

DECLARATION FOR UTILITY OR DESIGN PATENT APPLICATION	
Title of Invention	SYSTEM AND METHOD FOR MANAGING GRATUITIES
As the below named inventor, I hereby declare that: This ☒ The attached application, or declaration is directed to: ☐ United States application or PCT international application number _____ filed on _____. The above-identified application was made or authorized to be made by me. I believe that I am the original inventor or an original joint inventor of a claimed invention in the application. I hereby acknowledge that any willful false statement made in this declaration is punishable under 18 U.S.C. § 1001 by fine or imprisonment of not more than five (5) years, or both. I have reviewed and understand the contents of the above-identified application, including the claims, as amended by any amendment referred to above. I acknowledge the duty to disclose information which is material to the patentability of this application as defined in 37 C.F.R. § 1.56, including, for continuation-in-part applications, material information which became available between the filing date of the prior application and the filing date of the continuation-in-part application.	
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1		Application.pdf	335101	yes	36
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	Document Description		Start	End	
	Specification		1	29	
	Claims		30	35	
	Abstract		36	36	
Warnings:					
Information:					
2	Drawings-only black and white line drawings	FinalDrawings.pdf	1479933	no	9
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3	Application Data Sheet	ADS.pdf	1432776	no	6
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4	Oath or Declaration filed	ExecDec.pdf	190860	no	1
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5	Fee Worksheet (SB06)	fee-info.pdf	36491	no	2
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National Stage of an International Application under 35 U.S.C. 371

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New International Application Filed with the USPTO as a Receiving Office

If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

SYSTEM AND METHOD FOR MANAGING GRATUITIES

RELATED APPLICATION

[0001] This application is a non-provisional application of and claims priority to and the benefit of United States Patent Application No. 61/696,569, filed September 4, 2012, the disclosure of which is incorporated herein by reference in its entirety.

BACKGROUND AND SUMMARY

[0002] The present disclosure is related to a system and method for managing gratuities, and more particularly to calculating, allocating, and distributing gratuities among service employees.

[0003] In the hospitality industry and many other service based businesses, it is customary for customers to give a gratuity or tip to one or more employees who perform the purchased service. Although a customer may primarily interact with one employee of the business, such as a waiter or waitress, many other employees have assisted to varying degrees in supporting the service provided to the customer. In a restaurant, for example, a host may seat the customer, a busser may clear the table, a food runner may deliver food to a table, a bartender may prepare and/or serve alcoholic beverages, and other employees may similarly provide specific services for the benefit of the customer during their dining experience. At the conclusion of a restaurant transaction, the customer generally gives a gratuity to the server or adds the gratuity to the amount paid for the meal. The gratuity may then be shared among the employees who assisted in providing service to the customer, or aggregated and distributed among the employees according to customs or practices of a given business or industry. The sharing of gratuities has often been manually calculated and documented with ad hoc record keeping, complicating compliance with tax and labor regulations. Even when properly computed, existing systems for gratuity sharing have not provided easy access to the gratuity sharing data. As such, there remains a need for systems and methods for managing gratuities that provide both employers and employees with accurate and timely allocations of gratuities in a cost-effective manner.

[0004] Presently disclosed is a computer-implemented method for allocating gratuities that includes employing at least one processor configured to execute computer-executable instructions stored in memory to perform the following acts: receiving transaction information from a point of sale, wherein the transaction information comprises at least gratuity data for each

of a plurality of transactions during an accounting period; receiving employee information from the point of sale, wherein the employee information comprises at least hours worked for each of a plurality of employees during the accounting period; receiving gratuity distribution rules for allocating gratuities among at least a portion of the employees; and determining a gratuity allocation for each applicable employee of the plurality of employees based on at least the received transaction information, the received employee information, and the received gratuity distribution rules.

[0005] The method may also include allocating to each applicable employee the determined gratuity allocation for that employee. In embodiments, the transaction information is sales data for the plurality of transactions during the accounting period, and the transactions are service transactions provided by the plurality of employees. In an embodiment, at least one processor is remote from the point of sale and may be a cloud computing system.

[0006] Receiving the transaction information and employee information for the accounting period may further include receiving a computer-readable file containing the transaction information and the employee information for the accounting period, and storing the received transaction information and the received employee information in a database, and may include receiving the computer readable file from the point of sale via the Internet.

[0007] The method may also include determining a total gratuity amount for the accounting period from the transaction information, and determining the gratuity allocation for each of the plurality of employees based on the total gratuity amount for the accounting period.

[0008] The method may also include classifying each of the plurality of employees to one of a plurality of gratuity groups based on a job function of the employee; and wherein determining the gratuity allocation for each employee further comprises: allocating gratuities to form a gratuity pool for each gratuity group based on the gratuity distribution rules and allocating the gratuity pool for each gratuity group between the employees of the gratuity group based on the distribution rules.

[0009] Allocating the determined group gratuity between the employees of the group may also include determining a total of the hours worked by each employee of the group for the accounting period, and allocating a portion of the gratuity pool for the gratuity group to each employee of the group corresponding to a ratio of the hours worked by that employee to the total hours worked of the group.

[0010] Allocating the determined group gratuity between the employees of the group may also include receiving an assigned gratuity factor for each of the plurality of employees, and allocating at least a portion of the gratuity pool for the gratuity group to each employee based upon the employee's assigned gratuity factor.

[0011] Determining the gratuity allocation for each of the plurality of employees may further include determining a total of gratuities received by a first group of employees; and allocating a portion of the total of gratuities received by the first group of employees to a second group of employees based on the distribution rules.

[0012] Determining the gratuity allocation for each of the plurality of employees may further include determining total cash sales during the accounting period from the transaction information, determining a total cash gratuity from the total cash sales, and allocating the total cash gratuity to the plurality of employees based on the distribution rules.

[0013] The method for allocating gratuities may also include communicating the determined gratuity allocation for each employee to an employer payroll system and distributing the determined gratuity allocation to each employee through a payroll check. The method may also include providing a web-portal configured to be accessed by employees, wherein the web-portal is configured to display the determined gratuity allocation for a given employee, and providing a web-portal configured to be accessed by an employer, wherein the web-portal is configured to display the determined gratuity allocation for the plurality of employees. The method may also include, upon determining the gratuity allocation for a given employee, notifying the employee via at least one of a text message, an email, or an instant message of the determined gratuity allocation.

[0014] In embodiments, the method is used for each of a plurality of employers and gratuity distribution rules may be received from each of the plurality of employers, with the gratuity distribution rules received from one employer being different than the gratuity distribution rules received from at least one other employer.

[0015] Also disclosed is a computer-implemented system for managing gratuity allocations that includes at least one processor coupled to at least one memory configured to execute the following computer-executable components stored in the at least one memory: a database configured to store transaction information and employee information, wherein the transaction information comprises gratuity data for each of a plurality of transactions during an accounting

period, and wherein the employee information comprises at least hours worked for each of a plurality of employees during the accounting period; a configuration module configured to receive gratuity distribution rules for allocating gratuities among at least a portion of the employees; a processor configured to determine a gratuity allocation for each of the plurality of employees based at least on the transaction information, the employee information, and the distribution rules; and a reporting module configured to report the determined gratuity allocation for each of the plurality of employees.

[0016] In embodiments, the system for managing gratuities also includes an interface component configured to receive the transaction information from the point of sale and to communicate the transaction information to the database to be stored, and configured to receive the employee information from the point of sale and to communicate the employee information to the database to be stored.

[0017] The system may also include means for receiving transaction information from a point of sale and storing the received transaction information in the database, and means for receiving employee information from a point of sale and storing the received employee information in the database.

[0018] In some embodiments, the reporting module may include web-portal configured to be accessed by employees, wherein the web-portal is configured to display the determined gratuity allocation for a given employee, and a web-portal configured to be accessed by an employer, wherein the web-portal is configured to display the determined gratuity allocation for the plurality of employees.

[0019] In another embodiment, the reporting module is configured to communicate with an employer payroll system and to communicate the determined gratuity allocations to the employer payroll system.

BRIEF DESCRIPTION OF THE DRAWINGS

[0020] Reference is made to the accompanying drawings in which particular embodiments of the invention are illustrated as described in more detail in the description below, in which:

[0021] FIG. 1 is a schematic view of a gratuity management system;

[0022] FIG. 2A is another schematic view of a gratuity management system;

[0023] FIG. 2B is another schematic view of a gratuity management system;

- [0024] FIG. 3 is a graphic illustration of a exemplary distribution rules;
- [0025] FIG. 4 is a flow diagram illustrating application of the gratuity management system;
- [0026] FIG. 5 is a first screen of an exemplary configuration module;
- [0027] FIG. 6 is a second screen of an exemplary configuration module;
- [0028] FIG. 7 is a third screen of an exemplary configuration module;
- [0029] FIG. 8 is a first screen of an exemplary employer web-portal; and
- [0030] FIG. 9 is a second screen of an exemplary employer web-portal.

DETAILED DESCRIPTION OF THE DRAWINGS

[0031] Embodiments of the presently disclosed system and method relate to the management of gratuities. Referring generally to FIGS. 1 through 3, embodiments of the system and method for managing gratuities are illustrated. For purposes of illustration, the system and method may be described with reference to a restaurant setting. The system and method may be applied in other settings, such as hotels, casinos or other organizations in the hospitality or other industries that receive and distribute gratuities among at least a portion of the employees.

[0032] Referring now to FIG. 1, a system 100 for managing gratuities is illustrated. In an embodiment the gratuity management system 100 includes a processor 102 and a database 104. The system 100 communicates with systems to receive transaction information and employee information for managing gratuities. By way of illustration, the system 100 may receive transaction information from a point of sale system 110. The point of sale system 110 may provide a record of sales transactions. Each transaction information associated with the sales records may include the type of transaction (e.g., cash or credit card), the amount of the transaction, and the amount of a gratuity associated with the transaction. The transaction information may also include the employee who processed the transaction (e.g., a server or bartender) as well as the date and time of the transaction. Other information, such as credit card processing fees or items purchased, may be include in the transaction information as desired.

[0033] The gratuity management system 100 may receive employee information from an employee records system 112. The employee information may include biographic information about each employee such as a job title or code (e.g. server, host, busser) that may be used to determine how the employee participates in the gratuity system. The employee information may also include work record data, such as the hours for each employee. The employee records

system 112 may be a time keeping system used to track the hours worked by employee. In some embodiments, the employee records system 112 and the point of sale system 110 may be components of a management system used for administering the service business.

[0034] In embodiments, the point of sale system 110 and the employee records system 112 may be discrete systems in communication with the presently disclosed system for managing gratuities. In other embodiments, the point of sale system 110, the employee records system 112, and perhaps other systems are integrated into a restaurant management system 108. As such, the gratuity management system 100 may interface with one or more components of such a restaurant management system 108 to acquire the necessary transaction and employee information. In the restaurant context, a combined point of sale system 110 and employee records system 112 may assign each employee a unique user identification number, which may be used both for logging that employee's working hours (e.g. a time-clock application) as well as recording transactions (e.g. customer orders) entered and completed by the employee. In some embodiments, the point of sale system 110 and/or the employee records system 112 may be implemented in cloud computing systems reducing the burden on businesses to host these systems using local computing resources. The gratuity management system 100 may similarly be implemented in a cloud computing system that interfaced with the cloud-based point of sale and/or employee records systems. A business or other user of the gratuity management system may therefore select computing resources to implement various elements of the systems, and the gratuity management system presently disclosed is contemplated to operate in conjunction with both local and cloud-based point of sale and/or employee records systems.

[0035] The management of gratuities for a given business or organization may be defined by the customs and practices of the business as well as applicable regulations. To account for the variation in gratuity management practices, the gratuity management system 100 receives gratuity distribution rules, such as from a client (e.g. a restaurant), that are used to determine the allocation of gratuities for the client's business. In one embodiment, the gratuity management system 100 includes a configuration module 106 that may be used to establish the distribution rules to be applied by the system as described in more detail below.

[0036] The gratuity management system 100 receives the transaction information, employee information, and distribution rules as noted above. Using this information, the system 100 determines a gratuity allocation for each employee who should receive a portion of the gratuities

collected. For purposes of this disclosure, employees may be generally characterized as a gratuity-generating employee, a gratuity-receiving employee, or a non-participating employee. A gratuity-generating employee may be defined as an employee who receives a gratuity from a customer. Servers, bartenders and valets are common examples of gratuity-generating employees. A gratuity-receiving employee is defined as an employee who is allocated at least a portion of a gratuity received by a gratuity generating employee. Hosts, bussers and barbacks are common examples of gratuity-receiving employees. Servers, bartenders and valets are also gratuity-receiving employees, as such, any given employee may be both gratuity-generating and gratuity-receiving, depending upon the service provided and the nature of the business. In addition, a business may have non-participating employees who neither receive nor benefit from gratuities. Such non-participating employees may include kitchen or cleaning staff and employees in management level positions. The customs and practices of a given business or industry, as well as, applicable labor regulations may determine whether a given individual is eligible to participate in the distribution of gratuities. The gratuity management system 100 determines how to allocate the gratuities collected by or on behalf of the gratuity-generating employees among the gratuity-receiving employees based upon the transaction information, employee information, and distribution rules for the given business.

[0037] The determined gratuity allocation for each employee represents the amount of gratuity to be allocated to that employee based on the transaction information, employee information, and distribution rules discussed above. Gratuity allocations may be performed on a periodic basis, referred to herein as the accounting period. Some businesses may allocate gratuities for each shift, each day or each week. Gratuities are typically allocated at least as frequently as the payroll period for the business so that gratuities may be distributed in the employees' paychecks. In one embodiment, the gratuity management system 100 is configured to allow an employer to "cash-out" one or more employees at the end of an employee's shift so that the gratuity allocation may be determined and the gratuity distributed to the employee. In this embodiment, the gratuity management system 100 may rely on transaction and employee information already received to determine the cashed-out employee's allocation. If additional transaction information or employee information is received that would affect the allocation to the cashed-out employee, the gratuity management system 100 may recalculate the gratuity for the previously cashed-out employee and apply any adjustment or correction to a future gratuity

or payroll distribution to ensure the proper distribution of income to that employee. The employer is therefore able to determine and distribute gratuity allocations in real-time or near real-time benefiting the employees and reducing the burden on the employers.

[0038] After the conclusion of an accounting period, the gratuity allocation for each employee may be determined. The gratuity management system 100 may then communicate with a business records system 116 that may include a payroll component 118. The business records system 116 is configured to receive the determine gratuity allocations for use in distributing the gratuity payments to employees. In some instances, the business records system 116 may determine that an employee has received an insufficient allocation of gratuities to comply with applicable regulations and an adjustment may be made to that employee's pay to compensate for the shortfall in gratuities received. Embodiments of the system 100 may interface directly with a payroll component 118. For example, the system 100 may communicate with a payroll system so that the determined gratuity allocation is added to the employee's next paycheck. In some embodiments, the payroll component 118 of the business records system 116 may be a third-party payroll management system, however, the gratuity management system 100 may be configured to communicate with a third-party system in the same manner as described above. In a similar manner, the gratuity management system 100 may generate a report of employee's gratuity income, where the report is configured for submission to the Internal Revenue Service and/or state or local tax authorities for purposes of reporting gratuity income.

[0039] In some embodiments, the business records system 116 and/or payroll component 118 may be integrated with the point of sale system 110 and the employee records system 112, all as part of an integrated restaurant management system 108. In other embodiments, one or more of the business records system 116 and/or the payroll component 118 may be separate systems. In one example, the payroll component 118 may be a third-party payroll service selected by the restaurant to process payroll for its employees, and the gratuity management system 100 may communicate directly with the payroll processor to distribute gratuities to the employees.

[0040] The gratuity management system 100 may also allow for employees and employers to access relevant portions of the data stored in the system. In one embodiment, the system 100 includes a web-portal 120. The web-portal 120 may be configured to allow employees access to their own determined gratuity allocation so that the employee may view their accumulated gratuities following an accounting period. The system 100 may also be configured to notify an

employee of the employee's gratuity allocation through a text message, an email, an instant message or other similar notifications. In other embodiments, the system 100 may be configured to post the gratuity allocation for an employee to the employee's web-based social network profile where the employee may access the information. Employee access to the gratuity allocation data may be limited through the use of usernames and passwords such that each employee may access only the gratuity information relative to that employee. The system 100 may also permit an employee to view the data from which the gratuity allocation was determined, such as the employee's hours worked or total gratuities received that employee. In some embodiments, a fee may be assessed for the employee's use of the system, which may be deducted from the gratuities otherwise allocated to the employee. Other information may be made accessible as appropriate for the employee and the business involved.

[0041] The web-portal 120 may also provide for access by an employer, such as the manager or owner of the business. Through the portal, the employer may access information on all employees and the data from which the gratuity allocations were made. The system 100 may also include a reporting module configured to report the determined gratuity allocation for each of the plurality of employees. The reporting module may also be configured to provide other management reports. In one embodiment, the system 100 generates a report of total gratuities allocated to each employee during a payroll period to assist in documenting compliance with minimum wage regulations and income tax withholding requirements. The system 100 may also include non-web based means for accessing the data and may generate notifications or alerts to assist an employer in managing the business. In this manner, the gratuity management system 100 may substantially streamline the process of calculating and distribution gratuities, while also generating timely and accurate business compliance records.

[0042] The gratuity management system 100 may store the gratuity data, as well as the transaction information and employee information from which the gratuity allocations were produced. The information stored and the duration of that storage may be selected based upon the requirements of the business and regulatory or tax requirements. In one embodiment, the gratuity data is retained for at least six years. Employees may retain access to the gratuity data for the required duration even after termination of their employment. In this manner, the gratuity management system allows a business, such as a restaurant, to ensure that gratuity data will be

available to both current and former employees without requiring the former employees to contact the business directly.

[0043] Referring now to FIG. 2A, a logical view of a gratuity management system is illustrated. A client, such as a restaurant, may have a server 200 and a database 202 for storing transaction information and employee information, as well as a back office accounting management system 204 that handles accounting and payroll functions. In embodiments, the gratuity management system includes an interface component 206 that integrates with the business's systems to extract the transaction information and employee information to be used in determining the gratuity allocations.

[0044] In an embodiment, the interface component 206 extracts transaction and employee information and creates a computer-readable file containing at least a portion of the transaction information and the employee information for use by the gratuity management system. The computer-readable file is communicated to the database 214 and stored for use by the processor 212 in determining the gratuity allocations for each of the employees. The computer-readable file may be an XML file containing transaction information and the employee information in a standardized format for communication to the database. Other file formats may be used, such as text or database files, and may include proprietary or standardized file formats. In this manner, the interface component 206 may be adapted to interface with a variety of client systems of different types without requiring modification to the database or processor. In yet other embodiments, the interface component 206 gather configuration and setting information from rest of the gratuity management system on a periodic basis. In one embodiment, the interface component 206 initiates all communication with other components of the gratuity management system improving the security of the system. In other embodiments, one or more of the business's systems and the gratuity management system may be cloud-based, and the communication between the gratuity management system and cloud-based business system may be through dedicated interfaces. In such embodiments, the interface component 206 may include an application programming interface defined and implemented so that the gratuity management system is able to extract the necessary transaction information and employee information from the cloud-based business systems.

[0045] In one embodiment, the processor 212 and the database 214 are provided in a cloud computing system 210 accessible over the Internet 208. The processor 212 and/or the database

214 may accept incoming data from the interface component 206. The incoming data may be preprocessed and/or stored in the database 214 for further subsequent use. The system may then provide access to the determined gratuity allocations through an employee interface 216, that may include a web-portal, text message, email, instant message, or posting on social media website. The system may also provide an employer interface 218, such as the web-portal for employer use described in FIG. 1. The employer interfaced 218 may also provide access to the configurations module (shown in FIG. 1) for establishing the distribution rules and configuration the gratuity management system for a given business or organization. Depending upon the level of security required, the employer interface 218 may also communicate with the back office accounting management system 204, which may include business records and a payroll system for distributing the allocated gratuities to the employees. In this manner, the interface module enables the system to automatically gather the transaction information and employee information, and communicate the determined gratuity allocations back to the client's systems. As illustrated in FIG. 2A, the processor 212 is remote from the client's point of sale. In this manner, the processor 212 may service multiple points of sale for a client as well as multiple clients. In yet other embodiments, the point of sale system may be implemented in a cloud computing system, and the gratuity management system 100 interfaces with the cloud-based point of sale system using a cloud to cloud replication or synchronization. In a cloud to cloud system, the interface component 206 still facilitates transfer of the data from the point of sale system to the gratuity management system for use in determining the gratuity allocations.

[0046] Referring to FIG. 2B, in another embodiment, the gratuity management system may be implemented to operate locally on a client's computing system, where the client server 200 and database 202 may provide the processor and database for the gratuity management system. This configuration may be particularly effective for cruise ships or other environments with limited connectivity to external computing resources. The gratuity management system may also be integrated into a restaurant management system, such as the restaurant management system 108 that includes a point of sale system and an employee records system. By way of illustration, the operator of a cruise ship may prefer to host the gratuity management system using onboard computing systems to reduce the need for communication to or from the cruise ship while the ship is at sea. Other businesses may also prefer locally implemented systems due to connection

limitations, security concerns, or preferences regarding the business's information technology infrastructure.

[0047] Regardless of the particular implementation selected, the gratuity management system provides a valuable service to the employees of the business by providing accurate and timely determinations of gratuity allocations.

[0048] The operation of the gratuity management system may be further illustrated through selected examples. By way of example, a business may elect to organize its gratuity-receiving employees into groups. As used herein, a "group" represents a set of employees who are given similar treatment for the purpose of determining gratuity allocations. A group may have one or more employees (i.e. members). An employee may belong to a different group depending upon the function the employee is performing during an accounting period. For example, an employee may work as a server during one shift, and work as a bartender during a different shift. In one example, a business may define five groups using the configuration module of the system, with the five groups being: servers, bartenders, food runners/bussers/barbacks, sommelier/stewards/captains, and hosts.

[0049] Each gratuity group may be associated with a gratuity pool. As used herein a gratuity "pool" represents an aggregation of gratuities to be distributed to the employees of the group associated with the pool. For example, a portion of the gratuities generated by servers and bartenders may be allocated to a host pool, and the total gratuities in the hosts pool may be distributed among the members of the hosts group for a given accounting period.

[0050] In one example, the gratuity management system determines from the transaction information the total cash sales during an accounting period. The system may receive the total cash sales as part of the transaction information communicated to the system, or alternatively, the system may determine the total cash sales from individual transaction data contained in the transaction information. The system then determines a total cash gratuity amount from the total cash sales by applying a distribution rule. In one example, the system receives a distribution rule specifying that eight percent (8%) of total cash sales are to be deemed as cash gratuities. In other examples, the system may determine an average gratuity percentage for all credit card transactions in the accounting period, and that average gratuity percentage may be applied to the total cash sales to determine the total cash gratuity. The total cash gratuity may then be allocated

to one or more employees or one or more gratuity pools to be distributed among the employees in accordance with the distribution rules.

[0051] In another example, the gratuity management system determines a total cash gratuity amount, at least in part, from declared cash gratuities received from the employees and uses the declared cash gratuities to determine a gratuity allocation for each employee. Some businesses require gratuity generating employees to report, or declare, the total amount of cash gratuities received by the employee during a given accounting period. This declared cash gratuity is often recorded along with the transaction information or employee information discussed above. Because a declared cash gratuity is associated with a particular employee, the gratuity management system may apply the appropriate distribution rules to that cash gratuity. In addition, the gratuity management system may treat the declared cash gratuity as money received by the employee, and deduct the amount of the declared cash gratuity from the total gratuity allocated for that employee when distributing the allocated gratuities to the employees. If the declared cash gratuity exceeds the total gratuity allocated to an employee, the employer may require the employee to turn over a portion of the cash gratuity or otherwise offset the employee's compensation to achieve the appropriate gratuity allocation.

[0052] In other embodiments, a business may impose an imputed cash gratuity distribution rule. An imputed cash gratuity is the minimum amount of cash gratuity deemed to have been received based on the total cash sales by a particular employee. An imputed cash gratuity may be used in lieu of or in addition to declared cash gratuities. For example, a business may establish a distribution rule that requires employees to declare cash gratuities but that imposes an imputed cash gratuity if the declared cash gratuities are less than a value established by government regulation (e.g. 8%). Alternatively, the minimum value for imputed cash gratuity may be established by the customs of a given business or industry, or may be agreed to by a service employees union. The imputed cash gratuity is used to determine an employee's required contributions or tip-outs to other employees or pools. In addition, the imputed cash gratuity may be deducted from the total gratuity amount due to a given employee based upon the assumption that the employee received at least that amount in cash gratuities. The application of imputed cash gratuities may result in a negative gratuity allocation for a given employee, which indicates that the employee has retained a portion of the total gratuity that should be distributed to other employees. A business may elect to require the employee to contribute the deficiency to

the employer for redistribution, or alternatively, the gratuity management system may carry the deficiency forward to the next accounting period to offset future gratuity allocations to the employee. In this manner, the gratuity management system may be used to promote accurate reporting of cash gratuities resulting in improvements in the equitable distribution of gratuities among employees, and improvements in account and tax records for the business.

[0053] In another example, the gratuity management system determines a total gratuity amount for the accounting period from the transaction information and determines the gratuity allocation for each of the plurality of employees based on the total gratuity amount for the accounting period. A distribution rule may specify that gratuities are to be allocated based on the hours worked by each employee relative to the total hours worked by all gratuity-receiving employees in the accounting period.

[0054] In yet another example, the gratuity management system receives a classification of the plurality of employees into one of a plurality of groups based on the job function of the employee. The classification may be received with the employee information or with the distribution rules, but in either case, the classification identifies which group, if any, each employee belongs to for purposes of allocating gratuities. After defining the groups, the system may allocate the received gratuities to form a gratuity pool for each gratuity group based on the gratuity distribution rules and then allocate the gratuity pool for each gratuity group between the employees of the gratuity group based on the distribution rules. By way of illustration, in a restaurant having two groups, servers and bussers, the gratuities received by the servers may be allocated 75% to a servers pool and 25% to a bussers pool. The servers pool may then be allocated to the employees in the server group based on the percentage of total gratuities generated by each employee in the server group. In contrast, the bussers pool may be allocated to the employees in the bussers group based on the number of hours worked by a given busser divided by the total hours worked by all bussers in the bussers group during the accounting period. In this manner, separate distribution rules may be defined for the allocation of each gratuity pool.

[0055] In another example, the gratuity management system allows the portion of the total gratuities received by a first group of employees to be allocated to a second group of employees based on the number of members in the second group of employees. By way of illustration, the portion of the gratuities received by the servers group may be allocated to the bussers group

based on the number of members in the bussers group. The bussers may receive an allocation of 15% if there are greater than or equal to five (5) bussers working during a given shift. If fewer bussers are working, the allocation may be reduced to account for the increased burden on the servers due to the lack of support from the bussers. For example, if only four (4) or only three (3) bussers work during a shift, the allocation may be reduced to 12% or 9% respectively. The specific numbers and percentage may be specified in the distribution rules, and the number of employees may be determined based on hours worked during the given period. In this manner, gratuity management system implements a dynamic tip-out system, where the percentage allocated to a group is determined at least in part by the number of members in that group according to the contribution made by that group to providing the service to the customers.

[0056] In another example, determining the gratuity allocation for each of the plurality of employees may include allocating a fixed amount of the gratuities received by a member of a first group to a second group of employees provided that the gratuities received by the member of the first group are greater than or equal to a threshold. By way of illustration, a restaurant may have a gratuity distribution rule that requires each server to contribute a fixed amount to a host pool. The host pool may then be allocated among the one or more hosts who participate in the host pool. In this manner, the gratuity allocation to the host pool is not determined as a percentage of sales but as a fixed amount contributed by each server. A restaurant may further define the distribution rule such that a server is only required to contribute the fixed amount if that server receives total gratuities greater than or each to a defined threshold. This may result in a distribution rule that requires a server to contribute \$10.00 the host pool, but only if that server received at least \$50.00 in gratuities during the shift. The distribution rules may also define other variations and permutations such as modifying the fixed contribution, or providing both fixed and percentage contributions as may be appropriate for the specific business. In this manner, the gratuity management system is able to efficiently implement a wide variety of economic arrangements that may be desired by businesses that engage in the allocation of gratuities among various groups of employees.

[0057] In yet another example, the gratuity management system receives a gratuity factor for each employee, or each employee in a gratuity group. The system then allocates at least a portion of the gratuity pool for a given gratuity group to the employees of that group based on the gratuity factor for each employee. The gratuity factor may correspond to an assessment of

the employee's skill level in a particular job function. Alternatively, the gratuity factor may correspond to the employee's seniority with the business. The gratuity factor may be used alone or in combination with other factors, such as hours worked or percent of gratuities generated to determine the allocation for a given employee. In one example, an employee who worked 8 hours out of total of 80 hours may receive an allocation of 10% of the gratuities for a given gratuity pool. If, however, that employee was a senior employee with responsibility for training new employees, the senior employee may be assigned a gratuity factor of 1.5 such that the senior employee receives 50% more credit for hours worked. As a result, the senior employee would be deemed to have worked 12 hours out of a total of 84 hours resulting in an allocation of 14.3% of the gratuities for a given gratuity pool. In this manner, the gratuity factor may be used to adjust the allocation of gratuities to reward seniority, skill, or special assignments such as training, as may be appropriate for certain businesses.

[0058] In another example, two employees benefit from a gratuity pool containing \$500. Employee #1 worked eight hours and twenty-two minutes, and is assigned a gratuity factor of 2. Employee #2 worked six hours and fifteen minutes, and is assigned a gratuity factor of 3. For each employee, a weighted time worked is calculated by multiplying the actual time worked by the gratuity factor resulting in weighted time worked for 964 minutes for Employee #1 and 1125 minutes for Employee #2. Each employee is then allocated a percentage of the gratuity pool based on the weighted time worked for that employee divided by the total weighted time worked by both employees in this example. As noted above, the gratuity factor to be may be based on one or more criteria, such as seniority, job responsibilities or others that may be determined by a given business as relevant to the allocation of gratuities within a given pool. This example is summarized in the following table.

[0059]

	Employee #1	Employee #2
Time Worked (t)	8 hr. 22 min.	6 hr. 15 min.
Gratuity Factor (f)	2	3
Weighted Time Worked = (t*f)	964 min.	1125 min.
Total Weighted Time Worked (T)	2089 min.	
Percent of Gratuity Pool Allocated = ((t*f)/T)	46.15%	53.85%
Allocated Gratuity	\$230.73	\$269.27

[0060] In yet another example, the gratuity factor may be determined from a job code, such that the gratuity allocation favors certain job codes over others. The gratuity factor may be communicated to the system with the employee data or the distribution rules.

[0061] In yet another example, the gratuity management system determines a gratuity allocation based upon total sales by a given employee. As with hours worked or gratuities generated, the gratuity management system may determine the total sales attributable to an employee and allocate at least a portion of the received gratuities to that employee based on the total sales by that employee. By way of illustration, servers are typically responsible for food sales. A portion of the gratuities generated by a servers group may be allocated to the servers pool according to a distribution rule based upon the food sales generated by each server. The percent of total food sales by each server in the servers group is calculated, and the servers pool may be distributed to each server based upon their respective percentage of total food sales. In various embodiments, distribution rules based on various sales may be used, such as beverage, wine or liquor sales. In yet other embodiments, sales of products or novelty items may be factored into the distribution of gratuities. Moreover, either net sales or gross sales, or a custom definition of sales, may be used in the computation of the gratuity allocation for each employee.

[0062] In yet another example, the gratuity management system receives a classification of one or more employees as part of a team. As used herein, a “team” represents a set of employees

who work together and are treated as single unit for purposes of allocating gratuities. In one example, multiple servers handling a large party or banquet may be grouped as a team. A team may be a member of a gratuity group and may benefit from a gratuity pool just as an individual employee would as previously described. Within a team, however, gratuities may be allocated uniformly to all members. As with groups, teams may be configured and reconfigured through the configurations module of the gratuity management system as employees are assigned and reassigned to different roles.

[0063] In yet another example, a restaurant may organize its employees into a servers group that generates gratuities and a non-servers group that does not generate gratuities. The restaurant may establish a distribution rule that each server retains a certain percentage, such as 75%, of the total gratuities generated by that individual server, with the remainder (i.e. 25%) of the generated gratuity being transferred to a pool to be allocated among the members of the non-servers group. The non-server pool may then be allocated to the non-server employees based on another distribution rule. For example, the non-servers pool may be allocated according to the number of hours worked by each employee in the group relative to the total number of hours worked by all employees in the group.

[0064] In various embodiments, the gratuity management system implements one or more of the distribution rules described above to determine the allocation of gratuities among the gratuity-receiving employees of the business. The interaction of example distribution rules may be illustrated through an example of a restaurant that uses a point of sale system that tracks credit card transactions by server or bartender, but that is unable to track cash sales by server or bartender. The restaurant classifies its gratuity-receiving employees into five groups, namely, servers, bartenders, food runners/bussers/barbacks, sommelier/stewards/captains, and hosts.

[0065] Using the configuration module, the restaurant establishes a set of distribution rules as explained below. For purposes of illustration, one possible set of distribution rules is depicted in FIG. 3 to illustrate the operation of the gratuity management system. For all credit card originating gratuities received by a member of the server group, the generated gratuities are allocated 75% to the individual server (illustrated by line 300), 15% to the food runner/busser/barback pool (line 302), 5% to the bartender pool (line 304), 2.5% to the sommelier/stewards/captains pool (line 306) and 2.5% to the host pool (308). For all credit card originating gratuities received by a member of the bartenders group, the generated gratuities are

allocated 90% to the bartenders pool (line 310) and 10% to the food runner/busser/barback pool (312). Based upon the restaurant's operating procedures, no other groups are expected to be allowed to receive gratuities from customers.

[0066] For cash sales, the restaurant establishes a distribution rule that 15% of the total cash sales by members of the servers group are deemed to be generated gratuities by the servers group. The servers cash gratuities are distributed in the same percentages as credit card gratuities, however, the 75% of cash gratuities are allocated to a servers pool rather than to the individual server as the transaction data does not identify the server for individual cash transactions (line 314). Similarly, the restaurant establishes a distribution rule that 15% of the total cash sales by members of the bartenders group are deemed to be generated gratuities by the bartenders group and are distributed in the same percentages as credit card gratuities.

[0067] After the completion of an accounting period, the interfaced component extracts the transaction information, which includes at least the cash sale data, credit card sale data, and gratuity data, as well as, the employee information that includes at least hours worked and group classification for each employee. The system then determines a gratuity allocation for each employee by applying the distribution rules (such as those illustrated in FIG. 3) to the transaction information and the employee information. The host pool is allocated to each member of the host group based upon the number of hours worked by a given host compared to the total number of hours worked by all hosts in the group. The food runner/busser/barback pool is allocated to each member of the pool based on hours worked with a gratuity factor applied that rewards those senior bussers who were assigned a trainee during their shift. The sommeliers/stewards/captains pool is allocated to each member of the pool based on the hours worked by each member of the group during the accounting period. The bartenders pool is allocated to each bartender based on the percent of hours worked by each bartender without consideration of a gratuity factor. Finally, each member of the server group is allocated the portion of the credit card gratuities generated by that server. Each member of the server group is also allocated a portion of the server pool, which includes a portion of the calculated cash gratuities, according to the total hours worked by the given server compared to the total number of hours worked by all servers in the group during the accounting period. In other embodiments, the gratuity allocations may be determined by other distribution rules based on any of the factors discussed above, such as hours,

sales, gratuity factors based on skills, points, or other metrics deemed important for a given business.

[0068] Once the gratuity allocations have been determined for each employee, the system communicates the determined gratuity allocations to a business records system to be distributed to the employees, such as in the next scheduled payroll. The system also makes the determined gratuity allocations available for the employees and employer to review so that all interested parties can review the gratuity allocations.

[0069] For ease of illustration, the gratuity allocation process has been illustrated with a limited number of employees, groups, and distribution rules. As the number of employees, groups, and distribution rules increase, the gratuity allocation process may become exponentially more complex. The presently disclosed system, however, extracts the necessary information, determines the gratuity allocations according to customizable distribution rules that may be specified by an employer, and provides the determined gratuity allocation for distribution and reporting. In this manner, the system substantially reduces the time and expense associated with managing gratuities and improves the accuracy of record keeping systems.

[0070] Referring now to FIG. 4, another illustration of the gratuity management process is provided. As illustrated in FIG. 4, as a first step 402, the employees are assigned to groups and the characteristics of each group are defined, such as by using the configuration module previously discussed. As shown, each employee is categorized into one of seven groups: server, bartender, bar manager, busser, bar backs, hosts, or wine steward. Each group may be further classified regarding whether the group generates sales, tips or both. Each group may also be configured with regard to how the group members contribute to or benefit from a gratuity pool. The configuration of employees, groups and the relationships between them form at least a portion of the distribution rules defined by the employer for a given business.

[0071] In step 404, the business conducts operations during an accounting period generating transaction information and employee information. As shown, employees clock in and later clock out. This time entry may be through a restaurant management system that includes both a point of sale system and an employee records system as previously discussed. In one embodiment, an employee is limited to belonging to one group for the duration of an accounting period. In other embodiments, however, an employee may be classified into more than one group, such as when an employee is working in different roles during a single accounting period.

If an employee is assigned to more than one group, the gratuity allocation may be performed for each role in which the employee worked. At the end of a given accounting period, a report may be generated that includes that transaction information and the employee information.

[0072] In step 406, the transaction information and employee information is compiled, for example, by the integration component. The transaction information and employee information may then be communicated as needed to the processor and database for use in determining the gratuity allocations. In step 408, the gratuity management system applies the distribution rules to the transaction information and the employee information to determine the gratuity allocation for each employee. This may include determining the total of gratuities charged to credit cards and the total of cash sales. From the total of cash sales, a total cash gratuity may be determined by applying a percentage specified in a distribution rule. The gratuities may then be distributed among the employees, either directly or through groups and pools as specified by the distribution rules. For those employees whose gratuity allocation is determined by hours worked, a gratuity factor, or sales, the appropriate computations may be performed to determine the allocation for the given employee.

[0073] Finally, in step 410, the determined gratuity allocations may be stored in the database and/or communicated to a business records system, payroll component, or otherwise reported for use by the business. The determined gratuity allocations may also be accessed through a web-portal by the employer and/or employee to facilitate access to the data.

[0074] The distribution rules received by the gratuity management system are used to determine the gratuity allocation for a given employee. In one embodiment, the gratuity management system determines the gratuity allocation for a given employee by constructing a formula based upon the distribution rules, and then applying the formula to the transaction information and employee information received. By way of illustration, the gratuity management system may define the following variables, which are calculated or provided as described below:

Ett - Total tips generated by Employee
Ecct - Total credit card tips generated by Employee
Ect - Total cash tips generated by Employee
Ecs - Total cash sales generated by Employee
Ets - Total Sales (net sale before taxes) generated by Employee
Efts - Total Food Sales (net Food Sale only and before taxes) generated by Employee
Ebts - total Beverage Sales (net Beverage Sale only and before taxes) generated by Employee
Etwts - total Wine Sales (net Wine Sales only and before Taxes)
 α_{cs} - Percent to take from total Cash Sales (α_{cs} : 0 - 100, but normally it is 15)
 α_{ts} - Percent to take from total Sales (α_{ts} : 0 - 100)
 α_{tfs} - Percent to take from total Food Sales (α_{tfs} : 0 - 100)
 α_{tbs} - Percent to take from total Beverage Sales (α_{tbs} : 0 - 100)
 α_{twts} - Percent to take from total Wine Sales (α_{twts} : 0 - 100)
PG - Pool group with Employees. One pool group can contain Employees with various Job Codes.
PGtime - Total work time of all Employees within Pool group.
Ttime - Total team time.
JC - Job Codes

[0075] p - Percent represented as number divided by 100 (e.g. $p = 15\% = 15/100 = 0.15$)

[0076] Using these defined variables, the total tips generated by an employee may be computed using one or more of several methods. In one embodiment, total tips generated by an employee is determined from total credit card tips and a percentage of cash sales:

[0077]
$$Ett = Ecct + \alpha_{cs} * \frac{Ecs}{100} = Ecct + Ect$$

[0078] In another embodiment, total tips generated by the employee may be determined as a percent of total sales:

[0079]
$$Ett = \alpha_{ts} * \frac{Ets}{100}$$

[0080] In yet another embodiment, total tips generated by the employee may be determined as a percent of total food sales:

[0081]
$$Ett = \alpha_{tfs} * \frac{Efts}{100}$$

[0082] In yet another embodiment, total tips generated by the employee may be determined as a percent of total beverage sales:

[0083]
$$Ett = \alpha_{tbs} * \frac{Ebts}{100}$$

[0084] In yet another embodiment, total tips generated by the employee may be determined as a percent of total wine sales:

[0085]
$$Ett = \alpha_{twts} * \frac{Etwts}{100}$$

[0086] As will be appreciated, the total tips generated by the employee may be defined in multiple ways, and may include combinations (e.g. food and beverage; beverage and wine). In this manner, the gratuity management system provides flexibility in selecting the criteria to be used in determining gratuity allocations so that the allocation method may be customized to the needs of a particular business.

[0087] The gratuity management system may also take into account the use of gratuity pools and their associated gratuity groups. In one embodiment, each gratuity pool/group (“PG”) is defined by a union of job codes (“JC”).

$$PG_1, PG_2, PG_3 \dots PG_K; K - \text{total number of PGs}$$

$$PG_K = \bigcup_{j=1}^Z JC_{JK}; Z - \text{Number of Job Codes in } PG_K$$

[0088]

[0089] In this manner, the gratuity pool/group definitions may be determined by the job code assigned to each employee and reported in the employee information.

[0090] The distribution rules may require those gratuity groups that generate gratuities distribute a portion of the generated gratuities to other groups. These relationships may be mathematically represented as follows:

$$PG_1(p_1) \rightarrow PG_2 \text{ Pool Group 1 gives certain percent}(p_1) \text{ of total tips to Pool Group 2}$$

$$PG_1(p_2) \rightarrow PG_3$$

$$PG_1(p_3) \rightarrow PG_2$$

$$\dots$$

$$PG_1(p_j) \rightarrow PG_k; k \neq 1; k, l \in \{1..M\}; M < K; M - \text{total number of PGs that receive tips};$$

$$0 \leq p_j \leq 100; p_1 + p_2 + \dots + p_j \leq 100$$

[0091]

[0092] As noted above, gratuity group 1 (PG₁) transfers a percentage (p₁) of its generated gratuities to gratuity pool 2 (PG₂). In embodiments, if a gratuity group had no members working during an accounting period then any transfers to that gratuity groups pool are cancelled, and may be retained by the generating group or distributed in another manner among those employees who did work during the accounting period.

[0093] Applying the above formulas and definitions, the percentage of generated gratuities to be deducted from a given group or employee to be distributed to other groups or employees may be represented as follows:

$$P = \sum_{j=1}^m p_j; m - \text{number of Pool Groups that receive tips}$$

[0094]

[0095] The gratuity pool/group designations may also define how gratuities are distributed among employees with that group. In an embodiment, the gratuities may be distributed by time

worked or individually. In addition, for those gratuity groups whose members generate sales, the members may be classified into teams that split generated gratuities equally.

[0096] In one scenario, a gratuity pool/group contains only employees that generate sales and do not receive tips from other groups (e.g. servers). The gratuity pool/group also gives a percentage to other gratuity pool/groups, and teams are possible. The members of the gratuity pool/group share tips individually. In this scenario, the tips to be allocated to a given employee (“Ei”) may be defined as follows:

a) Employee isn't part of a team:

$$E_i = Ett * (1 - \sum_{j=1}^m p_j) - Ect = Ett * (1 - P) - Ect ;$$

$$i \in \{1..n\}; n - \text{number of Empl in Group}$$

b) Employee is part of a team:

$$E_i = [\sum_{k=1}^q Ett_k * (1 - \sum_{j=1}^m p_j) - \sum_{k=1}^q Ect_k] / q = [\sum_{k=1}^q Ett_k * (1 - P) - \sum_{k=1}^q Ect_k] / q$$

$$i \in \{1..q\}; q - \text{number of Empl in Team};$$

[0097]

[0098] In another scenario, a gratuity pool/group doesn't generate sales, but receives tips from other groups (e.g. bussers). The gratuity pool/group shares tips based on the hours worked by each member of the group. In this scenario, the tips to be allocated to a given employee may be defined as follows:

$$E_i = [\sum_{t=1}^T PG_t * p_i] * \frac{Etime_i}{PGtime}$$

$$PGtime = \sum_{t=1}^T Etime_t; n - \text{number of Empl in Group}$$

$$PG_t = \sum_{i=1}^n Ett_i; n_t - \text{number of Empl in Group 'T'}$$

[0099]

[0100] In a modification of the above scenario, the gratuity pool/group contains multiple job codes and each job code is assigned a gratuity factor. For example, a bussers group may be comprised of job codes (“JC”) for senior busser, busser, and junior busser. Each of these job codes may be assigned a gratuity factor (“β”) that is used to weight the gratuity allocation in favor of more experience employees. More generally, the job code and gratuity factor relationship may be depicted as follows:

$$JC_1 : JC_2 : JC_3 \dots JC_Z = \beta_1 : \beta_2 : \beta_3 \dots \beta_Z$$

[0101] Z – number of Job Codes in Pool Group

[0102] Using the job codes and gratuity factors, each employees time is multiplied with the corresponding weight (i.e. gratuity factor), and the total worked tip for the group is computed as

the total of the weighted times for each employee. In this modified scenario, the tips to be allocated to a given employee may be defined as follows:

$$E_i = \left[\sum_{l=1}^r PG_l * p_l \right] * \frac{Etime_i * \beta_z}{PGtime^{**}}$$

$PGtime^{**} = \sum_{i=1}^n Etime_i * \beta_z$; n total Employees in Pool Group, and z corresponds to JC_z whose member is E_i

[0103]

[0104] In yet another scenario, a gratuity pool/group generates sales, receives tips from other gratuity groups, and gives a percent of their tips to other gratuity pools. The gratuity pool/group also allows for teams, and the gratuities are distributed with the group by time worked. In this scenario, the tips to be allocated to a given employee may be defined as follows:

a) Employee is not part of the team and there is no other teams in Pool group:

$$E_i = \left[\sum_{k=1}^n Ett_k * \left(1 - \sum_{j=1}^m p_j \right) + \sum_{l=1}^r PG_l * p_l - \sum_{k=1}^n Ect_k \right] * \frac{Etime_i}{PGtime}$$

b) Group has some teams:

- Employee is not part of any team:

$$E_i = \left[\sum_{k=1}^n Ett_k * \left(1 - \sum_{j=1}^m p_j \right) + \left(1 - \frac{\sum_{j=1}^s Ttime_j}{PGtime} \right) \sum_{l=1}^r PG_l * p_l - \sum_{k=1}^n Ect_k \right] * \frac{Etime_i}{PGtime - \sum_{j=1}^s Ttime_j}$$

s - total number of teams in Pool Group

$Ttime_j = \sum_{k=1}^{q_j} Etime_k$; q_j - number of Empl in Team 'j'

$PGtime = \sum_{i=1}^n Etime_i$; n - number of Empl in Group

- Employee is part of some team:

$$E_i = \left[\sum_{k=1}^q Ett_k * \left(1 - \sum_{j=1}^m p_j \right) + \frac{Ttime}{PGtime} \sum_{l=1}^r PG_l * p_l - \sum_{k=1}^q Ect_k \right] / q$$

[0105]

[0106] In yet another scenario, a gratuity pool/group generates sales, receives tips from other gratuity groups, gives a percent of tips to other gratuity pools and contains different job codes with corresponding gratuity factors. The gratuity pool/group shares tips by time worked and does not have teams. In this scenario, the tips to be allocated to a given employee may be defined as follows:

$$E_i = \left[\sum_{k=1}^n Ett_k * \left(1 - \sum_{j=1}^m p_j \right) + \sum_{l=1}^r PG_l * p_l - \sum_{k=1}^n Ect_k \right] * \frac{Etime_i * \beta_z}{PGtime^{**}}$$

$$PGtime^{**} = \sum_{i=1}^n Etime_i * \beta_z$$

where z corresponds to JC_z whose member is E_i

[0107]

[0108] Combining all of the foregoing, the gratuity to be allocated to a given employee may be determined by one of two equations depending on whether the employee shares tips based on time worked or individually. For employees that share tips based on time worked, the gratuity allocation may be defined as:

$$E_i = \left[\sum_{k=1}^n Ett_k * \left(1 - \sum_{j=1}^m p_j \right) + \left(1 - \frac{\sum_{j=1}^s Ttime_j}{PGtime^{**}} \right) \sum_{l=1}^r PG_l * p_l - \sum_{k=1}^n Ect_k \right] * \frac{Etime_i * \beta_z}{PGtime^{**} - \sum_{j=1}^s Ttime_j}$$

[0109]

[0110] For employees that share tips individual or in teams, the gratuity allocation may be defined as:

$$E_i = \left[\sum_{k=1}^n \text{Ett}_k * (1 - \sum_{j=1}^m p_j) + \frac{\text{Ttime}^{**}}{\text{PGtime}^{**}} \sum_{i=1}^r \text{PG}_i * p_i - \sum_{k=1}^q \text{Ect}_k \right] / q$$

$$\text{Ttime}_j^{**} = \sum_{k=1}^{q_j} \text{Etime}_k * \beta_z; q_j - \text{number of Empl in Team 'j'}$$

$$\text{PGtime}^{**} = \sum_{i=1}^r \text{Etime}_i * \beta_z$$

[0111]

[0112] Where the following are defined as follows:

n – total of Employees in group that do not belong to any team,

s – total number of teams in group

z – corresponds to JC_z whose member is E_i

q – number of employee in team

[0113]

[0114] As shown by the above example, the gratuity management system may determine the gratuity allocation for a given employee based on a multitude of factors as defined by the distribution rules for a given business, which may result in numerous variations and alterations of the above formulas depending upon the distribution rules to be applied in a given business.

[0115] Referring now to FIGS. 5 through 7, an exemplary implementation of a configuration module is depicted. FIG. 5 illustrates one possible screen of a configuration module with which settings for various groups (identified as JOB) may be defined. As shown, each JOB may be configured to indicate whether the job generates sales, whether the job receives tips from a tip pool, whether the formula for calculating tips includes cash sales, and whether the members of the group will be treated separately or as a team. By way of explanation, the group “barback” does not generate sales, receives tips from a tip pool, does not generate cash tips, and the barbacks are treated as a team. In contrast, the group “food” server generates sales, receives tips from a pool, includes cash sales in the tip calculation, and each server is treated individually in the allocation. Other groups are similarly defined according to the gratuity allocation rules of the given business.

[0116] Referring now to FIG. 6, the rule for distributing gratuities from a gratuity pool to employees of a group may be defined. As shown, the food servers group has a distribution type of “equally,” whereas the bartender group has a distribution type of “by generated hours.” In an embodiment, the distribution type for a pool only applies to those employees who benefit from a gratuity pool. If an employee, such as a server, is treated individually and does not benefit from a servers pool, then the distribution type may be unnecessary for that pool.

[0117] Referring now to FIG. 7, another screen of the configuration module allows for the definition of the percentage of gratuities to be transferred from one group to another. As illustrated, the food servers group transfers 8% of its generated gratuities to the bartender pool, 1% to the host pool, 3 percent to the sommelier pool, 5 percent to the bussers pool, and 10 percent to the runner pool. Similarly, the bartender group transfers 7% to the barback pool, and 6% to the runner pool. If the business includes other gratuity-generating employee groups, those groups may be included here and the distribution to each of the gratuity-receiving groups defined accordingly.

[0118] In embodiments, distribution rules may vary between different accounting periods. FIG. 7 illustrates distribution rules for a breakfast shift. The distribution rules for the lunch and dinner shifts may be the same or different. On another screen (not shown), the employees of the business may be identified through the configuration module. Alternatively, employees may be identified through the received employee information allowing the business to add employees using only its internal restaurant management system software.

[0119] Referring now to FIGS. 8 and 9, example screens of an employer web-portal are illustrated. In FIG. 8, an employer may view a summary of employee and transaction information, such as each employee with the shift worked, job function (corresponding to a gratuity group or pool), hours worked, credit card tips generated, and total cash sales attributed to the employee. The information displayed may be selected to correspond with the information used to determine the gratuity allocation.

[0120] Referring to FIG. 9, another screen of the employer web-portal is illustrated, which reflects the determination of the gratuity allocation for a given employee. For each employee, the screen shows the total credit card tips generated by that employee (Total CC Tips), and the portion of those credit card tips to be distributed to other groups (CC Tip Out). Similarly, the Total Cash Sales generated by each employee, the Total Cash Tips determined by applying the appropriate distribution rule, and the portion of the cash tips to be distributed to other groups (Cash Tip Out). In this example, the computed credit card and cash tips outs will be reduced because no member of the barback group, the host group, or the sommelier group worked during the accounting period. Once the generated gratuities have been determined and allocated between the gratuity pools, the total of the gratuity pool in which each employee participates is shown (Pool). The employee's share of the pool is then determined (Pool Share). Because there

is only one bartender and one runner, they each receive the full amount of their respective pools. The food servers in this example do not participate in pooling of their tips and, therefore, each is treated individually. The two bussers, Edgar and Samantha, share the busser pool of \$26.75 according to the hours worked by each reflect in FIG. 8. Finally, the gratuity share to be distributed is determined after taking into account any retained cash gratuities by the employee. In this example, the food servers are assumed to have retained their total cash gratuity and, therefore, the amount of the gratuity to be distributed, such as through a subsequent payroll, is reduced accordingly.

[0121] FIGS. 8 and 9, illustrate one example of an employer a web-portal. In an embodiment, an employee web-portal (not shown) is provided in substantially the same format but with the employee limited to viewing only the data corresponding to the given employee.

[0122] In all of the foregoing, references to specific percentages are for illustration purposes only. The implementation of the gratuity management system may allow for the use any value (such as between 0% and 100%) to be used as part of the distribution rules. In addition, values may be expressed as percentages, decimals, or in any other form appropriate for use in the implementation of the gratuity management system. The use of examples herein is intended to illuminate aspects of the system and its operation and do not suggest any specific values that must or should be used by a given business in defining distribution rules or determining a gratuity allocation for employees.

[0123] In the specification and claims, reference will be made to a number of terms that have the following meanings. The singular forms “a”, “an” and “the” include plural referents unless the context clearly dictates otherwise. Approximating language, as used herein throughout the specification and claims, may be applied to modify any feature that could permissibly vary without resulting in a change in the basic function to which it is related. Moreover, unless specifically stated otherwise, any use of the terms “first,” “second,” etc., do not denote any order or importance, but rather the terms “first,” “second,” etc., are used to distinguish one element from another.

[0124] As used herein, the terms “may” and “may be” indicate a possibility of an occurrence within a set of circumstances; a possession of a specified property, characteristic or function; and/or qualify another verb by expressing one or more of an ability, capability, or possibility associated with the qualified verb. Accordingly, usage of “may” and “may be” indicates that a

modified term is apparently appropriate, capable, or suitable for an indicated capacity, function, or usage, while taking into account that in some circumstances the modified term may sometimes not be appropriate, capable, or suitable. For example, in some circumstances an event or capacity can be expected, while in other circumstances, the event or capacity cannot occur – this distinction is captured by the terms “may” and “may be.” The term “instructions” as used herein with respect to a controller or processor may refer to computer executable instructions. The terms module and component as used herein refer to a collection of computer-executable instructions that impelment one or more functions of the disclosed system.

[0125] While certain embodiments have been described, it must be understood that various changes may be made and equivalents may be substituted without departing from the spirit or scope of the present disclosure. In addition, many modifications may be made to adapt a particular situation or material to the teachings of the disclosure without departing from its spirit or scope.

What is claimed is:

1. A computer-implemented method for allocating gratuities comprising:
 - employing at least one processor configured to execute computer-executable instructions stored in memory to perform the following acts:
 - receiving transaction information from a point of sale, wherein the transaction information comprises at least gratuity data for each of a plurality of transactions during an accounting period,
 - receiving employee information from the point of sale, wherein the employee information comprises at least hours worked for each of a plurality of employees during the accounting period;
 - receiving gratuity distribution rules for allocating gratuities among at least a portion of the employees; and
 - determining a gratuity allocation for each applicable employee of the plurality of employees based on at least the received transaction information, the received employee information, and the received gratuity distribution rules.
2. The computer-implemented method for allocating gratuities of claim 1 further comprising:
 - allocating to each applicable employee the determined gratuity allocation for that employee.
3. The computer-implemented method for allocating gratuities of claim 1, wherein the transaction information further comprises sales data for the plurality of transactions during the accounting period.
4. The computer-implemented method for allocating gratuities of claim 1, wherein the transactions are service transactions provided by the plurality of employees.
5. The computer-implemented method for allocating gratuities of claim 1, wherein at least one processor is remote from the point of sale.

6. The computer-implemented method for allocating gratuities of claims 1, wherein the at least one processor comprises a cloud computing system.

7. The computer-implemented method for allocating gratuities of claim 1, wherein receiving the transaction information and employee information for the accounting period further comprises:

receiving a computer-readable file containing the transaction information and the employee information for the accounting period, and storing the received transaction information and the received employee information in a database.

8. The computer-implemented method for allocating gratuities of claim 7 further comprising:

receiving the computer readable file from the point of sale via the Internet.

9. The computer-implemented method for allocating gratuities of claim 1 further comprising:

determining a total gratuity amount for the accounting period from the transaction information, and determining the gratuity allocation for each of the plurality of employees based on the total gratuity amount for the accounting period.

10. The computer-implemented method for allocating gratuities of claim 1 further comprising:

classifying each of the plurality of employees to one of a plurality of gratuity groups based on a job function of the employee; and

wherein determining the gratuity allocation for each employee further comprises: allocating gratuities to form a gratuity pool for each gratuity group based on the gratuity distribution rules and allocating the gratuity pool for each gratuity group between the employees of the gratuity group based on the distribution rules.

11. The computer-implemented method for allocating gratuities of claim 10, wherein allocating the determined group gratuity between the employees of the group comprises:
 - determining a total of the hours worked by each employee of the group for the accounting period, and
 - allocating a portion of the gratuity pool for the gratuity group to each employee of the group corresponding to a ratio of the hours worked by that employee to the total hours worked of the group.
12. The computer-implemented method for allocating gratuities of claim 10, wherein allocating the determined group gratuity between the employees of the group comprises:
 - receiving an assigned gratuity factor for each of the plurality of employees, and
 - allocating at least a portion of the gratuity pool for the gratuity group to each employee based upon the employee's assigned gratuity factor.
13. The computer-implemented method for allocating gratuities of claim 1, wherein determining the gratuity allocation for each of the plurality of employees further comprises:
 - determining a total of gratuities received by a first group of employees; and
 - allocating a portion of the total of gratuities received by the first group of employees to a second group of employees based on the distribution rules.
14. The computer-implemented method for allocating gratuities of claim 13, wherein the portion of the total gratuities received by the first group of employees allocated to the second group of employees is determined based on the number of members in the second group of employees.
15. The computer-implemented method for allocating gratuities of claim 1, wherein determining the gratuity allocation for each of the plurality of employees further comprises:

allocating a fixed amount of the gratuities received by a member of a first group to a second group of employees provided that the gratuities received by the member of the first group are greater than or equal to a threshold.

16. The computer-implemented method for allocating gratuities of claim 1, wherein determining the gratuity allocation for each of the plurality of employees further comprises:

determining total cash sales during the accounting period from the transaction information,

determining a total cash gratuity from the total cash sales, and

allocating the total cash gratuity to the plurality of employees based on the distribution rules.

17. The computer-implemented method for allocating gratuities of claim 1 further comprising:

communicating the determined gratuity allocation for each employee to an employer payroll system and distributing the determined gratuity allocation to each employee through a payroll check.

18. The computer-implemented method for allocating gratuities of claim 1 further comprising:

providing a web-portal configured to be accessed by employees, wherein the web-portal is configured to display the determined gratuity allocation for a given employee.

19. The computer-implemented method for allocating gratuities of claim 1 further comprising:

providing a web-portal configured to be accessed by an employer, wherein the web-portal is configured to display the determined gratuity allocation for the plurality of employees.

20. The computer-implemented method for allocating gratuities of claim 1 further comprising:

upon determining the gratuity allocation for a given employee, notifying the employee via at least one of a text message, an email, or an instant message of the determined gratuity allocation.

21. The computer-implemented method for allocating gratuities of claim 1, wherein receiving gratuity distribution rules for allocating gratuities among at least a portion of the employees further comprises:

receiving gratuity distribution rules from each of a plurality of employers, wherein the gratuity distribution rules received from one employer are different than the gratuity distribution rules received from at least one other employer.

22. A computer-implemented system for managing gratuity allocations comprising:

at least one processor coupled to at least one memory configured to execute the following computer-executable components stored in the at least one memory:

a database configured to store transaction information and employee information, wherein the transaction information comprises at least gratuity data for each of a plurality of transactions during an accounting period, and wherein the employee information comprises at least hours worked for each of a plurality of employees during the accounting period;

a configuration module configured to receive gratuity distribution rules for allocating gratuities among at least a portion of the employees;

an allocation module configured to determine a gratuity allocation for each of the plurality of employees based at least on the transaction information, the employee information, and the distribution rules; and

a reporting module configured to report the determined gratuity allocation for each of the plurality of employees.

23. The computer-implemented system for managing gratuity allocations of claim 22 further comprising:

an interface component configured to receive the transaction information from the point of sale and to communicate the transaction information to the database to be stored.

24. The computer-implemented system for managing gratuity allocations of claim 22 further comprising:

an interface component configured to receive the employee information from the point of sale and to communicate the employee information to the database to be stored.

25. The computer-implemented system for managing gratuity allocations of claim 22 further comprising:

means for receiving transaction information from a point of sale and storing the received transaction information in the database.

26. The computer-implemented system for managing gratuity allocations of claim 22 further comprising:

means for receiving employee information from a point of sale and storing the received employee information in the database.

27. The computer-implemented system for managing gratuity allocations of claim 22, wherein the reporting module further comprises:

a web-portal configured to be accessed by employees, wherein the web-portal is configured to display the determined gratuity allocation for a given employee.

28. The computer-implemented system for managing gratuity allocations of claim 22, wherein the reporting module further comprises:

a web-portal configured to be accessed by an employer, wherein the web-portal is configured to display the determined gratuity allocation for the plurality of employees.

29. The computer-implemented system for managing gratuity allocations of claim 22, wherein the reporting module is configured to communicate with an employer payroll system and to communicate the determined gratuity allocations to the employer payroll system.

ABSTRACT

A computer-implemented method for allocating gratuities is disclosed that includes employing at least one processor configured to execute computer-executable instructions stored in memory to perform the following acts: receiving transaction information from a point of sale, wherein the transaction information comprises at least gratuity data for each of a plurality of transactions during an accounting period; receiving employee information from the point of sale, wherein the employee information comprises at least hours worked for each of a plurality of employees during the accounting period; receiving gratuity distribution rules for allocating gratuities among at least a portion of the employees; and determining a gratuity allocation for each applicable employee of the plurality of employees based on at least the received transaction information, the received employee information, and the received gratuity distribution rules. Also disclosed is a computer-implemented system for managing gratuity allocations.

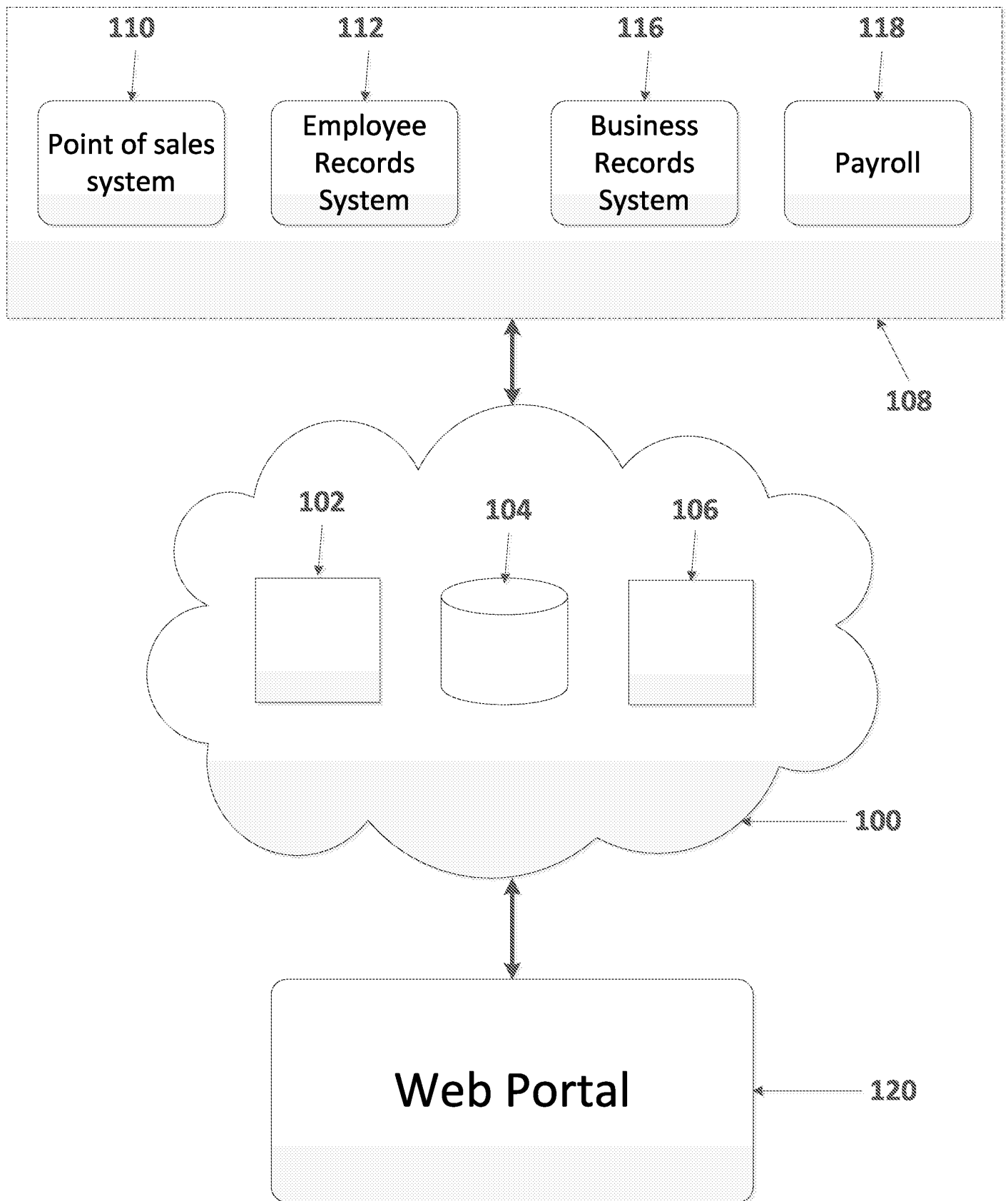
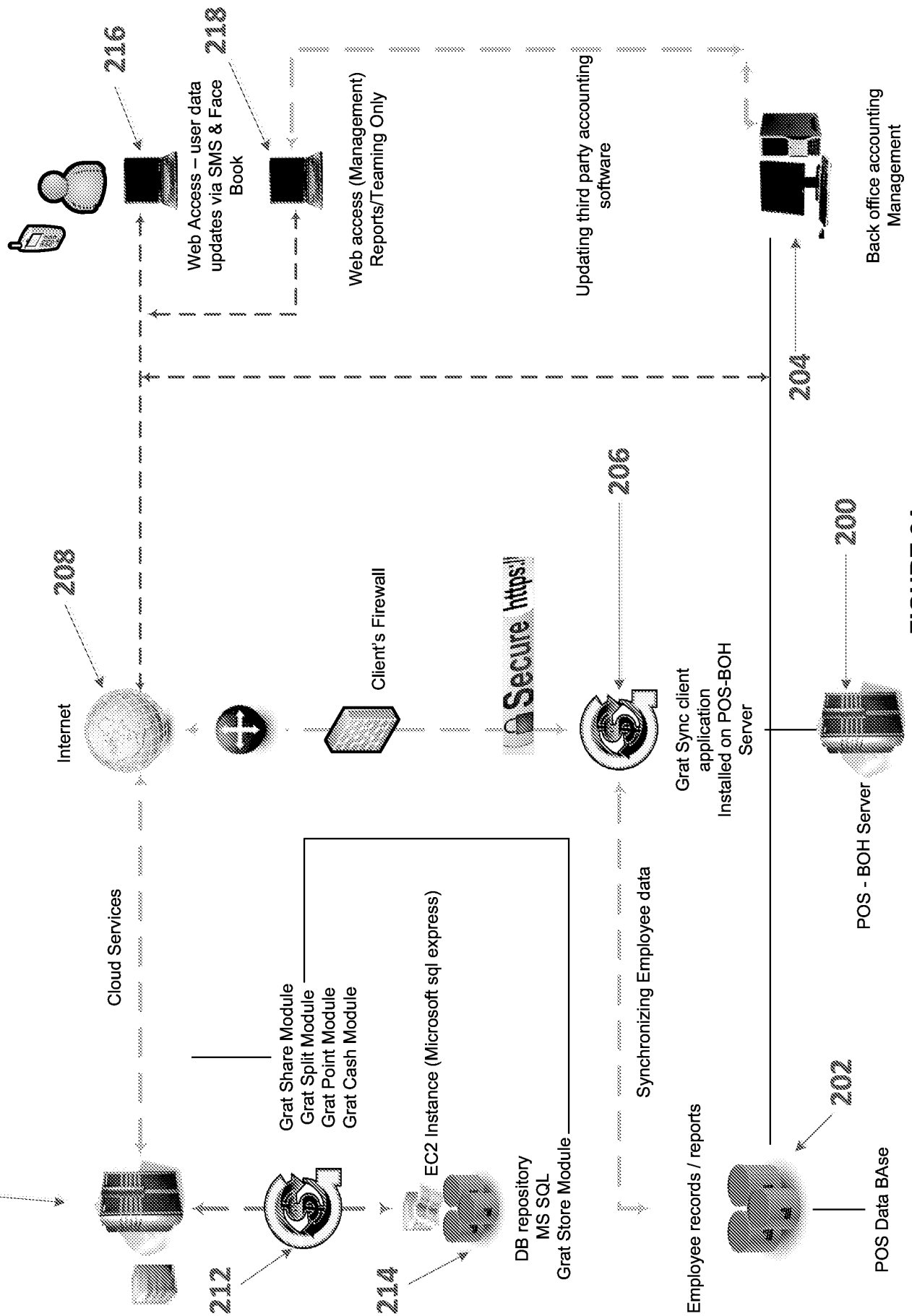


Figure 1

092



Gratuity Distribution & Management System (GDMS)
High level Architectural Design – Logical View
Hosting locally at the client side

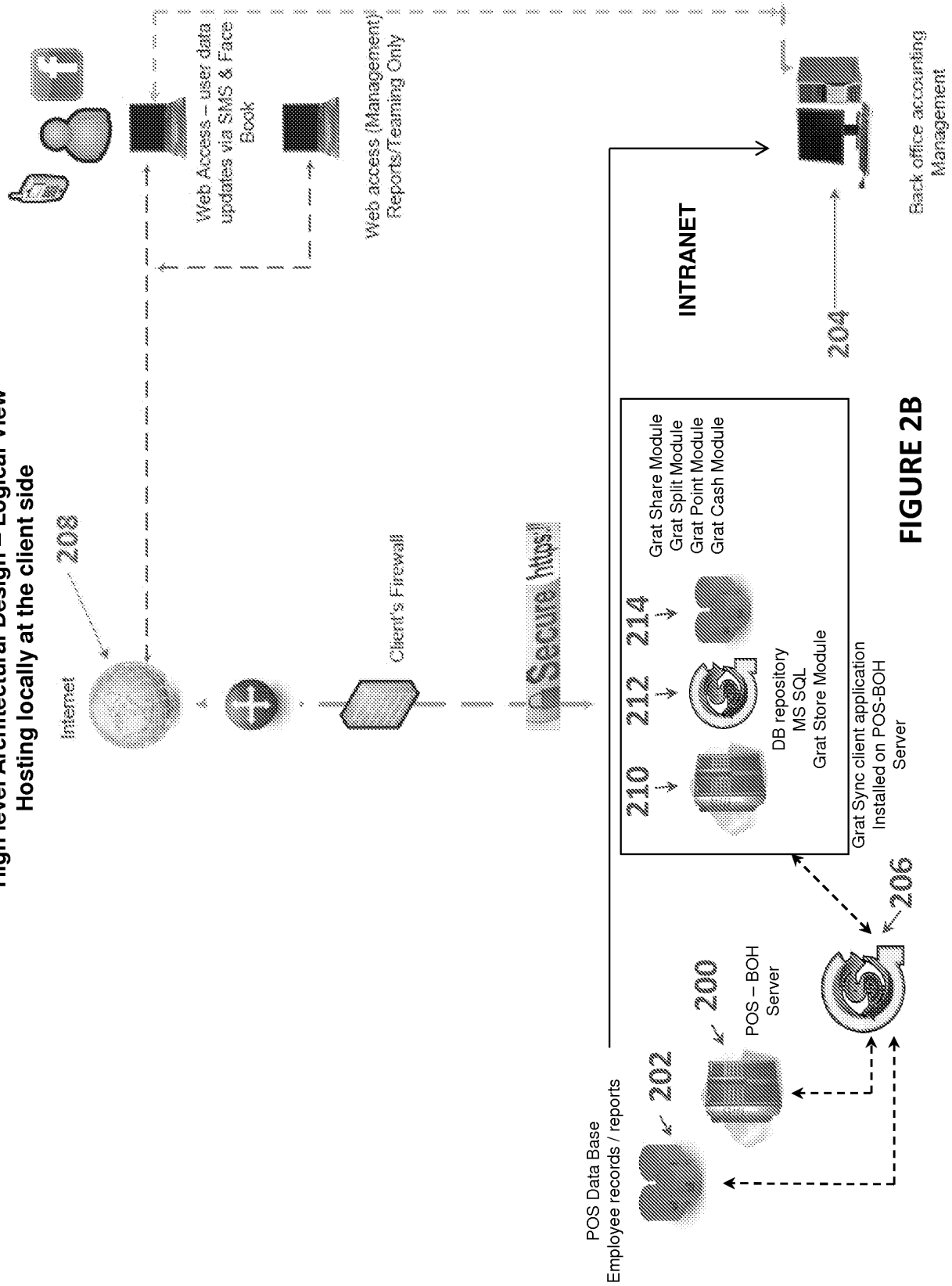


FIGURE 2B

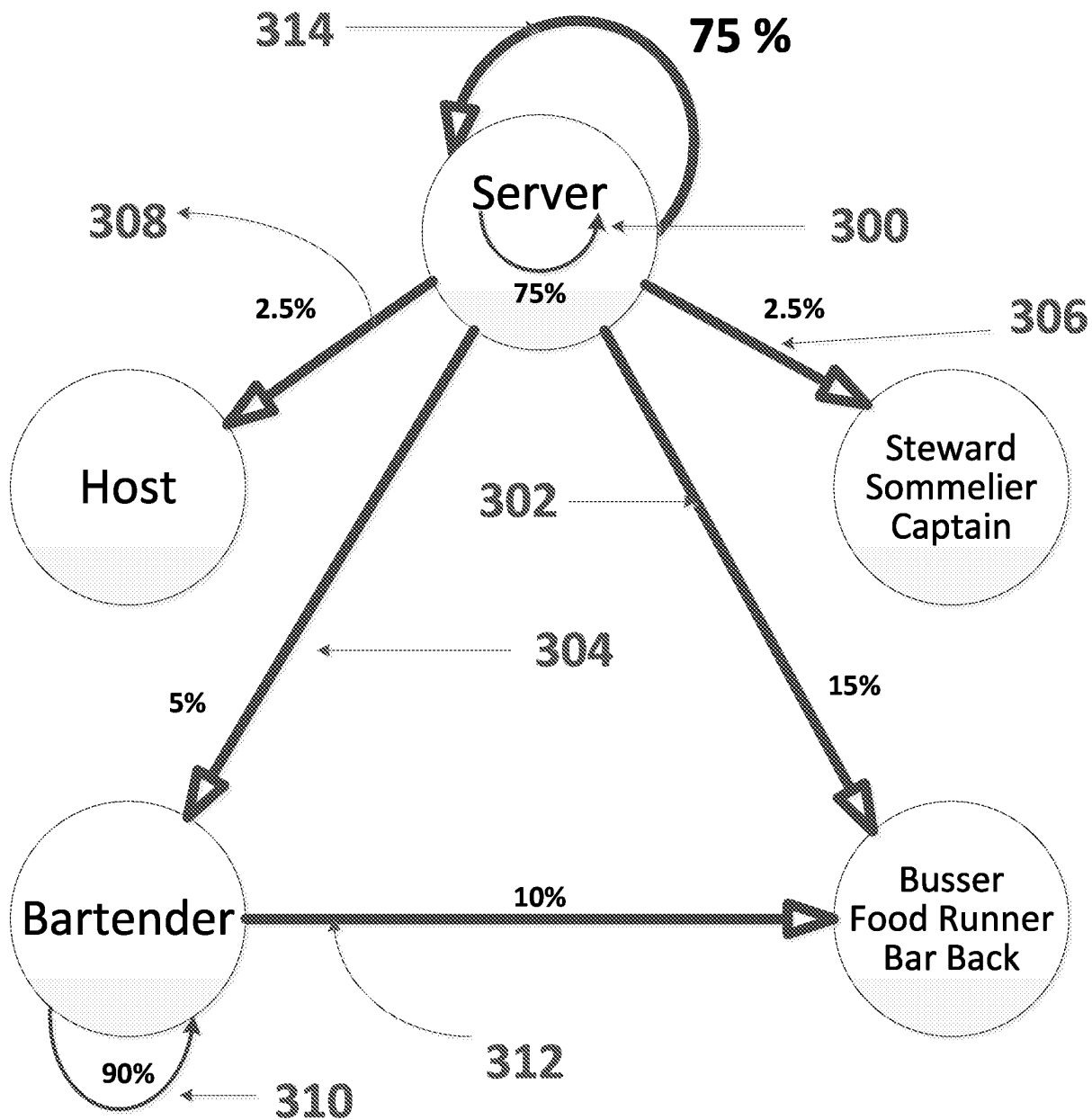


Figure 3

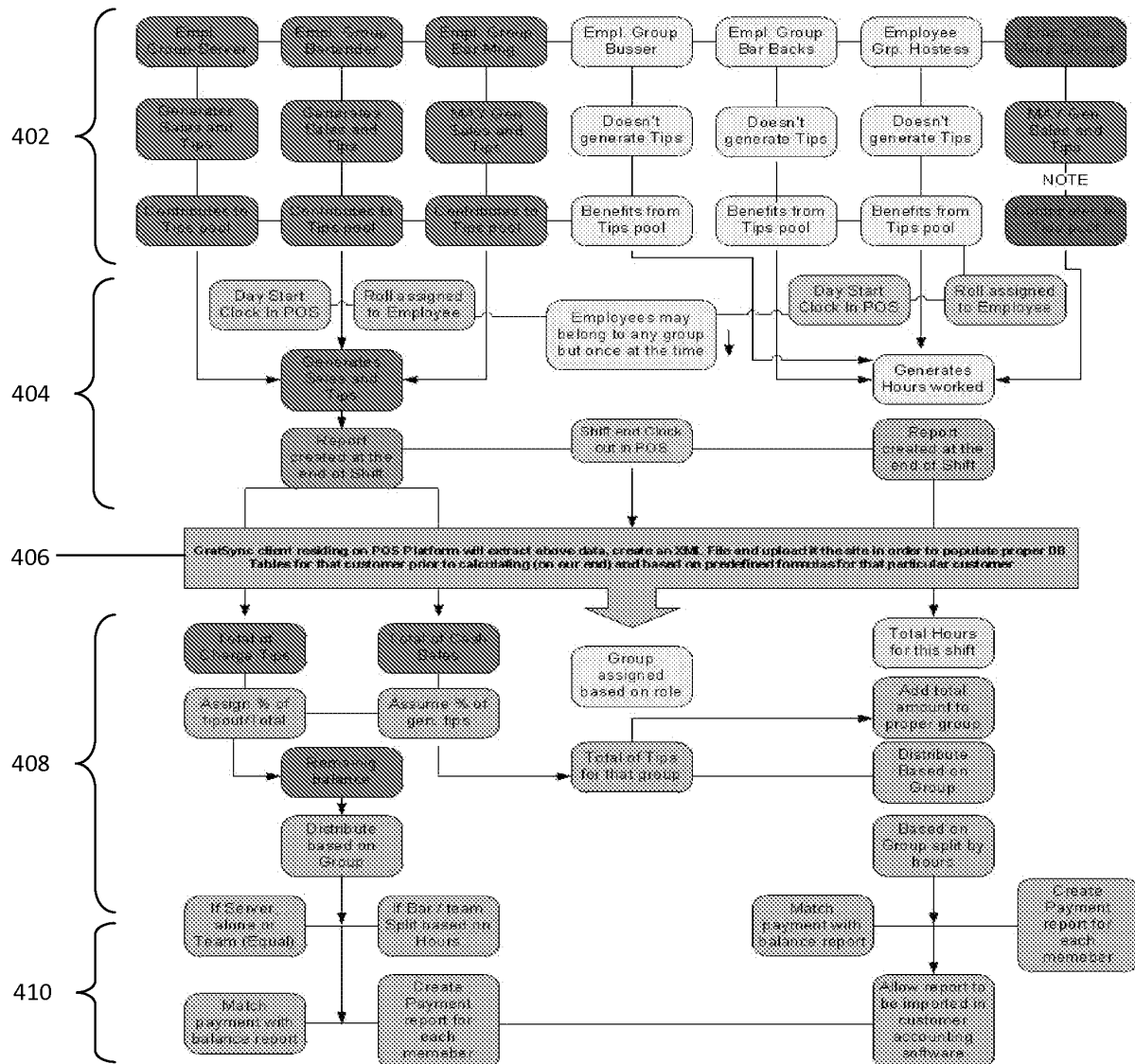


FIG. 4

Shifts	Jobs	Pools	Tips	Reports	Employees
These settings define which jobs generate and/or receive tips.					
☐	☐	☐	☐	☐	
☒	☒	☒	☒	☒	
☐	☒	☐	☒	☒	
☒	☐	☐	☐	☒	
☐	☒	☐	☒	☒	
☐	☐	☐	☐	☒	
☒	☒	☐	☐	☒	
☐	☒	☐	☒	☒	
☐	☐	☐	☐	☒	

FIG. 5

Shifts
Jobs
Pools
Tips
Reports
Employees

These settings define tip pools and their distribution types.

1		
2		
3		
4		
5		
6		
7		
8		

FIG. 6

These settings define how tip pools and tip shares are calculated.

Breakfast

0	☐	0.00% 0.00%	0.00% 0.00%
1	☐	0.00% 0.00%	0.00% 0.00%
3	☐	0.00% 0.00%	0.00% 0.00%
6	☐	0.00% 0.00%	0.00% 0.00%
10	☐	0.00% 0.00%	0.00% 0.00%
7	☐	0.00% 0.00%	0.00% 0.00%
6	☐	0.00% 0.00%	0.00% 0.00%

FIG. 7

Sunday, January 01 2012										Transactions	Break Down
ID #	Name #	Shift #	Job #	Checked In	Checked Out	Total #	CC #	Cash #	Team #		
3	Edgar Edgar			08:00	12:00		0.00	0.00			
2	John John			08:00	11:30		500.00	300.00			
1	Mary Mary			07:15	11:30		120.00	700.00			
6	Megan Megan			08:00	11:30		220.00	600.00			
5	Rose Rose			08:00	11:00		0.00	0.00			
4	Samantha Samantha			09:45	11:45		0.00	0.00			
							840.00	1,600.00			

FIG. 8

Sunday, January 01 2012														Transactions	Break Down
Shift #	Job #	Name #	Total Time #	Fee	Total CC Tips #	CC Tip Out #	Total Cash Sales	Total Cash Tips	Cash Tip Out #	Pool #	Pool Share	Grat Share #			
		John John		0.00	500.00	65.00	300.00	45.00	5.05	555.10	555.10				
		Edgar Edgar		0.00	0.00	0.00	0.00	0.00	0.00	26.75	17.83				
		Samantha Samantha		0.00	0.00	0.00	0.00	0.00	0.00	26.75	8.92				
		Mary Mary		0.00	120.00	32.40	700.00	105.00	28.35	173.25	173.25				
		Megan Megan		0.00	220.00	59.40	600.00	90.00	24.30	238.70	238.70				
		Rose Rose		0.00	0.00	0.00	0.00	0.00	0.00	86.20	86.20				
				0.00	840.00	156.80	1,600.00	240.00	58.50				840.00		
Shift	Job	Name	Total Time	Fee	Total CC Tips	CC Tip Out	Total Cash Sales	Total Cash Tips	Cash Tip Out	Pool	Pool Share	Grat Share			

FIG. 9

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Application Data Sheet 37 CFR 1.76		Attorney Docket Number	209387.00003
		Application Number	
Title of Invention	SYSTEM AND METHOD FOR MANAGING GRATUITIES		
The application data sheet is part of the provisional or nonprovisional application for which it is being submitted. The following form contains the bibliographic data arranged in a format specified by the United States Patent and Trademark Office as outlined in 37 CFR 1.76. This document may be completed electronically and submitted to the Office in electronic format using the Electronic Filing System (EFS) or the document may be printed and included in a paper filed application.			

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Address 1		385 Third Avenue South				
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Title of the Invention	SYSTEM AND METHOD FOR MANAGING GRATUITIES		
Attorney Docket Number	209387.00003	Small Entity Status Claimed	☒
Application Type	Nonprovisional		
Subject Matter	Utility		
Suggested Class (if any)		Sub Class (if any)	
Suggested Technology Center (if any)			
Total Number of Drawing Sheets (if any)	9	Suggested Figure for Publication (if any)	

Application Data Sheet 37 CFR 1.76		Attorney Docket Number	209387.00003
		Application Number	
Title of Invention	SYSTEM AND METHOD FOR MANAGING GRATUITIES		

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Prior Application Status	Pending	Remove	
Application Number	Continuity Type	Prior Application Number	Filing Date (YYYY-MM-DD)
	non provisional of	61696569	2012-09-04
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			Remove
Application Number	Country i	Filing Date (YYYY-MM-DD)	Priority Claimed
			☒ Yes ☐ No
Additional Foreign Priority Data may be generated within this form by selecting the Add button.			Add

Application Data Sheet 37 CFR 1.76		Attorney Docket Number	209387.00003
		Application Number	
Title of Invention	SYSTEM AND METHOD FOR MANAGING GRATUITIES		

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Application Data Sheet 37 CFR 1.76		Attorney Docket Number	209387.00003
		Application Number	
Title of Invention	SYSTEM AND METHOD FOR MANAGING GRATUITIES		

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Address 2			
City	Naples	State/Province	FL
Country i	US	Postal Code	34102
Phone Number		Fax Number	
Email Address			
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Signature	/Rex W. Miller, II/	Date (YYYY-MM-DD)	2013-03-15
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Application Data Sheet 37 CFR 1.76		Attorney Docket Number	209387.00003		
		Application Number			
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Privacy Act Statement

The Privacy Act of 1974 (P.L. 93-579) requires that you be given certain information in connection with your submission of the attached form related to a patent application or patent. Accordingly, pursuant to the requirements of the Act, please be advised that: (1) the general authority for the collection of this information is 35 U.S.C. 2(b)(2); (2) furnishing of the information solicited is voluntary; and (3) the principal purpose for which the information is used by the U.S. Patent and Trademark Office is to process and/or examine your submission related to a patent application or patent. If you do not furnish the requested information, the U.S. Patent and Trademark Office may not be able to process and/or examine your submission, which may result in termination of proceedings or abandonment of the application or expiration of the patent.

The information provided by you in this form will be subject to the following routine uses:

1. The information on this form will be treated confidentially to the extent allowed under the Freedom of Information Act (5 U.S.C. 552) and the Privacy Act (5 U.S.C. 552a). Records from this system of records may be disclosed to the Department of Justice to determine whether the Freedom of Information Act requires disclosure of these records.
2. A record from this system of records may be disclosed, as a routine use, in the course of presenting evidence to a court, magistrate, or administrative tribunal, including disclosures to opposing counsel in the course of settlement negotiations.
3. A record in this system of records may be disclosed, as a routine use, to a Member of Congress submitting a request involving an individual, to whom the record pertains, when the individual has requested assistance from the Member with respect to the subject matter of the record.
4. A record in this system of records may be disclosed, as a routine use, to a contractor of the Agency having need for the information in order to perform a contract. Recipients of information shall be required to comply with the requirements of the Privacy Act of 1974, as amended, pursuant to 5 U.S.C. 552a(m).
5. A record related to an International Application filed under the Patent Cooperation Treaty in this system of records may be disclosed, as a routine use, to the International Bureau of the World Intellectual Property Organization, pursuant to the Patent Cooperation Treaty.
6. A record in this system of records may be disclosed, as a routine use, to another federal agency for purposes of National Security review (35 U.S.C. 181) and for review pursuant to the Atomic Energy Act (42 U.S.C. 218(c)).
7. A record from this system of records may be disclosed, as a routine use, to the Administrator, General Services, or his/her designee, during an inspection of records conducted by GSA as part of that agency's responsibility to recommend improvements in records management practices and programs, under authority of 44 U.S.C. 2904 and 2906. Such disclosure shall be made in accordance with the GSA regulations governing inspection of records for this purpose, and any other relevant (i.e., GSA or Commerce) directive. Such disclosure shall not be used to make determinations about individuals.
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9. A record from this system of records may be disclosed, as a routine use, to a Federal, State, or local law enforcement agency, if the USPTO becomes aware of a violation or potential violation of law or regulation.

Electronic Acknowledgement Receipt	
EFS ID:	15247778
Application Number:	13834466
International Application Number:	
Confirmation Number:	2038
Title of Invention:	SYSTEM AND METHOD FOR MANAGING GRATUITIES
First Named Inventor/Applicant Name:	Alexsander STEPANOVICH
Customer Number:	102467
Filer:	Rex W. Miller
Filer Authorized By:	
Attorney Docket Number:	209387.00003
Receipt Date:	15-MAR-2013
Filing Date:	
Time Stamp:	13:27:22
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	yes
Payment Type	Deposit Account
Payment was successfully received in RAM	\$812
RAM confirmation Number	40927
Deposit Account	150450
Authorized User	
The Director of the USPTO is hereby authorized to charge indicated fees and credit any overpayment as follows: Charge any Additional Fees required under 37 C.F.R. Section 1.16 (National application filing, search, and examination fees) Charge any Additional Fees required under 37 C.F.R. Section 1.17 (Patent application and reexamination processing fees)	

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Charge any Additional Fees required under 37 C.F.R. Section 1.21 (Miscellaneous fees and charges)					
File Listing:					
Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1		Application.pdf	335101	yes	36
			a3e381b9637d8a848aa338480fd4e36070ceb18a		
	Multipart Description/PDF files in .zip description				
	Document Description		Start	End	
	Specification		1	29	
	Claims		30	35	
	Abstract		36	36	
Warnings:					
Information:					
2	Drawings-only black and white line drawings	FinalDrawings.pdf	1479933	no	9
			274675d6ea66ee4e130bd0b70404bf19b39fe34d		
Warnings:					
Information:					
3	Application Data Sheet	ADS.pdf	1432776	no	6
			eec7774d36e19d1ce1271c94020071348bdebde1b		
Warnings:					
Information:					
4	Oath or Declaration filed	ExecDec.pdf	190860	no	1
			4805f1ba82f7433ac5fbd1bbec5a64bdd0a30071a		
Warnings:					
Information:					
5	Fee Worksheet (SB06)	fee-info.pdf	36491	no	2
			80a618de5feec6cb2e2541b3103c63eaf6bdc07		
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Total Files Size (in bytes):			3475161		

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New Applications Under 35 U.S.C. 111

If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

National Stage of an International Application under 35 U.S.C. 371

If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

New International Application Filed with the USPTO as a Receiving Office

If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

SCORE Placeholder Sheet for IFW Content

Application Number: 13834466

Document Date: 03/15/2013

The presence of this form in the IFW record indicates that the following document type was received in electronic format on the date identified above. This content is stored in the SCORE database.

- Drawings – Other than Black and White Line Drawings

Since this was an electronic submission, there is no physical artifact folder, no artifact folder is recorded in PALM, and no paper documents or physical media exist. The TIFF images in the IFW record were created from the original documents that are stored in SCORE.

To access the documents in the SCORE database, refer to instructions developed by SIRA.

At the time of document entry (noted above):

- Examiners may access SCORE content via the eDAN interface.
- Other USPTO employees can bookmark the current SCORE URL (<http://es/ScoreAccessWeb/>).
- External customers may access SCORE content via the Public and Private PAIR interfaces.

Form Revision Date: February 8, 2006

PATENT APPLICATION FEE DETERMINATION RECORD Substitute for Form PTO-875						Application or Docket Number 13/834,466	
APPLICATION AS FILED - PART I							
(Column 1)		(Column 2)		SMALL ENTITY		OTHER THAN SMALL ENTITY	
FOR	NUMBER FILED	NUMBER EXTRA	RATE(\$)	FEE(\$)		RATE(\$)	FEE(\$)
BASIC FEE (37 CFR 1.16(a), (b), or (c))	N/A	N/A	N/A	70		N/A	
SEARCH FEE (37 CFR 1.16(k), (l), or (m))	N/A	N/A	N/A	300		N/A	
EXAMINATION FEE (37 CFR 1.16(o), (p), or (q))	N/A	N/A	N/A	360		N/A	
TOTAL CLAIMS (37 CFR 1.16(j))	29	minus 20 = *	9	x 40 =	360		
INDEPENDENT CLAIMS (37 CFR 1.16(h))	2	minus 3 = *		x 210 =	0.00		
APPLICATION SIZE FEE (37 CFR 1.16(s))	If the specification and drawings exceed 100 sheets of paper, the application size fee due is \$310 (\$155 for small entity) for each additional 50 sheets or fraction thereof. See 35 U.S.C. 41(a)(1)(G) and 37 CFR 1.16(s).			0.00			
MULTIPLE DEPENDENT CLAIM PRESENT (37 CFR 1.16(j))				0.00			
* If the difference in column 1 is less than zero, enter "0" in column 2.				TOTAL	1090	TOTAL	
APPLICATION AS AMENDED - PART II							
(Column 1)		(Column 2)		(Column 3)		SMALL ENTITY	
AMENDMENT A	CLAIMS REMAINING AFTER AMENDMENT	HIGHEST NUMBER PREVIOUSLY PAID FOR	PRESENT EXTRA	RATE(\$)	ADDITIONAL FEE(\$)		RATE(\$)
	Total (37 CFR 1.16(i))	*	Minus	**	=	x	=
	Independent (37 CFR 1.16(h))	*	Minus	***	=	x	=
	Application Size Fee (37 CFR 1.16(s))						
	FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))						
				TOTAL ADD'L FEE		TOTAL ADD'L FEE	
(Column 1)		(Column 2)		(Column 3)		SMALL ENTITY	
AMENDMENT B	CLAIMS REMAINING AFTER AMENDMENT	HIGHEST NUMBER PREVIOUSLY PAID FOR	PRESENT EXTRA	RATE(\$)	ADDITIONAL FEE(\$)		RATE(\$)
	Total (37 CFR 1.16(i))	*	Minus	**	=	x	=
	Independent (37 CFR 1.16(h))	*	Minus	***	=	x	=
	Application Size Fee (37 CFR 1.16(s))						
	FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))						
				TOTAL ADD'L FEE		TOTAL ADD'L FEE	
* If the entry in column 1 is less than the entry in column 2, write "0" in column 3. ** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 20, enter "20". *** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 3, enter "3". The "Highest Number Previously Paid For" (Total or Independent) is the highest found in the appropriate box in column 1.							



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www.uspto.gov

APPLICATION NUMBER	FILING or 371(c) DATE	GRP ART UNIT	FIL FEE REC'D	ATTY. DOCKET NO.	TOT CLAIMS	IND CLAIMS
13/834,466	03/15/2013	3693	812	209387.00003	29	2

CONFIRMATION NO. 2038

102467
Hahn Loeser + Parks LLP
65 East State Street
Suite 1400
Columbus, OH 43215

FILING RECEIPT



OC000000060743471

Date Mailed: 05/02/2013

Receipt is acknowledged of this non-provisional patent application. The application will be taken up for examination in due course. Applicant will be notified as to the results of the examination. Any correspondence concerning the application must include the following identification information: the U.S. APPLICATION NUMBER, FILING DATE, NAME OF APPLICANT, and TITLE OF INVENTION. Fees transmitted by check or draft are subject to collection. Please verify the accuracy of the data presented on this receipt. **If an error is noted on this Filing Receipt, please submit a written request for a Filing Receipt Correction. Please provide a copy of this Filing Receipt with the changes noted thereon. If you received a "Notice to File Missing Parts" for this application, please submit any corrections to this Filing Receipt with your reply to the Notice. When the USPTO processes the reply to the Notice, the USPTO will generate another Filing Receipt incorporating the requested corrections**

Inventor(s)

Aleksandar STEPANOVICH, Naples, FL;

Applicant(s)

Aleksandar STEPANOVICH, Naples, FL;

Assignment For Published Patent Application

GRATUITY, LLC., Naples, FL

Power of Attorney: None

Domestic Priority data as claimed by applicant

This appln claims benefit of 61/696,569 09/04/2012

Foreign Applications for which priority is claimed (You may be eligible to benefit from the **Patent Prosecution Highway** program at the USPTO. Please see <http://www.uspto.gov> for more information.) - None.

Foreign application information must be provided in an Application Data Sheet in order to constitute a claim to foreign priority. See 37 CFR 1.55 and 1.76.

If Required, Foreign Filing License Granted: 04/25/2013

The country code and number of your priority application, to be used for filing abroad under the Paris Convention, is **US 13/834,466**

Projected Publication Date: 03/06/2014

Non-Publication Request: No

Early Publication Request: No

** SMALL ENTITY **

Title

SYSTEM AND METHOD FOR MANAGING GRATUITIES

Preliminary Class

705

Statement under 37 CFR 1.55 or 1.78 for AIA (First Inventor to File) Transition Applications: No**PROTECTING YOUR INVENTION OUTSIDE THE UNITED STATES**

Since the rights granted by a U.S. patent extend only throughout the territory of the United States and have no effect in a foreign country, an inventor who wishes patent protection in another country must apply for a patent in a specific country or in regional patent offices. Applicants may wish to consider the filing of an international application under the Patent Cooperation Treaty (PCT). An international (PCT) application generally has the same effect as a regular national patent application in each PCT-member country. The PCT process **simplifies** the filing of patent applications on the same invention in member countries, but **does not result** in a grant of "an international patent" and does not eliminate the need of applicants to file additional documents and fees in countries where patent protection is desired.

Almost every country has its own patent law, and a person desiring a patent in a particular country must make an application for patent in that country in accordance with its particular laws. Since the laws of many countries differ in various respects from the patent law of the United States, applicants are advised to seek guidance from specific foreign countries to ensure that patent rights are not lost prematurely.

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Applicants may wish to consult the USPTO booklet, "General Information Concerning Patents" (specifically, the section entitled "Treaties and Foreign Patents") for more information on timeframes and deadlines for filing foreign patent applications. The guide is available either by contacting the USPTO Contact Center at 800-786-9199, or it can be viewed on the USPTO website at <http://www.uspto.gov/web/offices/pac/doc/general/index.html>.

For information on preventing theft of your intellectual property (patents, trademarks and copyrights), you may wish to consult the U.S. Government website, <http://www.stopfakes.gov>. Part of a Department of Commerce initiative, this website includes self-help "toolkits" giving innovators guidance on how to protect intellectual property in specific countries such as China, Korea and Mexico. For questions regarding patent enforcement issues, applicants may call the U.S. Government hotline at 1-866-999-HALT (1-866-999-4158).

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NOT GRANTED

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Electronic Acknowledgement Receipt	
EFS ID:	16103310
Application Number:	13834466
International Application Number:	
Confirmation Number:	2038
Title of Invention:	SYSTEM AND METHOD FOR MANAGING GRATUITIES
First Named Inventor/Applicant Name:	Aleksandar STEPANOVICH
Customer Number:	102467
Filer:	Rex W. Miller
Filer Authorized By:	
Attorney Docket Number:	209387.00003
Receipt Date:	20-JUN-2013
Filing Date:	15-MAR-2013
Time Stamp:	16:46:24
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	no
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File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	PTO/SB/69-Authorize EPO Access to Search Results	sb0069.pdf	151996 a065610c2d31391ca99d054593ecc4a0033151c7	no	2

Warnings:

Information:

This Acknowledgement Receipt evidences receipt on the noted date by the USPTO of the indicated documents, characterized by the applicant, and including page counts, where applicable. It serves as evidence of receipt similar to a Post Card, as described in MPEP 503.

New Applications Under 35 U.S.C. 111

If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

National Stage of an International Application under 35 U.S.C. 371

If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

New International Application Filed with the USPTO as a Receiving Office

If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

Doc code: IDS

Doc description: Information Disclosure Statement (IDS) Filed

PTO/SB/08a (01-10)

Approved for use through 07/31/2012. OMB 0651-0031

U.S. Patent and Trademark Office; U.S. DEPARTMENT OF COMMERCE

Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it contains a valid OMB control number.

INFORMATION DISCLOSURE STATEMENT BY APPLICANT (Not for submission under 37 CFR 1.99)	Application Number		13834466
	Filing Date		2013-03-15
	First Named Inventor	Aleksandar STEPANOVICH	
	Art Unit	3693	
	Examiner Name	tbd	
	Attorney Docket Number	209387.00003	

U.S.PATENTS						Remove
Examiner Initial*	Cite No	Patent Number	Kind Code ¹	Issue Date	Name of Patentee or Applicant of cited Document	Pages, Columns, Lines where Relevant Passages or Relevant Figures Appear
	1	7398238	B1	2008-07-08	Calce, et al.	
	2	4819162	A	1989-04-04	Webb, Jr., et al.	
	3	6078899	B	2000-06-20	Francisco, et al.	
	4	6088681	A	2000-07-11	Coleman, et al.	
	5	6625579	B1	2003-09-23	Komai	
	6	6889200	B2	2005-04-03	Agee, et al.	
	7	6993502	B1	2006-01-31	Gryglewicz, et al.	
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INFORMATION DISCLOSURE STATEMENT BY APPLICANT (Not for submission under 37 CFR 1.99)	Application Number	13834466
	Filing Date	2013-03-15
	First Named Inventor	Aleksandar STEPANOVICH
	Art Unit	3693
	Examiner Name	tbd
	Attorney Docket Number	209387.00003

Examiner Initial*	Cite No	Publication Number	Kind Code ¹	Publication Date	Name of Patentee or Applicant of cited Document	Pages, Columns, Lines where Relevant Passages or Relevant Figures Appear
	1	20110112940	A1	2011-05-12	Marshall	
	2	20020095380	A1	2002-07-18	Singhal	
	3	20020184148	A1	2002-12-05	Kahn, et al.	
	4	20020198832	A1	2002-12-26	Agee, et al.	
	5	20030097303	A1	2003-05-22	Agee, et al.	
	6	20040059689	A1	2004-03-25	Masden	
	7	20040083134	A1	2004-04-29	Spero, et al.	
	8	20040225567	A1	2004-11-11	Mitchell, et al.	
	9	20060036528	A1	2006-02-16	Harnsberger	
	10	20060111990	A1	2006-05-25	Cohen, et al.	

INFORMATION DISCLOSURE STATEMENT BY APPLICANT (Not for submission under 37 CFR 1.99)	Application Number		13834466	
	Filing Date		2013-03-15	
	First Named Inventor	Aleksandar STEPANOVICH		
	Art Unit	3693		
	Examiner Name	tbd		
	Attorney Docket Number	209387.00003		

	11	20110029418		2011-02-03	Marshall	
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Examiner Initial*	Cite No	Foreign Document Number ³	Country Code ²	Kind Code ⁴	Publication Date	Name of Patentee or Applicant of cited Document	Pages, Columns, Lines where Relevant Passages or Relevant Figures Appear	T ⁵
	1	2013063325	WO		2013-05-02	Kessler et al.		☐

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NON-PATENT LITERATURE DOCUMENTS			Remove
Examiner Initials*	Cite No	Include name of the author (in CAPITAL LETTERS), title of the article (when appropriate), title of the item (book, magazine, journal, serial, symposium, catalog, etc), date, pages(s), volume-issue number(s), publisher, city and/or country where published.	T ⁵
	1	CARDFLEX, INC., TipCentral Put Cash Distribution of Tips and Tip-Outs on Autopilot, http://www.cardflexnow.com/prepaid-solutions/products/tipcentral , 6-18-2013, Page 1-2, CardFlex, Inc., Chicago, Illinois, USA.	☐
	2	NATAF, Digital Dining / Menusoft defeat Ameranth Inc. in patent Infringement case and invalidates the patent, http://www.digitaldining.com/recent-press/digital-dining-menusoft-defeat-ameranth-inc-in-patent-infringement-case-and-invalidates-the-patent/ , 6-18-2013, Page 1 of 1, Digital Dining, Springfield, Virginia, USA.	☐
	3	RADIANT SYSTEMS, INC., Aloha Table Service v6.4 Release Content Profile, http://www.abacuspos.com/downloads/v64_TS_Release_Content.pdf , 6-18-2013, 1-2, Radiant Systems, Inc., South Plainfield, New Jersey, USA.	☐

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INFORMATION DISCLOSURE STATEMENT BY APPLICANT (Not for submission under 37 CFR 1.99)	Application Number	13834466
	Filing Date	2013-03-15
	First Named Inventor	Aleksandar STEPANOVICH
	Art Unit	3693
	Examiner Name	tbd
	Attorney Docket Number	209387.00003

¹ See Kind Codes of USPTO Patent Documents at www.USPTO.GOV or MPEP 901.04. ² Enter office that issued the document, by the two-letter code (WIPO Standard ST.3). ³ For Japanese patent documents, the indication of the year of the reign of the Emperor must precede the serial number of the patent document. ⁴ Kind of document by the appropriate symbols as indicated on the document under WIPO Standard ST.16 if possible. ⁵ Applicant is to place a check mark here if English language translation is attached.

INFORMATION DISCLOSURE STATEMENT BY APPLICANT (Not for submission under 37 CFR 1.99)	Application Number	13834466
	Filing Date	2013-03-15
	First Named Inventor	Aleksandar STEPANOVICH
	Art Unit	3693
	Examiner Name	tbd
	Attorney Docket Number	209387.00003

CERTIFICATION STATEMENT

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Signature	/Rex W. Miller, II/	Date (YYYY-MM-DD)	2013-08-06
Name/Print	Rex W. Miller, II	Registration Number	63284

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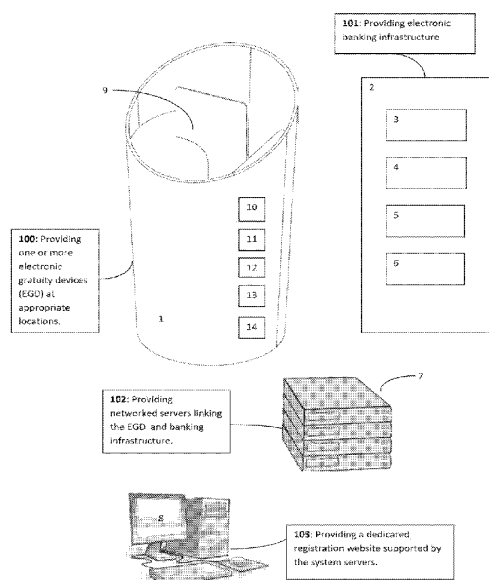
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(54) Title: SYSTEM AND METHOD FOR COLLECTING AND DISBURSING ELECTRONIC GRATUITIES



(57) Abstract: The present invention relates to systems and methods for collecting and disbursing electronic gratuities. According to one embodiment, a device for submitting gratuities by credit card is provided at a place of business or other appropriate location. A method of using this device is disclosed, whereby consumers pay a predetermined or adjustable gratuity amount by inserting a credit card into the device. According to another embodiment, technological infrastructure is provided to transmit encrypted payment information such that the acquiring bank of the device provider obtains authorization for gratuity transactions conducted using the device. The acquiring bank is thus enabled to credit the device provider's merchant account or disbursement accounts with electronic gratuity payments less acquisition fees. According to another embodiment, a method of disbursing gratuity shares to employees of the business is provided, wherein processing fees are collected by the device provider.

SYSTEM AND METHOD FOR COLLECTING
AND DISBURSING ELECTRONIC GRATUITIES

5 Field of the Invention

The present invention relates to a system and method for collecting and disbursing electronic gratuities. According to an embodiment, the present invention may be used in environments
10 such as retail locations, with tips disbursed to service workers based on shifts of work; other service environments such as salons or valets, with tips left for specific employees; and charities, with collections going to one central recipient.

In one aspect, the invention includes a device for
15 submitting gratuities by credit card that is provided at an appropriate location, such as a business or charity solicitation point. The invention provides a way for consumers to easily and conveniently submit gratuities of a predetermined amount without handling cash, signing a draft or even communicating with an
20 employee of the business. Secure credit card transactions are mediated by the acquiring bank of the device provider and the card-issuing bank, and electronic gratuities may be ultimately deposited in the business's or employees' bank accounts less any processing fees that may be debited by the device provider. An
25 on-line interface is also provided to enable the business or employees to track gratuity transactions and manage disbursement of gratuity deposits.

Background of Invention

Tip jars are an essential means for compensating workers in many different industries. Tips boost company morale, supplement workers' wages, and give customers a channel through which to show their appreciation for good service. For service-orientated companies - companies for which tipping is a central aspect of the customer's daily experience - employees are the face of the company to customers and almost completely dictate customer satisfaction. Over the past 15 years, tip jars have found their way onto the counters of many establishments that customarily would not have solicited tips from their customers including coffee shops, delis, fast food restaurants, retail stores and other for-profit businesses and non-profit organizations. Additionally, cash collection receptacles resembling tip jars in form and function are also widely used by charitable organizations that solicit small donation amounts from passers-by.

Meanwhile, credit card companies have ceased requiring signatures on purchases under \$25, and consumers have become increasingly comfortable swiping on the go. In fact, billions of dollars are spent on products and services costing \$25 or less, such as fast food, magazines, manicures, etc. As credit cards have become the standard method of payment for even the smallest and most casual purchases, the technology used for

small cash gratuities has not kept up with the payment technology in consumers' pockets. With less spare change and small bills on hand, consumers have no easy way to leave gratuities to counter retail employees; tips to hospitality, salon, or valet employees; and donations to charities or cultural institutions that solicit from pedestrians, among others.

Increased use of credit cards for small purchases alongside increased reliance on tip jars to incentivize and compensate service workers reveals a distressing picture. Together, these trends mean billions of dollars of uncollected tips – tips customers would likely leave if tipping technology caught up to payment technology – tips that could be going into workers' pockets and, ultimately, into the economy overall. Accordingly, there is a need for a technological innovation that allows consumers to perform small gratuity transactions with credit and debit cards.

Summary of Invention

The present invention meets the long-felt need for seamless electronic gratuity technology. The invention is embodied in part by a system including a credit or debit card-reading device, hereinafter referred to as an Electronic Gratuity Device ("EGD"), wherein the "Gratuity" may be a tip, charitable

donation or any similar monetary gift that is not a payment for goods or services. The EGD utilizes an electronic banking infrastructure for authorization, execution and tracking of transactions initiated as it reads consumers' cards. The EGD
5 may be located at a point of sale or point of service of a business or non-profit organization. The organization whose employees or volunteers are soliciting gratuities will be referred to as the EGD contractor. The invention also provides methods of use and operation for the EGD system.

10 In one embodiment, the invention provides a system for collecting and disbursing electronic gratuities comprising a server configured to store, organize and transmit information relating to one or more gratuity transactions, and an electronic gratuity device configured to collect and transmit gratuity
15 transaction information to the server.

In another embodiment, the invention provides a method of collecting and disbursing electronic gratuities comprising the steps of:

- a. providing access to a server configured to store, organize
20 and transmit gratuity transaction information,
- b. providing an electronic gratuity device configured to collect and transmit gratuity transaction information to the server, and

c. electronically linking the server to an acquiring processor, wherein the acquiring processor is linked to a card-issuing bank, the card-issuing bank is linked to a receiving account such that gratuity transactions conducted using the device are processed, and gratuity funds are deposited in the receiving account.

In yet another embodiment, the invention provides a method of collecting and disbursing electronic gratuities comprising the steps of:

- a. providing access to a server configured to store, organize and transmit gratuity transaction information,
- b. providing an electronic gratuity device configured to collect and transmit gratuity transaction information to the server, and
- c. providing a prepaid debit card, wherein using the pre-paid debit card with the electronic gratuity device generates gratuity transaction information.

The invention also provides a device used in accordance with either or both of the methods described above.

Brief Description of the Drawings

FIG. 1 is a diagrammatic illustration of an integrated system and method of establishing the system according to an embodiment of the invention;

FIG. 2 is a flow chart illustrating a method for EGD contractor and employee registration according to an embodiment of the invention; and

FIG. 3 is a flow chart illustrating a method for processing
5 EGD transactions according to an embodiment of the invention.

Detailed Description of the Invention

The present invention provides a method of collecting electronic gratuities and a system used to implement this
10 method. **FIG. 1** shows an overall, integrated system and method for collecting and disbursing gratuities according to one embodiment of the present invention. The method of **FIG. 1** includes providing one or more EGD **1** (step **100**) at appropriate locations, and providing the electronic banking infrastructure **2**
15 (step **101**) necessary for processing credit or debit card transactions using the EGD. According to this embodiment, the banking infrastructure may include a card-issuing bank **3**, an acquiring processor **5** and the EGD provider's bank account **4** - i.e., a receiving account. It may also include the EGD
20 contractor's bank and/or affiliated employees' accounts **6** - i.e., a disbursal account.

The method of establishing an EGD system may include providing at least one server **7** (step **102**) and a website **8** (step **103**). Servers store transaction information and EGD account

information needed for proper management of funds collected at EGD locations. System servers 7 also support the web interfaces 8 which the EGD provider, EGD contractor and gratuity-collecting employees use to manage funds collected at EGD locations.

5 EGD Design Specifications

The EGD is a card-reading device 1 located a point of sale within a business or other appropriate location. It is able to process gratuity transactions, which are one-step payments at a pre-set or adjustable amount - e.g., 50 cents, \$1.00, or even up
10 to the maximum chargeable without providing a signature - from customers or other givers who choose to leave a gratuity by credit or debit card. In one preferred embodiment of the invention, the EGD possesses a card slot 9 for insertion of standard-size credit and debit cards having magnetic stripes.
15 In other embodiments, the EGD may be configured to accept payments made by card swiping or touch-and-go card waving. In still other embodiments, the EGD may be configured to accept payments using mobile phones and other payment platforms, such as near field communication, quick response matrix codes,
20 barcode scanning, and/or radio frequency identification.

The EGD may be electrically powered via an AC power cord 10. According to another embodiment, the EGD may also be powered by inserted batteries or an integral rechargeable battery. The body of the EGD may display a gratuity amount. In

one embodiment the EGD may have a control panel **11** including a display, touchscreen, buttons and/or dials that permit users to adjust numerous EGD functions. In one embodiment, the EGD may be provided with a plurality of buttons, whereby touching or
5 depressing a given button sets the gratuity payment amount at a particular monetary unit, e.g., \$1.00-, \$2.00-, and \$3.00- buttons. In yet another embodiment, the control panel **11** may include a microphone and associated hardware and software for receiving voice commands. The functions of the control panel
10 **11** include power controls, setting gratuity payment amount, word or image display, and sound making. Any combination of the functions and settings of the device may also be predetermined by the EGD provider.

Power settings may include on, off and powersave modes that
15 are indicated by visual markers on the body of the device. The device may also include an adjustable sound component **12** that may be activated each time payment information is successfully read from a credit card. Users may also set the EGD to display one or more of the following: instructions for use, a pre-set
20 gratuity amount, a graphical or textual message soliciting gratuities, and/or the amount of gratuities deposited during a given period. For example, the EGD may be configured such that every time a customer dips his or her card, the EGD emits the sound of coins clinking against glass, while a rising

thermometer graphic indicates that the EGD contractor and/or employees are approaching their gratuity goal for the day.

The EGD comprises a memory **13**, which may be used for reading and saving transaction information from a series of gratuity transactions, as well as saving time and employee shift information. According to one embodiment, EGDs may be identified by a location- and device-specific code. Each one further comprises a transmission mechanism **14**, such as a wired or wireless internet connection, for sending encrypted payment, time, employee shift and location information to servers maintained by the EGD provider. After transmission, any type of saved information may be deleted from the memory. The process by which gratuities are collected from consumers' credit or debit card accounts and disbursed to employees or other receiving parties will be discussed in detail in sections that follow.

EGD Website Registration

According to an embodiment, an EGD contractor may form an agreement with the EGD provider. The agreement may include terms such as the fee structure for EGD usage, EGD unit rental, and mode of funds disbursement, including employee remuneration. **FIG. 2** is a flow chart illustrating a process for EGD contractor and employee registration according to one embodiment. Upon forming the agreement or receiving the EGD, the EGD contractor

or its agent can register the device on a dedicated EGD website, thereby creating an administrative contractor account and tethering it to a collection location **200**.

Using the user interface of the website, the account administrator may enter information about the EGD contractor's identity **201** - i.e., whether it is a retail store with employees or a charitable organization soliciting donations - that will be used to produce payment schedules that dictate how collected gratuities should be periodically disbursed. For example, an administrator may enter a "minimum shift length" value, such that if an employee neglects to check out at the end of a shift, a nominal value will be assigned for the length of the uncompleted shift to aid in determining how that employee's share of gratuities is calculated.

According to an embodiment, administrators can invite employees at their locations to register as EGD affiliates **202**. Affiliates may be able to register for their own affiliate accounts on the EGD registration website **203**. Registration may involve providing personal information such as name, address, cellular phone number, banking information, and/or other identifying information, so that the EGD provider can send the employee account balance updates and other information. The contractor and affiliate account information is stored on

servers, or other means for information storage, that constitute an aspect of the inventive system.

According to an aspect of the present invention, registration may also involve registering an identification
5 element **204**, to be used as a shift identification means. The shift identification means may use any technology available as a payment acceptance means, and, in a preferred embodiment, the shift identification means and the payment acceptance means may be comprised by a single component of the EGD.

10 According to one embodiment of the invention, the identification element may be a debit or credit card owned by the Employee, or a card issued by the EGD provider. Employees can "check in" and "check out" by inserting the card into the EGD or EGDs they are affiliated with **205**, which causes the
15 device to transmit card information, device location information and time information to the server **206**. In this way, employees can be allotted an appropriate portion of the tips collected at affiliated units. Where the registered card is a reloadable card issued by the EGD provider, the card may also be loaded with the
20 employee's share of tips from a previous payment cycle. Alternatively, the card may provide log-in information for a Paypal®-type account that is automatically updated with the employee's calculated shares each payment cycle.

Collection of Gratuity Deposits

When the registered EGD has been installed at the location, and the EGD contractor and employees working at the location have been properly registered as explained above, the EGD may be
5 used for the collection of electronic gratuities.

According to an embodiment, with the EGD in the "on" powermode, and set to the display, sound and gratuity value preferences of the contractor or presets of the EGD provider, an affiliated employee will cause the EGD to recognize a registered
10 identification element. In a preferred embodiment, the employee may accomplish this step by inserting his or her registered card into the EGD to create a record of shift start-time and employee identity 205. During the shift period, customers or other givers who wish to give an electronic gratuity may do so. The
15 mechanism by which customers' and/or givers' credit accounts are charged will be explained in detail below. The conclusion of a shift may be indicated by the first employee reinserting their affiliate card, or by a second employee inserting a second affiliate card to begin a second shift. Where the shift length
20 as indicated by the recognition of a second employee's identification element is greater than a predetermined maximum value, a nominal shift length value will be assigned to the first employee's shift. In an alternative embodiment, one or more employees may check in without automatically checking out a

first employee, such that multiple employees' shifts may overlap.

Shift and employee information, as well as gratuity transaction information may be sent either in real time or
5 periodically to the system servers 206. The shift and employee information is used to generate work records that may dictate how shares of collected gratuity deposits are disbursed 207. EGD contractors and employees may have the option of reviewing and modifying the generated records, or of submitting determined
10 gratuity disbursement plans on a periodic basis, rather than requiring employees to check in and out at the EGD device. According to the terms of the EGD contractor's agreement, there may be a pre-determined payment cycle period (e.g., two weeks), such that after every payment cycle, a finalized work record
15 (either reviewed or unedited) is created or recorded for purposes of disbursement and record-keeping 208. After the electronic work record, or disbursement document, is created, the EGD provider initiates disbursement of gratuity shares according the shift information recorded in the document, or according to
20 another appropriate metric embodied in the EGD contractor agreement 209.

FIG. 3 illustrates a method of processing gratuity transactions. Each time a customer or other giver initiates a gratuity transaction 300, for example by dipping a credit card

into the EGD, the EGD reads the customer's payment information
301, and submits credit card payment information for a
predetermined amount to the EGD server 302. The device's memory
is capable of storing transaction information, but in a
5 preferred embodiment of the invention, the EGD does not store
any transmitted transaction information. Accordingly, the
information storage means, such as the server or servers,
receive credit card payment information from any linked and
active devices as transactions occur. Relevant information is
10 organized, and may be made available on the website.

In one embodiment of the invention, a server sends the
payment information to the acquiring bank processor 303. The
server may send payment information instantaneously, or it may
store payment information for a period and send batched payment
15 information collections. The period for batching may be
predetermined. Alternatively, the server may send payment
information for a unique customer only after the customer
initiates a certain minimum number of EGD transactions.

The acquiring bank processor submits the payment
20 information through a credit card gateway to the card-issuing
bank of the customer 304, thus creating an authorized payment.
The acquiring bank mediates receipt of authorized payments from
the consumers' card accounts. Once processed, the payments less
acquisition fees may be sent to the EGD provider's merchant bank

account **305**. The EGD provider may assess fees on the gratuity payments collected in the merchant bank account according to a standard practice or to the EGD contractor agreement **306**. These EGD processing fees may be removed to a separate account owned
5 by the provider. The remaining funds are available for disbursement to EGD contractors, or directly to affiliated employees. In yet another embodiment of the invention, funds may be disbursed directly from the acquiring bank to the disbursement account or accounts of the EGD contractor or
10 employees, such that only EGD processing fees are deposited into the EGD provider's account. Accordingly, the EGD provider's merchant account, EGD contractors' accounts and disbursement accounts may be considered receiving accounts of gratuity funds.

In another embodiment, the customer or other giver may
15 initiate a gratuity transaction **300** by dipping a pre-paid debit card or gift card into the EGD. In this embodiment, the balance of pre-paid card gratuity funds may be managed by the EGD provider, EGD contractor or a designated third party.

Disbursement of Collected Gratuities

20 Where an EGD contractor has arranged for the generation of work schedules, either from contractor records, from registration card check in/check out, or other means as explained above, the EGD provider will access the schedules and submit gratuity shares according to employees' work records

and/or another agreed upon metric 307. The gratuity shares may be deposited in employees' bank by direct deposit or into Paypal®-type accounts, or onto their registered cards. Where appropriate, the collected and processed EGD funds may be deposited into an account controlled by the EGD contractor itself, such as in the case of a charitable or non-profit organization. All transactions may be recorded and saved in the system server memory 308, and such records are accessible through the registration website by contractors and affiliated employees according to their level of authorization.

Thus, there has been shown and described a method and system for collecting and disbursing electronic gratuities. The method and system are not limited to any particular hardware or software configuration. The many variations, modifications and alternative applications of the invention that would be apparent to those skilled in the art, and that do not depart from the scope of the invention are deemed to be covered by the invention.

Claims

We claim:

- 5 1. A system for collecting and disbursing electronic gratuities comprising:
a server configured to store, organize and transmit information relating to one or more gratuity transactions; and
an electronic gratuity device configured to collect and transmit
10 gratuity transaction information to the server.
2. The system according to claim 1, wherein the electronic gratuity device is configured to collect gratuity transaction information by any one of card insertion, card swiping or touch-
15 and-go card waving.
3. The system according to claim 1, wherein the one or more gratuity transactions is a transfer of a gratuity from a giver, said gratuity comprising a tip, a donation or a gift.
20
4. The system according to claim 1, the electronic gratuity device comprising a control panel.

5. The system according to claim 4, wherein the control panel includes any combination of a display, a touchscreen, a plurality of buttons and a plurality of dials for controlling the device.

5

6. The system according to claim 4, the device comprising power settings, gratuity transaction amount settings, sound settings and display settings, and wherein said power settings, gratuity transaction amount settings, sound settings and display settings are adjustable by using the control panel.

10

7. The system according to claim 1, the device further comprising a memory for reading and/or saving gratuity transaction information.

15

8. The system according to claim 1, wherein the device comprises a wired or wireless internet connection and a device-specific code that may be transmitted using said wired or wireless internet connection.

20

9. A method of collecting and disbursing electronic gratuities comprising the steps of:

providing access to a server configured to store, organize and transmit gratuity transaction information; providing an

electronic gratuity device configured to collect and transmit gratuity transaction information to the server; and electronically linking the server to an acquiring processor, wherein the acquiring processor is linked to a card-issuing bank, the card-issuing bank is linked to a receiving account such that gratuity transactions conducted using the device are processed, and gratuity funds are deposited in the receiving account.

10 10. The method according to claim 9, further comprising the step of determining a disbursal amount of the gratuity funds by assessing fees against the gratuity funds deposited in the receiving account.

15 11. The method according to claim 10, further comprising the steps of disbursing the disbursal amount of the gratuity funds to a disbursal account; and retaining the assessed fees in the receiving account.

20 12. The method according to claim 9, further comprising providing a registration website for registering the electronic gratuity device and a gratuity-collecting entity.

13. The method according to claim 9, wherein the gratuity-collecting entity is a charitable organization or a non-profit organization.

5 14. The method according to claim 9, wherein the gratuity-collecting entity is a for-profit business.

15. The method according to claim 11, further comprising providing a registration website for registering the electronic
10 gratuity device and a gratuity-collecting entity, wherein the disbursal account is associated with the gratuity-collecting entity.

16. The method according to claim 11, further comprising
15 providing a registration website for registering the electronic gratuity device and a gratuity-collecting individual associated with the disbursal account,
maintaining an electronic work record for said gratuity-collecting individual on the registration website; and
20 using the electronic work record to determine the value of gratuity funds to be disbursed to the disbursal account.

17. The method according to claim 12, wherein registering the gratuity-collecting entity comprises providing entity-identifying information.

5 18. The method according to claim 12, wherein registering the electronic gratuity device comprises creating an administrative contractor account and providing device location information.

10 19. The method according to claim 12, wherein registering the gratuity-collecting individual comprises providing personal information, said personal information comprising name, address and phone number information.

15 20. The method according to claim 19, wherein registering the gratuity-collecting individual further comprises providing banking information.

20 21. The method according to claim 19, wherein registering the gratuity-collecting individual further comprises registering a reloadable debit card.

22. The method according to claim 16, wherein the electronic work record is updated when the registered electronic gratuity device recognizes an identification element.

23. The method according to claim 22, wherein the identification element is a card having a magnetic stripe.

24. The device used in accordance with the method of claim 9.

5

25. A method of collecting and disbursing electronic gratuities comprising the steps of:

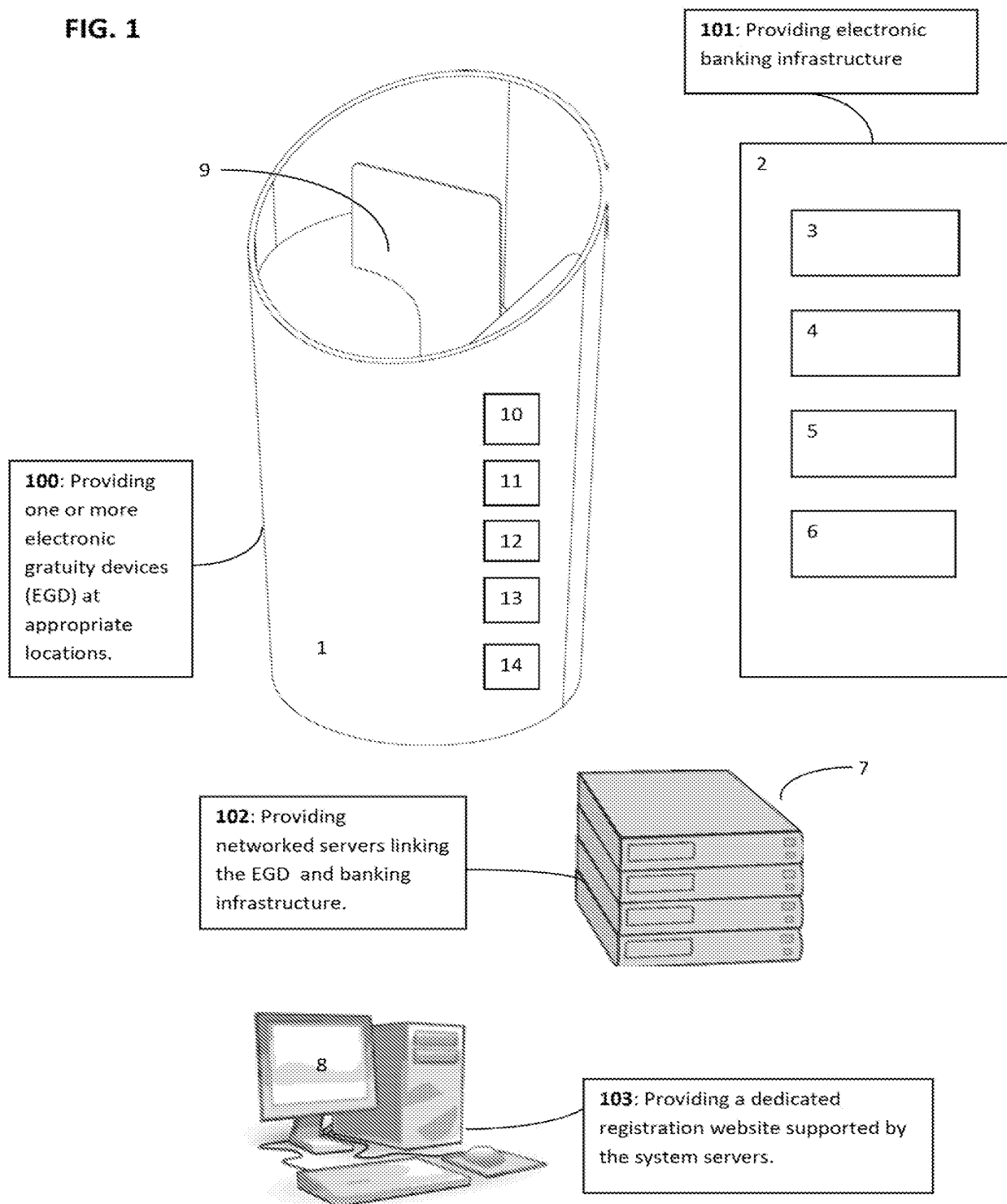
providing access to a server configured to store, organize and transmit gratuity transaction information;

10 providing an electronic gratuity device configured to collect and transmit gratuity transaction information to the server; and

providing a pre-paid debit card, wherein using the pre-paid debit card with the electronic gratuity device generates gratuity transaction information.

15

FIG. 1



Sheet 2 of 3

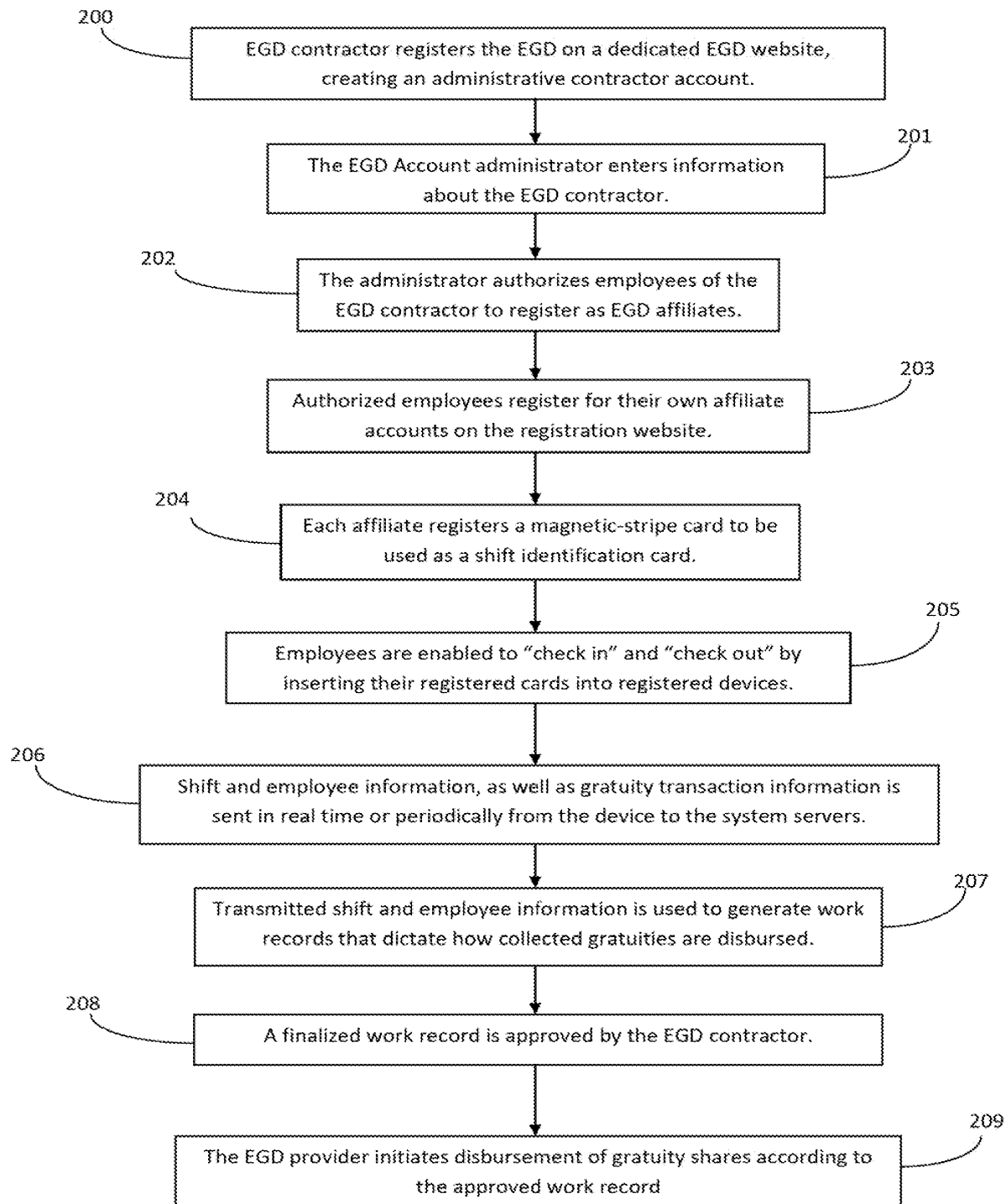


FIG. 2

Sheet 3 of 3

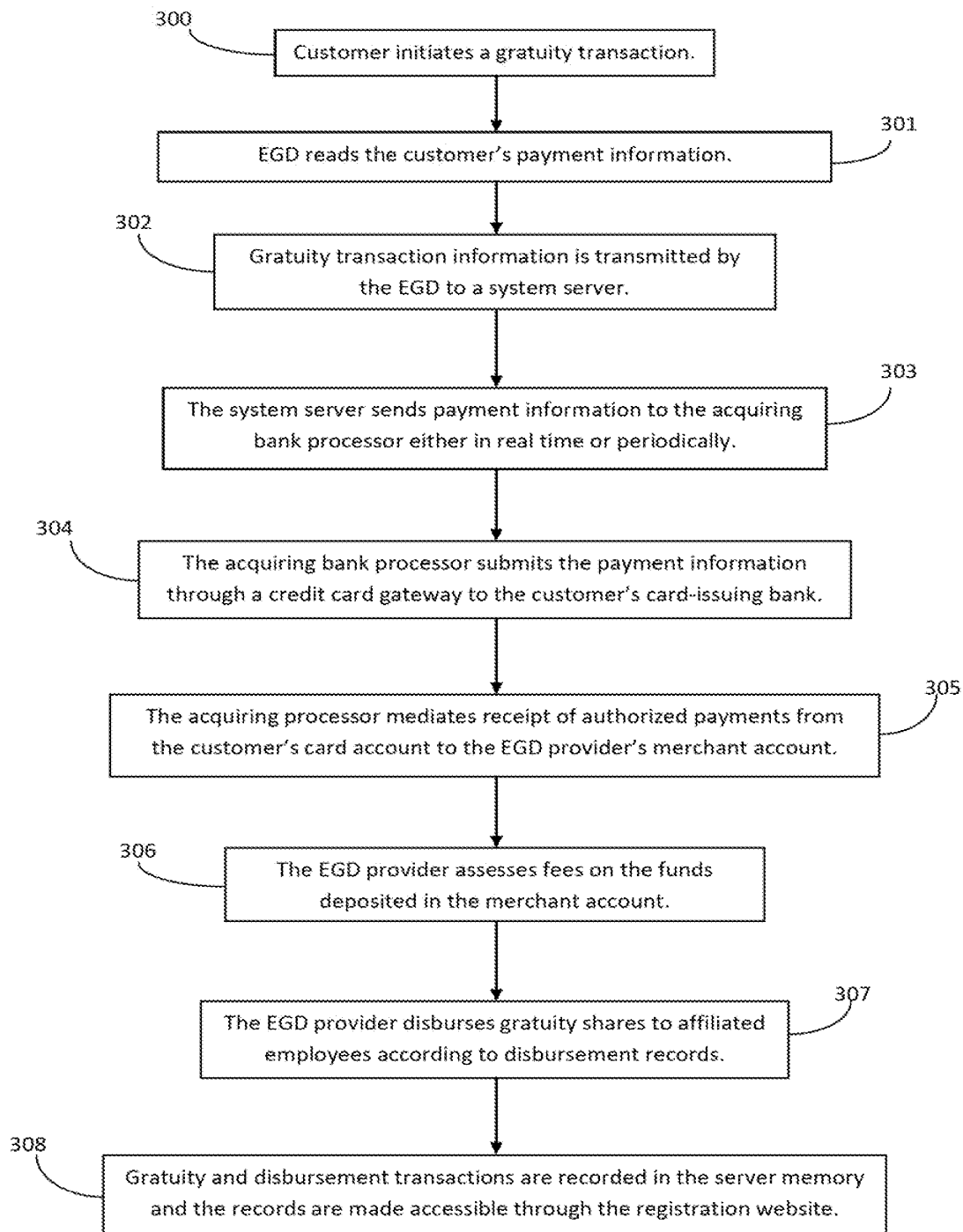


FIG. 3

Electronic Acknowledgement Receipt	
EFS ID:	16510971
Application Number:	13834466
International Application Number:	
Confirmation Number:	2038
Title of Invention:	SYSTEM AND METHOD FOR MANAGING GRATUITIES
First Named Inventor/Applicant Name:	Aleksandar STEPANOVICH
Customer Number:	102467
Filer:	Rex W. Miller/Janet Peterson
Filer Authorized By:	Rex W. Miller
Attorney Docket Number:	209387.00003
Receipt Date:	12-AUG-2013
Filing Date:	15-MAR-2013
Time Stamp:	14:11:03
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	no
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File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Information Disclosure Statement (IDS) Form (SB08)	IDS.pdf	613518 f18cf72e48ec73ce6ab89425d50859c85827e069	no	6

Warnings:

Information:

2	Foreign Reference	WO2013063325.pdf	952134 8d48bfcc885e7ac279b1019fa50a4807b15d3db	no	26
Warnings:					
Information:					
3	Non Patent Literature	AlohaPOSProfile.pdf	338983 36decf7e2543c73799b640fa4b50a56579a2116	no	2
Warnings:					
Information:					
4	Non Patent Literature	CardFlexTipCentral.pdf	11646572 f7d10d6691564ae9e297f412fabe42a951a5d75d	no	2
Warnings:					
Information:					
5	Non Patent Literature	DigitalDining.pdf	8222277 a08464ddad1296cc73860ba06a39cfc30aa36da	no	1
Warnings:					
Information:					
Total Files Size (in bytes):			21773484		
This Acknowledgement Receipt evidences receipt on the noted date by the USPTO of the indicated documents, characterized by the applicant, and including page counts, where applicable. It serves as evidence of receipt similar to a Post Card, as described in MPEP 503. <u>New Applications Under 35 U.S.C. 111</u> If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application. <u>National Stage of an International Application under 35 U.S.C. 371</u> If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course. <u>New International Application Filed with the USPTO as a Receiving Office</u> If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.					

Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number.

POWER OF ATTORNEY TO PROSECUTE APPLICATIONS BEFORE THE USPTO

I hereby revoke all previous powers of attorney given in the application identified in the attached statement under 37 CFR 3.73(c).

I hereby appoint:

☒

Practitioners associated with Customer Number:

102467

OR☐

Practitioner(s) named below (if more than ten patent practitioners are to be named, then a customer number must be used):

Name	Registration Number

Name	Registration Number

As attorney(s) or agent(s) to represent the undersigned before the United States Patent and Trademark Office (USPTO) in connection with any and all patent applications assigned only to the undersigned according to the USPTO assignment records or assignments documents attached to this form in accordance with 37 CFR 3.73(c).

Please change the correspondence address for the application identified in the attached statement under 37 CFR 3.73(c) to:

☒

The address associated with Customer Number:

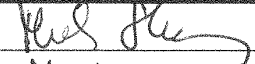
102467

OR

☐	Firm or Individual Name			
	Address			
	City		State	Zip
	Country			
	Telephone		Email	

Assignee Name and Address: GRATUITY, LLC
385 Third Street South
Naples, FL 34102**A copy of this form, together with a statement under 37 CFR 3.73(c) (Form PTO/AIA/96 or equivalent) is required to be Filed in each application in which this form is used. The statement under 37 CFR 3.73(c) may be completed by one of The practitioners appointed in this form, and must identify the application in which this Power of Attorney is to be filed.****SIGNATURE of Assignee of Record**

The individual whose signature and title is supplied below is authorized to act on behalf of the assignee

Signature		Date	3/14/2013
Name	MONIKA STEPANOVICH	Telephone	202-316-4713
Title	MAN. HENBER		

This collection of information is required by 37 CFR 1.31, 1.32 and 1.33. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.11 and 1.14. This collection is estimated to take 3 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. **SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.**

If you need assistance in completing the form, call 1-800-PTO-9199 and select option 2.

STATEMENT UNDER 37 CFR 3.73(c)

Applicant/Patent Owner: GRATUITY, LLC

Application No./Patent No.: 13/834,466 Filed/Issue Date: March 15, 2013

Titled: SYSTEM AND METHOD FOR MANAGING GRATUITIES

GRATUITY, LLC, a corporation

(Name of Assignee)

(Type of Assignee, e.g., corporation, partnership, university, government agency, etc.)

states that, for the patent application/patent identified above, it is (choose **one** of options 1, 2, 3 or 4 below):

1. ☒ The assignee of the entire right, title, and interest.

2. ☐ An assignee of less than the entire right, title, and interest (check applicable box):

☐ The extent (by percentage) of its ownership interest is ____%. Additional Statement(s) by the owners holding the balance of the interest must be submitted to account for 100% of the ownership interest.

☐ There are unspecified percentages of ownership. The other parties, including inventors, who together own the entire right, title and interest are:

Additional Statement(s) by the owner(s) holding the balance of the interest must be submitted to account for the entire right, title, and interest.

3. ☐ The assignee of an undivided interest in the entirety (a complete assignment from one of the joint inventors was made). The other parties, including inventors, who together own the entire right, title, and interest are:

Additional Statement(s) by the owner(s) holding the balance of the interest must be submitted to account for the entire right, title, and interest.

4. ☐ The recipient, via a court proceeding or the like (e.g., bankruptcy, probate), of an undivided interest in the entirety (a complete transfer of ownership interest was made). The certified document(s) showing the transfer is attached.

The interest identified in option 1, 2 or 3 above (not option 4) is evidenced by either (choose **one** of options A or B below):

A. ☒ An assignment from the inventor(s) of the patent application/patent identified above. The assignment was recorded in the United States Patent and Trademark Office at Reel 030813, Frame 0543, or for which a copy thereof is attached.

B. ☐ A chain of title from the inventor(s), of the patent application/patent identified above, to the current assignee as follows:

1. From: _____ To: _____

The document was recorded in the United States Patent and Trademark Office at

Reel _____, Frame _____, or for which a copy thereof is attached.

2. From: _____ To: _____

The document was recorded in the United States Patent and Trademark Office at

Reel _____, Frame _____, or for which a copy thereof is attached.

[Page 1 of 2]

This collection of information is required by 37 CFR 3.73(b). The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.11 and 1.14. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. **SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450**

If you need assistance in completing the form, call 1-800-PTO-9199 and select option 2.

STATEMENT UNDER 37 CFR 3.73(c)

3. From: _____ To: _____

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Reel _____, Frame _____, or for which a copy thereof is attached.

4. From: _____ To: _____

The document was recorded in the United States Patent and Trademark Office at
Reel _____, Frame _____, or for which a copy thereof is attached.

5. From: _____ To: _____

The document was recorded in the United States Patent and Trademark Office at
Reel _____, Frame _____, or for which a copy thereof is attached.

6. From: _____ To: _____

The document was recorded in the United States Patent and Trademark Office at
Reel _____, Frame _____, or for which a copy thereof is attached.

☐ Additional documents in the chain of title are listed on a supplemental sheet(s).

☒ As required by 37 CFR 3.73(c)(1)(i), the documentary evidence of the chain of title from the original owner to the assignee was, or concurrently is being, submitted for recordation pursuant to 37 CFR 3.11.

[NOTE: A separate copy (i.e., a true copy of the original assignment document(s)) must be submitted to Assignment Division in accordance with 37 CFR Part 3, to record the assignment in the records of the USPTO. See MPEP 302.08]

The undersigned (whose title is supplied below) is authorized to act on behalf of the assignee.

/Rex W. Miller, II/

2013-08-29

Signature

Date

Rex W. Miller, II

63284

Printed or Typed Name

Title or Registration Number

[Page 2 of 2]

Privacy Act Statement

The **Privacy Act of 1974 (P.L. 93-579)** requires that you be given certain information in connection with your submission of the attached form related to a patent application or patent. Accordingly, pursuant to the requirements of the Act, please be advised that: (1) the general authority for the collection of this information is 35 U.S.C. 2(b)(2); (2) furnishing of the information solicited is voluntary; and (3) the principal purpose for which the information is used by the U.S. Patent and Trademark Office is to process and/or examine your submission related to a patent application or patent. If you do not furnish the requested information, the U.S. Patent and Trademark Office may not be able to process and/or examine your submission, which may result in termination of proceedings or abandonment of the application or expiration of the patent.

The information provided by you in this form will be subject to the following routine uses:

1. The information on this form will be treated confidentially to the extent allowed under the Freedom of Information Act (5 U.S.C. 552) and the Privacy Act (5 U.S.C. 552a). Records from this system of records may be disclosed to the Department of Justice to determine whether disclosure of these records is required by the Freedom of Information Act.
2. A record from this system of records may be disclosed, as a routine use, in the course of presenting evidence to a court, magistrate, or administrative tribunal, including disclosures to opposing counsel in the course of settlement negotiations.
3. A record in this system of records may be disclosed, as a routine use, to a Member of Congress submitting a request involving an individual, to whom the record pertains, when the individual has requested assistance from the Member with respect to the subject matter of the record.
4. A record in this system of records may be disclosed, as a routine use, to a contractor of the Agency having need for the information in order to perform a contract. Recipients of information shall be required to comply with the requirements of the Privacy Act of 1974, as amended, pursuant to 5 U.S.C. 552a(m).
5. A record related to an International Application filed under the Patent Cooperation Treaty in this system of records may be disclosed, as a routine use, to the International Bureau of the World Intellectual Property Organization, pursuant to the Patent Cooperation Treaty.
6. A record in this system of records may be disclosed, as a routine use, to another federal agency for purposes of National Security review (35 U.S.C. 181) and for review pursuant to the Atomic Energy Act (42 U.S.C. 218(c)).
7. A record from this system of records may be disclosed, as a routine use, to the Administrator, General Services, or his/her designee, during an inspection of records conducted by GSA as part of that agency's responsibility to recommend improvements in records management practices and programs, under authority of 44 U.S.C. 2904 and 2906. Such disclosure shall be made in accordance with the GSA regulations governing inspection of records for this purpose, and any other relevant (*i.e.*, GSA or Commerce) directive. Such disclosure shall not be used to make determinations about individuals.
8. A record from this system of records may be disclosed, as a routine use, to the public after either publication of the application pursuant to 35 U.S.C. 122(b) or issuance of a patent pursuant to 35 U.S.C. 151. Further, a record may be disclosed, subject to the limitations of 37 CFR 1.14, as a routine use, to the public if the record was filed in an application which became abandoned or in which the proceedings were terminated and which application is referenced by either a published application, an application open to public inspection or an issued patent.
9. A record from this system of records may be disclosed, as a routine use, to a Federal, State, or local law enforcement agency, if the USPTO becomes aware of a violation or potential violation of law or regulation.

Electronic Acknowledgement Receipt	
EFS ID:	16722940
Application Number:	13834466
International Application Number:	
Confirmation Number:	2038
Title of Invention:	SYSTEM AND METHOD FOR MANAGING GRATUITIES
First Named Inventor/Applicant Name:	Aleksandar STEPANOVICH
Customer Number:	102467
Filer:	Rex W. Miller/Janet Peterson
Filer Authorized By:	Rex W. Miller
Attorney Docket Number:	209387.00003
Receipt Date:	29-AUG-2013
Filing Date:	15-MAR-2013
Time Stamp:	15:28:31
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	no
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File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Power of Attorney	POA.pdf	223399 50418feb66c9be11335ccfec0a9cb34577d4b809	no	1

Warnings:

The page size in the PDF is too large. The pages should be 8.5 x 11 or A4. If this PDF is submitted, the pages will be resized upon entry into the Image File Wrapper and may affect subsequent processing

Information:

2	Assignee showing of ownership per 37 CFR 3.73.	POA373Statement.pdf	118108	no	3
			9895a4cbac7ed10448a5dd8e41d824c8b1546037		

Warnings:

Information:

Total Files Size (in bytes):		341507
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New Applications Under 35 U.S.C. 111

If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

National Stage of an International Application under 35 U.S.C. 371

If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

New International Application Filed with the USPTO as a Receiving Office

If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.



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 NUMBER	FILING OR 371(C) DATE	FIRST NAMED APPLICANT	ATTY. DOCKET NO./TITLE
13/834,466	03/15/2013	Aleksandar STEPANOVICH	209387.00003

CONFIRMATION NO. 2038

IMPROPER CFR REQUEST



102467
Hahn Loeser + Parks LLP
65 East State Street
Suite 1400
Columbus, OH 43215

Date Mailed: 09/17/2013

RESPONSE TO REQUEST FOR CORRECTED FILING RECEIPT

Power of Attorney, Claims, Fees, System Limitations, and Miscellaneous

In response to your request for a corrected Filing Receipt, the Office is unable to comply with your request because:

- Any request to correct or update the name of the applicant must include an application data sheet (ADS) in compliance with 37 CFR 1.76 specifying the correct or updated name of the applicant in the applicant information section. Any request to change the applicant after an original applicant has been specified under 37 CFR 1.46(b) must include a new ADS in compliance with 37 CFR 1.76 specifying the applicant in the applicant information section and comply with 37 CFR 3.71 and 3.73. See 37 CFR 1.46(c).

/nhassani/

Office of Data Management, Application Assistance Unit (571) 272-4000, or (571) 272-4200, or 1-888-786-0101



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 NUMBER	FILING OR 371(C) DATE	FIRST NAMED APPLICANT	ATTY. DOCKET NO./TITLE
13/834,466	03/15/2013	Aleksandar STEPANOVICH	209387.00003

102467

Hahn Loeser + Parks LLP
65 East State Street
Suite 1400
Columbus, OH 43215

CONFIRMATION NO. 2038
IMPROPER CPOA LETTER



Date Mailed: 09/17/2013

NOTICE REGARDING POWER OF ATTORNEY

This is in response to the power of attorney filed 08/29/2013. The power of attorney in this application is not accepted for the reason(s) listed below:

- The power of attorney has not been accepted because the party who is giving power of attorney has not been identified. Power of attorney may only be signed by the applicant for patent (37 CFR 1.42) or the patent owner. A patent owner who was not the applicant must appoint any power of attorney in compliance with 37 CFR 3.71 and 3.73. See 37 CFR 1.32(b)(4).

/nhassani/

Office of Data Management, Application Assistance Unit (571) 272-4000, or (571) 272-4200, or 1-888-786-0101

Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number.

POWER OF ATTORNEY TO PROSECUTE APPLICATIONS BEFORE THE USPTO

I hereby revoke all previous powers of attorney given in the application identified in the attached statement under 37 CFR 3.73(c).

I hereby appoint:

☒

Practitioners associated with Customer Number:

102467

OR☐

Practitioner(s) named below (if more than ten patent practitioners are to be named, then a customer number must be used):

Name	Registration Number

Name	Registration Number

As attorney(s) or agent(s) to represent the undersigned before the United States Patent and Trademark Office (USPTO) in connection with any and all patent applications assigned only to the undersigned according to the USPTO assignment records or assignments documents attached to this form in accordance with 37 CFR 3.73(c).

Please change the correspondence address for the application identified in the attached statement under 37 CFR 3.73(c) to:

☒

The address associated with Customer Number:

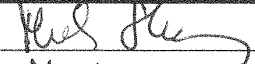
102467

OR

☐ Firm or Individual Name			
Address			
City		State	Zip
Country			
Telephone		Email	

Assignee Name and Address: GRATUITY, LLC
385 Third Street South
Naples, FL 34102**A copy of this form, together with a statement under 37 CFR 3.73(c) (Form PTO/AIA/96 or equivalent) is required to be Filed in each application in which this form is used. The statement under 37 CFR 3.73(c) may be completed by one of The practitioners appointed in this form, and must identify the application in which this Power of Attorney is to be filed.****SIGNATURE of Assignee of Record**

The individual whose signature and title is supplied below is authorized to act on behalf of the assignee

Signature		Date	3/14/2013
Name	MONIKA STEPANOVICH	Telephone	202-316-4713
Title	MAN. MEMBER		

This collection of information is required by 37 CFR 1.31, 1.32 and 1.33. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.11 and 1.14. This collection is estimated to take 3 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. **SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.**

If you need assistance in completing the form, call 1-800-PTO-9199 and select option 2.

STATEMENT UNDER 37 CFR 3.73(c)

Applicant/Patent Owner: GRATUITY, LLC

Application No./Patent No.: 13/834,466 Filed/Issue Date: March 15, 2013

Titled: SYSTEM AND METHOD FOR MANAGING GRATUITIES

GRATUITY, LLC, a corporation

(Name of Assignee)

(Type of Assignee, e.g., corporation, partnership, university, government agency, etc.)

states that, for the patent application/patent identified above, it is (choose **one** of options 1, 2, 3 or 4 below):

1. ☒ The assignee of the entire right, title, and interest.

2. ☐ An assignee of less than the entire right, title, and interest (check applicable box):

☐ The extent (by percentage) of its ownership interest is ____%. Additional Statement(s) by the owners holding the balance of the interest must be submitted to account for 100% of the ownership interest.

☐ There are unspecified percentages of ownership. The other parties, including inventors, who together own the entire right, title and interest are:

Additional Statement(s) by the owner(s) holding the balance of the interest must be submitted to account for the entire right, title, and interest.

3. ☐ The assignee of an undivided interest in the entirety (a complete assignment from one of the joint inventors was made). The other parties, including inventors, who together own the entire right, title, and interest are:

Additional Statement(s) by the owner(s) holding the balance of the interest must be submitted to account for the entire right, title, and interest.

4. ☐ The recipient, via a court proceeding or the like (e.g., bankruptcy, probate), of an undivided interest in the entirety (a complete transfer of ownership interest was made). The certified document(s) showing the transfer is attached.

The interest identified in option 1, 2 or 3 above (not option 4) is evidenced by either (choose **one** of options A or B below):

A. ☒ An assignment from the inventor(s) of the patent application/patent identified above. The assignment was recorded in the United States Patent and Trademark Office at Reel 030813, Frame 0543, or for which a copy thereof is attached.

B. ☐ A chain of title from the inventor(s), of the patent application/patent identified above, to the current assignee as follows:

1. From: _____ To: _____

The document was recorded in the United States Patent and Trademark Office at

Reel _____, Frame _____, or for which a copy thereof is attached.

2. From: _____ To: _____

The document was recorded in the United States Patent and Trademark Office at

Reel _____, Frame _____, or for which a copy thereof is attached.

[Page 1 of 2]

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If you need assistance in completing the form, call 1-800-PTO-9199 and select option 2.

STATEMENT UNDER 37 CFR 3.73(c)

3. From: _____ To: _____

The document was recorded in the United States Patent and Trademark Office at
Reel _____, Frame _____, or for which a copy thereof is attached.

4. From: _____ To: _____

The document was recorded in the United States Patent and Trademark Office at
Reel _____, Frame _____, or for which a copy thereof is attached.

5. From: _____ To: _____

The document was recorded in the United States Patent and Trademark Office at
Reel _____, Frame _____, or for which a copy thereof is attached.

6. From: _____ To: _____

The document was recorded in the United States Patent and Trademark Office at
Reel _____, Frame _____, or for which a copy thereof is attached.

☐ Additional documents in the chain of title are listed on a supplemental sheet(s).

☒ As required by 37 CFR 3.73(c)(1)(i), the documentary evidence of the chain of title from the original owner to the assignee was, or concurrently is being, submitted for recordation pursuant to 37 CFR 3.11.

[NOTE: A separate copy (i.e., a true copy of the original assignment document(s)) must be submitted to Assignment Division in accordance with 37 CFR Part 3, to record the assignment in the records of the USPTO. See MPEP 302.08]

The undersigned (whose title is supplied below) is authorized to act on behalf of the assignee.

/Rex W. Miller, II/

2013-09-26

Signature

Date

Rex W. Miller, II

63284

Printed or Typed Name

Title or Registration Number

[Page 2 of 2]

Privacy Act Statement

The **Privacy Act of 1974 (P.L. 93-579)** requires that you be given certain information in connection with your submission of the attached form related to a patent application or patent. Accordingly, pursuant to the requirements of the Act, please be advised that: (1) the general authority for the collection of this information is 35 U.S.C. 2(b)(2); (2) furnishing of the information solicited is voluntary; and (3) the principal purpose for which the information is used by the U.S. Patent and Trademark Office is to process and/or examine your submission related to a patent application or patent. If you do not furnish the requested information, the U.S. Patent and Trademark Office may not be able to process and/or examine your submission, which may result in termination of proceedings or abandonment of the application or expiration of the patent.

The information provided by you in this form will be subject to the following routine uses:

1. The information on this form will be treated confidentially to the extent allowed under the Freedom of Information Act (5 U.S.C. 552) and the Privacy Act (5 U.S.C. 552a). Records from this system of records may be disclosed to the Department of Justice to determine whether disclosure of these records is required by the Freedom of Information Act.
2. A record from this system of records may be disclosed, as a routine use, in the course of presenting evidence to a court, magistrate, or administrative tribunal, including disclosures to opposing counsel in the course of settlement negotiations.
3. A record in this system of records may be disclosed, as a routine use, to a Member of Congress submitting a request involving an individual, to whom the record pertains, when the individual has requested assistance from the Member with respect to the subject matter of the record.
4. A record in this system of records may be disclosed, as a routine use, to a contractor of the Agency having need for the information in order to perform a contract. Recipients of information shall be required to comply with the requirements of the Privacy Act of 1974, as amended, pursuant to 5 U.S.C. 552a(m).
5. A record related to an International Application filed under the Patent Cooperation Treaty in this system of records may be disclosed, as a routine use, to the International Bureau of the World Intellectual Property Organization, pursuant to the Patent Cooperation Treaty.
6. A record in this system of records may be disclosed, as a routine use, to another federal agency for purposes of National Security review (35 U.S.C. 181) and for review pursuant to the Atomic Energy Act (42 U.S.C. 218(c)).
7. A record from this system of records may be disclosed, as a routine use, to the Administrator, General Services, or his/her designee, during an inspection of records conducted by GSA as part of that agency's responsibility to recommend improvements in records management practices and programs, under authority of 44 U.S.C. 2904 and 2906. Such disclosure shall be made in accordance with the GSA regulations governing inspection of records for this purpose, and any other relevant (*i.e.*, GSA or Commerce) directive. Such disclosure shall not be used to make determinations about individuals.
8. A record from this system of records may be disclosed, as a routine use, to the public after either publication of the application pursuant to 35 U.S.C. 122(b) or issuance of a patent pursuant to 35 U.S.C. 151. Further, a record may be disclosed, subject to the limitations of 37 CFR 1.14, as a routine use, to the public if the record was filed in an application which became abandoned or in which the proceedings were terminated and which application is referenced by either a published application, an application open to public inspection or an issued patent.
9. A record from this system of records may be disclosed, as a routine use, to a Federal, State, or local law enforcement agency, if the USPTO becomes aware of a violation or potential violation of law or regulation.

SUBSTITUTE APPLICATION DATA SHEET

Attorney Docket Number 209387.00003
Application Number 13/834,466
Title of Invention SYSTEM AND METHOD FOR MANAGING GRATUITIES

Inventor Information:

Inventor 1 Inventor
Given Name Aleksandar
Middle Name
Family Name STEPANOVICH
Residence City Naples
Residence State FL
Country of Residence US
Mailing Address 385 Third Avenue South
City Naples
State/Province FL
Postal Code 34102
Country US

Correspondence Information:

Customer Number 102467
Email Address patents@hahnlaw.com

Application Information:

Title of the Invention SYSTEM AND METHOD FOR MANAGING
GRATUITIES
Attorney Docket Number 209387.00003
Small Entity Status Claimed Yes
Application Type Nonprovisional
Subject Matter Utility
Total Number of Drawing Sheets 9

Representative Information:

Customer Number 102467

Domestic Benefit/National Stage Information:

Prior Application Status Pending
Application Number
Continuity Type Non provisional of
Prior Application Number 61696569
Filing Date 2012-09-04

Applicant Information:

Applicant Type Assignee
Organization Name GRATUITY, LLC
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Address 2
City Naples
State/Province FL
Country US
Postal Code 34102

Assignee Information:

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Address 2
City Naples
State/Province FL
Country US
Postal Code 34102

Signature:

Signature /Rex W. Miller, II/
Date 2013-09-26
First Name Rex
Last Name Miller
Registration Number 63284

Electronic Acknowledgement Receipt	
EFS ID:	16967376
Application Number:	13834466
International Application Number:	
Confirmation Number:	2038
Title of Invention:	SYSTEM AND METHOD FOR MANAGING GRATUITIES
First Named Inventor/Applicant Name:	Aleksandar STEPANOVICH
Customer Number:	102467
Filer:	Rex W. Miller/Janet Peterson
Filer Authorized By:	Rex W. Miller
Attorney Docket Number:	209387.00003
Receipt Date:	26-SEP-2013
Filing Date:	15-MAR-2013
Time Stamp:	15:48:04
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	no
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File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Power of Attorney	POA.pdf	223399 50418feb66c9be11335ccfec0a9cb34577d4b809	no	1

Warnings:

The page size in the PDF is too large. The pages should be 8.5 x 11 or A4. If this PDF is submitted, the pages will be resized upon entry into the Image File Wrapper and may affect subsequent processing

Information:

2	Assignee showing of ownership per 37 CFR 3.73.	NewPOA373Statement.pdf	118108 feee6514a49540c54bfda32ef9f8c9928e420 f7f	no	3
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Warnings:

Information:

3	Application Data Sheet	SubstitutePOA.pdf	16832 2fda36c5c7bfceb3131b9eef38f699f4537 af1	no	2
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Warnings:

Information:

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Total Files Size (in bytes):	358339
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This Acknowledgement Receipt evidences receipt on the noted date by the USPTO of the indicated documents, characterized by the applicant, and including page counts, where applicable. It serves as evidence of receipt similar to a Post Card, as described in MPEP 503.

New Applications Under 35 U.S.C. 111

If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

National Stage of an International Application under 35 U.S.C. 371

If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

New International Application Filed with the USPTO as a Receiving Office

If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.



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APPLICATION NUMBER	FILING OR 371(C) DATE	FIRST NAMED APPLICANT	ATTY. DOCKET NO./TITLE
13/834,466	03/15/2013	Aleksandar STEPANOVICH	209387.00003

CONFIRMATION NO. 2038

POA ACCEPTANCE LETTER

102467
Hahn Loeser + Parks LLP
65 East State Street
Suite 1400
Columbus, OH 43215



Date Mailed: 10/04/2013

NOTICE OF ACCEPTANCE OF POWER OF ATTORNEY

This is in response to the Power of Attorney filed 09/26/2013.

The Power of Attorney in this application is accepted. Correspondence in this application will be mailed to the above address as provided by 37 CFR 1.33.

/ddinh/

Office of Data Management, Application Assistance Unit (571) 272-4000, or (571) 272-4200, or 1-888-786-0101



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APPLICATION NUMBER	FILING or 371(c) DATE	GRP ART UNIT	FIL FEE REC'D	ATTY. DOCKET NO	TOT CLAIMS	IND CLAIMS
13/834,466	03/15/2013	3627	812	209387.00003	29	2

CONFIRMATION NO. 2038

REPLACEMENT FILING RECEIPT



OC000000064081220

102467
Hahn Loeser + Parks LLP
65 East State Street
Suite 1400
Columbus, OH 43215

Date Mailed: 10/04/2013

Receipt is acknowledged of this non-provisional patent application. The application will be taken up for examination in due course. Applicant will be notified as to the results of the examination. Any correspondence concerning the application must include the following identification information: the U.S. APPLICATION NUMBER, FILING DATE, NAME OF APPLICANT, and TITLE OF INVENTION. Fees transmitted by check or draft are subject to collection. Please verify the accuracy of the data presented on this receipt. **If an error is noted on this Filing Receipt, please submit a written request for a Filing Receipt Correction. Please provide a copy of this Filing Receipt with the changes noted thereon. If you received a "Notice to File Missing Parts" for this application, please submit any corrections to this Filing Receipt with your reply to the Notice. When the USPTO processes the reply to the Notice, the USPTO will generate another Filing Receipt incorporating the requested corrections**

Inventor(s)

Aleksandar STEPANOVICH, Naples, FL;

Applicant(s)

GRATUITY, LLC, Naples, FL

Assignment For Published Patent Application

GRATUITY, LLC., Naples, FL

Power of Attorney: The patent practitioners associated with Customer Number 102467

Domestic Priority data as claimed by applicant

This appln claims benefit of 61/696,569 09/04/2012

Foreign Applications for which priority is claimed (You may be eligible to benefit from the **Patent Prosecution Highway** program at the USPTO. Please see <http://www.uspto.gov> for more information.) - None.

Foreign application information must be provided in an Application Data Sheet in order to constitute a claim to foreign priority. See 37 CFR 1.55 and 1.76.

If Required, Foreign Filing License Granted: 04/25/2013

The country code and number of your priority application, to be used for filing abroad under the Paris Convention, is **US 13/834,466**

Projected Publication Date: 03/06/2014

Non-Publication Request: No

Early Publication Request: No

**** SMALL ENTITY ****

page 1 of 3

Title

SYSTEM AND METHOD FOR MANAGING GRATUITIES

Preliminary Class

705

Statement under 37 CFR 1.55 or 1.78 for AIA (First Inventor to File) Transition Applications: No**PROTECTING YOUR INVENTION OUTSIDE THE UNITED STATES**

Since the rights granted by a U.S. patent extend only throughout the territory of the United States and have no effect in a foreign country, an inventor who wishes patent protection in another country must apply for a patent in a specific country or in regional patent offices. Applicants may wish to consider the filing of an international application under the Patent Cooperation Treaty (PCT). An international (PCT) application generally has the same effect as a regular national patent application in each PCT-member country. The PCT process **simplifies** the filing of patent applications on the same invention in member countries, but **does not result** in a grant of "an international patent" and does not eliminate the need of applicants to file additional documents and fees in countries where patent protection is desired.

Almost every country has its own patent law, and a person desiring a patent in a particular country must make an application for patent in that country in accordance with its particular laws. Since the laws of many countries differ in various respects from the patent law of the United States, applicants are advised to seek guidance from specific foreign countries to ensure that patent rights are not lost prematurely.

Applicants also are advised that in the case of inventions made in the United States, the Director of the USPTO must issue a license before applicants can apply for a patent in a foreign country. The filing of a U.S. patent application serves as a request for a foreign filing license. The application's filing receipt contains further information and guidance as to the status of applicant's license for foreign filing.

Applicants may wish to consult the USPTO booklet, "General Information Concerning Patents" (specifically, the section entitled "Treaties and Foreign Patents") for more information on timeframes and deadlines for filing foreign patent applications. The guide is available either by contacting the USPTO Contact Center at 800-786-9199, or it can be viewed on the USPTO website at <http://www.uspto.gov/web/offices/pac/doc/general/index.html>.

For information on preventing theft of your intellectual property (patents, trademarks and copyrights), you may wish to consult the U.S. Government website, <http://www.stopfakes.gov>. Part of a Department of Commerce initiative, this website includes self-help "toolkits" giving innovators guidance on how to protect intellectual property in specific countries such as China, Korea and Mexico. For questions regarding patent enforcement issues, applicants may call the U.S. Government hotline at 1-866-999-HALT (1-866-999-4258).

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Title 35, United States Code, Section 184
Title 37, Code of Federal Regulations, 5.11 & 5.15

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The applicant has been granted a license under 35 U.S.C. 184, if the phrase "IF REQUIRED, FOREIGN FILING LICENSE GRANTED" followed by a date appears on this form. Such licenses are issued in all applications where the conditions for issuance of a license have been met, regardless of whether or not a license may be required as set forth in 37 CFR 5.15. The scope and limitations of this license are set forth in 37 CFR 5.15(a) unless an earlier license has been issued under 37 CFR 5.15(b). The license is subject to revocation upon written notification. The date indicated is the effective date of the license, unless an earlier license of similar scope has been granted under 37 CFR 5.13 or 5.14.

This license is to be retained by the licensee and may be used at any time on or after the effective date thereof unless it is revoked. This license is automatically transferred to any related applications(s) filed under 37 CFR 1.53(d). This license is not retroactive.

The grant of a license does not in any way lessen the responsibility of a licensee for the security of the subject matter as imposed by any Government contract or the provisions of existing laws relating to espionage and the national security or the export of technical data. Licensees should apprise themselves of current regulations especially with respect to certain countries, of other agencies, particularly the Office of Defense Trade Controls, Department of State (with respect to Arms, Munitions and Implements of War (22 CFR 121-128)); the Bureau of Industry and Security, Department of Commerce (15 CFR parts 730-774); the Office of Foreign Assets Control, Department of Treasury (31 CFR Parts 500+) and the Department of Energy.

NOT GRANTED

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APPLICATION NUMBER	FILING OR 371(C) DATE	FIRST NAMED APPLICANT	ATTY. DOCKET NO./TITLE
13/834,466	03/15/2013	Aleksandar STEPANOVICH	209387.00003

CONFIRMATION NO. 2038

POA ACCEPTANCE LETTER

102467
Hahn Loeser + Parks LLP
65 East State Street
Suite 1400
Columbus, OH 43215



Date Mailed: 10/04/2013

NOTICE OF ACCEPTANCE OF POWER OF ATTORNEY

This is in response to the Power of Attorney filed 09/26/2013.

The Power of Attorney in this application is accepted. Correspondence in this application will be mailed to the above address as provided by 37 CFR 1.33.

/ddinh/

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13/834,466	03/15/2013	Aleksandar STEPANOVICH	209387.00003

CONFIRMATION NO. 2038

102467

Hahn Loeser + Parks LLP
65 East State Street
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PUBLICATION NOTICE



OC000000066984297

Title:SYSTEM AND METHOD FOR MANAGING GRATUITIES

Publication No.US-2014-0067499-A1

Publication Date:03/06/2014

NOTICE OF PUBLICATION OF APPLICATION

The above-identified application will be electronically published as a patent application publication pursuant to 37 CFR 1.211, et seq. The patent application publication number and publication date are set forth above.

The publication may be accessed through the USPTO's publically available Searchable Databases via the Internet at www.uspto.gov. The direct link to access the publication is currently <http://www.uspto.gov/patft/>.

The publication process established by the Office does not provide for mailing a copy of the publication to applicant. A copy of the publication may be obtained from the Office upon payment of the appropriate fee set forth in 37 CFR 1.19(a)(1). Orders for copies of patent application publications are handled by the USPTO's Office of Public Records. The Office of Public Records can be reached by telephone at (703) 308-9726 or (800) 972-6382, by facsimile at (703) 305-8759, by mail addressed to the United States Patent and Trademark Office, Office of Public Records, Alexandria, VA 22313-1450 or via the Internet.

In addition, information on the status of the application, including the mailing date of Office actions and the dates of receipt of correspondence filed in the Office, may also be accessed via the Internet through the Patent Electronic Business Center at www.uspto.gov using the public side of the Patent Application Information and Retrieval (PAIR) system. The direct link to access this status information is currently <http://pair.uspto.gov/>. Prior to publication, such status information is confidential and may only be obtained by applicant using the private side of PAIR.

Further assistance in electronically accessing the publication, or about PAIR, is available by calling the Patent Electronic Business Center at 1-866-217-9197.

Office of Data Management, Application Assistance Unit (571) 272-4000, or (571) 272-4200, or 1-888-786-0101



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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
13/834,466	03/15/2013	Aleksandar STEPANOVICH	209387.00003	2038
102467 7590 Hahn Loeser + Parks LLP 65 East State Street Suite 1400 Columbus, OH 43215			EXAMINER MAHONE, KRISTIE A	
			ART UNIT 3627	PAPER NUMBER
			NOTIFICATION DATE 04/30/2015	DELIVERY MODE 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):

patents@hahnlaw.com
akron-docket@hotmail.com

Office Action Summary	Application No. 13/834,466	Applicant(s) STEPANOVICH, ALEKSANDAR	
	Examiner Kristie A. Mahone	Art Unit 3627	AIA (First Inventor to File) Status No

-- 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 3/15/2013.
☐ 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) 1-29 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) 1-29 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) | 3) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. ____ |
| 2) ☒ Information Disclosure Statement(s) (PTO/SB/08a and/or PTO/SB/08b)
Paper No(s)/Mail Date <u>8/12/2013</u> . | 4) ☒ Other: <u>NPL 2006 NPL 2008, NPL 2011.</u> |

DETAILED ACTION

Notice of Pre-AIA Status

1. The present application is being examined under the pre-AIA first to invent provisions.

Claim Rejections - 35 USC § 101

2. 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.

3. Claims 1-29 are rejected under 35 U.S.C. 101 as being directed to patent ineligible subject matter. Based upon consideration of all of the relevant factors with respect to the claim as a whole, the claims do not recite significantly more than an abstract idea. In particular, claims describe and are directed to gratuity accounting and/or distribution, which is an abstract concept falling within the contours of the abstract idea exception to §101. For example, the steps of receiving transaction information, receiving employee information, receiving gratuity distribution rules, and determining a gratuity allocation, as recited in independent claim 1, form an ordered combination of steps recited the abstract idea itself--gratuity allocation. Independent claim 22 contains similar recitations. Notably, the Background of the Applicants Specification suggests that the concept of gratuity accounting and distribution is prevalent in our system of economy. *See Spec.*, para. 3. In particular, the Specification states:

At the conclusion of a restaurant transaction, the customer generally gives a gratuity to the server or adds the gratuity to the amount paid for the meal. The gratuity *may then be shared among the employees who assisted in providing service to the customer, or aggregated and distributed among the employees according to customs or practices of a given business or industry. The sharing of gratuities has often been manually calculated and documented* with ad hoc record keeping, complicating compliance with tax and labor regulations.

Id. [emphasis added]

Although the instant claims may add a level of particularity to the abstract concept, such features do not transform the abstraction into something concrete. *See Ultramercial, Inc. v. Hulu LLC*, 112USPQ2d 1750, 1754 (Fed. Cir. 2014).

Further, the claims do not recite "additional features" amounting to an inventive concept which is "significantly more" than the abstract idea itself. For example, the recited "processor," and database perform in a conventional and well understood manner--e.g., implementing instructions, and storing data. As such, the recitations of a processor and database merely instruct a practitioner to implement the abstract idea with routine, conventional activity. Further, the *limiting* features of the dependent claims are conventional practices, data gathering functionalities, or particularities of the abstract idea itself, which do not constitute "additional features," amounting to significantly more. For example, dependent claims 9-17, 20, and 21 further describe the receipt of the distribution rules and/or determination of the gratuity amount or allocation with particular formulas/mathematical relationships. Dependent claims 18, 19, 27, and 28, on the other hand, describe a web-portal which is both conventional, and extra-solution, i.e., employed to display information after the gratuity allocation has been made. Further, in this regard, the Examiner notes that the recitation of a web, or internet environment is, at best, an insignificant attempt to limit the abstract idea to a particular technical environment. Dependent claims 2-5, for instance, appear to merely describe information or the processor. The claims also do not appear to offer a transformation, improvement to the functioning of the hardware itself, or an improvement to another technology or technological field; i.e., business methods/solutions.

Claim Rejections - 35 USC § 103

4. The following is a quotation of pre-AIA 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1-9, 17-19, and 21-29 are rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Kessler et al. (US 2013/010357, "Kessler") in view of Delaney et al. (US 2012/0208622, "Delaney") and Tidwell et al. (US 2012/0174017, "Tidwell") and Official Notice.

Regarding claim 1, **Kessler** teaches a computer implemented method for allocating gratuities amongst a plurality of employees comprising: employing at least one processor configured to perform to perform the following acts: receiving transaction information from a "point of sale" (e.g. EGD card reading device), wherein the transaction information (e.g. tip for service) comprises at least a gratuity data for plurality (series) of transactions during an accounting period (e.g. payment cycle period) [see at least paras. 3, 20-25, 35-36; fig. 3]; receiving employee information from the "point of sale"¹, wherein the employee information comprises a time period worked (e.g. shift length) for *at least one* employee during the accounting period [see at least paras. 34-35]; receiving at least one gratuity distribution rule for

¹ The device of Kessler is deemed to correspond to a point-of-sale. Applicants are reminded that "point of sale," is simply a label for the sending device, and adds little, if anything, to the claimed structure, acts or steps; and thus fail to distinguish over the prior art. Any differences related merely to the meaning and information conveyed through labels which do not explicitly alter or impact the structure/acts do not patentably distinguish the claimed invention from the prior art in terms of patentability. Further, even if "point of sale" connote a structure, point of sale (POS) devices/terminal are well known in the art, and it would have been obvious to a person of ordinary skill in the art at the time the invention was made to have used a point of sale terminal, since the claimed invention is merely a combination of old elements, and 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

Art Unit: 3627

allocating gratuities among at least a portion of employees (see paras. 28, 35, 41]; and allocating a gratuity allocation for each employee of the plurality of employees based at least on the received transaction information, the received employee information, and "gratuity distribution" rule . [see at least paras. 28, 34-41, i.e. as per employee accounts or cards]. If it can be argued that Kessler does not expressly disclose the *receiving of employee information* for each of a *plurality of employees*, duplicating such step for each of the disclosed employees would have been an obvious duplication of the expressly steps or instruction segments well within routine skill in the art which could have been accomplished without unpredictable results.

While Kessler discloses receiving and using employee information comprises a period of time (e.g. "shift length") worked for at least one employee, Kessler does not appear to expressly state that the period of time is *hours worked*, or that such information is received for a *plurality of employees*. Further Kessler discloses allocating to each applicable employee a gratuity allocation based on the received transaction information, employee information, and gratuity distribution rules, but does not appear to expressly mention an actual *determining of the* gratuity allocation. In this regard, **Delaney** discloses a computer-implemented method of allocating gratuities amongst a plurality of employees, wherein employee shift length in terms of *hours work* is employed in determining a gratuity allocation for each applicable employee (e.g., dealer) of a plurality of employees. In particular, Delaney teaches determining a gratuity allocation for each applicable employee of a plurality employees based at least on transaction information, employee information for each of a plurality of employees, and a gratuity distribution rules, wherein the employee information may comprise actual shift hours worked [See at least Paras.

36-37]. Receiving multiple rules, if not already, would have been an obvious duplication of receiving a single rule, well with routine skill in the art.

Therefore, to yield a more precise and multi-faceted allocation, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to have the processor configured to: receive employee information comprises shift length in terms of hours worked; and determine a gratuity allocation for each applicable employee of the plurality of employees based upon the received transaction information, the received employee information, and gratuity distribution rules, as taught by Delaney. Moreover, incorporating the above-discussed features of Delaney would have been an obvious expedient since the claimed invention is merely a combination of old elements, and 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* MPEP § 2143.

The references as combined at least disclose using "gratuity distribution" rules, and Kessler appears to expressly disclose *receiving* such gratuity distribution rules [See citations *supra*]. However, to be sure, **Tidwell** evidences that it is well known to provide an interface for receiving rules for distributing funds [See at least Para. 57]. Therefore, to facilitate administration input as to gratuity distribution rules, it would have been obvious to a person of ordinary skill in the art to have configured the processor to perform a step of actually receiving the "gratuity distribution" rules.

Finally, the references as combined disclose computer implementation of the aforementioned acts (see citations and discussion *supra*). With respect to the processor *executing computer executable instructions stored in a memory to perform the acts*, **Official Notice** is

taken that it known in the art to configure a processor to perform a method by coupling the processor to a memory (e.g. non-transitory disk, RAM, etc.) storing the method steps/acts as computer-executable code segments (e.g. ,software or modules). Therefore, it would have been an obvious expedient to have the processor execute computer executable instructions (software/modules) sorted in a memory to perform the aforementioned operations. Such modification, would have been an obvious substitution of one known manner of performing acts (software/modules) for another known manner (e.g. hardwiring, circuitry), if not already. Alternatively, as per *KSR* Rationale A, it would have been an obvious expedient to have the processor executing computer executable instructions stored in a memory to perform the acts, since the invention, since the claimed invention is merely a combination of old elements, and 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, if not already. *See MPEP* §2143.

Regarding claim 2, note that the method comprises allocating each applicable employee the determined gratuity allocation for the employee [See citations and discussion supra].

Regarding claim 3, the wherein clause does not appear to require performance of a step and, therefore, is believed to fail to further limit the claim [See MPEP 2111.04].

Regarding claim 4, the wherein clause does not appear to require performance of a step and, therefore, is believed to fail to further limit the claim [See MPEP 2111.04].

Regarding claim 5, note that the at least one processor is remote from the point of sale [See Kessler, Fig. 2].

Regarding claim 6, a processor is disclosed. With respect to the processor comprising a "cloud computing system," Official Notice is taken that it is well known for processing resources/processors/servers to be embodied as/include: a single system, a multi system (co-located or distributed), cloud computing system, or a combination of the above. Accordingly, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have substituted reading a server comprising a cloud computing system for the disclosed (presumably) single system, as both systems are well known in the art for providing processing. Moreover, persons of ordinary skill in the art appreciated that such substitution would have resulted in the predictable result of providing data/information processing.

Regarding claim 7, the references as combined disclose receiving the transaction information and the employee information aggregated for the accounting period in a file, and storing the received transaction information and the received employee information, wherein the receiving is from the point of sale via the Internet [See Kessler citations supra]. Official Notice is taken that it is well known to aggregate information/data over a predetermined time period, to receive aggregated information/data at a computing device in a computer-readable file format, and to store information in a database (e.g. memory, etc.). Therefore, as per KSR Rationale A, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to have received a *computer readable file* format (via the Internet as disclosed) containing the employee information and the transaction information aggregated for the transaction period, and to have stored the received transaction information and received employee information in a *database*, since the claimed invention is merely a combination of old elements, and 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.

Regarding claim 8, see discussion and citations supra re: claim 7.

Regarding claim 9, note that the method involves determining a total gratuity amount for the account period from the transaction information, and determining the gratuity allocation for each of the plurality of employees based on the total gratuity amount for the account period [See citations and discussion supra].

Regarding claim 17, for payroll accounting purposes, it would have been obvious to communicate the determined gratuity allocation for at least one employee to an "employer payroll system as taught by Delaney [See citations supra]. Additionally communicating for each employee would have been an obvious duplication within routine skill in the art which could have accomplished without unpredictable results. With respect to distributing the determined gratuity allocation to each employee through a payroll check, Official Notice is taken that is well known to distribute funds to an employee via payroll check. Therefore, to accommodate a preference payroll checks for distribution (and as per *KSR* Rationale A), it would have been obvious to have distributed the determined allocation to each employee for through a payroll check.

Regarding claims 18 and 19, the references as combined teach providing a "web portal" configured to be accessed by employees and/or employers, wherein the web portal is configured to allow access to the determined gratuity data for an employee or the employee(s) for reporting the allocation information [see at least Kessler, para. 41, i.e., registration website]. Information display via a web portal/website is well known in the art, and Official Notice is taken thereof.

Accordingly, it would have been obvious to a person of ordinary skill in the art to have configured the portal to display the determined gratuity allocation information on the web portal (if not already). The motivation for doing so would have been to provide a viewing of such information at the portal.

Regarding claim 21, the references as combined teach/suggest receiving disclose receiving gratuity distribution rules from at least one employer. Receiving such rules from each of a plurality of employers would have been an duplication of the aforementioned receiving step across each employer in the plurality. The source of the rule and the contents of the rule does not alter the manner in which the method is performed, and the source and content of the rule are not dependent on the steps of the method for their identity. As such, the recitation, "different than the gratuity distribution rules received from at least one other employer" constitutes patentably inconsequential non-functional descriptive material. *See* MPEP §2111.05. Moreover, Official Notice is taken that different employers (e.g. different casinos) can have different gratuity distribution policies/rules; e.g., allocation over 24 hour period v. allocation on a shift-by-shift basis. As such to accommodate for differing policies, it would have been obvious to have performed the acts with distributions rules received from one employer being different than distribution rules received at least one other employer.

Claim 22 recites a system comprising a processor coupled to a memory, a database, and various modules for performing operations substantially similar to the recitations addressed and rejected above. The similar recitations are likewise rejected. The recited "processor coupled to the at least one memory" (see ll. 2-3) corresponds to the processor and memory discussed above (see e.g. discussion of claim 1). Distributing the above-discussed functions across three modules,

aptly titled "the configuration module," "the allocation module," and "reporting module" (see ll. 8-14), would have been an obvious distribution or separation of parts well within routine skill in the art, yielding no unpredictable results. Kessler discloses a database (paras. 20, 29,41, clms. 9, 16) configured to store transaction and employ information; and the particular type of information does not alter the structure so as to patentably distinguish.

Regarding claim 23, note that the system comprises an interface component configured to receive the transaction information from the point of sale and to communicate the transaction information to the database to be stored (see e.g., Kessler, fig. 1, paras. 20, 25, 34-35,claims 9, 16).

Regarding claim 24, note that the system comprises an interface component configured to receive the employee information from the point of sale and to communicate the employee information to the database to be stored (see e.g., Kessler, fig. 1, paras. 20, 25, 34-35,claims 9, 16).

Regarding claim 25, note that the system comprises means for receiving transaction information from a point of sale and storing the received transaction information in the database (see e.g., Kessler, fig. 1, paras. 20, 25, 34-35,claims 9, 16). With respect to the prima facie case of equivalence, the disclosed elements of modified Kessler perform the functions specified in the claims, are not excluded by any explicit definition provided in the specification, and are equivalent for at least the reason that there are insubstantial differences between such elements and the corresponding elements disclosed in Applicant's Specification.

Regarding claim 26, note that the system comprises means for receiving employee information from a point of sale and storing the received employee information in the database

(see e.g., Kessler, fig. 1, paras. 20, 25, 34-35, claims 9, 16). With respect to the prima facie case of equivalence, the disclosed elements of modified Kessler perform the functions specified in the claims, are not excluded by any explicit definition provided in the specification, and are equivalent for at least the reason that there are insubstantial differences between such elements and the corresponding elements disclosed in Applicant's Specification.

Claims 27 and 28 contain recitations substantially similar to the recitations addressed and rejected above and, therefore, are likewise rejected.

Regarding claim 29, **Delaney** also teaches communicating with an employer payroll system, and particularly communicating determined gratuity allocations to the employer payroll system (see e.g. para. 37). Therefore, to inform payroll of allocated gratuities, it would have been an obvious expedient to have configured the reporting module to communicate with an employer payroll system and to communicate the determined gratuity allocations to the employer payroll system.

6. Claims 1-9, 17-19, and 21-29 are alternatively rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Beauregard (US 2010/0257013, pub. Oct. 4, 2010) in view of Kessler, Delaney, and Tidwell, and Official Notice.

Regarding claim 1, **Beauregard** evidences that computer implemented methods involving receiving transaction information from a "point of sale" device (e.g. card reader), wherein the transaction information comprises gratuity data (and sales data) for a plurality of transactions, are well known [see at least paras 50-52, fig. 1, claim 19].

With respect to gratuity data, **Kessler** teaches a computer implemented method for allocating gratuities amongst a plurality of employees comprising: employing at least one

processor configured to perform to perform the following acts: receiving transaction information from a "point of sale" (e.g. EGD card reading device), wherein the transaction information (e.g. tip for service) comprises at least a gratuity data for plurality (series) of transactions during an accounting period (e.g. payment cycle period) [see at least paras. 3, 20-25, 35-36; fig. 3]; receiving employee information from the "point of sale"², wherein the employee information comprises a time period worked (e.g. shift length) for *at least one* employee during the accounting period [see at least paras. 34-35]; receiving at least one gratuity distribution rule for allocating gratuities among at least a portion of employees (see paras. 28, 35, 41]; and allocating a gratuity allocation for each employee of the plurality of employees based at least on the received transaction information, the received employee information, and "gratuity distribution" rule . [see at least paras. 28, 34-41, i.e. as per employee accounts or cards]. If it can be argued that Kessler does not expressly disclose the *receiving of employee information* for each of a *plurality of employees*, duplicating such step for each of the disclosed employees would have been an obvious duplication of the expressly steps or instruction segments well within routine skill in the art which could have been accomplished without unpredictable results. It would have been obvious to have combined the aforementioned steps of Kessler with what is known about receiving transaction information comprising sales data and gratuity data to facilitate distribution of the gratuities collected over a period of time amongst employees and because in the combination each known element merely would have performed the same function as it did

² The device of Kessler is deemed to correspond to a point-of-sale. Applicants are reminded that "point of sale," is simply a label for the sending device, and adds little, if anything, to the claimed structure, acts or steps; and thus fail to distinguish over the prior art. Any differences related merely to the meaning and information conveyed through labels which do not explicitly alter or impact the structure/acts do not patentably distinguish the claimed invention from the prior art in terms of patentability. Further, even if "point of sale" connote a structure, point of sale (POS) devices/terminal are well known in the art, and it would have been obvious to a person of ordinary skill in the art at the time the invention was made to have used a point of sale terminal, since the claimed invention is merely a combination of old elements, and 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

separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable. *If* it can be argued that Kessler does not expressly disclose the *receiving of employee information* for each of a *plurality of employees*, duplicating such step for each of the disclosed employees would have been an obvious duplication of the expressly steps or instruction segments well within routine skill in the art which could have been accomplished without unpredictable results.

While Beauregard and Kessler disclose receiving and using employee information comprises a period of time (e.g. "shift length") worked for at least one employee, the references do not appear to expressly state that the period of time is *hours worked*, or that such information is received for a *plurality of employees*. Further Kessler discloses allocating to each applicable employee a gratuity allocation based on the received transaction information, employee information, and gratuity distribution rules, but does not appear to expressly mention an actual *determining of the* gratuity allocation. In this regard, **Delaney** discloses a computer-implemented method of allocating gratuities amongst a plurality of employees, wherein employee shift length in terms of *hours work* is employed in determining a gratuity allocation for each applicable employee (e.g., dealer) of a plurality of employees. In particular, Delaney teaches determining a gratuity allocation for each applicable employee of a plurality employees based at least on transaction information, employee information for each of a plurality of employees, and a gratuity distribution rules, wherein the employee information may comprise actual shift hours worked [see at least paras. 36-37; e.g. half of an eight hour shift]. Receiving multiple rules, if not already, would have been an obvious duplication of receiving a single rule, well with routine skill in the art. Therefore, to yield a more precise and multi-faceted allocation,

it would have been obvious to a person of ordinary skill in the art at the time the invention was made to have the processor configured to: receive employee information comprises shift length in terms of hours worked; and determine a gratuity allocation for each applicable employee of the plurality of employees based upon the received transaction information, the received employee information, and gratuity distribution rules, as taught by Delaney. Moreover, incorporating the above-discussed features of Delaney would have been an obvious expedient since the claimed invention is merely a combination of old elements, and 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* MPEP § 2143.

The references as combined at least disclose using "gratuity distribution" rules, and Kessler appears to expressly disclose *receiving* such gratuity distribution rules [See citations *supra*]. However, to be sure, **Tidwell** evidences that it is well known to provide an interface for receiving rules for distributing funds [See at least Para. 57]. Therefore, to facilitate administration input as to gratuity distribution rules, it would have been obvious to a person of ordinary skill in the art to have configured the processor to perform a step of actually receiving the "gratuity distribution" rules.

Finally, the references as combined disclose computer implementation of the aforementioned acts (see citations and discussion *supra*). With respect to the processor *executing computer executable instructions stored in a memory to perform the acts*, **Official Notice** is taken that it known in the art to configure a processor to perform a method by coupling the processor to a memory (e.g. non-transitory disk, RAM, etc.) storing the method steps/acts as

computer-executable code segments (e.g. ,software or modules). Therefore, it would have been an obvious expedient to have the processor execute computer executable instructions (software/modules) sorted in a memory to perform the aforementioned operations. Such modification, would have been an obvious substitution of one known manner of performing acts (software/modules) for another known manner (e.g. hardwiring, circuitry), if not already. Alternatively, as per *KSR* Rationale A, it would have been an obvious expedient to have the processor executing computer executable instructions stored in a memory to perform the acts, since the invention, since the claimed invention is merely a combination of old elements, and 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, if not already. *See MPEP* §2143.

Regarding claim 2, note that the method comprises allocating each applicable employee the determined gratuity allocation for the employee [See citations and discussion *supra*].

Regarding claim 3, the wherein clause does not appear to require performance of a step and, therefore, is believed to fail to further limit the claim [See *MPEP* 2111.04].

Regarding claim 4, the wherein clause does not appear to require performance of a step and, therefore, is believed to fail to further limit the claim [See *MPEP* 2111.04].

Regarding claim 5, note that the at least one processor is remote from the point of sale [See Kessler, Fig. 2].

Regarding claim 6, a processor is disclosed. With respect to the processor comprising a "cloud computing system," Official Notice is taken that it is well known for processing resources/processors/servers to be embodied as/include: a single system, a multi system (co-

located or distributed), cloud computing system, or a combination of the above. Accordingly, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have substituted reading a server comprising a cloud computing system for the disclosed (presumably) single system, as both systems are well known in the art for providing processing. Moreover, persons of ordinary skill in the art appreciated that such substitution would have resulted in the predictable result of providing data/information processing.

Regarding claim 7, the references as combined disclose receiving the transaction information and the employee information aggregated for the accounting period in a file, and storing the received transaction information and the received employee information, wherein the receiving is from the point of sale via the Internet [See Kessler citations supra]. Official Notice is taken that it is well known to aggregate information/data over a predetermined time period, to receive aggregated information/data at a computing device in a computer-readable file format, and to store information in a database (e.g. memory, etc.). Therefore, as per KSR Rationale A, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to have received a *computer readable file* format (via the Internet as disclosed) containing the employee information and the transaction information aggregated for the transaction period, and to have stored the received transaction information and received employee information in a *database*, since the claimed invention is merely a combination of old elements, and 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.

Regarding claim 8, see discussion and citations supra re: claim 7.

Regarding claim 9, note that the method involves determining a total gratuity amount for the account period from the transaction information, and determining the gratuity allocation for each of the plurality of employees based on the total gratuity amount for the account period [See citations and discussion supra].

Regarding claim 17, for payroll accounting purposes, it would have been obvious to communicate the determined gratuity allocation for at least one employee to an "employer payroll system as taught by Delaney [See citations supra]. Additionally communicating for each employee would have been an obvious duplication within routine skill in the art which could have accomplished without unpredictable results. With respect to distributing the determined gratuity allocation to each employee through a payroll check, Official Notice is taken that is well known to distribute funds to an employee via payroll check. Therefore, to accommodate a preference payroll checks for distribution (and as per *KSR* Rationale A), it would have been obvious to have distributed the determined allocation to each employee for through a payroll check.

Regarding claims 18 and 19, the references as combined teach providing a "web portal" configured to be accessed by employees and/or employers, wherein the web portal is configured to allow access to the determined gratuity data for an employee or the employee(s) for reporting the allocation information [see at least Kessler, para. 41, i.e., registration website]. Information display via a web portal/website is well known in the art, and Official Notice is taken thereof. Accordingly, it would have been obvious to a person of ordinary skill in the art to have configured the portal to display the determined gratuity allocation information on the web portal

(if not already). The motivation for doing so would have been to provide a viewing of such information at the portal.

Regarding claim 21, the references as combined teach/suggest receiving disclose receiving gratuity distribution rules from at least one employer. Receiving such rules from each of a plurality of employers would have been an duplication of the aforementioned receiving step across each employer in the plurality. The source of the rule and the contents of the rule does not alter the manner in which the method is performed, and the source and content of the rule are not dependent on the steps of the method for their identity. As such, the recitation, "different than the gratuity distribution rules received from at least one other employer" constitutes patentably inconsequential non-functional descriptive material. *See* MPEP §2111.05. Moreover, Official Notice is taken that different employers (e.g. different casinos) can have different gratuity distribution policies/rules; e.g., allocation over 24 hour period v. allocation on a shift-by-shift basis. As such to accommodate for differing policies, it would have been obvious to have performed the acts with distributions rules received from one employer being different than distribution rules received at least one other employer.

Claim 22 recites a system comprising a processor coupled to a memory, a database, and various modules for performing operations substantially similar to the recitations addressed and rejected above. The similar recitations are likewise rejected. The recited "processor coupled to the at least one memory" (see ll. 2-3) corresponds to the processor and memory discussed above (see e.g. discussion of claim 1). Distributing the above-discussed functions across three modules, aptly titled "the configuration module," "the allocation module," and "reporting module" (see ll. 8-14), would have been an obvious distribution or separation of parts well within routine skill in

the art, yielding no unpredictable results. Kessler discloses a database (see paras. 20, 29, 41, clms. 9, 16) configured to store transaction and employ information; and the particular type of information does not alter the structure so as to patentably distinguish.

Regarding claim 23, note that the system comprises an interface component configured to receive the transaction information from the point of sale and to communicate the transaction information to the database to be stored (see e.g., Kessler, fig. 1, paras. 20, 25, 34-35, claims 9, 16).

Regarding claim 24, note that the system comprises an interface component configured to receive the employee information from the point of sale and to communicate the employee information to the database to be stored (see e.g., Kessler, fig. 1, paras. 20, 25, 34-35, claims 9, 16).

Regarding claim 25, note that the system comprises means for receiving transaction information from a point of sale and storing the received transaction information in the database (see e.g., Kessler, fig. 1, paras. 20, 25, 34-35, claims 9, 16). With respect to the prima facie case of equivalence, the disclosed elements of modified Kessler perform the functions specified in the claims, are not excluded by any explicit definition provided in the specification, and are equivalent for at least the reason that there are insubstantial differences between such elements and the corresponding elements disclosed in Applicant's Specification.

Regarding claim 26, note that the system comprises means for receiving employee information from a point of sale and storing the received employee information in the database (see e.g., Kessler, fig. 1, paras. 20, 25, 34-35, claims 9, 16). With respect to the prima facie case of equivalence, the disclosed elements of modified Kessler perform the functions specified in the

claims, are not excluded by any explicit definition provided in the specification, and are equivalent for at least the reason that there are insubstantial differences between such elements and the corresponding elements disclosed in Applicant's Specification.

Claims 27 and 28 contain recitations substantially similar to the recitations addressed and rejected above and, therefore, are likewise rejected.

Regarding claim 29, **Delaney** also teaches communicating with an employer payroll system, and particularly communicating determined gratuity allocations to the employer payroll system (see e.g. para. 37). Therefore, to inform payroll of allocated gratuities, it would have been an obvious expedient to have configured the reporting module to communicate with an employer payroll system and to communicate the determined gratuity allocations to the employer payroll system.

7. Claims 10-12 are rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Kessler, Delaney, Tidwell, and Official Notice (as applied to above), and further in view of Phillips (US 2014/0365322 A1, pub. Dec. 11, 2014).

Regarding claim 10, the combination teaches that determining the gratuity allocation for each employee further comprises allocating the gratuities to form a "gratuity pool" based on the gratuity distribution rules (e.g., dealers for particular shift, see discussion & Delaney citations supra) and allocating the gratuity pool for the gratuity group (dealers for a particular shift) between the employees of the gratuity group based on the distribution rules (see discussion & Delaney citations supra). **Phillips** expressly discloses classifying a plurality of employees into one of a plurality of gratuity groups based on job function of the employee (see paras. 57-65-- e.g., server in "shift name"). Therefore, it would have been obvious to include an interstitial

step of classifying each of the plurality of employees into one of a plurality of gratuity groups based on job function of the employee, if not already, since the invention is since the claimed invention is merely a combination of old elements, and 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* MPEP § 2143.

Regarding claim 11, note that the combination teaches determining the total of hours worked for each employee of the group for the accounting period; and allocating a portion of the gratuity pool for the gratuity group to each employee of the group corresponding to the ratio of the hours (e.g. 1/2 eight hour shift) worked that employee to the total hours worked of the group (see citations and discussion *supra*).

Regarding claim 12, note that **Phillips** also teaches receiving an assigned gratuity factor (e.g., percentage share assigned to tip employee for example, see e.g. para. 57) and allocating at least a portion of the gratuity pool to each employee based on the employees assigned gratuity factor (see *id*). Therefore, to allocate the gratuities based on a weighted or percentage determination, it would have been obvious to a person of ordinary skill in the art for the allocating to involve receiving an assigned gratuity factor for each of the plurality of employees, and allocating at least a portion of the gratuity pool for the gratuity group to each employee based on the employee's assigned gratuity factor. Such additional feature would have also been an obvious expedient as per *KSR* Rationale A (see MPEP §2143).

8. Claims 10-12 are rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Beauregard in view of Kessler, Delany, and Tidwell, and Official Notice, and further in view of Phillips.

Regarding claim 10, the combination teaches that determining the gratuity allocation for each employee further comprises allocating the gratuities to form a "gratuity pool" based on the gratuity distribution rules (e.g., dealers for particular shift, see discussion & Delaney citations *supra*) and allocating the gratuity pool for the gratuity group (dealers for a particular shift) between the employees of the gratuity group based on the distribution rules (see discussion & Delaney citations *supra*). **Phillips** expressly discloses classifying a plurality of employees into one of a plurality of gratuity groups based on job function of the employee (see paras. 57-65-- e.g., server in "shift name"). Therefore, it would have been obvious to include an interstitial step of classifying each of the plurality of employees into one of a plurality of gratuity groups based on job function of the employee, if not already, since the invention is since the claimed invention is merely a combination of old elements, and 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* MPEP § 2143.

Regarding claim 11, note that the combination teaches determining the total of hours worked for each employee of the group for the accounting period; and allocating a portion of the gratuity pool for the gratuity group to each employee of the group corresponding to the ratio of the hours (e.g. 1/2 eight hour shift) worked that employee to the total hours worked of the group (see citations and discussion *supra*).

Regarding claim 12, note that **Phillips** also teaches receiving an assigned gratuity factor (e.g., percentage share assigned to tip employee for example, see e.g. para. 57) and allocating at least a portion of the gratuity pool to each employee based on the employees assigned gratuity factor (see id). Therefore, to allocate the gratuities based on a weighted or percentage determination, it would have been obvious to a person of ordinary skill in the art for the allocating to involve receiving an assigned gratuity factor for each of the plurality of employees, and allocating at least a portion of the gratuity pool for the gratuity group to each employee based on the employee's assigned gratuity factor. Such additional feature would have also been an obvious expedient as per *KSR* Rationale A (see MPEP §2143).

9. Claims 13 and 14 rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Kessler in view of Delany, and Tidwell, and Official Notice, and further in view of “*Those tricky tips*” (Seattle Times, 2008).

Regarding claims 13 and 14, “*Those tricky tips*” discloses determining a total of gratuities received by a first group of employees (e.g., \$15, or 15% of \$100 earned by server); and allocating a portion of the total gratuities received by the first group of employees to a second group of employees based on distribution rules (i.e., \$95.20 less \$1.80 tip charge is distributed to a second group comprising expediter, busperson, bartender, and hostess), wherein the portion of the total gratuities received by the first group of employees allocated to the second group is determined based on the number of members in the second group (i.e., the portion is an aggregation of the amount due to each member in the second group). *See* attached article. Therefore, to share tips earned by waiters/severs with assisting or tip-out employees, it would have been obvious to person of ordinary skill in the art to have determined a total of gratuities

received by a first group of employees (e.g. one or more servers); and to have allocated a portion of the total gratuities received by the first group of employees to a second group of employees (e.g. the tip-out group) based on the distribution rules, wherein the portion of the total gratuities received by the first group of employees allocated to the second group of employees is determined based on the number of members in the second group of employees.

10. Claims 13 and 14 are rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Beauregard in view of Kessler, Delany, and Tidwell, and Official Notice, and further in view of *Those trick tips*.

Regarding claims 13 and 14, “*Those trick tips*” discloses determining a total of gratuities received by a first group of employees (e.g., \$15, or 15% of \$100 earned by server); and allocating a portion of the total gratuities received by the first group of employees to a second group of employees based on distribution rules (i.e., \$95.20 less \$1.80 tip charge is distributed to a second group comprising expediter, busperson, bartender, and hostess), wherein the portion of the total gratuities received by the first group of employees allocated to the second group is determined based on the number of members in the second group (i.e., the portion is an aggregation of the amount due to each member in the second group). *See* attached article. Therefore, to share tips earned by waiters/severs with assisting or tip-out employees, it would have been obvious to person of ordinary skill in the art to have determined a total of gratuities received by a first group of employees (e.g. one or more servers); and to have allocated a portion of the total gratuities received by the first group of employees to a second group of employees (e.g. the tip-out group) based on the distribution rules, wherein the portion of the total gratuities

received by the first group of employees allocated to the second group of employees is determined based on the number of members in the second group of employees.

11. Claim 15 is rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Kessler in view of Delany, and Tidwell, and Official Notice, and further in view of *Dune Service* (attached).

Regarding claim 15, *Dune Services* evidences that it is known to allocate a fixed amount of gratuities received by a member of a first group to a second group of employees (1.5% of sales) provided that a particular earning threshold (e.g., greater than or equal to \$100) is met. Therefore, to provide limit tip-outs to a particular earning threshold, it would have been obvious to a person of ordinary skill in the art to allocate a fixed amount of gratuities received by a member of a first group to a second group of employees provided that a particular earning threshold is met; selecting a gratuity threshold (i.e., gratuities greater than or equal to a threshold) would have been an obvious selection of a particular threshold amongst a finite selection of thresholds.

12. Claim 15 is rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Beauregard in view of Kessler, Delany, and Tidwell, and Official Notice, and further in view of *Dune Service* (attached).

Regarding claim 15, *Dune Services* evidences that it is known to allocate a fixed amount of gratuities received by a member of a first group to a second group of employees (1.5% of sales) provided that a particular earning threshold (e.g., greater than or equal to \$100) is met. Therefore, to provide limit tip-outs to a particular earning threshold, it would have been obvious to a person of ordinary skill in the art to allocate a fixed amount of gratuities received by a

Art Unit: 3627

member of a first group to a second group of employees provided that a particular earning threshold is met; selecting a gratuity threshold (i.e., gratuities greater than or equal to a threshold) would have been an obvious selection of a particular threshold amongst a finite selection of thresholds.

13. Claim 16 is rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Beauregard in view of Kessler, Delany, and Tidwell, and Official Notice, and further in view of Daher (US 2007/0043614, pub. Feb. 22, 2007) and *Those tricky tips*.

Regarding claim 16, the references as combined teach receiving transaction information. **Daher** further teaches determining total cash sales from transaction information during an accounting period from transaction information (see para. 110, claim 20). *Those tricky tips* further discloses determining a total gratuity from a total sales (e.g. \$15 or 15% of \$100), and allocating the total gratuity to a plurality of employees based on distribution rules (see attached article, e.g., server gets \$150 less \$95.20; expediter gets \$20, bus person gets \$20, etc.). It would have been an obvious expedient to determine the total cash sales during the accounting period from the transaction information, and to have applied Tricky Tips' allocation scheme to the total cash sales—particularly, by allocating determining the total cash gratuity from the determined total cash sales, and allocating the total cash gratuity to the plurality of employees based on distribution rules—since the claimed invention is a combination of old elements/features, and in the combination each element/feature 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* MPEP § 2143.

14. Claim 20 is rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Kessler, Delaney, Tidwell, and Official Notice (as applied to above), and further in view of Scipioni (US 2013/0173404).

Regarding claim 20, **Scipioni** teaches that it is known to notify an employee via at least one of a text message, email, or instant message of a determined gratuity [See at least Para. 19]. Therefore, to provide feedback to the employees (and as per *KSR* Rationale A), it would have been obvious to a person of ordinary skill in the art at the time the invention was made to notifying the employee via a least one of a text message, email, or instant message of the determined gratuity allocation upon the determining.

10. Claim 20 is rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Beauregard in view of Kessler, Delany, and Tidwell, and Official Notice, and further in view of Scipioni.

Regarding claim 20, **Scipioni** teaches that it is known to notify an employee via at least one of a text message, email, or instant message of a determined gratuity [See at least Para. 19]. Therefore, to provide feedback to the employees (and as per *KSR* Rationale A), it would have been obvious to a person of ordinary skill in the art at the time the invention was made to notifying the employee via a least one of a text message, email, or instant message of the determined gratuity allocation upon the determining.

Conclusion

11. Additional prior art considered pertinent to the Applicants' disclosure is made of record on the attached PTO-892.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Kristie A. Mahone whose telephone number is 571- 270-3401. The examiner can normally be reached on Monday-Friday, 8:30 AM-5:00 PM. The Examiner's desktop fax number is 571-270-4401.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Ryan Zeender can be reached on 571-272-6790. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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*/Kristie A Mahone/
Primary Examiner, Art Unit 3627**

Notice of References Cited	Application/Control No. 13/834,466	Applicant(s)/Patent Under Reexamination STEPANOVICH, ALEKSANDAR	
	Examiner Kristie A. Mahone	Art Unit 3627	Page 1 of 2

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*	B	US-2006/0143087 A1	06-2006	Tripp et al.	705/015
*	C	US-2007/0043614 A1	02-2007	Daher et al.	705/014
*	D	US-2007/0239468 A1	10-2007	O'Brien et al.	705/001
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*	F	US-2009/0024456 A1	01-2009	Risnoveanu et al.	705/11
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	Examiner Kristie A. Mahone		Art Unit 3627	Page 2 of 2

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*	B	US-2013/0290173 A1	10-2013	Nemeroff, Jordan Michael	705/39
*	C	US-8,723,652 B2	05-2014	Delaney et al.	340/10.42
*	D	US-2014/0365322 A1	12-2014	Phillips, Andrew M.	705/16
	E	US-			
	F	US-			
	G	US-			
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	S					
	T					

NON-PATENT DOCUMENTS

*		Include as applicable: Author, Title Date, Publisher, Edition or Volume, Pertinent Pages)
	U	Dune Service, "Servers, what is your tip out policy for working in your restaurant?", " November 25, 2011.
	V	The Seattle Times, "Those tricky tips How restaurants slice up the gratuity pie, " 2008.
	W	Nextshooter.com, "How tips are split among crap dealers in Las Vegas," 2006.
	X	

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Table of contents

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1. Tips and gratuities don't have to be the curse of the industry..... 1

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Set#	Searched for	Results
S12	((tip OR gratuity) NEAR/2 (POOL OR POOLING)) AND (PERCENT OR PERCENTAGE)) AND ftany(yes)	77°
S11	((tip OR gratuity) NEAR/2 (POOL OR POOLING)) AND ftany(yes)	266°
S10	((tip OR gratuity) NEAR/3 (sharing OR share OR split OR splitting) NEAR/7 (policy OR rule)) AND ftany(yes)	35°
S9	((tip OR gratuity) NEAR/3 sharing NEAR/3 policy) AND (restaurant OR bar OR waiter OR waitress)) AND ftany(yes) AND pd(<20120904)	8°
S8	((tip OR gratuity) NEAR/3 sharing NEAR/3 policy) AND (restaurant OR bar OR waiter OR waitress)) AND ftany(yes) AND pd(<20120904)	8°
S7	((tip OR gratuity) NEAR/3 sharing) AND restaurant AND ftany(yes) AND pd(<20120904)	110°
S6	((tip OR gratuity) NEAR/3 sharing) AND restaurant AND ftany(yes) AND pd(<20120904)	110°
S5	(tip sharing) AND restaurant AND ftany(yes) AND pd(<20120904)	1212°
S4	tipout AND restaurant AND ftany(yes) AND pd(<20120904)	0°
S3	(ft(tipout) AND restaurant) AND ftany(yes) AND pd(<20120904)	0°
S2	(ft(tipout) AND restaurant) AND ftany(yes) AND pd(<20120904)	0°
S1	(ft(tipout) AND restaurant OR bar) AND ftany(yes) AND pd(<20120904)	495439*

* Duplicates are removed from the search, but included in the result count.

° Duplicates are removed from the search and from the result count.

Tips and gratuities don't have to be the curse of the industry

Author: Raleigh, Patrick R

Publication info: Nation's Restaurant News 33.37 (Sep 13, 1999): 70.

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Databases: Gale Group PROMT® (1972 - current)

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	Filing Date	2013-03-15
	First Named Inventor	Aleksandar STEPANOVICH
	Art Unit	3693
	Examiner Name	tbd
	Attorney Docket Number	209387.00003

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	2	4819162	A	1989-04-04	Webb, Jr., et al.	
	3	6078899	B	2000-06-20	Francisco, et al.	
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	5	6625579	B1	2003-09-23	Komai	
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	1	20110112940	A1	2011-05-12	Marshall	
	2	20020095380	A1	2002-07-18	Singhal	
	3	20020184148	A1	2002-12-05	Kahn, et al.	
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	11	20110029418		2011-02-03	Marshall	
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	1	2013063325	WO		2013-05-02	Kessler et al.		☐

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	1	CARDFLEX, INC., TipCentral Put Cash Distribution of Tips and Tip-Outs on Autopilot, http://www.cardflexnow.com/prepaid-solutions/products/tipcentral , 6-18-2013, Page 1-2, CardFlex, Inc., Chicago, Illinois, USA.	☐
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	3	RADIANT SYSTEMS, INC., Aloha Table Service v6.4 Release Content Profile, http://www.abacuspos.com/downloads/v64_TS_Release_Content.pdf , 6-18-2013, 1-2, Radiant Systems, Inc., South Plainfield, New Jersey, USA.	☐

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- ☐ See attached certification statement.
- ☐ The fee set forth in 37 CFR 1.17 (p) has been submitted herewith.
- ☒ A certification statement is not submitted herewith.

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A signature of the applicant or representative is required in accordance with CFR 1.33, 10.18. Please see CFR 1.4(d) for the form of the signature.

Signature	/Rex W. Miller, II/	Date (YYYY-MM-DD)	2013-08-06
Name/Print	Rex W. Miller, II	Registration Number	63284

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5. A record related to an International Application filed under the Patent Cooperation Treaty in this system of records may be disclosed, as a routine use, to the International Bureau of the World Intellectual Property Organization, pursuant to the Patent Cooperation Treaty.
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7. A record from this system of records may be disclosed, as a routine use, to the Administrator, General Services, or his/her designee, during an inspection of records conducted by GSA as part of that agency's responsibility to recommend improvements in records management practices and programs, under authority of 44 U.S.C. 2904 and 2906. Such disclosure shall be made in accordance with the GSA regulations governing inspection of records for this purpose, and any other relevant (i.e., GSA or Commerce) directive. Such disclosure shall not be used to make determinations about individuals.
8. A record from this system of records may be disclosed, as a routine use, to the public after either publication of the application pursuant to 35 U.S.C. 122(b) or issuance of a patent pursuant to 35 U.S.C. 151. Further, a record may be disclosed, subject to the limitations of 37 CFR 1.14, as a routine use, to the public if the record was filed in an application which became abandoned or in which the proceedings were terminated and which application is referenced by either a published application, an application open to public inspections or an issued patent.
9. A record from this system of records may be disclosed, as a routine use, to a Federal, State, or local law enforcement agency, if the USPTO becomes aware of a violation or potential violation of law or regulation.

EAST Search History

EAST Search History (Prior Art)

Ref #	Hits	Search Query	DBs	Default Operator	Plurals	Time Stamp
L1	18	("20020095380" "20020184148" "20020198832" "20030097303" "20040059689" "20040083134" "20040225567" "20060036528" "20060111990" "20110029418" "20110112940" "4819162" "6078899" "6088681" "6625579" "6889200" "6993502" "7398238").PN.	US-PGPUB; USPAT	OR	OFF	2015/04/19 10:21
S1	9481312	@AD<"20130314"	US-PGPUB; USPAT	OR	OFF	2015/01/29 18:09
S2	8471	(manag\$5 distribut\$4 shar\$3 allocat\$4) near4 (gratuity tips!)	US-PGPUB; USPAT	OR	ON	2015/01/29 18:10
S3	38	(manag\$5 distribut\$4 shar\$3 allocat\$4) near4 (gratuity)	US-PGPUB; USPAT	OR	ON	2015/01/29 18:17
S4	32	S1 and S3	US-PGPUB; USPAT	OR	ON	2015/01/29 18:17
S5	38	(manag\$5 distribut\$4 shar\$3 allocat\$4 disburs\$5) near4 (gratuity)	US-PGPUB; USPAT	OR	ON	2015/01/29 18:28
S6	41	(manag\$5 distribut\$4 shar\$3 divi\$5 allocat\$4 disburs\$5) near4 (gratuity)	US-PGPUB; USPAT	OR	ON	2015/01/29 18:30
S7	33	S6 and S1	US-PGPUB; USPAT	OR	ON	2015/01/29 18:31
S8	96	(manag\$5 distribut\$4 shar\$3 divi\$5 allocat\$4 disburs\$5) near4 (tip) with (employee wait\$3 staff server)	US-PGPUB; USPAT	OR	ON	2015/01/29 18:39
S9	88	S8 and S1	US-PGPUB; USPAT	OR	ON	2015/01/29 18:39
S10	55	(manag\$5 distribut\$4 shar\$3 divi\$5 allocat\$4 disburs\$5 accounting) near4 (gratuity)	US-PGPUB; USPAT; USOCR; FPRS; EPO; JPO; DERWENT; IBM_TDB	OR	ON	2015/01/29 19:02
S11	1	"1000000540792".FMID.	US-PGPUB; USPAT; FPRS	OR	OFF	2015/01/29 19:12
S12	1	"1000000540792".FMID.	US-PGPUB; USPAT; FPRS	OR	OFF	2015/01/29 19:12
S13	5	kessler.in. and casino	US-PGPUB; USPAT; USOCR; FPRS; EPO; JPO; DERWENT; IBM_TDB	OR	ON	2015/01/29 19:15

S14	2	"8762265".pn.	US-PGPUB; USPAT; USOCR; FPRS; EPO; JPO; DERWENT; IBM_TDB	OR	ON	2015/01/29 19:23
S15	11	("20060085265" "20080065396" "20080195533" "20090171841" "20090283587" "20100217699" "20100306086" "20110093941" "20120130887" "6850767" "7533809").PN. OR ("8762265").URPN.	US-PGPUB; USPAT; USOCR	OR	OFF	2015/01/29 19:23
S16	880	(track\$3) near4 (gratuity tips!)	US-PGPUB; USPAT	OR	ON	2015/01/29 19:26
S17	9	(track\$3) near3 (gratuity)	US-PGPUB; USPAT	OR	ON	2015/01/29 19:26
S18	94	(manag\$5 distribut\$4 shar\$3 divi\$5 allocat\$4 disburs\$5 track\$5) near4 (tip gratuity) with (employee wait\$3 staff casino)	US-PGPUB; USPAT	OR	ON	2015/01/29 19:28
S19	83	S18 and S1	US-PGPUB; USPAT	OR	ON	2015/01/29 19:29
S20	32	S19 and "705"/\$.ccls.	US-PGPUB; USPAT	OR	ON	2015/01/29 19:29
S21	2	(manag\$5 distribut\$4 shar\$3 divi\$5 allocat\$4 disburs\$5 track\$5) near4 (toke) with (employee wait\$3 staff casino)	US-PGPUB; USPAT	OR	ON	2015/01/29 19:34
S22	2	"46637310".FMI D.	US-PGPUB; USPAT; FPRS	OR	OFF	2015/01/29 19:35
S23	2	("20060084502" "7491125").PN. OR ("8723652").URPN.	US-PGPUB; USPAT; USOCR	OR	OFF	2015/01/29 19:36
S24	19	(manag\$5 distribut\$4 shar\$3 divi\$5 allocat\$4 disburs\$5 track\$5) near4 (toke)	US-PGPUB; USPAT	OR	ON	2015/01/29 19:37
S25	532	(manag\$5 distribut\$4 shar\$3 divi\$5 allocat\$4 disburs\$5 track\$5) near4 (cash) with (employee wait\$3 staff casino)	US-PGPUB; USPAT	OR	ON	2015/01/29 19:38
S26	189	(distribut\$4 shar\$3 divi\$5 allocat\$4 disburs\$5) near4 (cash) with (employee wait\$3 staff)	US-PGPUB; USPAT	OR	ON	2015/01/29 19:39
S27	178	S26 and S1	US-PGPUB; USPAT	OR	ON	2015/01/29 19:39
S28	121	(distribut\$4 shar\$3 divi\$5 allocat\$4 disburs\$5) near4 (bonus tip toke gratuity) with (employee wait\$3 staff)	US-PGPUB; USPAT	OR	ON	2015/01/29 19:42
S29	21	tip?out near5 shift	US-PGPUB; USPAT	OR	ON	2015/01/29 19:44
S30	4	tip?out and "705"/\$.ccls.	US-PGPUB; USPAT	OR	ON	2015/01/29 19:44
S31	6	(distribut\$4 shar\$3 divi\$5 allocat\$4 disburs\$5) near4 (bonus tip toke gratuity) with (bartender)	US-PGPUB; USPAT	OR	ON	2015/01/29 19:47

S32	898	(distribut\$4 shar\$3 divi\$5 allocat\$4 disburs\$5 split\$5 percent\$5) near4 (bonus tip toke gratuity) with (bartender driver employee server casino)	US-PGPUB; USPAT	OR	ON	2015/01/29 19:49
S33	170	(distribut\$4 shar\$3 divi\$5 allocat\$4 disburs\$5 split\$5 percent\$5) near4 (tip toke gratuity) with (bartender driver employee server casino)	US-PGPUB; USPAT	OR	ON	2015/01/29 19:49
S34	152	S33 and S1	US-PGPUB; USPAT	OR	ON	2015/01/29 19:49
S35	830	(distribut\$4 shar\$3 divi\$5 allocat\$4 disburs\$5 split\$5 percent\$5) near3 (money cash) with (bartender driver employee server casino)	US-PGPUB; USPAT	OR	ON	2015/01/29 19:55
S36	101	(distribut\$4 shar\$3 divi\$5 allocat\$4 disburs\$5 split\$5 percent\$5) near3 (money cash) with (bartender driver employee server casino) with based	US-PGPUB; USPAT	OR	ON	2015/01/29 19:55
S37	41	(distribut\$4 shar\$3 divi\$5 allocat\$4 disburs\$5 split\$5 percent\$5) near3 (money cash) with (bartender driver employee server casino) near5 rules	US-PGPUB; USPAT	OR	ON	2015/01/29 19:56
S38	2555	(distribut\$4 shar\$3 divi\$5 allocat\$4 disburs\$5 split\$5 percent\$5) with (bartender dealer waiter waitress driver employee server casino) near5 rules	US-PGPUB; USPAT	OR	ON	2015/01/29 19:58
S39	2165	(distribut\$4 shar\$3 divi\$5 allocat\$4 disburs\$5 split\$5 percent\$5) near7 (bartender dealer waiter waitress driver employee server casino) near5 rules	US-PGPUB; USPAT	OR	ON	2015/01/29 19:58
S40	484	(distribut\$4 shar\$3 divi\$5 allocat\$4 disburs\$5 split\$5 percent\$5) near7 (bartender dealer waiter waitress driver employee casino) near5 rules	US-PGPUB; USPAT	OR	ON	2015/01/29 19:59
S41	363	(distribut\$4 shar\$3 divi\$5 allocat\$4 disburs\$5 split\$5 percent\$5) near5 (bartender dealer waiter waitress driver employee casino) near5 rules	US-PGPUB; USPAT	OR	ON	2015/01/29 19:59
S42	85	S41 and S1 and "705"/\$.ccls.	US-PGPUB; USPAT	OR	ON	2015/01/29 20:00
S43	30146	(tip toke gratuity) near3 (shar\$3 allocat\$3 split splitting distribut\$6)	US-PGPUB; USPAT	OR	OFF	2015/04/16 17:31
S44	14	S43 and casino	US-PGPUB; USPAT	OR	OFF	2015/04/16 17:31
S45	110	(tip toke gratuity) near3 (shar\$3 allocat\$3 split splitting distribut\$6 divi\$5) with (dealer employee worker waiter waitress)	US-PGPUB; USPAT	OR	ON	2015/04/16 17:33
S46	9540148	@AD<"20130314"	US-PGPUB; USPAT	OR	OFF	2015/04/16 17:34
S47	94	S45 and S46	US-PGPUB; USPAT	OR	ON	2015/04/16 17:34
S48	0	tipshar\$3	US-PGPUB; USPAT	OR	ON	2015/04/17 12:22
S49	409	(tip toke) near2 pool\$3	US-PGPUB; USPAT	OR	ON	2015/04/17 15:11

S50	409	(tip toke gratuity) near2 pool\$3	US-PGPUB; USPAT	OR	ON	2015/04/17 15:11
S51	3	S50 same rule	US-PGPUB; USPAT	OR	ON	2015/04/17 15:11
S52	7	(tip toke gratuity) near2 pool\$3 with (employee waiter waitress dealer)	US-PGPUB; USPAT	OR	ON	2015/04/17 15:55
S53	137	(tip toke gratuity) near3 (shar\$3 allocat\$3 split splitting distribut\$6 divi\$5 pool\$4 aggregat\$5) with (dealer employee worker waiter waitress busser greeter bartender cook chef dishwasher runner)	US-PGPUB; USPAT	OR	ON	2015/04/17 16:00
S54	137	(tip toke gratuity) near3 (shar\$3 allocat\$3 split splitting distribut\$6 divi\$5 pool\$4 aggregat\$5) with (dealer employee worker waiter waitress busser greeter bartender cook chef dishwasher runner busboy)	US-PGPUB; USPAT	OR	ON	2015/04/17 16:02
S55	0	tip?pool near3 dealer	US-PGPUB; USPAT	OR	ON	2015/04/18 10:50
S56	0	tip?pool with dealer	US-PGPUB; USPAT	OR	ON	2015/04/18 10:52
S57	4	(tip adj pool) with dealer	US-PGPUB; USPAT	OR	ON	2015/04/18 10:52
S58	0	S56 and tip adj pool	US-PGPUB; USPAT	OR	ON	2015/04/18 10:52
S59	137	(tip toke gratuity) near3 (shar\$3 allocat\$3 split splitting distribut\$6 divi\$5 pool\$4 aggregat\$5) with (dealer employee worker waiter waitress busser greeter bartender cook chef dishwasher runner busboy)	US-PGPUB; USPAT	OR	ON	2015/04/18 11:05
S60	14	S59 same cash	US-PGPUB; USPAT	OR	ON	2015/04/18 11:05
S61	0	tipshar\$3	US-PGPUB; USPAT	OR	ON	2015/04/18 11:07
S62	23	tip?shar\$3	US-PGPUB; USPAT	OR	ON	2015/04/18 11:07
S63	1	"20100257013".pn.	US-PGPUB; USPAT	OR	ON	2015/04/18 13:39
S64	23	total near3 cash near3 sale with (period shift time day)	US-PGPUB; USPAT	OR	ON	2015/04/18 13:51
S65	26	("20010049657" "20020019806" "20020174048" "20040068436" "20040177036" "20050149436" "20080027844" "20080046361" "20080167965" "20080256054" "20090055313" "20090157517" "20090282022" "20100023450" "20100138341" "20140012754" "5893078" "7707106" "7725387" "7792717" "7797207" "7899750" "8234188" "8355985" "8452702" "8639622").PN.	US-PGPUB; USPAT	OR	ON	2015/04/18 13:54
S66	156	total near3 cash near3 sale	US-PGPUB; USPAT	OR	ON	2015/04/18 13:54
S67	0	S65 AND S66	US-PGPUB; USPAT	OR	ON	2015/04/18 13:54

S68	9134	tip\$3 adj2 out	US-PGPUB; USPAT	OR	ON	2015/04/18: 14:13
S69	415	tipping adj out	US-PGPUB; USPAT	OR	ON	2015/04/18: 14:13
S70	0	S69 and "705"/\$.ccls.	US-PGPUB; USPAT	OR	ON	2015/04/18: 14:14
S71	38	cash adj2 (tip gratuity)	US-PGPUB; USPAT	OR	ON	2015/04/18: 14:14
S72	11	cash adj2 (tip gratuity) with (sum summing total\$3 add adding)	US-PGPUB; USPAT	OR	ON	2015/04/18: 14:14
S73	13	cash adj2 (tip gratuity) with (sum summing total\$3 add adding)	US-PGPUB; USPAT	OR	ON	2015/04/18: 14:16
S74	8047520	"13" not S73	US-PGPUB; USPAT	OR	ON	2015/04/18: 14:16
S75	2	S73 not S72	US-PGPUB; USPAT	OR	ON	2015/04/18: 14:17
S76	55	tipout	US-PGPUB; USPAT	OR	ON	2015/04/18: 14:17
S77	733	tip?out	US-PGPUB; USPAT	OR	ON	2015/04/18: 14:17
S78	9	(S76 S77) and "705"/\$.ccls.	US-PGPUB; USPAT	OR	ON	2015/04/18: 14:17
S79	19	(tip toke gratuity) near3 (shar\$3 allocat\$3 split splitting distribut\$6 divi\$5 pool\$4 aggregat\$5) with cash	US-PGPUB; USPAT	OR	ON	2015/04/18: 14:18
S80	35	(tip toke gratuity) near3 (shar\$3 allocat\$3 split splitting distribut\$6 divi\$5 pool\$4 aggregat\$5) same cash	US-PGPUB; USPAT	OR	ON	2015/04/18: 14:20
S81	15	(tip toke gratuity) near3 (shar\$3 allocat\$3 split splitting distribut\$6 divi\$5 pool\$4 aggregat\$5) near10 cash	US-PGPUB; USPAT	OR	ON	2015/04/18: 14:20
S82	16	(S80 S81) not S79	US-PGPUB; USPAT	OR	ON	2015/04/18: 14:20
S83	39311	(tip toke gratuity) near3 (shar\$3 allocat\$3 split splitting distribut\$6 divi\$5 pool\$4 aggregat\$5)	US-PGPUB; USPAT	OR	ON	2015/04/18: 17:07
S84	34	(gratuity) near3 (shar\$3 allocat\$3 split splitting distribut\$6 divi\$5 pool\$4 aggregat\$5)	US-PGPUB; USPAT	OR	ON	2015/04/18: 17:07
S85	26	("20010049657" "20020019806" "20020174048" "20040068436" "20040177036" "20050149436" "20080027844" "20080046361" "20080167965" "20080256054" "20090055313" "20090157517" "20090282022" "20100023450" "20100138341" "20140012754" "5893078" "7707106" "7725387" "7792717" "7797207" "7899750" "8234188" "8355985" "8452702" "8639622").PN.	US-PGPUB; USPAT	OR	ON	2015/04/18: 18:14
S86	10	tip adj2 pay\$3 adj2 out	US-PGPUB; USPAT	OR	ON	2015/04/18: 18:17
S87	17	(US-20080065396-\$ or US- 20130085913-\$ or US-20060143087-\$ or US-20130290173-\$ or US-	US-PGPUB; USPAT	OR	OFF	2015/04/18: 19:05

		20130041776-\$ or US-20120310779-\$ or US-20140365322-\$ or US-20110246314-\$ or US-20070239468-\$ or US-20130041733-\$ or US-20120123915-\$ or US-20120208622-\$ or US-20090024456-\$ or US-20090258688-\$ or US-20070043614-\$ or US-20060128472-\$).did. or (US-8723652-\$).did.				
S88	4	S87 and threshold	US-PGPUB; USPAT	OR	OFF	2015/04/18 19:05
S89	4	S87 and threshold	US-PGPUB; USPAT	OR	ON	2015/04/18 19:05
S90	2	S87 and (dealer near3 drop)	US-PGPUB; USPAT	OR	ON	2015/04/18 19:22
S91	0	dealer near3 drop\$4 with threshold	US-PGPUB; USPAT	OR	ON	2015/04/18 19:23
S92	0	(dealer near3 drop\$4) with threshold	US-PGPUB; USPAT	OR	ON	2015/04/18 19:24
S93	258	(dealer near3 drop\$4)	US-PGPUB; USPAT	OR	ON	2015/04/18 19:24
S94	1	S93 same threshold	US-PGPUB; USPAT	OR	ON	2015/04/18 19:24
S95	14	fee near3 (split\$4 shar\$3) near4 threshold	US-PGPUB; USPAT	OR	ON	2015/04/18 19:34
S96	267	(tip toke gratuity) near3 (shar\$3 allocat\$3 split splitting distribut\$6 divi\$5 pool\$4 aggregat\$5) with (threshold minimum)	US-PGPUB; USPAT	OR	ON	2015/04/18 19:36
S97	14	fee near3 (split\$4 shar\$3 pooling) near4 minimum	US-PGPUB; USPAT	OR	ON	2015/04/18 19:41
S98	0	gratuity with (minimum threshold greater)	US-PGPUB; USPAT	OR	ON	2015/04/18 19:43
S99	37	gratuity with (minimum threshold greater)	US-PGPUB; USPAT	OR	ON	2015/04/18 19:43

4/ 19/ 2015 10:24:02 AM

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<i>Index of Claims</i> 	Application/Control No. 13834466	Applicant(s)/Patent Under Reexamination STEPANOVICH, ALEKSANDAR
	Examiner KRISTIE A MAHONE	Art Unit 3627

✓	Rejected	-	Cancelled	N	Non-Elected	A	Appeal
=	Allowed	÷	Restricted	I	Interference	O	Objected

☐ Claims renumbered in the same order as presented by applicant											☐ CPA											☐ T.D.											☐ R.1.47										
CLAIM			DATE																																								
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Search Notes 	Application/Control No. 13834466	Applicant(s)/Patent Under Reexamination STEPANOVICH, ALEKSANDAR
	Examiner KRISTIE A MAHONE	Art Unit 3627

CPC- SEARCHED		
Symbol	Date	Examiner

CPC COMBINATION SETS - SEARCHED		
Symbol	Date	Examiner

US CLASSIFICATION SEARCHED			
Class	Subclass	Date	Examiner

SEARCH NOTES		
Search Notes	Date	Examiner
See attached EAST Search History	4/19/2015	KAM
Inventor Name Search	4/19/2015	KAM

INTERFERENCE SEARCH			
US Class/ CPC Symbol	US Subclass / CPC Group	Date	Examiner

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IN THE UNITED STATES PATENT & TRADEMARK OFFICE

In re patent of:	Aleksandar STEPANOVICH	Docket No.:	209387.00003
Application No.:	13/834,466	Art Unit:	3627
Filed:	Mar. 15, 2013	Examiner:	Andrew H. WILDER
Title:	SYSTEM AND METHOD FOR MANAGING GRATUITIES		

Via EFS-Web
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

AMENDMENT

Commissioner:

This paper is filed in response to the Office Action dated April 30, 2015. Please amend the above-identified application as follows:

Amendments to the Specification:	none.
Amendments to the Claims:	begin on page 2 of this paper.
Amendments to the Abstract:	none.
Amendments to the Drawings:	none.
Remarks/Arguments:	begin on page 9 of this paper.

The Commissioner is authorized to charge any fees due as a result of or in connection with the filing of this paper to Deposit Account No. 15-0450.

Amendments to the Claims

This listing of claims as amended replaces all previously filed listings of claims in the application.

1. (Currently amended) A computer-implemented method for allocating gratuities comprising:

- employing at least one processor configured to execute computer-executable instructions stored in memory to perform the following acts:

- receiving transaction information from a point of sale, wherein the transaction information comprises at least gratuity data for each of a plurality of transactions during an accounting period,

- receiving employee information from the point of sale, wherein the employee information comprises at least hours worked for each of a plurality of employees during the accounting period;

- receiving gratuity distribution rules for allocating gratuities among at least a portion of the employees; and

- determining a gratuity allocation for each applicable employee of the plurality of employees based on at least the received transaction information, the received employee information, and the received gratuity distribution rules;

- wherein at least one processor is remote from the point of sale.

2. (Original) The computer-implemented method for allocating gratuities of claim 1 further comprising:

- allocating to each applicable employee the determined gratuity allocation for that employee.

3. (Original) The computer-implemented method for allocating gratuities of claim 1, wherein the transaction information further comprises sales data for the plurality of transactions during the accounting period.

4. (Original) The computer-implemented method for allocating gratuities of claim 1, wherein the transactions are service transactions provided by the plurality of employees.
5. (Cancelled)
6. (Original) The computer-implemented method for allocating gratuities of claims 1, wherein the at least one processor comprises a cloud computing system.
7. (Original) The computer-implemented method for allocating gratuities of claim 1, wherein receiving the transaction information and employee information for the accounting period further comprises:
 - receiving a computer-readable file containing the transaction information and the employee information for the accounting period, and storing the received transaction information and the received employee information in a database.
8. (Original) The computer-implemented method for allocating gratuities of claim 7 further comprising:
 - receiving the computer readable file from the point of sale via the Internet.
9. (Original) The computer-implemented method for allocating gratuities of claim 1 further comprising:
 - determining a total gratuity amount for the accounting period from the transaction information, and determining the gratuity allocation for each of the plurality of employees based on the total gratuity amount for the accounting period.
10. (Original) The computer-implemented method for allocating gratuities of claim 1 further comprising:
 - classifying each of the plurality of employees to one of a plurality of gratuity groups based on a job function of the employee; and
 - wherein determining the gratuity allocation for each employee further comprises: allocating gratuities to form a gratuity pool for each gratuity group based on the gratuity

distribution rules and allocating the gratuity pool for each gratuity group between the employees of the gratuity group based on the distribution rules.

11. (Original) The computer-implemented method for allocating gratuities of claim 10, wherein allocating the determined group gratuity between the employees of the group comprises:

determining a total of the hours worked by each employee of the group for the accounting period, and

allocating a portion of the gratuity pool for the gratuity group to each employee of the group corresponding to a ratio of the hours worked by that employee to the total hours worked of the group.

12. (Original) The computer-implemented method for allocating gratuities of claim 10, wherein allocating the determined group gratuity between the employees of the group comprises:

receiving an assigned gratuity factor for each of the plurality of employees, and

allocating at least a portion of the gratuity pool for the gratuity group to each employee based upon the employee's assigned gratuity factor.

13. (Original) The computer-implemented method for allocating gratuities of claim 1, wherein determining the gratuity allocation for each of the plurality of employees further comprises:

determining a total of gratuities received by a first group of employees; and

allocating a portion of the total of gratuities received by the first group of employees to a second group of employees based on the distribution rules.

14. (Original) The computer-implemented method for allocating gratuities of claim 13, wherein the portion of the total gratuities received by the first group of employees allocated to the second group of employees is determined based on the number of members in the second group of employees.

15. (Original) The computer-implemented method for allocating gratuities of claim 1, wherein determining the gratuity allocation for each of the plurality of employees further comprises:

allocating a fixed amount of the gratuities received by a member of a first group to a second group of employees provided that the gratuities received by the member of the first

group are greater than or equal to a threshold.

16. (Original) The computer-implemented method for allocating gratuities of claim 1, wherein determining the gratuity allocation for each of the plurality of employees further comprises:
determining total cash sales during the accounting period from the transaction information,

determining a total cash gratuity from the total cash sales, and

allocating the total cash gratuity to the plurality of employees based on the distribution rules.

17. (Original) The computer-implemented method for allocating gratuities of claim 1 further comprising:

communicating the determined gratuity allocation for each employee to an employer payroll system and distributing the determined gratuity allocation to each employee through a payroll check.

18. (Original) The computer-implemented method for allocating gratuities of claim 1 further comprising:

providing a web-portal configured to be accessed by employees, wherein the web-portal is configured to display the determined gratuity allocation for a given employee.

19. (Original) The computer-implemented method for allocating gratuities of claim 1 further comprising:

providing a web-portal configured to be accessed by an employer, wherein the web-portal is configured to display the determined gratuity allocation for the plurality of employees.

20. (Original) The computer-implemented method for allocating gratuities of claim 1 further comprising:

upon determining the gratuity allocation for a given employee, notifying the employee via at least one of a text message, an email, or an instant message of the determined gratuity allocation.

21. (Original) The computer-implemented method for allocating gratuities of claim 1, wherein receiving gratuity distribution rules for allocating gratuities among at least a portion of the employees further comprises:

receiving gratuity distribution rules from each of a plurality of employers, wherein the gratuity distribution rules received from one employer are different than the gratuity distribution rules received from at least one other employer.

22. (Currently amended) A computer-implemented system for managing gratuity allocations comprising:

at least one processor coupled to at least one memory configured to execute the following computer-executable components stored in the at least one memory:

a database configured to store transaction information and employee information, wherein the transaction information comprises at least gratuity data for each of a plurality of transactions during an accounting period, and wherein the employee information comprises at least hours worked for each of a plurality of employees during the accounting period;

a configuration module configured to receive gratuity distribution rules for allocating gratuities among at least a portion of the employees;

an allocation module configured to determine a gratuity allocation for each of the plurality of employees based at least on the transaction information, the employee information, and the distribution rules; ~~and~~

a reporting module configured to report the determined gratuity allocation for each of the plurality of employees, wherein the reporting module is further configured to communicate with an employer payroll system and to communicate the determined gratuity allocations to the employer payroll system; and

an interface component configured to receive the transaction information from the point of sale and to communicate the transaction information to the database to be stored,

wherein the at least one processor and the database are remote from the point of sale; and

wherein the allocation module configures the at least one processor to determine the gratuity allocation for each of the plurality of employees according to one of the following formulas:

$$E_i = \left[\sum_{k=1}^n Ett_k * (1 - \sum_{j=1}^m p_j) + \left(1 - \frac{\sum_{j=1}^i Ttime_j^{**}}{PGtime^{**}} \right) \sum_{l=1}^r PG_l * p_l - \sum_{k=1}^n Ect_k \right] * \frac{Etime_i * \beta_z}{PGtime^{**} - \sum_{j=1}^i Ttime_j^{**}}$$

, and

$$E_i = \left[\sum_{k=1}^q Ett_k * (1 - \sum_{j=1}^m p_j) + \frac{Ttime^{**}}{PGtime^{**}} \sum_{l=1}^r PG_l * p_l - \sum_{k=1}^q Ect_k \right] / q$$

$$Ttime_j^{**} = \sum_{k=1}^{q_j} Etime_k * \beta_z ; q_j - \text{number of Empl in Team 'j'}$$

$$PGtime^{**} = \sum_{i=1}^n Etime_i * \beta_z$$

23. (Cancelled)

24. (Original) The computer-implemented system for managing gratuity allocations of claim 22 further comprising:

an interface component configured to receive the employee information from the point of sale and to communicate the employee information to the database to be stored.

25. (Original) The computer-implemented system for managing gratuity allocations of claim 22 further comprising:

means for receiving transaction information from a point of sale and storing the received transaction information in the database.

26. (Original) The computer-implemented system for managing gratuity allocations of claim 22 further comprising:

means for receiving employee information from a point of sale and storing the received employee information in the database.

27. (Original) The computer-implemented system for managing gratuity allocations of claim 22, wherein the reporting module further comprises:

a web-portal configured to be accessed by employees, wherein the web-portal is configured to display the determined gratuity allocation for a given employee.

28. (Original) The computer-implemented system for managing gratuity allocations of claim 22, wherein the reporting module further comprises:

a web-portal configured to be accessed by an employer, wherein the web-portal is configured to display the determined gratuity allocation for the plurality of employees.

29. (Cancelled)

REMARKS

This Response is filed in response to the Office Action dated April 30, 2015. Claims 1-29 are presented in the application. Support for the amended claims may be found at least in original claims 5, 23, and 29, which are now cancelled. Applicant thanks Examiner Wilder for the helpful discussion of the Section 101 analysis during the telephone interview on July 8, 2015.

Claim Rejection - 35 U.S.C. § 101

Claims 1-29 were rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

In *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347 (2014), the Supreme Court established a two-part analysis to determine subject matter eligibility under 35 U.S.C. §101. In step one, a determination is made as to whether the claim is directed to a judicial exception (e.g., a law of nature, a natural phenomenon, or an abstract idea). When a claim is determined to be directed to a judicial exception, the analysis transitions to step two where a determination is made as to whether the claim includes any element or combination of elements sufficient to ensure the claim amounts to significantly more than the judicial exception. (See 2014 Interim Guidance on Patent Subject Matter Eligibility, December 16, 2014) (“the Interim Guidance”).

In the Office Action is it contended that the claims are directed to the abstract idea of gratuity accounting and/or distribution. (See page 2 of the Office Action.) The Office Action further contends that the claims do not recite “additional features” amounting to an inventive concept which is significantly more than the abstract idea itself. Applicant respectfully disagrees and submits that the claims as presented are not directed to an abstract idea, and regardless, contain significantly more than the alleged abstract idea of “gratuity accounting and/or distribution”.

Initially, the subject claims do not recite concepts such as hedging, mitigating settlement risk, using advertising as an exchange or currency, or creating a contractual relationship, or other concepts which have been found to be abstract ideas as set forth in the Interim Guidance. Claim 1 is not directed to a fundamental economic practice, a mathematical formula, a method of organizing human activity, or an idea standing alone. Claim 22 is, in part, directed to a mathematical formula, but is not directed to a fundamental economic practice, a method of

organizing human activity, or an idea standing alone. More specifically, Claim 22 recites significantly more than the mathematical formula itself.

In rejecting claim 1, the Office Action reduces the claim to the idea of “receiving transaction information, receiving employee information, receiving gratuity distribution rules, and determining a gratuity allocation”. (See page 2 of the Office Action.) This reduced concept is asserted to be the abstract idea of gratuity allocation itself. The Office Action fails however to properly consider the full scope of claim 1, which—although involving gratuity allocation – includes significantly more than the abstract idea itself. The interim guidelines make clear that “An invention is not rendered ineligible for patent simply because it involves an abstract concept. Applications of such concepts ‘to a new and useful end,’ remain eligible for patent protection. *Alice Corp.*, 134 S. Ct. at 2354 (quoting *Benson*, 409 U.S. at 67).

Although both claims 1 and 22 involve the abstract idea of gratuity allocation, both claims are directed to “the new and useful end” of a system or method that facilitates compliance with tax and labor regulations, benefiting the employers, while also facilitating accurate and timely determination and distribution of individual employees’ gratuities.

Claim 1 provides a method (and claim 22 provides a system) that separates the receiving of gratuities by certain employees, from the accounting and redistribution of those gratuities, and does in an independent and controlled manner. The claimed invention interfaces with a point of sale system (i.e. the physical system that collects transaction information), and automatically acquires that transaction information. Similarly, the claimed invention automatically acquires the employee information relevant to distributing gratuities.

Claim 22 has been further amended to recite the interface component that enables the automatic collection of transaction information and employee information, and to recite the operation of the reporting module to communicate determined gratuities to the employer’s payroll system. These additional features were previously recited in dependent claims 23 and 29.

Beyond the allocation/distribution of gratuities, the additional features recited in claims 1 and 22 facilitate tax accounting, income tax withholding, and compliance with minimum wage regulations. These capabilities were not previously contemplated in the abstract idea of “gratuity allocation”, but were often secondary considerations that required significant time and manual effort on the part of an employer. The requirement of communicating transaction

data and employee data to a remote processor, separates the determination of the gratuity distribution, from the location where employees are receiving gratuities from customers. By separating these functions, the potential for errors in the gratuity distribution calculation is greatly reduced. In addition, the burden on an employer is reduced as the employer no longer needs to oversee the collection, and distribution of gratuities by his/her employees. The claimed invention therefore provides a technical solution for problems in the fields of tax and labor regulation compliance, in addition to performing the gratuity allocation function.

Claim 22 has also been amended to more specifically define the function of the allocation module in configuring the processor to determine the gratuity allocation. In view of this amendment, Claim 22 is clearly appropriate for treatment under the streamlined eligibility analysis described in Section I.B.3 of the Interim Guidelines. According to the streamlined eligibility analysis, any claim that may or may not recite a judicial exception which, when viewed as a whole, clearly does not seek to tie up the judicial exception such that other cannot practice it is deemed eligible. Claim 22 as amended recites an allocation module that configures a processor to determine a gratuity allocation in a specific manner. Other methods of determining gratuity allocations are not encompassed by the claim, and therefore the claim clearly does not seek to tie up all embodiments of the abstract concept of “gratuity allocation”. Claim 22 thus clearly provides significantly more than the abstract concept of “receiving transaction information, receiving employee information, receiving gratuity distribution rules, and determining a gratuity allocation”, which is allegedly an abstract idea according to the Office Action.

Accordingly, the claims set forth specific and unconventional systems and methods, which are not merely mental steps, nor are the claims comparable to the types of abstract ideas previously found to be ineligible on those grounds. Further, regardless of whether or not the claims are directed to an abstract idea, the claims recite significantly more than the abstract idea as noted above. As such, all claims are directed to statutory subject matter under 35 U.S.C. § 101, and reconsideration and withdrawal of this rejection is respectfully requested.

Summary of Claim Rejection - 35 U.S.C. § 103

Claims 1-9, 17-19, and 21-29 were rejected under pre-AIA 35 U.S.C. § 103(a) as being unpatentable over Kessler et al. (US 2013/010357, “Kessler”) in view of Delaney et al. (US

2012/0208622, “Delaney”) and Tidwell et al. (US 2012/0174017, “Tidwell”) and Official Notice as set forth in the Office Action. **Claims 10-12** were rejected under pre-AIA 35 U.S.C. § 103(a) as being unpatentable over Kessler, Delaney, Tidwell, and Official Notice, and further in view of Phillips (U.S. 2014/0365322). **Claims 13 and 14** were rejected under pre-AIA 35 U.S.C. § 103(a) as being unpatentable over Kessler in view of Delaney, and Tidwell, and Official Notice, and further in view of “*Those tricky tips*” (Seattle Times, 2008). **Claim 15** was rejected under pre-AIA 35 U.S.C. § 103(a) as being unpatentable over Kessler in view of Delaney, and Tidwell and Official Notice, and further in view of Dune Service. **Claim 20** was rejected under 35 U.S.C. pre-AIA 35 U.S.C. § 103(a) as being unpatentable over Kessler in view of Delaney, and Tidwell and Official Notice, and further in view of Scipioni (US 2013/0173404).

Alternatively, **Claims 1-9, 17-19 and 21-29** were rejected under pre-AIA 35 U.S.C. § 103(a) as being unpatentable over Beauregard (US 2010/0257013, “Beauregard”) in view of Kessler, Delaney, and Tidwell, and Official Notice. Claims 10-12 were rejected under pre-AIA 35 U.S.C. § 103(a) as being unpatentable over Beauregard in view of Kessler, Delaney, Tidwell, and Official Notice, and further in view of Phillips. **Claims 13 and 14** were rejected under pre-AIA 35 U.S.C. § 103(a) as being unpatentable over Beauregard in view of Kessler, Delaney, and Tidwell, and Official Notice, and further in view of “*Those Tricky Tips*”. **Claim 15** was rejected under pre-AIA 35 U.S.C. § 103(a) as being unpatentable over Beauregard in view of Kessler, Delaney, and Tidwell and Official Notice, and further in view of Dune Service. **Claim 16** was rejected under 35 U.S.C. pre-AIA 35 U.S.C. § 103(a) as being unpatentable over Beauregard in view of Kessler, Delaney, and Tidwell and Official Notice, and further in view of Daher and *Those Tricky Tips*. **Claim 20** was rejected under 35 U.S.C. pre-AIA 35 U.S.C. § 103(a) as being unpatentable over Beauregard in view of Kessler, Delaney, and Tidwell and Official Notice, and further in view of Scipioni.

Applicant Remarks

Applicant respectfully disagrees with the rejection, and requests reconsideration for the reasons set forth below. As summarized above, the Office Action rejected claims 1-29 under 35 U.S.C. § 103(a) as being unpatentable over Kessler et al. (US 2013/010357, “Kessler”) in view of certain additional references, and alternatively over Beauregard (US 2010/0257013, “Beauregard”) in view of Kessler the same additional references. Because the rejections are

identical, but for the addition of Beauregard in the alternative rejection, Applicant will address the rejections together.

1. Declaration of A. Stepanovich and Prior Art

Applicant submits herewith the Declaration of Aleksandar Stepanovich under 37 C.F.R. § 1.131, to establish the invention of the presently claimed subject matter prior to the effective date of certain prior art references.

As stated in MPEP 715, a declaration of prior invention under 37 CFR 1.131 is appropriate “To antedate a reference that qualifies as prior art under pre-AIA 35 U.S.C. 102(e), where the reference has a prior art date under pre-AIA 35 U.S.C. 102(e) prior to applicant’s effective filing date, and shows but does not claim interfering subject matter. “

The attached Declaration establishes that the presently claimed subject matter was conceived and actually reduced to practice prior to October 25, 2011. Accordingly, the Kessler, Phillips, and Scipioni references are all disqualified as prior art for purposes of the present application, because each has an effective date on or after October 25, 2011, as detailed below.

The Kessler patent issued on June 24, 2014, based on an application filed April 25, 2013, which claims priority to a provisional application filed on Oct. 25, 2011. Therefore, the earliest possible effective date of the Kessler patent as prior art is under pre-AIA 35 U.S.C. § 102(e) as of Oct. 25, 2011 (the filing date of the provisional application).

The Phillips application published on Dec. 11, 2014, based on an application which claims priority to a provisional application filed Mar. 15, 2012. Therefore, the earliest possible effective date of the Phillips application as prior art is under pre-AIA 35 U.S.C. § 102(e) as of Mar. 15, 2012 (the filing date of the provisional application).

The Scipioni application published on July 4, 2013, based on an application which claims priority to a provisional application filed Dec. 28, 2011. Therefore, the earliest possible effective date of the Scipioni application as prior art is under pre-AIA 35 U.S.C. § 102(e) as of Dec. 28, 2011 (the filing date of the provisional application).

The Kessler patent is relied upon in every rejection presented in the Office Action. In view of the attached declaration, and the exclusion of Kessler as prior art, Applicant submits that the rejection of all claims should be withdrawn. Regarding the alternative rejections over Beauregard in view of Kessler, Beauregard discloses measuring sales and tip performance for use in determining when to schedule employees, but fails to disclose or suggest systems and

methods for managing the redistribution of gratuities, such as claimed in the present application. Accordingly, the exclusion of Kessler is sufficient to overcome each and every rejection presented in the Office Action.

Applicant further notes that Phillips was relied upon in the rejection of Claims 10-12, and Scipioni was relied upon in the rejection of Claim 20, and therefore the exclusion of these references requires the rejection of these claims to be withdrawn as well.

2. Applicant Disagrees with the Official Notice Taken by the Prior Examiner

Applicant respectfully disagrees with certain aspects of the Official Notice taken by the prior examiner. The Official Notice taken by the Examiner is unsupported by documentary evidence. As stated in the MPEP, "Official Notice unsupported by documentary evidence should only be taken by the examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known." MPEP 2144.03(A).

The Examiner took Official Notice that it is known in the art

to configure a processor to perform a method by coupling the processor to a memory... storing the method steps/acts as computer-executable code segments (e.g., software or modules). Therefore, it would have been an obvious expedient to have the processor execute computer executable instructions (software/modules) sorted in a memory to perform the aforementioned operations. Such modification, would have been an obvious substitution of one known manner of performing acts (software/modules) for another known manner (e.g. hardwiring, circuitry)...

Office Action pages 6-7.

Applicant agrees that coupling a processor to a memory is known, but the claimed system and method are not an arbitrary coupling of a processor to a memory. There is no evidence of record, nor is it "capable of instant and unquestionable demonstration" that configuring a processor and memory to perform the specific steps recited in the claims was well known by those of ordinary skill in the art.

Moreover, the Examiner suggest that it would have been obvious to substitute "software/modules" for "hardwiring/circuitry", however the proposed substitution has little or no relationship to the claimed invention, nor does the Examiner identify what

“hardwiring/circuitry” would be substituted with “software/modules”. As such, the Official Notice taken by the examiner is not supported by sufficient technical reasoning, including specific factual findings.

In view of the foregoing, Applicant requests that the Official Notice be reconsidered and withdrawn, or that the Official Notice be supported by documentary evidence or an affidavit as required by MPEP 2144.03(C).

Conclusion

Applicant respectfully submits that all pending claims are in condition for allowance. Applicant encourages the Examiner to call its undersigned counsel to resolve any additional questions that the Examiner may have to place the claims in condition for allowance.

Date: July 30, 2015

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Suite 1400
Columbus, OH 43215
(614) 221-0240

Respectfully submitted,

/Rex W. Miller, II/

Rex W. Miller, II
Reg. No. 63,284

IN THE UNITED STATES PATENT & TRADEMARK OFFICE

Appl. No. : 13/834,466
Applicant : Gratuity LLC
Filed : March 15, 2013
Art Unit : 3627
Examiner : Andrew H. Wilder
Docket No. : 209387.00003
Title: : SYSTEM AND METHOD FOR MANAGING GRATUITIES

**DECLARATION OF PRIOR INVENTION IN THE UNITED STATES
OR IN A NAFTA OR WTO MEMBER COUNTRY
TO OVERCOME CITED PATENT OR PUBLICATION (37 C.F.R. § 1.131)**

I, Aleksandar Stepanovich, declare:

PURPOSE OF DECLARATION

1. This declaration is to establish completion of the invention in the above-identified application in the United States, at a date prior to October 25, 2011, which is the effective date of U.S. Patent 8,762,265 to Kessler et al., which was cited by the Examiner in the Office Action dated April 30, 2015.

FACTS AND DOCUMENTARY EVIDENCE

2. I am the inventor of this United States Patent Application Serial No. 13/834,466 (the '466 Application), and that I have read the specification including the claims of this application and am familiar with its contents.
3. I am also a co-owner of Gratuity LLC, the assignee of the '466 Application.
4. The invention disclosed in the '466 Application is directed to systems and methods of managing gratuities.
5. I have worked in the restaurant field for 14 years, and have extensive experience with the processes and procedures used to manage the collection, distribution, and accounting of gratuities received by restaurant employees.
6. To establish the date of conception, diligence, and actual reduction to practice of the invention of the '466 Application, the following attached documents are submitted as evidence:

- a. Exhibit A: Written technical requirements and detailed instructions to developer sent on April 01, 2009. This document was prepared prior to October 25, 2011.
 - b. Exhibit B: First set of data base tables programmed based on requirements and instructions set in Exhibit A. Sent on April 16, 2009. This document was prepared prior to October 25, 2011.
 - c. Exhibit C: Screen shot of a working application's user graphical interface ran on April 16, 2009. This document was prepared prior to October 25, 2011.
7. The development efforts documented in Exhibits A-C demonstrate the work performed wherein the invention was actually reduced to practice in the United States before the constructive reduction to practice in the United States by filing of the '466 Application, and the provisional patent application from which it claims priority.
 8. The following is a statement establishing the diligence of the applicant, from the time of the conception, to a time just prior to the date of the reference and actual reduction to practice of the invention.
 9. The invention as described and claimed in the '466 Application was conceived and actually reduced to practice at a date earlier than the cited Kessler patent, as evidenced by the development activities reflected in the documents attached hereto.

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under §1001 of Title 18 of the U.S.C. and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

07/28/2015
Date


Aleksandar Stepanovich

Exhibit A

Proposed Solution – MS Access 2007 database

Periods: Two per week (Mon-Thu and Fri-Sun)

Shifts: Lunch and Dinner

Server Types: Waiter, Bus-Runner, BarTender, and Captain

Basic process:

At the end of each shift, each team of waiters/bartenders will report to the captain the Credit Card Tips and Cash Payments received...

Captain will enter this information plus the names of the team members (all bartenders in case of the two bartender registers) into the system.

Captain will also enter the hours worked by each Server (excluding Waiters as their calculation is not impacted by hours worked)

To calculate cash tips, 15% of the cash payments will be assumed as tips (which will also be assumed to be paid to the waiter/bartender team members and adjusted from the common pool pay out).

Total Tips = (Credit Tips – 2% as credit card charge) + 15% of the cash payments

Common Tip Out Pool: 24% of Total Tips in case of waiters and 15% in case of bartenders.

Breakdown

Waiters: Bar – 4%, Bus/Run – 15% and Captain – 5%.

Bartenders: Bus/Run – 10% and Captain – 5%

Bar is tipping out only Bar Backs at the night (Dinner time) and only if its busy enough for barbacks to be present, so this should be optional, that amount should be added into the Busser / Runner pool as one of the Busers will act as an Bar back.

Remaining amount to total tips to be divided equally among the team of waiters (76%) and proportional amount depending on number of hours worked in case of bartenders (85%).

Bus / Run tip out will be calculated by taking 15% of the server tip out and 10% of bartender tip out and distributed among Bus/Runners based on number of hours worked.

Captain tip out will be divided manually as the calculation will vary depending on who is working and at how many hours.

For each period a summary report will be generated listing each employee and how much they are owed in tips for those days.

There will be a form for adding/maintaining employees, one for entering tips (Credit + Cash) and one for entering hours worked.

A report on credit cards tips and cash received per period will also be provided for reconciliation with front office.

Employee Table:

FIRST NAME- LAST NAME - FOUR OF SSN

SSN4 -- last four digits of SSN

Last Name

First name -- including middle initials/name, if any

Tips Data Entry Form:

FIELD	DESCRIPTION	ENTERED/CALCULATED
Date	Default -- today's date	Calculated
Period	Week Number (1-4) or (5-7)	Calculated
Shift	Lunch, Dinner	Entered (drop-down)
ServerType	Waiter/Bar	Entered (drop-down)
Team#	Team Number	Auto Sequence for that shift
NoOfMembers	If ServerType=Waiter then Number of members in the team If ServerType=Bar then Number of (all) bartenders	Entered (drop-down)
CreditCardTips	Total of credit card tips	Entered
CashReceived	Total of Cash Receipts	Entered
CashTips	15% of cash receipts	Calculated
TotalTips	98% of CreditCardTips + 15% of CashReceived	Calculated
TotalTipOut	If ServerType=Waiter then 24% of TotalTips Or If ServerType=Bar then 15% of TotalTips	Calculated

Employee Level Sub Form (to add the team members)

FIELD	DESCRIPTION	ENTERED/CALCULATED
EmployeeName	Last Name, First Name + SSN4	Entered (drop-down)
ServerType	Waiter/Bar	Entered (Drop down)
EmployeeShare	(TotalTips -- TotalTipOut) /NoOfMembers	Calculated
CashTipsReceived	CashTips /NoOfMembers	Calculated

NetTipsDue	EmployeeShare - CashTipsReceived	Calculated
------------	-------------------------------------	------------

Hours Data Entry Form:

FIELD	DESCRIPTION	ENTERED/CALCULATED
Field	Description	Entered/Calculated
Date	Default -- today's date	Calculated
Period	Week Number + (1-4) or 5-7)	Calculated
Shift	Lunch, Dinner	Entered (Drop down)
ServerType	Bus-Runner/Bar	Entered (Drop down)
EmployeeName	Last Name, First Name + SSN4	Entered (Drop down)
HoursWorked	Number of hours worked	Entered

REPORTS

PayOut Report

FIELD	DESCRIPTION	REMARKS
Field	Description	
DateGenerated	Default -- today's date	
Period	Week Number (1-4) or 5-7)	
ServerType	Waiter/Bar/Bus/Captain	
EmployeeName	Last Name, First Name + SSN4	
HoursWorked	Number of hours worked	For Bus/Bar only
TotalTipsDue	Total tips due	
TipsPaid	Total tips already paid in cash	Cash paid to Bar/Waiters
TipsNet	Net tips to be paid	This can be negative too..

Balance Report

FIELD	DESCRIPTION	REMARKS
DateGenerated	Default -- today's date	
Period	Week Number (1-4) or 5-7)	
Shift	Lunch, Dinner	
CreditCardTips	Total of credit card tips	
CashReceived	Total of Cash Receipts	

Question: Can a waiter also work as a bartender or vice-versa?

Exhibit B

Tips Database

File Home Create External Data Database Tools

View Parts Filter Sort & Filter Refresh Save Find Text Formatting

Read-Only This database has been opened read-only. You can only change data in linked tables. To make design changes, save a copy of the database. Save As...

All Access Objects

Tables

- Employee
- Hours
- ServerTypes
- Shifts
- Table1
- tblTipsMaster
- Tips
- TipsMaster
- TipsOut

Queries

- Employee Query
- qryTipsOut
- Query1
- sumHours

Forms

- formTipsMaster
- frmBalanceReceipts
- frmEmployee
- frmHours
- frmHoursDataSheet
- frmMain
- frmPayments
- frmTips
- frmTipsMaster
- TipsMaster

Reports

Record: 1 of 1

Form View

frmMain

Date: 30-Jul-15 Shift: Lunch

Maintain Employees

Enter Hours

Enter Tips

Match Registers

Payment Reports



Num Lock

Exhibit C

frmMain

Tables

Employee

Hours

Tips

Shifts

ServerTypes

TipsMaster

blTipsMaster

TipsOut

Table1

MSysAccessS...

MSysAccessSto...

MSysAccessX...

MSysAccessXM...

MSysACES

MSysACES : Ta...

MSysComple...

MSysComplex...

MSysIMEXCo...

MSysIMEXColo...

MSysIMEXSp...

MSysIMEXSpec...

Date: 4/16/2009

Shift: Lunch

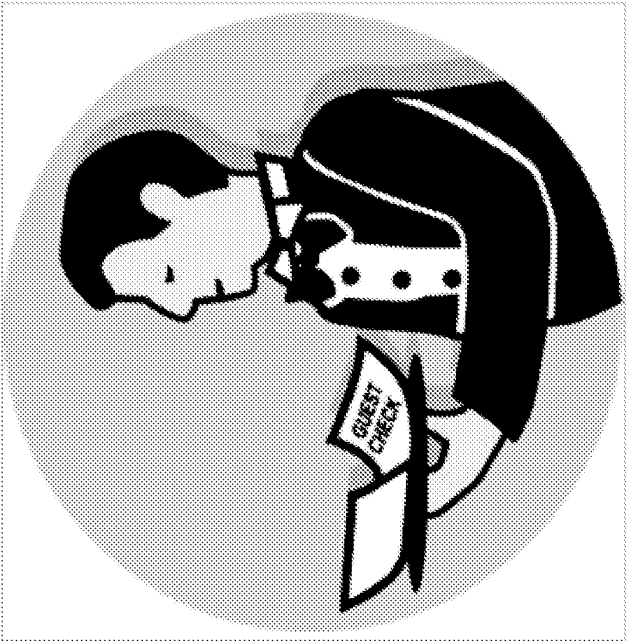
Maintain Employees

Enter Hours

Enter Tips

Match Registers

Payment Report



Record: 1 of 1

No Filter

Search

frm View

Electronic Acknowledgement Receipt	
EFS ID:	23073399
Application Number:	13834466
International Application Number:	
Confirmation Number:	2038
Title of Invention:	SYSTEM AND METHOD FOR MANAGING GRATUITIES
First Named Inventor/Applicant Name:	Aleksandar STEPANOVICH
Customer Number:	102467
Filer:	Rex W. Miller
Filer Authorized By:	
Attorney Docket Number:	209387.00003
Receipt Date:	30-JUL-2015
Filing Date:	15-MAR-2013
Time Stamp:	17:24:25
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	no
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File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1		Response-to-4-30-15-OA.pdf	134854 16137bee27184ad9fff40f069b5e5bccc7eb565	yes	16

Multipart Description/PDF files in .zip description					
Document Description			Start	End	
Amendment/Req. Reconsideration-After Non-Final Reject			1	1	
Claims			2	8	
Applicant Arguments/Remarks Made in an Amendment			9	16	
Warnings:					
Information:					
2	Affidavit-Rule 131-pre-AIA (FTI) ONLY	131_Declaration_Stepanovich-FINAL.pdf	1606233 55279378751ebcb0b8e2353ab30e015d12859ca0	no	10
Warnings:					
Information:					
Total Files Size (in bytes):			1741087		
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PATENT APPLICATION FEE DETERMINATION RECORD				Application or Docket Number		Filing Date		☐ To be Mailed	
Substitute for Form PTO-875				13/834,466		03/15/2013			
ENTITY: ☐ LARGE ☒ SMALL ☐ MICRO									
APPLICATION AS FILED – PART I									
(Column 1)		(Column 2)							
FOR	NUMBER FILED	NUMBER EXTRA		RATE (\$)		FEE (\$)			
☐ BASIC FEE (37 CFR 1.16(a), (b), or (c))	N/A	N/A		N/A					
☐ SEARCH FEE (37 CFR 1.16(k), (i), or (m))	N/A	N/A		N/A					
☐ EXAMINATION FEE (37 CFR 1.16(o), (p), or (q))	N/A	N/A		N/A					
TOTAL CLAIMS (37 CFR 1.16(j))	minus 20 =	*		X \$ =					
INDEPENDENT CLAIMS (37 CFR 1.16(h))	minus 3 =	*		X \$ =					
☐ APPLICATION SIZE FEE (37 CFR 1.16(s))	If the specification and drawings exceed 100 sheets of paper, the application size fee due is \$310 (\$155 for small entity) for each additional 50 sheets or fraction thereof. See 35 U.S.C. 41(a)(1)(G) and 37 CFR 1.16(s).								
☐ MULTIPLE DEPENDENT CLAIM PRESENT (37 CFR 1.16(j))									
* If the difference in column 1 is less than zero, enter "0" in column 2.				TOTAL					
APPLICATION AS AMENDED – PART II									
(Column 1)		(Column 2)		(Column 3)					
AMENDMENT	07/30/2015	CLAIMS REMAINING AFTER AMENDMENT		HIGHEST NUMBER PREVIOUSLY PAID FOR	PRESENT EXTRA	RATE (\$)		ADDITIONAL FEE (\$)	
	Total (37 CFR 1.16(i))	* 26	Minus	** 29	= 0	X \$40 =		0	
	Independent (37 CFR 1.16(h))	* 2	Minus	***3	= 0	X \$210 =		0	
	☐ Application Size Fee (37 CFR 1.16(s))								
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))								
						TOTAL ADD'L FEE		0	
(Column 1)		(Column 2)		(Column 3)					
AMENDMENT		CLAIMS REMAINING AFTER AMENDMENT		HIGHEST NUMBER PREVIOUSLY PAID FOR	PRESENT EXTRA	RATE (\$)		ADDITIONAL FEE (\$)	
	Total (37 CFR 1.16(i))	*	Minus	**	=	X \$ =			
	Independent (37 CFR 1.16(h))	*	Minus	***	=	X \$ =			
	☐ Application Size Fee (37 CFR 1.16(s))								
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))								
						TOTAL ADD'L FEE			
* If the entry in column 1 is less than the entry in column 2, write "0" in column 3.									
** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 20, enter "20".									
*** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 3, enter "3".									
The "Highest Number Previously Paid For" (Total or Independent) is the highest number found in the appropriate box in column 1.									

This collection of information is required by 37 CFR 1.16. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. **SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.**

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
13/834,466	03/15/2013	Aleksandar STEPANOVICH	209387.00003	2038
102467 7590 10/16/2015 Hahn Loeser + Parks LLP 65 East State Street Suite 1400 Columbus, OH 43215			EXAMINER WILDER, ANDREW H	
			ART UNIT 3627	PAPER NUMBER
			NOTIFICATION DATE 10/16/2015	DELIVERY MODE 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):

patents@hahnlaw.com

Office Action Summary	Application No. 13/834,466	Applicant(s) STEPANOVICH, ALEKSANDAR	
	Examiner HUNTER WILDER	Art Unit 3627	AIA (First Inventor to File) Status No

-- 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 30 July 2015.
☐ 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) 1-4, 6-22 and 24-28 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) 1-4, 6-22 and 24-28 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

1. The present application is being examined under the pre-AIA first to invent provisions.

Response to Arguments

2. As requested in the Amendment ("Response") filed 30 July 2015, claims 1 and 22 have been amended; claims 5, 23 and 29 have been cancelled; and claims 1-4, 6-22 and 24-28 remain pending. Applicant's arguments filed in the Response regarding the rejection under 35 USC § 101 (Response: pgs. 9-11) have been fully considered but they are not persuasive. Although the Interim Guidance gives examples of fundamental economic practices such as hedging, a fundamental economic practice is not limited to just these examples. A broad terminology of a fundamental economic practice could simply be a profitable business practice which is known. The submitted prior art establishes that the claim elements are known and any restaurant having servers and bussers would find it a profitable business practice to somehow automate a way of allocating gratuity to different employees (i.e. servers and bussers). Claims 1-4 and 6-21 simply disclose abstract steps which were previously performed manually, but now automated and performed on a generic computer. Although claim 22 additionally includes a mathematical formula, if claim 1 without the formula is not 'significantly more', simply adding a formula to something that is not already significantly more does not make the claim 'significantly more'. Therefore, Applicants arguments are not persuasive.

[Type text]

3. The Declaration of Aleksandar Stepanovich ("Declaration") filed on 30 July 2015 under 37 CFR 1.131(a) (Response: pgs. 11-14) has been considered but is ineffective to overcome the United States Patent Application Publication No. 2013/010357 to Kessler *et al.* ("Kessler") reference. The evidence submitted is insufficient to establish diligence from a date prior to the date of reduction to practice of the Kessler reference to either a constructive reduction to practice or an actual reduction to practice. Applicant has submitted Exhibit A dated for 1 April 2009 and Exhibits B and C supposedly dated for 16 April 2009, however no further evidence has been shown proving diligence for over a two year span (16 April 2009 thru 25 October 2011). Further, the evidence submitted is insufficient to establish a conception of the invention prior to the effective date of the Kessler reference. While conception is the mental part of the inventive act, it must be capable of proof, such as by demonstrative evidence or by a complete disclosure to another. Conception is more than a vague idea of how to solve a problem. The requisite means themselves and their interaction must also be comprehended. See *Mergenthaler v. Scudder*, 1897 C.D. 724, 81 OG 1417 (D.C. Cir. 1897). The evidence fails to establish conception of many of the system components including "at least one processor configured to execute computer-executable instructions stored in memory", "receiving transaction information from a point of sale", "receiving employee information from the point of sale", "wherein at least one processor is remote from the point of sale", "a database configured to store transaction information and employee information", "a configuration module", "an allocation module" and "a reporting module".

[Type text]

4. Applicant argues Examiner's Official Notice (Response: pgs. 14-15) and asks that documentary evidence be provided in support of the Official Notice. Examiner provides United States Patent Application Publication No. 2008/0065396 A1 to Marshall ("Marshall") for documentary evidence of the Official Notice and therefore removes the Official Notice from the rejection. Marshall happens to also disclose many other claim features as well.

5. Applicant's amendments in the Response to claim 22 are sufficient to overcome the rejection under 35 USC § 103 but insufficient to overcome the rejection under 35 USC § 101. Therefore, claims 22 and 24-28 are allowable over prior art and would be allowed if Applicant overcomes the rejection under 35 USC § 101.

Claim Rejections - 35 USC § 112

6. The following is a quotation of 35 U.S.C. 112 (pre-AIA), second paragraph:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

7. Claims **1-4** and **6-21** are rejected under 35 U.S.C. 112 (pre-AIA), second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which the inventor or a joint inventor, or for pre-AIA the applicant regards as the invention. Claim 1 recites "at least one processor" in lines 3 and 16. It is unclear if this is disclosing two different citations of "at least one processor" or is meant to be just one citation of "at least one processor". Claims 2-4 and 6-21 are rejected under 35 U.S.C. 112 (pre-AIA), second paragraph for being dependent on a rejected claim under 35 U.S.C. 112 (pre-AIA), second paragraph.

[Type text]

Claim Rejections - 35 USC § 101

8. 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.

9. Claims **1-4**, **6-22** and **24-28** are rejected under 35 U.S.C. 101 because the claimed invention is directed to a judicial exception (i.e., a law of nature, a natural phenomenon, or an abstract idea) without significantly more, see *Alice Corporation Pty. Ltd. v. CLS Bank International, et al.*, 573 U.S. ____ (2014).

Claims **1-4**, **6-22** and **24-28** are directed to determining a gratuity allocation for employees which is a fundamental economic practice and thus an abstract idea. The claims do not include additional elements that are sufficient to amount to significantly more than the judicial exception because when taken in combination, together do not offer substantially more than the sum of the functions of the elements when each is taken alone. That is, the elements involved in the recited process undertake their roles in performance of their activities according to their generic functionalities which are well-understood, routine and conventional. The elements together execute in routinely and conventionally accepted coordinated manners and interact with their partner elements to achieve an overall outcome which, similarly, is merely the combined and coordinated execution of generic computer functionalities which are well-understood, routine and conventional activities previously known to the industry.

[Type text]

Based upon consideration of all of the relevant factors with respect to the claim as a whole, the claims do not recite significantly more than an abstract idea. In particular, claims describe and are directed to gratuity accounting and/or distribution, which is an abstract concept falling within the contours of the abstract idea exception to § 101. For example, the steps of receiving transaction information, receiving employee information, receiving gratuity distribution rules, and determining a gratuity allocation, as recited in independent claim 1, form an ordered combination of steps recited the abstract idea itself--gratuity allocation. Independent claim 22 contains similar recitations. Notably, the Background of the Applicants Specification suggests that the concept of gratuity accounting and distribution is prevalent in our system of economy. *See Spec.*, para. 3. In particular, the Specification states:

At the conclusion of a restaurant transaction, the customer generally gives a gratuity to the server or adds the gratuity to the amount paid for the meal. The gratuity may then be shared among the employees who assisted in providing service to the customer, or aggregated and distributed among the employees according to customs or practices of a given business or industry. The sharing of gratuities has often been manually calculated and documented with ad hoc record keeping, complicating compliance with tax and labor regulations.
Id. [emphasis added]

Although the instant claims may add a level of particularity to the abstract concept, such features do not transform the abstraction into something concrete. *See Ultramercial, Inc. v. Hulu LLC*, 112USPQ2d 1750, 1754 (Fed. Cir. 2014).

Further, the claims do not recite "additional features" amounting to an inventive concept which is "significantly more" than the abstract idea itself. For example, the recited "processor," and database perform in a conventional and well understood manner--e.g., implementing instructions, and storing data. As such, the recitations of a
[Type text]

processor and database merely instruction a practitioner to implement the abstract idea with routine, conventional activity. Further, the limiting features of the dependent claims are conventional practices, data gathering functionalities, or particularities of the abstract idea itself, which do not constitute "additional features," amounting to significantly more. For example, dependent claims 9-17, 20, and 21 further describe the receipt of the distribution rules and/or determination of the gratuity amount or allocation with particular formulas/mathematical relationships. Dependent claims 18, 19, 27, and 28, on the other hand, describe a web-portal which is both conventional, and extra-solution, i.e., employed to display information after the gratuity allocation has been made. Further, in this regard, the Examiner notes that the recitation of a web, or internet environment is, at best, an insignificant attempt to limit the abstract idea to a particular technical environment. Dependent claims 2-4, for instance, appear to merely describe information or the processor. The claims also do not appear to offer a transformation, improvement to the functioning of the hardware itself, or an improvement to another technology or technological field; i.e., business methods/solutions.

The claims as a whole, do not amount to significantly more than the abstract idea itself because the claims do not affect an improvement to another technology or technical field; the claims do not amount to an improvement to the functioning of a computer itself; and the claims do not move beyond a general link of the use of an abstract idea to a particular technological environment.

The claims merely amount to the application or instructions to apply the abstract idea on a computer, and is considered to amount to nothing more than requiring a

[Type text]

generic computer system to merely carry out the abstract idea itself. As such, the claims, when considered as a whole, are nothing more than the instruction to implement the abstract idea in a particular, albeit well-understood, routine and conventional technological environment.

Claim Rejections - 35 USC § 103

10. The following is a quotation of pre-AIA 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

11. Claims **1-4, 6-9, 17-19, and 21** are rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Kessler et al. (US 2013/010357, "Kessler") in view of Delaney et al. (US 2012/0208622, "Delaney"), Tidwell et al. (US 2012/0174017, "Tidwell") and Marshall (US 2008/0065396, "Marshall") (in place of Official Notice).

Regarding claim 1, **Kessler** teaches a computer implemented method for allocating gratuities amongst a plurality of employees comprising: employing at least one processor configured to perform to perform the following acts: receiving transaction information from a "point of sale" (e.g. EGD card reading device), wherein the transaction information (e.g. tip for service) comprises at least a gratuity data for plurality (series) of transactions during an accounting period (e.g. payment cycle period) [see at least paras. 3, 20-25, 35-36; fig. 3]; receiving employee information from the "point of sale~," wherein the employee information comprises a time period worked (e.g. [Type text])

shift length) for at least one employee during the accounting period [see at least paras. 34-35]; receiving at least one gratuity distribution rule for allocating gratuities among at least a portion of employees (see paras. 28, 35, 41]; and allocating a gratuity allocation for each employee of the plurality of employees based at least on the received transaction information, the received employee information, and "gratuity distribution" rule [see at least paras. 28, 34-41, i.e. as per employee accounts or cards] and wherein at least one processor is remote from the point of sale [see Fig. 2]. If it can be argued that Kessler does not expressly disclose the receiving of employee information for each of a plurality of employees, duplicating such step for each of the disclosed employees would have been an obvious duplication of the expressly steps or instruction segments well within routine skill in the art which could have been accomplished without unpredictable results.

While Kessler discloses receiving and using employee information comprises a period of time (e.g. "shift length") worked for at least one employee, Kessler does not appear to expressly state that the period of time is hours worked, or that such information is received for a plurality of employees. Further Kessler discloses allocating to each applicable employee a gratuity allocation based on the received transaction information, employee information, and gratuity distribution rules, but does not appear to expressly mention an actual determining of the gratuity allocation. In this regard, **Delaney** discloses a computer-implemented method of allocating gratuities amongst a plurality of employees, wherein employee shift length in terms of hours work is employed in determining a gratuity allocation for each applicable employee (e.g.,

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dealer) of a plurality of employees. In particular, Delaney teaches determining a gratuity allocation for each applicable employee of a plurality employees based at least on transaction information, employee information for each of a plurality of employees, and a gratuity distribution rules, wherein the employee information may comprise actual shift hours worked [See at least Paras. 36-37]. Receiving multiple rules, if not already, would have been an obvious duplication of receiving a single rule, well with routine skill in the art.

Therefore, to yield a more precise and multi-faceted allocation, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to have the processor configured to: receive employee information comprises shift length in terms of hours worked: and determine a gratuity allocation for each applicable employee of the plurality of employees based upon the received transaction information, the received employee information, and gratuity distribution rules, as taught by Delaney. Moreover, incorporating the above- discussed features of Delaney would have been an obvious expedient since the claimed invention is merely a combination of old elements, and 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 MPEP § 2143.

The references as combined at least disclose using "gratuity distribution" rules, and Kessler appears to expressly discloses receiving such gratuity distribution rules [See citations supra]. However, to be sure, **Tidwell** evidences that it is well known to provide an interface for receiving rules for distributing funds [See at least Para. 57].

[Type text]

Therefore, to facilitate administration input as to gratuity distribution rules, it would have been obvious to a person of ordinary skill in the art to have configured the processor to perform a step of actually receiving the "gratuity distribution" rules.

Finally, the references as combined disclose computer implementation of the aforementioned acts (see citations and discussion supra).

With respect to the processor executing computer executable instructions stored in a memory to perform the acts, **Marshall** is provided that it is known in the art to configure a processor to perform a method by coupling the processor to a memory (e.g. non-transitory disk, RAM, etc.) storing the method steps/acts as computer-executable code segments (e.g. software or modules) [See at least Paras. 0097-0101 and Fig. 3]. Marshal further discloses many other claim features [See at least Paras 0024, 0032, 0075 and 0142] already disclosed by Kessler, Delaney and Tidwell which are all performed by the discloses processor executing computer executable instructions stored in a memory. Therefore, it would have been an obvious expedient to have the processor execute computer executable instructions (software/modules) stored in a memory to perform the aforementioned operations. Such modification, would have been an obvious substitution of one known manner of performing acts (software/modules) for another known manner (e.g. hardwiring, circuitry), if not already. Alternatively, as per KSR Rationale A, it would have been an obvious expedient to have the processor executing computer executable instructions stored in a memory to perform the acts, since the invention, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function

[Type text]

as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable, if not already. See MPEP §2143.

Regarding claim 2, note that the method comprises allocating each applicable employee the determined gratuity allocation for the employee [See citations and discussion supra].

Regarding claim 3, the wherein clause does not appear to require performance of a step and, therefore, is believed to fail to further limit the claim [See MPEP 2111.04].

Regarding claim 4, the wherein clause does not appear to require performance of a step and, therefore, is believed to fail to further limit the claim [See MPEP 2111.04].

Regarding claim 6, a processor is disclosed. With respect to the processor comprising a "cloud computing system," Marshall shows that it is well known for processing resources/processors/servers to be embodied as/include: a single system, a multi system (co- located or distributed), cloud computing system, or a combination of the above [See para. 0025]. Accordingly, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have substituted reading a server comprising a cloud computing system for the disclosed (presumably) single system, as both systems are well known in the art for providing processing. Moreover, persons of ordinary skill in the art appreciated that such substitution would have resulted in the predictable result of providing data/information processing.

Regarding claim 7, the references as combined disclose receiving the transaction information and the employee information aggregated for the accounting period in a file, and storing the received transaction information and the received employee information,

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wherein the receiving is from the point of sale via the Internet [See Kessler citations supra]. Marshall shows that it is well known to aggregate information/data over a predetermined time period, to receive aggregated information/data at a computing device in a computer-readable file format, and to store information in a database (e.g. memory, etc.) [See para. 0108]. Therefore, as per KSR Rationale A, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to have received a computer readable file format (via the Internet as disclosed) containing the employee information and the transaction information aggregated for the transaction period, and to have stored the received transaction information and received employee information in a database, since the claimed invention is merely a combination of old elements, and 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.

Regarding claim 8, see discussion and citations supra re: claim 7.

Regarding claim 9, note that the method involves determining a total gratuity amount for the account period from the transaction information, and determining the gratuity allocation for each of the plurality of employees based on the total gratuity amount for the account period [See citations and discussion supra].

Regarding claim 17, for payroll accounting purposes, it would have been obvious to communicate the determined gratuity allocation for at least one employee to an "employer payroll system as taught by Delaney [See citations supra]. Additionally communicating for each employee would have been an obvious duplication within

[Type text]

routine skill in the art which could have accomplished without unpredictable results.

With respect to distributing the determined gratuity allocation to each employee through a payroll check, Marshall shows that it is well known to distribute funds to an employee via payroll check [See Paras. 0142 and 0146]. Therefore, to accommodate a preference payroll checks for distribution (and as per KSR Rationale A), it would have been obvious to have distributed the determined allocation to each employee for through a payroll check.

Regarding claims 18 and 19, the references as combined teach providing a "web portal" configured to be accessed by employees and/or employers, wherein the web portal is configured to allow access to the determined gratuity data for an employee or the employee(s) for reporting the allocation information [see at least Kessler, para. 41, i.e., registration website]. Information display via a web portal/website is well known in the art, and Marshall is given for support. Accordingly, it would have been obvious to a person of ordinary skill in the art to have configured the portal to display the determined gratuity allocation information on the web portal (See para. 0102 and Fig. 12). The motivation for doing so would have been to provide a viewing of such information at the portal.

Regarding claim 21, the references as combined teach/suggest receiving disclose receiving gratuity distribution rules from at least one employer. Receiving such rules from each of a plurality of employers would have been an duplication of the aforementioned receiving step across each employer in the plurality. The source of the rule and the contents of the rule does not alter the manner in which the method is

[Type text]

performed, and the source and content of the rule are not dependent on the steps of the method for their identity. As such, the recitation, "different than the gratuity distribution rules received from at least one other employer" constitutes patentably inconsequential non-functional descriptive material. See MPEP §2111.05. Moreover, Marshall shows that different employers can have different gratuity distribution policies/rules (See para. 0142). As such to accommodate for differing policies, it would have been obvious to have performed the acts with distributions rules received from one employer being different than distribution rules received at least one other employer.

12. Claims **1-4, 6-9, 17-19, and 21** are alternatively rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Beauregard (US 2010/0257013, pub. Oct. 4, 2010) in view of Kessler, Delaney, and Tidwell, and United States Patent Application Publication No. 2008/0065396 A1 to Marshall ("Marshall") (in place of Official Notice).

Regarding claim 1, Beauregard evidences that computer implemented methods involving receiving transaction information from a "point of sale" device (e.g. card reader), wherein the transaction information comprises gratuity data (and sales data) for a plurality of transactions, are well known [see at least paras 50-52, fig. 1, claim 19].

With respect to gratuity data, **Kessler** teaches a computer implemented method for allocating gratuities amongst a plurality of employees comprising: employing at least one processor configured to perform to perform the following acts: receiving transaction information from a "point of sale" (e.g. EGD card reading device), wherein the transaction information (e.g. tip for service) comprises at least a gratuity data for

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plurality (series) of transactions during an accounting period (e.g. payment cycle period) [see at least paras. 3, 20-25, 35-36; fig. 3]; receiving employee information from the "point of sale2," wherein the employee information comprises a time period worked (e.g. shift length) for at least one employee during the accounting period [see at least paras. 34-35]; receiving at least one gratuity distribution rule for allocating gratuities among at least a portion of employees (see paras. 28, 35, 41]; and allocating a gratuity allocation for each employee of the plurality of employees based at least on the received transaction information, the received employee information, and "gratuity distribution" rule. [see at least paras. 28, 34-41, i.e. as per employee accounts or cards] and wherein at least one processor is remote from the point of sale [see Fig. 2]. If it can be argued that Kessler does not expressly disclose the receiving of employee information for each of a plurality of employees, duplicating such step for each of the disclosed employees would have been an obvious duplication of the expressly steps or instruction segments well within routine skill in the art which could have been accomplished without unpredictable results. It would have been obvious to have combined the aforementioned steps of Kessler with what is known about receiving transaction information comprising sales data and gratuity data to facilitate distribution of the gratuities collected over a period of time amongst employees and because in the combination each known 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. If it can be argued that Kessler does not expressly disclose the receiving of employee information for each of a plurality of employees, duplicating such

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step for each of the disclosed employees would have been an obvious duplication of the expressly steps or instruction segments well within routine skill in the art which could have been accomplished without unpredictable results.

While Beauregard and Kessler disclose receiving and using employee information comprises a period of time (e.g. "shift length") worked for at least one employee, the references do not appear to expressly state that the period of time is hours worked, or that such information is received for a plurality of employees. Further Kessler discloses allocating to each applicable employee a gratuity allocation based on the received transaction information, employee information, and gratuity distribution rules, but does not appear to expressly mention an actual determining of the gratuity allocation. In this regard, **Delaney** discloses a computer- implemented method of allocating gratuities amongst a plurality of employees, wherein employee shift length in terms of hours work is employed in determining a gratuity allocation for each applicable employee (e.g., dealer) of a plurality of employees. In particular, Delaney teaches determining a gratuity allocation for each applicable employee of a plurality employees based at least on transaction information, employee information for each of a plurality of employees, and a gratuity distribution rules, wherein the employee information may comprise actual shift hours worked [see at least paras. 36-37; e.g. half of an eight hour shift]. Receiving multiple rules, if not already, would have been an obvious duplication of receiving a single rule, well with routine skill in the art. Therefore, to yield a more precise and multi-faceted allocation, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to have the processor configured to: receive

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employee information comprises shift length in terms of hours worked: and determine a gratuity allocation for each applicable employee of the plurality of employees based upon the received transaction information, the received employee information, and gratuity distribution rules, as taught by Delaney. Moreover, incorporating the above-discussed features of Delaney would have been an obvious expedient since the claimed invention is merely a combination of old elements, and 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 MPEP § 2143.

The references as combined at least disclose using "gratuity distribution" rules, and Kessler appears to expressly disclose receiving such gratuity distribution rules [See citations supra]. However, to be sure, **Tidwell** evidences that it is well known to provide an interface for receiving rules for distributing funds [See at least Para. 57]. Therefore, to facilitate administration input as to gratuity distribution rules, it would have been obvious to a person of ordinary skill in the art to have configured the processor to perform a step of actually receiving the "gratuity distribution" rules.

Finally, the references as combined disclose computer implementation of the aforementioned acts (see citations and discussion supra). With respect to the processor executing computer executable instructions stored in a memory to perform the acts, **Marshall** is provided that it is known in the art to configure a processor to perform a method by coupling the processor to a memory (e.g. non-transitory disk, RAM, etc.) storing the method steps/acts as computer-executable code segments (e.g. software or

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modules) [See at least Paras. 0097-0101 and Fig. 3]. Marshall further discloses many other claim features [See at least Paras 0024, 0032, 0075 and 0142] already disclosed by Kessler, Delaney and Tidwell which are all performed by the discloses processor executing computer executable instructions stored in a memory. Therefore, it would have been an obvious expedient to have the processor execute computer executable instructions (software/modules) stored in a memory to perform the aforementioned operations. Such modification, would have been an obvious substitution of one known manner of performing acts (software/modules) for another known manner (e.g. hardwiring, circuitry), if not already. Alternatively, as per KSR Rationale A, it would have been an obvious expedient to have the processor executing computer executable instructions stored in a memory to perform the acts, since the invention, since the claimed invention is merely a combination of old elements, and 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, if not already. See MPEP §2143.

Regarding claim 2, note that the method comprises allocating each applicable employee the determined gratuity allocation for the employee [See citations and discussion supra].

Regarding claim 3, the wherein clause does not appear to require performance of a step and, therefore, is believed to fail to further limit the claim [See MPEP 2111.04].

Regarding claim 4, the wherein clause does not appear to require performance of a step and, therefore, is believed to fail to further limit the claim [See MPEP 2111.04].

[Type text]

Regarding claim 6, a processor is disclosed. With respect to the processor comprising a "cloud computing system," Marshall shows that it is well known for processing resources/processors/servers to be embodied as/include: a single system, a multi system (co- located or distributed), cloud computing system, or a combination of the above [See para. 0025]. Accordingly, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have substituted reading a server comprising a cloud computing system for the disclosed (presumably) single system, as both systems are well known in the art for providing processing. Moreover, persons of ordinary skill in the art appreciated that such substitution would have resulted in the predictable result of providing data/information processing.

Regarding claim 7, the references as combined disclose receiving the transaction information and the employee information aggregated for the accounting period in a file, and storing the received transaction information and the received employee information, wherein the receiving is from the point of sale via the Internet [See Kessler citations supra]. Marshall shows that it is well known to aggregate information/data over a predetermined time period, to receive aggregated information/data at a computing device in a computer-readable file format, and to store information in a database (e.g. memory, etc.) [See para. 0108]. Therefore, as per KSR Rationale A, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to have received a computer readable file format (via the Internet as disclosed) containing the employee information and the transaction information aggregated for the transaction period, and to have stored the received transaction information and received employee

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information in a database, since the claimed invention is merely a combination of old elements, and 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.

Regarding claim 8, see discussion and citations supra re: claim 7.

Regarding claim 9, note that the method involves determining a total gratuity amount for the account period from the transaction information, and determining the gratuity allocation for each of the plurality of employees based on the total gratuity amount for the account period [See citations and discussion supra].

Regarding claim 17, for payroll accounting purposes, it would have been obvious to communicate the determined gratuity allocation for at least one employee to an "employer payroll system as taught by Delaney [See citations supra]. Additionally communicating for each employee would have been an obvious duplication within routine skill in the art which could have accomplished without unpredictable results. With respect to distributing the determined gratuity allocation to each employee through a payroll check, Marshall shows that it is well known to distribute funds to an employee via payroll check [See Paras. 0142 and 0146]. Therefore, to accommodate a preference payroll checks for distribution (and as per KSR Rationale A), it would have been obvious to have distributed the determined allocation to each employee for through a payroll check.

Regarding claims 18 and 19, the references as combined teach providing a "web portal" configured to be accessed by employees and/or employers, wherein the web

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portal is configured to allow access to the determined gratuity data for an employee or the employee(s) for reporting the allocation information [see at least Kessler, para. 41, i.e., registration website]. Information display via a web portal/website is well known in the art, and Marshall is given for support. Accordingly, it would have been obvious to a person of ordinary skill in the art to have configured the portal to display the determined gratuity allocation information on the web portal (See para. 0102 and Fig. 12). The motivation for doing so would have been to provide a viewing of such information at the portal.

Regarding claim 21, the references as combined teach/suggest receiving disclose receiving gratuity distribution rules from at least one employer. Receiving such rules from each of a plurality of employers would have been an duplication of the aforementioned receiving step across each employer in the plurality. The source of the rule and the contents of the rule does not alter the manner in which the method is performed, and the source and content of the rule are not dependent on the steps of the method for their identity. As such, the recitation, "different than the gratuity distribution rules received from at least one other employer" constitutes patentably inconsequential non-functional descriptive material. See MPEP §2111.05. Moreover, Marshall shows that different employers can have different gratuity distribution policies/rules (See para. 0142). As such to accommodate for differing policies, it would have been obvious to have performed the acts with distributions rules received from one employer being different than distribution rules received at least one other employer.

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13. Claims **10-12** are rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Kessler, Delaney, Tidwell, and Marshall (as applied to above), and further in view of Phillips (US 2014/0365322 A1, pub. Dec. 11, 2014).

Regarding claim 10, the combination teaches that determining the gratuity allocation for each employee further comprises allocating the gratuities to form a "gratuity pool" based on the gratuity distribution rules (e.g., dealers for particular shift, see discussion & Delaney citations supra) and allocating the gratuity pool for the gratuity group (dealers for a particular shift) between the employees of the gratuity group based on the distribution rules (see discussion & Delaney citations supra). Phillips expressly discloses classifying a plurality of employees into one of a plurality of gratuity groups based on job function of the employee (see paras. 57-65-- e.g., server in "shift name"). Therefore, it would have been obvious to include an interstitial step of classifying each of the plurality of employees into one of a plurality of gratuity groups based on job function of the employee, if not already, since the invention is since the claimed invention is merely a combination of old elements, and 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 MPEP § 2143.

Regarding claim 11, note that the combination teaches determining the total of hours worked for each employee of the group for the accounting period; and allocating a portion of the gratuity pool for the gratuity group to each employee of the group

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corresponding to the ratio of the hours (e.g. 1/2 eight hour shift) worked that employee to the total hours worked of the group (see citations and discussion supra).

Regarding claim 12, note that Phillips also teaches receiving an assigned gratuity factor (e.g., percentage share assigned to tip employee for example, see e.g. para. 57) and allocating at least a portion of the gratuity pool to each employee based on the employees assigned gratuity factor (see id). Therefore, to allocate the gratuities based on a weighted or percentage determination, it would have been obvious to a person of ordinary skill in the art for the allocating to involve receiving an assigned gratuity factor for each of the plurality of employees, and allocating at least a portion of the gratuity pool for the gratuity group to each employee based on the employee's assigned gratuity factor. Such additional feature would have also been an obvious expedient as per KSR Rationale A (see MPEP §2143).

14. Claims **10-12** are rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Beauregard in view of Kessler, Delany, and Tidwell, and Marshall, and further in view of Phillips.

Regarding claim 10, the combination teaches that determining the gratuity allocation for each employee further comprises allocating the gratuities to form a "gratuity pool" based on the gratuity distribution rules (e.g., dealers for particular shift, see discussion & Delaney citations supra) and allocating the gratuity pool for the gratuity group (dealers for a particular shift) between the employees of the gratuity group based on the distribution rules (see discussion & Delaney citations supra).

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Phillips expressly discloses classifying a plurality of employees into one of a plurality of gratuity groups based on job function of the employee (see paras. 57-65-- e.g., server in "shift name"). Therefore, it would have been obvious to include an interstitial step of classifying each of the plurality of employees into one of a plurality of gratuity groups based on job function of the employee, if not already, since the invention is since the claimed invention is merely a combination of old elements, and 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 MPEP § 2143.

Regarding claim 11, note that the combination teaches determining the total of hours worked for each employee of the group for the accounting period; and allocating a portion of the gratuity pool for the gratuity group to each employee of the group corresponding to the ratio of the hours (e.g. 1/2 eight hour shift) worked that employee to the total hours worked of the group (see citations and discussion supra).

Regarding claim 12, note that Phillips also teaches receiving an assigned gratuity factor (e.g., percentage share assigned to tip employee for example, see e.g. para. 57) and allocating at least a portion of the gratuity pool to each employee based on the employees assigned gratuity factor (see id). Therefore, to allocate the gratuities based on a weighted or percentage determination, it would have been obvious to a person of ordinary skill in the art for the allocating to involve receiving an assigned gratuity factor for each of the plurality of employees, and allocating at least a portion of the gratuity pool for the gratuity group to each employee based on the employee's assigned gratuity

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factor. Such additional feature would have also been an obvious expedient as per KSR Rationale A (see MPEP §2143).

15. Claims **13** and **14** are rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Kessler in view of Delany, and Tidwell, and Marshall, and further in view of *Those tricky tips* (Seattle Times, 2008).

Regarding claims 13 and 14, ***Those tricky tips*** discloses determining a total of gratuities received by a first group of employees (e.g., \$15, or 15% of \$100 earned by server); and allocating a portion of the total gratuities received by the first group of employees to a second group of employees based on distribution rules (i.e., \$95.20 less \$1.80 tip charge is distributed to a second group comprising expediter, busperson, bartender, and hostess), wherein the portion of the total gratuities received by the first group of employees allocated to the second group is determined based on the number of members in the second group (i.e., the portion is an aggregation of the amount due to each member in the second group). See attached article. Therefore, to share tips earned by waiters/severs with assisting or tip-out employees, it would have been obvious to person of ordinary skill in the art to have determined a total of gratuities received by a first group of employees (e.g. one or more servers); and to have allocated a portion of the total gratuities received by the first group of employees to a second group of employees (e.g. the tip-out group) based on the distribution rules, wherein the portion of the total gratuities received by the first group of employees allocated to the

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second group of employees is determined based on the number of members in the second group of employees.

16. Claims **13** and **14** are rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Beauregard in view of Kessler, Delany, and Tidwell, and Marshall Notice, and further in view of *Those tricky tips*.

Regarding claims 13 and 14, ***Those tricky tips*** discloses determining a total of gratuities received by a first group of employees (e.g., \$15, or 15% of \$100 earned by server); and allocating a portion of the total gratuities received by the first group of employees to a second group of employees based on distribution rules (i.e., \$95.20 less \$1.80 tip charge is distributed to a second group comprising expediter, busperson, bartender, and hostess), wherein the portion of the total gratuities received by the first group of employees allocated to the second group is determined based on the number of members in the second group (i.e., the portion is an aggregation of the amount due to each member in the second group). See attached article. Therefore, to share tips earned by waiters/severs with assisting or tip-out employees, it would have been obvious to person of ordinary skill in the art to have determined a total of gratuities received by a first group of employees (e.g. one or more servers); and to have allocated a portion of the total gratuities received by the first group of employees to a second group of employees (e.g. the tip-out group) based on the distribution rules, wherein the portion of the total gratuities received by the first group of employees allocated to the

[Type text]

second group of employees is determined based on the number of members in the second group of employees.

17. Claim **15** is rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Kessler in view of Delany, and Tidwell, and Marshall, and further in view of *Dune Service*.

Regarding claim 15, **Dune Services** evidences that it is known to allocate a fixed amount of gratuities received by a member of a first group to a second group of employees (1.5% of sales) provided that a particular earning threshold (e.g., greater than or equal to \$100) is met. Therefore, to provide limit tip-outs to a particular earning threshold, it would have been obvious to a person of ordinary skill in the art to allocate a fixed amount of gratuities received by a member of a first group to a second group of employees provided that a particular earning threshold is met; selecting a gratuity threshold (i.e., gratuities greater than or equal to a threshold) would have been an obvious selection of a particular threshold amongst a finite selection of thresholds.

18. Claim **15** is rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Beauregard in view of Kessler, Delany, and Tidwell, and Marshall, and further in view of *Dune Service*.

Regarding claim 15, **Dune Services** evidences that it is known to allocate a fixed amount of gratuities received by a member of a first group to a second group of employees (1.5% of sales) provided that a particular earning threshold (e.g., greater

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than or equal to \$100) is met. Therefore, to provide limit tip-outs to a particular earning threshold, it would have been obvious to a person of ordinary skill in the art to allocate a fixed amount of gratuities received by a member of a first group to a second group of employees provided that a particular earning threshold is met; selecting a gratuity threshold (i.e., gratuities greater than or equal to a threshold) would have been an obvious selection of a particular threshold amongst a finite selection of thresholds.

19. Claim **16** is rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Kessler in view of Delany, and Tidwell, and Marshall, and further in view of Daher (US 2007/0043614, pub. Feb. 22, 2007) and *Those tricky tips*.

Regarding claim 16, the references as combined teach receiving transaction information. **Daher** further teaches determining total cash sales from transaction information during an accounting period from transaction information (see para. 110, claim 20). ***Those tricky tips*** further discloses determining a total gratuity from a total sales (e.g. \$15 or 15% of \$100), and allocating the total gratuity to a plurality of employees based on distribution rules (see attached article, e.g., server gets \$150 less \$95.20; expediter gets \$20, bus person gets \$20, etc.). It would have been an obvious expedient to determine the total cash sales during the accounting period from the transaction information, and to have applied Tricky Tips' allocation scheme to the total cash sales--particularly, by allocating determining the total cash gratuity from the determined total cash sales, and allocating the total cash gratuity to the plurality of employees based on distribution rules--since the claimed invention is a combination of

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old elements/features, and in the combination each element/feature 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 MPEP § 2143.

20. Claim **16** is rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Beauregard in view of Kessler, Delany, and Tidwell, and Marshall, and further in view of Daher (US 2007/0043614, pub. Feb. 22, 2007) and *Those tricky tips*.

Regarding claim 16, the references as combined teach receiving transaction information. **Daher** further teaches determining total cash sales from transaction information during an accounting period from transaction information (see para. 110, claim 20). ***Those tricky tips*** further discloses determining a total gratuity from a total sales (e.g. \$15 or 15% of \$100), and allocating the total gratuity to a plurality of employees based on distribution rules (see attached article, e.g., server gets \$150 less \$95.20; expediter gets \$20, bus person gets \$20, etc.). It would have been an obvious expedient to determine the total cash sales during the accounting period from the transaction information, and to have applied Tricky Tips' allocation scheme to the total cash sales--particularly, by allocating determining the total cash gratuity from the determined total cash sales, and allocating the total cash gratuity to the plurality of employees based on distribution rules--since the claimed invention is a combination of old elements/features, and in the combination each element/feature merely would have performed the same function as it did separately, and one of ordinary skill in the art

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would have recognized that the results of the combination were predictable. See MPEP § 2143.

21. Claim **20** is rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Kessler, Delaney, Tidwell, and Marshall (as applied to above), and further in view of Scipioni (US 2013/0173404).

Regarding claim 20, Scipioni teaches that it is known to notify an employee via at least one of a text message, email, or instant message of a determined gratuity [See at least Para. 19]. Therefore, to provide feedback to the employees (and as per KSR Rationale A), it would have been obvious to a person of ordinary skill in the art at the time the invention was made to notifying the employee via a least one of a text message, email, or instant message of the determined gratuity allocation upon the determining.

22. Claim **20** is rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Beauregard in view of Kessler, Delany, and Tidwell, and Marshall, and further in view of Scipioni.

Regarding claim 20, Scipioni teaches that it is known to notify an employee via at least one of a text message, email, or instant message of a determined gratuity [See at least Para. 19]. Therefore, to provide feedback to the employees (and as per KSR Rationale A), it would have been obvious to a person of ordinary skill in the art at the time the invention was made to notifying the employee via a least one of a text

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message, email, or instant message of the determined gratuity allocation upon the determining.

Conclusion

23. **THIS ACTION IS MADE FINAL.** 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 mailing date of this final action.

24. Any inquiry concerning this communication or earlier communications from the examiner should be directed to HUNTER WILDER whose telephone number is (571)270-7948. The examiner can normally be reached on 9:00 a.m. - 5:30 p.m. (Monday-Friday).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Florian Zeender can be reached on (571)272-6790. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

[Type text]

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.

/HUNTER WILDER/
Primary Examiner, Art Unit 3627

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Notice of References Cited	Application/Control No. 13/834,466	Applicant(s)/Patent Under Reexamination STEPANOVICH, ALEKSANDAR	
	Examiner HUNTER WILDER	Art Unit 3627	Page 1 of 1

U.S. PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Name	CPC Classification	US Classification
*	A	US-2008/0065396 A1	03-2008	Marshall; John Steven	G06Q10/10	705/16
	B	US-				
	C	US-				
	D	US-				
	E	US-				
	F	US-				
	G	US-				
	H	US-				
	I	US-				
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	K	US-				
	L	US-				
	M	US-				

FOREIGN PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Country	Name	CPC Classification
	N					
	O					
	P					
	Q					
	R					
	S					
	T					

NON-PATENT DOCUMENTS

*		Include as applicable: Author, Title Date, Publisher, Edition or Volume, Pertinent Pages)
	U	
	V	
	W	
	X	

*A copy of this reference is not being furnished with this Office action. (See MPEP § 707.05(a).)
Dates in MM-YYYY format are publication dates. Classifications may be US or foreign.

Search Notes 	Application/Control No. 13834466	Applicant(s)/Patent Under Reexamination STEPANOVICH, ALEKSANDAR
	Examiner HUNTER WILDER	Art Unit 3627

CPC- SEARCHED		
Symbol	Date	Examiner
G 06Q 40/10	10/6/2015	/H.W./

CPC COMBINATION SETS - SEARCHED		
Symbol	Date	Examiner

US CLASSIFICATION SEARCHED			
Class	Subclass	Date	Examiner
705	15, 16 and 32	10/6/2015	/H.W./

SEARCH NOTES		
Search Notes	Date	Examiner
See attached EAST Search History	4/19/2015	KAM
Inventor Name Search	4/19/2015	KAM
Performed Keyword Search in EAST (see attached)	10/6/2015	/H.W./

INTERFERENCE SEARCH			
US Class/ CPC Symbol	US Subclass / CPC Group	Date	Examiner

	/HUNTER WILDER/ Primary Examiner. Art Unit 3627
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<i>Index of Claims</i> 	Application/Control No. 13834466	Applicant(s)/Patent Under Reexamination STEPANOVICH, ALEKSANDAR
	Examiner HUNTER WILDER	Art Unit 3627

✓	Rejected	-	Cancelled	N	Non-Elected	A	Appeal
=	Allowed	÷	Restricted	I	Interference	O	Objected

☐ Claims renumbered in the same order as presented by applicant										☐ CPA										☐ T.D.										☐ R.1.47									
CLAIM		DATE																																					
Final	Original	04/19/2015	10/06/2015																																				
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CONFIRMATION NO. 2038

SERIAL NUMBER 13/834,466	FILING or 371(c) DATE 03/15/2013 RULE	CLASS 705	GROUP ART UNIT 3627	ATTORNEY DOCKET NO. 209387.00003		
APPLICANTS GRATUITY, LLC, Naples, FL; INVENTORS Aleksandar STEPANOVICH, Naples, FL; ** CONTINUING DATA ***** This appln claims benefit of 61/696,569 09/04/2012 ** FOREIGN APPLICATIONS ***** ** IF REQUIRED, FOREIGN FILING LICENSE GRANTED ** ** SMALL ENTITY ** 04/25/2013						
Foreign Priority claimed ☐ Yes ☒ No 35 USC 119(a-d) conditions met ☐ Yes ☒ No Verified and Acknowledged <u>/A. HUNTER WILDER/</u> Examiner's Signature		☐ Met after Allowance Initials	STATE OR COUNTRY FL	SHEETS DRAWINGS 9	TOTAL CLAIMS 29	INDEPENDENT CLAIMS 2
ADDRESS Hahn Loeser + Parks LLP 65 East State Street Suite 1400 Columbus, OH 43215 UNITED STATES						
TITLE SYSTEM AND METHOD FOR MANAGING GRATUITIES						
FILING FEE RECEIVED 812	FEES: Authority has been given in Paper No. _____ to charge/credit DEPOSIT ACCOUNT No. _____ for following:		☐ All Fees ☐ 1.16 Fees (Filing) ☐ 1.17 Fees (Processing Ext. of time) ☐ 1.18 Fees (Issue) ☐ Other _____ ☐ Credit			

EAST Search History

EAST Search History (Prior Art)

Ref #	Hits	Search Query	DBs	Default Operator	Plurals	Time Stamp
S1	35	("20020095380" "20020198832" "20040059689" "20060111990" "20120123915" "20040225567" "6088681" "6625579" "20120310779" "20130041733" "6078899" "20020184148" "4819162" "6993502" "20040083134" "20110112940" "6889200" "20060128472" "20060143087" "20130085913" "20140365322" "8723652" "20060036528" "20090024456" "20110246314" "20120208622" "20130290173" "20030097303" "20110029418" "7398238" "20070043614" "20070239468" "20080065396" "20090258688" "20130041776").PN.	US-PGPUB; USPAT; JPO; IBM_TDB	OR	ON	2015/07/08 10:38
S2	9	S1 and (hours near2 worked)	US-PGPUB; USPAT; JPO; IBM_TDB	OR	ON	2015/07/08 10:38
S3	10	gratuity same10 (hours near2 worked)	US-PGPUB; USPAT; JPO; IBM_TDB	OR	ON	2015/07/08 10:39
S4	1	("20130103579").PN.	US-PGPUB; USPAT; JPO	OR	OFF	2015/07/08 11:00
S5	1	("20120174017").PN.	US-PGPUB; USPAT; JPO	OR	OFF	2015/07/08 11:11
S6	35	("20020095380" "20020198832" "20040059689" "20060111990" "20120123915" "20040225567" "6088681" "6625579" "20120310779" "20130041733" "6078899" "20020184148" "4819162" "6993502" "20040083134" "20110112940" "6889200" "20060128472" "20060143087" "20130085913" "20140365322" "8723652" "20060036528" "20090024456" "20110246314" "20120208622" "20130290173" "20030097303" "20110029418" "7398238" "20070043614" "20070239468" "20080065396" "20090258688" "20130041776").PN.	US-PGPUB; USPAT; JPO; IBM_TDB	OR	ON	2015/07/08 11:12

EAST Search History

		"20130041776").PN.				
S7	1	gratuity\$.as.	US- PGPUB; USPAT; JPO; IBM_TDB	OR	ON	2015/07/08: 11:21
S8	26	tips same (hours near2 worked)	US- PGPUB; USPAT; JPO; IBM_TDB	OR	ON	2015/07/08: 11:22

EAST Search History (Interference)

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10/ 6/ 2015 12:12:12 PM

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Doc code: RCEX

PTO/SB/30EFS (07-14)

Doc description: Request for Continued Examination (RCE)

Approved for use through 07/31/2016. OMB 0651-0031
U.S. Patent and Trademark Office; U.S. DEPARTMENT OF COMMERCE

Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it contains a valid OMB control number.

REQUEST FOR CONTINUED EXAMINATION(RCE)TRANSMITTAL
(Submitted Only via EFS-Web)

Application Number	13834466	Filing Date	2013-03-15	Docket Number (if applicable)	209387.3	Art Unit	3627
First Named Inventor	Aleksandar Stepanovich			Examiner Name	Andrew H. Wilder		

This is a Request for Continued Examination (RCE) under 37 CFR 1.114 of the above-identified application.

Request for Continued Examination (RCE) practice under 37 CFR 1.114 does not apply to any utility or plant application filed prior to June 8, 1995, to any international application that does not comply with the requirements of 35 U.S.C. 371, or to any design application. The Instruction Sheet for this form is located at WWW.USPTO.GOV.

SUBMISSION REQUIRED UNDER 37 CFR 1.114

Note: If the RCE is proper, any previously filed unentered amendments and amendments enclosed with the RCE will be entered in the order in which they were filed unless applicant instructs otherwise. If applicant does not wish to have any previously filed unentered amendment(s) entered, applicant must request non-entry of such amendment(s).

☐ Previously submitted. If a final Office action is outstanding, any amendments filed after the final Office action may be considered as a submission even if this box is not checked.☐ Consider the arguments in the Appeal Brief or Reply Brief previously filed on _____☐ Other _____☒ Enclosed☒ Amendment/Reply☐ Information Disclosure Statement (IDS)☐ Affidavit(s)/ Declaration(s)☐ Other _____**MISCELLANEOUS**☐ Suspension of action on the above-identified application is requested under 37 CFR 1.103(c) for a period of months _____
(Period of suspension shall not exceed 3 months; Fee under 37 CFR 1.17(i) required)☐ Other _____**FEES****The RCE fee under 37 CFR 1.17(e) is required by 37 CFR 1.114 when the RCE is filed.**☒ The Director is hereby authorized to charge any underpayment of fees, or credit any overpayments, to
Deposit Account No 150450**SIGNATURE OF APPLICANT, ATTORNEY, OR AGENT REQUIRED**☒ Patent Practitioner Signature

Applicant Signature

Doc code: RCEX

Doc description: Request for Continued Examination (RCE)

PTO/SB/30EFS (07-14)

Approved for use through 07/31/2016. OMB 0651-0031

U.S. Patent and Trademark Office; U.S. DEPARTMENT OF COMMERCE

Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it contains a valid OMB control number.

Signature of Registered U.S. Patent Practitioner			
Signature	Walter J. Kawula, Jr./	Date (YYYY-MM-DD)	2016-01-15
Name	Walter J. Kawula, Jr.	Registration Number	39724

This collection of information is required by 37 CFR 1.114. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.11 and 1.14. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450.

If you need assistance in completing the form, call 1-800-PTO-9199 and select option 2.

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The Privacy Act of 1974 (P.L. 93-579) requires that you be given certain information in connection with your submission of the attached form related to a patent application or patent. Accordingly, pursuant to the requirements of the Act, please be advised that: (1) the general authority for the collection of this information is 35 U.S.C. 2(b)(2); (2) furnishing of the information solicited is voluntary; and (3) the principal purpose for which the information is used by the U.S. Patent and Trademark Office is to process and/or examine your submission related to a patent application or patent. If you do not furnish the requested information, the U.S. Patent and Trademark Office may not be able to process and/or examine your submission, which may result in termination of proceedings or abandonment of the application or expiration of the patent.

The information provided by you in this form will be subject to the following routine uses:

1. The information on this form will be treated confidentially to the extent allowed under the Freedom of Information Act (5 U.S.C. 552) and the Privacy Act (5 U.S.C. 552a). Records from this system of records may be disclosed to the Department of Justice to determine whether the Freedom of Information Act requires disclosure of these records.
2. A record from this system of records may be disclosed, as a routine use, in the course of presenting evidence to a court, magistrate, or administrative tribunal, including disclosures to opposing counsel in the course of settlement negotiations.
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5. A record related to an International Application filed under the Patent Cooperation Treaty in this system of records may be disclosed, as a routine use, to the International Bureau of the World Intellectual Property Organization, pursuant to the Patent Cooperation Treaty.
6. A record in this system of records may be disclosed, as a routine use, to another federal agency for purposes of National Security review (35 U.S.C. 181) and for review pursuant to the Atomic Energy Act (42 U.S.C. 218(c)).
7. A record from this system of records may be disclosed, as a routine use, to the Administrator, General Services, or his/her designee, during an inspection of records conducted by GSA as part of that agency's responsibility to recommend improvements in records management practices and programs, under authority of 44 U.S.C. 2904 and 2906. Such disclosure shall be made in accordance with the GSA regulations governing inspection of records for this purpose, and any other relevant (i.e., GSA or Commerce) directive. Such disclosure shall not be used to make determinations about individuals.
8. A record from this system of records may be disclosed, as a routine use, to the public after either publication of the application pursuant to 35 U.S.C. 122(b) or issuance of a patent pursuant to 35 U.S.C. 151. Further, a record may be disclosed, subject to the limitations of 37 CFR 1.14, as a routine use, to the public if the record was filed in an application which became abandoned or in which the proceedings were terminated and which application is referenced by either a published application, an application open to public inspections or an issued patent.
9. A record from this system of records may be disclosed, as a routine use, to a Federal, State, or local law enforcement agency, if the USPTO becomes aware of a violation or potential violation of law or regulation.

IN THE UNITED STATES PATENT & TRADEMARK OFFICE

In re patent of:	Aleksandar STEPANOVICH	Docket No.:	209387.00003
Application No.:	13/834,466	Art Unit:	3627
Filed:	Mar. 15, 2013	Examiner:	Andrew H. WILDER
Title:	SYSTEM AND METHOD FOR MANAGING GRATUITIES		

Via EFS-Web
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

AMENDMENT

Commissioner:

This paper is filed in response to the Office Action dated October 16, 2015. A Request for Reconsideration is being filed concurrently with this Amendment. Please amend the above-identified application as indicated below. Reconsideration and/or further examination is respectfully requested.

The Commissioner is authorized to charge any fees due as a result of or in connection with the filing of this paper to Deposit Account No. 15-0450.

Amendments to the Claims

This listing of claims as amended replaces all previously filed listings of claims in the application.

1. (Currently amended) A computer-implemented method for allocating gratuities comprising:

~~an interface component resident on a client business system extracting transaction and employee information during an accounting period from the client business system;~~

~~the interface component communicating the extracted transaction and employee information to a gravity management system located remotely from the client business system;~~

~~the gravity management system comprising employing at least one processor configured to execute computer-executable instructions stored in memory to perform the following acts:~~

~~receiving transaction information from a point-of-sale the client business system, wherein the transaction information comprises at least gratuity data for each of a plurality of transactions during an accounting period,~~

~~receiving employee information from the point-of-sale client business system, wherein the employee information comprises at least hours worked for each of a plurality of employees during the accounting period;~~

~~receiving gratuity distribution rules for allocating gratuities among at least a portion of the employees; and~~

~~determining a gratuity allocation for each applicable employee of the plurality of employees based on at least the received transaction information, the received employee information, and the received gratuity distribution rules~~[[[]] _.

~~wherein at least one processor is remote from the point of sale.~~

2. (Original) The computer-implemented method for allocating gratuities of claim 1 further comprising:

allocating to each applicable employee the determined gratuity allocation for that employee.

3. (Original) The computer-implemented method for allocating gratuities of claim 1, wherein the transaction information further comprises sales data for the plurality of transactions during the accounting period.
4. (Original) The computer-implemented method for allocating gratuities of claim 1, wherein the transactions are service transactions provided by the plurality of employees.
5. (Cancelled)
6. (Currently Amended) The computer-implemented method for allocating gratuities of claims 1, wherein the gratuity management system ~~at least one processor~~ comprises a cloud computing system.
7. (Currently Amended) The computer-implemented method for allocating gratuities of claim 1, wherein ~~receiving the step of communicating~~ the transaction information and employee information for the accounting period further comprises:
 - receiving the interface component generating a computer-readable file containing the transaction information and the employee information for the accounting period, and the gratuity management system receiving the computer-readable file and storing the received transaction information and the received employee information in a database.
8. (Original) The computer-implemented method for allocating gratuities of claim 7 further comprising:
 - receiving the computer readable file from the client business system ~~point-of-sale~~ via the Internet.
9. (Original) The computer-implemented method for allocating gratuities of claim 1 further comprising:
 - determining a total gratuity amount for the accounting period from the transaction information, and determining the gratuity allocation for each of the plurality of employees

based on the total gratuity amount for the accounting period.

10. (Original) The computer-implemented method for allocating gratuities of claim 1 further comprising:

- classifying each of the plurality of employees to one of a plurality of gratuity groups based on a job function of the employee; and

- wherein determining the gratuity allocation for each employee further comprises: allocating gratuities to form a gratuity pool for each gratuity group based on the gratuity distribution rules and allocating the gratuity pool for each gratuity group between the employees of the gratuity group based on the distribution rules.

11. (Original) The computer-implemented method for allocating gratuities of claim 10, wherein allocating the determined group gratuity between the employees of the group comprises:

- determining a total of the hours worked by each employee of the group for the accounting period, and

- allocating a portion of the gratuity pool for the gratuity group to each employee of the group corresponding to a ratio of the hours worked by that employee to the total hours worked of the group.

12. (Original) The computer-implemented method for allocating gratuities of claim 10, wherein allocating the determined group gratuity between the employees of the group comprises:

- receiving an assigned gratuity factor for each of the plurality of employees, and

- allocating at least a portion of the gratuity pool for the gratuity group to each employee based upon the employee's assigned gratuity factor.

13. (Original) The computer-implemented method for allocating gratuities of claim 1, wherein determining the gratuity allocation for each of the plurality of employees further comprises:

- determining a total of gratuities received by a first group of employees; and

- allocating a portion of the total of gratuities received by the first group of employees to a second group of employees based on the distribution rules.

14. (Original) The computer-implemented method for allocating gratuities of claim 13, wherein the portion of the total gratuities received by the first group of employees allocated to the second group of employees is determined based on the number of members in the second group of employees.
15. (Original) The computer-implemented method for allocating gratuities of claim 1, wherein determining the gratuity allocation for each of the plurality of employees further comprises:
allocating a fixed amount of the gratuities received by a member of a first group to a second group of employees provided that the gratuities received by the member of the first group are greater than or equal to a threshold.
16. (Original) The computer-implemented method for allocating gratuities of claim 1, wherein determining the gratuity allocation for each of the plurality of employees further comprises:
determining total cash sales during the accounting period from the transaction information,
determining a total cash gratuity from the total cash sales, and
allocating the total cash gratuity to the plurality of employees based on the distribution rules.
17. (Original) The computer-implemented method for allocating gratuities of claim 1 further comprising:
communicating the determined gratuity allocation for each employee to an employer payroll system and distributing the determined gratuity allocation to each employee through a payroll check.
18. (Original) The computer-implemented method for allocating gratuities of claim 1 further comprising:
providing a web-portal configured to be accessed by employees, wherein the web-portal is configured to display the determined gratuity allocation for a given employee.

19. (Original) The computer-implemented method for allocating gratuities of claim 1 further comprising:

providing a web-portal configured to be accessed by an employer, wherein the web-portal is configured to display the determined gratuity allocation for the plurality of employees.

20. (Original) The computer-implemented method for allocating gratuities of claim 1 further comprising:

upon determining the gratuity allocation for a given employee, notifying the employee via at least one of a text message, an email, or an instant message of the determined gratuity allocation.

21. (Original) The computer-implemented method for allocating gratuities of claim 1, wherein receiving gratuity distribution rules for allocating gratuities among at least a portion of the employees further comprises:

receiving gratuity distribution rules from each of a plurality of employers, wherein the gratuity distribution rules received from one employer are different than the gratuity distribution rules received from at least one other employer.

22.-29. (Canceled)

30. (New) A system, comprising:

a. a gratuity management system, comprising

1. a server coupled to a computer network; and
2. a database, accessible by the server; and

b. a plurality of client business systems, each client business system comprising:

1. at least one point of sale server; and
2. a gratuity sync client application installed on the client business system;

wherein the gratuity sync client application on each client business system is configured to extract transaction information and employee information from the client business system and to communicate the extracted information to the gratuity management system; and

wherein the gratuity management system is configured to receive the extracted transaction information and employee information from the plurality of client business systems and to store the received extracted information in the database; and

wherein the gratuity management system is further configured execute gratuity distribution rules for allocating gratuities among at least a portion of the employees and to determine a gratuity allocation based on at least the received extracted transaction information, the received extracted employee information, and the gratuity distribution rules.

31. (New) The system of claim 30, wherein the gratuity sync client is further configured to format the extracted transaction and employee information into an XML file before communicating the extracted information to the gratuity management server.

32. (New) The system of claim 30, wherein the interface component is installed on the point of sale unit.

REMARKS

This Response is filed in response to the Office Action dated October 16, 2015. Claims 1-4, 6-22, and 24-29 currently stand rejected. Claims 22 and 24-29 are canceled by amendment. New claims 30 - 31 are added by amendment.

Claim 1-4 and 6-21 stand rejected under 35 U.S.C. §112 (Pre AIA), second paragraph, as being indefinite. Claim 1 as presently amended deletes the second occurrence of "at least one processor". Accordingly, it is believed that this ground for rejection has been resolved.

Claims 1-4, 6-22, and 24-29 currently stand rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. Claims 22 and 24-29 are canceled. The rejection is traversed with respect to claim 1-4 and 6-21 as presented after amendment.

Claim 1 is amended to recite how the task of allocating gratuities is structurally divided into different computing components. For example, Claim 1 is amended to recite that extracting and communicating steps are performed by an interface component that is resident on an otherwise stand-alone client business system. Support for this amendment is at e.g., paragraphs 0043-0044 and Figure 2A (ref. char. 206). The interface component extracts certain information from the client business system and communicates it to the gratuity management system. In the illustrated examples Fig. 2A, the interface component 206 is a client application (software component) installed on a client's point of sale server or other business system.

Modifying a client's business system to include a software component to extract and communicate information to a remote server for further processing is "something more" than applying computers to a known business method. Indeed, this solution improves computing efficiency in several ways. First, installing only an interface component to be resident on a client business system minimally affects the client business system and avoids the need to install the entire gratuity management functionality on the client business system. Second, requiring a remote server to handle all of the gratuity computations ensures that the client business system is not overburdened with additional computing demands. Finally, the invention eliminates double entry of transactional information and employee information, extracting information captured during routine business operations, thereby avoiding erroneous entries, improving accuracy and improving results. Each of these improvements is an improvement in computing efficiency. In this regard, claim 1 as amended is necessarily rooted in computer technology, solving a computer network and configuration problem, and is like the claims in DDR Holdings

LLC v. Motels.com L.P., 773 F.3d 1245 (Fed. Cir. 2014). Moreover, the invention is specific enough not to pre-empt all other computerized methods of distributing gratuities.

Claims 22 and 24-29 are canceled, so the section 101 rejection of those claims is moot. However, new system claims 30-31 are added by amendment. Claim 30 recites a system covering a gratuity management system that receives inputs from a plurality of client business systems. Moreover, each of the client business systems include a specific component – the gratuity sync client application, for performing certain claimed functions. Once again, this configuration of computing resources enhances computing efficiency over and above known systems for allocating gratuities. Accordingly, Claim 30 claims substantially more than an abstract idea.

Claims 1-4, 6-9, 17-19, and 21 stand rejected under pre-AIA 35 U.S.C. § 103(a) as being unpatentable over Kessler et al. (US 2013/010357, “Kessler”) in view of Delaney et al. (US 2012/0208622, “Delaney”) and Tidwell et al. (US 2012/0174017, “Tidwell”) and Marshall (US 2008/065396, “Marshall”) . This rejection is respectfully traversed.

Kessler appears to be completely unrelated to the invention at issue. Kessler concerns a stand-alone system to collect a second set of payments separate and apart from a retail establishment’s point of sale and business systems. In contrast, the present invention is integrated with a client business system, and includes an interface component that extracts and communicates certain information that is captured in the client business systems during normal business operations. Kessler teaches away from the present system by including a separate step, device, and network for collecting gratuities. None of the other cited documents fill in this gap in Kessler. Accordingly, claim 1, and all claims that depend from claim 1, are believed patentable over the cited documents.

Claim 7 is further amended to recite the details how they extracted information is communicated. Specifically, the interface component on installed on the client business system generates a file containing the transaction information and the employee information, and the file is transferred to the gratuity management system. This further distinguishes claim 7 from the cited publications. Claim 7 and claim 8 which depends therefore, are believed allowable for this additional reason.

Claims 1-4, 6-9, 17-19 and 21-29 alternatively stand rejected under pre-AIA 35 U.S.C. § 103(a) as being unpatentable over Beauregard (US 2010/0257013, “Beauregard”) in view of

Kessler, Delaney, and Tidwell, and Marshall. The rejection is respectfully traversed with respect to claims 1-4, 6-9, 17-19 and 21.

The remarks set forth above with respect to claims 1 and 7 are incorporated by reference. Additionally, the fact that five documents are relied upon to reject a method claim having only five steps executed by a processor is, of itself, evidence that hindsight reconstruction improperly plays a part in this rejection. Claim 1, as amended, distinguishes from this amalgamation of publications by expressly reciting a client business system configured with a component to extract transactional information and employee information (which is captured by the client business system during routing business operations) and communicating the extracted information to a remote processor for additional processing. This division of computing tasks results in improved computing efficiency, by minimizing the impact on the client business system and offloading the additional processing loads to a remote system. Accordingly, claims 1 and 7 and all claims that depend therefrom, are believed allowable over the cited publications.

Claims 10-16 and 20 currently stand rejected under pre-AIA 35 U.S.C. § 103(a) as being unpatentable over 1) Kessler, 2) Delaney, 3) Tidwell, 4) Marshall, and one or more of 5) Beauregard, 6) Phillips (U.S. 2014/0365322), 7) *“Those tricky tips”* (Seattle Times, 2008), 8) Dune Service, and 9) Scipioni (US 2013/0173404). The rejections are respectfully traversed.

The remarks set forth with respect to claims 1 and 7 above, are incorporated by reference, and claims 10-16 and 20 are patentable for at least those reasons. Additionally, merely throwing more and more publications at each additional limitation of the dependent claims further demonstrates that hindsight reconstruction underlies the rejections. Such hindsight reconstruction is not a proper basis for rejection under Section 103. Accordingly, allowance of claims 10-16 and 20 is respectfully requested.

New claims 30-32 are added by amendment. The cited publications do not teach or suggest a gratuity sync client application on each of a plurality of client business systems, configured to extract transaction information and employee information from the client business system, and to communicate the extracted information to a remote gratuity management system. Accordingly, claims 30-32 are believed patentable over the cited publications.

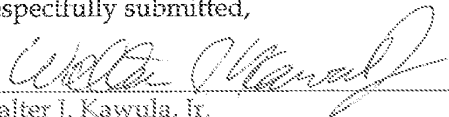
Conclusion

Applicant respectfully submits that all pending claims are in condition for allowance. Applicant encourages the Examiner to call its undersigned counsel to resolve any additional questions that the Examiner may have to place the claims in condition for allowance.

Date: January 15, 2016

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Chicago, Illinois 60606
(312) 655-3050

Respectfully submitted,



Walter J. Kawula, Jr.
Reg. No. 39,724

Electronic Patent Application Fee Transmittal				
Application Number:		13834466		
Filing Date:		15-Mar-2013		
Title of Invention:		SYSTEM AND METHOD FOR MANAGING GRATUITIES		
First Named Inventor/Applicant Name:		Aleksandar STEPANOVICH		
Filer:		Walter J. Kawula Jr./Shannon Geers		
Attorney Docket Number:		209387.00003		
Filed as Small Entity				
Filing Fees for Utility under 35 USC 111(a)				
Description	Fee Code	Quantity	Amount	Sub-Total in USD(\$)
Basic Filing:				
Pages:				
Claims:				
Miscellaneous-Filing:				
Petition:				
Patent-Appeals-and-Interference:				
Post-Allowance-and-Post-Issuance:				
Extension-of-Time:				

Description	Fee Code	Quantity	Amount	Sub-Total in USD(\$)
Miscellaneous:				
Request for Continued Examination	2801	1	600	600
Total in USD (\$)				600

Electronic Acknowledgement Receipt	
EFS ID:	24641039
Application Number:	13834466
International Application Number:	
Confirmation Number:	2038
Title of Invention:	SYSTEM AND METHOD FOR MANAGING GRATUITIES
First Named Inventor/Applicant Name:	Aleksandar STEPANOVICH
Customer Number:	102467
Filer:	Walter J. Kawula Jr./Shannon Geers
Filer Authorized By:	Walter J. Kawula Jr.
Attorney Docket Number:	209387.00003
Receipt Date:	15-JAN-2016
Filing Date:	15-MAR-2013
Time Stamp:	16:56:22
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	yes
Payment Type	Deposit Account
Payment was successfully received in RAM	\$ 600
RAM confirmation Number	3959
Deposit Account	150450
Authorized User	KAWULA, WALTER J
The Director of the USPTO is hereby authorized to charge indicated fees and credit any overpayment as follows:	
Charge any Additional Fees required under 37 CFR 1.17 (Patent application and reexamination processing fees)	

Charge any Additional Fees required under 37 CFR 1.19 (Document supply fees)

Charge any Additional Fees required under 37 CFR 1.21 (Miscellaneous fees and charges)

File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Request for Continued Examination (RCE)	13834466RCE.pdf	1364372	no	3
			5982fe7d193834e0ce912637323694b53d598b9b		
Warnings:					
Information:					
2		13834466Amendment.pdf	450016	yes	11
			b8c580371be3b342ee901f5a774d841ec8e8882		
	Multipart Description/PDF files in .zip description				
	Document Description		Start	End	
	Response After Final Action		1	1	
	Claims		2	7	
	Applicant Arguments/Remarks Made in an Amendment		8	11	
Warnings:					
Information:					
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Total Files Size (in bytes):			1845215		

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New Applications Under 35 U.S.C. 111

If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

National Stage of an International Application under 35 U.S.C. 371

If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

New International Application Filed with the USPTO as a Receiving Office

If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

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PATENT APPLICATION FEE DETERMINATION RECORD Substitute for Form PTO-875				Application or Docket Number 13/834,466		Filing Date 03/15/2013		☐ To be Mailed						
ENTITY: ☐ LARGE ☒ SMALL ☐ MICRO														
APPLICATION AS FILED – PART I														
(Column 1)		(Column 2)												
FOR		NUMBER FILED		NUMBER EXTRA		RATE (\$)		FEE (\$)						
☐ BASIC FEE (37 CFR 1.16(a), (b), or (c))		N/A		N/A		N/A								
☐ SEARCH FEE (37 CFR 1.16(k), (i), or (m))		N/A		N/A		N/A								
☐ EXAMINATION FEE (37 CFR 1.16(o), (p), or (q))		N/A		N/A		N/A								
TOTAL CLAIMS (37 CFR 1.16(i))		minus 20 =		*		X \$ =								
INDEPENDENT CLAIMS (37 CFR 1.16(h))		minus 3 =		*		X \$ =								
☐ APPLICATION SIZE FEE (37 CFR 1.16(s))		If the specification and drawings exceed 100 sheets of paper, the application size fee due is \$310 (\$155 for small entity) for each additional 50 sheets or fraction thereof. See 35 U.S.C. 41(a)(1)(G) and 37 CFR 1.16(s).												
☐ MULTIPLE DEPENDENT CLAIM PRESENT (37 CFR 1.16(j))														
* If the difference in column 1 is less than zero, enter "0" in column 2.						TOTAL								
APPLICATION AS AMENDED – PART II														
(Column 1)		(Column 2)		(Column 3)										
AMENDMENT	01/15/2016		CLAIMS REMAINING AFTER AMENDMENT			HIGHEST NUMBER PREVIOUSLY PAID FOR	PRESENT EXTRA		RATE (\$)		ADDITIONAL FEE (\$)			
	Total (37 CFR 1.16(i))		* 23		Minus	** 29	= 0		X \$40 =		0			
	Independent (37 CFR 1.16(h))		* 3		Minus	***3	= 0		X \$210 =		0			
	☐ Application Size Fee (37 CFR 1.16(s))													
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))													
											TOTAL ADD'L FEE		0	
(Column 1)		(Column 2)		(Column 3)										
AMENDMENT			CLAIMS REMAINING AFTER AMENDMENT			HIGHEST NUMBER PREVIOUSLY PAID FOR	PRESENT EXTRA		RATE (\$)		ADDITIONAL FEE (\$)			
	Total (37 CFR 1.16(i))		*		Minus	**	=		X \$ =					
	Independent (37 CFR 1.16(h))		*		Minus	***	=		X \$ =					
	☐ Application Size Fee (37 CFR 1.16(s))													
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))													
											TOTAL ADD'L FEE			
* If the entry in column 1 is less than the entry in column 2, write "0" in column 3. ** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 20, enter "20". *** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 3, enter "3". The "Highest Number Previously Paid For" (Total or Independent) is the highest number found in the appropriate box in column 1.										LIE /helena payton/				

This collection of information is required by 37 CFR 1.16. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. **SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.**

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
13/834,466	03/15/2013	Aleksandar STEPANOVICH	209387.00003	2038
102467 7590 Hahn Loeser + Parks LLP 65 East State Street Suite 1400 Columbus, OH 43215			EXAMINER WILDER, ANDREW H	
			ART UNIT 3627	PAPER NUMBER
			NOTIFICATION DATE 02/22/2016	DELIVERY MODE 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):

patents@hahnlaw.com

Office Action Summary	Application No. 13/834,466	Applicant(s) STEPANOVICH, ALEKSANDAR	
	Examiner HUNTER WILDER	Art Unit 3627	AIA (First Inventor to File) Status No

-- 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 15 January 2016.
☐ 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) 1-4,6-21 and 30-32 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) 1-4,6-21 and 30-32 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

1. The present application is being examined under the pre-AIA first to invent provisions.

Continued Examination Under 37 CFR 1.114

2. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 15 January 2016 has been entered.

Response to Arguments

3. Applicant's arguments filed in the Amendment ("Response") on 15 January 2016 have been fully considered but they are not persuasive. As requested in the Response, claims 1, 6 and 7 have been amended, claims 30-32 have been added and claims 5 and 22-29 are cancelled.

4. Applicant's arguments filed in the Response with respect to the rejection under 35 USC 103 have been fully considered but they are not persuasive. Applicant Argues Kessler does not teach extracting and communication certain information (Response: pg. 9), however Kessler clearly teaches collecting and transmitting certain information (Kessler: ¶ 0010) which could broadly be interpreted as extracting/obtaining and communication information. Kessler teaches an electronic gratuity device, i.e. a client business system, which extracts transaction and employee information during a

shift and communicates the information to a remote server, i.e. the gratuity management system, which uses the information to determine gratuity allocations to employees based further on gratuity disbursal plans, i.e. rules (Kessler: ¶¶ 0034 and 0035).

5. Applicant's arguments filed in the Response with respect to the rejection under 35 USC 101 have been fully considered but they are not persuasive. Claims 1-4, 6-21 and 30-32 are directed to organizing information (i.e. the steps of extracting, communicating, receiving and determining) for transmission, which is similar to concepts that have been identified as abstract by the courts, such as using categories to organize, store and transmit information in *Cyberfone*. Additionally determining gratuity allocation for employees could be described as creating a contractual relationship which is similar to concepts that have been identified as fundamental economic practices and certain methods of organizing human activity and thus an abstract idea. Waiters have for a long time manually kept track of their tips and further allocated the tips to other employees, i.e. bussers. The claims do not include additional elements (i.e. an interface component resident on a client business system and a gratuity management system) that are sufficient to amount to significantly more than the judicial exception because when taken in combination, together do not offer substantially more than the sum of the functions of the elements when each is taken alone.

Claim Objections

6. Claims 1 and 30 are objected to because of the following informalities:

“gravity” should be --gratuity-- (claim 1, line 6); and

“configured execute” should be --configured to execute-- (claim 30, line 14).

Appropriate correction is required.

Claim Rejections - 35 USC § 101

1. 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.

2. Claims **1-4**, **6-21** and **30-32** are rejected under 35 U.S.C. 101 because the claimed invention is directed to a judicial exception (i.e., a law of nature, a natural phenomenon, or an abstract idea) without significantly more, see *Alice Corporation Pty. Ltd. v. CLS Bank International, et al.*, 573 U.S. ____ (2014).

Claims 1-4, 6-21 and 30-32 are directed to organizing information (i.e. the steps of extracting, communicating, receiving and determining) for transmission, which is similar to concepts that have been identified as abstract by the courts, such as using categories to organize, store and transmit information in *Cyberfone*. Additionally determining gratuity allocation for employees could be described as creating a contractual relationship which is similar to concepts that have been identified as fundamental economic practices and certain methods of organizing human activity and thus an abstract idea. Waiters have for a long time manually kept track of their tips and further allocated the tips to other employees, i.e. bussers. The claims do not include additional elements (i.e. an interface component resident on a client business system and a gratuity management system) that are sufficient to amount to significantly more

than the judicial exception because when taken in combination, together do not offer substantially more than the sum of the functions of the elements when each is taken alone. That is, the elements involved in the recited process undertake their roles in performance of their activities according to their generic functionalities which are well-understood, routine and conventional. The elements together execute in routinely and conventionally accepted coordinated manners and interact with their partner elements to achieve an overall outcome which, similarly, is merely the combined and coordinated execution of generic computer functionalities which are well-understood, routine and conventional activities previously known to the industry.

The claims as a whole, do not amount to significantly more than the abstract idea itself because the claims do not affect an improvement to another technology or technical field; the claims do not amount to an improvement to the functioning of a computer itself; and the claims do not move beyond a general link of the use of an abstract idea to a particular technological environment.

The claims merely amount to the application or instructions to apply the abstract idea on a computer, and is considered to amount to nothing more than requiring a generic computer system to merely carry out the abstract idea itself. As such, the claims, when considered as a whole, are nothing more than the instruction to implement the abstract idea in a particular, albeit well-understood, routine and conventional technological environment.

Claim Rejections - 35 USC § 112

7. The following is a quotation of 35 U.S.C. 112 (pre-AIA), second paragraph:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

8. Claims **1-4, 6-21** and **32** are rejected under 35 U.S.C. 112 (pre-AIA), second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which the inventor or a joint inventor, or for pre-AIA the applicant regards as the invention. Claim 1 recites the limitation "the gratuity management system" in line 8. Claim 32 recites the limitations "the interface component" in line 1 and "the point of sale unit" in line 2. There is insufficient antecedent basis for these limitations in the claims. Claims 2-4 and 6-21 are rejected under 35 U.S.C. 112 (pre-AIA), second paragraph as being dependent on a rejected claim under 35 U.S.C. 112 (pre-AIA), second paragraph.

Claim Rejections - 35 USC § 103

9. The following is a quotation of pre-AIA 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

10. Claims **1-4, 9, 18, 19** and **21** are rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over United States Patent Application Publication No. 2013/0103579 A1 to Kessler *et al.* ("Kessler") in view of United States Patent Application Publication No. 2012/0208622 A1 to Delaney *et al.* ("Delaney").

As per claim **1**, the claimed subject matter that is met by Kessler includes:

a computer-implemented method for allocating gratuities comprising (Kessler: ¶ 0019 “integrated system and method for collecting and disbursing gratuities”):

an interface component resident on a client business system extracting transaction and employee information during an accounting period from the client business system (Kessler: ¶¶ 0008 “an electronic gratuity device configured to collect and transmit gratuity transaction information to the server”, 0020 “The method of establishing an EGD system may include providing at least one server 7 (step 102) and a website 8 (step 103). Servers store transaction information and EGD account information needed for proper management of funds collected at EGD locations. System servers 7 also support the web interfaces 8 which the EGD provider, EGD contractor and gratuity-collecting employees use to manage funds collected at EGD locations” and 0035 “Shift and employee information, as well as gratuity transaction information may be sent either in real time or periodically to the system servers 206”);

the interface component communicating the extracted transaction and employee information to a gravity management system located remotely from the client business system (Kessler: ¶¶ 0008 “an electronic gratuity device configured to collect and transmit gratuity transaction information to the server”, 0020 “The method of establishing an EGD system may include providing at least one server 7 (step 102) and a website 8 (step 103). Servers store transaction information and EGD account information needed for proper management of funds collected at EGD locations. System servers 7 also support the web interfaces 8 which the EGD provider, EGD contractor and gratuity-collecting employees use to manage funds collected at EGD

locations” and 0035 “Shift and employee information, as well as gratuity transaction information may be sent either in real time or periodically to the system servers 206” and Fig. 1);

the gratuity management system comprising employing at least one processor configured to execute computer-executable instructions stored in memory to perform the following acts (Kessler: ¶¶ 0035 and 0036 “the information storage means, such as the server or servers, receive credit card payment information from any linked and active devices as transactions occur. Relevant information is organized, and may be made available on the website” and Figs. 1 (7) and 3):

receiving transaction information from the client business system, wherein the transaction information comprises at least gratuity data for each of a plurality of transactions during an accounting period (Kessler: ¶ 0035 “Shift and employee information, as well as gratuity transaction information may be sent either in real time or periodically to the system servers 206. The shift and employee information is used to generate work records that may dictate how shares of collected gratuity deposits are disbursed 207.”),

receiving employee information from the client business system, wherein the employee information comprises at least *shift* worked for each of a plurality of employees during the accounting period (Kessler: ¶¶ 0034 “one or more employees may check in without automatically checking out a first employee, such that multiple employees' shifts may overlap” and 0035 “Shift and employee information, as well as gratuity transaction information may be sent either in real time or periodically to the

system servers 206. The shift and employee information is used to generate work records that may dictate how shares of collected gratuity deposits are disbursed 207.”);

receiving gratuity distribution rules for allocating gratuities among at least a portion of the employees (Kessler: ¶ 0035 “EGD contractors and employees may have the option of reviewing and modifying the generated records, or of submitting determined gratuity disbursement plans on a periodic basis, rather than requiring employees to check in and out at the EGD device”); and

determining a gratuity allocation for each applicable employee of the plurality of employees based on at least the received transaction information, the received employee information, and the received gratuity distribution rules (Kessler: ¶¶ 0035 “According to the terms of the EGD contractor’s agreement, there may be a pre-determined payment cycle period (e.g., two weeks), such that after every payment cycle, a finalized work record (either reviewed or unedited) is created or recorded for purposes of disbursement and record-keeping 208. After the electronic work record, or disbursement document, is created, the EGD provider initiates disbursement of gratuity shares according the shift information recorded in the document, or according to another appropriate metric embodied in the EGD contractor agreement 209” and 0041).

Kessler teaches recording ‘a shift start-time’ and determining ‘a shift length’ (Kessler: ¶ 0034), but fails to specifically teach ‘hours worked’. Kessler also teaches gratuity distribution rules for allocating gratuities among at least a portion of the employees (Kessler: ¶ 0035) as broadly cited in the current claims, but fails to specially teach the narrower interpretation of gratuity distribution rules which could be the

allocation of one gratuity transaction to many employees. To expedite matters, the Examiner provides Delaney to teach and disclose these claimed features.

The claimed subject matter that is met by Delaney includes:

receiving employee information from the client business system, wherein the employee information comprises at least hours worked for each of a plurality of employees during the accounting period (Delaney: ¶ 0037 “The system can use a weight based division and distribution based on actual shift to hours worked so that if a dealer only works half of an eight hour shift, they are given a half share of the total tips collected”);

receiving gratuity distribution rules for allocating gratuities among at least a portion of the employees (Delaney: ¶ 0037 “The system can use a weight based division and distribution based on actual shift to hours worked so that if a dealer only works half of an eight hour shift, they are given a half share of the total tips collected”); and

determining a gratuity allocation for each applicable employee of the plurality of employees based on at least the received transaction information, the received employee information, and the received gratuity distribution rules (Delaney: ¶¶ 0036 and 0037 “In the event that a shift accounting method is utilized, the tips for a particular shift are totaled and, once the shift is completed, the system divides the total amount of shifts among the dealers working the shift, as indicated in box 106. The system can use a weight based division and distribution based on actual shift to hours worked so that if

a dealer only works half of an eight hour shift, they are given a half share of the total tips collected”).

Kessler teaches a method for managing gratuities. Delaney teaches a comparable method for managing gratuities that was improved in the same way as the claimed invention. Delaney offers the embodiment of hours worked and gratuity distribution rules. One of ordinary skill in the art at the time the invention was made would have recognized the adaptation of the specific hours worked information and gratuity distribution rules as disclosed by Delaney to the shift length and gratuity distribution rules as taught by Kessler for the predicted result of improved methods for managing gratuities. No additional findings are seen to be necessary.

As per claim **2**, the claimed subject matter that is met by Kessler and Delaney includes:

allocating to each applicable employee the determined gratuity allocation for that employee (Kessler: ¶¶ 0035 and 0041 and Delaney: ¶ 0037).

The motivation for combining the teachings of Kessler and Delaney are discussed in the rejection of claim 1, and are incorporated herein.

As per claim **3**, the claimed subject matter that is met by Kessler and Delaney includes:

wherein the transaction information further comprises sales data for the plurality of transactions during the accounting period (the wherein clause does not appear to require performance of a step and, therefore, is believed to fail to further limit the claim [See MPEP 2111.04]).

The motivation for combining the teachings of Kessler and Delaney are discussed in the rejection of claim 1, and are incorporated herein.

As per claim **4**, the claimed subject matter that is met by Kessler and Delaney includes:

wherein the transactions are service transactions provided by the plurality of employees (the wherein clause does not appear to require performance of a step and, therefore, is believed to fail to further limit the claim [See MPEP 2111.04]).

The motivation for combining the teachings of Kessler and Delaney are discussed in the rejection of claim 1, and are incorporated herein.

As per claim **9**, the claimed subject matter that is met by Kessler and Delaney includes:

determining a total gratuity amount for the accounting period from the transaction information (Kessler: ¶¶ 0035 and 0041 and Delaney: ¶ 0037), and

determining the gratuity allocation for each of the plurality of employees based on the total gratuity amount for the accounting period (Kessler: ¶¶ 0035 and 0041 and Delaney: ¶ 0037).

The motivation for combining the teachings of Kessler and Delaney are discussed in the rejection of claim 1, and are incorporated herein.

As per claim **18**, the claimed subject matter that is met by Kessler and Delaney includes:

providing a web-portal configured to be accessed by employees, wherein the web-portal is configured to display the determined gratuity allocation for a given employee (Kessler: ¶¶ 0035 and 0036).

The motivation for combining the teachings of Kessler and Delaney are discussed in the rejection of claim 1, and are incorporated herein.

As per claim **19**, the claimed subject matter that is met by Kessler and Delaney includes:

providing a web-portal configured to be accessed by an employer, wherein the web-portal is configured to display the determined gratuity allocation for the plurality of employees (Kessler: ¶¶ 0035 and 0036).

The motivation for combining the teachings of Kessler and Delaney are discussed in the rejection of claim 1, and are incorporated herein.

As per claim **21**, the claimed subject matter that is met by Kessler and Delaney includes:

wherein receiving gratuity distribution rules for allocating gratuities among at least a portion of the employees further comprises: receiving gratuity distribution rules from each of a plurality of employers, wherein the gratuity distribution rules received from one employer are different than the gratuity distribution rules received from at least one other employer (Kessler: ¶ 0035).

Receiving rules from each of a plurality of employers would have been an duplication of the aforementioned receiving step across each employer in the plurality. The source of the rule and the contents of the rule does not alter the manner in which

the method is performed, and the source and content of the rule are not dependent on the steps of the method for their identity. As such, the recitation, "different than the gratuity distribution rules received from at least one other employer" constitutes patentably inconsequential non-functional descriptive material. See MPEP §2111.05. Further motivation for combining the teachings of Kessler and Delaney are discussed in the rejection of claim 1, and are incorporated herein.

11. Claim **6** is rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Kessler in view of Delaney as applied in claim 1, and further in view of United States Patent Application Publication No. 2014/0052613 A1 to Tavakoli *et al.* ("Tavakoli").

As per claim **6**, Kessler and Delaney fail to specifically teach wherein the gratuity management system comprises a cloud computing system. The Examiner provides Tavakoli to teach and disclose this claimed feature.

The claimed subject matter that is met by Tavakoli includes:

wherein the gratuity management system comprises a cloud computing system (Tavakoli: ¶¶ 0045 and 0051)

Kessler and Delaney teaches methods for allocating gratuities. Tavakoli teaches a comparable method for allocating gratuities that was improved in the same way as the claimed invention. Tavakoli offers the embodiment of a cloud computing system. One of ordinary skill in the art at the time the invention was made would have recognized the adaptation of the cloud computing system as disclosed by Tavakoli to the servers as taught by Kessler and Delaney for the predicted result of improved methods for allocating gratuities. No additional findings are seen to be necessary.

12. Claims **7, 8** and **17** are rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Kessler in view of Delaney as applied in claim 1, and further in view of United States Patent Application Publication No. 2008/0065396 A1 to Marshall ("Marshall").

As per claim **7**, Kessler and Delaney fail to specifically teach the interface component generating a computer-readable file containing the transaction information and the employee information for the accounting period, and the gratuity management system receiving the computer-readable file and storing the received transaction information and the received employee information in a database. The Examiner provides Marshall to teach and disclose this claimed feature.

The claimed subject matter that is met by Marshall includes:

wherein receiving the step of communicating the transaction information and employee information for the accounting period further comprises: the interface component generating a computer-readable file containing the transaction information and the employee information for the accounting period, and the gratuity management system receiving the computer-readable file and storing the received transaction information and the received employee information in a database (Marshall: ¶¶ 0109 and 0110 "loading of information to the present invention from an IS may be performed via execution of an interface process and queries (e.g., database or SQL queries) to the IS. This interface process is designed to read or query the information contained in the .DBF files or the like").

Kessler and Delaney teaches methods for allocating gratuities. Marshall teaches a comparable method for allocating gratuities that was improved in the same way as the claimed invention. Marshall offers the embodiment of computer-readable files. One of ordinary skill in the art at the time the invention was made would have recognized the adaptation of generating and transferring computer-readable files as disclosed by Marshall to the systems as taught by Kessler and Delaney for the predicted result of improved methods for allocating gratuities. No additional findings are seen to be necessary.

As per claim **8**, the claimed subject matter that is met by Kessler, Delaney and Marshall includes:

receiving the computer readable file from the client business system via the Internet (Marshall: ¶ 0110 “the file folder is located remotely and it is configured as a mapped drive on the local server via an Internet connection”).

The motivation for combining the teachings of Kessler, Delaney and Marshall are discussed in the rejection of claim 7, and are incorporated herein.

As per claim **17**, the claimed subject matter that is met by Kessler, Delaney and Marshall includes:

communicating the determined gratuity allocation for each employee to an employer payroll system and distributing the determined gratuity allocation to each employee through, a payroll check (Kessler: ¶ 0041).

Marshall shows that it is well known to distribute funds to an employee via payroll check (Marshall: ¶¶ 0142 and 0146). Therefore, to accommodate a preference payroll

checks for distribution (and as per KSR Rationale A), it would have been obvious to have distributed the determined allocation to each employee for through a payroll check. Further motivation for combining the teachings of Kessler, Delaney and Marshall are discussed in the rejection of claim 7, and are incorporated herein.

13. Claims **10-12** are rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Kessler in view of Delaney as applied in claim 1, and further in view of United States Patent Application Publication No. 2014/0365322 A1 to Phillips ("Phillips").

As per claim **10**, Kessler and Delaney fail to specifically teach classifying each of the plurality of employees to one of a plurality of gratuity groups based on a job function of the employee; and wherein determining the gratuity allocation for each employee further comprises: allocating gratuities to form a gratuity pool for each gratuity group based on the gratuity distribution rules and allocating the gratuity pool for each gratuity group between the employees of the gratuity group based on the distribution rules. The Examiner provides Phillips to teach and disclose this claimed feature.

The claimed subject matter that is met by Phillips includes:

classifying each of the plurality of employees to one of a plurality of gratuity groups based on a job function of the employee; and wherein determining the gratuity allocation for each employee further comprises: allocating gratuities to form a gratuity pool for each gratuity group based on the gratuity distribution rules and allocating the gratuity pool for each gratuity group between the employees of the gratuity group based on the distribution rules (Phillips: ¶¶ 0056-0065)

Kessler and Delaney teaches methods for allocating gratuities. Phillips teaches a comparable method for allocating gratuities that was improved in the same way as the claimed invention. Phillips offers the embodiment of classifying each of the plurality of employees to one of a plurality of gratuity groups based on a job function of the employee; and wherein determining the gratuity allocation for each employee further comprises: allocating gratuities to form a gratuity pool for each gratuity group based on the gratuity distribution rules and allocating the gratuity pool for each gratuity group between the employees of the gratuity group based on the distribution rules. One of ordinary skill in the art at the time the invention was made would have recognized the adaptation of classifying each of the plurality of employees to one of a plurality of gratuity groups based on a job function of the employee as disclosed by Phillips to the methods for allocating gratuities as taught by Kessler and Delaney for the predicted result of improved methods for allocating gratuities. No additional findings are seen to be necessary.

As per claim **11**, the claimed subject matter that is met by Kessler, Delaney and Phillips includes:

wherein allocating the determined group gratuity between the employees of the group comprises: determining a total of the hours worked by each employee of the group for the accounting period, and allocating a portion of the gratuity pool for the gratuity group to each employee of the group corresponding to a ratio of the hours worked by that employee to the total hours worked of the group (Kessler: ¶¶ 0035 and 0041 and Delaney: ¶ 0037 and Phillips: ¶¶ 0056-0065).

The motivation for combining the teachings of Kessler, Delaney and Phillips are discussed in the rejection of claim 10, and are incorporated herein.

As per claim **12**, the claimed subject matter that is met by Kessler, Delaney and Phillips includes:

wherein allocating the determined group gratuity between the employees of the group comprises: receiving an assigned gratuity factor for each of the plurality of employees, and allocating at least a portion of the gratuity pool for the gratuity group to each employee based upon the employee's assigned gratuity factor (Kessler: ¶¶ 0035 and 0041 and Delaney: ¶ 0037 and Phillips: ¶¶ 0056-0065).

The motivation for combining the teachings of Kessler, Delaney and Phillips are discussed in the rejection of claim 10, and are incorporated herein.

14. Claims **13** and **14** are rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Kessler in view of Delaney as applied in claim 1, and further in view of *Those trick tips*.

As per claims **13** and **14**, *Those tricky tips* discloses determining a total of gratuities received by a first group of employees (e.g., \$15, or 15% of \$100 earned by server); and allocating a portion of the total gratuities received by the first group of employees to a second group of employees based on distribution rules (i.e., \$95.20 less \$1.80 tip charge is distributed to a second group comprising expediter, busperson, bartender, and hostess), wherein the portion of the total gratuities received by the first group of employees allocated to the second group is determined based on the number of members in the second group (i.e., the portion is an aggregation of the amount due to

each member in the second group). See attached article. Therefore, to share tips earned by waiters/severs with assisting or tip-out employees, it would have been obvious to person of ordinary skill in the art to have determined a total of gratuities received by a first group of employees (e.g. one or more servers); and to have allocated a portion of the total gratuities received by the first group of employees to a second group of employees (e.g. the tip-out group) based on the distribution rules, wherein the portion of the total gratuities received by the first group of employees allocated to the second group of employees is determined based on the number of members in the second group of employees.

15. Claim **15** is rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Kessler in view of Delaney as applied in claim 1, and further in view of *Dune Service*.

As per claims **15**, *Dune Services* evidences that it is known to allocate a fixed amount of gratuities received by a member of a first group to a second group of employees (1.5% of sales) provided that a particular earning threshold (e.g., greater than or equal to \$100) is met. Therefore, to provide limit tip-outs to a particular earning threshold, it would have been obvious to a person of ordinary skill in the art to allocate a fixed amount of gratuities received by a member of a first group to a second group of employees provided that a particular earning threshold is met; selecting a gratuity threshold (i.e., gratuities greater than or equal to a threshold) would have been an obvious selection of a particular threshold amongst a finite selection of thresholds.

16. Claim **16** is rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Kessler in view of Delaney as applied in claim 1, and further in view of United States

Patent Application Publication No. 2007/0043614 A1 to Daher ("Daher") and *Those tricky tips*.

As per claims **16**, the references as combined teach receiving transaction information. Daher further teaches determining total cash sales from transaction information during an accounting period from transaction information (see para. 110, claim 20). *Those tricky tips* further discloses determining a total gratuity from a total sales (e.g. \$15 or 15% of \$100), and allocating the total gratuity to a plurality of employees based on distribution rules (see attached article, e.g., server gets \$150 less \$95.20; expediter gets \$20, bus person gets \$20, etc.). It would have been an obvious expedient to determine the total cash sales during the accounting period from the transaction information, and to have applied Tricky Tips' allocation scheme to the total cash sales--particularly, by allocating determining the total cash gratuity from the determined total cash sales, and allocating the total cash gratuity to the plurality of employees based on distribution rules--since the claimed invention is a combination of old elements/features, and in the combination each element/feature 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 MPEP § 2143.

17. Claim **20** is rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Kessler in view of Delaney as applied in claim 1, and further in view of United States Patent Application Publication No. 2013/0173404 A1 to Scipioni ("Scipioni").

As per claims **20**, Scipioni teaches that it is known to notify an employee via at least one of a text message, email, or instant message of a determined gratuity (Scipioni: ¶ 0019). Therefore, to provide feedback to the employees (and as per KSR Rationale A), it would have been obvious to a person of ordinary skill in the art at the time the invention was made to notifying the employee via a least one of a text message, email, or instant message of the determined gratuity allocation upon the determining.

18. Claims **30-32** are rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Kessler in view of United States Patent Application Publication No. 2012/0173350 A1 to Robson ("Robson").

As per claim **30**, the claimed subject matter that is met by Kessler includes:
a system, comprising (Kessler: ¶ 0019 "integrated system and method for collecting and disbursing gratuities" and Fig. 1):

- a. a gratuity management system, comprising (Kessler: Fig. 1 (7))
 1. a server coupled to a computer network (Kessler: ¶ 0020); and
 2. a database, accessible by the server (Kessler: ¶¶ 0020 and 0041);and
- b. a plurality of client business systems, each client business system comprising (Kessler: ¶ 0019 and Fig. 1 (1));
 1. at least one point of sale server (Kessler: ¶ 0006); and
 2. a gratuity sync client application installed on the client business system (Kessler: ¶ 0035);

wherein the gratuity sync client application on each client business system is configured to extract transaction information and employee information from the client business system and to communicate the extracted information to the gratuity management system (Kessler: ¶¶ 0008 “an electronic gratuity device configured to collect and transmit gratuity transaction information to the server”, 0020 “The method of establishing an EGD system may include providing at least one server 7 (step 102) and a website 8 (step 103). Servers store transaction information and EGD account information needed for proper management of funds collected at EGD locations. System servers 7 also support the web interfaces 8 which the EGD provider, EGD contractor and gratuity-collecting employees use to manage funds collected at EGD locations” and 0035 “Shift and employee information, as well as gratuity transaction information may be sent either in real time or periodically to the system servers 206”); and

wherein the gratuity management system is configured to receive the extracted transaction information and employee information from the plurality of client business systems and to store the received extracted information in the database (Kessler: ¶¶ 0035 “Shift and employee information, as well as gratuity transaction information may be sent either in real time or periodically to the system servers 206. The shift and employee information is used to generate work records that may dictate how shares of collected gratuity deposits are disbursed 207.” and 0041); and

wherein the gratuity management system is further configured execute gratuity distribution rules for allocating gratuities among at least a portion of the employees and

to determine a gratuity allocation based on at least the received extracted transaction information, the received extracted employee information, and the gratuity distribution rules (Delaney: ¶¶ 0036 and 0037 “In the event that a shift accounting method is utilized, the tips for a particular shift are totaled and, once the shift is completed, the system divides the total amount of shifts among the dealers working the shift, as indicated in box 106. The system can use a weight based division and distribution based on actual shift to hours worked so that if a dealer only works half of an eight hour shift, they are given a half share of the total tips collected”).

Kessler fails to specifically teach a client application. The Examiner provides Robson to teach and disclose this claimed feature.

The claimed subject matter that is met by Robson includes:

b, a plurality of client business systems, each client business system comprising (Robson: ¶ 0032);

1. at least one point of sale server (Robson: ¶ 0032); and
2. a gratuity sync client application installed on the client business system (Robson: ¶¶ 0032, 0051-0053 and 0065);

Kessler teaches restaurant managing system. Robson teaches a comparable restaurant managing system that was improved in the same way as the claimed invention. Robson offers the embodiment of a client application. One of ordinary skill in the art at the time the invention was made would have recognized the adaptation of the client application as disclosed by Robson to the specific EGDs as taught by Kessler for

the predicted result of improved systems for managing gratuities. No additional findings are seen to be necessary.

As per claim **31**, the claimed subject matter that is met by Kessler and Robson includes:

wherein the gratuity sync client is further configured to format the extracted transaction and employee information into an XML file before communicating the extracted information to the gratuity management server (Robson: ¶ 0099).

The motivation for combining the teachings of Kessler and Robson are discussed in the rejection of claim 30, and are incorporated herein.

As per claim **32**, the claimed subject matter that is met by Kessler and Robson includes:

wherein the interface component is installed on the point of sale unit (Robson: ¶¶ 0037-0042).

The motivation for combining the teachings of Kessler and Robson are discussed in the rejection of claim 30, and are incorporated herein.

Conclusion

19. Any inquiry concerning this communication or earlier communications from the examiner should be directed to HUNTER WILDER whose telephone number is (571)270-7948. The examiner can normally be reached on 9:00 a.m. - 5:30 p.m. (Monday-Friday).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Florian Zeender can be reached on (571)272-6790. 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.

/HUNTER WILDER/
Primary Examiner, Art Unit 3627

Notice of References Cited	Application/Control No. 13/834,466	Applicant(s)/Patent Under Reexamination STEPANOVICH, ALEKSANDAR	
	Examiner HUNTER WILDER	Art Unit 3627	Page 1 of 1

U.S. PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Name	CPC Classification	US Classification
*	A	US-2014/0052613 A1	02-2014	Tavakoli; Shahrouz	G06Q20/3224	705/39
*	B	US-2013/0173404 A1	07-2013	Scipioni; German	G06Q30/0282	705/44
*	C	US-2012/0173350 A1	07-2012	Robson; Doug	G06Q20/20	705/27.1
	D	US-				
	E	US-				
	F	US-				
	G	US-				
	H	US-				
	I	US-				
	J	US-				
	K	US-				
	L	US-				
	M	US-				

FOREIGN PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Country	Name	CPC Classification
	N					
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	S					
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NON-PATENT DOCUMENTS

*		Include as applicable: Author, Title Date, Publisher, Edition or Volume, Pertinent Pages)
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	W	
	X	

*A copy of this reference is not being furnished with this Office action. (See MPEP § 707.05(a).)
Dates in MM-YYYY format are publication dates. Classifications may be US or foreign.

U.S. Patent and Trademark Office
PTO-892 (Rev. 01-2001)
20160216

Notice of References Cited

Part of Paper No.

<i>Index of Claims</i> 	Application/Control No. 13834466	Applicant(s)/Patent Under Reexamination STEPANOVICH, ALEKSANDAR
	Examiner HUNTER WILDER	Art Unit 3627

✓	Rejected	-	Cancelled	N	Non-Elected	A	Appeal
=	Allowed	÷	Restricted	I	Interference	O	Objected

☐ Claims renumbered in the same order as presented by applicant										☐ CPA										☐ T.D.										☐ R.1.47									
CLAIM		DATE																																					
Final	Original	04/19/2015	10/06/2015	02/16/2016																																			
	1	✓	✓	✓																																			
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EAST Search History**EAST Search History (Prior Art)**

Ref #	Hits	Search Query	DBs	Default Operator	Plurals	Time Stamp
L4	11	gratuity near3 application	US-PGPUB; USPAT; JPO; DERWENT; IBM_TDB	OR	ON	2016/02/16 10:25
L5	4035	cloud same10 (tip or gratuity) same10 application	US-PGPUB; USPAT; JPO; DERWENT; IBM_TDB	OR	ON	2016/02/16 14:16
L6	6	cloud same (gratuity) same application	US-PGPUB; USPAT; JPO; DERWENT; IBM_TDB	OR	ON	2016/02/16 14:17
L7	1	cloud same (gratuity near4 system)	US-PGPUB; USPAT; JPO; DERWENT; IBM_TDB	OR	ON	2016/02/16 14:19
L8	1	cloud same (gratuity with system)	US-PGPUB; USPAT; JPO; DERWENT; IBM_TDB	OR	ON	2016/02/16 14:19
L9	4	cloud same (gratuity same system)	US-PGPUB; USPAT; JPO; DERWENT; IBM_TDB	OR	ON	2016/02/16 14:19
L10	21	cloud same10 (gratuity same system)	US-PGPUB; USPAT; JPO; DERWENT; IBM_TDB	OR	ON	2016/02/16 14:20
L11	1	("20140365322").PN.	US-PGPUB; USPAT; JPO	OR	OFF	2016/02/16 15:27
L12	1	gratuity same application same xml	US-PGPUB; USPAT; JPO; DERWENT; IBM_TDB	OR	ON	2016/02/16 16:39
L13	92	gratuity and application same xml	US-PGPUB; USPAT; JPO; DERWENT; IBM_TDB	OR	ON	2016/02/16 16:39
L14	60	gratuity same application and xml	US-PGPUB;	OR	ON	2016/02/16

			USPAT; JPO; DERWENT; IBM_TDB			16:39
S1	35	("20020095380" "20020198832" "20040059689" "20060111990" "20120123915" "20040225567" "6088681" "6625579" "20120310779" "20130041733" "6078899" "20020184148" "4819162" "6993502" "20040083134" "20110112940" "6889200" "20060128472" "20060143087" "20130085913" "20140365322" "8723652" "20060036528" "20090024456" "20110246314" "20120208622" "20130290173" "20030097303" "20110029418" "7398238" "20070043614" "20070239468" "20080065396" "20090258688" "20130041776").PN.	US-PGPUB; USPAT; JPO; IBM_TDB	OR	ON	2015/07/08 10:38
S2	9	S1 and (hours near2 worked)	US-PGPUB; USPAT; JPO; IBM_TDB	OR	ON	2015/07/08 10:38
S3	10	gratuity same10 (hours near2 worked)	US-PGPUB; USPAT; JPO; IBM_TDB	OR	ON	2015/07/08 10:39
S4	1	("20130103579").PN.	US-PGPUB; USPAT; JPO	OR	OFF	2015/07/08 11:00
S5	1	("20120174017").PN.	US-PGPUB; USPAT; JPO	OR	OFF	2015/07/08 11:11
S6	35	("20020095380" "20020198832" "20040059689" "20060111990" "20120123915" "20040225567" "6088681" "6625579" "20120310779" "20130041733" "6078899" "20020184148" "4819162" "6993502" "20040083134" "20110112940" "6889200" "20060128472" "20060143087" "20130085913" "20140365322" "8723652" "20060036528" "20090024456" "20110246314" "20120208622" "20130290173" "20030097303" "20110029418" "7398238" "20070043614" "20070239468" "20080065396" "20090258688" "20130041776").PN.	US-PGPUB; USPAT; JPO; IBM_TDB	OR	ON	2015/07/08 11:12
S7	1	gratuity\$.as.	US-PGPUB; USPAT; JPO; IBM_TDB	OR	ON	2015/07/08 11:21
S8	26	tips same (hours near2 worked)	US-PGPUB; USPAT; JPO; IBM_TDB	OR	ON	2015/07/08 11:22

EAST Search History (Interference)

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Search Notes 	Application/Control No. 13834466	Applicant(s)/Patent Under Reexamination STEPANOVICH, ALEKSANDAR
	Examiner HUNTER WILDER	Art Unit 3627

CPC- SEARCHED		
Symbol	Date	Examiner
G 06Q 40/10	10/6/2015	/H.W./

CPC COMBINATION SETS - SEARCHED		
Symbol	Date	Examiner

US CLASSIFICATION SEARCHED			
Class	Subclass	Date	Examiner
705	15, 16 and 32	10/6/2015	/H.W./

SEARCH NOTES		
Search Notes	Date	Examiner
See attached EAST Search History	4/19/2015	KAM
Inventor Name Search	4/19/2015	KAM
Performed Keyword Search in EAST	10/6/2015	/H.W./
Performed Keyword Search in EAST (see attached)	2/16/2016	/H.W./

INTERFERENCE SEARCH			
US Class/ CPC Symbol	US Subclass / CPC Group	Date	Examiner

	/HUNTER WILDER/ Primary Examiner. Art Unit 3627
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IN THE UNITED STATES PATENT & TRADEMARK OFFICE

In re patent of:	Aleksandar STEPANOVICH	Docket No.:	209387.00003
Application No.:	13/834,466	Art Unit:	3627
Filed:	Mar. 15, 2013	Examiner:	Andrew H. WILDER
Title:	SYSTEM AND METHOD FOR MANAGING GRATUITIES		

Via EFS-Web
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

REPLY AND AMENDMENT

Commissioner:

This paper is filed in response to the Office Action dated February 22, 2016. Please amend the above-identified application as indicated below. Reconsideration and/or further examination is respectfully requested.

The Commissioner is authorized to charge any fees due as a result of or in connection with the filing of this paper to Deposit Account No. 15-0450.

Amendments to the Claims

This listing of claims as amended replaces all previously filed listings of claims in the application.

1. (Currently amended) A computer-implemented method for allocating gratuities comprising:

- an interface component resident on a client business system extracting transaction and employee information during an accounting period from the client business system;

- the interface component communicating the extracted transaction and employee information to a gravity gratuity management system ~~located remotely from the client business system;~~

- the gratuity management system having an interface for accepting information from a plurality of clients and comprising at least one processor configured to execute computer-executable instructions stored in memory to perform the following acts:

- receiving transaction information from the client business system, wherein the transaction information comprises at least gratuity data for each of a plurality of transactions during an accounting period,

- receiving employee information from the client business system, wherein the employee information comprises at least hours worked for each of a plurality of employees during the accounting period;

- receiving gratuity distribution rules for allocating gratuities among at least a portion of the employees; and

- determining a gratuity allocation for each applicable employee of the plurality of employees based on at least the received transaction information, the received employee information, and the received gratuity distribution rules.

2. (Original) The computer-implemented method for allocating gratuities of claim 1 further comprising:

- allocating to each applicable employee the determined gratuity allocation for that employee.

3. (Original) The computer-implemented method for allocating gratuities of claim 1, wherein the transaction information further comprises sales data for the plurality of transactions during the accounting period.
4. (Original) The computer-implemented method for allocating gratuities of claim 1, wherein the transactions are service transactions provided by the plurality of employees.
5. (Cancelled)
6. (Previously Presented) The computer-implemented method for allocating gratuities of claims 1, wherein the gratuity management system comprises a cloud computing system.
7. (Previously Presented) The computer-implemented method for allocating gratuities of claim 1, wherein the step of communicating the transaction information and employee information for the accounting period further comprises:

the interface component generating a computer-readable file containing the transaction information and the employee information for the accounting period, and the gratuity management system receiving the computer-readable file and storing the received transaction information and the received employee information in a database.
8. (Previously Presented) The computer-implemented method for allocating gratuities of claim 7 further comprising:

receiving the computer readable file from the client business system via the Internet.
9. (Original) The computer-implemented method for allocating gratuities of claim 1 further comprising:

determining a total gratuity amount for the accounting period from the transaction information, and determining the gratuity allocation for each of the plurality of employees based on the total gratuity amount for the accounting period.

10. (Original) The computer-implemented method for allocating gratuities of claim 1 further comprising:

classifying each of the plurality of employees to one of a plurality of gratuity groups based on a job function of the employee; and

wherein determining the gratuity allocation for each employee further comprises: allocating gratuities to form a gratuity pool for each gratuity group based on the gratuity distribution rules and allocating the gratuity pool for each gratuity group between the employees of the gratuity group based on the distribution rules.

11. (Original) The computer-implemented method for allocating gratuities of claim 10, wherein allocating the determined group gratuity between the employees of the group comprises:

determining a total of the hours worked by each employee of the group for the accounting period, and

allocating a portion of the gratuity pool for the gratuity group to each employee of the group corresponding to a ratio of the hours worked by that employee to the total hours worked of the group.

12. (Original) The computer-implemented method for allocating gratuities of claim 10, wherein allocating the determined group gratuity between the employees of the group comprises:

receiving an assigned gratuity factor for each of the plurality of employees, and

allocating at least a portion of the gratuity pool for the gratuity group to each employee based upon the employee's assigned gratuity factor.

13. (Original) The computer-implemented method for allocating gratuities of claim 1, wherein determining the gratuity allocation for each of the plurality of employees further comprises:

determining a total of gratuities received by a first group of employees; and

allocating a portion of the total of gratuities received by the first group of employees to a second group of employees based on the distribution rules.

14. (Original) The computer-implemented method for allocating gratuities of claim 13, wherein the portion of the total gratuities received by the first group of employees allocated to the

second group of employees is determined based on the number of members in the second group of employees.

15. (Original) The computer-implemented method for allocating gratuities of claim 1, wherein determining the gratuity allocation for each of the plurality of employees further comprises:

allocating a fixed amount of the gratuities received by a member of a first group to a second group of employees provided that the gratuities received by the member of the first group are greater than or equal to a threshold.

16. (Original) The computer-implemented method for allocating gratuities of claim 1, wherein determining the gratuity allocation for each of the plurality of employees further comprises:

determining total cash sales during the accounting period from the transaction information,

determining a total cash gratuity from the total cash sales, and

allocating the total cash gratuity to the plurality of employees based on the distribution rules.

17. (Original) The computer-implemented method for allocating gratuities of claim 1 further comprising:

communicating the determined gratuity allocation for each employee to an employer payroll system and distributing the determined gratuity allocation to each employee through a payroll check.

18. (Original) The computer-implemented method for allocating gratuities of claim 1 further comprising:

providing a web-portal configured to be accessed by employees, wherein the web-portal is configured to display the determined gratuity allocation for a given employee.

19. (Original) The computer-implemented method for allocating gratuities of claim 1 further comprising:

providing a web-portal configured to be accessed by an employer, wherein the web-