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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte DAN ROTHMAN and MARK HIGGINS

Appeal 2015-002561
Application 12/541,842
Technology Center 3600

Before HUBERT C. LORIN, MICHAEL W. KIM, and
CYNTHIA L. MURPHY, *Administrative Patent Judges*.

LORIN, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE¹

The Appellants filed a Request for Rehearing under 37 C.F.R. § 41.52 of the Decision on Appeal.

In the Decision on Appeal, the Board

- affirmed the rejection of claims 21–38 under 35 U.S.C. §101 as being directed to non-statutory subject matter;
- reversed the rejection of claims 21–38 under 35 U.S.C. §112, first paragraph, for failing to comply with the written description requirement;

¹ This Decision references the Appellants’ Request for Rehearing (“Req.,” filed Dec. 26, 2017) and the Board Decision (“Dec.,” mailed Oct. 26, 2017).

- reversed the rejection of claims 21–38 under 35 U.S.C. §103(a) as being unpatentable over Heinzle, Kinney and Rackson; and,
- reversed the rejection of claims 21–38 under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1–17 of Rothman.

The Request seeks reconsideration only of the Board’s decision to affirm the rejection of claims 21-38 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. The Appellants make several points they believe the Board overlooked or misapprehended.

DISCUSSION

The Request begins with a review of the *Alice Corp. Proprietary Ltd. v. CLS Bank International*, 134 S. Ct. 2347 (2014). Req. 2. We have no issue with what is said there.

The Request then proceeds to the *Alice* step one analysis. Req. 3-6.

“Step 1: The claims are not directed to an abstract idea” (Req. 3)

According to *Alice*, “[w]e must first determine whether the claims at issue are *directed to* a patent-ineligible concept,” such as an abstract idea. *Alice*, 134 S. Ct. at 2355. (Emphasis added.) The first paragraph gives an overview of what the “directed to” inquiry entails according to *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016). Req. 3. We have no issue with what the Appellants say about that matter.

The next paragraph discusses *McRO, Inc. v Bandai Namco Games America*, 837 F.3d 1299 (Fed. Cir. 2016). Req. 3–4. By and large, we agree with what is said here. But the statement “[t]he claims were found to be patent-eligible even where the claimed improvement was incorporated in

software processed by a general-purpose computer and did not result in an improvement in the technological performance of a computer, computer functionality, or computer network” (Req. 3–4) is too simple a takeaway. In *McRO*, the automation was the technological improvement and the computer was integral to that. “The computer here is employed to perform a distinct process to automate a task previously performed by humans.” *Id.* at 1314. “When looked at as a whole, claim 1 is directed to a patentable, technological improvement over the existing, manual 3-D animation techniques. The claim uses the limited rules in a process specifically designed to achieve an improved technological result in conventional industry practice.” *Id.* at 1316. Notwithstanding that a conventional computer could be used, the computer was not “merely a conduit” for an abstract idea. *In re TLI Communications LLC Patent Litigation*, 823 F.3d 607, 612 (Fed. Cir. 2016).

The next paragraph cites the “November 2016 Memorandum from the Deputy Commissioner for Patent Examination Policy on Recent Subject Matter Eligibility Decisions” calling on examiners to consider claims as a whole and resolve questions of preemption. We have no issue with that.

Next paragraph, the Appellants begin by stating that “the claims are not directed to an abstract idea. Rather, the claims recite specific processes that use particular information and techniques and that are specifically designed to achieve a particular result.” Req. 4 (*italics omitted*). And then claim 21 is reproduced almost in its entirety.

The following paragraph argues that the particular combination of information processing steps that claim 21 recites makes it “limited to a specific process using particular information and techniques,” and the claim

is directed to “a specific way of achieving a desired outcome or end result.” Req. 5, referring to *McRO* and the Nov. 2016 Memo. “Claim 21 does not preempt approaches that use different information or different techniques.” Req. 5. And for those reasons, “the character of Claim 21 as a whole is not simply directed to excluded subject matter.” Req. 5.

But this is the same argument raised in the Reply Brief (page 5) and we addressed it, as set forth below.

The Appellants also argue that the claims are “directed toward specific systems, methods and techniques that allow a computerized marketplace to facilitate the determination of a best bid or best offer in a multi-currency setting” and “there is no concern of a monopolization of the basic tools of scientific and technology work that might impede innovation more than it would promote it.” Reply Br. 5. These are not persuasive arguments. The “specific” scheme claim 1 [sic, 21] describes does not make the concept to which it is directed to any less abstract. It simply narrows its scope. The other argument is one of pre-emption (which Appellants further discuss at Reply Br. 4 (“**No Preemptive Effect**”). With respect to the preemption concern, “[w]hat matters is whether a claim threatens to subsume the full scope of a fundamental concept, and when those concerns arise, we must look for meaningful limitations that prevent the claim as a whole from covering the concept's every practical application.” *CLS Bank Intern. v. Alice Corp. Pty. Ltd.*, 717 F.3d 1269, 1281 (Fed. Cir. 2013) (Lourie, J., concurring). Here, the claim limitations to the scheme for facilitating buying and selling currencies simply narrows the abstract idea so that it is described at a lower level of abstraction. It does not render the abstract idea to which the claim is directed to any less an abstract idea.

Dec. 8–9. We could not have misapprehended or overlooked something we squarely addressed.

The Request next argues that “[t]he Decision mistakes the Appellants' argument that the claims cannot possibly be interpreted as covering any and all forms of the abstract idea and do not preempt the use of the alleged

abstract idea - the very basis for the abstract idea exception.” Req. 5. “It is without question that Claim 21 does not preempt every implementation of ‘selecting a price in a multi-currency marketplace.’ For example, currency exchange fees may be disregarded completely in selecting a price in a multi-currency marketplace.” Req. 5-6. We made no such mistake.

To be more accurate, the Appellants argued that the claims excluded “[m]any different ways of determining bid or offer prices in a multi-currency setting [that] exist.” Reply Br. 5. We did consider this statement, and do not disagree that the claim has a limited scope. We simply were not persuaded that the limitations made the abstract idea to which the claim was directed to any less abstract, albeit they had the effect of causing the subject matter to be described at a lower level of abstraction. In that regard, we stated:

[h]ere, the claim limitations to the scheme for facilitating buying and selling currencies simply narrows the abstract idea so that it is described at a lower level of abstraction. It does not render the abstract idea to which the claim is directed to any less an abstract idea

Dec. 8–9.

The Appellants then seek to turn said statements of ours in their favor, relying on *Thales Visionix Inc. v. United States*, 850 F.3d 1343 (Fed. Cir. 2017). Req. 6. The Appellants argue that “Judge Hughes asserted in the dissent that he did ‘not believe that we can describe the fundamental concept behind the ’740 claims at a lower level of abstraction than categorical data storage.’” According to the Appellants, “the [*Thales*] claims, which were at ‘a lower level of abstraction’ than the abstract idea, were patent eligible. [Thus, in] the instant case, if Claim 21 narrows the scope of the abstract idea, then, as in *Thales*, Claim 21 [is] patent eligible.” Req. 6.

But Judge Hughes was not on the panel in *Thales*. We think the Appellants mean to cite Judge Hughes’s dissent in *Visual Memory LLC v. NVIDIA Corporation*, 867 F.3d 1253 (Fed. Cir. 2017). But the points Judge Hughes made there does not help the Appellants.

Judge Hughes challenged the majority’s determination, under step one of the *Alice* analysis, that the *Visual Memory* claims were directed to *more* than the concept of categorical data storage. Judge Hughes did “not believe that we can describe the fundamental concept behind the ’740 claims at a lower level of abstraction than categorical data storage.” *Id.* at 1263.

In sum, I believe the majority has analyzed step one of *Alice* in a way that is untethered from the ’740 claims and the specification. Under the majority's reasoning, many patent ineligible computer-implemented inventions could be described as non-abstract because they purport to “improve” a computer despite requiring someone else to provide all the innovation. I would find the ’740 claims are directed to the abstract idea of categorical data storage, and that the claims fail to recite any inventive concepts sufficient to transform the abstract idea into a patent eligible invention under § 101.

Id. at 1264.

Neither *Thales* nor *Visual Memory* stand for the proposition that, when additional limitations lower the level of abstraction to which the subject matter was determined to be directed to, that the claimed subject matter is necessarily no longer directed to an abstract idea. This cannot be, because “[a]n abstract idea can generally be described at different levels of abstraction.” *Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1240–1241 (Fed. Cir. 2016).

Finally, the Appellants argue that “[t]he Decision has therefore failed to establish that Claim 21 is *directed to* an abstract idea.” Req. 6. What we actually established was that

[t]he Appellants do not dispute the Examiner's characterization of the claims as being directed to “selecting a price in a multi-currency marketplace.” Nor do the Appellants dispute the Examiner's position that if the claims are directed to “selecting a price in a multi-currency marketplace,” they are directed to an abstract idea because “selecting a price in a multi-currency marketplace” is a fundamental economic practice.

Dec. 5. We then considered that the Appellants’ arguments challenging the Examiner’s step one determination, determining that they were unpersuasive. The Request does not change our view.

We have considered all of the Appellants’ remaining arguments with respect to the Decision’s determination under Alice step one, and have determined them to be unpersuasive.

We now turn to the Request’s discussion about the Decision’s step two analysis.

“Step 2: The claims recite significantly more than the alleged abstract idea” (Req. 6)

The Appellants argue that “the Decision essentially focuses on the possible use of a generic computer and the alleged lack of an improvement to computer functionality. That is not the second step of the *Mayo* test.”

Req. 6.

It is not accurate to say that the Decision “essentially focuses on the possible use of a generic computer and the alleged lack of an improvement to computer functionality.” Req. 6. This is the Appellants’ argument in the Reply Brief – in its entirety:

Significantly More

The Examiner states that “[t]he steps or acts performed (by a computer) in independent method claims 21 and 25 are not

enough to qualify as ‘significantly more’ than the abstract idea itself, since the claims are a mere instruction to apply the abstract idea.*[sic]*” The Appellant disagrees. As an initial matter the claims recite a variety of elements in addition to a computer. For example, claims 21 and 25 recite a currency exchange which the computer accesses to retrieve currency data. As in Federal Circuit decision of *Sirf Technology v. ITC*, where the claims recited a GPS receiver, the currency exchange recited in claims 21 and 25 are used in the operation of the claimed method and plays a significant part in permitting the claimed method to be performed. As such, even though the performance of the claim requires a variety of calculations, the claim should be found eligible and the rejection reversed.

Reply Br. 5-6. We focused on the statement “the claims recite a variety of elements in addition to a computer. For example, claims 21 and 25 recite a currency exchange which the computer accesses to retrieve currency data.”

Reply Br. 6. We were not persuaded by this argument, saying that “[r]egarding the ‘currency exchange’ argument, this goes to the content of the information the computer processes. That adds little of significance.”

Dec. 10, footnote 2, citing *Electric Power Group, LLC v. Alstom S.A.*, 830 F.3d 1350, 1354 (Fed. Cir. 2016).

The Request now further argues that

the [individual functions] in Claim 21 ... [combine to create non-standard functions] ... [are] other than what is well-understood, routine, and conventional [in the field] ... when taken as an ordered combination of features recited in the claim, provide unconventional steps that confine the alleged abstract idea to a particular useful application ... [the] ordered combination amount[s] to significantly more than the alleged abstract idea ... [are] significantly more than the alleged abstract idea of “selecting a price in a multi-currency marketplace” [and] are “more than a drafting effort designed to monopolize the [abstract idea]”.

Req. 7–8. Again, we are not told what arrangement of components claim 21 recites that qualifies as a non-standard, unconventional, ordered combination that amounts to significantly more than the alleged abstract idea, etc. We do not see it, and the Appellants do not help us to see it. What we still see is “‘a computer’ [] perform[ing] routine information processing tasks such as ‘determining,’ ‘receiving,’ ‘accessing,’ ‘ranking,’ ‘displaying/outputting,’ and ‘selecting’” (Dec. 10) arranged in a well-understood, routine, or conventional ordered combination. For example, the computer accesses a source of data (i.e., the “currency exchange”) and retrieves data (i.e., “currency data”) therefrom. The Appellants do not show it to be otherwise. Given this we maintain that

[t]he Appellants [] do not point with particularity to claim limitations, or even statements in the Specification, that describe the recited computer components as anything more than common generic computer elements that are capable of performing said routine tasks. The record, therefore, supports the Examiner's position. “[T]he mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention. Stating an abstract idea ‘while adding the words ‘apply it’ is not enough for patent eligibility.” *Alice*, 134 S. Ct. at 2358 (quoting *Mayo*, 132 S. Ct. at 1294). See also *Bancorp Services, L.L.C. v. Sun Life Assur. Co. of Canada (U.S.)*, 687 F.3d 1266, 1278 (Fed. Cir. 2012) (“[T]he use of a computer in an otherwise patent-ineligible process for no more than its most basic function-making calculations or computations fails to circumvent the prohibition against patenting abstract ideas and mental processes.”).

Dec. 10–11.

We have considered all of the Appellants’ remaining arguments with respect to the Decision’s determination under *Alice* step two and have determined them to be unpersuasive.

CONCLUSION

We have carefully considered the arguments that the Appellants have set forth in the Request but, for the foregoing reasons, we are unpersuaded as to error in the Board's decision of October 26, 2017 to affirm the rejection of claims 21-38 under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

DENIED