



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 NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
13/180,010	07/11/2011	MATTHEW W. CLAUS	06-6261-C1	1625

63710 7590 04/05/2018
INNOVATION DIVISION
CANTOR FITZGERALD, L.P.
110 EAST 59TH STREET (6TH FLOOR)
NEW YORK, NY 10022

EXAMINER

TRAN, HAI

ART UNIT	PAPER NUMBER
----------	--------------

3694

NOTIFICATION DATE	DELIVERY MODE
-------------------	---------------

04/05/2018

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):

patentdocketing@cantor.com
lkorovich@cantor.com
phowe@cantor.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte MATTHEW W. CLAUS, JAMES R. DRISCOLL,
and JAMES C. JOHNSON

Appeal 2016-006146¹
Application 13/180,010
Technology Center 3600

Before: HUBERT C. LORIN, BIBHU R. MOHANTY, and
NINA L. MEDLOCK, *Administrative Patent Judges*.

MOHANTY, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

The Appellants seek our review under 35 U.S.C. § 134 of the final rejection of claims 1–18, 20–23, 25, 26, 28, and 43–50, which are all the claims pending in the application. We have jurisdiction under 35 U.S.C. § 6(b). Oral arguments were presented on March 29, 2018 by telephone.

SUMMARY OF THE DECISION

We AFFIRM.

¹ Appellants identify BGC Partners, Inc., as the real party in interest. App. Br. 2.

THE INVENTION

The Appellants' claimed invention is directed to optimizing the execution of trading orders (Spec., para. 1). Claim 1, reproduced below, is representative of the subject matter on appeal.

1. A method for processing trading orders, comprising:
 - receiving, by at least one processor, a first trading order;
 - receiving, by the at least one processor, a second trading order after receiving the first trading order;
 - receiving, by the at least one processor, market data associated with at least one market center; and
 - based at least in part on the received market data:
 - causing, by the at least one processor, the second trading order to be transmitted to the at least one market center; and
 - after causing the second trading order to be transmitted to the at least one market center, causing, by the at least one processor, the first trading order to be transmitted to the at least one market center.

THE REJECTION

The following rejection is before us for review:²

Claims 1–18, 20–23, 25, 26, 28, and 43–50 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

FINDINGS OF FACT

We have determined that the findings of fact in the Analysis section below are supported at least by a preponderance of the evidence.³

² In the Appeal Brief, Claims Appendix, claim 51 is listed as being cancelled (App. Br. 13, Claims App.).

³ See *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (Explaining the general evidentiary standard for proceedings before the Patent Office.).

ANALYSIS

Rejection under 35 U.S.C. § 101

The Appellants argue that the rejection of claim 1 is improper because the claim: has not been shown in the rejection to be directed to an abstract idea and is not an abstract idea; has not been shown in the rejection to not add “significantly more” to the alleged abstract idea and in contrast “adds significantly more”; does not preempt the alleged abstract idea; and is “rooted in computer technology” (App. Br. 6–10).

In contrast, the Examiner has determined that the rejection is proper (Final Rej. 3–6, Ans. 3–16).

We agree with the Examiner. Under 35 U.S.C. § 101, an invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter” (35 U.S.C. § 101). The Supreme Court, however, has long interpreted § 101 to include an implicit exception: “laws of nature, natural phenomena, and abstract ideas” are not patentable (*see, e.g., Alice Corp. Pty Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014)).

In judging whether claim 1 falls within the excluded category of abstract ideas, we are guided in our analysis by the Supreme Court’s two-step framework, described in *Mayo* and *Alice* (*id.* at 2355 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 76–77 (2012))). In accordance with that framework, we first determine whether the claim is “directed to” a patent-ineligible abstract idea. If so, we then consider the elements of the 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 of the abstract idea (*id.*). This is a search for an “inventive concept” an element or combination of elements

sufficient to ensure that the claim amounts to “significantly more” than the abstract idea itself (*id.*). The Court also stated that “the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention” (*id.* at 2358).

Here, we find that the claim is directed to the concept of receiving and transmitting trading orders. This is a fundamental economic practice long prevalent in our system of commerce, and is an abstract idea beyond the scope of § 101. The Specification at paragraph 1 indicates the invention relates to electronic trading and the execution of trading orders, which is directed to trading and a fundamental economic practice. Although the Specification at paragraph 5 does disclose placing first and second orders in a certain sequence based on market data, this is a method of organization of human activities and is also abstract in nature.

We next consider whether additional elements of the claim, both individually and as an ordered combination, transform the nature of the claim into a patent-eligible application of the abstract idea, e.g., whether the claim does more than simply instruct the practitioner to implement the abstract idea over the using generic computer components. We conclude that it does not. For example the Specification at paragraph 18 discloses using any wireless and/or wireless network, Internet architecture, or “plain old telephone system.” The Specification at paragraph 30 discloses using standard memory RAM, ROM, and CD-ROM devices.

Considering each of the claim elements in turn, the function performed by the computer system at each step of the process is purely conventional. Each step of the claimed method does no more than require a generic computer to perform a generic computer function.

We note the point about pre-emption (App. Br. 9). 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) (“[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.”)).

For these above reasons the rejection of claim 1 is sustained. Independent claim 43 is directed to similar subject matter and the rejection of this claim is sustained as well.

We reach the same conclusion as to independent system claim 15. Here, as in *Alice*, “the system claims are no different in substance from the method claims. The method claims recite the abstract idea implemented on a generic computer; the system claims recite a handful of generic computer components configured to implement the same idea” (*Alice* 134 S. Ct. at 2351). “[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” (*id.* at 2358 (quoting *Mayo*, 566 U.S. at 72)).

The dependent claims are directed to similar subject matter and the rejection of these claims is sustained as well.

CONCLUSIONS OF LAW

We conclude that Appellants have not shown that the Examiner erred in rejecting claims 1–18, 20–23, 25, 26, 28, and 43–50 under 35 U.S.C. § 101.

DECISION

The Examiner's rejection of claims 1–18, 20–23, 25, 26, 28, and 43–50 is sustained.

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

AFFIRMED