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BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte MICHAEL VERNAL, YUJI HIGAKI, and DEBORAH LIU

Appeal 2017-008429
Application 14/037,357
Technology Center 3600

Before JOSEPH L. DIXON, JENNIFER L. McKEOWN, and JAMES W. DEJMEK, *Administrative Patent Judges*.

DIXON, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants[1] appeal under 35 U.S.C. § 134(a) from a rejection of claims 1–11 and 21–29. We have jurisdiction under 35 U.S.C. § 6(b).

We reverse.

The claims generally relate to a dynamically providing a third-party checkout option. Claim 1, reproduced below, is illustrative of the claimed subject matter:

1. A method comprising:

receiving an engagement request, at one or more servers of a network application from a client device, including an indication that a user has begun a transaction using a client application on the client device;

determining, by the one or more servers in response to the engagement request, whether providing personal information maintained at the network application will increase a probability that the user completes the transaction using the client application on the client device;

dynamically displaying, in a user interface of the client application, a user selectable option to complete the transaction using the personal information maintained by the one or more servers of the network application based on a determination that providing the personal information from the network application will increase the probability that the user completes the transaction using the client application on the client device; and

dynamically refraining from displaying, in the user interface of the client application, the user selectable option to complete the transaction using the personal information

[1] Appellants identify the real party in interest as Facebook, Inc. (App. Br. 1.)

maintained by the one or more servers of the network application based on a determination that providing the personal information from the network application will not increase the probability that the user completes the transaction using the client application on the client device.

REFERENCES

The prior art relied upon by the Examiner in rejecting the claims on appeal is:

Silverstein et al. ("Silverstein")	US 2004/0093281 A1	May 13, 2004
Saccocio	US 2006/0047847 A1	Mar. 2, 2006
Donlan et al. ("Donlan")	US 2014/0032294 A1	Jan. 30, 2014

REJECTIONS

The Examiner made the following rejections:

Claims 1–11 and 21–29 stand rejected under 35 U.S.C. § 101, because they recite non-patentable subject matter. The claimed invention is directed to a judicial exception (i.e., an abstract idea, method of organizing human activity, etc.) without significantly more.[2]

Claims 1, 2, 4–11, and 21–29 stand rejected under 35 U.S.C. § 103 as being unpatentable over Donlan, in view of Saccocio.

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[2] We note that Appellants proffer that the invention is significantly more based upon the determination that providing the personal information will increase the probability that a user completes a transaction, but Appellants have not identified a method or algorithm regarding how this determination is made. We note that the Summary of the Claimed Subject Matter merely identifies paragraphs which contain the same language, but the Specification provides no underlying detail regarding the methodology of the determination that providing the personal information will increase the probability that a user completes a transaction. We leave it to the Examiner to further evaluate this issue in any further prosecution on the merits.

Claim 3 stands rejected under 35 U.S.C. § 103 as being unpatentable over Donlan, in view of Saccocio, and further in view of Silverstein.

ANALYSIS

35 U.S.C. § 101

According to the Specification, Appellants have identified a problem in the prior art regarding the presentation of checkout information during an ongoing purchase using a mobile device. (*See* Figure 5A–5G; Spec. ¶¶ 90–102.) Appellants further contend:

> The claims are generally directed to dynamically providing an option, on a mobile device, to use stored payment information when the option will likely increase the likelihood of a purchase on the mobile device. Handheld devices have become increasingly common. Such devices enable individuals to make purchases on network applications by utilizing a touch screen. While these applications can increase shopping ease and allow users to make purchases without visiting a brick and mortar store, the checkout process can be inconvenient. Due to the limited size of most touch screens, the user interface can become confusing and cluttered, particularly during checkout and payment processing — leading to more abandoned purchases. The claimed invention provides a solution by dynamically displaying or dynamically refraining from displaying a user's stored personal information on a client device based on whether providing the information will increase the probability that the user completes the transaction using the client device. *See* Dynamically Providing a Third-Party Checkout Option, Specification, Application No. 14/037,357 (Sept. 25, 2013) (hereinafter *"Specification")* at ¶ [0012].

(App. Br. 1–2.)

The claimed invention is generally relate to the variable presentation of checkout information during an ongoing purchase using a mobile device.

Appellants have found that users get frustrated trying to purchase goods using mobile devices because of the amount of information users have to input and that some users fail to complete the purchase because of these difficulties.

> While commerce applications can increase shopping ease and allow users to make purchases without visiting a brick and mortar store, the checkout process in many commerce applications can be inconvenient. For instance, commerce applications typically require a user to provide detailed payment information. In many cases, a user may need to fill-in up to twenty information fields. It is common for potential consumers using a commerce checkout process to have difficulty entering payment information, run-out of time, or question otherwise become frustrated with the checkout process. Such frustrations often cause potential consumers to abandon their commerce transactions. Frustration with commerce checkout processes is often exacerbated when using a mobile device due to the small screen and difficulty of typing-in large amounts of information.

(Spec. ¶ 6.)

Consequently, Appellants assert they have come up with the solution that after a user has begun a transaction on a client application, Appellants determine whether providing personal information maintained by the network will increase the probability that the user completes the transaction using the client application. (App. Br. 1.)

As a result of this determination regarding pre-populated information, Appellants dynamically display the option of using the personal information maintained on the network if that will increase the probability that the user completes the transaction, and Appellants dynamically refrain from displaying that user selectable option to complete the transaction using stored personal information. (Spec. ¶ 12.)

In the Final Action, the Examiner finds claim 1 is directed to "the fundamental economic practice of storing personal information for later use, so as to facilitate future transactions, and selectively presenting such stored information to a client device." (Final Act. 3.) In the Examiner's Answer, the Examiner finds:

> This is because the term "transaction" in the context of performance by users of a client device, still connotes an economic activity. Even if it did not, it is appreciated that types of transactions and personal information are used in long standing commercial activity, such as presenting stored personal payment information to facilitate a subsequent consumer transaction, as acknowledged in Applicant's example of page 3. For example, it is a long standing commercial practice to offer a customer to use preexisting or stored personal information to consummate a subsequent purchase (e.g., via a telephone), which implicitly consists of a decision that offering same is advantageous.

(Ans. 12.) The Examiner further finds "[t]he claims recite the business method of providing personal information to complete a transaction being performed across generic computing technology; contrary to Applicant's assertion an improvement to computing technology (e.g., an internet-centric improvement) is not recited." (Ans. 13.) The Examiner further finds the claims are directed to:

> [a] decision making metric to determine when it is beneficial to change the printed matter on a GUI does not provide an improvement to the GUI itself, as selective presentation of information has long existed (e.g., targeted advertising to effect a consumer *transaction*, buttons that selectively become activated, *etc.).* Rather, the claims recite inventions directed towards the business method of providing stored personal information to a consumer in order to complete a transaction, which is applicable outside of the internet.

(Ans. 14.)

Appellants argue:

> Beyond overgeneralizing the recited claim limitations of the independent claims, the Examiner has also applied an unrecognized category of abstract idea. The Examiner's alleged abstract idea of, "the fundamental economic practice of storing personal information for later use, so as to facilitate future transactions, and selectively presenting such stored information to a client device," (*Office Action* at 3) is not a judicially recognized abstract idea. Specifically, the Examiner has failed to establish that the idea corresponds to a concept that the courts have identified as abstract.

(App. Br. 13.)

We agree with Appellants that the Examiner has overgeneralized the claimed invention and applied an unrecognized category of abstract idea. Moreover, we find the dynamic variable display of optional information on a display is not an abstract idea.

Appellants further contend that "the claims do not recite a long-prevalent economic practice." (App. Br. 13.) Again, we agree with Appellants that "the claims address the problem of mobile device users generally being unable or unwilling to complete purchase transactions via their mobile devices due to limited screen space and the potential for unnecessary options or other content to confuse and frustrate users, leading to abandoned transactions." (App. Br. 14.)

We agree with Appellants that the claimed process is more specific than the Examiner identifies, and the Examiner has overgeneralized the underlying purchase transaction. We further agree with Appellants that the Examiner does not properly consider the claimed invention as a whole with regards to

> intelligently and dynamically provide the option to use stored payment information when the option will likely increase the

> likelihood of a purchase. Furthermore, when the option to use stored payment information will not likely increase the likelihood of a purchase, the option may not be provided; thereby reducing graphical interface clutter.

(Spec. ¶ 12.)

The Examiner's distillation of this idea into the abstract idea of "the fundamental economic practice of storing personal information for later use, so as to facilitate future transactions, and selectively presenting such stored information to a client device" fails to consider the claim as a whole. (Final Act. 3.)

> [D]escribing the claims at such a high level of abstraction and untethered from the language of the claims all but ensures that the exceptions to § 101 swallow the rule. *See Alice* [*Corp. Pty. Ltd. v. CLS Bank Int'l*, 573 U.S. 208, 217 (2014)] (noting that "we tread carefully in construing this exclusionary principle [of laws of nature, natural phenomena, and abstract ideas] lest it swallow all of patent law"); *cf. Diamond v. Diehr*, 450 U.S. 175, 189 n. 12 (1981) (cautioning that overgeneralizing claims, "if carried to its extreme, make[s] all inventions unpatentable because all inventions can be reduced to underlying principles of nature which, once known, make their implementation obvious").

Enfish, LLC v. Microsoft Corp., 822 F.3d 1327, 1337 (Fed. Cir. 2016) (third and fourth alterations in original).

We agree with Appellants that, like the claims in *Enfish*, the claims here are not merely directed to "the fundamental economic practice of storing personal information for later use, so as to facilitate future transactions, and selectively presenting such stored information to a client device," but instead are specifically directed to "address the problem of mobile device users generally being unable or unwilling to complete purchase transactions via their mobile devices due to limited screen space

and the potential for unnecessary options or other content to confuse and frustrate users, leading to abandoned transactions." *See Enfish*, 822 F.3d at 1337. Thus, claim 1 is directed to an improvement in computer technology, rather than the overly generalized abstract idea identified by the Examiner.

For these reasons, Appellants have persuaded us the Examiner erred in finding claim 1 is directed to the abstract idea of "the fundamental economic practice of storing personal information for later use, so as to facilitate future transactions, and selectively presenting such stored information to a client device." (Final Act. 3.) Moreover, Appellants have persuaded us the Examiner erred in finding the claims are

> drawn towards long standing commercial practice, even though they arguable encompass more than just economic practice (e.g., merchant websites with data fields pre-populated with previous entries to facilitate future purchases, telephonic operators inquiring as to whether an account holder would like to use the personal information they have on file, etc.).

(Ans. 3.) We, therefore, do not sustain the rejection of claim 1 as being directed to patent-ineligible subject matter because we find the Examiner has not met the Examiner's burden under the 2014 Interim Guidance on Patent Subject Matter Eligibility ("2014 IEG")[3] at the time of the Final Action and Examiner's Answer.

We also do not sustain the rejections of independent claim 23, which recites commensurate limitations, and we do not sustain the rejections dependent claims 2–11, 21, 22, and 24–29 for the same reasons.

Additionally, with regard to the Examiner's rejection under 35 U.S.C. § 101, we decide the appeal based upon the Office's 2019 Revised Patent

[3] 79 Fed. Reg. 74618 (Dec. 16, 2014).

Subject Matter Eligibility Guidance

(https://www.govinfo.gov/content/pkg/FR-2019-01-07/pdf/2018-28282.pdf)

(*see* USPTO's 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50 (Jan. 7, 2019)). As discussed above, we find the Examiner has overgeneralized the finding of an abstract idea in the claimed invention. The Examiner finds the claimed invention is directed to:

> [T]he fundamental economic practice of storing personal information for later use, so as to facilitate future transactions, and selectively presenting such stored information to a client device. That is to say, despite the removal of such terms as "consumer," "purchase," "commerce," etc., the claims are still drawn towards long standing commercial practice, even though they arguable encompass more than just economic practice (e.g., merchant websites with data fields pre-populated with previous entries to facilitate future purchases, telephonic operators inquiring as to whether an account holder would like to use the personal information they have on file, etc.). As such, they recite an abstract idea under Alice.

(Final Act. 3; *see also* Ans. 3.) The Examiner further finds:

> This is because the term "transaction" in the context of performance by users of a client device, still connotes an economic activity. Even if it did not, it is appreciated that types of transactions and personal information are used in long standing commercial activity, such as presenting stored personal payment information to facilitate a subsequent consumer transaction, as acknowledged in Applicant's example of page 3. For example, it is a long standing commercial practice to offer a customer to use preexisting or stored personal information to consummate a subsequent purchase (e.g., via a telephone), which implicitly consists of a decision that offering same is advantageous.

(Ans. 12.)

Although we agree with the Examiner that the disclosed method may be used in commerce, we find the claimed invention to be directed to a

method of variable presentation of a display option which allows the user to select the option to use pre-stored personal information data if the system has dynamically displayed the user selectable option "based on a determination that providing the personal information from the network application will increase the probability that the user completes the transaction using the client application on the client device." The Examiner relies upon the fact that the claim recites a "transaction" and an "engagement request" to thereby overgeneralize or mischaracterizes the remainder of the substantive claim language regarding the "dynamic display" and "dynamic refraining" from displaying on the user interface.

The Examiner attempts to identify that the commerce transaction is well-known by generally identifying page 3 of the Specification in the background section discussing "commerce applications" integrated with third parties which identifies users being redirected to the third-party different website for completion of the transaction. (Ans. 12.) The Specification also identifies the confusion in these third-party transactions and the inconvenience of providing the additional button on the mobile commerce application in which space is a premium on the display. (Spec. ¶¶ 8–10.)

The Examiner finds that "the claims recite inventions directed towards the business method of providing stored personal information to a consumer in order to complete a transaction, which is applicable outside of the internet." (Ans. 14.) Additionally, the Examiner finds:

> As originally discussed with Applicant, the initial design of a commercial GUI/display includes a decision metric regarding the preferred content (e.g., for effecting the most sales, etc.) regarding the masses, based on some of the factors considered in

> this invention. The difference in considering such factors, and making a decision on a case-by-case basis fails to offer significantly more, because providing personal information on a case-by case basis after acquiring information from the consumer is also well-known, routine, and conventional (*See, e.g., Donlan,* providing personalized offers to consumers based on the similar factors).

(Ans. 14.) The Examiner generally identifies the Donlan reference, which is applied in the obviousness rejection for presenting personalized offers to consumers, but the personalized offer may be directed to a different commercial transaction rather than continuing with the transaction that has already begun and does not specifically teach or suggest dynamically displaying or refraining from displaying "a user selectable option to complete the transaction [which has begun] using the personal information maintained by the one or more servers of the network application."

As a result, we find the Examiner's factual findings regarding the underlying abstract idea to overgeneralize the claimed invention under the patent eligibility guidelines at the time of the Examiner's Answer (2014 IEG) and this same overgeneralized abstract idea similarly does not meet the Examiner's requisite burden for analysis under the 2019 Revised Patent Subject Matter Eligibility Guidance. As a result, we cannot sustain the Examiner's conclusion of a lack of patent-eligible subject matter based upon the Examiner's findings in the Final Action and the Examiner's Answer.

35 U.S.C. § 103

With respect to independent claims 1 and 23, Appellants set forth arguments to the claims together. Therefore, we select independent claim 1

as the illustrative claim for the group and will address Appellants' arguments thereto. (App. Br. 18–27.)

With respect to dependent claims 2–11, 21, 22, and 24–29, Appellants rely upon the arguments made with respect to independent claim 1 and 23, and Appellants do set forth separate arguments with regards to these dependent claims. (App. Br. 28.) We need not reach these additional arguments because we find the Examiner's obviousness rejection to be deficient with respect to independent claims 1 and 23.

With respect to the obviousness rejection of illustrative independent claim 1, Appellants argue that the prior art references do not teach or suggest the specific sequence of steps after a transaction has begun. Appellants further argue that the prior art references do not teach or suggest the limitation of in response to determining in increase in the likelihood once the transaction has begun, displaying the option of providing the personal information or refraining from displaying the option. (App. Br. 22.) Appellants further contend that "*Donlan* does not consider that determining whether providing personal information will increase the probability that a user will complete a transaction using the client application on the client device is performed in response to the system receiving an indication that the user has already begun a transaction." (App. Br. 22.) Appellants further argue that the Examiner's reliance upon the determination in the Donlan reference

> misses the mark entirely because it is not predicated on a user having already begun a transaction as recited in Appellant's claims. The same can be said for each subsequent limitation, i.e., dynamically displaying or dynamically refraining from displaying the user selectable option to complete the transaction

> since each of these limitations are also conditioned on the user having already begun a transaction.

(App. Br. 23.)

The Examiner finds that Donlan teaches selectively providing a targeted offer (e.g., coupon, discount, etc.) to the consumer in effort to complete a purchase transaction (i.e., increase the likelihood that the consumer will complete the purchase) whereas the instant invention provides "personal information" to the consumer in effort to complete the transaction. (Ans. 14.) The Examiner further finds that the Donlan reference "teaches dynamically presenting said offer where deemed likely to induce a purchase, which contemplates refraining from presenting a particular offer where otherwise deemed, and which includes an embodiment wherein the offer is made prior to the transaction's completion." (Ans. 15 (citations omitted).)

Appellants contend that "*Donlan* fails to teach or suggest determining whether providing personal information—as opposed to the offer/coupon in *Donlan*—will increase a probability that the user completes the transaction." (Reply Br. 6.)

We agree with the Appellants that the *Donlan reference* "does not consider that determining whether providing personal information will increase the probability that a user will complete a transaction using the client application on the client device is performed in response to the system receiving an indication that the user has already begun a transaction." (App. Br. 22.)

The Examiner relies upon the Saccocio reference for providing personal information from a database using "Quick Checkout" using a "passport and wallet." (Final Act. 7 (citing Saccocio ¶ 55).) The Examiner further finds that an advantage for using the quick checkout is to "drastically

reduce the amount of work required to fill out forms on web pages." (*Id.* (citing Saccocio ¶ 22).) The Examiner finally concludes that it "would have been obvious to an ordinary artisan to modify the method of Donlan to provide personal information in lieu of an offer, so as to reduce the amount of work required to complete the transaction, and to further encourage the transaction." (*Id.*)

The Examiner further finds that the Saccocio reference teaches the provisioning of prior stored *personal* payment *information* at checkout to complete an *online* transaction. (Ans. 15 (citing Saccocio, Abstract).)

Appellants contend that although

> *Saccocio* does mention the idea of "personal information" in one sense, but storing the personal passport or wallet information for the purpose of faster field population in *Saccocio* is nonetheless fundamentally different from the determining whether providing personal information will increase a probability that a user will complete a transaction recited in independent claim 1. Indeed, there is a predictive element involved in determining whether providing personal information will increase a probability that a user will complete a transaction that is missing from *Saccocio* which only teaches that providing personal information to more quickly populate data fields may "assist in the completion of an online transaction." *Id.* at [0055].

(Reply Br. 6–7.)

We agree with Appellants that the Saccocio reference discloses the use of stored personal information, but the Examiner has not identified how or where the Saccocio reference teaches or suggests the predictive element involved in determining whether providing the personal information will increase the probability that the user will complete the transaction. (Reply Br. 6.) As a result, the Examiner has not shown all the claimed elements in the combination of the Donlan reference and the Saccocio reference.

We find the Examiner's combination seeks to replace the offer of the Donlan reference with the use of personal information in the Saccocio reference, but the claims set forth presenting or refraining from presenting the option to the user to use the personal information. (Final Act. 7.) We find the Examiner does not squarely address this intermediate feature of "determining . . . whether providing personal information . . . will increase a probability that the user completes the transaction." (Reply Br. 8.)

CONCLUSIONS

The Examiner erred in rejecting claims 1–11 and 21–29 based upon a lack of patent-eligible subject matter under 35 U.S.C. § 101, and the Examiner erred in rejecting claims 1–11 and 21–29 based upon obviousness under 35 U.S.C. § 103.

DECISION

For the above reasons, we reverse the Examiner's rejections of claims 1–11 and 21–29 under 35 U.S.C. §§ 101 and 103.

REVERSED