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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JOHN J. BALLOW, BRIAN F. MCCARTHY, and ROLAND BURGMAN

Appeal 2016-006758[1]
Application 13/035,728[2]
Technology Center 3600

Before ANTON W. FETTING, BRUCE T. WIEDER, and ALYSSA A. FINAMORE, *Administrative Patent Judges*.

FINAMORE, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Pursuant to 35 U.S.C. § 134(a), Appellants appeal from the Examiner's decision to reject claims 8–14. We have jurisdiction under § 6(b). We AFFIRM.

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[1] Our Decision references Appellants' Specification ("Spec.," filed Feb. 25, 2011), Appeal Brief ("Appeal Br.," filed Nov. 5, 2015), and Reply Brief ("Reply Br.," filed June 27, 2016), as well as the Examiner's Final Office Action ("Final Act.," mailed Apr. 7, 2015), Advisory Action ("Adv. Act.," mailed June 10, 2015), and Answer ("Ans.," mailed Apr. 25, 2016).

[2] Appellants identify Accenture Global Services Limited as the real party in interest. Appeal Br. 3.

SUBJECT MATTER ON APPEAL

The invention "relates generally to business performance management, and more particularly to a system and method for evaluating a company's performance based on the decomposition and mapping of total return to shareholders, and preparing financial statements indicative of the company's performance." Spec. ¶ 3. Claim 13, reproduced below, is the sole independent claim on appeal and representative of the claimed subject matter:

13. A computer system comprising:

a source system of a company comprising a source system data processor and a source system memory;

a business performance management (BPM) system;

an information hub configured to provide support for collaboration of business units, workflow process management, security, and system administration, wherein the source system is integrated by the information hub with the BPM system;

the BPM system comprising:

a database comprising financial data provided by the information hub;

a data processor in communication with the database;

a non-transitory recording medium storing executable instructions readable by the data processor, the instructions being stored on said recording medium, the instructions when executed by the data processor cause the data processor to:

calculate with the data processor supplemental financial metrics Net Operating Profit After Tax (NOPLAT), Weighted Average Cost of Capital (WACC), a Return on Invested Capital (ROIG), a value of Invested Capital of the company with optional adjustments for operating leases, goodwill and stock options, and a Market

Value of Debt with adjustments for off balance sheet financing;

retrieve financial metrics from balance sheets and income statements stored in the database;

calculate a set of enhanced business reporting metrics including a total return to shareholder (unadjusted TRS) value adjusted to obtain an adjusted TRS, wherein the unadjusted TRS value is adjusted for market fluctuation by applying the supplemental financial metrics and the retrieved financial metrics;

generate supplemental financial reports using the enhanced business metrics; and

display, in a graphical display in communication with the data processor, the supplemental financial reports, wherein the graphical display displays the supplemental financial reports comprising: right, left, top and bottom regions;

right, left, top and bottom edges that define the border of the supplemental financial reports, wherein said supplemental financial reports comprise:

a Statement of Enterprise Value (EV), wherein the left region displays a description of each value displayed in the Statement of EV, including market value of equity, market value of debt, Economic Profit of Current Value (EPCV) in perpetuity, enterprise value, current value (CV) and future value (FV), wherein the right region displays values for each of the descriptions displayed in the left region of the Statement of EV, including values for a prior year, change from a previous year to the prior year, percentage change from the previous year to the prior year, a current year, change from the prior year to the current year, and percentage change from the prior year to the current year;

a Statement of Total Return to Shareholders (TRS) unadjusted, wherein the left region displays

the description of each value displayed in the Statement of TRS, including the EPCV in perpetuity, a change in market value of equity, dividends paid in the period, Invested Capital, Capital subordinate to Debt, Future Value in Market Value of Equity, The Number of Shares Outstanding, Dividends per share, wherein the right region displays values for each of the descriptions displayed in the left region of the Statement of TRS, including values for the prior year, the change from the previous year to the prior year, the percentage change from the previous year to the prior year, the current year, the change from the prior year to the current year, and the percentage change from the prior year to the current year, wherein unadjusted TRS=((EPCV in perpetuity+Invested Capital-Capital subordinate to Debt+Future Value in Market Value of Equity)/The Number of Shares Outstanding)+Dividends per share, and wherein the Future Value in Market Value of Equity=Market Value of Equity+Debt-NOPLAT/WACC-Excess Cash; and

a Statement of TRS adjusted, wherein the left region displays the description of each value displayed in the Statement of TRS adjusted, including an expected TRS value, a predefined industry-based market index, a beta value for the company, the unadjusted TRS, wherein the right region displays values for each of the descriptions displayed in the left region of the Statement of TRS adjusted, including values for the prior year, the percentage change from the previous year to the prior year, the current year, and the percentage change from the prior year to the current year, wherein adjusting the unadjusted TRS comprises deducting the expected TRS value based on market movement from the unadjusted TRS value to obtain an adjusted TRS value;

> wherein the source system memory comprises extraction, transformation and loading (ETL) executable instructions that when executed by the source system data processor causes the source system data processor to
>
> > copy the set of enhanced business reporting metrics to the source system,
> >
> > provide strategic analysis in planning-modeling to support collaboration of business units, workflow process management, security, and system administration of the company, manage business performance as the business performance effects the company's current value, future value, financing or TRS value,
> >
> > adapt operations as the reporting metrics indicate including setting operational targets including cascade targets to lower level metrics-organization activities, and
> >
> > determine technology to raise business performance standards.

REJECTION[3]

The Examiner rejects claims 8–14 under 35 U.S.C. § 101 as non-statutory subject matter.

[3] After the Final Office Action, Appellants amended the claims and, in doing so, canceled claim 7. Response filed June 8, 2015. The Examiner entered this amendment and withdrew the provisional rejection of claims 7–14 on the ground of nonstatutory obviousness-type double patenting. Adv. Act. 1. Given that the double patenting rejection is withdrawn, we consider the Examiner's reference to claim 7 and the double patenting rejection in the Answer to be an oversight (Ans. 6).

ANALYSIS

Appellants argue claims 8–14 as a group. Appeal Br. 6–16; Reply Br. 4–8. We select independent claim 13 as representative. The remaining claims of the group stand or fall with independent claim 13. 37 C.F.R. § 41.37(c)(1)(iv).

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. *See, e.g.*, *Alice Corp. Pty. Ltd. 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, 2116 (2013)). To "distinguish[] patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts," the Supreme Court, in *Alice*, reiterated the two-step framework previously set forth in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 132 S. Ct. 1289 (2012), which, in the first step, considers whether a claim is directed to a patent-ineligible concept, e.g., an abstract idea, and, if so, considers, in the second step, whether the claim recites an inventive concept—an element or combination of elements sufficient to ensure the claim amounts to significantly more than the abstract idea and transform the nature of the claim into a patent-eligible application. *Alice*, 134 S. Ct. at 2355 (citing *Mayo*, 132 S. Ct. at 1294, 1296–98).

In rejecting claim 13 under 35 U.S.C. § 101 as non-statutory subject matter, i.e., subject matter judicially excepted from statutory subject matter, the Examiner analyzes the claim using this two-step framework.

Final Act. 4–5. Pursuant to the first step, the Examiner determines the claim is directed to a business reporting methodology, which is an idea of itself and/or a mathematical relationship or formula and, therefore, an abstract idea. *Id.* at 4. The Examiner further determines the concept of business reporting is similar to other concepts the courts have held to be abstract ideas, such as manipulating information using mathematical correlations, comparing new and stored information and using rules to identify options, and/or a mathematical procedure for converting one form of numerical representation to another. Adv. Act. 2.

Under the second step, the Examiner determines the claim does not recite significantly more than the abstract idea because the additional elements, alone or in combination, amount to no more than mere instructions to implement the abstract idea on a computer and/or the recitation of generic computer structure that serves to perform generic computer functions that are well-understood, routine, and conventional activities previously known in the industry. Final Act. 4–5; Adv. Act. 2. The Examiner further determines the claim does not recite an improvement to a technical field or to the underlying apparatus. Adv. Act. 2.

As an initial matter, we are unpersuaded of error by Appellants' assertion that we should reverse the Examiner's rejection under 35 U.S.C. § 101 because the Answer seems to apply to only canceled claim 7. Reply Br. 4–5. The Examiner's response to Appellants' arguments rebutting the § 101 rejection does not refer to claim 7, and the Examiner's response is not exclusive to claim 7. More importantly, the Examiner considers all of the claims in the Final Office Action (Final Act. 4–5), and the Examiner

expressly mentions the limitations of claim 13 in the Advisory Action (Adv. Act. 2).

Also as a preliminary matter, we are unpersuaded of error by Appellants' argument that claim 13 would not tie up the abstract idea of business reporting so as to preempt others from using it. Appeal Br. 15–16; Reply Br. 5–6. Even if claim 13 recites specific limitations and does not preempt all uses of the abstract idea, preemption is not the test for determining whether the subject matter of a claim is judicially excepted from statutory subject matter. Said differently, although preemption may be the basis for excluding abstract ideas from eligible subject matter, preemption is not the test for patent eligibility. *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) ("The Supreme Court has made clear that the principle of preemption is the basis for the judicial exceptions to patentability. For this reason, questions on preemption are inherent in and resolved by the § 101 analysis." (citation omitted)). Accordingly, we consider Appellants' arguments under the two-step patent-eligibility analysis.

Pursuant to the first step of the analysis, Appellants argue the Examiner ignores the specific claim language in determining that claim 13 is directed to an abstract idea. Reply Br. 6–7. Appellants also argue the claim is directed to technology infrastructure, not to an abstract idea. Appeal Br. 10–11. Appellants' arguments do not apprise us of error.

In determining whether a claim is directed to excluded subject matter, e.g., an abstract idea, under the first step of the patent-eligibility analysis, the Federal Circuit has explained that "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.'" *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016) (quoting *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015)). For computer-implemented inventions in particular, such as the present invention, "the first step in the *Alice* inquiry . . . asks whether the focus of the claims is on the 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.

Here, claim 13 recites: calculating supplemental financial metrics; retrieving financial metrics from a database; calculating a set of enhanced business reporting metrics; generating supplemental financial reports using the enhanced business metrics; displaying the supplemental financial reports in a particular arrangement; copying the enhanced business metrics to a source system; providing strategic analysis in planning-modeling; adapting operations as the reporting metrics indicate; and determining technology to raise business performance standards. Thus, the claimed invention provides enhanced business metrics which are used to improve business performance.

Similarly, as set forth above, the Specification explains that the invention "relates generally to business performance management, and more particularly to a system and method for evaluating a company's performance based on the decomposition and mapping of total return to shareholders, and preparing financial statements indicative of the company's performance." Spec. ¶ 3. The Specification further describes the invention as "a computer-implemented method for the [enhanced business reporting] methodology for preparing corporate financial statements incorporating financial metrics to measure the performance of a company." *Id.* ¶ 16.

Claim 13 further recites a computer system for carrying out the claimed steps, and the computer system comprises: a source system, including a source system data processor and a source system memory; a business performance management (BPM) system including a database, a data processor, a non-transitory recording medium, and a graphical display; and an information hub. Although we agree with Appellants that claim 13 recites computer infrastructure, the Specification describes "an exemplary system for implementing the invention includes a general purpose computing device in the form of a computing environment 20." Spec. ¶ 34. Moreover, the Specification does not describe an improvement to the computer infrastructure, but instead explains that the invention fulfills the need for accurate measurement of key drivers of both current and future value from an external perspective, as well as the need for financial statements that better inform management and shareholders of a company's performance. *Id.* ¶¶ 11, 15.

In light of the above, the claimed invention uses the recited computer infrastructure to perform the steps that provide for enhanced business reporting. The focus of the claimed invention is not on an improvement in computer capabilities, but rather on enhanced business reporting. Appellants, therefore, do not apprise us of error in the Examiner's determination that the character of claim 13, as a whole, is directed to the abstract idea of business reporting.

Seeing no error in the Examiner's determination that claim 13 is directed to an abstract idea under the first step of the patent-eligibility analysis, we turn to Appellants' arguments under the second step. Appellants contend claim 13 recites significantly more than the abstract idea

because it improves the information technology infrastructure. Appeal Br. 12–14. We disagree.

As set forth above, the Specification does not describe an improvement to the computer infrastructure, but instead explains that the invention fulfills the need for accurate measurement of key drivers of both current and future value from an external perspective, as well as the need for financial statements that better inform management and shareholders of a company's performance. *Id.* ¶¶ 11, 15. In other words, claim 13 recites an improved business reporting methodology that is implemented via computers, but does not recite an improvement the computer infrastructure that implements the methodology. Ans. 4.

Appellants also argue that the Examiner erred in determining claim 13 does not include specific limitations other than what is well-known, routine, and conventional in the industry because claim 13 is not rejected over the prior art. Appeal Br. 14–15. Appellants' argument does not apprise us of error because determining whether a claim recites an inventive concept is not the same as determining whether a claim is patentable over the prior art.

Although the second step of the patent-eligibility analysis is termed a search for an "inventive concept," the analysis is not an evaluation of novelty or nonobviousness, 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). As such, the question in the second step is whether the implementation of the abstract idea involves "more than performance of 'well-understood, routine, [and] conventional activities previously known to

the industry.'" *Content Extraction & Transmission LLC v. Wells Fargo Bank, N.A.*, 776 F.3d 1343, 1347–48 (Fed. Cir. 2014) (quoting *Alice*, 134 S. Ct. at 2359). Here, even if the claim recites a unique business reporting methodology, the Examiner determines, and Appellants do not refute, that the computer implementation of the claimed methodology requires only computer functions that are well-understood, routine, and conventional, such as storing, receiving, processing, and displaying data. Adv. Act. 2.

Appellants further assert that claim 13 is distinguishable from the patent-ineligible claims in *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709 (Fed. Cir. 2014). Appeal Br. 16. According to Appellants, unlike the claims in *Ultramercial*, which the court held were "devoid of a concrete or tangible application" (772 F.3d at 715), claim 13 recites multiple computer systems integrated through an information hub, wherein each system includes a data processor, memory, and executable instructions to control the flow of information among the systems. Appeal Br. 16. Appellants' argument is not persuasive.

As set forth above, although we agree with Appellants that claim 13 recites computer infrastructure, the computer systems and components are generic. Spec. ¶ 34. As the Supreme Court explained in *Alice*, "the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention." *Alice,* 134 S. Ct. at 2358; *see also DDR Holdings, LLC v. Hotels.com*, 773 F.3d 1245, 1256 (Fed. Cir. 2014) ("[T]hese claims [of prior cases] in substance were directed to nothing more than the performance of an abstract business practice on the Internet or using a conventional computer. Such claims are not patent-eligible.").

In view of the foregoing, Appellants do not apprise us of error in the Examiner's determination that the subject matter of independent claim 13 is patent ineligible, i.e., judicially excepted from statutory subject matter. Accordingly, we sustain the rejection of claims 8–14 under 35 U.S.C. § 101.

DECISION

The Examiner's decision to reject claims 8–14 is affirmed.

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

AFFIRMED