UNITED STATES PATENT AND TRADEMARK OFFICE

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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 NIKHIL A. ADVANI, GEORGE E. SILOS, and
CHERYL ANN REESE

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Appeal 2017-002096
Application 14/139,944
Technology Center 3600

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Before JEAN R. HOMERE, MICHAEL J. STRAUSS, and
PHILLIP A. BENNETT, *Administrative Patent Judges.*

STRAUSS, *Administrative Patent Judge.*

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134(a) from a rejection of claims 1–20. App. Br. 1. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

THE INVENTION

The claims are directed to providing income payments to an investor. Spec., Title. Claim 1, reproduced below, is representative of the claimed subject matter:

> 1. A computerized method for providing guaranteed income payments to an investor, the computerized method comprising:
> receiving, via a processing device, information from a client device over a communications network, the information representing at least a current age of the investor, a desired income start date, a desired income payment amount, and a premium payment amount;
>
> receiving, via the processing device, a premium payment instruction from the investor;
>
> executing, via the processing device, operations to place at least a portion of the premium payment into a first investment sleeve by electronically exchanging data with one or more financial institution server computers to access and allocate assets of the investor, the one or more financial institution server computers communicatively coupled to the processing device;
>
> calculating, via the processing device, a waiting period representing the difference between the investor's current age and the desired income start date;
>
> automatically transferring, via the processing device, during the waiting period and according to a predefined event, a portion of the premium payment from the first investment sleeve to a second investment sleeve comprised of annuities by electronically communicating the automatic transferring to the one or more financial institution server computers, wherein the portion of the premium payment transferred between the first and the second sleeves is calculated by the at least one computing

device as a function of a time remaining in the waiting period
and the desired income amount; and

     presenting, by the processing device, to the investor one or
more income payments from the annuities in the second sleeve
according to the desired income payment amount.

REJECTIONS

Claims 1–20 stand rejected on the ground of non-statutory double
patenting over claims 1–18 of U.S. Patent No. 8,311,924 and claims 1–16 of
U.S. Patent No 8,645,255. Non-Final Act. of Sept. 25, 2014, p. 3; Final Act.
2.

Claims 1–20 stand rejected under 35 U.S.C. § 101 as directed to a
judicial exception (i.e., a law of nature, a natural phenomenon, or an abstract
idea) and, thereby, non-statutory. Final Act. 2–9; Ans. 2–5.

OPINION

Appellants' arguments are unpersuasive of reversible Examiner error.
We adopt as our own (1) the findings and reasons set forth by the Examiner
in the action from which this appeal is taken (Final Act 2–9; Ans. 2–5) and
(2) the reasons set forth by the Examiner in the Examiner's Answer in
response to Appellants' Appeal Brief (Ans. 6–13), and concur with the
conclusions reached by the Examiner. We highlight the following for
emphasis.

Double Patenting

Rather than contest the double patenting rejection, Appellants have
submitted a terminal disclaimer which has yet to be approved. Final Act. 2.
Accordingly, we summarily affirm the rejection of claims 1–20 on the

ground of non-statutory double patenting over claims 1–18 of U.S. Patent
No. 8,311,924 and claims 1–16 of U.S. Patent No 8,645,255.

35 U.S.C. § 101

Examiner's Findings and Conclusion of Ineligibility

In rejecting the claims under 35 U.S.C. § 101, the Examiner
determines the claims are directed to an abstract idea because they recite a
"system and method optimizing investment fund allocation for an
application." Final Act. 3. In setting forth this determination, the Examiner
finds "[t]he limitations in the claims that describe abstract ideas are
'receiving,' 'executing,' 'calculating,' 'transferring,' and 'presenting' steps
[that] describe[] steps for transferring [a] premium and providing desired
income from the investment sleeve.[1]" Final Act. 5. The Examiner finds
the claims are directed to a fundamental economic practice (providing
desired income to investor based on premium received from the investor), a
mathematical formula (calculating a waiting period and presenting income
payments to the investor), and a method of organizing human activity
(transferring premium to and between investment sleeves), all of which have
been previously held by courts to be examples of abstract ideas. Final Act.
3–8.

The Examiner also determines the claims do not amount to
significantly more than the abstract idea because the combination of steps
amounts to only the use of a generic computer to implement the abstract
idea. Ans. 4, 6–8. The Examiner further explains that the use of the

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[1] "An investment sleeve is an account managed by one or more money
managers, or, in the alternative, the account is managed by the investor."
Spec. ¶ 29.

computer, including a processor and memory, and use of a computer network in Appellants' claims are described with a high level of generality and perform well-known functions of a computer and computer network. Ans. 9–10. The Examiner concludes "there are no meaningful limitations in the claim that transform the judicial exception into a patent eligible application such that the claim amounts to significantly more than the judicial exception itself." Ans. 10.

Appellants' Contentions

Appellants assert several errors in the Examiner's analysis. Appellants argue "the claims, when taken as a whole, amount to more than simply applying the abstract idea on the Internet or a general purpose computer." App. Br. 7. Appellants argue the steps of exchanging data with financial institution server computers, calculating a waiting period, and communicating automated transfer instructions to the financial computer server computers "amount to significantly more than simply 'transferring premium to and in between two investment sleeve based on predetermined conditions and presenting desired income to the investors,' as asserted by the Examiner, because they add meaningful limits on the transferring." App. Br. 9. According to Appellants, "[t]he claim does not merely recite the transferring in isolation, but integrates these ideas into establishing a communication protocol with financial institution server computers." *Id.* Appellants argue the transferring and communicating of data with and between server computers constitute a protocol that "provides a running application on the processing device and establishes communication with the financial institution server computers for the automatic transfers." *Id.*

According to Appellants, "[t]he totality of the steps act in concert to improve another technical field, specifically the field of computer networking. Thus, the claim amounts to significantly more than transferring premium payments." App. Br. 10.

Appellants further argue "[w]hile the steps are performed by a computing device, the Examiner provided no evidence that 'routine and conventional' activity is the same as the process required by the claims." Reply Br. 4. According to Appellants, "the presently claimed invention goes beyond 'routine and conventional' activities as evinced by the fact that there remains only a patentable subject matter rejection under 35 USC 101 and no prior art based rejections." Reply Br. 5.

Legal Standard for Patent-Eligibility

In issues involving subject-matter eligibility, our inquiry focuses on whether the claims satisfy the two-step test set forth by the Supreme Court in *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347 (2014). The Supreme Court instructs us to "first determine whether the claims at issue are directed to a patent-ineligible concept," *Alice*, 134 S. Ct. at 2355, and, in this case, whether the claims are directed to an abstract idea.

If the initial threshold is met, we then move to the second step, in which we "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." *Id.* (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 79, 78 (2012)). The Supreme Court describes the second step 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.'" *Id.* (quoting *Mayo*, 566 U.S. at 72–73).

Analysis

Here, the Examiner characterizes the invention as being directed to the abstract idea of "'transferring premium to and in between two investment sleeve[s] based on predetermined conditions and presenting desired income to the investors.'" Final Act. 7. This characterization is supported by the evidence. For example, Appellants' Specification describes the invention as "computerized methods and systems for investing premium payments received from an investor and providing income payments to the investor beginning at a predefined time." Spec. ¶ 3. The Examiner's characterization of the invention is also supported by Appellants' flowchart drawing depicted in Figure 1, which depicts "steps . . . for providing income payments to an investor." Spec. ¶ 22. These descriptions in the Specification are consistent with the Examiner's characterization of the invention to which the claims are directed, and neither do Appellants allege, nor do we discern, error in this determination that the claims are directed to an abstract idea.

We also agree with the *Alice* step 2 determination made by the Examiner. Final Act. 6–7; Ans. 9–13. The additional elements include a processing (i.e., computing) device coupled over a network to a client device. Final Act. 6. The Examiner finds the processing or computing device is "a generic recitation of a computer performing basic, generic computer functions . . . [that] do not amount to significantly more than the judicial exception." Final Act. 7. Furthermore, the Examiner finds "[t]he computer network is also recited at a high level of generality with the only

required function of communicating and exchanging data with corresponding financial institution, which is a well-known routine function of computer network." Ans. 9. The Examiner cites to relevant court decisions including *Bancorp Servs., L.L.C. v. Sun Life Assur. Co. of Can. (U.S.)*, 687 F.3d 1266, 1278 (Fed. Cir. 2012) (a computer "employed only for its most basic function . . . does not impose meaningful limits on the scope of those claims"), *LendingTree, LLC v. Zillow, Inc.*, 656 F. App'x 991, 997 (Fed. Cir. 2016) (holding ineligible claims to a computerized method of speeding up a loan-application process), *Alice*, 134 S. Ct. at 2358 ("[T]he mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention"), and *OIP Technologies, Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1363 (Fed. Cir. 2015) ("[R]elying on a computer to perform routine tasks more quickly or more accurately is insufficient to render a claim patent eligible."). Ans. 10. *See also buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1355 (Fed. Cir. 2014) ("That a computer receives and sends the information over a network—with no further specification—is not even arguably inventive."); and *Ultramercial, Inc. v. Hulu LLC*, 772 F.3d 709, 715–16 (Fed. Cir. 2014) (claims merely reciting abstract idea of using advertising as currency as applied to particular technological environment of the Internet not patent eligible).

In particular, there is no specific guidance in the Specification for how to program the computer to carry out the recited functions in the claims. Although the Specification provides detailed information regarding mathematical equations for determining transfer amounts, it does not provide any specific description of how to configure a computer to apply

and solve those equations. As such, the generalized use of the computer indicates that it "is employed only for its most basic function, the performance of repetitive calculations, and as such does not impose meaningful limits on the scope of those claims." *Bancorp*, 687 F.3d at 1278. *See also Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1367 (Fed. Cir. 2015) ("Nor, in addressing the second step of *Alice*, does claiming the improved speed or efficiency inherent with applying the abstract idea on a computer provide a sufficient inventive concept.").

Similarly, the Specification fails to provide details concerning the network of claim 1, merely disclosing that the various components of computer 402 may instead "be distributed throughout a network, such as the Internet, a wide area network, a local network or an intranet." Spec. ¶ 44. Thus, we find insufficient evidence that the claims are directed to improving the technical field of computer networking as argued by Appellants. App. Br. 10.

Furthermore, we are unpersuaded by Appellants' argument that the claims are not technologically routine and conventional because they are not rejected over art. Reply Br. 5. Although novelty is a factor to be considered when determining "whether the claims contain an 'inventive concept' to 'transform' the claimed abstract idea into patent-eligible subject matter" (*Ultramercial*, 772 F.3d at 715), a finding of novelty or nonobviousness does not necessarily lead to the conclusion that subject matter is patentable eligible. "Groundbreaking, innovative, or even brilliant discovery does not by itself satisfy the § 101 inquiry." *Ass'n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2117 (2013). Here, Appellants have

not shown novel features that transform the abstract idea into patent-eligible subject matter.

For the reasons discussed including (i) the absence of disclosure of technical details of the system and (ii) similarity of the claims to those found ineligible in prior decisions, we agree with the Examiner in finding the computer components and communications network are used in Appellants' claims only for their most basic functions, the performance of repetitive calculations using well-known operations and communicating information between systems. Accordingly, we are not persuaded the Examiner erred in finding the claims lack eligibility under *Alice* step 2. Therefore, we sustain the rejection of claims 1–20 under 35 U.S.C. § 101.

DECISION

We affirm the Examiner's rejection of claims 1–20 as set forth above.

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).

AFFIRMED