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Table with 5 columns: APPLICATION NO., FILING DATE, FIRST NAMED INVENTOR, ATTORNEY DOCKET NO., CONFIRMATION NO.
13/032,878 02/23/2011 Silvio Tavares 87188-097110US-798391 7781

20350 7590 07/31/2018
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Table with 1 column: EXAMINER

DELICH, STEPHANIE ZAGARELLA

Table with 2 columns: ART UNIT, PAPER NUMBER

3623

Table with 2 columns: NOTIFICATION DATE, DELIVERY MODE

07/31/2018

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte SILVIO TAVARES, SUSAN FAHY,
ROBERT TEDFORD, and KAREN HOMLER

Appeal 2016-006756
Application 13/032,878
Technology Center 3600

Before JOHNNY A. KUMAR, JOHN P. PINKERTON, and
JOYCE CRAIG, *Administrative Patent Judges*.

CRAIG, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants¹ appeal under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 1, 4–18, 21–35, and 38–48, which are all of the claims pending in this application.² We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

¹ According to Appellants, the real party in interest is First Data Corporation of Greenwood Village, Colorado. App. Br. 3.

² Claims 2, 3, 19, 20, 36, and 37 have been canceled. Final Act. 2.

INVENTION

Appellants' invention relates to electronic market tracking and reporting systems and methods. Abstract. Claim 1 is illustrative and reads as follows:

1. A method for market reporting according to point-of-sale (POS) data, the method comprising:

aggregating POS datasets from a plurality of POS terminals, each POS terminal being associated with terminal data that is associated with at least one of a plurality of merchant identifiers, and each POS terminal being configured to collect transaction data as a function of transactions effectuated via the POS terminal, the POS dataset for each of the POS terminals comprising the terminal data and the transaction data;

storing in a database of a computer system the aggregated POS data from the POS terminals produced during a first timeframe and a second timeframe;

receiving, by a processor of the computer system, a reporting request for a market trend report corresponding to a given market;

identifying, by the processor of the computer system, a market dataset from the aggregated POS data for the first and second timeframes;

classifying merchants into specific industries by mapping at least one of the plurality of merchant identifiers to a specific industry;

identifying, by the processor of the computer system, same store data from the market dataset, wherein the same store data comprises data aggregated from an identical set of POS terminals or from a statistically insignificant change in a sample set;

calculating a reliable portion of the same store data, the reliable portion comprising only data having a statistically insignificant variability from a baseline;

generating, by the processor of the computer system, market trend data from the reliable portion of the same store data of the market dataset, wherein the market trend data comprises a comparison between the same store data of the market datasets for the first and second timeframes; and

outputting, by the processor of the computer system, graphical report data as a function of the market trend data in response to the reporting request that is usable by a user device to display a market trend report having a header zone, a headline zone, a first explanation zone, a graph zone, a second explanation zone, and a footer zone, wherein the market trend report, when displayed on a display of the user device, includes a line graph for various types of growth comparisons of a given market including dollar volume growth, average ticket item growth, and transaction growth, wherein the line graph for the various types of growth comparisons comprises separate trend lines that correspond to a specific industry and which are graphed as a growth percentage per month, wherein the y-axis indicates the growth percentage and the x-axis indicates the relevant time period.

REJECTION³

Claims 1, 4–18, 21–35, and 38–48 stand rejected under 35 U.S.C. § 101 because the claimed invention is directed to patent ineligible subject matter. Final Act. 4–6.

³ In the Answer, the Examiner withdrew the rejection of claim 34 under 35 U.S.C. § 112, second paragraph, and the 35 U.S.C. § 103(a) rejections of claims 1 and 4–17. Ans. 2.

ANALYSIS

We have reviewed the rejections of claims 1, 4–18, 21–35, and 38–48 in light of Appellants’ arguments that the Examiner erred. We have considered in this decision only those arguments Appellants actually raised in the Briefs. Any other arguments Appellants could have made, but chose not to make, in the Briefs are waived. *See* 37 C.F.R. § 41.37(c)(1)(iv).

Appellants’ arguments are not persuasive of error. We agree with and adopt as our own the Examiner’s findings of facts and conclusions as set forth in the Answer and in the Action from which this appeal was taken. We provide the following explanation for emphasis.

In *Alice*, the Supreme Court sets forth an analytical “framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice Corp. Pty, Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014) (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66 (2012)). The first step in the analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts,” such as an abstract idea. *Id.* (citing *Mayo*, 566 U.S. at 77–78). If the claims are directed to a patent-ineligible concept, the second step in the analysis is to consider the elements of the claims “individually and ‘as an ordered combination’” to determine whether there are additional elements that “‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (quoting *Mayo*, 566 U.S. at 79, 78). In other words, the second step is to “search for an ‘inventive concept’—i.e., 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.’” *Id.*

(brackets in original) (quoting *Mayo*, 566 U.S. at 72–73). The prohibition against patenting an abstract idea “cannot be circumvented by attempting to limit the use of the formula to a particular technological environment’ or adding ‘insignificant postsolution activity.’” *Bilski v. Kappos*, 561 U.S. 593, 610–11 (2010) (citation omitted).

Here, the Examiner concluded claim 1⁴ is directed to the abstract idea of mathematical relationships for generating trend data. Final Act. 4 (citing *Digitech Image Tech., LLC v. Electronics for Imaging, Inc.*, 758 F.3d 1344 (Fed. Cir. 2014)). The Examiner also concluded the additional elements or combination of elements in the claim other than the abstract idea amount to no more than mere instructions to implement the idea on a computer, and a recitation of generic computer structure that serves to perform generic computer functions. *Id.* at 4–5.

Appellants contend the Examiner erred because the claims are “necessarily rooted in computer technology,” as in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257 (Fed. Cir. 2014), because “they necessarily require a special-purpose computer rather than a generic computer.” App. Br. 10 (citing *In re Alappat*, 33 F.3d 1526, 1545 (Fed. Cir. 1994) (en banc)). As the Examiner pointed out (Ans. 4), Appellants’ reliance on *Alappat* is misplaced, as *Alappat*’s programmed computer or “special purpose computer” test (i.e., the rationale that an otherwise ineligible algorithm or software could be made patent-eligible by merely adding a generic computer to the claim for the “special purpose” of executing the

⁴ Appellants argue claims 1, 4–18, 21–35, and 38–48 as a group (App. Br. 10), and we choose claim 1 as representative of the group. See 37 C.F.R. § 41.37(c)(1)(iv).

algorithm or software) was superseded by the Supreme Court’s *Bilski* and *Alice* decisions. *Eon Corp. IP Holdings LLC v. AT&T Mobility LLC*, 785 F.3d 616, 623 (Fed. Cir. 2015) (“[W]e note that *Alappat* has been superseded by *Bilski*, 561 U.S. at 605–06, and *Alice Corp. v. CLS Bank Int’l*, 134 S. Ct. 2347 (2014)”; *Intellectual Ventures I LLC v. Capital One Bank (USA), N.A.*, 792 F.3d 1363, 1366 (Fed. Cir. 2015) (“An abstract idea does not become nonabstract by limiting the invention to a particular field of use or technological environment, such as the Internet [or] a computer”).

Appellants further argue that the claims require specific hardware not present on general purpose computers, such as point of sale devices that must be configured to collect transaction data from payment cards and other payment media. Reply Br. 2. We disagree that the claims use special purpose hardware. Although the claims recite certain point-of-sale (“POS”) data used by the processor include “POS datasets from a plurality of POS terminals, each POS terminal being associated with terminal data that is associated with at least one of a plurality of merchant identifiers, and each POS terminal being configured to collect transaction data as a function of transactions effectuated via the POS terminal” (*e.g.*, App. Br. 17 (Claims App’x)), the claims are not directed to, and do not recite, any technical changes or improvements to” the POS terminals. *See Accenture Global Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1345 (Fed. Cir. 2013) (admonishing that “the important inquiry for a § 101 analysis is to look to the claim”; “the complexity of the implementing software or the level of detail in the specification does not transform a claim reciting only an abstract concept into a patent-eligible system or method”). As our reviewing court has explained, “[i]t is well-settled that mere recitation of concrete,

tangible components is insufficient to confer patent eligibility to an otherwise abstract idea. Rather, the components must involve more than performance of “well-understood, routine, conventional activities” previously known to the industry.” *In re TLI Commc’ns LLC Patent Litigation*, 823 F.3d 607, 613 (Fed. Cir. 2016) (quoting *Alice*, 134 S. Ct. at 2359)). Here, the POS terminal is merely used to collect and provide data, a well-known and routine computer function. *See, e.g., buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1355 (Fed. Cir. 2014) (computer receives and sends information over a network).

Moreover, in *DDR Holdings*, the Federal Circuit determined that, although the patent claims at issue involved conventional computers and the Internet, the claims nevertheless addressed the problem of retaining website visitors who, if adhering to the routine, conventional functioning of the 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 court determined that those claims were directed to statutory subject matter because they claim a solution “necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.” *Id.*

No such technological advance is evident in the claimed invention. Unlike the situation in *DDR Holdings*, Appellants do not identify any problem particular to computer networks and/or the Internet that claim 1 allegedly overcomes. Here, the claimed computer components operate precisely in the expected manner of aggregating, storing, classifying, identifying, calculating, generating, and outputting data.

Appellants also contend the Examiner erred because the present claims are distinguishable from those in *Digitech*, where the Court found that the claim merely “recites a process of taking two data sets and combining them into a single data set, the device profile.” App. Br. 11. Appellants argue that the collection and aggregation of POS data relates to merely the first two steps of claim 1, and the claim further includes numerous limitations extending beyond combining two or more datasets. *Id.* at 12. Appellants argue that, “unlike the claims in *Digitech*, the recitation of a processor of a computer system provides a physical, tangible device.” *Id.*

For the reasons discussed above with regard to Appellants’ arguments related to *DDR Holdings*, and the reasons provided by the Examiner in the Answer (Ans. 5), Appellants’ arguments are not persuasive of error. We agree with the Examiner that the additional elements of claim 1 merely apply the abstract idea and require no more than a generic computer to perform generic computer functions such as receiving data and inputs, storing data, and outputting results. *See id.*

In the Reply Brief, Appellants argue that “[t]he recitations directed to the outputting of graphical report data as a function of the market trend data in response to the reporting request that is usable by a user device to display a market trend report are strikingly similar to those found eligible in Example 21 of the July 2015 guidelines, where an alert of a stock price is transmitted to a user device for display on the user device.” Reply Br. 4–5.

We disagree. Unlike claim 1 here, claim 2 in Example 21 recites additional limitations that, when considered as an ordered combination, amount to significantly more than the abstract idea. July 2015 Update

Appendix 1: Examples⁵ at 4. In particular, the invention in Example 21 addresses the Internet-centric challenge of alerting a subscriber with time sensitive information when the subscriber's computer is offline. The claim addresses this challenge by transmitting the alert over a wireless communication channel to activate the stock viewer application, which causes the alert to display, and enables the connection of the remote subscriber computer to the data source over the Internet when the remote subscriber computer comes online. *Id.* Appellants point to no such limitation(s) in claim 1. Outputting graphical report data that is usable by a user device to display a market trend report does not amount to significantly more than the abstract idea because it is insignificant post-solution activity. *See Electric Power Group, LLC v. Alstom S.A.*, 830 F.3d 1350, 1354–55 (Fed. Cir. 2016) (selecting information for collection, analysis and display is insignificant extra-solution activity).

Appellants further contend the claims recite significant limitations that preclude the claims from monopolizing, or “tying up” the abstract idea (mathematical relationships for generating trend data). App. Br. 12–13.

Appellants' arguments do not persuade us of error. Although the Supreme Court has described “the concern that drives this exclusionary principle [i.e., the exclusion of abstract ideas from patent eligible subject matter] as one of pre-emption,” *Alice*, 134 S. Ct. at 2354, characterizing preemption as a driving concern for patent eligibility is not the same as characterizing pre-emption as the sole test for patent eligibility. “The Supreme Court has made clear that the principle of preemption is the basis

⁵ July 2015 Update Appendix 1: Examples, pp. 1–5, available at <https://www.uspto.gov/sites/default/files/documents/ieg-july-2015-app1.pdf>.

for the judicial exceptions to patentability” and “[f]or this reason, questions on preemption are inherent in and resolved by the § 101 analysis.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (citing *Alice*, 134 S. Ct. at 2354). Although “preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *Id.*

Appellants also contend the claims possess an “inventive concept” because the claims are not subject to any substantive rejections under §§ 102 or 103. App. Br. 15. Appellants argue the claims are novel and non-obvious. *Id.*

We are not persuaded of error. Even assuming claim 1 is novel and nonobvious, a novel and nonobvious abstract idea is still patent ineligible. *See SAP Am., Inc. v. Investpic, LLC*, 890 F.3d 1016, 1018 (Fed. Cir. 2018) (“Nor is it enough for subject-matter eligibility that claimed techniques be novel and nonobvious in light of prior art, passing muster under 35 U.S.C. §§ 102 and 103.”); *Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1151 (Fed. Cir. 2016) (“[A] claim for a new abstract idea is still an abstract idea.”); *Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1315 (Fed. Cir. 2016) (explaining that a jury’s determination that certain prior art did not anticipate or render obvious the asserted claims did “not resolve the question of whether the claims embody an inventive concept at the second step of *Mayo/Alice*”).

In sum, the claimed elements, whether considered individually or as a combination, simply disclose using generic components to perform an abstract idea. That is not enough to transform the abstract idea into a patent-eligible application of the idea. “It is well-settled that mere recitation of

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concrete, tangible components is insufficient to confer patent eligibility to an otherwise abstract idea.” *TLI Commc ’ns*, 823 F.3d at 613.

For the above reasons, we sustain the Examiner’s § 101 rejection of representative claim 1, as well and the Examiner’s § 101 rejection of grouped claims 4–18, 21–35, and 38–48, not argued separately.

DECISION

We affirm the decision of the Examiner rejecting claims 1, 4–18, 21–35, and 38–48.

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). *See* 37 C.F.R. § 41.50(f).

AFFIRMED