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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
12/204,403	09/04/2008	Howard W. Lutnick	08-2224	4928

63710 7590 11/06/2017

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ART UNIT	PAPER NUMBER
3695	

NOTIFICATION DATE	DELIVERY MODE
11/06/2017	ELECTRONIC

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte HOWARD W. LUTNICK, DEAN P. ALDERUCCI, ANDREW FISHKIND, BRIAN L. GAY, KEVIN FOLEY, MARK MILLER, and CHARLES PLOTT

Appeal 2015-004381
Application 12/204,403
Technology Center 3600

Before BIBHU R. MOHANTY, NINA L. MEDLOCK, and CYNTHIA L. MURPHY, *Administrative Patent Judges*.

MOHANTY, *Administrative Patent Judge*.

DECISION ON REQUEST FOR REHEARING

This is a decision on rehearing in Appeal Number 2015-004381. We have jurisdiction under 35 U.S.C. § 6(b).

Requests for Rehearing are limited to matters misapprehended or overlooked by the Board in rendering the original decision, or to responses to a new ground of rejection designated pursuant to § 41.50(b). 37 C.F.R. § 41.52. Appellants may also present a new argument based upon a recent relevant decision of either the Board or a federal court. 37 C.F.R. § 41.52(a)(2).

ANALYSIS

The Appellants argue that the Decision mailed June 30, 2017 has five points that were misapprehended or overlooked.

The Appellants argue: 1) that the final rejection failed to make a prima facie showing of abstractness, 2) that the Decision made a new grounds of rejection in articulating the alleged abstract idea and fails to make a prima facie case, 3) that the claims are not directed to an abstract idea, 4) that there is no prima facie case for showing the claims "do not add significantly more" than the abstract idea, 5) that the claims do add "significantly more" than an abstract idea, and 6) that the dependent claims were not addressed (Req. 2–13).

We have considered but are not persuaded by these arguments.

With regard to the first argument, the Examiner's Answer mailed December 26, 2014 has been reviewed and considered to have set out a prima facie case with regard to the issue of the claims being directed to an abstract idea (Ans. 35-39). The Examiner considered the claims in light of *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347 (2014) and set forth a prima facie case that claims are directed to a fundamental economic practice and method of organizing human activities, i.e., to an abstract idea (Ans. 36). The Appellants argue that the Examiner did not consider the Federal Circuit decision in *Trading Technologies Inc. v. CQG, Inc.* 675 F. App'x 1001 (Fed. Cir. 2017).[1] The cited case was decided on January 18, 2017, which was after both the Answer and Reply Brief were filed, and was designated as non-precedential. Regardless, the consideration of that case

[1] The Appellants cite 'Trading Tech v. CQG' without a full legal cite in the Request. The case is assumed to be the one we reference by citation here.

does not change the prima facie case established to show that the specific claims in this particular case at hand are directed to an abstract idea.

The Appellants secondly argue that the Decision makes a new ground of rejection in stating that the claims are directed to the abstract idea of "executing a trade for a financial instrument" and further that a prima facie case was not established (Req. 5, 6). The Answer determined that the claim was directed to "execution of a trade fulfilling at least the portion of each of the non-firm order and a matching order without a negotiation about a price or quantity of the trade"; was a "fundamental economic practice" and "method of organizing human activity" and, therefore, an abstract idea (Ans. 36). Here, the Decision also determined and affirmed the claim to be directed to a "fundamental economic practice" and "method of organizing human activities" and an abstract idea (Dec. 5). Although the Decision uses slightly different language in stating that the claim's abstract nature is directed to "executing a trade for a financial instrument" this description of the claim does not change the thrust of the rejection to that of being a new ground of rejection. Note that the claim matches and executes trades in financial instruments. Abstract ideas can be characterized at different levels of abstraction. *Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1240–41 (Fed. Cir. 2016) ("An abstract idea can generally be described at different levels of abstraction."). The Appellants again reference the non-precedential case, *Trading Technologies* here, but regardless as noted above the consideration of that case in the analysis does not change the prima facie case established to show that the specific claims in this particular case at hand are directed to an abstract idea. In *Chicago Board of Options Exchange v. International Securities Exchange*, 640 F. App'x 986 (Mem) (Fed. Cir. 2016), the Federal

Circuit affirmed the determination in three similar cases (CBM2013-00049, CBM2013-00050, CBM2013-00051) involving trading technologies that were held to not meet the requirements of 35 U.S.C. § 101.

The Appellants thirdly argue that the claims are not directed to an abstract idea as they provide "an improvement to computer functionality" and also "do not preempt an entire area" (Req. 8). We have considered but reject both these arguments. The claims do not recite sufficient subject matter to take them from being in the realm of what is encompassed as an abstract idea into patentable subject matter and fail to add significantly more to "transform" the nature of the claims.

We note the point about pre-emption in the Request at page 8. Although pre-emption "might tend to impede innovation more than it would tend to promote it, 'thereby thwarting the primary object of the patent laws"' (*Alice*, 134 S. Ct. at 2354 (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1293 (2012)), "the absence of complete preemption does not demonstrate patent eligibility" (*Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015)). *See also OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015), cert, denied, 136 S. Ct. 701, 193 (2015) ("[T]hat the claims do not preempt all price optimization or may be limited to price optimization in the e-commerce setting do not make them any less abstract.").

The Appellants make a fourth argument that a prima facie case has not been established based on the failure to show that the claim limitations, both individually and as an ordered combination, "do not add significantly more" than the abstract idea (Req. 9, 10). We have considered but reject this argument as well. Here, we again determine that the Examiner's

determination in this regard was proper. Also, note that the Decision at page 5 states that we considered the elements of the claim both individually and as an ordered combination in the analysis.

The Appellants make a fifth argument that the claims are directed to more than an abstract idea because they are rooted in "networking and computers" (Req. 10-13). We disagree and instead determine that the claims are directed to an abstract idea as outlined and of record in the case. Here, the claims are rooted in basic trading practices that are used in financial markets, not computer technology.

The Appellants make a sixth argument that the rejection of record and Decision ignore the dependent claims (Req. 13). This argument is not well-taken as the Appellants failed to specifically argue any of the dependent claims in the Reply Brief filed in this case. Only those arguments actually made by Appellants were considered in the Decision. Arguments which Appellants could have made but chose not to make in the Briefs have not been considered and are deemed to be waived. *See* 37 C.F.R. § 41.37(c)(1)(iv). Regardless, after a review of the dependent claims, we determine that these rejections are proper as well.

For these reasons, the request for rehearing is denied.

CONCLUSION

The Appellants' request for reconsideration has not convinced us that we have overlooked or misapprehended issues in the previous analysis in light of the arguments presented.

DECISION

REHEARING DENIED