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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte SANDEEP GUPTA, CHRISTIAN HALL, JAMES REID,
SHEN LU, DENNIS HORTON, LEE GRICE, THRESA DIXON,
SCOTT GARTEN, and SUDHAKAR REDDY

Appeal 2016-006274
Application 12/257,453
Technology Center 3600

Before MURRIEL E. CRAWFORD, JOSEPH A. FISCHETTI, and
ALYSSA A. FINAMORE, *Administrative Patent Judges*.

CRAWFORD, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants seek our review under 35 U.S.C. § 134(a) of the Examiner's final decision rejecting claims 12–28. We have jurisdiction over the appeal under 35 U.S.C. § 6(b). Appellants appeared for hearing on October 31, 2017.

We AFFIRM.

BACKGROUND

Appellants' invention is directed to systems and methods of automating tasks related to processing applications such as credit related applications and related decision making. Spec. ¶ 2.

Claim 12 is illustrative:

12. A method for testing a decision rule for automated credit request decisioning, comprising:

configuring, by a server device, a user interface to allow a user to define the decision rule in a near-natural language;

receiving test data comprising archived information configured to be used to avoid affecting a production environment that includes production data;

applying, by the server device, the decision rule in the near-natural language to at least a portion of the archived information of the test data to generate at least one test decision, the server device comprising an automated decision and application processing engine stored on a computer-readable memory, the automated decision and application processing engine being executable to cause the server device to apply the decision rule in the near-natural language to at least the portion of the archived information of the test data to generate the at least one test decision;

displaying the at least one test decision through the user interface;

receiving information associated with an applicant through the user interface;

applying, by the server device, the decision rule in the near-natural language to production data associated with the applicant to generate a decision for the applicant, the production data being from at least one data source; and

displaying the decision for the applicant through the user interface.

Appellants appeal the following rejection:

Claims 12–28 under 35 U.S.C. § 101 as being directed to patent-ineligible

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subject matter.

PRINCIPLES OF LAW

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 implicit exceptions: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *E.g.*, *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014).

In determining whether a claim 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.*, 132 S. Ct. 1289, 1296–97 (2012)). In accordance with that framework, we first determine whether the claim is “directed to” a patent-ineligible abstract idea. *See Alice*, 134 S. Ct. at 2356 (“On their face, the claims before us are drawn to the concept of intermediated settlement, *i.e.*, the use of a third party to mitigate settlement risk.”); *Bilski v. Kappos*, 561 U.S. 593, 611 (2010) (“Claims 1 and 4 in petitioners’ application explain the basic concept of hedging, or protecting against risk.”); *Diamond v. Diehr*, 450 U.S. 175, 184 (1981) (“Analyzing respondents’ claims according to the above statements from our cases, we think that a physical and chemical process for molding precision synthetic rubber products falls within the § 101 categories of possibly patentable subject matter.”); *Parker v. Flook*, 437 U.S. 584, 594–95 (1978) (“Respondent’s application simply provides a new and presumably better method for calculating alarm limit values.”); *Gottschalk v. Benson*, 409 U.S.

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63, 64 (1972) (“They claimed a method for converting binary-coded decimal (BCD) numerals into pure binary numerals.”).

The patent-ineligible end of the spectrum includes fundamental economic practices, *Alice*, 134 S. Ct. at 2357; *Bilski*, 561 U.S. at 611; mathematical formulas, *Flook*, 437 U.S. at 594–95; and basic tools of scientific and technological work, *Benson*, 409 U.S. at 69. On the patent-eligible side of the spectrum are physical and chemical processes, such as curing rubber, *Diamond*, 450 U.S. at 184 n.7, “tanning, dyeing, making waterproof cloth, vulcanizing India rubber, smelting ores,” and a process for manufacturing flour, *Benson*, 409 U.S. at 69.

If the claim is “directed to” a patent-ineligible abstract idea, we then consider the elements of the claim—both individually and as an ordered combination—to assess whether the additional elements transform the nature of the claim into a patent-eligible application of the abstract idea. *Alice*, 134 S. Ct. at 2355. 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.*

ANALYSIS

The Examiner found that independent claim 12 is directed to the abstract idea of processing credit related applications and related decision making. The concept of processing credit related applications and related decision making can be performed by using a “processor” and is similar to the kind of “organizing human activity” at issue in *Alice Corp.* Although the claims are not drawn to the same subject matter, the abstract idea of processing credit related applications and related decision making is similar to the abstract idea of managing risk (hedging) during consumer transactions

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(Bilski), mitigating settlement risk in financial transactions (Alice Corps.), processing loan information (Dealertrack), comparing new and stored information and using rules to identify options (SmartGene). Claim 12 therefore is directed to an abstract idea. Ans. 6–7. The Examiner found that the additional elements or combination of elements other than the abstract idea amount to no more than mere instructions to implement the idea on a computer and/or a recitation of generic computer structure that serves to perform generic computer functions that are well-understood, routine, and conventional activities previously known to the pertinent industry. The Examiner concludes that viewed as a whole these additional claim elements do not provide meaningful limitations to transform the abstract idea into a patent eligible application of the abstract idea such that the claim amounts to significantly more than the abstract idea itself. Fin. Act. 2–3. We agree.

We are not persuaded of error on the part of the Examiner by Appellants’ argument that the rejection is conclusory because the Examiner failed to make a *prima facie* case. Specifically, Appellants argue that the Examiner failed to explain why claim 12 is directed to an abstract idea and why the elements of claim 12 in addition to the abstract idea do not amount to significantly more than the abstract idea.

The Patent and Trademark Office (“PTO”) satisfies its initial burden of production by “adequately explain[ing] the shortcomings it perceives so that the applicant is properly notified and able to respond.” *Hyatt v. Dudas*, 492 F.3d 1365, 1370 (Fed. Cir. 2007). In other words, the PTO carries its procedural burden when its rejection satisfies 35 U.S.C. § 132, in “notify[ing] the applicant . . . [by] stating the reasons for [its] rejection, or objection or requirement, together with such information and references as may be useful in judging of the propriety of continuing the prosecution of

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[the] application.” *In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011) (quoting 35 U.S.C. § 132). That section “is violated when a rejection is so uninformative that it prevents the applicant from recognizing and seeking to counter the grounds for rejection.” *Chester v. Miller*, 906 F.2d 1574, 1578 (Fed. Cir. 1990).

The Examiner has met this burden in the Final Action by holding that the claim was “directed to the abstract idea of testing a decision rule for automated credit request decisioning [by] configur[ing] a server device, a user interface to allow a user to define [a] decision rule and applying it in the near-natural language to production data to generate and display a decision.” Fin. Act. 2 (emphasis omitted). The Examiner further refined this explanation of the abstract idea of claim 12 in the Answer which stated that the abstract idea is related to decision making which can be performed using a processor. The Examiner also identified several cases which included claims similar to claim 12 in which the claims were found patent ineligible. Ans. 7. We also note that as in *Alice Corp. Pty. Ltd.*, we need not labor to delimit the precise contours of the “abstract ideas” category in this case. It is enough to recognize that there is no meaningful distinction in the level of abstraction between the concept of an intermediated settlement in *Alice* and the concept of processing credit applications using a processor. Both are squarely within the realm of “abstract ideas” as the Court has used that term. In addition, the Examiner clearly stated that the steps of the claims are well-understood, routine, and conventional activities performed by generic computers.

That the claims do not preempt all forms of the abstraction or may be limited to financial account cards, does not make them any less abstract. *See*

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OIP Techs., Inc. v. Amazon.com, Inc., 788 F.3d 1359, 1360–61 (Fed. Cir. 2015).

We are not persuaded of error on the part of the Examiner by Appellants’ argument that the subject matter of claim 12 is novel and nonobviousness and thus amounts to significantly more than any abstract idea. Appellants misapprehend the controlling precedent. Although the second step in the *Alice/Mayo* framework is termed a search for an “inventive concept,” the analysis is not an evaluation of novelty or non-obviousness, but rather, a search for “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). A novel and nonobvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 132 S. Ct. at 1304.

We are not persuaded of error on the part of the Examiner by Appellants’ argument that claim 12 is patent eligible in accordance with the decision in *T. Rowe Price Inv. Servs., Inc. v. Secure Access, LLC*, CBM2015-00027 (PTAB June 13, 2016) because the *T. Rowe Price* decision is nonprecedential and thus is not binding on this panel.

We are not persuaded of error on the part of the Examiner by Appellants’ argument that the claims effect an improvement to a technical field analogous to that in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257 (Fed. Cir. 2014), where the Court noted that a claim may amount to more than any abstract idea recited in the claims when it addresses a business challenge, such as “retaining website visitors,” where that challenge is particular to a specific technological environment, such as the Internet.

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Appellants contend that the claim addresses a technical challenge in the automation of decision-making. App. Br. 17.

In *DDR*, the court stated that “the [] patent’s claims address the problem of retaining website visitors that, if adhering to the routine, conventional functioning of Internet hyperlink protocol, would be instantly transported away from a host's website after ‘clicking’ on an advertisement and activating a hyperlink.” *DDR Holdings*, 773 F.3d at 1257. This was done in the claim by serving a composite page with content based on the link that was activated to serve the page.

In contrast, claim 12 performs a process that tests a decision rule by configuring a user interface, receiving data, analyzing data, and displaying data. There is no specific asserted improvement in computer capabilities; rather, it is on a process for which computers are involved merely as a tool. *See Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335-36 (Fed. Cir. 2016). Appellants have not established that there is any improvement to the server device or the user interface, and as such the subject matter of claim 12 is not analogous to the subject matter of the claims in *DDR*.

In view of the foregoing, we will sustain the Examiner’s rejection as it is directed to claim 12. We will also sustain the rejection as it is directed to claims 19 and 24 because the Appellants advance similar arguments regarding the patent eligibility of these claims as was advanced in regard to the rejection of claim 12. We will also sustain the rejection as it is directed to the remaining claims because the Appellants have not advanced separate arguments directed to their eligibility.

DECISION

The decision of the Examiner is affirmed.

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TIME PERIOD

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

AFFIRMED.