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Mastercard International Incorporated
c/o Buckley, Maschoff & Talwalkar LLC
134 Main Street
Suite 301
New Canaan, CT 06840

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BRINDLEY, BENJAMIN S	

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte SIMON PHILLIPS and JAMES JOHN ANDERSON

Appeal 2025-002570
Application 15/637,747
Technology Center 3600

Before CAROLYN D. THOMAS, ERIC B. CHEN, and
HUNG H. BUI, *Administrative Patent Judges*.

BUI, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant[1] seeks our review under 35 U.S.C. § 134(a) from the Examiner's final rejection of claims 1, 4–10, 13, 14, 16, and 18. Appeal Br. 26–29 (Claims App.). Claims 2, 3, 11, 12, 17, 19, and 20 are canceled. *Id.* We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.[2]

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[1] "Appellant" herein refers to "applicant" as defined in 37 C.F.R. § 1.42. According to Appellant, MasterCard International Inc. is identified as the real party in interest. Appeal Br. 2.

[2] We refer to Appellant's Appeal Brief filed November 6, 2024 ("Appeal Br."); Reply Brief filed May 16, 2025 ("Reply Br."); Examiner's Answer mailed March 18, 2025 ("Ans."); Final Office Action mailed May 10, 2024 ("Final Act."); and Specification filed June 29, 2017 ("Spec.").

I. STATEMENT OF THE CASE

Technology

Conventional payment system utilizes a payment card/device in the form of a magnetic strip card, an integrated circuit (IC) card or a payment-enabled smartphone to generate e-commerce transactions (e.g., online shopping or point of sale "POS" transactions). Spec. 1:6–2:29, 5:16–17. According to Appellant, risk management and transaction reliability may be inadequate. Spec. 4:3–6.

Appellant's claimed invention seeks "to improve the payment transaction process . . . where [1] a payment-enabled mobile device is employed for the transaction, and [2] a wallet application (app) is running on the payment-enabled mobile device [e.g., smartphone]." Spec. 2:30–3:2. Appellant's Figure 2 depicts the use of (1) a wallet app issued by a merchant to facilitate user's transactions at merchant's POS device 208 and (2) authentication server 206 to authenticate a transaction, as reproduced below with additional annotations:

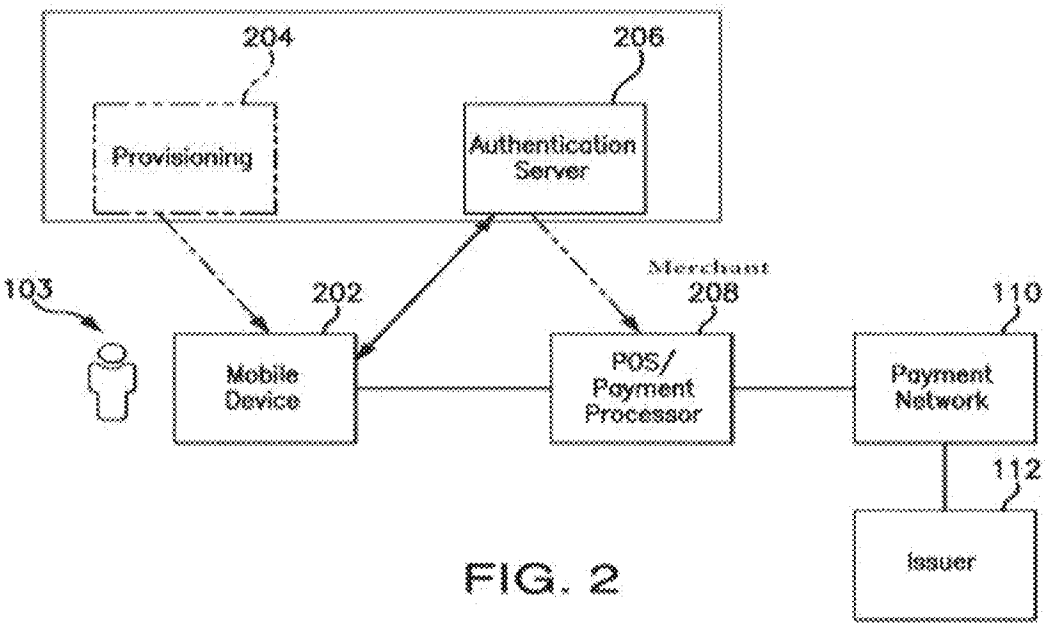


FIG. 2

Appellant's Figure 2, reproduced above, depicts payment system 200 provided with (1) wallet app 311 (shown in Figure 3) issued by a merchant, typically downloaded in advance to user's payment-enable mobile device 202 from a merchant website (not shown), to associate with one or more payment card accounts and to facilitate user's transactions (e.g., offers, advertising, and user's purchases), via mobile device 200 and merchant's POS device 208 (e.g., retail stores operated by the merchant that issued wallet app 311); and (2) authentication server 206 operated by an authentication service (typically, affiliated with the operator of payment network and retained by an account issuer) to authenticate a transaction in response to a request submitted from mobile device 202. Spec. 2:0–3:2. Optionally,

> provisioning server 204 may act on behalf of one or more payment account issuers (merchant) and may have performed a suitable ID&V (identification and verification) process before provisioning each payment app to the mobile device 200. The services of a provisioning server like that shown in FIG. 2 are commercially available, for example, via Mastercard Digital Enablement Service (MDES), which is a service offering of Mastercard International Incorporated, the assignee hereof. The wallet app may previously have been downloaded to the mobile device 202 from a merchant website (not shown).

Spec. 4:17–23 (emphasis added). According to Appellant's Specification,

> the purchase transaction is initiated in a typical manner, i.e., by using a barcode scanner (not separately shown) or similar device associated with the POS device to scan barcodes on the selected item(s) to input the item identifiers into the POS device. . . .
>
> The POS device may then calculate a transaction total, sales tax, etc., while also generating an electronic receipt for the transaction . . . communicate the electronic receipt to the wallet app 311 on the payment-enabled mobile device 202. . . For example, the electronic receipt may be displayed by the POS

> device as a QR code and scanned by a camera component (not shown) of the mobile device 202 as input for the merchant wallet app 311.
>
> . . . .
>
> In some embodiments, the transaction detail data may also include, for each purchased product item, an indicator of a particular price range that represents the purchase price for the product item in question. In this way, it is possible to give the issuer/authentication service a useful indication of the item price without revealing the exact price of the item.

Spec. 10:4–18, 11:1–5.

Representative Claim

Claims 1, 4–10, 13, 14, 16, and 18 are pending. Claims 1, 10, and 16 are independent. Claim 1, reproduced below with bracketed letters added for clarity, is representative:

> 1. A method of operating a smartphone running a merchant wallet application to enhance the capability for detecting and preventing fraudulent purchase transactions, the wallet application issued by a merchant, the method comprising:
> [A] receiving, by a processor of the smartphone running the merchant wallet application via a near-field communication (NFC) component from a merchant point of sale (POS) terminal, an electronic receipt including data identifying purchased items and a price per item;
> [B] generating, by the smartphone processor running the merchant wallet application based on the data of the electronic receipt, transaction detail data comprising identification data of each product item being purchased and respective price range data for each identified product item;
> [C] transmitting, by the smartphone processor, the transaction detail data via the internet from the merchant wallet application in the smartphone to a transaction authentication server without revealing the exact price of any product item, wherein the transaction authentication

server utilizes the transaction detail data to conduct risk management processing of the transaction;

[D] receiving, by the smartphone processor, a response message from the transaction authentication server indicating the transaction has been authenticated in response to the transmitted transaction detail data; and

[E] transmitting, by the smartphone processor running the merchant wallet application in response to the response message, payment credential information stored in a storage device of the smartphone to at least one of (a) the merchant POS terminal operated by the merchant; and (b) a payment processor acting for the merchant.

Appeal Br. 26 (Claims App.). Claims 10 and 16 recite another methods provided with the substantially similar limitations of claim 1. *Id.* at 27–29.

II. REJECTION[3]

Claims 1, 4–10, 13–16, and 18 stand rejected under 35 U.S.C. § 101 as being directed to an abstract idea, without significantly more. Final Act. 2–20.

III. ANALYSIS

In support of the § 101 rejection, the Examiner determines independent claims 1, 10, and 16 ("the claims") recite "limitations of a transaction detail data sharing process by receiving a receipt including data

[3] In the Final Office Action ("Final Act."), the Examiner also rejected (1) claims 1, 10, and 16 under 35 U.S.C. § 112(b) as indefinite. Final Act. 2–3. However, the § 112(b) rejection appears to have been withdrawn, via Advisory Action dated September 25, 2024, and Examiner's Answer ("Ans.") dated March 18, 2025. Ans. 3. As such, only the § 101 rejection of claims 1, 4–10, 13–16, and 18 remains pending on appeal.

identifying purchased items, generating data, transmitting data, conducting risk management, receiving and transmitting information to a merchant terminal or payment processor" constitute "Certain Methods of Organizing Human Activity" such as "commercial interactions and business relations" and, thus, an "abstract idea." Final Act. 4; Ans. 3–4.

The Examiner then determines "the judicial exception is not integrated into a practical application" because "additional elements of a smartphone, a processor, a point of sale [POS] terminal, a server and a payment processor to perform operations" "are recited at a high-level of generality" and "do[] not impose any meaningful limits on practicing the abstract idea." *Id.* at 5.

The Examiner also determines these additional elements are "generic computing components associated with a transaction detail data sharing process by receiving a receipt including data identifying purchased items, generating data, transmitting data, conducting risk management, receiving and transmitting information to a merchant terminal or payment processor" and are insufficient to provide an inventive concept or amount to significantly more than the judicial exception because these additional elements are mere instructions using generic computer components. *Id.* at 5.

Appellant argues independent claims 1, 10, and 16 together (Appeal Br. 14–24). We select claim 1 as representative. Claims 4–10, 13–16, and 18 stand with claim 1 for the same reasons discussed below (*see* 37 C.F.R. § 41.37(c)(1)(iv) (2021)).

Legal Framework

To determine whether claims are patent eligible under § 101, we apply the Supreme Court's two-step framework articulated in *Alice Corp. v. CLS*

Bank Int'l, 573 U.S. 208 (2014). First, we determine whether the claims are directed to a patent-ineligible concept: laws of nature, natural phenomena, and abstract ideas. *Alice*, 573 U.S. at 217. If so, we then proceed to the second step 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*, at 217. 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.* at 217–18 (alteration in original) (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 72–73 (2012)).

In an effort to achieve clarity and consistency in how the Office applies the Supreme Court's two-step framework, the Office published revised guidance interpreting governing case law and establishing a framework to govern all patent-eligibility analysis under *Alice* and § 101 effective as of January 7, 2019. 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50–57 (Jan. 7, 2019) ("2019 Revised Guidance"); *see* Manual of Patent Examining Procedure ("MPEP") § 2106.

2019 Revised Guidance

Under the Revised Guidance, we first look under *Alice* step 1 or "Step 2A" to whether the claim recites:

> (1) Prong One: any judicial exceptions, including certain groupings of abstract ideas (i.e., [i] mathematical concepts, [ii] mental processes, or [iii] certain methods of organizing human activity such as a fundamental economic practice or managing personal behavior or relationships or interactions between people); and

(2) Prong Two: additional elements that integrate the judicial exception into a practical application (*see* MPEP §§ 2106.05(a)–(c), (e)–(h)).[4]

See 2019 Revised Guidance, 84 Fed. Reg. at 51–52, 55, Revised Step 2A, Prong One (Abstract Idea) and Prong Two (Integration into A Practical Application). Only if a claim: (1) recites a judicial exception, and (2) does not integrate that exception into a practical application, do we then evaluate whether the claim provides an "inventive concept" under *Alice* step 2 or 2019 Revised Guidance "Step 2B." *See* 2019 Revised Guidance, 84 Fed. Reg. at 56; *Alice*, 573 U.S. at 217–18. For example, we look to whether the claim:

1) adds a specific limitation beyond the judicial exception that is not "well-understood, routine, conventional" in the field (*see* MPEP § 2106.05(d)); or

2) simply appends well-understood, routine, and conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception.

See 2019 Revised Guidance, 84 Fed. Reg. at 56.

Alice/Mayo—Step 1 (Abstract Idea)
Step 2A–Prongs 1 and 2 identified in 2019 Revised Guidance

Step 2A, Prong 1:

Turning to the first step of the *Alice* inquiry, Appellant argues the claims are not directed to an abstract idea because (1) the Examiner is "over-generalizing the claim and simplifying it into its 'gist' or core principles" (Appeal Br. 15) and (2) instead, "the invention is directed to improving the

[4] All references to the MPEP are to the Ninth Edition, Revision 07.2022 (rev. Feb. 2023).

capability of a smartphone to detect and prevent fraud in situations where the smartphone is running a merchant wallet application to conduct a payment transaction" (Reply Br. 1). According to Appellant,

> The elements of claim 1 are instead directed to a particular process involving electronic components (a smartphone processor running a merchant wallet application, a merchant POS terminal, a transaction authentication server, a storage device of the smartphone, and a payment processor) which enables a smartphone to provide transaction detail data (including a useful indication of item pricing) to an authentication server without revealing the exact price of any product item . . . [and as such] cannot be characterized as falling within the "Certain Methods of Organizing Human Activity" grouping of abstract ideas.

Reply Br. 2.

Appellant's arguments are not persuasive of Examiner error. Contrary to Appellant's arguments, Appellant's Specification identifies a business problem associated with conventional payment systems that utilize a payment card (e.g., magnetic strip card, integrated circuit (IC) card or payment-enabled smartphone) to generate e-commerce transactions (e.g., online shopping or POS transactions) as allegedly lacking in both risk management and authentication of "transaction detail data including a useful indication of item pricing." Spec. 1:6–2:29, 4:3–6, 5:16–17.

In order to solve this business problem, Appellant's claimed invention provides an improvement to "the payment transaction process . . . where [1] a payment-enabled mobile device is employed for the transaction, and [2] a wallet application (app) is running on the payment-enabled mobile device [e.g., smartphone]." Spec. 2:30–3:2. As correctly characterized by the Examiner, limitations [A]–[F] of Appellant's representative claim 1, when

given the broadest reasonable interpretation, recite nothing more than a series of transactions, including:

> receiving a receipt including data identifying purchased items, generating transaction data, transmitting transaction detail data via the internet to a server, conduct risk management processing of the transaction, receiving a response from the server, and transmitting payment credential information to a merchant terminal or payment processor.

Final Act. 4; Ans. 4. Thus, limitations [A]–[F] of Appellant's claim 1 are an integral part of financial transactions between a buyer and a seller, using a wallet app of a smartphone— which is a known business activity and a fundamental economic practice in our system of commerce—and thus, fall within "Certain Methods of Organizing Human Activity," identified in the 2019 Revised Guidance and, thus, recites an abstract idea. *See* Revised Guidance (*Revised Step 2A, Prong One*), 84 Fed. Reg. at 52 (describing an abstract idea category of "[c]ertain methods of organizing human activity—fundamental economic principles or practices . . . [and] commercial or legal interactions (including . . . advertising, marketing or sales activities or behaviors; business relations)"); *see* MPEP § 2106.04(a)(2), subsection II; *Credit Acceptance Corp. v. Westlake Services*, 859 F.3d 1044 (Fed. Cir. 2017) (The business relation at issue in this case was the relationship between a customer and dealer when processing a credit application to purchase a vehicle.).

These financial transactional activities are squarely within the realm of abstract ideas, like: (1) the risk hedging in *Bilski v. Kappos*, 561 U.S. 593 (2010); (2) the intermediated settlement in *Alice*, 573 U.S. at 220; (3) verifying credit card transactions in *CyberSource Corp. v. Retail*

Decisions, Inc., 654 F.3d 1366, 1370 (Fed. Cir. 2011); (4) guaranteeing transactions as in *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1354 (Fed. Cir. 2014); (5) distributing products over the Internet in *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709 (Fed. Cir. 2014); (6) determining a price of a product offered to a purchasing organization in *Versata Development Group, Inc. v. SAP America, Inc.*, 793 F.3d 1306 (Fed. Cir. 2015); and (7) pricing a product for sale in *OIP Technologies, Inc. v. Amazon.com, Inc.*, 788 F.3d 1359 (Fed. Cir. 2015). Utilizing (1) a merchant wallet application, via a smartphone, to generate transaction detail data comprising identification data of each product item being purchased and respective price range data for each identified product item, and (2) an authentication server to authenticate such transaction detail data between a buyer and a seller (merchant) is also a building block of a market economy and, like risk hedging and intermediated settlement, is an "abstract idea" beyond the scope of 35 U.S.C. § 101. *See Alice*, 573 U.S. at 220; *see also* 2019 Revised Guidance, 84 Fed. Reg. at 52 ("hedging, insurance, mitigating risk").

Thus, under Step 2A, Prong One, we agree with the Examiner that limitations [A]–[F] of representative claim 1 recite nothing more than "Certain Methods of Organizing Human Activity" such as "commercial interactions and business relations" identified as an abstract idea. *See* 2019 Revised Guidance (*Revised Step 2A, Prong One*), 84 Fed. Reg. at 52, 54.

Step 2A, Prong 2 (Integration into Practical Application)

Under *Revised Step 2A, Prong Two* of the Revised Guidance, we evaluate if the claims (and more specifically the additional limitations beyond the judicial exception) integrate the judicial exception into a

practical application. However, we discern no additional element (or combination of elements) recited in Appellant's representative claim 1 that integrates the judicial exception into a practical application. *See* 2019 Revised Guidance, 84 Fed. Reg. at 54–55 ("Prong Two").

For example, Appellant's additional elements recited in the claims (e.g., "processor of the smartphone", "near-field communication (NFC) component from a merchant point of sale (POS) terminal," "authentication server" and "payment processor" recited in claim 1; "computer from a smartphone" and merchant wallet application" recited in claim 10; "smartphone processor," "remote computer" and "merchant POS terminal" recited in claim 18) (1) do not improve the functioning of a computer or other technology, (2) are not applied with any particular machine (except for generic computer components), (3) do not effect a transformation of a particular article to a different state, and (4) are not applied in any meaningful way beyond generally linking the use of the judicial exception to a particular technological environment, such that the claim as a whole is more than a drafting effort designed to monopolize the exception. *See* MPEP §§ 2106.05(a)–(c), (e)–(h).

Appellant presents several arguments that the claims as a whole integrate the recited judicial exception (i.e., abstract idea) into a practical application. Appeal Br. 16–22; Reply Br. 2–3.

First, Appellant argues:

> the process recited by claim 1 solves the technological problem of how to electronically provide transaction detail data, including a useful indication of item pricing, to an authentication server without revealing the exact price of any product item, so that the authentication server can apply reliable and sophisticated risk

> management algorithms to the transaction involving a smartphone and a merchant POS terminal.

Appeal Br. 16; *see also* Reply Br. 2. According to Appellant,

> claim 1 recites a specific improvement to the functionality of a smartphone processor of a smartphone which enables an enhanced capability for detecting and preventing a fraudulent purchase transaction.

Id. at 21; *see also* Reply Br. 3 (emphasis added).

We do not agree. As correctly recognized by the Examiner, an improvement to the "risk management process on a [financial] transaction" is an improvement to the business process, i.e., the abstract idea; rather than to any particular computer technology or [specific] technical environment." Ans. 5.

More importantly, Appellant's Specification and claims do not describe any specific technological improvement. Instead, the focus of Appellant's invention is to use generic computer components (e.g., "processor of the smartphone", "near-field communication (NFC) component from a merchant point of sale (POS) terminal," "authentication server" and "payment processor") recited in representative claim 1 as a tool to solve a business problem, i.e., to facilitate financial transactions between a buyer and a seller (merchant), via a wallet app of a smartphone and conduct risk management for such transactions. *See SAP Am., Inc. v. InvestPic LLC*, 898 F.3d 1161 (Fed. Cir. 2018). Instead, these claimed generic computer components are readily available computing elements used a basic tool to execute the "automation of the fundamental economic concept." *See OIP Techs.*, 788 F.3d at 1362–63. "[M]erely requir[ing] generic computer

implementation" "does not move into [§] 101 eligibility territory." *See buySAFE*, 765 F.3d at 1354.

Second, Appellant's reliance on *Uniloc v. LG Electronics*., 957 F.3d 1303 (2020) is misplaced. Appeal Br. 12, 18. In *Uniloc*, the Federal Circuit reversed a district court's finding of ineligibility for claims of U.S. Patent No. 6,993,049 ('049 patent) directed to a Bluetooth communication system comprising a primary station (e.g., a base station) and at least one secondary station (e.g., a computer mouse or keyboard). '049 patent, Abstr. The '049 patent specification (1) describes the conventional Bluetooth messaging scheme can cause "tens of seconds" of delay (or "latency") before the mouse wakes up and sends data, and (2) provides a specific improvement to Bluetooth communication by adding a data field for polling as part of the Bluetooth inquiry message, thereby allowing primary stations to send inquiry messages and conduct polling simultaneously, and reducing the mouse's response time to a "fraction of a second."

As correctly recognized by Appellant (Appeal Br. 12), the Federal Circuit noted, in *Uniloc*, that (1) the §101 inquiry "often turns on whether the claims focus on specific asserted improvements in computer capabilities or . . . an abstract idea for which computers are invoked merely as a tool" and (2) "software claims patent eligible under Alice step 1 when they are directed to improvements to the functionality of a computer or network platform itself." *Uniloc*, 957 F.3d 1309.

However, in contrast to *Uniloc*, Appellant's Specification and claims do not describe any specific technological improvement. Rather, as explained by the Examiner, Appellant's Specification and claims describe "a solution to a business problem, i.e., conducting risk management processing

on a transaction. Ans. 5. Instead, the focus of Appellant's invention is to use generic computer components as a tool to solve a business problem by collecting, analyzing, and conducting risk management processing of the transaction. Final Act. 4; Ans. 4.

A claim for a new abstract idea is still an abstract idea. *See Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1151 (Fed. Cir. 2016). Likewise, an improvement to an abstract idea is still an abstract idea. "No matter how much of an advance in the finance field the claims recite, the advance lies entirely in the realm of abstract ideas, with no plausibly alleged innovation in the non-abstract application realm." *See SAP Am.*, 898 F.3d at 1163.

For these reasons, we are not persuaded that Appellant's "additional elements" recited in representative independent claim 1 integrate the recited abstract idea into a practical application.

Alice/Mayo—Step 2 (Inventive Concept)
Revised Guidance—Step 2B

Under the 2019 Revised Guidance, only if a claim (1) recites a judicial exception and (2) does not integrate that exception into a practical application, do we then look to whether the claim adds a specific limitation beyond the judicial exception that is not "well-understood, routine, conventional" in the field (*see* MPEP § 2106.05(d)). *See* 2019 Revised Guidance, 84 Fed. Reg. at 56. However, we find no element or combination of elements recited in Appellant's representative claim 1 that contains any "inventive concept" or adds "significantly more" to transform the abstract concept into a patent-eligible application. *Alice*, 573 U.S. at 221.

Appellant does not identify any specific limitation of claim 1 beyond the judicial exception that was not "'well-understood, routine, conventional' in the field" as per MPEP § 2106.05(d). Nor does Appellant proffer any argument that additional elements of independent claims 1, 10, and 16 provide any inventive concept.

Instead, Appellant argues (1) "there is no evidence in the record of the technology recited by the claims being well-known at the time of filing or simply involving performance of 'well understood, routine, and conventional activities commonly used in the industry'" and (2) the Examiner has "failed to satisfy the mandate of *Berkheimer*" (*Berkheimer v. HP Inc.*, 881 F.3d 1360, 1366 (Fed. Cir. 2018)). Appeal Br. 22.

Appellant's arguments are not persuasive. The additional elements recited in the claims such as "processor of the smartphone," "near-field communication (NFC) component from a merchant point of sale (POS) terminal," "authentication server" and "payment processor" recited in claim 1; "computer from a smartphone" and "merchant wallet application" recited in claim 10; "smartphone processor," "remote computer" and "merchant POS terminal" recited in claim 18 are "well understood, routine, and conventional," as evidenced in the prior art references listed by the Examiner on October 13, 2019, including, but not limited to:

1. U.S. Patent No. 7,275,685 issued on October 2, 2007 for "Method for Electronic Payment," where Figure 1 shows the use of a "processor of the smartphone" 300, "authentication server" 4A, "payment processor" 2000, "merchant POS terminal" 2 (and 2100, shown in Fig. 3) and "remote computer" 2200 shown in Fig. 3); and

2. US Publication 2017/0161747 published on June 8, 2017 for "Systems and Methods for Dynamically Processing E-Wallet

> Transactions" where Figures 1–2 show the use of a "processor of the smartphone" 220 (Fig. 2, Spec. ¶ 27), "remote processor" 106, "near-field communication (NFC) component from a merchant point of sale (POS) terminal" 116 (Spec. ¶¶ 21, 28, 56), and "merchant wallet application" for processing e-wallet transactions (Spec. ¶¶5–6).

Appellant has not demonstrated or articulated reasons why the "additional elements" recited in the claims would provide any solution to any technological problem identified, or contains any "inventive concept" that adds "significantly more" to transform the abstract concept into a patent-eligible application. *Alice*, 573 U.S. at 221. "The abstract idea itself cannot supply the inventive concept, no matter how groundbreaking the advance." *Trading Techs. Int'l, Inc. v. IBG LLC*, 921 F.3d 1084, 1093 (Fed. Cir. 2019) (internal quotation omitted). "[A] new abstract idea is still an abstract idea." *Synopsys*, 839 F.3d at 1151 (emphasis omitted).

Deployment of (1) a merchant wallet application, via a smartphone, to generate transaction detail data comprising identification data of each product item being purchased and respective price range data for each identified product item, and (2) an authentication server to authenticate such transaction detail data between a buyer and seller (merchant) is insufficient to constitute an "inventive concept." Nor is the inclusion of a "wallet app" or "authentication server" for financial transactions between a buyer and seller (merchant) considered patent-eligible subject matter under 35 U.S.C. § 101.

Preemption

Lastly, Appellant argues the claims are patent-eligible because (1) the claims "are not designed to monopolize 'transaction detail data sharing

processes'" and (2) do not "pre-empt all inventions concerning 'transaction detail data sharing processes." Appeal Br. 21.

We disagree. The lack of preemption is a necessary clue for patent eligibility, but it is not sufficient for patent eligibility. As the Federal Circuit explicitly recognized, "the absence of complete preemption does not demonstrate patent eligibility." *See McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1315 (Fed. Cir. 2016) (quoting *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015)). Furthermore, "[w]here a patent's claims are deemed only to disclose patent ineligible subject matter" under the *Alice/Mayo* framework, "preemption concerns are fully addressed and made moot." *Ariosa*, 788 F.3d at 1379.

Because Appellant's independent claims 1, 10, and 16 are directed to a patent-ineligible abstract concept and do not recite an "inventive concept" or provide a solution to a technical problem under the second prong of the *Alice* analysis, we sustain the Examiner's rejection of claims 1, 10, and 16 and their respective dependent claims 4–9, 13–15, and 18 under 35 U.S.C. § 101.

IV. CONCLUSION

On the record before us, Appellant does not persuade us the Examiner errs in rejecting claims 1, 4–10, 13–16, and 18 under 35 U.S.C. § 101 as being directed to patent ineligible subject matter, without significant more.

V. DECISION SUMMARY

In summary:

Claim(s) Rejected	35 U.S.C. §	Reference(s)/Basis	Affirmed	Reversed
1, 4–10, 13–16, 18	101	Eligibility	1, 4–10, 13–16, 18	

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