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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* SCOT D. WILCE, VINCENT A. GEORGE, HIEN Q. NGUYEN,  
DONNA L. CONTI, PATRICK E. HARRIS, and  
DONNA M. MANSFIELD

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Appeal 2016-006991  
Application 12/748,534  
Technology Center 3600

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Before MURRIEL E. CRAWFORD, ANTON W. FETTING, and  
ALYSSA A. FINAMORE, *Administrative Patent Judges*.

CRAWFORD, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants<sup>1</sup> seek our review under 35 U.S.C. § 134 of the Examiner's final decision rejecting claims 30–32, 34–42, and 44–49. We have jurisdiction over the appeal under 35 U.S.C. § 6(b).

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<sup>1</sup> The real party in interest is Goldman, Sachs & Co. App. Br. 2.

## BACKGROUND

Appellants' invention is directed to a system and method to facilitate generation and/or negotiation of an agreement document via an agreement modeling system. Spec. 1.

Claim 30 is illustrative:

30. A processor-implemented method of generating an agreement document associated with an agreement between a user and a counter-party, comprising:

receiving into a storage element agreement data from a user via a display engine;

determining with a fact engine an agreement type based on the agreement data;

determining one or more scopes associated with the agreement data;

initializing a scope stack by placing the determined one or more scopes in the scope stack;

dynamically evaluating the scope stack with an evaluation engine via a processor using an agreement model based on rules and expressions to generate a result; and

generating with a creation engine an agreement document based on the agreement data and the generated result.

Appellants appeal the following rejection:

Claims 30–32, 34–42, and 44–49 under 35 U.S.C. § 101 as failing to recite patent-eligible 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.*, 566 U.S. 66, 76–78 (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. 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, *Parker*, 437 U.S. at 594–95; and basic tools of scientific and technological work, *Gottschalk*, 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, *Gottschalk*, 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.*

In addition, the Federal Circuit has held that if a method can be performed by human thought alone, or by a human using pen and paper, it is merely an abstract idea and is not patent-eligible under § 101. *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1373 (Fed. Cir. 2011) (“[A] method that can be performed by human thought alone is merely an abstract idea and is not patent-eligible under § 101.”).

Claims involving data collection, analysis, and display are directed to an abstract idea. *Elec. Power Grp. v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016) (holding that “collecting information, analyzing it, and displaying certain results of the collection and analysis” are “a familiar class of claims ‘directed to’ a patent-ineligible concept”); *see also In re TLI Commc’ns LLC Patent Litig.*, 823 F.3d 607, 611 (Fed. Cir. 2016); *FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1093–94 (Fed. Cir. 2016). Claims that recite an improvement to a particular computer technology have been found patent eligible. *See, e.g., McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1314–15 (Fed. Cir. 2016)

(determining claims not abstract because they “focused on a specific asserted improvement in computer animation”).

## ANALYSIS

### *Rejection under 35 U.S.C. § 101*

The Examiner held that claim 30 is directed to generating an agreement document which is a fundamental economic practice and thus an abstract idea. Non-Final Act. 4. The Examiner also held that claim 30 recites steps that are simply a mental process that can be performed in the human mind or by using a pen and paper. Ans. 3.

We agree with the Examiner. In addition, claim 30 is directed to receiving data from a user, storing data, determining an agreement type, determining one or more scopes, placing the data in a scope stack, dynamically evaluating the scope stack and generating an agreement. As such, claim 30 is directed to collecting information, analyzing it, and displaying certain results of the collection and analysis and as such is directed to an abstract idea on this basis as well.

The Examiner found that the claim 30 does not include limitations that are “significantly more” than the abstract idea because claim 30 does not include an improvement to another technology or technical field or to the functioning of the computer itself. The Examiner noted that the limitations in claim 30 are done by the generically recited storage devices and computer processors. Non-Final Act. 4.

We are not persuaded of error on the part of the Examiner by Appellants’ argument that claim 30 does not claim the mere concept of

generating an agreement document but rather recite a specific process that uses specific data in a manner never done before in that it uses agreement data, a scope stack, and an agreement model to generate an agreement document. App. Br. 11. In making this assertion, the Appellants list some limitations in the claim, but fail to specify the manner in which those limitations should inform any modifications to the Examiner's characterization. Absent more specific assertions made by the Appellants, we are unpersuaded the Examiner has erred in this regard.

To the extent that the Appellants are arguing that the claim recites subject matter that is significantly more than the abstract idea articulated by the Examiner because the claimed process has never been done before and is novel, we note that 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. A novel and nonobvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 566 U.S. at 90. This also applies to Appellants' argument that the Appellants are unaware of any conventional pre-Internet approach that allowed someone to use a device in order to perform the steps recited in claim 30 and that claim 30 is patent eligible because there are no pending prior art rejections.

We are not persuaded of error on the part of the Examiner by Appellants' argument that claim 30 is not attempting to tie-up an exception so that others cannot practice it. "While preemption may signal patent

ineligible subject matter, 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.), *cert. denied*, 136 S. Ct. 701 (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.”). And, “[w]here a patent’s claims are deemed only to disclose patent ineligible subject matter under the *Mayo* framework, as they are in this case, preemption concerns are fully addressed and made moot.” *Ariosa*, 788 F.3d at 1379.

Appellants further argue that “dynamically evaluating a scope stack with an evaluation engine via a processor using an agreement model based on rules and expressions to generate a result allows a computer to handle fluid environments in which agreements are generated, which amounts to an innovation in computer technology that adds significantly more to the alleged abstract idea.” App. Br. 16. The Federal Circuit stated in *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335–36 (Fed. Cir. 2016) that the claims at issue focused not on asserted advances in uses to which existing computer capabilities could be put, but on a specific type of data structure, i.e., a self-referential table for a computer database, designed to improve the way a computer carries out its basic functions of storing and retrieving data. The alleged improvement that Appellants tout does not concern an improvement to computer capabilities but instead relates to an alleged improvement in how agreements are formed, i.e., by evaluating a scope stack using rules and expressions for which a computer is used as a tool in its ordinary capacity. In this regard, there is no indication that any

specialized hardware is required or that the invocation of the Internet is recited in claim 30 that otherwise adds any inventive concept.

We are not persuaded of error on the part of the Examiner by Appellants' argument that the Examiner failed to consider all claim elements. Specifically, Appellants argue that the Examiner did not consider the recitations regarding specific data, specific engines, and specific operations that go beyond the mere concept of generating an agreement. The recitations related to the specific data, specific engines, and specific operations, however, are recitations that are part of the abstract idea itself of generating an agreement. In addition, these steps are part of the abstract idea of collecting and analyzing data.

In view of the foregoing, we will sustain the Examiner's rejection of claim 30.

In regard to claims 31, 36, 38, 41, 46, and 48 we are not persuaded that the recitation in these claims is not a function of the abstract idea of generating an agreement document. In particular, the recitation of transmitting the generated agreement document as in claims 31 and 41 is a function of the abstract idea of generating an agreement document. In addition the recitation of performing the generating via specific data as is recited in claims 36 and 46 and generating a final agreement is also part of the abstract idea of generating an agreement. Likewise the recitations of receiving, processing, generating and transmitting in claims 38 and 48 are also part of the abstract idea of generating an agreement. In addition, the added recitations in these claims are also recitations of collecting, analyzing, and storing data which we stated above was an abstract idea. While the Appellants argue that the steps are not purely conventional which is

presumably an argument that the claims recite “significantly more,” the Appellants have not directed our attention to how the steps performed by the processor are any more than the conventional steps of collecting, analyzing, and storing of data. To the extent that Appellants are arguing that these claims recite novel subject matter, as we stated above, an invention can be novel but still not recite significantly more than an abstract idea.

In view of the foregoing, we will sustain the Examiner’s rejection of claims 31, 36, 38, 41, 46, and 48 as well.

We will also sustain the rejection as it is directed to the remaining claims because the Appellants have not argued the separate eligibility of these claims.

#### DECISION

We affirm the Examiner’s § 101 rejection.

#### 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) (2009).

#### ORDER

AFFIRMED