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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte MICHAEL A. JOPLIN[1]

Appeal 2017-000658
Application 14/169,819
Technology Center 3600

Before ANTON W. FETTING, MICHAEL C. ASTORINO, and ROBERT J. SILVERMAN, *Administrative Patent Judges.*

FETTING, *Administrative Patent Judge.*

DECISION ON APPEAL

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[1] According to Appellant, the real party in interest is Michael A. Joplin. Appeal Br. 1.

STATEMENT OF THE CASE[2]

Michael A. Joplin (Appellant) seeks review under 35 U.S.C. § 134 of a final rejection of claims 1–20, the only claims pending in the application on appeal. We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b).

The Appellant invented a way of processing debt portfolios. Specification para. 3.

An understanding of the invention can be derived from a reading of exemplary claims 1, 8, and 15, which are reproduced below (bracketed matter and some paragraphing added).

> 1. A method of forming an organization, comprising:
>
> [1] transferring legal title of a charged off debt portfolio from a first organization to a second organization,
>
> wherein the debt portfolio comprises a plurality of debt accounts,
>
> and
>
> wherein the first organization claims an equity sharecash flow participation right in the second organization as a positive financial asset;
>
> [2] evaluating worth of the debt portfolio according to a valuation scheme;
>
> [3] creating a collection plan based on the evaluation;
>
> [4] performing collection activities according to the collection plan resulting in collected funds;

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[2] Our decision will make reference to the Appellant's Appeal Brief ("Br.," filed May 31, 2016) and the Examiner's Answer ("Ans.," mailed July 29, 2016), and Final Action ("Final Act.," mailed May 1, 2015).

and

[5] providing at least a portion of the collected funds to the first organization as income to the first organization.

8. A method of evaluating a debt portfolio, comprising:

[1] receiving a debt portfolio having a plurality of accounts;

[2] identifying predictive data for one or more of the plurality of accounts;

[3] comparing one or more accounts in the debt portfolio to one or more accounts in a debt collection history based on the predictive data;

and

[4] determining a predicted collection value based on the comparing the one or more accounts in the debt portfolio to the one or more accounts in the debt collection history.

15. A system, comprising:

a memory having computer-executable instructions encoded thereon;

and

at least one processor functionally coupled to the memory and configured, by the computer-executable instructions, for,

[1] receiving information of a debt portfolio from a first organization for a second organization,

wherein the information comprises account data for a plurality of accounts of the debt portfolio,

[2] evaluating the worth of the debt portfolio according to a valuation scheme,

[3] generating a collection plan based on the evaluation,

[4] receiving collection data indicative of funds collected by the second organization according to the collection plan,

and

[5] providing an instruction to transfer at least a portion of the funds collected by the second organization to the first organization as income to the first organization.

The Examiner relies upon the following prior art:

White	US 2002/0198796 A1	Dec. 26, 2002
Tilton	US 2003/0101120 A1	May 29, 2003
O'Neil	US 2004/0044604 A1	Mar. 4, 2004
Shao	US 7,191,150 B1	Mar. 13, 2007
Carroll	US 2009/0024881 A1	Jan. 22, 2009

Brenna, *Understanding the Bad Bank,* McKinsey & Company, http://www.mckinsey.com/insights/financial_services/understanding_the_bad_bank (2009).

Investopedia, *CFA Level 1 - Fixed Income Investments: 14.23 - Mortgage-Backed Securities (MBS)*" Investopedia http://www.investopedia.com/exam-guide/cfa-level-1/fixed-income-investments/mbs-mortgage-backed-securities.asp (2008).

Betancourt, *How Companies Are Using Your Social Media Data*, http:/web.archive.org/web/20100305034812/http://mashable.com (2010).

myFico, *myFICO*, http://web.archive.org/web/ 20080410012721/ http://www.myfico.com (2014).

Sichelman, *Lenders May Closely Monitor Borrowers For Life of a Loan*, http://articles.latimes.com (2010).

Wikipedia, *Central Processing Unit*, http://web.archive.org/web/ 20090227014938 (2009).

Claims 1–20 stand rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

Claims 1–3 and 6 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Brenna, and White.

Claim 4 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Brenna, White, and O'Neil.

Claim 5 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Brenna, White, and Investopedia.

Claim 7 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Brenna, White, and Betancourt.

Claim 8 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton and Carroll.

Claim 9 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Carroll, and O'Neil.

Claim 10 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Carroll, O'Neil, and myFICO.

Claim 11 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Carroll, O'Neil, and Sichelman.

Claim 12 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Carroll, and Betancourt.

Claim 13 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Carroll, Betancourt, and Shao.

Claim 14 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Carroll, and Shao.

Claim 15 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Wikipedia, Carroll, and White.

Claims 16, 17, and 19 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Wikipedia, Carroll, White, and Brenna.

Claim 18 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Wikipedia, Carroll, White, and O'Neil.

Claim 20 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Wikipedia, Carroll, White, and Shao.

ISSUES

The issues of eligible subject matter turn primarily on whether the claims recite more than abstract conceptual advice of what a computer is to provide without implementation details.

The issues of obviousness turn primarily on whether the art describes the claim limitations.

FACTS PERTINENT TO THE ISSUES

The following enumerated Findings of Fact (FF) are believed to be supported by a preponderance of the evidence.

Facts Related to the Prior Art

Tilton

01. Tilton is directed to asset securitization. Tilton para. 3.

02. Tilton describes securitizing a portfolio of at least 30% (and up to 100%) distressed commercial credit facilities, such that all of the securities above the equity or equity-like tranches issued by a bankruptcy-remote special purpose entity to finance the acquisition of the portfolio of distressed commercial credit facilities are eligible to receive investment grade ratings Tilton para. 3.

03. Securitization of distressed credit facilities has previously generally been unavailable as an alternative for lenders. In a traditional securitization of commercial or corporate credit facilities and/or high yield loans, a portfolio of generally performing credit facilities, characterized generally by regular cash flows and predictable recoveries, is sold by a lender or lenders to a bankruptcy-remote special purpose entity (an "SPE," e.g., a bankruptcy-remote special purpose trust, corporation or limited liability company) that finances the purchase by issuing asset-backed securities, (e.g., notes or bonds) and equity and/or equity-like securities to its investors. "Bankruptcy remote", as

used herein, has the meaning common in securitization transactions of an entity which, due to governance provisions in its organizational documents, agreements with equity owners and creditors, or other measures, is less likely to be subject to a petition in bankruptcy than a normal operating company. The underlying pool of generally performing credit facilities is used to secure or collateralize the asset-backed securities issued to investors in the SPE and/or to the lender or lenders from whom the credit facility pool is acquired. Heretofore, securitizations of commercial credit facilities or high yield bonds have been comprised principally of relatively high quality collateral with predictable and scheduled interest and principal payments, thus assuring predictable and regular cash flows and recoveries. The asset-backed senior and mezzanine debt instruments issued by the SPE in a securitization of such commercial credit facilities or high yield bonds are known to have received investment grade ratings (e.g., ratings of Baa2/BBB-, or better) from credit rating agencies (e.g. S&P, Moody's Investor Services ("Moody's") and Fitch, Inc. ("Fitch")) based upon the predictable, regular stream of cash flows (i.e., interim payments of interest and principal) and the predictable recoveries (i.e., actual aggregate payouts of interest and principal) generated by the underlying debt asset pool, resulting in a high degree of certainty that the SPE can meet in a timely manner all of its debt service obligations, including principal and interest. The achievement of such investment grade ratings for the asset-backed senior and mezzanine debt securities

issued by the SPE allows the SPE to finance the acquisition of the credit facility portfolio on a cost-effective basis (investment grade securities generally bearing a significantly lower interest rate than non-investment grade securities and generally being more easily sold in the marketplace). Tilton para. 11.

04. A liquidation analysis may be performed for various asset classes of the borrower by inputting low and high estimates of recovery value for each asset category. These estimates are often based on historical studies of liquidation recoveries for particular asset classes by industry, written appraisals or other documentation included in the loan documentation, estimates obtained from professional liquidators or other experts, and the experience of the collateral manager. Tilton para. 102.

05. A field may be provided for the anticipated or actual equity kicker date (if any) for each loan (e.g., the date the borrower is sold to a third party, or is recapitalized or the borrower has its debt restructured), and a field 1054 may be provided for the anticipated or actual value (if any) of the equity kicker for each loan. As used by Tilton, "equity kicker" has its common meaning in lending parlance, namely an interest in the equity of the borrower (e.g., capital stock, membership or partnership interests, or warrants, options or other rights to acquire an equity interest, which are obtained in connection with a restructuring or refinancing of existing debt or the issuance of new debt, or in connection with the granting of a forbearance, waiver, forgiveness of debt or other

accommodation, or an interest calculated with reference to the borrower's profits or the performance of its equity). Tilton para. 115.

06. After the collateral manager enters collateral value estimates, a workout strategy, and workout parameters for each of the loans in each credit facility in the distressed credit facility portfolio, a loan valuation is calculated for each loan. Tilton para. 116.

07. Tilton describes several accounts used in a computer model of cash flow waterfalls (Tilton Fig. 25) within the overall modelling process (Tilton Fig. 18). Tilton para. 147.

Brenna

08. Brenna is directed to explaining a "Bad Bank." Brenna Title.

09. Brenna describes bad banks. A bank divides its assets into two categories. Into the bad pile go the illiquid and risky securities that are the bane of the banking system, along with other troubled assets such as nonperforming loans. For good measure, the bank can toss in non-strategic assets from businesses it wants to exit, or assets it simply no longer wants to own as it seeks to lessen risk and deleverage the balance sheet. What are left are the good assets that represent the ongoing business of the core bank. By segregating the two, the bank keeps the bad assets from contaminating the good. So long as the two are mixed, investors and counterparties are uncertain about the bank's financial health and performance, impairing its ability to borrow, lend, trade, and raise capital. The bad-bank concept has been used with great

success in the past and has today become a valuable solution for banks seeking shelter from the financial crisis. Brenna 1.

10. There are still economic losses and risks on the balance sheet that must be shared between the good- bank and bad-bank investors. Brenna 2: para. 4.

White

01. White is directed to debt collection. White para. 1.

02. White describes increasing collections from a set of debt including determining a collection model for a set of debt owed by a set of debtors, approximating of a cost of debt collection. White para. 6.

03. White describes increasing collections from a set of debt including determining a collection model for a set of debt owed by a set of debtors, determining an approximate cost of debt collection, and selecting a compensation package from a plurality of compensation packages payable to a collection entity for the set of debt in accordance with the approximate cost of debt collection and the collection model of the set of debt. White para. 7.

04. White describes increasing collections from a set of debt including inputting a collection model for a set of debt owed by a set of debtors into a computer, inputting an approximate cost of debt collection into the computer, performing a calculation to determine plural commission rates payable to a collection entity for the set of debt in accordance with a cost of collecting the set of

debt and the collection model of the set of debt using the computer, and outputting the plural commission rates. White para. 8.

Carroll

05. Carroll is directed to debt valuation systems. Carroll para. 2.

06. Carroll describes debt evaluation for acquisition including providing a seller with an assessment mechanism for a debt portfolio, receiving from the seller a proposed price and debt account information for the debt portfolio based on the use of the assessment mechanism, and determining whether to acquire the debt portfolio based on the use of the assessment mechanism. Carroll para. 8.

07. Carroll describes assessing a portfolio of debt accounts using an assessment mechanism including collecting debt account information regarding at least one debt account, storing the debt account information in an account record, creating a debt portfolio, wherein the debt portfolio includes at least one debt account, and valuating the debt portfolio, wherein a valuation results in a proposed price for the debt portfolio. Carroll para. 9.

08. For the seller, the process of selling a debt portfolio to the buyer may include various phases, including gathering charged-off account information, grouping accounts into a portfolio, soliciting quotes, and final negotiations and sale. The charged-off account information required to sell a debt portfolio may be detailed and must meet the requirements of the buyer. The information

> required for each charged-off account may include the details about the customer, co-debtor if applicable, account terms, payments, security, charge-off, and lender. The seller may group various charged-off accounts into a portfolio at the seller's discretion. During this process, a less sophisticated seller may not have an accurate estimate of the market value of the portfolio until the seller receives quotes from potential buyers. Sellers may form relationships with particular buyers and may prefer to negotiate with previous buyers of their portfolios. Carroll para. 39.

ANALYSIS

Claims 1–20 rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter

Method claim 1 recites transferring legal title, evaluating worth, creating a collection plan, performing collection activities, and providing funds. Thus, claim 1 recites a legal action and financial actions, none of which rely on a computer or any other structure. Method claim 8 recites receiving a debt portfolio, identifying predictive data and using that data for comparing account, and determining some value based on the comparison. Thus, claim 8 recites financial actions, none of which rely on a computer or any other structure. System claim 15 recites receiving debt portfolio information, evaluating portfolio worth, generating a collection plan, receiving collection data, and providing some instruction to transfer funds. Thus, claim 15 recites receiving, analyzing, and transmitting data. Data reception, analysis and modification, and transmission are all generic, conventional data

processing operations to the point they are themselves concepts awaiting implementation details. The sequence of data reception-analysis-transmission is equally generic and conventional. The ordering of the steps is therefore ordinary and conventional. None of the limitations recite implementation details for any of these steps, but instead recite functional results to be achieved by any and all possible means. Legal actions and financial activities are all generic, conventional operations upon abstract entities such as legal documents and numbers. The sequence of such activities is equally generic and conventional. The ordering of the steps is therefore ordinary and conventional. The remaining claims merely describe legal and accounting actions, with no implementation details.

The Supreme Court

> set forth a framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts. First, [] determine whether the claims at issue are directed to one of those patent-ineligible concepts. [] If so, we then ask, "[w]hat else is there in the claims before us? [] To answer that question, [] consider the elements of each claim both individually and "as an ordered combination" to determine whether the additional elements "transform the nature of the claim" into a patent-eligible application. [The Court] described step two of this analysis as a 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."

Alice Corp., Pty. Ltd. v CLS Bank Intl, 134 S. Ct. 2347, 2355 (2014) (citing *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66 (2012)).

To perform this test, we must first determine whether the claims at issue are directed to a patent-ineligible concept. The Examiner finds the claims directed to segregating underperforming assets from an asset pool without giving up the beneficial economic ownership of such assets. Final Act. 3.

Although the Court in *Alice* made a determination as to what the claims were directed to, we find that this case's claims themselves and the Specification provide enough information to inform one as to what they are directed to.

The preamble to claim 1 recites that it is a method of forming an organization. The steps in claim 1 result in providing at least a portion of the collected funds to the first organization as income to the first organization. The preamble to claim 8 recites that it is a method of evaluating a debt portfolio. The steps in claim 8 result in determining a predicted collection value based on the comparing the one or more accounts in the debt portfolio to the one or more accounts in the debt collection history. The preamble to claim 15 does not recite what it is directed to, but the steps in claim 15 result in gathering collection data and transmitting an instruction to transfer some of the collections. The Specification at paragraph 3 recites that the invention relates to processing debt portfolios. Thus, all this evidence shows that claims 1, 8, and 15 are directed to processing debt portfolios, i.e. debt management and collection. This is consistent with the Examiner's finding.

It follows from prior Supreme Court cases, and *Bilski* (*Bilski v Kappos*, 561 U.S. 593 (2010)) in particular, that the claims at issue here are directed

to an abstract idea. Like the risk hedging in *Bilski*, the concept of debt management and collection is a fundamental economic practice long prevalent in our system of commerce. For evidence one has to only look at banking systems since before the Medici's. The use of debt management and collection is also a building block of ingenuity in finance. Thus, debt management and collection, like hedging, is an "abstract idea" beyond the scope of §101. *See Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2356.

As in *Alice Corp. Pty. Ltd.*, we need not labor to delimit the precise contours of the "abstract ideas" category in this case. It is enough to recognize that there is no meaningful distinction in the level of abstraction between the concept of risk hedging in *Bilski* and the concept of debt management and collection at issue here. Both are squarely within the realm of "abstract ideas" as the Court has used that term. *See Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2357.

Further, claims focused on 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 the claims focused on "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 1 and 8, unlike the claims found non-abstract in prior cases, does not even use generic computer technology to perform data retrieval, analysis, and transmission and does not recite an improvement to a particular computer technology. *See*, e.g., *McRO, Inc. v.*

Bandai Namco Games Am. Inc., 837 F.3d 1299, 1314–15 (Fed. Cir. 2016) (finding claims not abstract because they "focused on a specific asserted improvement in computer animation.") As such, claim 1 is even more so directed to the abstract idea of receiving, analyzing, and transmitting data for not even reciting automated support.

The remaining claims merely describe legal and accounting actions. We conclude that the claims at issue are directed to a patent-ineligible concept.

The introduction of a computer into the claims would not alter the analysis at *Mayo* step two.

> [T]he mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention. Stating an abstract idea "while adding the words 'apply it'" is not enough for patent eligibility. Nor is limiting the use of an abstract idea "'to a particular technological environment.'" Stating an abstract idea while adding the words "apply it with a computer" simply combines those two steps, with the same deficient result. Thus, if a patent's recitation of a computer amounts to a mere instruction to "implement[t]" an abstract idea "on . . . a computer," that addition cannot impart patent eligibility. This conclusion accords with the preemption concern that undergirds our §101 jurisprudence. Given the ubiquity of computers, wholly generic computer implementation is not generally the sort of "additional featur[e]" that provides any "practical assurance that the process is more than a drafting effort designed to monopolize the [abstract idea] itself."

Alice Corp. Pty. Ltd., 134 S. Ct. at 2358 (citations omitted).

"[T]he relevant question is whether the claims here do more than simply instruct the practitioner to implement the abstract idea [] on a generic computer." *Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2359. They do not.

But the instant method claims do not even recite using any form of automation. As to the system claims, taking the claim elements separately, the function performed by the computer at each step of the process is purely conventional. Using a computer to receive, analyze, and transmit data amounts to electronic data query and retrieval—one of the most basic functions of a computer.

Taking the claim elements separately, the function performed at each step of the process is purely conventional. The claims recite data query and retrieval—one of the most abstract set of operations. The limitation of providing funds is not an active step, but may be no more than noting some purpose for funds. All of these computer functions are well-understood, routine, conventional activities previously known to the industry. *See Elec. Power Grp. v. Alstom S.A., supra. See also In re Katz Interactive Call Processing Patent Litig.,* 639 F.3d 1303, 1316 (Fed. Cir. 2011) ("Absent a possible narrower construction of the terms 'processing,' 'receiving,' and 'storing,' . . . those functions can be achieved by any general purpose computer without special programming."). In short, each step does no more than require a generic computer to perform generic computer functions. As to the data operated upon, "even if a process of collecting and analyzing information is 'limited to particular content' or a particular 'source,' that limitation does not make the collection and analysis other than abstract." *SAP Am. Inc. v. InvestPic LLC*, 890 F.3d 1016, 1022 (Fed. Cir. 2018).

Considered as an ordered combination, the components of Appellant's method add nothing that is not already present when the steps are considered separately. The sequence of data reception-analysis-transmission is equally generic and conventional or otherwise held to be abstract. *See Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014) (sequence of receiving, selecting, offering for exchange, display, allowing access, and receiving payment recited an abstraction), *Inventor Holdings, LLC v. Bed Bath & Beyond, Inc.*, 876 F.3d 1372, 1378 (Fed. Cir. 2017) (sequence of data retrieval, analysis, modification, generation, display, and transmission), *Two-Way Media Ltd. v. Comcast Cable Commc'ns, LLC*, 874 F.3d 1329, 1339 (Fed. Cir. 2017) (sequence of processing, routing, controlling, and monitoring). The ordering of the steps is therefore ordinary and conventional.

Viewed as a whole, Appellant's method claims simply recite the concept of debt management and collection as performed by generic clerical operations. To be sure, the claims recite doing so by advising one to transfer title, perform analysis, somehow provide funds, and let one know the results. But this is no more than abstract conceptual advice on the parameters for such debt management and collection and the generic clerical processes necessary to process those parameters, and do not recite any particular implementation.

The method claims do not, for example, purport to improve the functioning of financial technology itself. Nor do they effect an improvement in any other technology or technical field. The 30 pages of specification spell out different generic equipment and parameters that might

be applied using this concept and the particular steps such conventional processing would entail based on the concept of debt management and collection under different scenarios. They do not describe any particular improvement in the manner a computer functions. Instead, the claims at issue amount to nothing significantly more than an instruction to apply the abstract idea of debt management and collection using some unspecified, generic clerical operations. Under our precedents, that is not enough to transform an abstract idea into a patent-eligible invention. *See Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2360.

We adopt the Examiner's findings and determinations from Final Action 2–4 and Answer 3–10 and reach similar legal conclusions. In particular, we are not persuaded by Appellant's argument that "[T]he Examiner failed to show that it is a fundamental economic principle to transfer charged off assets in the manner described in claim 1." Br. 10. Transferring charged off assets is a bookkeeping activity and as such is abstract, as any bookkeeping entry per se is. Some technological mechanism for performing bookkeeping may be non-abstract, but the entry resulting and the idea of making the entry is perceptible only to the human mind.

Further, we are not persuaded by Appellant's argument that the claims recite an equity share and providing funds. Br. 11. Few concepts are more abstract than those of equity shares and funds. Neither are tangible and both rely on human belief in the underlying legal systems for any credibility. Thus they are the height of abstract concepts perceptible only to the human mind.

As to arguments regarding preemption, we note that although preemption may be the concern driving the exclusion of abstract ideas from patent-eligible subject matter, preemption is not the test for eligibility. "The Supreme Court has made clear that the principle of preemption is the basis 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).

We are not persuaded by Appellants' argument that "[t]hese claim recitations are not merely generic hardware or steps, but instead are specific steps and meaningful limitations that transform the claims into patentable subject matter." Br. 13. This argument is entirely conclusory and ignores the underlying fact that all of the steps are conventional clerical operations that may be performed with paper and pencil. The steps are specific only in the sense they are specified using language. They recite no specific technological implementation, which is what it means to be specific in an eligible subject matter sense.

> Features such as network streaming and a customized user interface do not convert the abstract idea of delivering media content to a handheld electronic device into a concrete solution to a problem. The features set forth in the claims are described and claimed generically rather than with the specificity necessary to show how those components provide a concrete solution to the problem addressed by the patent.
>
> In particular, claim 14 requires a "network based delivery resource," but that does not make the claim a patent-eligible implementation of an abstract idea. The specification makes clear that any technology capable of wireless communication of audio information to the device would be covered. *See* '085

> patent, col. 4, ll. 41-45 ("The present invention advantageously allows for several different embodiments of wirelessly communicating selected audio information to [an] electronic device . . . and is not limited to any specific configuration described below.")

Affinity Labs of Texas, LLC v. Amazon.com Inc., 838 F.3d 1266, 1271 (2016).

Claims 1–3 and 6 rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Brenna, and White

We are persuaded by Appellant's argument that the references fail to describe "the first organization claims an equity share cash flow participation right in the second organization as a positive financial asset." Br. 15–16. The Examiner cites Brenna 2: para. 4. Final Act. 6. This portion of Brenna only describes sharing economic losses and risks on the balance sheet.

Claim 8 rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton and Carroll

We are not persuaded by Appellants' argument that "[t]he use of generalized estimates of asset classes for recovery value, as taught in *Tilton*, is clearly not equivalent to the claimed comparison of individual accounts to collection history data." Br. 17. This argument is not commensurate with the scope of the claim. The claim does not narrow the manner of comparison and in particular does not recite doing so on an individual account by account basis. The claim only recites "comparing one or more

accounts in the debt portfolio to one or more accounts in a debt collection history." Claim 8. Doing so in aggregate or in any other means is within the scope of the claim.

Claim 15 rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Wikipedia, Carroll, and White

We are persuaded by Appellants' argument that the references "do not teach providing an instruction to transfer at least a portion of the funds collected by the second organization to the first organization as income to the first organization." Br. 17–18. The Examiner finds that Tilton paragraph 147 describes this. Final Act. 20. This paragraph describes a modelling process, not a payment process.

Claim 4 rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Brenna, White, and O'Neil

This claim depends from claim 1.

Claim 5 rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Brenna, White, and Investopedia

This claim depends from claim 1.

Claim 7 rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Brenna, White, and Betancourt

This claim depends from claim 1.

Claim 9 rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Carroll, and O'Neil

This claim depends from claim 8 and is argued accordingly.

Claim 10 rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Carroll, O'Neil, and myFICO

This claim depends from claim 8 and is argued accordingly.

Claim 11 rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Carroll, O'Neil, and Sichelman

This claim depends from claim 8 and is argued accordingly.

Claim 12 rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Carroll, and Betancourt

This claim depends from claim 8 and is argued accordingly.

Claim 13 rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Carroll, Betancourt, and Shao

This claim depends from claim 8 and is argued accordingly.

Claim 14 rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Carroll, and Shao

This claim depends from claim 8 and is argued accordingly.

Claims 16, 17, and 19 rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Wikipedia, Carroll, White, and Brenna

These claims depend from claim 15 and are argued accordingly.

Claim 18 rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Wikipedia, Carroll, White, and O'Neil

This claim depends from claim 15 and is argued accordingly.

Claim 20 rejected under 35 U.S.C. § 103(a) as unpatentable over Tilton, Wikipedia, Carroll, White, and Shao

This claim depends from claim 15 and is argued accordingly.

CONCLUSIONS OF LAW

The rejection of claims 1–20 under 35 U.S.C. § 101 as directed to non-statutory subject matter is proper.

The rejection of claims 1–3 and 6 under 35 U.S.C. § 103(a) as unpatentable over Tilton, Brenna, and White is improper.

The rejection of claim 4 under 35 U.S.C. § 103(a) as unpatentable over Tilton, Brenna, White, and O'Neil is improper.

The rejection of claim 5 under 35 U.S.C. § 103(a) as unpatentable over Tilton, Brenna, White, and Investopedia is improper.

The rejection of claim 7 under 35 U.S.C. § 103(a) as unpatentable over Tilton, Brenna, White, and Betancourt is improper.

The rejection of claim 8 under 35 U.S.C. § 103(a) as unpatentable over Tilton and Carroll is proper.

The rejection of claim 9 under 35 U.S.C. § 103(a) as unpatentable over Tilton, Carroll, and O'Neil is proper.

The rejection of claim 10 under 35 U.S.C. § 103(a) as unpatentable over Tilton, Carroll, O'Neil, and myFICO is proper.

The rejection of claim 11 under 35 U.S.C. § 103(a) as unpatentable over Tilton, Carroll, O'Neil, and Sichelman is proper.

The rejection of claim 12 under 35 U.S.C. § 103(a) as unpatentable over Tilton, Carroll, and Betancourt is proper.

The rejection of claim 13 under 35 U.S.C. § 103(a) as unpatentable over Tilton, Carroll, Betancourt, and Shao is proper.

The rejection of claim 14 under 35 U.S.C. § 103(a) as unpatentable over Tilton, Carroll, and Shao is proper.

The rejection of claim 15 under 35 U.S.C. § 103(a) as unpatentable over Tilton, Wikipedia, Carroll, and White is improper.

The rejection of claims 16, 17, and 19 under 35 U.S.C. § 103(a) as unpatentable over Tilton, Wikipedia, Carroll, White, and Brenna is improper.

The rejection of claim 18 under 35 U.S.C. § 103(a) as unpatentable over Tilton, Wikipedia, Carroll, White, and O'Neil is improper.

The rejection of claim 20 under 35 U.S.C. § 103(a) as unpatentable over Tilton, Wikipedia, Carroll, White, and Shao is improper.

DECISION

The rejection of claims 1–20 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). *See* 37 C.F.R. § 1.136(a)(1)(iv) (2011).

AFFIRMED