



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
14/660,014	03/17/2015	Brian D. Armstrong	COIN-P01-US5	1405
49142	7590	10/22/2019	EXAMINER	
SCHOX PLC 500 3rd Street, Suite 215 San Francisco, CA 94107			KHATTAR, RAJESH	
			ART UNIT	PAPER NUMBER
			3693	
			NOTIFICATION DATE	DELIVERY MODE
			10/22/2019	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):

docketing@Schox.com
jeff@Schox.com

DETAILED ACTION

Notice of Pre-AIA or AIA Status

The present application, filed on or after March 16, 2013, is being examined under the first inventor to file provisions of the AIA.

Applicant filed a response dated 8/5/2019 in which claims 1-63, 69, 71, 72, 78, 80-81, and 83-141 have been canceled, claims 64, 70, 73, 79, and 82 have been amended and new claims 142-143 have been added. Thus, the claims 64-68, 70, 73-77, 79, 82, and 142-143 are pending in the application.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 64-68, 70, 73-77, 79, 82, and 142-143 are rejected under 35 U.S.C. 101 because the claimed invention is directed to the abstract idea of effecting a payment to the merchant without significantly more.

Examiner has identified claim 64 as the claim that represents the invention presented in claims 64, 73, and 82.

Claim 64 is directed to a method, which is one of the statutory categories of invention (*Step 1: YES*).

The claim 64 recites a series of steps, e.g., receiving a request for payment from the merchant, including a first amount in a merchant currency, wherein the merchant currency is a currency associated with a merchant; determining a first exchange rate between the merchant currency and a cryptographic key based currency, wherein the first exchange rate fluctuates and the first exchange rate is determined at a first moment in time; converting the first amount in the merchant currency to a first amount in cryptographic key based currency using the first exchange rate at the first moment in time; providing an

output of the first amount in cryptographic key based currency using the first exchange rate at the first moment of time for display by a customer as a locked in exchange rate for a predefined period of time; receiving a send instruction for sending a payment from the customer, wherein the send instruction is at a second moment in time later than the first moment in time and the exchange rate at the second moment in time is a second exchange rate that is different than the first exchange rate at the first moment in time; receiving payment in cryptographic key based currency from the customer in an amount that is at least the first amount in cryptographic key based currency; determining a second exchange rate at the second moment in time; converting the first amount in the merchant currency to a second amount in cryptographic key based currency using the second exchange rate at the second moment in time; providing an output of a cryptographic key based replacement cost for display, wherein the output of the replacement cost is determined by calculating a difference between the first amount in cryptographic key based currency using the first exchange rate and the second amount in cryptographic key based currency using the second exchange rate; and in response to receiving the cryptographic key based currency in the merchant *wallet*: transferring the cryptographic key based currency from the merchant to the host, and transmitting, by the bank, a payment instruction to pay a second amount in merchant currency to the merchant, wherein the second amount in merchant currency paid to the merchant is for an amount that is at least in part based on the first amount in the merchant currency that is converted to cryptographic key based currency at the first moment in time. These limitations describe the abstract idea of effecting a payment to the merchant, which may correspond to Certain Methods of Organizing Human Activity (commercial or legal interactions). The limitations of a host computer system, a merchant computer system, a customer computer system, a wallet management module, a merchant wallet, one or more computer systems, a host wallet, and a bank transfer module do not necessarily restrict the claim from reciting an abstract idea. Thus, the claim 64 recites an abstract idea (*Step 2A-Prong 1: YES*).

This judicial exception is not integrated into a practical application because the additional limitations of a host computer system, a merchant computer system, a customer computer system, a wallet management module, a merchant wallet, one or more computer systems, a host wallet, and a bank transfer module result in no more than simply applying the abstract idea using generic computer elements. The additional elements of a host computer system, a merchant computer system, a customer computer system, a wallet management module, a merchant wallet, one or more computer systems, a host wallet, and a bank transfer module are all recited at a high level of generality and under their broadest reasonable interpretation comprise a generic computer arrangement. The presence of a generic computer arrangement is nothing more than to implement the claimed invention (MPEP 2106.05(f)). Therefore, the recitations of additional elements do not meaningfully apply the abstract idea and hence do not integrate the abstract idea into a practical application. Thus, the claim 64 is directed to an abstract idea (*Step 2A-Prong 2: NO*).

The claim 64 does not include additional elements that are sufficient to amount to significantly more than the judicial exception because the additional limitations of a host computer system, a merchant computer system, a customer computer system, a wallet management module, a merchant wallet, one or more computer systems, a host wallet, and a bank transfer module are all recited at a high level of generality in that it results in no more than simply applying the abstract idea using generic computer elements. The limitation of a locked in exchange rate for a predefined period of time is routine, well-understood, and conventional and is supported by the disclosure of US Patent No. 5,884,274 in col. 6, lines 66-col. 7, line 9; US Patent Application No. 2001/0034605 in [0139], US Patent Application No. 2002/0023053 in [0093], US Patent No. 6,952,683 in col. 2, lines 9-32, and US Patent Application No. 2011/0251941 in [0031]. The additional elements when considered separately and as an ordered combination do not amount to add significantly more as these limitations provide nothing

more than to simply apply the exception in a generic computer environment (*Step 2B: NO*). Thus, the claim 64 is not patent eligible.

Similar arguments can be extended to other independent claims 73 and 82 and hence the claims 73 and 82 are rejected on similar grounds as claim 64.

Dependent claims 65-68, 70, 74-77, 79, and 142-143 further define the abstract idea that is present in their respective independent claims 64, 73, and 82 and thus correspond to Certain Methods of Organizing Human Activity and hence are abstract in nature for the reason presented above. Dependent claims do not include any additional elements that integrate the abstract idea into a practical application or are sufficient to amount to significantly more than the judicial exception when considered both individually and as an ordered combination. Therefore, the claims 64-68, 70, 73-77, 79, 82, and 142-143 are not patent-eligible.

Response to Arguments

Applicant's arguments filed dated 8/5/2019 have been fully considered but they are not persuasive due to the following reasons:

With respect to the rejection of claims 64-82 under 35 U.S.C. 101, Applicant states that the claims recite a practical application that involves using such a host computer system, to allow a customer to use cryptographic key based currency to pay a merchant that expects payment in merchant currency.

Examiner respectfully disagrees and notes that the practical application is not technical in nature. The claim is simply providing a business solution and there is no technical/technology improvement. The practical application appears to provide improvement to a payment process, which is abstract in nature. In other words, the claim is directed to improving an abstract idea instead of improving a technology or providing a computer functionality improvement. Thus, these arguments are not persuasive.

Applicant also states that the claims recite a technical solution to a technical problem by granting the host computer system access to the merchant wallet.

Examiner respectfully disagrees and notes that granting the host computer system access to the merchant wallet is simply allowing host computer system to communicate with the merchant wallet. The claim does not make it clear as to how this may be considered as a technical solution to a technical problem. The specification does not disclose this to be a technical problem and the claims do not recite any steps that support a technical solution. Thus, these arguments are not persuasive.

With respect to Applicant's arguments regarding the claims are necessarily rooted in computer technology, Examiner notes that simply applying the claimed invention using a computer does not render the claim necessarily rooted in computer technology. In this case, the claimed invention can be carried out in the absence of a computer. The presence of a computer simply applies the abstract idea. Thus, these arguments are not persuasive.

Applicant also states that the claimed host computer system is an unconventional and non-generic computer system that performs an unconventional and non-generic process.

Examiner respectfully disagrees and notes that the host computer system is described in the specification as a general purpose computer ([0014]) and is performing its generic computer functions (MPEP 2106.05(d)). Thus, these arguments are not persuasive.

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH

shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to RAJESH KHATTAR whose telephone number is (571)272-7981. The examiner can normally be reached on M-F 8AM-5PM.

Examiner interviews are available via telephone, in-person, and video conferencing using a USPTO supplied web-based collaboration tool. To schedule an interview, applicant is encouraged to use the USPTO Automated Interview Request (AIR) at <http://www.uspto.gov/interviewpractice>.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Shahid Merchant can be reached on 571-270-1360. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/RAJESH KHATTAR/
Primary Examiner, Art Unit 3693