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Table with 5 columns: APPLICATION NO., FILING DATE, FIRST NAMED INVENTOR, ATTORNEY DOCKET NO., CONFIRMATION NO. Includes details for application 13/551,124, inventor Jose-Luis Celorio MARTINEZ, and attorney BUCHANAN, INGERSOLL & ROONEY PC.

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JOSE-LUIS CELORIO MARTINEZ and
ANDREA CHRISTINE GILMAN

Appeal 2019-003453
Application 13/551,124¹
Technology Center 3600

Before JON M. JURGOVAN, NABEEL U. KHAN, and
PHILLIP A. BENNETT, *Administrative Patent Judges*.

JURGOVAN, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant seeks review under 35 U.S.C. § 134(a) from a Non-Final Rejection of claims 1–38, constituting all of the claims pending in the application. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.²

¹ We use the word “Appellant” to refer to “applicant” as defined in 37 C.F.R. § 1.42. According to Appellant, the real party in interest is Mastercard International Incorporated. Appeal Br. 2.

² Our Decision refers to the Specification (“Spec.”) filed July 17, 2012; the Non-Final Office Action (“Non-Final Act.”) mailed June 22, 2018; the Appeal Brief (“Appeal Br.”) filed December 21, 2018; the Examiner’s Answer (“Ans.”) mailed February 14, 2019; and the Reply Brief (“Reply

CLAIMED INVENTION

The claims relate to a mobile device which initiates an electronic financial transaction by transmitting an authorization request to a point of sale (POS) terminal. Spec., Abstr. The authorization request includes a payment card and is for a remaining amount after applying a discount for a deal to the transaction amount. *Id.*

Claims 1, 10, 20 and 29 are independent. Claim 1 is for a method with steps performed at a mobile device; claim 10 is for a method with steps performed at a merchant point of sale device; claim 20 is for a mobile device; and claim 29 is for a system with a merchant point of sale device. Claims 2–9 depend from claim 1; claims 11–19 depend from claim 10; claims 21–28 depend from claim 20; and claims 30–28 depend from claim 29. Claim 1, reproduced below, is representative of the claimed subject matter. Argued claim limitations are shown in *italics*:

1. A method for initiating an electronically processed transaction at a mobile device, comprising:

transmitting, by a transmitter of a mobile device to a point of sale device, an electronic wallet identifier associated with the mobile device to initiate an electronically processed transaction;

receiving, by a receiver of the mobile device from the point of sale device via a payment network, transaction information for the electronically processed transaction, wherein the transaction information includes at least a transaction amount;

storing, in a database on the mobile device, at least one deal and a payment card, wherein each deal of the at least one deal includes at least a discount amount;

receiving, by the receiver of the mobile device from a transaction processing server, an indication of one or more deals valid for the transaction;

Br.”) filed March 28, 2019.

displaying, on a display of the mobile device, the transaction information and information related to a deal of the at least one deal stored in the database that is valid for the transaction;

receiving, via an input of the mobile device, an indication of a deal associated with the displayed information related to a deal of the at least one deal to be applied to the electronically processed purchase transaction to be initiated by the mobile device; and

initiating, by a processor of the mobile device, an electronic financial transaction using the stored payment card by transmitting from the mobile device to the point of sale terminal, by the transmitter of the mobile device, an authorization request for the electronic financial transaction,

wherein the authorization request includes the payment card and is for a remaining amount, and

wherein the remaining amount is based on the transaction amount and the discount amount corresponding to the indicated deal.

Appeal Br. 23 (Claims App.).

REJECTION³

Claims 1, 2, 9, 20, 21, and 28 stand rejected under 35 U.S.C. § 103 over Killian (US 2009/0094125 A1, April 9, 2009), Owen (US 2010/0048226 A1, February 25, 2010), VanDeburg (US 2013/0144700 A1, June 6, 2013) and Wall (US 2013/0046643 A1, February 21, 2013). Final Act. 17–21.

³ In the Non-Final Office Action, claims 1–38 were rejected under 35 U.S.C. § 101. Non-Final Act. 8–16. However, the Examiner withdrew the § 101 rejection in the Answer. Ans. 3. Accordingly, the § 101 rejection is not before us and thus we do not address it further in this decision.

Claims 10, 11, 16, 17, 19, 29, 30, 35, 36 and 38 stand rejected under 35 U.S.C. § 103 over Killian, VanDeburg, and Wall. Final Act. 21–25.

Claims 3–8, 13–15, 18, 22–27, 31–34, and 37 stand rejected under 35 U.S.C. § 103 over Killian, Owen, VanDeburg, Wall, and Chaikin (US 2011/0246284 A1, October 6, 2011). Final Act. 25–29.

ANALYSIS

§ 103 Rejections

A patent claim is unpatentable under 35 U.S.C. § 103 if the differences between the claimed subject matter and the prior art are such that the subject matter, as a whole, would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including: (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of ordinary skill in the art; and (4) where present, objective evidence of nonobviousness. *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966).

Independent Claims 1, 10, 20 and 29

Appellant argues for patentability of independent claims 1, 11, 20, and 29 together as one group. Accordingly, we select claim 1 as representative of the group and will refer only to this claim, except when necessary to refer to other claims. *See* 37 C.F.R. § 41.37(c)(1)(iv).

Argument Concerning Authorization Request from Mobile Device to Point of Sale (POS) Terminal

The Examiner finds that Killian shows the claimed “initiating” step

indicated in italics in claim 1 as reproduced above. Non-Final Act. 18 (citing Killian, code [57], ¶¶ 7, 28, 79, 99, 148, 150). The Examiner makes similar findings for claims 10, 20, and 29. *Id.* at 17–18, 21–22. Appellant disagrees with the Examiner’s finding, and argues that Killian does not “describe the authorization request with the payment card and the remaining amount that is used . . . to initiate the electronic financial transaction as recited in the claims.” Appeal Br. 18.

At the outset, we note that claim 1 recites “*wherein the authorization request includes the payment card and is for a remaining amount.*” Claim 20 recites a similar limitation. The underlined part of this recitation is an “intended use” limitation indicating the purpose for which the authorization request is to be used. We note that the claims do not recite that the authorization request is actually used by a device to pay the remaining amount. Such a limitation is not afforded patentable weight. *Boehringer Ingelheim Vetmedica, Inc. v. Schering-Plough Corp.*, 320 F.3d 1339, 1345 (Fed. Cir. 2003) (“An intended use or purpose usually will not limit the scope of the claim because such statements usually do no more than define a context in which the invention operates”; such statements often appear in the claim’s preamble but can appear elsewhere in a claim); *In re Otto*, 312 F.2d 937 (CCPA 1963) (intended use of hair curling was of no significance to the structure of a hair curler and process of making); *In re Sinex*, 309 F.2d 488, 492 (CCPA 1962) (statement of intended use in an apparatus claim failed to distinguish over the prior art apparatus).

Even if we give patentable weight to this limitation, the plain meaning of the phrase “*is for a remaining amount*” does not require that the authorization request includes a remaining amount, contrary to Appellant’s

argument; it could simply mean that the authorization request is to arrange for payment of the remaining amount calculated by another device in the system. *See* Spec. ¶ 55 (describing that the merchant—not customer mobile device—calculates the remaining amount). In this regard, we note that during examination of patent applications before the Office, claim terms are given their broadest reasonable interpretation consistent with the specification. *In re Am. Acad. of Sci. Tech. Ctr.*, 367 F.3d 1359, 1369 (Fed. Cir. 2004). Appellant’s Specification describes that the authorization request is “for a remaining amount” (¶¶ 6–9, 70, 74) and also mentions that “[t]he authorization request *may include* at least the reduced amount 412 and the payment card 414 to be charged in the transaction” (¶ 43).

In sum, a person of ordinary skill in the art would have understood the Specification to describe that the authorization request *may* or *may not include* the reduced or remaining amount. Thus, Appellant’s argument that the authorization request includes both a payment card and a remaining amount (Appeal Br. 18) is not commensurate in scope with the claim under its broadest reasonable interpretation consistent with the Specification, which does not require that the authorization request includes the remaining amount. Limitations not appearing in a claim cannot be relied upon for patentability. *See In re Self*, 671 F.2d 1344, 1348 (CCPA 1982).

In the Reply Brief, inconsistent with its Appeal Brief argument, Appellant recognizes that the claimed authorization request need only include a customer payment card number sent to a point-of-sale device. Reply Br. 2. The Examiner relies on Killian as teaching transfer of a payment card account number from a customer’s mobile device to a POS terminal, which initiates an authorization request. Non-Final Act. 18 (citing

Killian ¶ 148). Killian also teaches that a payment transaction may be initiated from a customer's device (such as a mobile telephone) and that the customer's device may be used to enter transaction information such as an amount due. *Id.* (citing Killian ¶ 28). Killian further teaches use of promotional offers and electronic coupons to fund a portion of a payment transaction. Killian ¶¶ 91, 97, 130; *see also* Owen ¶ 3.

Considering these teachings together, Killian at least suggests the claimed "initiating" step, notwithstanding Appellant's arguments to the contrary. Appellant does not explain sufficiently why Killian's transfer of a payment card account number cannot be considered an authorization request that initiates a payment transaction. Killian ¶ 148. After all, Killian explains that the merchant device uses the same information transferred from the mobile device to produce an authorization request. *Id.* Appellant further presents no evidence that development of the claimed "initiating" step was uniquely challenging or difficult for one of ordinary skill in the art to solve in view of the prior art teachings. *Leapfrog Enterprises, Inc. v. Fisher-Price, Inc.*, 485 F.3d 1157, 1162 (Fed. Cir. 2007). Thus, Appellant's argument is unpersuasive to show Examiner error.

Argument Concerning Authorization Response from Server

Appellant also argues that Killian does not describe the claimed authorization response to the POS terminal from a server. Appeal Br. 18. This limitation appears in claim 10, which recites "*receiving, from the server, an authorization response indicating at least one of approval and denial of the financial transaction.*" Appeal Br. 24. Claim 29 recites a similar limitation. *Id.* at 28. The Examiner finds this limitation taught by Killian. Non-Final Act. 22 (citing Killian ¶¶ 128, 133); Ans. 4 (citing

Killian, Figs. 5 and 10 [Step 1016]).

Appellant’s argument hinges on the same assumption discussed above—that the authorization request includes both the payment card and remaining amount. Appeal Br. 18. As explained, the broadest reasonable interpretation of the claims includes that the authorization request includes only a payment card, and not a remaining amount, and since mobile electronic payment transactions involving transfer of a card number and discounting are known in the electronic payment transactions industry, we are not persuaded that the Examiner errs in finding the claim limitation obvious under its broadest reasonable interpretation. *See* Killian ¶¶ 91, 97, 130. Appellant attempts to distinguish the authorization response on the basis of the nature of the authorization request, but as we have stated, the broadest reasonable interpretation is that the authorization request includes only the payment card, which is known in the art, as taught by Killian and other references.

Argument Concerning Reasons to Combine the References

Appellant argues “there is no reason an ordinarily skilled artisan would seek to modify the split funding transactions model of Killian using the teachings of Owen, VanDeburg, or Wall in the manner suggested by the Office Action.” Appeal Br. 19. That both Killian and Owen teach split funding transactions is one reason the Examiner states for combining the references. Non-Final Act. 3; Ans. 5. The common teachings of the references may constitute a reason to combine. *See KSR*, 550 U.S. at 401 (“Often, it will be necessary for a court to look to interrelated teachings of

multiple patents . . . to determine whether there was an apparent reason to combine the known elements in the fashion claimed.”).

In addition, the Examiner finds that one of ordinary skill in the art would have combined the elements of the prior art references with no change in their respective functions using known methods. Non-Final Act. 19–20. The Examiner further finds “[o]ne of ordinary skill in the art would have been reasonably prompted to make the combination because of the efficiency of requesting authorization when the discount has already been applied.” *Id.* at 20. Appellant does not sufficiently address these reasons to combine the references, so we are not persuaded of Examiner error.

Appellant further argues “[a] person of ordinary skill in the art would not modify Killian in the manner suggested by the Examiner because doing so would change Killian’s ‘rearranged and novel transaction flow’ in a manner that would destroy the ability of Killian to achieve its intended purpose, or change principle of operation of Killian.” Appeal Br. 19. We agree with the Examiner that these arguments are not sufficiently developed such that they could be responded to, and merely constitute a general denial, not a specific argument. Ans. 5. For example, the argument does not indicate what intended purpose is destroyed or what principle is changed by combination of the references. In addition, the argument does not explain *why* the combination of references would destroy the intended purpose or change the principle of operation. *See* 37 C.F.R. § 41.37(c)(1)(iv) (“The arguments shall explain *why* the examiner erred as to each ground of rejection contested by appellant.”).

Accordingly, we are not persuaded of error in the Examiner’s stated reasons to combine the prior art references.

Argument Concerning Merchant Initiated Electronic Financial Transactions

Appellant further contends the combination of Killian, Owen, VanDeburg, and Wall “would lead to a process of merchant initiated electronic financial transactions, which is different from Applicant’s amended claimed invention.” Appeal Br. 19. Appellant does not explain why the prior art references must be viewed as “merchant initiated” transaction systems whereas the claims are “customer initiated.” As the Examiner notes, Killian teaches that its payment transaction is initiated from a customer’s device, which suggests Killian describes a “customer initiated” transaction system. Ans. 6 (citing Killian, Fig. 10, step 1006, ¶¶ 7, 28). On this record, we are not persuaded that persons of ordinary skill in the art would view the prior art references as “merchant initiated” systems or even that such a distinction is recognized in the art.

Accordingly, we do not find Appellant’s argument persuasive to show Examiner error.

Reply Brief Arguments

In the Reply Brief, Appellant argues that Killian’s objective is to protect the payment card from being presented to the merchant point-of-sale device. Reply Br. 3. Although this may be true for some parts of Killian, Appellant does not address the parts of Killian disclosing transfer of a customer payment card number from a customer’s mobile device to a POS terminal. *See* Non-Final Act. 18 (citing Killian ¶ 148). For the same reason, we find unpersuasive Appellant’s argument that the secondary references, like Killian, only disclose transferring a request for payment transaction to a payment services provider, customer’s financial institution, and merchant’s

financial institution, which are not analogous to a point-of-sale device.

Reply Br. 3.

Remaining Claims

No separate arguments are presented for the remaining dependent claims. Accordingly, we sustain the Examiner’s rejections of these claims for the reasons stated with respect to the independent claims from which they depend. *See* Final Act. 20–21, 24–29; 37; C.F.R. § 31.47(c)(1)(iv).

CONCLUSION

The Examiner’s rejections of claims 1–38 under 35 U.S.C. § 103 are affirmed.

Claims Rejected	35 U.S.C. §	Reference(s)/Basis	Affirmed	Reversed
1, 2, 9, 20, 21, 28	103	Killian, Owen, VanDeburg, Wall	1, 2, 9, 20, 21, 28	
10, 11, 16, 17, 19, 29, 30, 35, 36, 38	103	Killian, Owen, VanDeburg	10, 11, 16, 17, 19, 29, 30, 35, 36, 38	
3–8, 13–15, 18, 22–27, 31–34, 37		Killian, Owen, VanDeburg, Wall, Chaikin	3–8, 13–15, 18, 22–27, 31–34, 37	
Overall Outcome			1–38	

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

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AFFIRMED