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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
14/828,117	08/17/2015	John M. Marynowski	DCF-14-1058C-D-C-C-CON	6714
35811	7590	04/26/2018	EXAMINER	
IP GROUP OF DLA PIPER LLP (US) ONE LIBERTY PLACE 1650 MARKET ST, SUITE 4900 PHILADELPHIA, PA 19103			FELTEN, DANIEL S	
			ART UNIT	PAPER NUMBER
			3692	
			NOTIFICATION DATE	DELIVERY MODE
			04/26/2018	ELECTRONIC

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JOHN M. MARYNOWSKI, CATALIN D. VOINESCU,
STEFAN PUSCASU, and THOMAS M. O'DONNELL

Appeal 2016-008507
Application 14/828,117¹
Technology Center 3600

Before MICHAEL R. ZECHER, BETH Z. SHAW, and
MICHAEL M. BARRY, *Administrative Patent Judges*.

SHAW, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants seek our review under 35 U.S.C. § 134(a) of the Examiner's Final Office Action rejecting claims 1–37, all of which are pending on appeal. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.²

¹ According to Appellants, the real party in interest is DCFB LLC. App. Br. 1.

² Our Decision refers to the Appeal Brief filed May 26, 2016 (“App. Br.”); Reply Brief filed September 13, 2016 (“Reply. Br.”); Examiner’s Answer mailed August 19, 2016 (“Ans.”); and Final Office Action mailed April 29, 2016 (“Final Act.”).

STATEMENT OF THE CASE

Appellants' invention relates to an automated trading system for use in an electronic trading exchange network system. Spec. ¶ 1.

Claim 1 is illustrative of Appellants' invention, as reproduced below:

1. A system for reducing a response time of automated trading, comprising:
 - an electronic exchange system communicatively coupled to an automated trading system, said electronic exchange system comprising one or more first backend computers that generate and transmit information related to a first traded item to the automated trading system, the automated trading system comprising a second remote backend computer solely performing automatic steps of:
 - receiving the information related to the first traded item from the electronic exchange system;
 - comparing at least a portion of the information related to the first traded item and pre-calculated price information, said pre-calculated price information having been generated and stored at said automated trading system, in a searchable format, prior to receiving the information related to the first traded item;
 - automatically determining whether to execute one or more market transactions based on said comparing;
 - automatically generating a request for the one or more market transactions when it is determined to execute the one or more market transactions,
 - wherein the request is based at least in part on the information related to the first traded item and on the pre-calculated price information;
 - outputting the request for the one or more market transactions to the one or more first backend computers; and
 - causing the electronic exchange system to execute the one or more market transactions automatically generated for the first traded item.

Examiner's Rejection

Claims 1–37 stand rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter. Final Act. 2–4.

ANALYSIS

The Examiner finds claims 1–37 are directed to ideas that have been identified as abstract by our reviewing court. Final Act. 3. In particular, the Examiner finds that the abstract idea underlying these claims is “receiving information, comparing at least a portion of the information, and manipulating information by generating a request and transmitting the information by outputting a request and making a transaction.” Ans. 7. The Examiner also finds additional elements recited in these claims do not amount to significantly more than the abstract idea itself. *Id.* at 2–4. According to the Examiner, the claims require no more than performing generic computer functions. Final Act. 3–4; Ans. 2–4.

Appellants present several arguments against the 35 U.S.C. § 101 rejection. App. Br. 4–11; Reply Br. 1–5. Appellants contend the claims are not directed to an abstract idea because the “second remote backend computer” is a dedicated computer that is solely dedicated to performing certain automated computer functions, and because the claims improve the speed at which a computer trading system is able to generate requests for market transactions. App. Br. 4–11.

We do not find Appellants’ arguments persuasive. Instead, we find the Examiner has provided a comprehensive response to Appellants’ arguments supported by a preponderance of evidence. Ans. 2–7. As such, we adopt the Examiner’s findings and explanations provided therein. *Id.* At the outset, we note the Supreme Court has long held that “[l]aws of nature,

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natural phenomena, and abstract ideas are not patentable.” *Alice Corp. Pty. Ltd. v. CLS Bank Intern.*, 134 S. Ct. 2347, 2354 (2014) (quoting *Assoc. for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2116 (2013)). The “‘abstract ideas’ category embodies ‘the longstanding rule that ‘[a]n idea, by itself, is not patentable.’” *Id.* at 2355 (quoting *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972)).

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.” *Id.* at 2355 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1296–97 (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.*

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*, 132 S. Ct. at 1298, 1297). 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.* (alteration in original) (quoting *Mayo*, 132 S. Ct. at 1294). 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).

Turning to the first step of the *Alice* inquiry, we agree with the Examiner that Appellants' claims are directed to an abstract idea of "receiving information, comparing at least a portion of the information, and manipulating information by generating a request and transmitting the information by outputting a request and making a transaction." Ans. 7. All the steps recited in Appellants' claims, including, for example: (i) "receiving the information," (ii) "comparing at least a portion of the information," (iii) "automatically determining," (iv) "automatically generating," (v) and "outputting the request" are abstract processes of receiving, comparing, determining, generating, and outputting data.

Turning to the second step of the *Alice* inquiry, we find nothing in Appellants' claims that adds anything "significantly more" to transform them into a patent-eligible application. *Alice*, 134 S. Ct. at 2357. The claimed steps are ordinary steps in data analysis and are recited in an ordinary order.

For at least the reasons stated in the Answer, we are not persuaded by Appellants' unsupported attorney argument that the "second remote backend computer" is made up of "special-purpose and specially configured computer components." App. Br. 4–5. Appellants point to paragraphs 5, 22, 23, and 56 of the Specification to support their arguments, but these paragraphs do not explain how the "second remote backend computer" works or how it operates as a "special-purpose" computer. Rather, the Specification describes this computer as one that "may utilize multiple [computer processing units]" and may "run in a text-based environment or a Windows or Windows-like environment." *See Spec.* ¶ 37, Fig. 1. Thus, contrary to Appellants' assertions, the Specification does not describe the "second remote backend computer" as made up of special-purpose and

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specially configured computer components, but rather, as a general-purpose computer that includes generic components. As a result, none of the hardware recited by the claims “offers a meaningful limitation beyond generally linking ‘the use of the [method] to a particular technological environment,’ that is, implementation via computers.” *Alice* 134 S. Ct. at 1291 (quoting *Bilski*, 561 U. S. at 610–11).

Appellants argue that “by incorporating [pre-calculated price information] into the claimed system, the Appellant has further improved the speed at which a computer trading system is able to generate requests for market transactions, thereby increasing the automatic trading response time.” App. Br. 8; *see also* Reply Br. 2 (arguing the same). Yet, limiting an abstract concept of “receiving information, comparing at least a portion of the information, and manipulating information by generating a request and transmitting the information by outputting a request and making a transaction” to a general purpose computer having generic components, such as the “second remote backend computer” recited in Appellants’ claims, does not make the abstract concept patent-eligible under 35 U.S.C. § 101. As recognized by the Supreme Court, “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 id.* at 2359 (concluding claims “simply instruct[ing] the practitioner to implement the abstract idea of intermediated settlement on a generic computer” are not patent eligible); *see also Ultramercial*, 772 F.3d at 715–16 (claims merely reciting abstract idea of using advertising as currency as applied to particular technological environment of the Internet are not patent eligible); *Accenture Global Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1344–45 (Fed. Cir. 2013) (claims reciting “generalized software components arranged to

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implement an abstract concept [of generating insurance-policy-related tasks based on rules to be completed upon the occurrence of an event] on a computer” are not patent eligible); *Dealertrack, Inc. v. Huber*, 674 F.3d 1315, 1333–34 (Fed. Cir. 2012) (“[s]imply adding a ‘computer aided’ limitation to a claim covering an abstract concept, without more, is insufficient to render [a] claim patent eligible”).

Contrary to Appellants’ arguments (*see* App. Br. 4, 6–7, 9; Reply Br. 2, 4), the claims are neither rooted in computer technology as outlined in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014), nor do they seek to improve any type of computer capabilities, such as a “self-referential table for a computer database” outlined in *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016). The “second remote backend computer” recited in Appellants’ claims, at most, “is dedicated solely to performing certain automated trading functions” that were traditionally performed by “the backend [computer] equipment” of conventional trading systems. App. Br. 5 (emphasis omitted) (citing Spec. ¶ 5). “But merely ‘configur[ing]’ [a] generic computer[] in order to ‘supplant and enhance’ an otherwise abstract manual process is precisely the sort of invention that the *Alice* Court deemed ineligible for patenting.” *See Credit Acceptance Corp. v. Westlake Servs.*, 859 F.3d 1044, 1056 (Fed. Cir. 2017 (alteration in original)).

Because Appellants’ claims are directed to a patent-ineligible abstract concept and do not recite something “significantly more” under the second prong of the *Alice* analysis, we sustain the Examiner’s rejection of these claims under 35 U.S.C. § 101 as being directed to non-statutory subject matter in light of *Alice* and its progeny.

CONCLUSION

On the record before us, we conclude Appellants have not demonstrated the Examiner erred in rejecting claims 1–37 under 35 U.S.C. § 101.

DECISION

We affirm the Examiner’s rejection of claims 1–37.

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).

AFFIRMED