



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
12/731,852	03/25/2010	Scott J. Jucht	0058052.000120 (T025A)	1925
35979	7590	08/19/2020	EXAMINER	
Bracewell LLP P.O. Box 61389 Houston, TX 77208-1389			SUBRAMANIAN, NARAYANSWAMY	
			ART UNIT	PAPER NUMBER
			3695	
			NOTIFICATION DATE	DELIVERY MODE
			08/19/2020	ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

docteting@bracewell.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte SCOTT J. JUCHT and TRENT SORBE

Appeal 2019-001644
Application 12/731,852
Technology Center 3600

Before BRADLEY W. BAUMEISTER, JOHN F. HORVATH,
and SCOTT RAEVSKY, *Administrative Patent Judges*.

HORVATH, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Pursuant to 35 U.S.C. § 134(a), Appellant¹ seeks review of the Examiner's decision to reject claims 41–57. Appeal Br. 5. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ 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 Metabank. Appeal Br. 2.

CLAIMED SUBJECT MATTER

The invention is directed to a computer-implemented method for “enabling movement of funds from a bank account to a payee after a request verification using text messaging for mobile banking.” Spec. ¶ 1.

Claim 52, reproduced below, is illustrative of the claimed subject matter:

52. A computer-implemented method to cause one or more computers, configured as a bank server and having one or more tangible, non-transitory computer memories associated therewith, to perform by one or more computer processors a process of confirming a funds movement request received in Short Message Service (SMS) format from a mobile device is valid and a process of executing the funds movement request, the computer-implemented method comprising:

pre-configuring by the one or more computer processors a customer account responsive to a first custom identifier and a second custom identifier, the pre-configuring including:

associating a mobile phone number of the mobile device with the customer account,

associating the first custom identifier with a first account number of a debit account, and

associating the second custom identifier with a second account number of a credit account;

receiving, over the SMS network, by the one or more computer processors a funds movement request in SMS format, the funds movement request including a phone number of the mobile device, the first custom identifier, the second custom identifier, and a transaction amount;

determining by the one or more computer processors, responsive to the funds movement request, the customer account that is associated with the phone number, the debit account that is associated with the first custom identifier, and

the credit account that is associated with the first custom identifier;

generating by the one or more computer processors a funds movement verification request in SMS format, the funds movement verification request including a mobile phone user request to approve the funds movement request with a verification response in SMS format;

sending, over the SMS network, by the one or more computer processors the funds movement verification to the mobile device; and

authorizing by the one or more computer processors, responsive to receiving the verification response from the mobile device, a movement of funds from the debit account to the credit account.

REJECTIONS

Claims 41–57 stand rejected under 35 U.S.C. § 101 as directed to non-patentable subject matter. Final Act. 2–11.

OPINION

We review the appealed rejection for error based upon the issues identified by Appellant. *Ex parte Frye*, 94 USPQ2d 1072, 1075 (BPAI 2010) (precedential). Appellant argues for the patent eligibility of claims 41–57 as a group. Appeal Br. 7–17. We select claim 52 as a representative claim and review the rejection of claims 41–57 based on our analysis of the rejection of claim 52. *See* 37 C.F.R. § 41.37(c)(iv). Any arguments not raised by Appellant are waived. *Id.*

We have reviewed the Examiner’s rejection of claims 41–57 in light of Appellant’s arguments that the Examiner has erred. We are not persuaded by Appellant’s arguments, and sustain the Examiner’s rejection for the

reasons stated in the Final Action and Answer, which we adopt as our own. We highlight the following for emphasis.

Principles of law

Under 35 U.S.C. § 101, an invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” However, the 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. *See Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014).

In determining whether a claim falls within a judicially excluded category, we are guided by the Supreme Court's two-step framework described in *Mayo* and *Alice*. *Id.* at 217–18 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 75–77 (2012)). Accordingly, we first determine the concept to which the claim is directed. *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. Kappas*, 561 U.S. 593, 611 (2010) (“Claims 1 and 4 in petitioners’ application explain the basic concept of hedging, or protecting against risk.”).

Concepts that have been determined to be patent ineligible abstract ideas 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 that have been 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 water-proof 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 a 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 (internal citation 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.* (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.*

The PTO has published guidance on the application of § 101 to patentability determinations. See *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50 (Jan. 7, 2019) (“PEG”). Under step 1 of that guidance, we first determine whether the claim recites a statutory class (i.e., a process, machine, manufacture, or composition of matter). *Id.* at 53–54. If it does not, it is not patent eligible. If it does, we next determine whether the claim recites:

Step 2A – 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).

Id. at 52, 54. If the claim does not recite a judicial exception, it is patent eligible. *Id.* at 54. If it does, we next determine whether the claim recites:

Step 2A – Prong Two: additional elements that integrate the judicial exception into a practical application (*see* Manual of Patent Examining Procedure (MPEP) § 2106.05(a)–(c), (e)–(h) (9th Ed., Rev. 08-2017 (Jan. 2018))).

84 Fed. Reg. at 54–55. If the claim integrates a judicial exception into a practical application, it is patent eligible. *Id.* If it does not, we next determine whether the claim recites:

Step 2B: additional elements beyond the judicial exception that are more than “well-understood, routine, conventional” elements in the field (*see* MPEP § 2106.05(d)).

Id. at 56. If the claim adds more than well-understood, routine, and convention additional elements, it is patent eligible. *Id.* If it does not, it is not patent eligible. *Id.*

Rejection under 35 U.S.C. §101

The Examiner rejects claim 52 as patent ineligible because it is “directed to non-statutory Subject matter.” Final Act. 2.

2019 PEG Step 1

Under step 1 of the subject matter eligibility guidance, we first determine whether the claims recite a statutory class (i.e., a process, machine, manufacture, or composition of matter). 84 Fed. Reg. at 53–54. Claims 41–45 recite machines, claims 46–51 recite manufactures (computer program products), and claims 52–57 recite processes (computer-

implemented methods). *See* Appeal Br. 19–27 (Claims App’x.). Thus, claims 41–57 recite patent-eligible statutory classes. Accordingly, we next consider whether the claims recite judicial exceptions under step 2A, prong one.

2019 PEG Step 2A, prong one

Under step 2A, prong one of the eligibility guidance, we determine whether a claim recites a judicial exception such as an abstract idea, law of nature, or natural phenomenon. 84 Fed. Reg. at 54. This involves (1) identifying the limitations in the claim (either individually or in combination) that recite an abstract idea, and (2) determining whether the identified abstract idea falls within one of the subject matter groupings consisting of (a) mathematical concepts (relationships, formulas, equations, or calculations), (b) methods of organizing human activity (fundamental economic practices, commercial or legal interactions, or managing behavior or relationships), and (c) mental processes (concepts performed in the mind such as observation, evaluation, judgment, and opinion). *Id.* at 52.

The Examiner finds all the steps of claim 52, taken together as an ordered combination, recite the judicial exception of organizing human activity in the form of commercial or legal interactions, e.g., “creating and fulfilling contractual relationships.” Final Act. 5 (citing *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350 (Fed. Cir. 2014)). The Examiner further finds each of the individual steps of claim 52 recites one or more judicial exceptions, such that the claim as a whole recites a judicial exception. *Id.* at 3–5. For example, the Examiner finds associating a customer account with a mobile phone number, a first identifier with a debit account, and a second identifier with a credit account recites the judicial exceptions of “organizing

information through mathematical correlations” or “collecting information, analyzing it, and displaying certain results.” *Id.* at 3–4 (citing *Digitech Image Techs., LLC v. Elecs. for Imaging, Inc.*, 758 F.3d 1344 (Fed. Cir. 2014); *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350 (Fed. Cir. 2016)). The Examiner finds receiving an SMS request from a mobile number containing first and second identifiers and a transaction amount recites the judicial exception of “data recognition and storage . . . obtaining and comparing intangible data . . . and collecting and comparing known information.” *Id.* at 4 (citing *Content Extraction and Transmission, LLC v. Wells Fargo Bank, Nat’l Ass’n*, 776 F.3d 1343 (Fed. Cir. 2017); *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366 (Fed. Cir. 2011); *Classen Immunotherapies, Inc. v. Biogen IDEC*, 659 F.3d 1057 (Fed. Cir. 2011)). The Examiner finds determining the customer, debit, and credit accounts associated with the mobile number and first and second identifiers recites the judicial exceptions of “organizing information through mathematical correlations” or “collecting information, analyzing it, and displaying certain results.” *Id.* (citing *Digitech* 758 F.3d at 1244; *Elec. Power*, 830 F.3d at 1350). Finally, the Examiner finds sending a verification message to the mobile device and authorizing a movement of funds from the debit to the credit account recites the judicial exceptions of “collecting information, analyzing it, and displaying certain results” or “creating and fulfilling contractual relationships.” *Id.* at 4–5 (citing *Elec. Power*, 830 F.3d at 1350; *buySAFE* 765 F.3d at 1350).

Appellant argues the Examiner erred because “the claims are directed to an improvement in computer functionality or other technology,” namely, to “improvements in mobile banking . . . that address problems with SMS

used in mobile banking.” Appeal Br. 8 (citing Spec. ¶¶ 3–4). Appellant argues the claims improve mobile banking by associating a “mobile phone number” with first and second custom identifiers rather than first and second account numbers, which “eliminates the use of ‘unencrypted account numbers being sent in text messages.’” *Id.* at 9–10 (citing Spec. ¶ 8; Claims App’x).

Appellant further argues the Examiner erred because the cases cited by the Examiner as evidence that the claims recite judicial exceptions “do not support the conclusions in the Final Office Action that various claim elements are abstract ideas.” *Id.* at 8. For example, Appellant argues, the claims do not recite judicial exceptions because they are not directed to a “device profile” like the claims in *Digitech*, are “not directed to the generation of menus or a graphical user interface” like the claims in *Ameranth*, but are instead directed to “a particular solution that uses a particular arrangement of identifiers and SMS messages,” which distinguishes them over the claims found ineligible in *Electric Power*. *Id.* at 11–12.

We are unpersuaded by Appellant’s arguments, and agree with the Examiner that one or more limitations in claim 52, as well as claim 52 as a whole, recite judicial exceptions. As a preliminary matter, we agree with the Examiner that when claim limitations are identified as reciting a judicial exception, “the concepts embedded in the claims/limitations are compared with the concepts taught by the cited court case[s].” Ans. 8. Thus, the claims may recite judicial exceptions without reciting a “device profile” like the claims in *Digitech* or a graphical interface like the claims in *Ameranth*.

The Examiner finds the claim limitations reciting the steps of associating various customer accounts with mobile phone numbers and identifiers fall under the judicial exception of collecting and analyzing information. *See* Final Act. 3–4. They likewise fall under the “mental processes” judicial exception expressly recognized in the 2019 PEG because a person using pen and paper to associate phone numbers (e.g., home, cell) as well as identifiers (e.g., debit, credit) with particular account numbers is using “mental processes” to collect and analyze that information. *See* 84 Fed. Reg. at 52.

Moreover, as the Examiner also finds, claim 52 as a whole recites a method for requesting and authorizing the transfer of funds between accounts. *See* Final Act. 5. Thus, claim 52 recites the judicial exception of “organizing human activity” in the form of fundamental economic, commercial or legal interactions, which the 2019 PEG also expressly recognizes as reciting a judicial exception. *Id.*; *see also* 84 Fed. Reg. at 52.

Accordingly, having determined that claim 52 recites one or more judicial exceptions, we next consider whether the claim is “directed to” those judicial exceptions or instead integrates them into a practical application. *See* 84 Fed. Reg. at 54–55.

2019 PEG Step 2A, prong two

Under step 2A, prong two, a claim that recites a judicial exception is not “directed to” that judicial exception if the claim as a whole “integrates the recited judicial exception into a practical application of the exception.” *Id.* at 54. This involves (a) identifying whether the claim recites elements in addition to the judicial exceptions, and (b) determining whether these

additional elements individually and in combination integrate the judicial exceptions into a practical application. *Id.* at 54–55.

Additional elements integrate judicial exceptions into a practical application when they (i) improve the functioning of a computer or some other technology, (ii) effect a particular treatment or prophylaxis for a disease or medical condition, (iii) implement or use the judicial exceptions in conjunction with particular machines or manufactures that are integral to the claim, (iv) transform or reduce a particular article to a different state or thing, or (v) do more than merely link the judicial exceptions to a particular technological environment. *Id.* at 55. Additional elements do not integrate judicial exceptions into a practical application when they (i) merely include instructions to implement the judicial exceptions on a computer, (ii) add insignificant pre- or post-solution activity, or (iii) do no more than link the judicial exceptions to a particular technological environment. *Id.*

The Examiner finds the elements of claim 52 that do not recite judicial exceptions are “one or more computer servers suitably programmed to execute the claimed steps,” and that these elements “do not involve any improvements to another technology, technical field, or improvements to the functioning of the computer itself.” Final Act. 6; Ans. 5–6.

Appellant disagrees, and argues claim 52 recites “significantly more” than judicial exceptions because it “effect[s] an improvement in another technology or technical field,” specifically, “the technology or technical field of mobile banking.” Appeal Br. 13–14. For example, Appellant argues claim 52 recites associating “two custom identifiers . . . with different accounts . . . to facilitate a fund movement without the security concerns and disadvantages present in existing systems.” *Id.* at 14. Appellant further

argues that by reciting the use of SMS messaging and mobile devices, claim 52 is patent eligible because it is “rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.” *Id.* at 16 (quoting *DDR Holdings LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257–58 (Fed. Cir. 2014)). Appellant further argues claim 52 is patent eligible because it recites “unconventional steps that confine it to a particular useful application,” i.e., because “the ‘mobile phone number,’ ‘first custom identifier,’ and ‘second custom identifier,’ and the messages over an SMS network have not previously been used or arranged in the manner recited in the claim.” *Id.* at 17.

We are unpersuaded by Appellant’s arguments, and agree with the Examiner that the claim 52 limitations that recite judicial exceptions are directed to those judicial exceptions. Contrary to Appellant’s contentions, none of the limitations of claim 52, whether considered individually or as an ordered combination, improves the functioning of a computer or some other technology. Rather, they simply link the recited judicial exceptions to a technological environment, i.e., “cellular networking” or “mobile banking.” *See* 84 Fed. Reg. at 55.

As noted above, associating identifiers with account numbers and using the identifiers to determine the account numbers with which they are associated recite the judicial exceptions of “collecting and analyzing” information, which can be purely “mental processes.” Sending these identifiers over cellular networks using mobile phones and SMS messaging to conduct mobile banking does not improve cell phones, cellular networks, SMS messaging or mobile banking. It simply links these judicial exceptions to the “mobile banking” or “cellular networking” environment. Thus, we

agree with the Examiner that although Appellant argues “the invention is trying to solve the security problems with SMS when used in the context of mobile banking, the claims, as recited, are directed to confirming the validity of a funds movement request.” Ans. 4.

For example, except for the fact that claim 52 requires the use of a bank server or computer, the method of claim 52 can be performed entirely by two humans, Alice and Bob. Bob knows Alice’s phone number, as well as the numbers of her savings and checking accounts, over which he has powers of attorney (the associating steps). Bob receives a text from Alice asking him to transfer a sum from her savings to her checking account, and the text does not include the account numbers, which Bob knows (the receiving and determining steps). Bob texts her back, asking, “Are you sure you want to transfer that much?” (The generating and sending steps). Alice replies, “yes,” after which Bob goes to her bank and transfers the money as requested (the authorizing step). Thus, claim 52 is “directed to” the judicial exceptions identified by the Examiner because it simply links the judicial exceptions to a particular technological environment, mobile banking via text messaging.

Accordingly, having determined that claim 52 is “directed to” the judicial exceptions identified by the Examiner, i.e., the “mental processes” of collecting and analyzing information (associating or correlating phone numbers and identifiers with account numbers) and “organizing human activity” (engaging in a fundamental economic, commercial or legal interaction such as authorizing a fund transfer between accounts), we next consider whether claim 52 contains additional elements that, individually or

as an ordered combination, are more than well-understood, routine, or conventional. *See* 84 Fed. Reg. at 56.

2019 PEG Step 2B

Under step 2B, a claim that is “directed to” a judicial exception may nonetheless be patent eligible if it recites additional elements that, when considered both individually and as an ordered combination, provide an inventive concept. *Id.* An inventive concept may be present if the claim adds an additional limitation that is not a well-understood, routine, or conventional element in the field of endeavor. *Id.* However, an inventive concept is not present if the claim adds an additional limitation that is well-understood, routine, or conventional in the field of endeavor, specified at a high level of generality. *Id.*

The Examiner finds the additional limitations in claim 52 (e.g., “one or more computer servers suitably programmed to execute the claimed steps”) are used to “execute in a manner routinely and conventionally expected of these elements’ and “do not add anything significantly more than an abstract idea.” Final Act. 6–7. Appellant argues the Examiner’s rejection must fail because the Examiner “did not provide evidence that the elements of the independent claims are ‘well-understood, routine and conventional.’” App. Br. 15 (citing *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1368 (Fed. Cir. 2018)). The Examiner then clarifies that the additional elements are conventional because Appellant’s Specification describes them as generic, commercially available, computers, servers, cell phones, and networks. Ans. 5 (citing Spec. ¶¶ 2, 29, 43, 44, Figs. 3, 7, 12, 13).

We agree with the Examiner and are not persuaded by Appellant’s arguments. Claim 52 requires one or more computers acting as a bank

server to store customer information (phone numbers, account numbers and identifiers), receive an SMS message over an SMS network, generate and send a verification request message over the SMS network, and authorize a funds transfer based on a received response to the verification request message. The Specification describes the bank server generically, i.e., as “a computer, a server, or a machine of distributed computers or server[s] that at least include memory 212, program product 221, processor 214, [and] input/output device . . . (“I/O”) 215, as shown in Figure 7.” Spec. ¶ 43. The “I/O device can be any I/O device.” *Id.* “Processor 214 can be any commercially available processor.” *Id.* ¶ 44. Memory 212 can be any kind of memory, including “both non-volatile memory, e.g., hard disks, flash memory, optical disks, and the like, and volatile memory, e.g., SRAM, DRAM, SDRAM, etc.” *Id.* ¶ 45.

For these reasons, when the additional limitations recited in claim 52 are considered both individually and as an ordered combination, they fail to “transform the nature of the claim’ into a patent-eligible application.” *Alice*, 573 U.S. at 217 (quoting *Mayo*, 566 U.S. at 78). Accordingly, we agree with the Examiner that claim 52 is patent ineligible under 35 U.S.C. § 101 and sustain the Examiner’s rejection of claim 52 and of claims 41–51 and 53–57, which are not separately argued.

CONCLUSION

The Examiner’s rejection of claims 41–57 as directed to unpatentable subject matter is sustained.

DECISION SUMMARY

In summary:

Appeal 2019-001644
Application 12/731,852

Claims Rejected	35 U.S.C. §	References / Basis	Affirmed	Reversed
41-57	101	Eligibility	41-57	

TIME PERIOD FOR RESPONSE

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

AFFIRMED