



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

Table with columns: APPLICATION NO., FILING DATE, FIRST NAMED INVENTOR, ATTORNEY DOCKET NO., CONFIRMATION NO., EXAMINER, ART UNIT, PAPER NUMBER, NOTIFICATION DATE, DELIVERY MODE. Includes application details for XSENSUS LLP and examiner NGUYEN, THUY-VI THI.

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

- anaquadocketing@Xsensus.com
Arlene.Hudgens@Xsensus.com
Faith.Baggett@xsensus.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte DIANNA LEE SERIO¹

Appeal 2017-000962
Application 12/904,713
Technology Center 3800

Before MURRIEL E. CRAWFORD, HUBERT C. LORIN, and JOSEPH A. FISCHETTI, *Administrative Patent Judges*.

CRAWFORD, *Administrative Patent Judge*.

DECISION ON APPEAL

¹ According to Appellant, the real party in interest is CORELOGIC SOLUTIONS, LLC. Appeal Br. 2.

STATEMENT OF THE CASE

Appellant seeks our review under 35 U.S.C. § 134 of the Examiner's final decision rejecting claims 11–17 and 19–26. We have jurisdiction over the appeal under 35 U.S.C. § 6(b).

BACKGROUND

Appellant's invention is directed to system and method for monitoring events associated with a person or property. Spec. 1.

Claim 11 is illustrative:

11. A non-transitory computer storage medium having instructions that when executed by a computer perform a method of monitoring lien activity recorded against real property, the method comprising:
storing information pertaining to the real property in a database;
receiving a request from a subscriber to monitor for recorded lien activity, the request including a property identifier associated with the real property, the request including a request for reporting a transaction associated with lien activity for the real property, the lien activity defined by a plurality of lien-related criterion;
iteratively monitoring the database with a processor for a presence of the transaction associated with lien activity for the real property; and
transmitting a notification to a device when the transaction associated with the lien activity is detected, wherein the lien activity is one of a tax lien, and a recorded real property financing document.

The Examiner relies on the following prior art reference as evidence of unpatentability:

Chapman	US 2002/0169747 A1	Nov. 14, 2002
Sealand	US 6,484,176 B1	Nov. 19, 2002
Morris	US 2008/0281648	Nov. 13, 2008

Appellant appeals the following rejection:

Claims 11–17 and 19–26 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to a judicial exception.

Claim 11 is rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 11 and 19–22 are rejected under 35 U.S.C. § 103 as being unpatentable over Chapman, in view of Sealand, and in view of Morris.

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.*, 132 S. Ct. 1289, 1296–97 (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, 594–595 (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 Comm’s 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).

ANALYSIS

Rejection under 35 U.S.C. § 101

The Examiner holds that the claims are directed to the abstract idea of lien monitoring. Final Act. 8. The Examiner also determines that the claims recite the collection and comparing of known information and comparing new and stored information and using rules to identify options which have been found to be abstract ideas. Ans. 4–5.

The Examiner found that the claims do not include additional elements that are sufficient to amount to significantly more than the judicial exception because the computer as recited is a generic computer component that performs generic computer functions. Final Act. 8.

We are not persuaded of error on the part of the Examiner by Appellant’s argument that the claimed invention is not directed to an abstract idea because it is not directed to a fundamental economic practice, a method

of organizing human activities, ideas or mathematical relationships and formulas. Specifically Appellant argues that the claimed concept is not identified as an abstract idea by a court. We agree with the Examiner that the claims are directed to the collection and comparing of known information and comparing new and/or stored information and using rules to identify options which is an abstract idea. As such, even if the Appellant is correct, that the claimed invention is not directed to a fundamental economic practice, a method of organizing human activities, ideas or mathematical relationships or formulas, it is directed to an abstract idea on this basis. We note that Appellant admits at page 12 of the Brief that the claims are directed to receiving, storing, extracting, scanning, flagging, creating data files and transferring data. As the Examiner clearly stated that the claims are directed to collection and comparing of known information and comparing new and stored information and using rules to identify options, the Examiner did, contrary to the argument of Appellant, identify the exception and clearly established a *prima facie* case for showing that the claims are directed to patent ineligible subject matter.

We are not persuaded of error on the part of the Examiner by Appellant's argument that the claims do not tie up the use of the entire abstract concept to which the limitations are directed. 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. 2015), cert. denied, 136 S. Ct. 701, 193 (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.

Appellant’s arguments that the claims are not taught or suggested by the art are also not persuasive of error on the part of the Examiner. To the extent Appellant maintains that the limitations of claim 1 necessarily amount to “significantly more” than an abstract idea because the claimed apparatus is allegedly patentable over the prior art, Appellant misapprehends 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*, 132 S. Ct. at 1304.

We are not persuaded of error on the part of the Examiner by Appellant’s argument that the invention claimed solves problems associated with or improves the technological process of monitoring events. Appellant argues that the claimed invention addresses the challenge of keeping a person or property owner up to date when someone has placed or failed to remove a “cloud” on her/his name or property. However, the improvements that the Appellants direct our attention to are not improvements to the computer or how the computer stores and processes the data and are in fact

part of the abstract idea itself of storing, receiving, monitoring and transmitting data.

In view of the foregoing, we will sustain the rejection of claim 11 under 35 U.S.C. § 101. We will also sustain this rejection as it is directed to claims 12 and 17 because the Appellant argues that the arguments advanced in regard to this rejection as it is directed to claim 11 also apply to claims 12 and 17. We will also sustain this rejection as it is directed to the remaining claims because the Appellant has not argued the separate patent eligibility of these claims.

Rejection under 35 U.S.C. § 112, second paragraph

The Examiner determined that the claims are indefinite because it is unclear how the transaction presence presents itself i.e., if it is a recording, a flag, or an alert that a lien has been recorded.

Section 112, second paragraph, of 35 U.S.C. requires the applicant distinctly claim the subject matter which the applicant regards as his invention. In our view, claim 11 is broad enough to include any means of presenting the transaction presence including but not limited to a flag, signal or an alert. We agree with Appellant that there is no requirement that the claims recite how the presence of the transaction is presented. Thus, claim 11 is simply broad, and “breadth is not to be equated with indefiniteness.”

In re Miller, 441 F.2d 689, 693 (CCPA 1971).

In view of the foregoing, we will not sustain this rejection.

Rejection under 35 U.S.C. § 103

We will not sustain this rejection because we agree with the Appellant that there would have been no reason to combine the teachings of the applied references.

The Examiner's proposed modification to Herava's device is "more than the simple substitution of one known element for another or the mere application of a known technique to a piece of prior art ready for the improvement." *See KSR*, 127 S. Ct. at 1740. The Supreme Court stated that when the claimed subject matter involves "more than the simple substitution of one known element for another or the mere application of a known technique to a piece of prior art ready for the improvement," then an apparent reason to combine the known elements in the fashion claimed must be shown. *Id.* The Court explained:

Often, it will be necessary for a court to look to interrelated teachings of multiple patents; the effects of demands known to the design community or present in the marketplace; and the background knowledge possessed by a person having ordinary skill in the art, all in order to determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue.

Id. at 1740–41. The Court noted that "[t]o facilitate review, this analysis should be made explicit." *Id.* (citing *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006) ("[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness")).

The Examiner has failed to set forth a reason with a rational underpinning as to why one of ordinary skill in the art would have been led to combine the method of the Chapman system that monitors a user's credit report with the disparate teachings in Sealand of a database of real estate listings. As such, we will not sustain this rejection.

The Examiner's Answer neither repeats, nor discusses, the double patenting rejection or the rejection of claims 12-17 and 23-27 under 35 U.S.C. § 103(a) as being unpatentable over Chapman in view of Descoux. We, therefore, conclude the rejection has been withdrawn. Any rejection not repeated and discussed in the answer may be taken by the Board as having been withdrawn. *Ex Parte Emm*, 118 USPQ 180 (Bd. App. 1957).

DECISION

We affirm the Examiner's § 101 rejection.

We do not affirm the Examiner's rejection under § 112, second paragraph.

We do not affirm the Examiner's rejection under § 103 of claims 11 and 19-22 as being unpatentable over Chapman, Sealand and Morris.

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