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In re Application of :
Pablo Fourez et al. :
Application No.: 12/537,853 : **DECISION ON PETITION**
Filed: August 7, 2009 :
For: **METHOD FOR PROVIDING A** :
CREDIT CARDHOLDER WITH :
MULTIPLE FUNDING OPTIONS :

This is a decision on the petitions filed August 15, 2016, and October 14, 2016, under 37 CFR 1.181(a) to withdraw the final Office action of June 15, 2016, close prosecution, and issue a notice of allowance under 35 U.S.C. § 151 in the above-identified application.

The petition to withdraw the final Office action of June 15, 2016, close prosecution, and issue a notice of allowance under 35 U.S.C. § 151 in the above-identified application is **DENIED**.

BACKGROUND

The above-identified application was filed on August 7, 2009. A final Office action was issued on July 25, 2011. The final Office action of July 25, 2011 included a rejection of claims 1 through 6 and 8 through 15 (all of the pending claims) under 35 U.S.C. §§ 101, 103, and 112, ¶¶ 1 and 2.

A notice of appeal to the Patent Trial and Appeal Board (Board) under 35 U.S.C. § 134 and 37 CFR 41.31 was filed on October 25, 2011, and an appeal brief was filed on December 27, 2011. An examiner's answer was issued on January 13, 2012. The examiner's answer included the following rejections for review by the Board: (1) a rejection of claims 1 through 6 and 8 through 15 under 35 U.S.C. § 112, ¶ 1, for failure to comply with its written description requirement; (2) a rejection of claims 9 through 15 under 35 U.S.C. § 112, ¶ 1, for failure to comply with its enablement requirement; (3) a rejection of claims 1 through 6 and 8 through 15 under 35 U.S.C. § 112, ¶ 2, for failure to particularly point out and distinctly claim the subject matter regarded as the invention; (4) a rejection of claims 1 through 6 and 8 through 15 under 35 U.S.C. § 101 as being directed to non-statutory subject matter; (5) a rejection of claims 9 through 15 under 35

U.S.C. § 101 for failure to comply with its utility requirement; and (6) a rejection of claims 1 through 6 and 8 through 15 under 35 U.S.C. § 103 as being unpatentable over Rosenberger (U.S. Patent Application Publication No. 2006/0259390).

The Board issued a decision on September 25, 2015. The Board decision of September 25, 2015 sustained: (1) the rejection of claims 1 through 6 and 8 under 35 U.S.C. § 101 as being directed to non-statutory subject matter; and (2) the rejection of claims 1 through 6 and 8 through 15 under 35 U.S.C. § 103 as being unpatentable over Rosenberger. The Board decision of September 25, 2015 reversed: (1) the rejection of claims 1 through 6 and 8 through 15 under 35 U.S.C. § 112, ¶ 1, for failure to comply with its written description requirement; (2) the rejection of claims 9 through 15 under 35 U.S.C. § 112, ¶ 1, for failure to comply with its enablement requirement; (3) the rejection of claims 1 through 6 and 8 through 15 under 35 U.S.C. § 112, ¶ 2, for failure to particularly point out and distinctly claim the subject matter regarded as the invention; (4) the rejection of claims 9 through 15 under 35 U.S.C. § 101 as being directed to non-statutory subject matter; and (5) the rejection of claims 9 through 15 under 35 U.S.C. § 101 for failure to comply with its utility requirement. Board decision of September 25, 2015 resulted in at least one rejection of each of claims 1 through 6 and 8 through 15 being sustained.

A request for rehearing was filed on November 25, 2015. The Board issued a decision on the request for rehearing on December 17, 2015. Board decision of December 17, 2015 sustained the rejection of claims 1 through 6 and 8 under 35 U.S.C. § 101 as being directed to non-statutory subject matter, but reversed the rejection of claims 1 through 6 and 8 through 15 under 35 U.S.C. § 103 as being unpatentable over Rosenberger. Board decision of December 17, 2015 resulted in at least one rejection of each of claims 1 through 6 and 8 being sustained, but in all of the rejections of claims 9 through 15 being reversed.

A non-final Office action was issued on February 3, 2016. The Office action reopened prosecution and included a rejection of claims 9 through 15 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. The Office action of February 3, 2016 was approved by the Director of Technology Center 3600 (Technology Center Director). A reply to the Office action of February 3, 2016 was filed on June 3, 2016.

A final Office action was issued on June 15, 2016. The final Office action of June 15, 2016 maintained the rejection of claims 9 through 15 under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

A petition to the Deputy Commissioner for Patent Examination Policy was filed on August 15, 2016. A decision of the petition of August 15, 2016 was rendered by the Technology Center Director on September 30, 2016.

A second petition to the Deputy Commissioner for Patent Examination Policy was filed on October 14, 2016. The petitions of August 15, 2016 and October 14, 2016 requested that the final Office action of June 15, 2016 in the above-identified application be withdrawn,

prosecution in the above-identified application be closed, and a notice of allowance be issued in the above-identified application.

A notice of appeal to the Board under 35 U.S.C. § 134 and 37 CFR 41.31 was filed on November 15, 2016.

STATUTE AND REGULATION

35 U.S.C. § 131 states:

The Director shall cause an examination to be made of the application and the alleged new invention; and if on such examination it appears that the applicant is entitled to a patent under the law, the Director shall issue a patent therefor.

35 U.S.C. § 132 provides that:

(a) Whenever, on examination, any claim for a patent is rejected, or any objection or requirement made, the Director shall notify the applicant thereof, stating the reasons for such rejection, or objection or requirement, together with such information and references as may be useful in judging of the propriety of continuing the prosecution of his application; and if after receiving such notice, the applicant persists in his claim for a patent, with or without amendment, the application shall be reexamined. No amendment shall introduce new matter into the disclosure of the invention.

(b) The Director shall prescribe regulations to provide for the continued examination of applications for patent at the request of the applicant. The Director may establish appropriate fees for such continued examination and shall provide a 50 percent reduction in such fees for small entities that qualify for reduced fees under section 41(h)(1).

35 U.S.C. § 134 provides that:

(a) PATENT APPLICANT.— An applicant for a patent, any of whose claims has been twice rejected, may appeal from the decision of the primary examiner to the Patent Trial and Appeal Board, having once paid the fee for such appeal.

(b) PATENT OWNER.— A patent owner in a reexamination may appeal from the final rejection of any claim by the primary examiner to the Patent Trial and Appeal Board, having once paid the fee for such appeal.

35 U.S.C. § 151 states:

(a) IN GENERAL.—If it appears that an applicant is entitled to a patent under the law, a written notice of allowance of the application shall be given or mailed to the applicant. The notice shall specify a sum, constituting the issue fee and any required publication fee, which shall be paid within 3 months thereafter.

(b) EFFECT OF PAYMENT.—Upon payment of this sum the patent may issue, but if payment is not timely made, the application shall be regarded as abandoned.

37 CFR 1.198 states:

When a decision by the Board of Patent Appeals and Interferences on appeal has become final for judicial review, prosecution of the proceeding before the primary examiner will not be reopened or reconsidered by the primary examiner except under the provisions of § 1.114 or § 41.50 of this title without the written authority of the Director, and then only for the consideration of matters not already adjudicated, sufficient cause being shown.

OPINION

Petitioners assert that: (1) 37 CFR 1.198 permits reopening only for the consideration of matters not already adjudicated; (2) the Board decision of September 25, 2015 states that the rejection of claims 9 through 15 under 35 U.S.C. § 101 as being directed to non-statutory subject matter is reversed; (3) the Office actions issued February 3, 2016 and June 15, 2016 contain only a rejection of claims 9 through 15 under 35 U.S.C. § 101 as being directed to non-statutory subject matter; and (4) the Board decision of September 25, 2015 was decided at a time when the *Alice/Mayo* patent eligibility framework¹ was firmly in place and thus must have been decided under the *Alice/Mayo* patent eligibility framework. Petitioners further assert that the Board is obligated to follow controlling law, but not obligated to provide full reasoning in support of its holdings, and cite another contemporaneous Board decision which expressly considered a rejection under 35 U.S.C. § 101 as being directed to non-statutory subject matter under the *Alice/Mayo* patent eligibility framework as an indication that the Board was applying the *Alice/Mayo* patent eligibility framework at the time of the decision of September 25, 2016. Petitioners argue that the Board has fully adjudicated the question of whether claims 9 through 15 are directed to non-statutory subject matter under 35 U.S.C. § 101, and thus the reopening of prosecution in the above-identified application to reject claims 9 through 15 under 35 U.S.C. § 101 as being directed to non-statutory subject matter is not authorized under 37 CFR 1.198.²

¹ See, e.g., *2014 Interim Guidance on Patent Subject Matter Eligibility*, 79 Fed. Reg. 74618, 74621-25 (Dec. 16, 2014).

² Petitioners also argue that the petition of August 15, 2016 was directed to the Deputy Commissioner for Patent Examination Policy and not the Technology Center Director, and thus should have been decided by the Deputy Commissioner for Patent Examination Policy and not the Technology Center Director. An applicant seeking review of a matter before the USPTO is

It is well-established that a court or Board decision reversing a rejection does not preclude further examination of the application by the U.S. Patent and Trademark Office (USPTO) or operate as a mandate to issue the application as a patent. *See Jeffrey Mfg. Co. v. Kingsland*, 179 F.2d 35, 36 (D.C. Cir. 1949); *see also In re Gould*, 673 F.2d 1385, 1386 (CCPA 1982) (USPTO can always reopen prosecution in an application under an ex parte court appeal once it regains jurisdiction over the application); *In re Arkley*, 455 F.2d 586, 589 (CCPA 1972) (the USPTO is free to make such other rejections as it consider appropriate subsequent to a court decision reversing a rejection); *In re Fisher*, 448 F.2d 1406, 1407, 171 USPQ 292, 293 (CCPA 1971) (reversal of rejection does not mandate issuance of a patent); *In re Ruschig*, 379 F.2d 990, 993 (CCPA 1967) (holding that, subsequent to a court decision reversing a rejection, the USPTO may reopen prosecution and reconsider previously withdrawn rejections that are not inconsistent with the decision reversing the rejection); *In re Citron*, 326 F.2d 418, 419 (CCPA 1964) (holding that, following decision reversing a rejection of claims, the USPTO has not only the right but the duty to reject claims deemed unpatentable over new references); *Hull v. Commissioner*, 9 D.C. (2 MacArth.) 90 (D.C. 1875) (denying mandamus to issue a patent, notwithstanding that the Commissioner withdrew an application from issue after favorable decision by the Board and after payment of the issue fee).

The USPTO has an obligation to refrain from knowingly issuing an invalid patent. *See, e.g., Blacklight Power, Inc. v. Rogan*, 295 F.3d 1269, 1273-74, 63 USPQ2d 1534, 1537-38 (Fed. Cir. 2002) (permitting extraordinary action in withdrawing an application from issue after payment of the issue fee and reopening prosecution to avoid knowingly issuing an invalid patent). Therefore, reopening prosecution after a Board decision to avoid issuing a patent containing claims that the Technology Center Director believes to be unpatentable for reasons not previously adjudicated by the Board or the courts is sufficient cause within the meaning of 37 CFR 1.198. Stated simply, if there is any substantial, reasonable ground within the knowledge or cognizance of the Director of the USPTO why the application should not issue, the Director has the authority and the duty to refuse to issue the application. *See In re Drawbaugh*, 9 App. D.C. 219, 240 (D.C. Cir. 1896); *see also In re Alappat*, 33 F.3d 1526, 1535 (Fed. Cir. 1994) (the Director “has an obligation to refuse to grant a patent if he [or she] believes that doing so would be contrary to law”).

37 CFR 1.198 permits the reopening of prosecution in an application subsequent to a decision by the Board with the written authority of the Director “only for the consideration of matters not already adjudicated, sufficient cause being shown.” *See* 37 CFR 1.198. The authority to permit the reopening of prosecution subsequent to a decision by the Board under 37 CFR 1.198 has been delegated to the Technology Center Director. *See* MPEP 1002.02(c). The reopening of prosecution in the above-identified application was approved by the Technology Center Director as provided for in MPEP 1002.02(c).

not entitled to choose the deciding official. *See In re Arnott*, 19 USPQ2d 1049, 1052 (Comm’r Pat. 1991). Nevertheless, the petition challenging the reopening of prosecution in the above-identified application is being decided by the Deputy Commissioner for Patent Examination Policy.

Petitioners are correct that 37 CFR 1.198 permits reopening only for the consideration of matters not already adjudicated and that the Board decision of September 25, 2015 reversed a rejection of claims 9 through 15 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. Petitioners, however, are not correct that the Board decision of September 25, 2015 fully adjudicated whether claims 9 through 15 are directed to patent eligible subject matter under 35 U.S.C. § 101.

The reversal of a rejection under 35 U.S.C. § 101 is not tantamount to a decision that the subject matter is directed to patent eligible subject matter under 35 U.S.C. § 101. The Board does not determine the patentability of claims, but reviews adverse decisions of examiners including the findings and conclusions made by the examiner. *See Ex parte Frye*, 94 USPQ2d 1072, 1077 (BPAI 2010); *see also Ex parte Alpha Industries, Inc.*, 22 USPQ2d 1851, 1857 (BPAI 1992) (« the Board does not allow claims; it merely decides if, based on the evidence before it, the rejection was proper or not”). In addition, while the Board has the authority to issue a new rejection in its decision, the fact that the Board does not enter a new ground of rejection in its decision is not an indication that the Board considers a claim to be patentable. *See Frye*, 94 USPQ2d at 1077 n.2, *Alpha Industries*, 22 USPQ2d 1851 at 1857. While a decision by the Board to reverse the examiner’s rejection generally results in the allowance of the application, such a decision does not require the examiner to allow the application. *See Alpha Industries*, 22 USPQ2d 1851 at 1857.

With respect to the rejection of claims 9 through 15 under 35 U.S.C. § 101 as being directed to non-statutory subject matter, the Board decision of September 25, 2015 states:

Claims 9—15, directed to a “system” rather to a process, are included in the statement of the rejection but do not appear to have been treated.

Accordingly, the rejection of claims 9—15 on the ground that they are directed to nonstatutory subject matter is not sustained.

Decision of September 25, 2015 at 5-6.

It is apparent from a reading of the decision of September 25, 2015 that the Board did not conclude that claims 9 through 15 are directed to patent eligible subject matter under 35 U.S.C. § 101, but concluded only that the examiner failed to separately treat claims 9 through 15, which are directed to a “system” rather than a “process” (claims 1 through 6 and 8 are directed to a “process”). The Board then proceeded to reverse the rejection of claims 9 through 15 under 35 U.S.C. § 101 as being directed to non-statutory subject matter on that basis. Thus, the decision of September 25, 2015 indicates that the Board reversed the rejection of claims 9 through 15 under 35 U.S.C. § 101 as being directed to non-statutory subject matter **not** because the Board viewed claims 9 through 15 as being directed to patent eligible subject matter under 35 U.S.C. § 101, but because the examiner did not treat “system” claims 9 through 15 separately from the “process” claims 1 through 6 and 8 in setting out the rationale for the rejection of claims

1 through 6 and 8 through 15 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. Therefore, the question of whether claims 9 through 15 are directed to patent eligible subject matter under 35 U.S.C. § 101 is not a question that was fully adjudicated in the decisions of September 25, 2015 or December 17, 2015. *See Frye*, 94 USPQ2d at 1077 (noting that Board decisions are limited to the matters presented to it for review and that its reversal of the rejection under 35 U.S.C. § 103 did not foreclose a rejection under 35 U.S.C. § 103 under a different theory).

Petitioners argue that the Board is not obligated to provide full reasoning in support of its holdings, and that the decision of September 25, 2015 was implicitly under the *Alice/Mayo* patent eligibility framework.³ The decision of September 25, 2015, however, sets out its reasoning for reversing the rejection of claims 9 through 15 under 35 U.S.C. § 101 as being directed to non-statutory subject matter: that the examiner did not treat “system” claims 9 through 15 separately from the “process” claims 1 through 6 and 8 in setting out the rationale for the rejection of claims 1 through 6 and 8 through 15 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. The decision of September 25, 2015 thus makes clear that the Board did not explicitly or implicitly decide that claims 9 through 15 are directed to patent eligible subject matter under 35 U.S.C. § 101 under the *Alice/Mayo* patent eligibility framework or any other framework.

DECISION

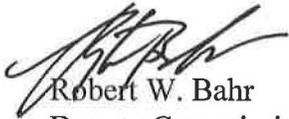
For the above-stated reasons, the petition to withdraw the final Office action of June 15, 2016, close prosecution, and issue a notice of allowance under 35 U.S.C. § 151 in the above-identified application is **DENIED**.

The USPTO, however, recognizes that the circumstances of the above-identified application present an extraordinary situation (even among applications that are reopened subsequent to a Board decision) that warrants the USPTO taking special action to aid in the prompt adjudication of the rejection in the final Office action of June 15, 2016 by the Board, provided that petitioners take prompt action to place the application in condition for a decision by the Board. Specifically, if petitioners file an appeal brief under 37 CFR 41.37 not later than **January 17, 2017** (this time period is not extendable): (1) the Technology Center will take up the application as “special” for purposes of preparing an examiner’s answer; (2) the USPTO will waive the appeal forwarding fee set forth in 37 CFR 41.20(b)(4) (pursuant to 37 CFR 1.183); and (3) the Deputy Chief Administrative Patent Judge has indicated that the appeal in the above-identified application will be accorded special status for decision by the Board on the appeal.

³ Petitioners’ citation to a decision issued October 19, 2015 in Application No. 12/822,772 (Appeal No. 2013-009289) by a different Board panel is noted, but that decision has no bearing on the Board decisions of September 25, 2015 or December 17, 2015 in the above-identified application.

This constitutes a final decision on this petition. No further requests for reconsideration will be entertained. Judicial review of this petition decision may be available upon entry of a final agency action adverse to the petitioner in the instant application (*e.g.*, a final decision by the Patent Trial and Appeal Board). *See* MPEP § 1002.02.

The application is being forwarded to the Technology Center 3600 to await an appeal brief under 37 CFR 41.37 (or other action) by petitioners.



Robert W. Bahr
Deputy Commissioner for
Patent Examination Policy
Petitions Officer