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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte ARON L. CHAZEN

Appeal 2016-004587
Application 13/100,155¹
Technology Center 3600

Before PHILIP J. HOFFMANN, CYNTHIA L. MURPHY, and
BRADLEY B. BAYAT, *Administrative Patent Judges*.

HOFFMANN, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant appeals under 35 U.S.C. § 134(a) from the Examiner’s final rejection of claims 1–20. We have jurisdiction under 35 U.S.C. § 6(b). We held an oral hearing on September 11, 2017.

We AFFIRM.

According to Appellant, the “invention relates to a method, system[,] and platform for money market mutual fund purchasing (and redemption) for cash management. In particular, it relates to facilitating book order entry

¹ According to Appellant, “[t]he real party in interest is Treasury Curve, LLC.” Appeal Br. 1.

transactions for cash managers . . . that diversify their cash management by purchasing money market mutual funds from multiple unaffiliated providers.” Spec. ¶ 2. Claims 1, 10, 14, and 18 are the only independent claims on appeal. Below, we reproduce claim 1 as illustrative of the appealed claims.

1. A computer-implemented method of supporting cash management, the method including:

executing a plurality of overnight money market mutual fund purchases on a book order entry basis for a cash management client and confirming via SWIFT messages to the cash management client resulting same-day transfers between depositories holding funds for the cash management client and money market fund providers, wherein the executing further includes,

receiving by a computer instructions to purchase certain overnight money market mutual funds for the cash management client from a plurality of unaffiliated money market providers and to draw settlement funds against certain account balances at a plurality of unaffiliated depositories;

electronically issuing from the computer binding orders on behalf of the cash management client to purchase the certain overnight money market mutual funds and binding same-day transfer instructions against the certain account balances to settle the purchase of the certain overnight money market mutual funds; and

confirming resulting same-day transfers between the depositories and the overnight money market fund providers responsive to the instructions and binding orders and sending one or more confirming SWIFT messages to the cash management client.

REJECTIONS AND PRIOR ART

The Examiner rejects claims 1–20 under 35 U.S.C. § 101 as directed to non-statutory subject matter.

The Examiner rejects claims 1, 3, 8, 10, 14, and 18 under 35 U.S.C. § 103(a) as unpatentable over Edmonds (US 2013/0144780 A1, pub. June 6, 2013), Earle (US 5,262,942, iss. Nov. 16, 1993), Rodriguez (US 2008/0071665 A1, pub. Mar. 20, 2008), and Gianakouros (US 2006/0031157 A1, pub. Feb. 9, 2006).

The Examiner rejects claims 2, 4–7, 9, 11–13, 15–17, 19, and 20 under 35 U.S.C. § 103(a) as unpatentable over Edmonds, Earle, Rodriguez, Gianakouros, and Geoghegan (US 2011/0208640 A1, pub. Aug. 25, 2011).

ANALYSIS

101 Rejection

With respect to the 101 rejection, Appellant argues claims 1–20 as a group (i.e., without providing separate subheadings). *See* Appeal Br. 4–11. We base our analysis on claim 1, and claims 2–20 stand or fall with claim 1. *See* 37 C.F.R. § 41.37(c)(1)(iv) (“For each ground of rejection applying to two or more claims, the claims may be argued separately . . . , as a group . . . , or as a subgroup When multiple claims subject to the same ground of rejection are argued as a group or subgroup by appellant, the Board may select a single claim from the group or subgroup and may decide the appeal as to the ground of rejection with respect to the group or subgroup on the basis of the selected claim alone. . . . Under each heading identifying the ground of rejection being contested, any claim(s) argued separately or as a

subgroup shall be argued under a separate subheading that identifies the claim(s) by number.”).

We determine whether a claim is directed to patent-eligible subject matter based on the Supreme Court’s framework, as articulated in *Alice Corp. Pty. Ltd. v. CLS Bank International*, 134 S. Ct. 2347 (2014), which follows the two-part test set forth in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66 (2012). That is, a claim fails to recite patent-eligible subject matter if, in accordance with the first part of the *Alice* test, the claim is directed to patent-ineligible subject matter, e.g., an abstract idea, and if, in accordance with the second part of the test, the claim lacks any further claim limitations that, when “consider[ed] . . . both individually and ‘as an ordered combination’ . . . ‘transform the nature of the claim’ into a patent-eligible application.” *Alice*, 134 S. Ct. at 2355 (quoting *Mayo*, 566 U.S. at 78, 79).

Appellant argues that the rejection is in error because

[t]he [Non-Final] Office Action [mailed Oct. 15, 2017, (“Non-Final Action”)] at 3–4 mistakenly asserts that the claims do not move beyond “supporting cash management” to improving another technology or technical field, that we merely disclose well-understood, routine and conventional technology. This is mistaken because it ignores the claim limitations by asserting a three word “gist” of the invention and because our claims actually describe a technical integration of a multisupplier interface network interface with a specialized treasury workstation or other treasury accounting package using specialized SWIFT format messages and the secure SWIFT network.

Appeal Br. 5 (footnote omitted). To the extent that Appellant are arguing that the Examiner incorrectly determines that the claims are directed to the abstract idea of supporting cash management (*see* Non-Final Action 3–4; *see*

also Answer 18), in accordance with the first part of the *Alice* test, we disagree with Appellant.

The “directed to” inquiry[] . . . cannot simply ask whether the claims *involve* a patent-ineligible concept, because essentially every routinely patent-eligible claim involving physical products and actions *involves* a law of nature and/or natural phenomenon—after all, they take place in the physical world. *See Mayo*, 132 S. Ct. at 1293 (“For all inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas.”) Rather, the “directed to” inquiry applies a stage-one filter to claims, considered in light of the specification, based on whether “their character as a whole is directed to excluded subject matter.” *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015); see *Genetic Techs. Ltd. v. Merial L.L.C.*, 818 F.3d 1369, 1375, 2016 WL 1393573, at *5 (Fed. Cir. 2016) (inquiring into “the focus of the claimed advance over the prior art”).

Enfish, LLC v. Microsoft Corp., 822 F.3d 1327, 1335 (Fed. Cir. 2016). The court put the question as being “whether the focus of the claims is on [a] specific asserted improvement in computer capabilities . . . or, instead, on a process that qualifies as an ‘abstract idea’ for which computers are invoked merely as a tool.” *Id.* at 1335–36. In this case, according to Appellant, claim 1 improves the previously known practice where “[t]he treasury or another operating officer of a corporation, state or local government, or financial firm who might want to buy money market mutual funds from 10 sources would call the sources or go to each of their individual websites or software interface packages,” by using one computer. Spec. ¶ 3. Thus, claim 1 is a process that qualifies as the abstract idea of supporting cash management, which uses computers as a tool.

With respect to Appellant’s argument above that the claims do not “merely disclose well-understood, routine[,] and conventional technology”

(Appeal Br. 5) and, thus, presumably that the claims are transformed into a patent-eligible application in accordance with the second part of the *Alice* test, we disagree with Appellant. Appellant does not argue or otherwise establish, for example, that they invented SWIFT messages, overnight money market funds, or the computers (e.g., treasury workstations) used to implement the claimed method. Instead, the Specification supports the Examiner's finding that each of these is well-known and conventional. *See, e.g.,* Spec. ¶¶ 3, 4.

Appellant further argues that the “rejection should be overruled due to lack of evidence to support the [Examiner's] factual [findings].” Appeal Br. 7. However, there is no requirement that the Examiners must provide evidentiary support in every case before a conclusion can be made that a claim is directed to an abstract idea. *See* USPTO's June 25, 2014 “Preliminary Examination Instructions in view of the Supreme Court Decision in *Alice Corporation Pty. Ltd. v. CLS Bank International, et al.*,” *see also, e.g.,* para. IV “July 2015 Update: Subject Matter Eligibility” to 2014 Interim Guidance on Subject Matter Eligibility (2014 IEG), 79 Fed. Reg. 74618 (Dec. 16, 2014) (“The courts consider the determination of whether a claim is eligible (which involves identifying whether an exception such as an abstract idea is being claimed) to be a *question of law*. Accordingly, courts do not rely on evidence that a claimed concept is a judicial exception, and in most cases resolve the ultimate legal conclusion on eligibility without making any factual findings.” (emphasis added) (footnote omitted)). We agree that evidence may be helpful in certain situations where, for instance, facts are in dispute. But it is not always necessary.

Based on the above analysis in light of the claims themselves, we are unpersuaded it is necessary in this case.

Appellant argues that “[t]he [S]ection 101 rejection on pages 3–4 [of the Non-Final Office Action] does not come close to satisfying the currently effective guidance or to following the USPTO’s Abstract Idea Worksheet.” Appeal Br. 7–8. This is unpersuasive, however, as Appellant’s argument does not demonstrate that the rejection fails to satisfy the legal requirements for a rejection under Section 101.²

Appellant argues that the claims are not directed to an abstract idea. *See* Appeal Br. 8–9. We disagree with Appellant. Claim 1 recites a computer-implemented method of supporting cash management, the method including: executing a plurality of overnight money market mutual fund purchases on a book order entry basis for a cash management client and confirming via SWIFT messages to the cash management client resulting same-day transfers between depositories holding funds for the cash management client and money market fund providers, wherein the executing further includes: receiving by a computer instructions to purchase certain

² 35 U.S.C. § 132 sets forth a general notice requirement whereby Appellant is notified of the reasons for a rejection together with such information as may be useful in judging the propriety of continuing with prosecution of the application. *See, e.g., In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011). In this case, the Examiner provided adequate explanation to meet the notice requirement. The Examiner set forth the statutory basis of the rejection, applied *Alice*’s two-part framework, and sufficiently articulated reasoning in an informative manner, thus, meeting the notice requirement of 35 U.S.C. § 132. *Chester v. Miller*, 906 F.2d 1574, 1578 (Fed. Cir. 1990) (Section 132 “is violated when a rejection is so uninformative that it prevents the applicant from recognizing and seeking to counter the grounds for rejection.”).

overnight money market mutual funds for the cash management client from a plurality of unaffiliated money market providers and to draw settlement funds against certain account balances at a plurality of unaffiliated depositories; electronically issuing from the computer binding orders on behalf of the cash management client to purchase the certain overnight money market mutual funds and binding same-day transfer instructions against the certain account balances to settle the purchase of the certain overnight money market mutual funds; and confirming resulting same-day transfers between the depositories and the overnight money market fund providers responsive to the instructions and binding orders and sending one or more confirming SWIFT messages to the cash management client. *See* Appeal Br., Claims App. Appellant’s claim is similar to fundamental economic and conventional business practices that our reviewing courts have found patent ineligible, such as the concept of intermediated settlement in *Alice*, and the concept of risk hedging in *Bilski v. Kappos*, 561 U.S. 593 (2010), held as abstract ideas beyond the scope of § 101. *See Alice*, 134 S. Ct. at 2356; *see also Bilski*, 561 U.S. at 611.

We also do not agree with Appellant that “[t]he technology claimed could not arise from a pre-Internet, pre-SWIFT network business practice[, and, thus,] the claimed solution and improved system are necessarily rooted in computer technology that overcomes a problem specifically arising in the realm of specialized financial computer networks” like the claims in *DDR Holdings*³ or *Research Corporation Technologies*.⁴

³ *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014).

⁴ *Research Corporation Technologies, Inc. v. Microsoft Corporation*, 627 F.3d 859 (Fed. Cir. 2010).

Appeal Br. 8–9; *see also* Reply Br. 4–8; *cf. Intellectual Ventures I LLC v. Capital One Bank (USA), Nat’l Ass’n*, 792 F.3d 1363, 1371 (Fed. Cir. 2015) (“The patent claims here do not address problems unique to the Internet, so *DDR* has no applicability.”).⁵ For example, in *DDR Holdings*, the Federal Circuit determined that, although the patent claims at issue involved conventional computers and the Internet, the claims addressed the problem of retaining website visitors who, if adhering to the routine, conventional functioning of Internet hyperlink protocol, would be transported instantly away from a host’s website after “clicking” on an advertisement and activating a hyperlink. *DDR Holdings*, 773 F.3d at 1257. The Federal Circuit, thus, held that the claims were directed to statutory subject matter because they recite a solution “necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.” *Id.* Unlike the situation in *DDR Holdings*, Appellant does not identify any problem particular to computer networks and/or the Internet that claim 1 overcomes. Instead, as stated above, claim 1 improves the previously known practice where “[t]he treasury or another operating officer

⁵ Moreover, even if a claimed concept solves a challenge existing in a network (e.g., Internet) environment, this alone is insufficient to transform a patent-ineligible abstract idea into patent-eligible subject matter. In *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 714 (Fed. Cir. 2014), for example, the patentee argued that its claims were “directed to a specific method of advertising and content distribution that was previously unknown and never employed on the Internet before.” However, the recited steps relating to the Internet, “such as updating an activity log, requiring a request from the consumer to view the ad, restrictions on public access, and use of the Internet[,]” were insufficient to transform the patent-ineligible abstract idea (i.e., offering media content exchange for viewing an advertisement) into patent-eligible subject matter. *Id.* at 715-16.

of a corporation, state or local government, or financial firm who might want to buy money market mutual funds from 10 sources would call the sources or go to each of their individual websites or software interface packages,” by using one computer to buy mutual funds. Spec. ¶ 3.

Finally, Appellant argues that “[l]ooking at the added limitations as an ordered combination, the invention as a whole amounts to significantly more than supporting cash management.” Appeal Br. 10. We disagree. Instead, as set forth above, claim 1 improves the previously known practice where “[t]he treasury or another operating officer of a corporation, state or local government, or financial firm who might want to buy money market mutual funds from 10 sources would call the sources or go to each of their individual websites or software interface packages,” by using one computer to purchase mutual funds. Spec. ¶ 3. As also discussed above, Appellant did not invent the SWIFT messaging system, or the computers used to implement the claimed process. It is well-established by now that the introduction of a generic computer or computing environment into the claims does not alter the analysis here because

the 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. Nor is limiting the use of an abstract idea “to a particular technological environment.” Stating an abstract idea while adding the words “apply it with a computer” simply combines those two steps, with the same deficient result. Thus, if a patent’s recitation of a computer amounts to a mere instruction to “implemen[t]” an abstract idea “on . . . a computer,” that addition cannot impart patent eligibility. This conclusion accords with the pre-emption concern that undergirds our § 101 jurisprudence. Given the ubiquity of computers, wholly generic computer implementation

is not generally the sort of “additional featur[e]” that provides any “practical assurance that the process is more than a drafting effort designed to monopolize the [abstract idea] itself.”

Alice at 2358 (alterations in original) (citations omitted). The relevant question is whether the claim here does more than simply instruct the practitioner to implement the abstract idea on a generic computer. *Id.* at 2359. We agree with the Examiner, and conclude that it does not. *See, e.g.,* Answer 18–19.

103 Rejection

Independent claim 1 recites, among other recitations, “executing . . . overnight money market mutual fund purchases . . . [through] receiving by a computer instructions to purchase certain overnight money market mutual funds for the cash management client . . . ; [and] electronically issuing from the computer binding orders on behalf of the cash management client to purchase the certain overnight money market mutual funds.” Appeal Br., Claims App.

Appellant argues that the rejection is in error, because “none of [the applied references] . . . even mention[s] overnight money market mutual funds.” Appeal Br. 13. *See also id.* at 15, 16 (citing Spec. ¶¶ 3, 23, 24). The Examiner does not respond to Appellant’s arguments (*see, e.g.,* Answer 19–20), and it is not apparent to us that any of the references alone or in combination teaches purchasing overnight money market mutual funds, as recited in claim 1. For example, although the Examiner states that “Rodriquez shows . . . transfers between the depositories and the overnight money market fund providers . . . (Rodriquez: pages 4–5, ¶ 47)” (Non-Final Action 6), this portion of Rodriquez mentions nothing about overnight money market funds, but instead discusses SWIFT messages. Further,

although the Examiner finds (*see, e.g.*, Answer 4) that Edmonds's paragraph 101 is directed to overnight transactions, neither this paragraph nor any other paragraph refers to mutual funds, or overnight money market mutual funds. Thus, the Examiner does not adequately explain or support how the combination of references would have yielded the purchase of the claimed financial instrument, i.e., overnight money market mutual funds. Consequently, based on our review, we agree with Appellant that the Examiner's combination lacks a rational underpinning and appears to be based on impermissible hindsight.

Therefore, based on the foregoing, we do not sustain the Examiner's obviousness rejection of independent claim 1. We also do not sustain the Examiner's obviousness rejection of independent claims 10, 14, and 18, each of which recites similar recitations as claim 1. Further, inasmuch as the Examiner does not show how any other reference remedies the obviousness rejection of the independent claims, we also do not sustain the obviousness rejections of claims 2–9, 11–13, 15–17, 19, and 20 that depend on independent claims 1, 10, 14, and 18.

DECISION

We AFFIRM the Examiner's rejection of claims 1–20 under 35 U.S.C. § 101.

We REVERSE the Examiner's rejections of claims 1–20 under 35 U.S.C. § 103(a).

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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)

AFFIRMED