



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.
14/194,337	02/28/2014	RICHARD GRAMLING	160111-2.2	8573
97242	7590	10/05/2020	EXAMINER	
Kutak Rock LLP 2300 Main Street, Suite 800 Kansas City, MO 64108			ROSEN, ELIZABETH H	
			ART UNIT	PAPER NUMBER
			3692	
			NOTIFICATION DATE	DELIVERY MODE
			10/05/2020	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):

patents@kutakrock.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte RICHARD GRAMLING

Appeal 2019-004042
Application 14/194,337
Technology Center 3600

Before BENJAMIN D. M. WOOD, FREDERICK C. LANEY, and
BRENT M. DOUGAL, *Administrative Patent Judges*.

WOOD, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Pursuant to 35 U.S.C. § 134(a), Appellant¹ appeals from the Examiner's decision to reject claims 1–32. *See* Final Act. 1. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ “Appellant” refers to the applicant as defined by 37 C.F.R. § 1.42. Appellant identifies the real party in interest as Euronet Worldwide, Inc. Appeal Br. 2.

CLAIMED SUBJECT MATTER

The claims are directed to a dynamic payment authorization system and method. Claims 1, 9, 17, 23, and 27 are independent. Appeal Br. 16–25. Claim 1, reproduced below, is illustrative of the claimed subject matter:

1. A non-transitory computer-readable storage medium with a computer program for facilitating electronic payment processing stored thereon, wherein the computer program instructs one or more processors to perform the following steps: generate a user interface displayable on a display of a computing device of a user;

receive payment terminal information from the computing device of the user;

request, via the user interface, payment authorization information from the user, wherein the payment authorization information comprises information that confirms that the user intends to complete an electronic payment transaction at a payment terminal;

receive the payment authorization information from the computing device of the user;

create a link between the user and a payment instrument associated with the payment terminal;

receive transaction information from the payment terminal, wherein the transaction information is indicative of the payment transaction being initiated at the payment terminal;

compare the payment authorization information with the transaction information;

and based on the result of the comparison, either allowing or disallowing the electronic payment transaction to be completed, wherein the payment instrument is configured to be utilized at the payment terminal to initiate the payment transaction, and wherein the payment terminal does not receive protected information pertaining to the user.

REFERENCES

Name	Reference	Date
Hanson	US 2012/0330788 A1	Dec. 27, 2012
Godsey	US 2014/0006184 A1	Jan. 2, 2014

REJECTIONS

Claims Rejected	35 U.S.C. §	Reference(s)/Basis
1–32	101	Eligibility
1–32	103	Hanson, Godsey

OPINION

A. Claims 1–32: Rejected as Directed to Ineligible Subject Matter

1. Legal Principles

To determine whether a claim falls within a judicially recognized exception to patent eligibility under 35 U.S.C. § 101, we apply the two-step framework set forth in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66 (2012), and reaffirmed in *Alice Corporation Proprietary LTD. v. CLS Bank International*, 573 U.S. 208 (2014). For the first *Alice* step (Step 2A of the USPTO’s Patent Subject Matter Eligibility guidance, MPEP § 2106), we determine whether the claims at issue are directed to a patent-ineligible concept such as an abstract idea, law of nature, or natural phenomenon. *Alice*, 573 U.S. at 217 (citing *Mayo*, 566 U.S. at 78–79). If so, we advance to the second *Alice* step (Step 2B of the USPTO’s Patent Subject Matter Eligibility guidance) where “we consider the elements of each claim both individually and ‘as an ordered combination’ to determine whether the additional elements ‘transform the nature of the claim’ into a patent-eligible application” of the otherwise patent-ineligible concept. *Id.* (quoting *Mayo*, 566 U.S. at 78–79).

We also follow the USPTO’s additional guidance on applying Step 2A. *See* 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50 (Jan. 7, 2019) (“Revised Guidance”).² The Revised Guidance establishes a “two-prong inquiry” for determining whether a claim is directed to a judicial exception. *Id.* at 54. In prong one, we determine whether the claim *recites* a judicial exception, such as a law of nature, natural phenomenon, or abstract idea. *Id.* If so, we look to whether the claim recites additional elements that *integrate* the judicial exception *into a practical application*. *Id.* at 50. Thus, a claim is *directed to* a judicial exception only if the claim recites a judicial exception *and* does not integrate that exception into a practical application. *Id.*

If we determine that the judicial exception is not integrated into a practical application, we proceed to Step 2B and determine whether the claim adds a specific limitation beyond the judicial exception that is not well-understood, routine, and conventional activity in the field, or, alternatively, whether the claim simply appends well-understood, routine, and conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception. Revised Guidance, 84 Fed. Reg. at 56.

Appellant argues claims 1–32 as a group. Appeal Br. 9–11. We select claim 1 as representative of the group, and decide the appeal of this rejection on the basis of claim 1 alone. 37 C.F.R. § 41.37(c)(1)(iv). We have carefully considered Appellant’s arguments for the patent eligibility of claim 1, but find them unpersuasive of Examiner error. Accordingly, we

² Available at <https://www.govinfo.gov/content/pkg/FR-2019-01-07/pdf/2018-28282.pdf>.

sustain the Examiner’s rejection for essentially those reasons expressed in the Final Action and Answer, and add the following primarily for emphasis.

2. *Step 2A, Prong 1*

We first consider whether claim 1 recites a judicial exception. According to the preamble, claim 1 recites a non-transitory computer-readable storage medium with a computer program for “facilitating electronic payment processing.” Appeal Br. 16 (Claims App.). Claim 1 also recites steps for processing information in order to determine whether the electronic payment transaction is to be completed, without requiring a consumer to provide protecting information to the payment terminal. *Id.* Claim 1 thus recites steps for engaging in a commercial interaction/sales activity, which is one of the certain methods of organizing human activity recognized as an abstract idea. Final Act. 6; Ans. 5; Revised Guidance, 84 Fed. Reg. at 52; *see Inventor Holdings, LLC v. Bed Bath & Beyond, Inc.*, 876 F.3d 1372, 1378 (Fed. Cir. 2017) (holding that “local processing of payments for remotely purchased goods” is an abstract idea).

Claim 1 also recites “compar[ing] the payment authorization information with the transaction information” to determine whether to allow the electronic payment transaction to be completed. Appeal Br. 16 (Claims App.). This step is an evaluation or judgment that can be performed in the human mind, and is thus a mental process recognized as an abstract idea. Final Act. 6–7; Revised Guidance, 84 Fed. Reg. at 52; *see Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1146 (Fed. Cir. 2016) (holding that “analyzing information by steps people [can] go through in their minds, or by mathematical algorithms, without more . . . [are] mental processes within the abstract-idea category”).

We determine that claim 1 recites an abstract idea, and proceed to Step 2A, Prong 2.

3. *Step 2A, Prong 2*

Having determined that claim 1 recites a judicial exception, we next consider whether claim 1 recites additional elements that integrate the judicial exception into a practical application. Here, beyond the judicial exception, the claim recites limitations directed to transmitting and receiving data (e.g., “receiv[ing] payment terminal information,” “request[ing] . . . payment authorization information from the user,” “receiv[ing] the payment authorization information,” etc.). These limitations are drawn to the sending and receiving of data, which is insignificant extra-solution activity that does not integrate the judicial exception into a practical application. *See* MPEP § 2106.05(g); *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1354 (Fed. Cir. 2016) (finding abstract steps for “gathering and analyzing information of a specified content, then displaying the results”).

Claim 1 also recites the use of a “non-transitory computer-readable storage medium” with a “computer program” that instructs “processors”; and “generat[ing] a user interface” displayable on a “display” of “a computing device of a user.” Final Act. 7–8; Ans. 5. Neither the claim nor the Specification imposes any particular structural limitations on these generic computer components and processes. Implementing a judicial exception on a computer or with generic computer technology does not integrate the judicial exception into a practical application. *See* Revised Guidance, 84 Fed. Reg. at 55; MPEP § 2106.05(f); *DDR Holdings, LLC v. Hotels.com L.P.*, 773 F.3d 1245, 1256 (Fed. Cir. 2014) (holding that “recitation of generic computer limitations does not make an otherwise ineligible claim

patent-eligible”); *FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1096 (Fed. Cir. 2016) (holding that “the use of generic computer elements like a microprocessor or user interface do not alone transform an otherwise abstract idea into patent-eligible subject matter”).

Claim 1 further recites “creat[ing] a link between the user and a payment instrument associated with the payment terminal.” Appeal Br. 16 (Claims App.). The claim does not elaborate on what the link is or how it is created. The Specification does not expressly define what is meant by creating a link between the user and a payment instrument associated with the payment terminal, but describes an embodiment in which the linking “is accomplished by linking an identifier for the consumer user’s mobile wallet and/or funding account (e.g., bank account number) with the merchant’s payment card 108 identification code in a server device 102 (or associated database) or otherwise in a temporary memory or database for use by the authorization host.” Spec. ¶ 46. In other words, a consumer user’s identifier information is stored with the merchants payment card 108 identification code on a server or in an associated database. Data storage is a generic computer operation. *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1334 (Fed. Cir. 2015). As such, it cannot integrate the abstract idea into a practical application.

Appellant argues, *inter alia*, that its invention “improves the functioning of a computer at least by eliminating risks associated with data breaches by facilitating an electronic payment transaction while not requiring protected information of the user.” Appeal Br. 10. When considering claims purportedly directed to “an improvement to computer functionality,” we “ask whether the focus of the claims is on the specific

asserted improvement in computer capabilities . . . or, instead, on a process that qualifies as an ‘abstract idea’ for which computers are invoked merely as a tool.” *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335–36 (Fed. Cir. 2016). Here, the improvement cited by Appellant, “eliminating risks associated with data breaches,” is achieved by “facilitating an electronic payment transaction while not requiring protected information of the user.” Reply Br. 3 (emphasis omitted). But facilitating an electronic payment transaction without requiring the user’s protected information is not an improvement of computer capabilities, but rather part of the judicial exception itself. Needless to say, a judicial exception cannot integrate itself into a practical application. Further, we find nothing in claim 1 that specifically addresses computer capabilities. Therefore, claim 1 merely instructs the practitioner to implement the abstract idea using conventional computer components and activities, which is insufficient to transform the abstract idea into a practical application. *See Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 716 (Fed. Cir. 2014) (finding that claimed steps merely instruct practitioner “to implement the abstract idea with routine conventional activities, which is insufficient to transform the patent-ineligible abstract idea into patent-eligible subject matter”) (internal citation, quotation marks, and alterations omitted).

In sum, having reviewed the additional limitations individually and as an ordered combination, we agree with the Examiner that claim 1 is directed to a judicial exception.

4. *Step 2B*

Having determined that claim 1 is directed to a judicial exception, we next consider under Step 2B whether claim 1 includes additional elements or

a combination of elements that provide an “inventive concept,” i.e., whether claim 1 includes specific limitations beyond the judicial exception that are not “well-understood, routine, conventional” in the field. Revised Guidance, 84 Fed. Reg. at 56. In doing so, we recognize that “[t]he inventive concept inquiry requires more than recognizing that each claim element, by itself, was known in the art,” because “an inventive concept can be found in the non-conventional and non-generic arrangement of known, conventional pieces.” *BASCOM Glob. Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1350 (Fed. Cir. 2016).

Viewing the additional limitations in claim 1 individually and as an order combination, we agree with the Examiner that they do not provide an inventive concept that renders the judicial exception patent eligible. Final Act. 7–8; Ans. 5. As discussed above, claim 1 recites the use of generic computer components and computer operations. Such limitations, considered both individually and as an ordered combination, are well-understood, routine, and conventional in the field, and therefore do not provide an inventive concept. *See Fair Warning, supra*. Appellant does not identify any specific arrangement of computer software or hardware, or otherwise specify technical details that would indicate the use of computer technology beyond that which is well-understood, routine, and conventional.

Appellant argues that its invention “includes at least the inventive concept of facilitating an electronic payment transaction without requiring protected information of the user, **shifting the paradigm from traditional electronic payment transactions** in which such information is required.”

Appeal Br. 10. Although Appellant does not specifically identify the limitations on which this argument is based, the argument appears to largely

rely on limitations directed to the judicial exception itself. Even if the judicial exception could be considered novel and nonobvious, it would not be sufficient to save it from ineligibility. *Solutran, Inc. v. Elavon, Inc.*, 931 F.3d 1161, 1169 (Fed. Cir. 2019).

B. Claims 1–32: Rejected as Unpatentable over Hanson and Godsey

1. Claims 1–16

Appellant argues claims 1–16 as a group. Appeal Br. 12–13. We select claim 1 as representative of the group, and decide the appeal of these claims on the basis of claim 1 alone. 37 C.F.R. § 41.37(c)(1)(iv).

The Examiner finds that Hanson teaches all of the limitations of claim 1, except that it does not teach “receiving authorization information from a user, receiving a transaction information indicative of payment transaction being initiated at a payment terminal, wherein the payment instrument is configured to be utilized at the payment terminal to initiate the payment transaction; comparing the authorization information with the transaction information; and, wherein the payment terminal does not receive information pertaining to the user.” Final Act. 9–10 (citing Hanson ¶¶ 8, 19, 42, 45, 80–83, Figs. 8, 9). The Examiner further finds that Godsey teaches “the use of a mobile application that can scan a QR code on the merchant POS terminal, and push a payment to the merchant.” *Id.* at 10 (citing Godsey ¶¶ 31, 40–48, Fig. 5). The Examiner determines that “it would have been obvious to a person having ordinary skill in the art at the time of this invention to incorporate the use of a push payment transaction at a merchant location because push payments were a known way for customers to make secure transactions.” *Id.*

We have considered Appellant’s arguments for the patentability of claim 1 over Hanson and Godsey, but find them unpersuasive of Examiner error. For example, Appellant asserts that “Godsey teaches a ‘push’ system in which a transaction is completed by ‘pushing’ funds to a merchant’s account,” and “the present invention is nothing like” such a system. Appeal Br. 13. This argument, however, is inconsistent with the Specification, which states that “[t]he Embodiments of the present invention described [in the Specification] are considered to be a form of a push type payment.” Spec. ¶ 59. Appellant’s remaining arguments amount to describing the benefits of the claimed system, without distinguishing claim 1 from the cited art. Appeal Br. 12–13. Therefore, we sustain the Examiner’s rejection of claims 1–16 as unpatentable over Hanson and Godsey.

2. *Claims 17–19 and 22*

Appellant’s arguments in support of the patentability of claim 17 are identical to those made with respect to claim 1 (Appeal Br. 13–14), which we found unpersuasive. Appellant does not separately address the patentability of claims 18, 19, and 22, which ultimately depend from claim 17. Therefore, we sustain the Examiner’s rejection of claims 17–19 and 22 as unpatentable over Hanson and Godsey.

3. *Claims 20 and 21*

Claim 20 depends from claim 1, and additionally recites, “wherein linking the user to the payment instrument enables the user to utilize a first payment source to facilitate the transaction and wherein the payment terminal is not otherwise provisioned to accept payments associated with the first payment source.” Appeal Br. 23 (Claims App.). Claim 21 depends from claim 9 and contains a similar limitation. *Id.* For both claims,

Appellant asserts, without elaboration, that “[n]othing in the prior art teaches such capabilities.” *Id.* at 14. But merely restating claim limitations and asserting that the limitations are not found in the prior art does not substantively identify error in an examiner’s rejection. *See In re Lovin*, 652 F.3d 1349, 1357 (Fed. Cir. 2011) (holding that the Board reasonably interpreted 37 C.F.R. § 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”). Therefore, we sustain the Examiner’s rejection of claims 20 and 21 as unpatentable over Hanson and Godsey.

4. *Claims 23 and 27–29*

Appellant asserts that “claim 23 pertains to a system and recites a payment instrument being issued to a first user (such as a merchant) that is capable of being temporarily linked to a funding source of [a] second user (such as a consumer),” but “**nowhere in the Office Action does Examiner argue that the prior art teaches or suggests such limitations.**” Appeal Br. 14–15. The Examiner responds that “[t]hese limitations are taught by Godsey.” Ans. 11 (citing Godsey ¶ 27). Appellant did not dispute this contention in the Reply Brief. Accordingly, we sustain the Examiner’s rejection of claim 23.

Appellant next asserts that “**the Office Action fails to address limitations of claim 27** pertaining to linking a payment instrument of a first user to a funding source of a second user so as to complete a payment transaction.” Appeal Br. 15. The Examiner responds that it addressed claim 27 with claim 1. Ans. 11. Appellant does not dispute this contention and, indeed, the Examiner addresses claim 27 with claim 1 in the Final Office

Action. Final Act. 9. Accordingly, we sustain the Examiner's rejection of claim 27.

Appellant further asserts that “**the Office Action fails to provide any arguments, whatsoever, to support the rejection of claims 28 and 29,** claim 28 reciting unlinking the payment instrument of the first user from the funding source of the second user and claim 29 reciting linking the payment instrument of the first user to a funding source of a third user.” Appeal Br. 15. The Examiner responds that claims 28 and 29 are “made obvious by the prior art references for the same reasons as claim 1.” Ans. 11. The Examiner characterizes claim 28 as including the limitation of “unlinking the payment instrument of the first user from the funding source of the second user,” that the “‘linking’ is taught by Godsey as described above,” and “[o]nce the payment is complete, the payment instrument and the funding source are clearly and obviously unlinked.” *Id.* at 11–12. For claim 29, the Examiner states that it “includes a method similar to the independent claim, except that the payment transaction is between the first user and a funding source of a third user (as opposed to a second user).” *Id.* at 12. According to the Examiner, “[t]his claim is merely repeating the process of the independent claim with another payor,” and “[i]t is clear that the inventions of both references are intended to be used for more than one payment from more than [one] payor.” *Id.* In reply, Appellant asserts that the subject matter of claim 29 “enables a first user (i.e. vendor) to link a payment instrument [to] a funding source of a second user (i.e. a first customer) and then later link the same payment instrument to a funding source of a third user (i.e. a second customer),” and the “prior art fails to teach or suggest such systems or methods.” Reply Br. 5.

Appellant does not dispute the Examiner's argument with respect to claim 28, and we therefore sustain the Examiner's rejection of that claim. As for claim 29, Appellant does not show error in the Examiner's characterization of claim 29 as merely repeating the method of claim 27 for two different customers. Appellant does not explain how repeating the same method for two different customers renders the method patentable. Accordingly, we also sustain the Examiner's rejection of claim 29.

5. *Claims 24–26 and 30–32*

Appellant does not address the patentability of claims 24–26 and 30–32 over Hanson and Godsey. Accordingly, we sustain the Examiner's rejection of these claims on that basis.

C. Appellant's Request to Reopen Prosecution

Appellant requests that prosecution be reopened because the “Examiner has still not clearly articulated the 101 rejection,” and “has not adequately addressed each of [Appellant's] 103 arguments” or “provided analysis for each of the 103 rejections.” Appeal Br. 7–8 (emphasis omitted). The relief sought by Appellant, however, is by way of petition to the Technology Center Director rather than by appeal to the Board. MPEP ¶ 1002(c), item 1; *see also id.* § 1201 (the Board will not ordinarily hear a question that is reviewable by petition). Accordingly, we do not separately address this issue here.

CONCLUSION

The Examiner's rejections are affirmed.

More specifically,

DECISION SUMMARY

Claims Rejected	35 U.S.C. §	Reference(s)/Basis	Affirmed	Reversed
1-32	101	Eligibility	1-32	
1-32	103	Hanson, Godsey	1-32	
Overall Outcome			1-32	

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