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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte WENHUI LIAO,
MASOUD MAKREHCHI, and SAMEENA SHAH

Appeal 2017-000616[1]
Application 13/836,520[2]
Technology Center 3600

Before MURRIEL E. CRAWFORD, JOSEPH A. FISCHETTI, and MATTHEW S. MEYERS, *Administrative Patent Judges*.

MEYERS, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 1, 2, 4–11, and 13–22. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

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[1] Our Decision references Appellants' Appeal Brief ("Appeal Br.," filed April 11, 2016) and Reply Brief ("Reply Br.," filed October 10, 2016), the Examiner's Answer ("Ans.," mailed August 23, 2016), and Final Office Action ("Final Act.," mailed October 9, 2015).

[2] Appellants identify Thomson Reuters Global Resources as the real party in interest (Appeal Br. 2).

CLAIMED INVENTION

Appellants' claims "relate to mining messages provided over networks for references to successful risk/return-related decisions such as indications of successful securities trades. The risk/return-related messages are analyzed to identify messaging users that regularly or semiregularly generate messages having references to risk/return-related decisions" (Spec. ¶ 2).

Claims 1, 13, and 19 are the independent claims on appeal. Claim 1 reproduced below (with bracketed lettering added), is illustrative of the subject matter on appeal:

> 1. A computer-implemented method for facilitating an assessment of future performance of an item or entity, the method comprising:
>
> [a] accessing, using a computing device having a processor and a memory, a plurality of social media messages from a message source comprising a platform that enables users to share information with groups of other users through a network;
>
> [b] identifying, within the plurality of messages and using the processor, a plurality of predictive trading-related messages relating to the item or entity, wherein the plurality of predictive trading-related messages originates from a set of messaging users;
>
> [c] identifying, within the set of messaging users and using the processor, a first return advisor and a second return advisor by analyzing the plurality of predictive trading-related messages;
>
> [d] evaluating, using the processor, a performance of the first return advisor, wherein evaluating the performance of the first return advisor comprises analyzing a first set of predictive trading-related messages generated by the first return advisor;
>
> [e] evaluating, using the processor, a performance of the second return advisor, wherein evaluating the performance of the second return advisor comprises analyzing a second set of

predictive trading-related messages generated by the second return advisor;

[f] assigning, using the processor, a ranking to the first return advisor and a ranking to the second return advisor, wherein the rankings are based on the performances of the first and second return advisors;

[g] storing the rankings in the memory;

[h] performing an assessment of the future performance of the item or entity based on the rankings;

[i] providing a securities trade decision recommendation based on at least the assessment of the future performance of the item or entity; and

[j] generating, using the securities trade decision recommendation, at least one of a securities portfolio and a securities fund.

REJECTION

Claims 1, 2, 4–11, and 13–22 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

ANALYSIS

Appellants argue claims 1, 2, 4–11, and 13–22 as a group (*see* Appeal Br. 9–13; *see also* Reply Br. 1–5). We select independent claim 1 as representative. The remaining claims stand or fall with claim 1. *See* 37 C.F.R. § 41.37(c)(1)(iv).

Alice Corp. Pty. Ltd. v. CLS Bank International, 134 S. Ct. 2347 (2014) identifies a two-step framework for determining whether claimed subject matter is judicially-excepted from patent eligibility under § 101.

According to *Alice* step one, "[w]e must first determine whether the claims at issue are directed to a patent-ineligible concept," such as an abstract idea. *Alice*, 134 S. Ct. at 2355.

> The "directed to" inquiry . . . cannot simply ask whether the claims *involve* a patent-ineligible concept, because essentially every routinely patent-eligible claim involving physical products and actions *involves* a law of nature and/or natural phenomenon—after all, they take place in the physical world. *See Mayo* [*Collaborative Servs. v. Prometheus Labs. Inc.*, 566 U.S. 66, 71 (2012)] ("For all inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas.") Rather, 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." *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed.Cir.2015); *see Genetic Techs. Ltd. v. Merial L.L.C.*, 818 F.3d 1369, 1375, 2016 WL 1393573, at *5 (Fed.Cir.2016) (inquiring into "the focus of the claimed advance over the prior art").

Enfish, LLC v. Microsoft Corp., 822 F.3d 1327, 1335 (Fed. Cir. 2016). "The 'abstract idea' step of the inquiry calls upon us to look at the 'focus of the claimed advance over the prior art' to determine if the claim's 'character as a whole' is directed to excluded subject matter." *Affinity Labs of Texas, LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1257 (Fed. Cir. 2016) (citing *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016)); *Enfish*, 822 F.3d at 1335.

In rejecting independent claim 1, the Examiner determines the claims are directed to "a method of organizing human activity such as that identified in *Alice* and *Planet Bingo*" (Final Act. 4), and more particularly, "directed to the abstract idea of performance evaluation" (Ans. 3). The Examiner takes the position that "the abstract idea is an attempt to solve the problem of 'capturing and benefitting from, an individuals' insight over an extended period of time'" (*id.* (citing Spec. ¶ 1)).

In response, Appellants argue that "[t]he Examiner has failed to make a *prima facie* showing that the claims are directed to an abstract method of organizing human activity" (Appeal Br. 9 (emphasis omitted); *see also* Reply Br. 3–4). We cannot agree.

By way of background, the Examiner determines the claims are "directed to evaluating performance as evidenced" based on a portion of independent claim 1 which recites: " . . . evaluating, . . . , a performance of the first/second return advisor . . . comprises analyzing a first set of predictive trading-related messages generated by the first/second return advisor; assigning . . . a ranking to the . . . advisor, performing an assessment of the future performance" (Final Act. 3). In making this determination, the Examiner states

> the accessing and identifying steps are merely data gathering steps and are considered insignificant extra[-]solution activity as is the storing step, none of which may be considered unconventional. The additional limitation of claim 1 of providing a securities trade decision recommendation is merely a transmission of information and is a conventional post-solution activity to data gathering and processing steps. Generating a securities portfolio or fund based on a recommendation is also a post-solution activity conventional in the field.

(*Id.* at 4). Thus, we determine initially the Examiner has adequately articulated that the claims are directed to an abstract idea.

To the extent Appellants argue that the Examiner erred in adequately supporting this determination by "simply conclud[ing]–without any rationale–that the claims are directed to evaluating performance and that evaluating performance is a method of organizing human activity" (Appeal Br. 9; *see also* Reply Br. 3–4), we are unpersuaded. In this regard, there is no requirement that examiners must provide evidentiary support in every

case before a conclusion can be made that a claim is directed to an abstract idea. *See, e.g.*, para. IV, "JULY 2015 UPDATE: SUBJECT MATTER ELIGIBILITY" to 2014 INTERIM GUIDANCE ON PATENT SUBJECT MATTER ELIGIBILITY (2014 IEG), 79 Fed. Reg. 74618 (Dec. 16, 2014):

> The courts consider the determination of whether a claim is eligible (which involves identifying whether an exception such as an abstract idea is being claimed) to be *a question of law*.[] Accordingly, courts do not rely on evidence that a claimed concept is a judicial exception, and in most cases resolve the ultimate legal conclusion on eligibility without making any factual findings.

(Emphasis added.) We agree that evidence may be helpful in certain situations where, for instance, facts are in dispute. But it is not always necessary. Based on the above analysis set forth by the Examiner, we are unpersuaded it is necessary in this case.

Instead, we need only look to other decisions where similar concepts were previously found abstract by the courts. *See Amdocs (Israel) Limited v. Openet Telecom, Inc.*, 841 F.3d 1288, 1294 (Fed. Cir. 2016) ("Instead of a definition [for what an 'abstract idea' encompasses], then, the decisional mechanism courts now apply is to examine earlier cases in which a similar or parallel descriptive nature can be seen—what prior cases were about, and which way they were decided.")

To that end, as noted above, the Examiner determines the claims are directed to "the abstract idea of performance evaluation" (Ans. 3), and includes steps for analyzing messages, ranking, and performing an assessment of future performance (*see* Final Act. 3). Broadly, we agree that the Examiner is correct in articulating that the claims are directed to an abstract idea.

According to Appellants' Specification,

> the present invention facilitate enhanced assessments of the future performance of an item or entity through the actions and analysis of multiple decision makers particularly in view of their individual successes. For example, embodiments of the present invention relate to mining messages provided over networks for references to successful risk/return-related decisions such as indications of successful securities trades. The risk/return-related messages are analyzed to identify messaging users that regularly or semiregularly generate messages having references to risk/return-related decisions. These messaging users are referred to herein as return advisors. In embodiments, the return advisors are evaluated and ranked based on potential returns associated with their risk/return-related decisions, which may also be evaluated and/or ranked. These rankings may be used to provide risk/return-related services.

(Spec. ¶ 2). The Specification further discloses that "capturing, and benefiting from, an individual's insight over an extended period of time has been difficult to accomplish" (*id.* ¶ 3). And, taking independent claim 1 as representative, the claimed subject matter is generally directed to "[a] computer-implemented method for facilitating an assessment of future performance of an item or entity" including steps for "accessing . . . messages," "identifying, within the plurality of messages . . . , a plurality of predictive trading-related messages relating to the item or entity, wherein the plurality of predictive trading-related messages originates from a set of messaging users," "identifying, within the set of messaging users . . . , a first return advisor and a second return advisor by analyzing the plurality of predictive trading-related messages," "evaluating . . . a performance of the first [and second] return advisor[s]" by analyzing a set of messages generated by each advisor, "assigning . . . a ranking to the first [and second] return advisor[s] . . . based on the[ir] performances," "storing the rankings,"

"performing an assessment of the future performance of the item or entity based on the rankings," "providing a securities trade decision recommendation based on at least the assessment," and "generating . . . a securities portfolio [or] a securities fund" based on the recommendation (*see* Appeal Br. 15, Claims App'x.).

In this regard, we find that the claims are more precisely directed to a method of assessing the future performance of an item or entity based on performance evaluation in order to create a transaction, although we do not discern that any gap between this finding and that of the Examiner is of any substantive significance. Furthermore, we are persuaded that either articulation of what the claims are "directed to" is a method of organizing human activity, which, like the concept of risk hedging in *Bilski*, falls squarely within the realm of abstract ideas. *See Alice*, 134 S. Ct. at 2356; Bilski v. Kappos, 561 U.S. 593, 611 (2010); *see also Accenture Glob. Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1339 (Fed. Cir. 2013) (claim to maintaining an "insurance transaction database containing information related to an insurance transaction decomposed into a plurality of levels" and "allowing an authorized user to edit . . . and to update the information related to the insurance transaction" held to be an abstract idea).

We are not persuaded by Appellants' argument that the Examiner erred by overgeneralizing the claims in determining that the claims are broadly directed to "evaluating performance" in light of *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016) and *McRO, Inc. v. Bandai Namco Games America Inc.*, 837 F.3d 1299 (Fed. Cir. 2016) (*see* Reply Br. 1–3; *see also* Appeal Br. 11–12). More particularly, Appellants argue that "broadly characterizing Appellant[s'] claims as being directed to 'evaluating

performance' is legal error in view of *Enfish* because the claims recite features that are either directed to concepts not embodied by 'evaluating performance' or that are specific steps for 'evaluating performance'" (*id.* at 2). However, other than quoting the limitations of claim 1 (*see id.*), Appellants do not adequately explain in their briefs why the Examiner erred in characterizing the claim as being directed to the abstract idea of "performance evaluation" (Ans. 3) by analyzing messages, ranking, and performing an assessment of future performance (*see* Final Act. 3).

In *Enfish*, the court explained, "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, we find the present claims are plainly of the second category, and the "focus of the claims," is on "evaluating performance" (Final Act. 3) by analyzing messages, ranking, and performing an assessment of future performance (*see id.*), or more precisely, assessing the future performance of an item or entity based on performance evaluation in order to create a transaction, and the recited generic computer elements "are invoked merely as a tool." *Id.* Thus, we find the present claims are not similar to the "self-referential table" in *Enfish*, which was a "specific improvement to the way computers operate" or the "specific asserted improvement in computer animation, i.e., the automatic use of rules of a particular type" held to be not abstract in *McRO*.

Appellants further argue that "the Examiner has not pointed to any court or art-recognized explanation showing it to be conventional to provide 'a securities trade recommendation *based on at least the assessment of the*

future performance of the item or entity'" (Appeal Br. 11). However, we agree with the Examiner that it is well-known that "[i]nvestors typically perform research or receive recommendations based upon the research of others" when trading securities. *See, e.g., Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1354 (Fed. Cir. 2016) (claims held to be directed to an abstract idea where "[t]he advance they purport to make is a process of gathering and analyzing information of a specified content, then displaying the results, and not any particular assertedly inventive technology for performing those functions."). We also note that merely combining abstract ideas does not render the combination any less abstract. *Cf. Shortridge v. Found. Constr. Payroll Serv., LLC*, No. 14-CV-04850-JCS, 2015 WL 1739256 (N.D. Cal. Apr. 14, 2015), aff'd, 655 F. App'x 848 (Fed. Cir. 2016).

Thus, because we find that what independent claim 1 is "directed to" is similar to other claims found by the courts to be "directed to" abstract ideas, we are unpersuaded that the Examiner erred in asserting that independent claim 1 is directed to an abstract idea.

Turning to the second step of the framework, we find unpersuasive Appellants' argument that the claims "recite an 'inventive concept'–here, a combination of steps or functions–that amounts to significantly more than simply 'evaluating performance'" (Appeal Br. 10 (citing *Alice*, 134 S. Ct. at 2355)). More particularly, Appellants argue that "the Examiner's characterization of Appellants' claims as being directed to 'evaluating performance' is improper for ignoring several claim features–and as a result, Appellants' claims necessarily recite an "inventive concept' that goes

beyond merely 'evaluating performance'" (Appeal Br. 10; *see also* Reply Br. 3).

However, Appellants' argument does not establish that the argued limitations add inventiveness, as opposed to the application of conventional, well-known analytical steps. *See Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 716 (Fed. Cir. 2014) ("[T]he claimed sequence of steps comprises only 'conventional steps, specified at a high level of generality,' which is insufficient to supply an 'inventive concept.'") (Citing *Alice*, 134 S. Ct. at 2357) (internal citations omitted). Nor do Appellants provide evidence that the programming related to each of their process steps entails anything atypical from conventional programming.

We also note there is no indication in the record that any specialized computer hardware or other "inventive" computer components are required. In this regard, we note that the Specification discloses utilizing either "specialized computing devices or general-purpose computing devices" (Spec. ¶ 19). Thus, independent claim 1 merely employs generic computer components to perform generic functions, specified at a high level of generality, which is not enough to transform an abstract idea into a patent-eligible invention. *See Ultramercial*, 772 F.3d at 715–16 (holding "routine additional steps such as updating an activity log, requiring a request from the consumer to view the ad, restrictions on public access, and use of the Internet" insufficient to render patent eligibility). Also, considered as an ordered combination, we are unclear as to how these computer components add anything that is not already present when the steps of the method are considered separately.

Appellants last argue that an inventive concept can be found in the combination of elements, analogous to the situation in *Bascom Global Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016) (*see* Reply Br. 3). However, Appellants do not persuasively explain how, and we do not see how, Appellants' claims parallel the claims in *Bascom*, which recited a "non-conventional and non-generic arrangement of known, conventional pieces" within a network, the arrangement of elements being "a technical improvement over the prior art ways of filtering." *Bascom*, 827 F.3d at 1350.

In view of the foregoing, we sustain the Examiner's rejection under 35 U.S.C. § 101 of independent claim 1, and claims 2, 4–11, and 13–22, which fall with independent claim 1.

DECISION

The Examiner's rejection of claims 1, 2, 4–11, and 13–22 under 35 U.S.C. § 101 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)(1)(iv).

AFFIRMED