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EXAMINER	
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3622	

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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):

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Office Action Summary	Application No. 15/853,392	Applicant(s) Rhee et al.	
	Examiner CHRISTOPHER B TOKARCZYK	Art Unit 3622	AIA (FITF) Status Yes

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTHS FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☑ Responsive to communication(s) filed on 25 May 2018.

☐ A declaration(s)/affidavit(s) under **37 CFR 1.130(b)** was/were filed on _____.

2a)☐ This action is **FINAL.** 2b) ☑ This action is non-final.

3)☐ An election was made by the applicant in response to a restriction requirement set forth during the interview on _____; the restriction requirement and election have been incorporated into this action.

4)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims*

5) ☑ Claim(s) 1-19 is/are pending in the application.

5a) Of the above claim(s) _____ is/are withdrawn from consideration.

6) ☐ Claim(s) _____ is/are allowed.

7) ☑ Claim(s) 1-19 is/are rejected.

8) ☐ Claim(s) _____ is/are objected to.

9) ☐ Claim(s) _____ are subject to restriction and/or election requirement

* If any claims have been determined allowable, you may be eligible to benefit from the **Patent Prosecution Highway** program at a participating intellectual property office for the corresponding application. For more information, please see http://www.uspto.gov/patents/init_events/pph/index.jsp or send an inquiry to **PPHfeedback@uspto.gov.**

Application Papers

10)☐ The specification is objected to by the Examiner.

11)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

Certified copies:

a)☐ All b)☐ Some** c)☐ None of the:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

** See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☑ Notice of References Cited (PTO-892)

2) ☑ Information Disclosure Statement(s) (PTO/SB/08a and/or PTO/SB/08b) Paper No(s)/Mail Date _____.

3) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date _____.

4) ☐ Other: _____.

DETAILED ACTION

Notice of Pre-AIA or AIA Status

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

Status of Application

2. This action is in reply to the application filed on December 22, 2017 and the correspondence received through May 25, 2018.

3. Claims 1-19 are pending.

Information Disclosure Statement

4. The information disclosure statement submitted May 25, 2018 and its contents have been considered.

Claim Rejections - 35 U.S.C. § 101

5. 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.

6. **Claims 1-19** are rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter. Claims 1-19 are directed to an abstract idea without significantly more as required by the *Alice* test as discussed below.

Step 1

Claims 1-19 are directed to a process, machine, manufacture, or composition of matter.

Step 2A

Claims 1-19 are directed to abstract ideas, as explained below.

Prong one of the Step 2A analysis requires identifying the specific limitation(s) in the claim under examination that the examiner believes recites an abstract idea; and determining whether the identified limitation(s) falls within at least one of the groupings of abstract ideas of mathematical concepts, mental processes, and certain methods of organizing human activity.

The claims recite the following limitations. **Claim 1** recites generating a transaction for a user presenting a payment instrument with a personal account number (PAN), receiving the transaction, comparing the transaction to a merchant-specified criteria for a qualifying transaction; responsive to the transaction meeting the merchant-specified criteria, generating a first message that causes the merchant award having a first value to be associated with the PAN; identifying a second transaction associated with the PAN and that satisfies the rule; calculating a credit amount that is less than or equal to the first value to be applied to a transaction associated with the first record; crediting the amount to be applied to the transaction; and generating a credit message transferring at least a portion of the first value. **Claims 2, 6-8, 11-12, 14, 16, and 19** further specify characteristics of the available offers and rewards. **Claim 13** recites similar features as claim 1. **Claim 18** recites similar features as claim 1 and adds steps directed to creating first and second criteria.

These limitations describe abstract ideas that correspond to concepts identified as abstract ideas by the courts as certain methods of organizing human activity—such as fundamental economic principles or practices (including hedging, insurance, mitigating risk), commercial or legal interactions (including agreements in the form of contracts; legal obligations; advertising, marketing or sales activities or behaviors; business relations), managing personal behavior or relationships or interactions between people (including social activities, teaching, and following rules or instructions)—because the claimed features identified above are commercial or legal interactions including agreements in the form of contracts; legal obligations; advertising, marketing or sales activities or behaviors; and business relations.

Thus, the concepts set forth in 1-19 recite abstract ideas.

Prong two of the Step 2A requires identifying whether there are any additional elements recited in the claim beyond the judicial exception(s), and evaluating those additional elements to determine whether they integrate the exception into a practical application of the exception. "Integration into a practical application" requires an additional element or a combination of additional elements in the claim to apply, rely on, or use the judicial exception in a manner that imposes a meaningful limit on the judicial exception, such that the claim is more than a drafting effort designed to monopolize the exception. Further, "integration into a practical application" uses the considerations laid out by the Supreme Court and the Federal Circuit to evaluate whether the judicial exception is integrated into a practical application, such as considerations discussed in M.P.E.P. § 2106.05(a)-(h).

The claims recite the following additional elements beyond those identified above as being directed to an abstract idea. **Claim 1** recite a merchant ***server***, a ***monitor***, a clearing service, and ***sending*** or ***receiving*** various data between these entities. **Claim 3-5, 9, 10, and 15-17** recite a user ***device*** and further operations of ***sending*** or ***receiving*** various data between the claimed entities. **Claim 13** recites a ***CPU***, ***memory***, an ***input*** coupled to the CPU and to a merchant, a ***database***, an open-loop ***card***, and ***sending*** or ***receiving*** various data between these entities. **Claim 18** recites ***storing*** values in a ***database***, and a ***card***.

The identified judicial exception(s) are not integrated into a practical application for the following reasons. First, evaluated individually, the additional elements do not integrate the identified abstract ideas into a practical application. The additional computer elements identified above—the ***server***, ***monitor***, ***user device***, ***CPU***, ***memory***, an ***input***, ***database***, and ***card***—are recited at a high level of generality (see, e.g., ¶¶ [0029]-[0033], and [0037] of applicant's Specification as originally filed). Inclusion of these elements amounts to mere instructions to implement the identified abstract ideas on a computer. See M.P.E.P. § 2106.05(f). The use of conventional computer elements to ***send*** or ***receive*** various data between the claimed entities and to ***store*** values in a ***database*** is the insignificant, extra-solution activity of mere data gathering or outputting in conjunction with a law of nature or abstract idea. See M.P.E.P. § 2106.05(g).

To the extent that the claims transform data, the mere manipulation of data is not a transformation. See M.P.E.P. § 2106.05(c). Inclusion of networked computing system in the claims amounts to generally linking the use of the judicial exception to a particular technological environment or field of use. See M.P.E.P. § 2106.05(h). Thus, taken alone, the additional elements do not amount to significantly more than a judicial exception.

Second, evaluating the claim limitations as an ordered combination adds nothing that is not already present when looking at the elements taken individually. There is no indication that the combination of elements improve the functioning of a computer or improves any other technology. See M.P.E.P. § 2106.05(a). Their collective functions merely provide an implementation of the identified abstract ideas on a computer system in the general field of use of online transaction processing/accounting for reward systems. See M.P.E.P. § 2106.05(h).

Thus, claims 1-19 recite mathematical concepts, mental processes, or certain methods of organizing human activity without including additional elements that integrate the exception into a practical application of the exception.

Accordingly, claims 1-19 are directed to abstract ideas.

Step 2B

Claims 1-19 do not include additional elements that are sufficient to amount to significantly more than the judicial exception because the additional elements, when considered both individually and as an ordered combination, do not amount to significantly more than the abstract idea.

The analysis above describes how the claims recite the additional elements beyond those identified above as being directed to an abstract idea, as well as why identified judicial exception(s) are not integrated into a practical application. These findings are hereby incorporated into the analysis of the additional elements when considered both individually and in combination. Additional features of these analyses are discussed below.

Evaluated individually, the additional elements do not amount to significantly more than a judicial exception. In addition to the factors discussed regarding **Step 2A**, prong two, these additional computer elements also provide conventional computer functions that do not add meaningful limits to practicing the abstract idea. Generic computer components recited as performing generic computer functions that are well-understood, routine and conventional activities amount to no more than implementing the abstract idea with a computerized system. The use of generic computer components to ***send*** or ***receive*** various data between the claimed entities is the well-understood, routine, and conventional computer functions of receiving or transmitting data over a network, e.g., the Internet, and does not impose any meaningful limit on the computer implementation of the identified abstract ideas. See M.P.E.P. § 2106.05(d)(II). Similarly, the use of generic computer components to ***store*** values in a database is likewise the well-understood, routine, and conventional computer functions of receiving, processing, and storing data and does not impose any meaningful limit on the computer implementation of the identified abstract ideas. *Id.* Thus, taken alone, the additional elements do not amount to significantly more than a judicial exception.

Evaluating the claim limitations as an ordered combination adds nothing that is not already present when looking at the elements taken individually. In addition to the factors discussed regarding **Step 2A**, prong two, there is no indication that the combination of elements improves the functioning of a computer or improves any other technology. Their collective functions merely amount to mere instructions to implement the identified abstract ideas on a computer.

Thus, claims 1-19, taken individually and as an ordered combination of elements, are not directed to eligible subject matter since they are directed to an abstract idea without significantly more.

Claim Rejections - 35 U.S.C. § 103

7. The following is a quotation of 35 U.S.C. § 103 which forms the basis for all obviousness rejections set forth in this Office action:

> A patent for a claimed invention may not be obtained, notwithstanding that the claimed invention is not identically disclosed as set forth in section 102, if the differences between the claimed invention and the prior art are such that the claimed invention as a whole would have been obvious before the effective filing date of the claimed invention to a person having ordinary skill in the art to which the claimed invention pertains. Patentability shall not be negated by the manner in which the invention was made.

8. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. § 103 are summarized as follows:

1. Determining the scope and contents of the prior art.

2. Ascertaining the differences between the prior art and the claims at issue.

3. Resolving the level of ordinary skill in the pertinent art.

4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

9. **Claims 1, 3, 5, 9, and 11-19** are rejected under AIA 35 U.S.C. § 103 as being unpatentable over Shepard et al. (U.S. Pub. No. 2013/0151323 A1) (hereinafter "Shepard") in view of Wolf et al. (U.S. Pub. No. 2010/0312629 A1) (hereinafter "Wolf").

Claim 1: Shepard, as shown, discloses the following limitations:

generating, at a merchant server, a transaction for a user presenting a payment instrument with a personal account number (PAN) (see at least ¶ [0031]: system includes a transaction handler (113) of a payment network (104) that communicates with an acquirer processor (112) to receive transaction data in the form of an authorization request from an acquirer processor (112) that resides with an acquirer (103). The transaction data includes information from a payment instrument (110), which is obtained and processed by a transaction terminal (111) during a payment transaction for a purchase between a cardholder (101) and a merchant (102). The transaction data further includes a full transaction amount for

the purchase, to be authorized in a cardholder account that is associated with the payment instrument (110); see also at least ¶¶ [0032]-[0034]; see also at least ¶¶ [0077], [0082], and [0092]);

receiving, at a monitor, the transaction (see at least ¶¶ [0031]-[0032]: transaction handler (113) sends the authorization request to an issuer processor (114), which processes the authorization request to determine whether to authorize the payment transaction between the cardholder (101) and the merchant (102) for the purchase made by the cardholder (101));

comparing, via the monitor, the transaction to a merchant-specified criteria for a qualifying transaction (see at least ¶ [0032]: issuer processor (114) processes the authorization request to determine whether to authorize the payment transaction between the cardholder (101) and the merchant (102) for the purchase made by the cardholder (101). The issuer processor (114) also determines whether the transaction data included in the authorization request corresponds with an offer (121) provided to the cardholder (101));

responsive to the transaction meeting the merchant-specified criteria, generating a first message that causes the merchant award having a first value to be associated with the PAN (see at least ¶ [0032]: issuer processor (114) also determines whether the transaction data included in the authorization request corresponds with an offer (121) provided to the cardholder (101). When such an offer (121) exists and can be applied to the authorization request (e.g., satisfying the redemption requirements based on the information provided in the authorization request that was generated by the transaction terminal (111) of the merchant (102)), the issuer processor (114) calculates a new transaction amount by subtracting the amount of the benefit of the offer (121) from the full transaction amount identified in the authorization request submitted by the transaction terminal (111). The issuer processor (114) performs a partial authorization based on the new transaction amount; see also at least ¶¶ [0033]-[0034], [0045], and [0073]);

identifying a second transaction [...] (see at least ¶ [0032]: issuer processor (114) calculates a new transaction amount by subtracting the amount of the benefit of the offer (121) from the full transaction amount identified in the authorization request submitted by the transaction terminal (111));

calculating a credit amount that is less than or equal to the first value to be applied to a transaction associated with the first record (see at least ¶ [0032]: issuer processor (114) calculates a new transaction amount by subtracting the amount of the benefit of the offer (121) from the full transaction amount identified in the authorization request submitted by the transaction terminal (111); see also at least ¶ [0059]: when a cardholder (101) makes a purchase from a merchant (102) within the terms of the offer (121), the issuer processor (114) determines that the cardholder (101) is eligible to receive a benefit reward based on the offer (121), the reward is provided as a discount amount applied to the current transaction authorized via the partial authorization; see also at least ¶ [0031])*; and*

sending, via the monitor, a second message that causes the credit amount to be applied to the transaction (see at least ¶ [0033]: authorization response includes the partial authorization for a new transaction amount that is less than the full transaction amount that was identified in the authorization request. In response to receiving the authorization response from the issuer processor (114), the transaction handler (113) sends the authorization response to the acquirer processor (112), which processes the authorization response as a partial authorization before sending the authorization response to the transaction terminal (111) to finalize the purchase transaction between the cardholder (101) and merchant (102))*; and*

generating, at the monitor, a credit message transferring at least a portion of the first value directly from the merchant to the clearing service (see at least ¶ [0040]: the acquirer processor (112) is configured to receive the authorization request, process the request, and route it over a network to an appropriate transaction handler (113); see also at least ¶ [0041]: transaction handler (113) is configured to facilitate the clearing and settlement of authorized transactions, which may involve the transferring of money from the issuer (105) to the acquirer (103) for an authorized transaction; see also at least ¶ [0042]).

Shepard does not explicitly disclose, but Wolf, as shown, teaches the following limitations:

second transaction associated with the PAN and that satisfies the rule (see at least ¶ [0080]: where the activities associated with the transaction account conform to the rules governing the rewards program, a reward is provided to the prepaid transaction account owner; see also at least ¶ [0013]).

It would have been obvious to a person having ordinary skill in the art before the effective filing date of the claimed invention to combine the techniques for managing rewards taught by Wolf with the systems for facilitating issuance and redemption of a reward disclosed by Shepard, because Wolf teaches at ¶ [0010] by using its techniques, "the merchant benefits from increased sales and elimination of the overhead required to manage a coupon program, the customer benefits from the coupon-less discount, and the loyalty program provider benefits from sales commissions and/or loyalty program fees paid by the merchant." See M.P.E.P. § 2143(I)(G).

Moreover, it would have been obvious to a person having ordinary skill in the art before the effective filing date of the claimed invention to combine the techniques for managing rewards taught by Wolf with the systems for facilitating issuance and redemption of a reward disclosed by Shepard, because the claimed invention is merely a combination of old elements (the techniques for managing rewards taught by Wolf and the systems for facilitating issuance and redemption of a reward disclosed by Shepard), in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable. See M.P.E.P. § 2143(I)(A).

Claim 3: The combination of Shepard and Wolf teaches the limitations as shown in the rejection above. Further, Shepard, as shown, discloses the following limitations:

sending a first notification message to a user device associated with the PAN responsive to generating the first message (see at least ¶ [0066]: The notification module or component sends a message to the cardholder's phone by way of SMS or send an email to the cardholder (101) that includes details of the current transaction, reward eligibility, reward details, upcoming promotion announcements, and the like).

Claim 5: The combination of Shepard and Wolf teaches the limitations as shown in the rejection above. Further, Shepard, as shown, discloses the following limitations:

wherein receiving the transaction request comprises receiving, at the monitor, all transaction requests made by the merchant server (see at least ¶ [0041]: e transaction handler (113) is configured to receive authorization requests from one or more acquirer processors (e.g., 112) and route the authorization request to the appropriate issuer processor (e.g., 114), as will be described in greater detail below. The transaction handler (113) is configured to facilitate the clearing and settlement of authorized transactions, which may involve the transferring of money from the issuer (105) to the acquirer (103) for an authorized transaction).

Claim 9: The combination of Shepard and Wolf teaches the limitations as shown in the rejection above.

Shepard does not explicitly disclose, but Wolf, as shown, teaches the following limitations:

receiving, at the merchant server, a registration of the PAN for use with the merchant award from a user associated with the PAN (see at least ¶ [0079]: participation in the rewards program associated with the prepaid transaction account may be automatic or may require registration. Registration may be provided by accessing a webpage and providing identifying information. Registration may also be achieved by contacting an account issuer and requesting that a particular prepaid transaction account be associated with a rewards program; see also at least ¶¶ [0055]-[0056] and [0085]).

The rationales to modify/combine the teachings of Shepard to include the teachings of Wolf are presented above regarding claim 1 and incorporated herein.

Claim 11: The combination of Shepard and Wolf teaches the limitations as shown in the rejection above.

Shepard does not explicitly disclose, but Wolf, as shown, teaches the following limitations:

wherein identifying the second transaction that satisfies the rule comprises identifying the second transaction as satisfying a time rule defining a date range for use of merchant award (see at least ¶ [0089]: merchants are matched to offers, and at step 660, ROCs are extracted for only those participating merchants that have ***unexpired*** offers; see also at least ¶ [0092]: the ROCs are extracted if (in step 666) the transaction date is less than the ***offer end date*** reflected in the master file, or if (in step 668) the ROC is a credit ROC).

The rationales to modify/combine the teachings of Shepard to include the teachings of Wolf are presented above regarding claim 1 and incorporated herein.

Claim 12: The combination of Shepard and Wolf teaches the limitations as shown in the rejection above.

Shepard does not explicitly disclose, but Wolf, as shown, teaches the following limitations:

wherein identifying the second transaction that satisfies the rule comprises identifying the second transaction as satisfying a brand rule defining one or more merchants with which the second transaction must be performed (see at least ¶ [0011]: transactions of the prepaid transaction account can then be monitored and compared with criteria (e.g. transactions at a ***particular merchant or group of merchant***, transactions in a particular region, spending levels at a particular merchant or in a particular region) governing the rewards program. Where the transactions comply the criteria governing the rules of the rewards program, a reward (e.g. a credit of monetary value to the transaction account, a merchant prepaid account, a discount, a credit of loyalty points) is provided to a beneficiary of the prepaid transaction account; see also at least ¶¶ [0064]-[0074]).

The rationales to modify/combine the teachings of Shepard to include the teachings of Wolf are presented above regarding claim 1 and incorporated herein.

Claim 13: Shepard, as shown, discloses the following limitations:

a central processing unit (CPU) (see at least ¶ [0102]: the transaction terminal (111) of the merchant (102), the issuer processor (114) of the issuer (105), the acquirer processor (112) of the acquirer (103), and the transaction handler (113) of the payment network (105) can be implemented using a computer system, such as a data processing system illustrated in FIG. 5. Each of the transaction terminal (111) of the merchant (102), the issuer processor (114) of the issuer (105), the acquirer processor (112) of the acquirer (103), the transaction handler (113) of the payment network (105), the data warehouse (350), and the portal (340) includes at least one microprocessor and memory storing instructions configured to instruct the at least one microprocessor to perform various operations discussed in Shepard);

a memory coupled to the CPU (see at least ¶ [0102]);

an input coupled to the CPU and further coupled to a merchant (see at least ¶ [0031]: The transaction data includes information from a payment instrument (110), which is obtained and processed by a transaction terminal (111) during a payment transaction for a purchase between a cardholder (101) and a merchant (102). The transaction data further includes a full transaction amount for the purchase, to be authorized in a cardholder account that is associated with the payment instrument (110); see also at least ¶ [0032]);

the CPU programmed with instructions stored in the memory to:

receive first data from a merchant corresponding to a transaction between a user and the merchant, the first data including transaction details and an identity of the merchant and the user (see at least ¶¶ [0031]-[0032]: transaction handler (113) sends the authorization request to an issuer processor (114), which processes the authorization request to determine whether to authorize the payment transaction between the cardholder (101) and the merchant (102) for the purchase made by the cardholder (101));

select individual component elements from the first data set to generate a query string for a database (see at least ¶ [0045]: the cardholder (101) may be selected (e.g., by the issuer (105), or the merchant (102)) to receive an offer (121) based on an analysis of historical purchase data, payment data, demographics, etc. In block 205, the system of the issuer (105) is configured to

store data associating the offer (121) with the account information (123) of the cardholder (101) (e.g., in data warehouse (350) illustrated in FIG. 3); see also at least ¶ [0084]: data relating to the features disclosed herein may be stored in a database system such as, for example data warehouse (350). Such data may include, for example, the association of the offer (121) with the account information (123), transaction information, merchant information, terms and conditions of the offer (121), etc.),

compare, using the query string at the database, the transaction to an offer sponsored by the merchant (see at least ¶ [0032]: issuer processor (114) processes the authorization request to determine whether to authorize the payment transaction between the cardholder (101) and the merchant (102) for the purchase made by the cardholder (101). The issuer processor (114) also determines whether the transaction data included in the authorization request corresponds with an offer (121) provided to the cardholder (101));

responsive to identifying the offer that matches the transaction, generate a merchant award having a first value, the merchant award including a rule corresponding to redemption of the merchant award (see at least ¶ [0032]: issuer processor (114) also determines whether the transaction data included in the authorization request corresponds with an offer (121) provided to the cardholder (101). When such an offer (121) exists and can be applied to the authorization request (e.g., satisfying the redemption requirements based on the information provided in the authorization request that was generated by the transaction terminal (111) of the merchant (102)), the issuer processor (114) calculates a new transaction amount by subtracting the amount of the benefit of the offer (121) from the full transaction amount identified in the authorization request submitted by the transaction terminal (111). The issuer processor (114) performs a partial authorization based on the new transaction amount; see also at least ¶¶ [0033]-[0034], [0045], and [0073]);

associate the merchant award with a personal account number (PAN) an open loop card of the user (see at least ¶ [0032]: issuer processor (114) also determines whether the transaction

data included in the authorization request corresponds with an offer (121) provided to the cardholder (101). When such an offer (121) exists and can be applied to the authorization request (e.g., satisfying the redemption requirements based on the information provided in the authorization request that was generated by the transaction terminal (111) of the merchant (102)), the issuer processor (114) calculates a new transaction amount by subtracting the amount of the benefit of the offer (121) from the full transaction amount identified in the authorization request submitted by the transaction terminal (111). The issuer processor (114) performs a partial authorization based on the new transaction amount; see also at least ¶¶ [0033]-[0034], [0045], and [0073]);

[...], calculate a credit amount to apply to the transaction, the credit amount less than or equal to the first value and less than or equal to a value of the transaction (see at least ¶ [0032]: issuer processor (114) calculates a new transaction amount by subtracting the amount of the benefit of the offer (121) from the full transaction amount identified in the authorization request submitted by the transaction terminal (111); see also at least ¶ [0059]: when a cardholder (101) makes a purchase from a merchant (102) within the terms of the offer (121), the issuer processor (114) determines that the cardholder (101) is eligible to receive a benefit reward based on the offer (121), the reward is provided as a discount amount applied to the current transaction authorized via the partial authorization; see also at least ¶ [0031]);

generate a message that causes the credit amount to be moved from the merchant to the open loop card (see at least ¶ [0033]: authorization response includes the partial authorization for a new transaction amount that is less than the full transaction amount that was identified in the authorization request. In response to receiving the authorization response from the issuer processor (114), the transaction handler (113) sends the authorization response to the acquirer processor (112), which processes the authorization response as a partial authorization before sending the authorization response to the transaction terminal (111) to finalize the purchase transaction between the cardholder (101) and merchant (102); see also at least ¶ [0040]: the

acquirer processor (112) is configured to receive the authorization request, process the request, and route it over a network to an appropriate transaction handler (113); see also at least ¶ [0041]: transaction handler (113) is configured to facilitate the clearing and settlement of authorized transactions, which may involve the transferring of money from the issuer (105) to the acquirer (103) for an authorized transaction; see also at least ¶ [0042]).

Shepard does not explicitly disclose, but Wolf, as shown, teaches the following limitations:

receive second data corresponding to a second transaction associated with the PAN (see at least ¶ [0080]: where the activities associated with the transaction account conform to the rules governing the rewards program, a reward is provided to the prepaid transaction account owner; see also at least ¶¶ [0013] and [0074]);

determine that the second transaction complies with the rule (see at least ¶¶ [0013], [0074], and [0080]);

responsive to the second transaction complying with the rule (see at least ¶¶ [0013] and [0080]; see also at least ¶ [0011]: where the transactions comply the criteria governing the rules of the rewards program, a reward (e.g. a credit of monetary value to the transaction account, a merchant prepaid account, a discount, a credit of loyalty points) is provided to a beneficiary of the prepaid transaction account; see also at least ¶ [0074]).

The rationales to modify/combine the teachings of Shepard to include the teachings of Wolf are presented above regarding claim 1 and incorporated herein.

Claim 14: The combination of Shepard and Wolf teaches the limitations as shown in the rejection above.

Shepard does not explicitly disclose, but Wolf, as shown, teaches the following limitations:

wherein the merchant funds the credit amount to be moved from the merchant to the open loop card from a merchant account holding the first value (see at least ¶ [0051]: in the case of a CM purchase,

the CM's statement is credited and the merchant's account is debited in accordance with the merchant's offer, as illustrated in step 140; see also at least ¶ [0053]).

The rationales to modify/combine the teachings of Shepard to include the teachings of Wolf are presented above regarding claim 1 and incorporated herein.

Claim 15: The combination of Shepard and Wolf teaches the limitations as shown in the rejection above.

Shepard does not explicitly disclose, but Wolf, as shown, teaches the following limitations:

wherein the message is sent to an issuer of the open loop card (see at least ¶ [0097]: GNS issuers 486 provide TAP with information on GNS accounts held by registered CMs to permit transaction matching, and also to permit enrollee database 134 to be updated according to cancellations 440 (as described above with reference to FIG. 4)).

The rationales to modify/combine the teachings of Shepard to include the teachings of Wolf are presented above regarding claim 1 and incorporated herein.

Claim 16: The combination of Shepard and Wolf teaches the limitations as shown in the rejection above.

Shepard does not explicitly disclose, but Wolf, as shown, teaches the following limitations:

wherein the message is generated in real time to reduce an amount of the transaction by the value of the credit amount at a point of sale (see at least ¶ [0037]: transaction accounts may be used for transactions between the user and service provider through any suitable communication means, such as, for example, a telephone network, intranet, the global, public Internet, a point of interaction device (e.g., a point of sale (POS) device, personal digital assistant (PDA), mobile telephone, kiosk, etc.); see also at least ¶ [0073]: reward offer may be provided electronically to the CM population based on a trigger event (e.g., in real time); see also at least ¶ [0097]: U.S. submissions 482 receives discount, returns, and service fee information from RCE 138 that is used by GNS issuers 486 to settle with merchants and GNS CMs).

The rationales to modify/combine the teachings of Shepard to include the teachings of Wolf are presented above regarding claim 1 and incorporated herein.

Claim 17: The combination of Shepard and Wolf teaches the limitations as shown in the rejection above.

Shepard does not explicitly disclose, but Wolf, as shown, teaches the following limitations:

wherein the CPU is further programmed to receive a registration message that enrolls the PAN of the open loop card with the merchant prior to receipt of the first data from the merchant (see at least ¶ [0079]: participation in the rewards program associated with the prepaid transaction account may be automatic or may require registration. Registration may be provided by accessing a webpage and providing identifying information; see also at least ¶¶ [0055]-[0056] and [0085]).

The rationales to modify/combine the teachings of Shepard to include the teachings of Wolf are presented above regarding claim 1 and incorporated herein.

Claim 18: Sheppard, as shown, discloses the following limitations:

creating a first criteria for a user to receive the merchant award (see at least ¶ [0032]: issuer processor (114) processes the authorization request to determine whether to authorize the payment transaction between the cardholder (101) and the merchant (102) for the purchase made by the cardholder (101). The issuer processor (114) also determines whether the transaction data included in the authorization request corresponds with an offer (121) provided to the cardholder (101); see also at least ¶ [0073]: the issuer (105) may allow the merchant (102) or a third-party to participate in offering rewards based on any number of criteria. For example, a manufacturer (e.g., Fisher Price Toys) may provide the offer (121) to be implemented via the disclosed reward issuance and redemption features, implemented via the partial authorization response (126) provided via the issuer processor (114), to reward their customers at the point of sale for purchasing the products of the manufacturer. The authorization request (127) can be optionally configured to include information pertaining to the specific item being purchased;

and the issuer processor (114) can be accordingly configured to determine eligibility for a reward based on item information such as a Universal Product Code (UPC), for example);

creating a second criteria for the user to redeem the merchant award (see at least ¶¶ [0032] and [0073] and the analysis above. Multiple entities, e.g., a manufacturer and a third-party, can set reward criteria);

registering, by a user, a personal account number (PAN) of an open loop card (see at least ¶ [0090]: The account information (123) may further include a reward program account number, accumulated rewards of the cardholder in the loyalty program, an address of the cardholder, a balance of the cardholder account (320; see also at least ¶ [0032]: issuer processor (114) processes the authorization request to determine whether to authorize the payment transaction between the cardholder (101) and the merchant (102) for the purchase made by the cardholder (101). The purchase is a registration of the user's card and its associated account information, e.g., reward program account number);

identifying a first transaction of the user that meets the first criteria to receive the merchant award (see at least ¶ [0032]: issuer processor (114) also determines whether the transaction data included in the authorization request corresponds with an offer (121) provided to the cardholder (101). When such an offer (121) exists and can be applied to the authorization request (e.g., satisfying the redemption requirements based on the information provided in the authorization request that was generated by the transaction terminal (111) of the merchant (102)), the issuer processor (114) calculates a new transaction amount by subtracting the amount of the benefit of the offer (121) from the full transaction amount identified in the authorization request submitted by the transaction terminal (111). The issuer processor (114) performs a partial authorization based on the new transaction amount; see also at least ¶¶ [0033]-[0034], [0045], and [0073]);

storing, in a database, a first value associated with the merchant award in a user record indexed by the PAN (see at least ¶ [0045]: the cardholder (101) may be selected (e.g., by the issuer (105), or the merchant (102)) to receive an offer (121) based on an analysis of historical purchase data, payment data, demographics, etc. In block 205, the system of the issuer (105) is configured to store data associating the

offer (121) with the account information (123) of the cardholder (101) (e.g., in data warehouse (350) illustrated in FIG. 3); see also at least ¶ [0084]: data relating to the features disclosed herein may be stored in a database system such as, for example data warehouse (350). Such data may include, for example, the association of the offer (121) with the account information (123), transaction information, merchant information, terms and conditions of the offer (121), etc.; see also at least ¶ [0054]: this information includes data that is specific to the cardholder (101), the merchant (102), and the transaction. In block 230, the account information (123), configured to uniquely identify the cardholder account from a plurality of accounts issued by the issuer 9105) and that was obtained from the cardholder's payment instrument (110) in some scenarios, is used by the issuer processor (114) to lookup the offer (121) that is in associated with the cardholder account according to the data stored in the issuer system; see also at least ¶ [0090]: The account information (123) may further include a reward program account number);

monitoring a second transaction [...] (see at least ¶ [0032]: issuer processor (114) calculates a new transaction amount by subtracting the amount of the benefit of the offer (121) from the full transaction amount identified in the authorization request submitted by the transaction terminal (111));

calculating a credit amount based on the second transaction and the first value (see at least ¶ [0032]: issuer processor (114) calculates a new transaction amount by subtracting the amount of the benefit of the offer (121) from the full transaction amount identified in the authorization request submitted by the transaction terminal (111); see also at least ¶ [0059]: when a cardholder (101) makes a purchase from a merchant (102) within the terms of the offer (121), the issuer processor (114) determines that the cardholder (101) is eligible to receive a benefit reward based on the offer (121), the reward is provided as a discount amount applied to the current transaction authorized via the partial authorization; see also at least ¶ [0031]);

adjusting the first value by the credit amount in the user record according to a value of the second transaction (see at least ¶ [0033]: authorization response includes the partial authorization for a new transaction amount that is less than the full transaction amount that was identified in the authorization request. In response to receiving the authorization response from the issuer processor (114),

the transaction handler (113) sends the authorization response to the acquirer processor (112), which processes the authorization response as a partial authorization before sending the authorization response to the transaction terminal (111) to finalize the purchase transaction between the cardholder (101) and merchant (102))*; and*

generating a credit equal to the first value to the open loop card (see at least ¶ [0040]: the acquirer processor (112) is configured to receive the authorization request, process the request, and route it over a network to an appropriate transaction handler (113); see also at least ¶ [0041]: transaction handler (113) is configured to facilitate the clearing and settlement of authorized transactions, which may involve the transferring of money from the issuer (105) to the acquirer (103) for an authorized transaction; see also at least ¶ [0042]).

Shepard does not explicitly disclose, but Wolf, as shown, teaches the following limitations:

monitoring a second transaction subsequent to the first transaction using the PAN that meets the second criteria (see at least ¶ [0080]: where the activities associated with the transaction account conform to the rules governing the rewards program, a reward is provided to the prepaid transaction account owner; see also at least ¶ [0011]: where the transactions comply the criteria governing the rules of the rewards program, a reward (e.g. a credit of monetary value to the transaction account, a merchant prepaid account, a discount, a credit of loyalty points) is provided to a beneficiary of the prepaid transaction account; see also at least ¶¶ [0013] and [0074]).

The rationales to modify/combine the teachings of Shepard to include the teachings of Wolf are presented above regarding claim 1 and incorporated herein.

Claim 19: The combination of Shepard and Wolf teaches the limitations as shown in the rejection above.

Shepard does not explicitly disclose, but Wolf, as shown, teaches the following limitations:

wherein generating the credit equal to the first value comprises one of generating a statement credit or generating a real-time credit at a time of the second transaction (see at least ¶ [0011]: where the transactions comply the criteria governing the rules of the rewards program, a reward (e.g. a credit of monetary value to the transaction account, a merchant prepaid account, a discount, a credit of loyalty points) is provided to a beneficiary of the prepaid transaction account; see also at least ¶¶ [0013], [0074], and [0080]).

The rationales to modify/combine the teachings of Shepard to include the teachings of Wolf are presented above regarding claim 1 and incorporated herein.

10. **Claims 2 and 6-8** are rejected under AIA 35 U.S.C. § 103 as being unpatentable over Shepard et al. (U.S. Pub. No. 2013/0151323 A1) (hereinafter "Shepard") in view of Wolf et al. (U.S. Pub. No. 2010/0312629 A1) (hereinafter "Wolf") in view of Peterson et al. (U.S. Pub. No. 2013/0024260 A1) (hereinafter "Peterson").

Claim 2: The combination of Shepard and Wolf teaches the limitations as shown in the rejection above.

Shepard does not explicitly disclose, Wolf does not explicitly teach, but Peterson, as shown, teaches the following limitations:

wherein generating the first message further comprises generating a rule setting a requirement for future use of the first value (see at least ¶ [0032]: such an incentive will motivate a purchaser (and subsequent purchasers of the item within the specified time frame) to publicize their purchase and the availability of the incentive program; see also at least ¶ [0034]: an individual's credit card may not be charged for the original transaction until the time period has lapsed and the final price of the product has been determined based on the incentive offered and the total number of people purchasing within the specified time frame. Moreover, a purchaser may then save up the points or credits and use them in any

way that they wish (in accordance with a retailer's or service provider's rewards policy) in future purchases other items from the provider's website, just as if the points or credits were cash or other legal tender).

It would have been obvious to a person having ordinary skill in the art before the effective filing date of the claimed invention to combine the techniques for incentiving online purchasers to elicit additional online sales taught by Peterson with the systems for facilitating issuance and redemption of a reward disclosed by Shepard, because Peterson teaches at ¶ [0032] that "by publicizing their purchase and the associated potential savings (or other reward) that may be available, a purchaser may increase the likelihood that the threshold number of purchasers required to effect the stated savings or other reward will be met." See M.P.E.P. § 2143(I)(G).

Moreover, it would have been obvious to a person having ordinary skill in the art before the effective filing date of the claimed invention to combine the techniques for incentiving online purchasers to elicit additional online sales taught by Peterson with the systems for facilitating issuance and redemption of a reward disclosed by Shepard, because the claimed invention is merely a combination of old elements (the techniques for incentiving online purchasers to elicit additional online sales taught by Peterson and the systems for facilitating issuance and redemption of a reward disclosed by Shepard), in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable. See M.P.E.P. § 2143(I)(A).

Claim 6: The combination of Shepard and Wolf teaches the limitations as shown in the rejection above.

Shepard does not explicitly disclose, Wolf does not explicitly teach, but Peterson, as shown, teaches the following limitations:

wherein comparing the transaction request to the merchant specified criteria comprises comparing a feature of the transaction request to a previously defined offer, the offer defined by one or

more qualifying features of one or more transactions required to qualify for the merchant award (see at least ¶ [0041]: the retailer or service provider offering the incentive program may specify a ceiling for the number of orders that can participate in the incentive program (e.g., Buzz Buy Event), or they may leave it at an unspecified number for a specified period of time. In certain embodiments, club members, purchasers that have qualified in some other way, or consumers at large, may be permitted to influence the selection of products or services to be offered in the incentive program).

The rationales to modify/combine the teachings of Shepard to include the teachings of Wolf and/or Peterson are presented above regarding claims 1 and 2 and incorporated herein.

Claim 7: The combination of Shepard, Wolf, and Peterson teaches the limitations as shown in the rejection above.

Shepard does not explicitly disclose, Wolf does not explicitly teach, but Peterson, as shown, teaches the following limitations:

wherein a qualifying feature of the one or more qualifying features is a transaction value of the transaction data exceeding a predetermined qualifying value (see at least ¶ [0041]: Other features and aspects may be further included in such a process if desired. For example, the retailer or service provider offering the incentive program may specify a ceiling for the number of orders that can participate in the incentive program; see also at least ¶¶ [0043] and [0045]).

The rationales to modify/combine the teachings of Shepard to include the teachings of Wolf and/or Peterson are presented above regarding claims 1 and 2 and incorporated herein.

Claim 8: The combination of Shepard, Wolf, and Peterson teaches the limitations as shown in the rejection above.

Shepard does not explicitly disclose, Wolf does not explicitly teach, but Peterson, as shown, teaches the following limitations:

wherein a qualifying feature of the one or more qualifying features is a transaction date falling within a qualifying date range (see at least ¶ [0041]: individuals may qualify to vote on items by having participated in one or more previously conducted incentive programs within a defined period (e.g., participating in two Buzz Buy Events within the previous four weeks); see also at least ¶¶ [0033]-[0034]).

The rationales to modify/combine the teachings of Shepard to include the teachings of Wolf and/or Peterson are presented above regarding claims 1 and 2 and incorporated herein.

11. **Claim 4** is rejected under AIA 35 U.S.C. § 103 as being unpatentable over Shepard et al. (U.S. Pub. No. 2013/0151323 A1) (hereinafter "Shepard") in view of Wolf et al. (U.S. Pub. No. 2010/0312629 A1) (hereinafter "Wolf") in view of Hailpern (U.S. Pub. No. 2016/0337844 A1).

Claim 4: The combination of Shepard and Wolf teaches the limitations as shown in the rejection above.

Shepard does not explicitly disclose, Wolf does not explicitly teach, but Hailpern, as shown, teaches the following limitations:

sending a second notification message to a user device associated with the PAN responsive to generating the second message (see at least ¶ [0049]: mobile device 122 may automatically switch to the appropriate mode of operation based upon the determined context, but may immediately follow up with a message notifying the user of mobile device 22 of the selected mode and either prompt for confirmation for the selected mode or facilitate a user input override of the selected mode).

It would have been obvious to a person having ordinary skill in the art before the effective filing date of the claimed invention to combine the messaging techniques taught by Hailpern with the systems for facilitating issuance and redemption of a reward disclosed by Shepard, because the claimed invention is merely a combination of old elements (the messaging techniques taught by Hailpern and the systems for facilitating issuance and redemption of a reward disclosed by Shepard), in the combination each

element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable. See M.P.E.P. § 2143(I)(A).

12. **Claim 10** is rejected under AIA 35 U.S.C. § 103 as being unpatentable over Shepard et al. (U.S. Pub. No. 2013/0151323 A1) (hereinafter "Shepard") in view of Wolf et al. (U.S. Pub. No. 2010/0312629 A1) (hereinafter "Wolf") in view of Burns (U.S. Pub. No. 2014/0257952 A1).

Claim 10: The combination of Shepard and Wolf teaches the limitations as shown in the rejection above.

Shepard does not explicitly disclose, Wolf does not explicitly teach, but Burns, as shown, teaches the following limitations:

wherein identifying the second transaction comprises receiving every transaction generated by the merchant server for use in identifying the second transaction (see at least ¶ [0037]: Sweepstakes Server 220 stores a rejection log of in-app purchases that failed to meet the criteria for receiving sweepstakes entries. After completion of an in-app purchase, the client device 260 sends an inquiry to Sweepstakes Server 220 inquiring whether sweepstakes entries were awarded for a particular the in-app purchase. Upon receiving the inquiry from a client device 260, Sweepstakes Server 220 may check the rejection log for the particular in-app purchase. When the Sweepstakes Server 220 locates the in-app purchase in the rejection log, Sweepstakes Server 220 transmits a message to the client device 260 indicating that the in-app purchase did not qualify for the award of one or more sweepstakes entries).

It would have been obvious to a person having ordinary skill in the art before the effective filing date of the claimed invention to combine the techniques for administering incentives taught by Burns with the systems for facilitating issuance and redemption of a reward disclosed by Shepard, because the claimed invention is merely a combination of old elements (the techniques for administering incentives

taught by Burns and the systems for facilitating issuance and redemption of a reward disclosed by Shepard), in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable. See M.P.E.P. § 2143(I)(A).

Conclusion

13. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Christopher B. Tokarczyk whose telephone number is (571) 272-9594. The examiner can normally be reached on M-H 5:30 AM-4:00 PM.

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, Peter Choi can be reached at 469-295-9171. 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.

/CHRISTOPHER B TOKARCZYK/
Examiner, Art Unit 3622

Remarks

In the non-final Office Action of February 6, 2020, claims 1-19 were rejected as being directed to an abstract idea, and claims 1-19 were rejected as being obvious. Specifically, claims 1, 3, 5, 9, and 11-19 were rejected as being unpatentable over Shepard et al. ("Shepard"; US 2013/0151323) in view of Wolf et al. ("Wolf"; US 2010/0312629), claims 2 and 6-8 were rejected as being unpatentable over Shepard in view of Wolf, and further in view of Petersen et al. ("Petersen"; US 2013/0024260), claim 4 was rejected as being unpatentable over Shepard in view of Wolf, and further in view of Hailpern (US 2016/0337844), and claim 10 was rejected as being unpatentable over Shepard in view of Wolf, and further in view of Burns (US 2014/0257952).

By way of this amendment, claims 1, 5-6, 11-13, 16, and 18 are amended, and claim 2 is cancelled. Support for the amendments to the independent claims may be found at least at paragraphs [0005], [0018]-[0019], [0023]-[0024], [0043]-[0044], [0046]-[0047], and [0049], and at FIGs. 5-6 of the original application as filed. The amendments to dependent claims 5-6, 11-12, and 16 reflect the changes to their respective independent claims. No new matter is introduced. Accordingly, claims 1 and 3-19 are pending and at issue.

In view of the foregoing amendments and the following remarks, Applicant respectfully requests reconsideration and allowance of all pending claims.

101 Rejections

Claims 1 and 3-19 stand rejected under 35 U.S.C. §101 as allegedly being directed to an abstract idea. The Office Action asserts that the claimed features pertain to commercial or legal transactions, with mere instructions to implement the abstract idea on generic computer elements. *See* Office Action, pages 3-4. However, a claim is patent eligible when the claim, as a whole, integrates the abstract idea into a practical application. Integration of the abstract idea into a practical application may be demonstrated by an additional element that provides an improvement in the functioning

of a computer. *See* 2019 Revised Patent Subject Matter Eligibility Guidance, Federal Register, Vol. 84, No. 4, pages 54-55. Furthermore, a claim is patent eligible when the claim includes an inventive concept, or additional elements that are unconventional in the field. *Id.* at 56. Applicant submits that the claims are patent eligible because the claims integrate the alleged abstract idea into a practical application, and including inventive, unconventional concepts.

Claims 1 and 18 pertain to computer-implemented methods whereby a monitor *that is part of acquirer processor* identifies a transaction between a user and a merchant that meets first criteria for receiving a merchant award and, responsive to identifying the transaction, *causes the merchant award having a first value to be associated with a PAN of the user's payment instrument or open loop card at a database of the acquirer processor without transferring the merchant award to the user.* The monitor further identifies a second transaction associated with the PAN that satisfies second criteria and, in response, triggers payout of the merchant award to the user by either causing a credit amount to be applied to the second transaction (claim 1) or generating a credit to the open loop card (claim 18). Claim 13 is directed to the monitor itself and requires that the monitor is a part of an acquirer processor and comprises a CPU programmed with instructions to compare a transaction to an offer sponsored by a merchant and having first criteria and, responsive to identifying the transaction meets the first criteria, generate a merchant award having a first value. The CPU is further programmed with instructions to associate the merchant award at a database with a PAN of an open loop card of the user, receive second data corresponding to a second transaction associated with the PAN subsequent to the first transaction, determine that the second transaction meets second criteria for redeeming the merchant award and, in response to the second transaction meeting the second criteria, generate a message that causes a credit amount to be moved from the merchant to the open loop card.

The use of the monitor at the acquirer processor for identifying qualifying transactions and managing the distribution of awards from a merchant to a payment instrument or open loop card of a user *provides new computer functions to and expands*

the functionality of the acquirer processor. The monitor enables the acquirer processor to screen transaction requests for meeting first criteria (for qualifying for a merchant award) and second criteria (for redeeming the merchant award once qualified) by querying a database. The monitor further enables the acquirer processor to associate the user's PAN with the merchant award at a database when the first criteria are met, and trigger the transfer of funds from the merchant to the user's card when a second transaction with the user's PAN meeting the second criteria occurs. This ultimately provides a new strategy for managing merchant awards that are transferred from the merchant to the user's open loop card, via the acquirer processor. As discussed throughout the disclosure, retaining the funds at the merchant, and moving the funds from the merchant to the user's card when the qualifying and redemption conditions are met may reduce fraud, and eliminate the need for the user to carry a separate stored value card for redeeming awards. *See*, for example, paragraphs [0018] and [0054]-[0055]. The monitor supports use of award credit linked to the user's open loop card, and allows the award credit associated with the user's PAN to be held in a database on the merchant side until the second criteria are met. *See*, for example, paragraph [0018] and FIG. 5. Additionally, management of the merchant award program at the acquirer processor via the monitor further allows screening of all customer transactions for compliance with the criteria, and allows the criteria to be as complex as desired. *See* paragraph [0034].

Thus, akin to *McRO*, the claims are not directed to an abstract idea as the claims provide an improvement in computer-related technology by allowing computer performance not previously performable by a computer (a practical application). *See McRO, Inc. dba Planet Blue v. Bandai Namco Games America Inc.*, 120 USPQ2d 1091 (Fed. Cir. 2016), and USPTO Memorandum of November 2, 2019 (Recent Subject Matter Eligibility Decisions), page 2. The claims allow the performance of functions by the acquirer processor not previously performable by the acquirer processor including reviewing of customer transactions for meeting merchant-specified criteria, holding the merchant award in a database and associated with a user's PAN when first criteria met, and triggering release of the merchant award to the user's card when second criteria are met.

Additionally, the claims include concepts that are inventive and unconventional. Claims 1, 13, and 18 each require, although not exactly in the same words, a monitor that is part of an acquirer processor that identifies a transaction between a merchant and a user that meets first criteria for receiving a merchant award, associates the merchant award with the user's PAN at a database of the acquirer processor, and allows triggering of the merchant award when a second transaction meeting second criteria is identified. Applicant is unaware of any prior art that describes a monitor associated with an acquirer processor that performs the above functions. Associating the monitor with the acquirer processor is, therefore, unconventional and provides benefits such as the ability to screen all consumer transactions for compliance with the award criteria, and the ability to retain the award value associated with the user's PAN on the merchant side until release of the award to the user is triggered.

For at least the foregoing reasons, claims 1 and 3-19 are patent eligible. Therefore, the rejections thereof should be withdrawn.

103 Rejections

Claims 1, 3, 5, 9, and 11-19 stand rejected under 35 U.S.C. §103 as being unpatentable over Shepard in view of Wolf. However, a *prima facie* case of obviousness requires that the combination of references provide at least a suggestion of all of the claimed elements. Shepard and Wolf do not meet this standard.

Although not in the exact same words, claims 1, 13, and 18 recite a monitor that is part of an acquirer processor that identifies a first transaction between a user and a merchant that meets first criteria for receiving a merchant award and, in response to identifying the first transaction, associates a PAN of a payment instrument or an open loop card of the user with the merchant award in a database of the acquirer processor without transferring the merchant award to the user. The claims further recite that the monitor identifies a second transaction associated with the PAN that meets second criteria for redeeming the merchant award. In response to identifying the second

transaction, a credit amount is applied to the second transaction (claim 1) or a credit amount is provided to the user's open loop card (claims 13 and 18).

Whether considered alone or in combination, Shepard and Wolf do not teach such elements. Shepard teaches a system for redeeming a merchant award wherein an issuer processor 114 receives a transaction authorization request in response to a purchase transaction between a cardholder 101 and a merchant 102. The issuer processor 114 determines whether transaction data in the authorization request corresponds with an offer 121 provided to the cardholder 101 and, if so, the issuer processor 114 determines a new transaction amount by subtracting the benefit of the offer from the full transaction amount and provides a partial authorization based on the new transaction amount. *See* Shepard, paragraphs [0031]-[0032] and FIG. 1 replicated below.

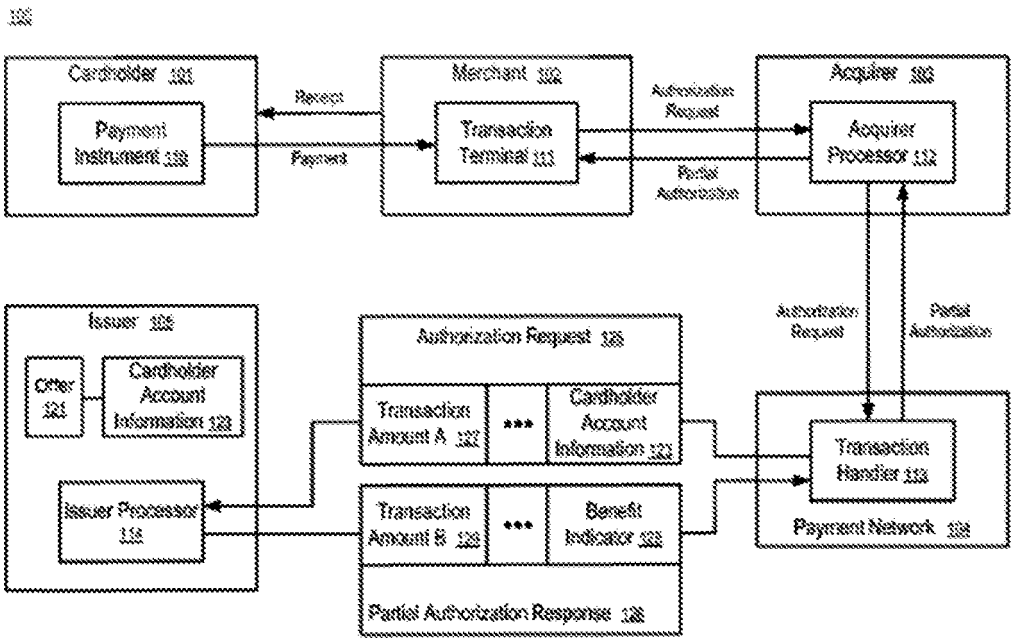

Figure 1

Thus, in Shepard, the issuer processor 114 performs the steps of determining whether the conditions of the offer are met in the transaction request, and managing award disbursement when the conditions are met. Shepard fails to teach that the

acquirer processor has any role in performing such functions. Furthermore, Shepard does not teach that the merchant award is associated with the user's PAN in a database of the acquirer processor without transferring the merchant award to the user when a first transaction meeting first criteria for the merchant award is identified. In Shepard, the award is triggered in real-time when the first transaction meeting the offer conditions is made. *See* paragraphs [0031]-[0033].

Wolf does not cure the above deficiencies. Rather, Wolf teaches a system 100 having a registered card platform 130 for implementing an award program. The reward card platform 130 matches a merchant offer to a card member 104 when the card member makes a purchase according to the terms of the offer. *See* Wolf, paragraphs [0049] and [0073] and FIG. 1 replicated below. When a match is made, the card member's account is credited and the merchant's account is debited in accordance with the offer. *See* paragraph [0051].

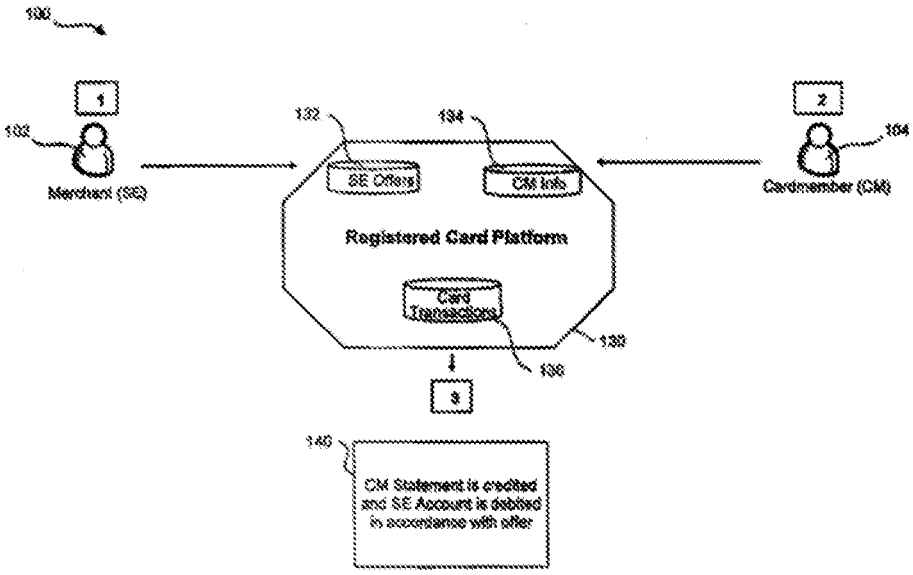

FIG. 1

In Wolf, the management of the award determination and disbursement is performed at the registered card platform 130, not at a monitor that is part of an acquirer processor as required by the claims. Furthermore, Wolf is silent as to the merchant

award being associated with a user's PAN in a database of an acquirer processor (without transferring the merchant award to the user) in response to identifying a first transaction that meets first criteria for qualifying for the merchant award. Wolf is silent as to a requirement for a second transaction of the cardholder meeting second criteria before the award to the cardholder is triggered.

Accordingly, claims 1, 13, and 18 are not obvious over Shepard and Wolf because the references do not teach all of the required elements of the claims. Dependent claims 3, 5, 9, 11-12, 14-17, and 19 are not obvious over the references for at least the same reasons. Therefore, the rejections to the claims should be withdrawn.

Dependent claims 6-8 were rejected as being unpatentable over Shepard in view of Wolf and Petersen, dependent claim 4 was rejected as being unpatentable over Shepard in view of Wolf and Hailpern, and dependent claim 10 was rejected as being unpatentable over Shepard in view of Wolf and Burns. However, each of Petersen, Hailpern, and Burns fail to supplement the above deficiencies of Shepard and Wolf with respect to independent claims 1, 13, and 18. Petersen describes providing an incentive to a consumer to publicize their purchase (see Petersen, abstract), and Burns describes entering consumers into sweepstakes when the consumers make qualifying purchases (see Burns, paragraph [0036]). Hailpern pertains to the remote area of controlling the mode of operation of mobile devices based on the type of use (personal or work-related). *See* Hailpern, abstract. None of the references describe a monitor that is part of an acquirer processor that is involved in identifying transactions that meet merchant award criteria, and in associating a user's PAN with the merchant award in a database of an acquirer processor when a transaction involving the user's PAN that meets first criteria is identified. Accordingly, dependent claims 2, 4, 6-8, and 10 are not obvious over the above combinations, and the rejections thereof should be withdrawn.

Summary of Examiner Interview

A phone interview was held with Examiner Tokarczyk on May 5, 2020. Applicant provided proposed amendments and arguments for discussion. Examiner Tokarczyk

indicated that the concept of identifying both a first transaction meeting first criteria and a second transaction meeting second criteria before triggering disbursement of a merchant award did not appear novel in view of the currently applied references. Additionally, Examiner Tokarczyk could not provide and answer as to whether the aspect of the monitor being part of the acquirer processor would overcome the current rejections, but suggested that the reason or benefits of associating the monitor with the acquirer processor should be emphasized in the response. Applicant thanks Examiner Tokarczyk for his consideration and suggestion.

Conclusion

Applicant believes this response fully and completely addresses the outstanding Office Action and, as such, the present Application is in condition for allowance. If the Examiner believes, for any reason, that personal communication will expedite prosecution, the Examiner is invited to telephone the undersigned at the number provided below. Applicant reserves the right to prosecute the rejected claims in further prosecution of this or related applications.

Respectfully submitted,
LOEB & LOEB LLP

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Amendments to the Claims

The following replaces all previous versions of the claims:

1. (Currently Amended) A computer-implemented method of using a monitoring infrastructure for identifying qualifying events associated with a merchant award, the method comprising:

generating, at a merchant server of a merchant, a transaction for a user presenting a payment instrument with a personal account number (PAN);

receiving, at a monitor that is part of an acquirer processor, the transaction;

comparing, via the monitor, the transaction to ~~a merchant-specified~~ first criteria for a qualifying transaction;

~~comparing~~ identifying, via the monitor, the transaction ~~to a merchant-specified criteria for a qualifying transaction~~ as a transaction that meets the first criteria;

responsive to identifying the transaction meeting the ~~merchant-specified~~ first criteria, generating, at the monitor, a first message that causes the merchant award having a first value to be associated with the PAN at a database of the acquirer processor without transferring the merchant award to the user;

receiving, at the monitor, second criteria for the user to redeem the merchant award;

identifying, at the monitor, a second transaction associated with the PAN and that satisfies the ~~rule~~ second criteria, the second transaction being subsequent to the first transaction;

in response to identifying the second transaction, calculating a credit amount that is less than or equal to the first value to be applied to ~~a transaction associated with the first record~~ the second transaction; ~~and~~

further in response to identifying the second transaction, sending, via the monitor, a second message that causes the credit amount to be applied to the second transaction; and

further in response to identifying the second transaction, generating, at the monitor, a credit message transferring at least a portion of the first value directly from the merchant to ~~the~~ a clearing service.

2. (Cancelled)

3. (Original) The method of claim 1, further comprising:
sending a first notification message to a user device associated with the PAN responsive to generating the first message.

4. (Original) The method of claim 3, further comprising:
sending a second notification message to a user device associated with the PAN responsive to generating the second message.

5. (Currently Amended) The method of claim 1, wherein receiving the transaction ~~request~~ comprises receiving, at the monitor, all transaction requests made by the merchant server.

6. (Currently Amended) The method of claim 1, wherein comparing the transaction ~~request~~ to the ~~merchant-specified~~ first criteria comprises comparing a feature of the transaction ~~request~~ to a previously defined offer, the offer defined by one or more qualifying features of one or more transactions required to qualify for the merchant award.

7. (Original) The method of claim 6, wherein a qualifying feature of the one or more qualifying features is a transaction value of the transaction data exceeding a predetermined qualifying value.

8. (Original) The method of claim 7, wherein a qualifying feature of the one or more qualifying features is a transaction date falling within a qualifying date range.

9. (Original) The method of claim 1, further comprising receiving, at the merchant server, a registration of the PAN for use with the merchant award from a user associated with the PAN.

10. (Original) The method of claim 1, wherein identifying the second transaction comprises receiving every transaction generated by the merchant server for use in identifying the second transaction.

11. (Currently Amended) The method of claim 1, wherein identifying the second transaction that satisfies the ~~rule~~ second criteria comprises identifying the second transaction as satisfying a time rule defining a date range for use of merchant award.

12. (Currently Amended) The method of claim 1, wherein identifying the second transaction that satisfies the ~~rule~~ second criteria comprises identifying the second transaction as satisfying a brand rule defining one or more merchants with which the second transaction must be performed.

13. (Currently Amended) A monitor that identifies and manages merchant awards, the monitor being part of an acquirer processor and comprising:
a central processing unit (CPU);
a memory coupled to the CPU;
an input coupled to the CPU and further coupled to a merchant;
the CPU programmed with instructions stored in the memory to:
receive first data from a merchant corresponding to a transaction between a user and the merchant, the first data including transaction details and an identity of the merchant and the user;
select individual component elements from the first data set to generate a query string for a database,
compare, using the query string at the database, the transaction to an offer sponsored by the merchant and having first criteria;

responsive to identifying ~~the offer that matches~~ that the transaction meets the first criteria, generate a merchant award having a first value, the merchant award including ~~a rule corresponding to redemption of~~ second criteria for redeeming the merchant award;

associate the merchant award at a database of the acquirer processor with a personal account number (PAN) of an open loop card of the user without transferring the merchant award to the user;

receive second data corresponding to a second transaction subsequent to the first transaction, the second transaction being associated with the PAN;

determine that the second transaction ~~complies with the rule~~ meets the second criteria;

responsive to the second transaction ~~complying with the rule~~ meeting the second criteria, calculate a credit amount to apply to the second transaction, the credit amount less than or equal to the first value and less than or equal to a value of the second transaction;

further in response to the second transaction meeting the second criteria, generate a message that causes the credit amount to be moved from the merchant to the open loop card.

14. (Original) The monitor of claim 13, wherein the merchant funds the credit amount to be moved from the merchant to the open loop card from a merchant account holding the first value.

15. (Original) The monitor of claim 13, wherein the message is sent to an issuer of the open loop card.

16. (Currently Amended) The monitor of claim 13, wherein the message is generated in real time to reduce an amount of the second transaction by the value of the credit amount at a point of sale.

17. (Original) The monitor of claim 13, wherein the CPU is further programmed to receive a registration message that enrolls the PAN of the open loop card with the merchant prior to receipt of the first data from the merchant.

18. (Currently Amended) A computer-implemented method of identifying qualifying events associated with a merchant award, the method comprising:
creating a first criteria for a user to receive the merchant award;
creating a second criteria for the user to redeem the merchant award;
registering, by a user, a personal account number (PAN) of an open loop card;
identifying, at a monitor that is part of an acquirer processor, a first transaction of the user that meets the first criteria to receive the merchant award;
in response to identifying the first transaction, storing~~, in a database,~~ via the monitor a first value associated with the merchant award in a user record indexed by the PAN at a database of the acquirer processor without transferring the merchant award to the user;
~~monitoring~~ identifying, at the monitor, a second transaction subsequent to the first transaction using the PAN that meets the second criteria;
in response to identifying the second transaction, calculating a credit amount based on the second transaction and the first value at the monitor;
further in response to identifying the second transaction, adjusting the first value by the credit amount in the user record according to a value of the second transaction; and
further in response to identifying the second transaction, generating a credit equal to the first value to the open loop card.

19. (Original) The method of claim 18, wherein generating the credit equal to the first value comprises one of generating a statement credit or generating a real-time credit at a time of the second transaction.