



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.
13/586,763	08/15/2012	Srinivasa Rao Pasupulati	70481.690_82053	9998
132906	7590	11/23/2018	EXAMINER	
Haynes & Boone, LLP (70481) 2323 Victory Ave. #700 Dallas, TX 75219			CAMPEN, KELLY SCAGGS	
			ART UNIT	PAPER NUMBER
			3691	
			NOTIFICATION DATE	DELIVERY MODE
			11/23/2018	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):

ipdocketing@haynesboone.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte AMISH PATEL, NICK GROLEAU, WILLIAM CHARLES
TAYLOR, and SALEEM QADIR

Appeal 2017-008457
Application 13/586,763¹
Technology Center 3600

Before JOHNNY A. KUMAR, JENNIFER L. MCKEOWN, and
MATTHEW J. McNEILL, *Administrative Patent Judges*.

KUMAR, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants seek our review under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 1–21. We have jurisdiction under 35 U.S.C. § 6(b).

We REVERSE.²

¹ According to Appellants, the real party in interest is Pay Pal, Inc. App. Br. 3.

² Our Decision refers to Appellants' Appeal Brief ("App. Br.") filed January 4, 2017; Reply Brief ("Reply Br.") filed May 24, 2017; Examiner's Answer ("Ans.") mailed March 23, 2017; Final Office Action ("Final Act.") mailed August 4, 2016; and original Specification ("Spec.") filed August 15, 2016.

STATEMENT OF THE CASE

Appellants' invention relates to "a method and system where merchants are able to integrate financial transaction payment mechanism code seamlessly into their own commercial websites." Spec. ¶ 2.

Claims 1 and 10 are independent. Claim 1 illustrates the claimed subject matter, as reproduced below:

1. A system, comprising:
 - a non-transitory memory; and
 - one or more hardware processors coupled to the non-transitory memory and configured to read instructions from the non-transitory memory to cause the system to perform operations comprising:
 - receiving a request to integrate an application programming interface (API)-based mechanism with an online website based at least on a first input received from a user interface of a device;
 - accepting a plurality of credentials and parameters based at least on a second input received from the user interface;
 - generating a plurality of code snippets and files based at least on the plurality of credentials and parameters, wherein the plurality of code snippets and files are configured to be tested in a sandbox environment or integrated live with the online website;
 - transferring the plurality of code snippets and files to the device for display of an indication of the transferred plurality of code snippets and files on the user interface;
 - communicating integration instructions to the device configured to integrate the plurality of code snippets and files with the online website to offer the API-based mechanism to visitors of the online website; and
 - communicating test instructions to the device configured to test the plurality of code snippets and files in the sandbox environment.

App. Br. 14 (Claims App'x).

REJECTION

Claims 1–21 stand rejected under 35 U.S.C. § 101 because the claimed invention is directed to an abstract idea without significantly more. Final Act. 2.

ANALYSIS

In *Alice Corp. Pty. Ltd. v. CLS Bank International*, 134 S. Ct. 2347 (2014), the Supreme Court reiterates an analytical two-step framework previously set forth in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66, 79 (2012), “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice*, 134 S. Ct. at 2355. The first step in the analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts,” such as an abstract idea. *Id.* If the claims are directed to eligible subject matter, the inquiry ends. *Thales Visionix Inc. v. United States*, 850 F.3d 1343, 1349 (Fed. Cir. 2017); *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1339 (Fed. Cir. 2016).

If the claims are directed to a patent-ineligible concept, the second step in the analysis is to consider the elements of the claims “individually and ‘as an ordered combination’” to determine whether there are additional elements that “‘transform the nature of the claim’ into a patent-eligible application.” *Alice*, 134 S. Ct. at 2355 (citing *Mayo*, 566 U.S. at 79, 78). In other words, the second step is to “search for an ‘inventive concept’—*i.e.*, an element or combination of elements that is ‘sufficient to ensure that the

patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.” *Id.* (citing *Mayo*, 566 U.S. at 72–73). “[W]ell-understood, routine, [and] conventional activit[ies]’ previously known to the industry” are insufficient to transform an abstract idea into patent-eligible subject matter. *Id.* (citing *Mayo*, 566 U.S. at 73).

In rejecting claims 1–21 under 35 U.S.C. § 101, the Examiner determines these claims are directed to an abstract idea of “payment management in network” or alternatively, an abstract idea of “coding.” Final Act. 3–4; Ans. 2–3. The Examiner also determines “additional claim elements do not provide meaningful limitations to transform the abstract idea into a patent eligible application of the abstract idea” and, as such, do not amount to significantly more than the abstract idea itself” because these claims do not (i) “affect an improvement to another technology or technical field;” (ii) “amount to an improvement to the functioning of a computer itself;” and (iii) “move beyond a general link of an abstract idea to a particular technological environment.” Final Act. 3–4; Ans. 2–3. According to the Examiner, the claims amount to “no more than coding for payment management on a computer and sending data and code over a network.” Ans. 6.

Alice/Mayo—Step 1 (Abstract Idea)

Turning to the first step of the *Alice* inquiry, Appellants argue “the claims are not directed to an abstract idea” because “the Office Action merely provides a conclusory statement” without reasoning and has oversimplified the claims to either “payment management in a network” or “coding,” while ignoring “claim elements that provide clear evidence of the claims being rooted in computer technology. App. Br. 7–8. According to

Appellants, “[t]he present claims provide a particular solution to the particular problem of **integrating an API-based mechanism to a merchant's website without the merchant having to understand the API or having to know how to code in a language specific to the API.**” *Id.* at

8. Appellants also argue:

the claims are not directed to a general concept of coding, but instead are specifically directed to “generating a plurality of code snippets and files,” “based at least on the plurality of credentials and parameters, wherein the plurality of code snippets and files are configured to be tested in a sandbox environment or integrated live with the online website.”

Reply Br. 3.

In response, the Examiner takes the position that “the instant claimed invention is a computer technology solution to a financial/business problem,” i.e., “performance of an abstract business practice using a conventional computer” and, as such, is “not directed to a specific improvement to computer functionality.” Ans. 7–8.

We are persuaded by Appellants’ arguments only in part. First, we note the Federal Circuit has interpreted *Alice* step 1 as asking “whether the claims are directed to an improvement to computer functionality versus being directed to an abstract idea,” as recognized by Appellants. App. Br. 17 (quoting *Enfish*, 822 F.3d at 1335). The Federal Circuit has also “emphasized that the key question is ‘whether the focus of the claims is on the specific asserted improvement in computer capabilities (i.e., the self-referential table for a computer database [in *Enfish*]).’” *Visual Memory*, 867 F.3d at 1258 (citing *Enfish*, 822 F.3d at 1335–36).

The focus of Appellants' claims is neither "payment management in a network" nor a general concept of "coding" as the Examiner has characterized. Final Act. 3–4; Ans. 2–3. Instead, we agree with Appellants that their claims provide a particular solution to the particular problem of **integrating an API-based mechanism to a merchant's website without the merchant having to understand the API or having to know how to code in a language specific to the API.** App. Br. 8. For example, independent claim 1 recites, *inter alia*:

generating a plurality of code snippets and files based at least on the plurality of credentials and parameters, wherein the plurality of code snippets and files are configured to be tested in a sandbox environment or integrated live with the online website;

transferring the plurality of code snippets and files to the device for display of an indication of the transferred plurality of code snippets and files on the user interface;

communicating integration instructions to the device configured to integrate the plurality of code snippets and files with the online website to offer the API-based mechanism to visitors of the online website; and

communicating test instructions to the device configured to test the plurality of code snippets and files in the sandbox environment.

App. Br. 14 (Claims App'x).

According to Appellant's Specification,

[0010] According to one embodiment, a method is provided to integrate payment mechanisms and a web-site integration system that offers online merchants a flexible, user friendly and customizable way to integrate payment mechanisms into their online commercial websites without having to understand the detailed intricacies of an API or other computer code.

Spec. ¶ 10.

As recognized by Appellants, the claims are specifically directed to “generating a plurality of code snippets and files,” “based at least on the plurality of credentials and parameters, wherein the plurality of code snippets and files are configured to be tested in a sandbox environment or integrated live with the online website.”

Reply Br. 3.

We acknowledge, however, Appellants’ claims, like the claims in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014), “do not recite a mathematical algorithm . . . [n]or do they recite a fundamental economic or longstanding commercial practice” identified as an “abstract idea” by the Supreme Court in its trilogy of *Benson*,³ *Flook*,⁴ and *Diehr*,⁵ and its recent duet of *Bilski*⁶ and *Alice*. *DDR*, 773 F.3d at 1257; *see also* App. Br. 8. Nor do these claims recite “payment management in a network” or “coding” as the Examiner has characterized. Final Act. 3–4; Ans. 2–3. Because “identifying the precise nature of the abstract idea [of Appellants’ claims] is not as straightforward,” we proceed to analyze the claims under *Alice* step 2.

Alice/Mayo—Step 2 (Inventive Concept)

Turning now to the second step of the *Alice* inquiry, Appellants argue the claims contains an “inventive concept,” and like the claims in *Bascom* (*Bascom Global Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1350 (Fed. Cir. 2016),

³ *See Gottschalk v. Benson*, 409 U.S. 63 (1972).

⁴ *See Parker v. Flook*, 437 U.S. 584 (1978).

⁵ *See Diamond v. Diehr*, 450 U.S. 175 (1981).

⁶ *See Bilski v. Kappos*, 561 U.S. 593 (2010).

the amended claim 1 similarly recites a **technology-based solution** (not an abstract-idea based solution implemented with generic technical components in a conventional way) to specific improvements in computer technology, e.g., directed to automatically generating code snippets and files that can be automatically integrated with an online website so that an API based mechanism can be used with the online website (see Specification at [0013], [0014], [0063], and [0100] and corresponding Figures) . . .

the combination of elements . . . *provides a practical application of "coding" that generates code snippets based on credentials and parameters input by a user and integrates the code snippets with an online website.*

Reply Br. 7–9. According to Appellants,

the claims, taken as an ordered combination, *solve the problem of integrating an API based mechanism to a merchant's website without the merchant having to understand the API or having to know how to code in a language specific to the API.* Appellant thus respectfully submits that, similar to the analysis of *Bascom*, "[a]s is the case here, an inventive concept can be found in the non-conventional and non-generic arrangement of known, conventional pieces." *Bascom* at 14 and 15.

Id. at 9 (emphasis added).

We are persuaded by Appellants' arguments that their claims contain an "inventive concept" because (1) Appellants' claims, like the claims in *DDR Holdings*, provide a technical solution to a technical problem unique to the Internet, *i.e.*, generating code snippets and files that can be automatically integrated with an online website so that an API-based mechanism can be used with the online website; and (2) the combination of Appellants' claim elements, like the claims in *Bascom*, provides a practical application of integrating an API based mechanism to a merchant's website without the

merchant having to understand the API or having to know how to code in a language specific to the API. In particular, we find Appellants' integration of the code snippets and files with the online website to offer the API-based mechanism to visitors of the online website transforms the abstract idea (i.e., "coding" or "payment management in network") into "a particular, practical application of that abstract idea," similar to the claims in *Bascom*.

For these reasons, we find Appellants' claims contain an "inventive concept" and recite something "significantly more" to transform the abstract concept into a patent-eligible application. *Alice*, 134 S. Ct. at 2357. Accordingly, we do not sustain the Examiner's rejection of claims 1–21 under 35 U.S.C. § 101.

CONCLUSION

On the record before us, we conclude Appellants have demonstrated the Examiner erred in rejecting claims 1–21 under 35 U.S.C. § 101.

DECISION

As such, we reverse the Examiner's rejection of claims 1–21 under 35 U.S.C. § 101.

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).

REVERSED