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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte* COLLEEN C. LUBKING, JOHN N. HENNEBERGER,  
FREDERICK JOEL MASON JR., GEORGE W. PASLASKI JR.,  
SHARADA MUTHUSUBRAMANIAN, and BRIAN DONOHUE

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Appeal 2016-005771  
Application 13/352,813<sup>1</sup>  
Technology Center 3600

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Before ST. JOHN COURTENAY III, ERIC S. FRAHM, and  
SCOTT E. BAIN, *Administrative Patent Judges*.

BAIN, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 31–33, 35–40, and 42–48, which constitute all claims pending in the application. Claims 1–30, 34, and 41 have been cancelled. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

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<sup>1</sup> Appellants identify the real party in interest as Capital One Financial Corporation. App. Br. 3.

STATEMENT OF THE CASE

*The Claimed Invention*

The claimed invention relates to selecting financial products for a customer based on the customer's "life status," such as income level, employment level, or family characteristics. Spec. ¶¶ 2, 5, 7. Claims 31, 38, and 45 are independent. Claim 31 is illustrative of the invention and the subject matter of the appeal, and reads as follows (with disputed limitations italicized):

31. A computer-implemented method for providing a financial product to a customer, the method comprising:

*creating one or more life statuses* delineated by a set of predetermined criteria,

wherein the set of predetermined criteria describes the one or more created life statuses as corresponding to customer information comprising one or more of home ownership status, employment status, or income;

receiving the customer information associated with a customer from a purchase database, an application database, a call center database, an Internet database, or a public records database;

analyzing, by a processor, the received customer information using a filter that categorizes the customer into at least one life status from the one or more created life statuses that corresponds to the received information associated with the customer;

*analyzing, by the processor, a predetermined matrix that relates the one or more created life statuses to a set of corresponding financial products;* and

*selecting, by the processor, a first financial product* for the customer from the set of corresponding financial products in the predetermined matrix *based on the at least one analyzed life status of the customer.*

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App. Br. 27 (Claims App.) (emphasis added).

*The Rejections on Appeal*

Claims 31–33, 35–40, and 42–48 are rejected under 35 U.S.C. § 101 as directed to patent-ineligible subject matter. Final Act. 2.

Claims 31–33, 35–40, and 42–48 are rejected under pre-AIA 35 U.S.C. § 112, first paragraph as failing to comply with the written description requirement. Final Act. 3.

Claims 31–33, 35–40, and 42–48 stand rejected under pre-AIA 35 U.S.C. § 103(a) as being unpatentable over Russell et al. (US 2002/0194120 A1; Dec. 19, 2002) (“Russell”) and Tarbox (US 6,154,732; Nov. 28, 2000). Final Act. 4–8.

ANALYSIS

We have reviewed the Examiner’s rejections in light of Appellants’ arguments presented in this appeal. Arguments which Appellants could have made but did not make in the Briefs are deemed to be waived. *See* 37 C.F.R. § 41.37(c)(1)(iv). As to the rejection under pre-AIA 35 U.S.C. § 112, first paragraph, we are persuaded the Examiner erred. As to the remaining rejections, however, we are not persuaded the Examiner erred on the record before us, and we adopt as our own the findings and reasons set forth in the rejections from which the appeal is taken and in the Examiner’s Answer. We provide the following discussion for highlighting and emphasis.

*Rejection Under 35 U.S.C. § 101*

The Examiner concludes the claims are directed to ineligible subject matter because they encompass “offering financial products to a customer,”

which is a “fundamental economic practice and thus an abstract idea.” Final Act. 2. The Examiner further finds the additional limitations such as “generating an offer,” “receiving,” “analyzing,” and “selecting” do not “make it less abstract” or transform the abstract idea into patent-eligible subject matter, because these are “generic computer functions.” Ans. 3. Appellants argue the Examiner has not performed sufficient analysis in finding the claims abstract, and that even if the claims encompass an abstract idea, they also include “novel elements not found in the prior art” that transform the claims into something “significantly more” than an abstract idea. App. Br. 12–15; Reply Br. 2–5. We, however, are not persuaded by Appellants’ arguments.

Section 101 of the Patent Act provides “[w]hoever 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.” 35 U.S.C. § 101. The Supreme Court has long held that this provision contains an implicit exception: “[l]aws of nature, natural phenomena, and abstract ideas are not patentable.” *Alice Corp. Pty. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014) (quoting *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107 (2013)). The Court has set forth a two-part inquiry to determine whether this exception applies. First, we must “determine whether the claims at issue are directed to one of those patent-ineligible concepts.” *Alice*, 134 S. Ct. at 2355. Second, if the claim is directed to one of those patent-ineligible concepts, we consider “the elements of each claim both individually and ‘as an ordered combination’ to determine whether the additional elements ‘transform the nature of the

claim’ into a patent-eligible application.” *Alice*, 134 S. Ct. at 2355 (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1297 (2012)). Put differently, we must search the claims for an “inventive concept,” that is, “an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Alice*, 134 S. Ct. at 2355 (quoting *Mayo*, 132 S. Ct. at 1294).

Regarding step one of the *Alice* analysis, we discern no error in the Examiner’s conclusion that the claims are directed to a “fundamental economic practice” and constitute an abstract idea. Final Act. 2. As the Examiner finds, claim 31 expressly is directed to a method “for providing a financial product to a customer.”<sup>2</sup> Final Act. 2; App. Br. 27. Independent claims 38 and 45 include a similar limitation. Selecting the financial product is, according to claim 38, done by comparing the customer’s life status (e.g., marital status, home ownership, etc.) to a set of potential financial products. *Id.*; Ans. 2–3. The fact that these economic or business activities are performed on a computer does not make the claims less abstract. *See, e.g., OIP Techs. Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015) (observing that fundamental economic and conventional business practices are often found to be abstract ideas, even if performed on a computer).

Appellants do not persuasively rebut the foregoing findings regarding the first step of *Alice* but, instead, focus their argument on the second step.

In the second step of our analysis under *Alice*,

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<sup>2</sup> Appellants argue all claims on appeal as a group, and we choose claim 31 as representative of the group. *See* 37 C.F.R. § 41.37(c)(1)(iv).

we must examine the elements of the claim to determine whether it contains an “inventive concept” sufficient to “transform” the claimed abstract idea into a patent-eligible application. A claim that recites an abstract idea must include “additional features” to ensure “that the [claim] is more than a drafting effort designed to monopolize the [abstract idea].”

*Alice Corp.*, 134 S. Ct. at 2357 (internal citations omitted). Appellants contend the claimed steps of “creating one or more life statuses . . . ,” “analyzing customer information using a filter . . . ,” and “analyzing a predetermined matrix that relates [life statuses to financial products]” each constitutes something “significantly more than merely ‘offering financial products to a customer.’” App. Br. 14–15. We are not persuaded.

As the Examiner finds, the foregoing “creating” and “analyzing” steps are generic computer functions (e.g., classifying information, analyzing information) that are “well-understood, routine, and conventional activities.” Ans. 3–4. Similarly, the recitations of a generic “processor” and “database” do not add meaningful limitations. *Id.* Appellants argue that the *Interim Guidelines* include examples of some computer-related claims found not to be abstract, such as “comparing the blue noise mask to a gray scale image to transform [it] into a halftoned image,” App. Br. 16, but Appellants do not explain how such examples are purportedly similar to Appellants’ claims. Appellants do not assert that the claimed invention attempts to “solve a challenge particular to the Internet” or a computer-centric problem, or that it improves the technical functioning of the computer itself. *See Smart Sys. Innovations, LLC v. Chi. Transit Auth.*, 873 F.3d 1364, 1375 (Fed. Cir. 2017). Although the steps recited in Appellants’ claims may be performed faster or more efficiently with a computer, the speed increase coming from a “general purpose computer, rather than the patented method itself,” does

“not materially alter the patent eligibility of the claimed invention.”

*FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1095 (Fed. Cir. 2016).

Appellants further argue that the claims “do not pose a preemptive risk” in the field. App. Br. 12–13 (citing *Alice*, 134 S. Ct. at 2354). This argument also does not persuade us of error. Although “preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *FairWarning IP*, 839 F.3d at 1098 (quoting *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.”). Where, as here, “a patent’s claims are deemed only to disclose patent ineligible subject matter under the [*Alice/Mayo*] framework . . . preemption concerns are fully addressed and made moot.” *Ariosa*, 788 F.3d at 1379.

For the foregoing reasons, we sustain the rejection of claims 31–33, 35–40, and 42–48 as directed to ineligible subject matter.

*Rejection Under Pre-AIA 35 U.S.C. § 112, First Paragraph*

The Examiner rejects all pending claims for failing to satisfy the written description requirement because “[s]upport could not be found in the Specification for ‘*creating one or more life statuses* delineated by a set of predetermined criteria.’” Final Act. 3 (emphasis added with original emphasis omitted). Specifically, the Examiner finds that although the



Specification describes “assign[ing],” “categoriz[ing],” and “determin[ing]” a life status, it does not describe “creating” the life status itself. *Id.* The Examiner explains that “creating” means “the act of bringing something into existence.” Ans. 6–7.

Appellants argue one of ordinary skill in the art would understand that “creating one or more life statuses delineated by a set of predetermined criteria,” in the context of the invention, plainly refers to data classifications within Appellants’ invention, not causing (creating) any of the real life events themselves (such as being married, or being a homeowner). App. Br. 17–21. Accordingly, Appellants argue, the disputed limitation is supported by portions of the Specification describing the delineation of life status data. We are persuaded by Appellants’ argument.

The Specification describes life status as a “classification,” and explains that “‘life status’ may refer to the customer’s current marital, employment, housing, income, or educational status.” Spec. ¶ 5. The Specification further states:

[a] filter allows computing platform 210 to assign to each customer a life status based on the received customer information. *The filter assigns a life status to customers by categorizing them based upon status criteria* uploaded to the financial product provider 200 through input module 220 and stored in financial product database 600. The status criteria describes a particular life status as corresponding to specified customer information. For example, if the customer information defined that the customer has a certain age, purchased a home, and has employment with a salary over \$100,000, then the filter would categorize the customer *with the life status of homeowner.*

Spec. ¶ 34 (emphasis added).

We find the foregoing paragraph, in addition to others referenced by Appellants, demonstrates that Appellants had possession of the elements in the disputed limitation, at the time of the invention. *See In re Kaslow*, 707 F.2d 1366, 1375 (Fed. Cir. 1983) (written description requirement is satisfied if “the disclosure of the application as originally filed reasonably conveys to an artisan that the inventor *had possession at that time of the . . . claimed subject matter.*”) (emphasis added). Although the Specification does not use the word “create,” the foregoing discussion demonstrates data classifications or designations (“life statuses”) in the “computer-implemented method” created by Appellants. Spec. ¶¶ 5, 34. Such “life statuses” are, according to the Specification, defined by (“delineated by”) particular criteria (“predetermined criteria”) that can include factors such as income and home ownership. *Id.* Indeed, the Specification’s express statement that “home-owner” or “retiree” can be a “life status” demonstrates the claimed creation of life statuses (i.e., creating data classifications). Spec. ¶ 5.

The Examiner’s Answer seems to imply the belief that the claim is indefinite. Ans. 6–7. There is not, however, an indefiniteness rejection before us.

Accordingly, we cannot sustain the Examiner’s rejection of the claims as failing to satisfy the written description requirement.

*Rejection Under 35 U.S.C. § 103*

Appellants argue the Examiner erred in finding the prior art teaches or suggests “creating one or more life statuses delineated by a set of

predetermined criteria,” as recited in claim 31.<sup>3</sup> App. Br. 23; Reply Br. 8–9. Specifically, Appellants argue that Russell’s teaching of financial products that are “life stage responsive” is not the same as the claimed “life statuses delineated by a set of predetermined criteria,” and that Tarbox’s teaching of “life cycle stage,” “factors,” and “criteria” relate to asset allocation itself, not a “‘life status’ to be applied to a customer.” App. Br. 23–24. We, however, are not persuaded by Appellants’ arguments.

As the Examiner finds, Russell teaches financial products that are “life stage responsive” and take a customer’s “evolving needs into account.” Russell ¶ 49; Ans. 7–8. Contrary to Appellants’ argument, the teachings of Russell are not limited to the *general* idea of flexible products, but rather, *specifically* refer to, for example, classifying customers based on “assets,” “mortgage,” “career” and other factors. *Id.* We, like the Examiner, find one of ordinary skill in the art would have understood such factors to be “life statuses” as recited in claim 31.<sup>4</sup> Indeed, Russell further teaches a customer’s “eligibility” for certain financial products may change based upon a changing of any of the foregoing factors, i.e., a customer no longer satisfies predetermined criteria for a particular life status. *Id.*

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<sup>3</sup> For purposes of the obviousness rejections, Appellants argue all claims on appeal as a group, and we choose claim 31 as representative of the group. *See* 37 C.F.R. § 41.37(c)(1)(iv).

<sup>4</sup> To the extent Appellants imply Russell does not teach or suggest “creating” life statuses (because it only refers to such statuses as existing, and not their creation), this argument would be inconsistent with Appellants’ argument against the written description rejection, *see supra*, and thus we find it unpersuasive.

Appellants further argue the cited prior art does not teach or suggest a “predetermined matrix that relates the one or more created life statuses to a set of corresponding financial products,” as recited in claim 31. Appellants further contend the Examiner relies on Tarbox for this feature, but that Tarbox only teaches classifying *investments*, not customers, “and then customers are funneled into those investments.” App. Br. 25. Again, however, we are not persuaded of error.

As the Examiner finds, Russell teaches “the system [of financial products] is *life stage responsive*.” Ans. 7 (emphasis added); Russell ¶ 49. As the Examiner further finds, a person of ordinary skill in the art would understand that “life stage responsive” financial products would include classifying customers in such “life stages.” Ans. 7. The Examiner acknowledges that neither reference uses the term “matrix” to describe relating (i.e., correlating) life statuses to financial products. Ans. 8. As the Examiner finds, however, Tarbox teaches a “processor” using an “allocation model” and “algorithms” to “correlat[e] the retirement needs and life cycle stage of the customer with an appropriate group of investments.” Ans. 8 (citing Tarbox Figs. 1–4, col. 9, col. 12, ll. 22–38). Moreover, Russell also teaches “selecting by the processor, a first financial product for the customer based on a set of corresponding financial products using a life stage responsive system.” Ans. 7–8; Russell ¶¶ 20, 48–49.

We, like the Examiner, find that one of ordinary skill in the art would have understood the scope of the disputed claim limitation as encompassing the foregoing teachings, notwithstanding the absence of the phrase “predetermined matrix.” The claims do not require the matrix to be in any particular format or contain any particular number of entries, only that it

relates “one or more” life statuses to a “set” of financial products. Moreover, the Specification describes an embodiment in which the “predetermined matrix or table” is a financial product database operating in a “computing platform,” Spec. ¶ 34, just as in Russell and Tarbox.

Accordingly, for the foregoing reasons, we sustain the obviousness rejections of claims 31–33, 35–40, and 42–48.

#### DECISION

We affirm the Examiner’s decision rejecting claims 31–33, 35–40, and 42–48 under 35 U.S.C. § 101.

We reverse the Examiner’s decision rejecting claims 31–33, 35–40, and 42–48 under pre-AIA 35 U.S.C. § 112, first paragraph.

We affirm the Examiner’s decision rejecting claims 31–33, 35–40, and 42–48 under pre-AIA 35 U.S.C. § 103(a).

Because we have affirmed at least one ground of rejection with respect to each claim on appeal, the Examiner’s decision is affirmed. *See* 37 C.F.R. § 41.50(a)(1).

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). *See* 37 C.F.R. § 41.50(f).

AFFIRMED