* 37 C.F.R. § 1.136(a)(1)(iv).

**AFFIRMED**