



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

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
12/335,217	12/15/2008	Francis E. De Sena	GLH 08-907358	9677
27667	7590	11/09/2018	EXAMINER	
HAYES SOLOWAY P.C. 4640 E. Skyline Drive TUCSON, AZ 85718			IWARERE, OLUSEYE	
			ART UNIT	PAPER NUMBER
			3687	
			NOTIFICATION DATE	DELIVERY MODE
			11/09/2018	ELECTRONIC

**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):

admin@hayes-soloway.com  
nsoloway@hayes-soloway.com  
dlandau@hayes-soloway.com

UNITED STATES PATENT AND TRADEMARK OFFICE

---

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

*Ex parte* FRANCIS E. DE SENA, FRANK FAZIO, and JEFF E. NANTAIS

---

Appeal 2017-002743  
Application 12/335,217  
Technology Center 3600

---

Before ANTON W. FETTING, JOSEPH A. FISCHETTI, and  
MICHAEL C. ASTORINO, *Administrative Patent Judges*.  
FETTING, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE<sup>1</sup>

Francis E. De Sena, Frank Fazio, and Jeff E. Nantais (Appellants) seek review under 35 U.S.C. § 134(a) of the Examiner’s Final Rejection of claims 42–79, the only claims pending in the application on appeal. Claims 1–41 have been cancelled. We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b).

---

<sup>1</sup> Our decision will make reference to the Appellants’ Appeal Brief (“App. Br.,” filed April 8, 2016) and Reply Brief (“Reply Br.,” filed December 6, 2016), and the Examiner’s Answer (“Ans.,” mailed October 7, 2016), and Final Action (“Final Act.,” mailed August 10, 2015).

The Appellants invented a form of mortgage transaction management and reporting. Specification para. 1.

An understanding of the invention can be derived from a reading of exemplary claim 42, which is reproduced below (bracketed matter and some paragraphing added).

42. A computer-implemented method of providing mortgage reporting and management through a network, the method comprising:

[1] receiving, by a processor, and storing, in computer-readable media at least partially accessible through the electronic network,

mortgage information associated with a mortgage;

[2] generating, by the processor, at least one mortgage report using said mortgage information;

[3] issuing said at least one mortgage report;

[4] displaying a real-time status of said mortgage;

[5] provisioning real-time interactive input through the network, by a plurality of authorized parties,

to update said mortgage information and said real-time status,

each of said plurality of authorized parties having predefined privileges for accessing and updating data;

and

[6] responding to authorization from a solicitor,

by generating, storing and issuing a certified, secure mortgage registration report

in real-time to said plurality of authorized parties.

Claims 42–79 stand rejected under 35 U.S.C. § 101 as directed to a judicial exception without significantly more.

## 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.

## ANALYSIS

Method claim 42 recites receiving mortgage data, generating and issuing a report, displaying a real time status of a mortgage, providing real time interactive input to update mortgage data, and storing and issuing a report in real time in response to authorization. Thus, claim 42 recites receiving, analyzing, modifying, displaying, and transmitting data. 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. Data reception, analysis and modification, and display 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-modification-display-transmission is equally generic and conventional. The ordering of the steps is therefore ordinary and conventional. The remaining claims merely describe parameters for reporting and the parties soliciting the reports, 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 financial reporting. Final Act. 2.

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 42 recites that it is a method of providing mortgage reporting and management through a network. The steps in claim 42 result in generating a mortgage registration report. The Specification at paragraph 1 recites that the invention relates to mortgage transaction management and reporting. Thus, all this evidence shows that claim 42 is directed to mortgage transaction reporting, i.e., financial reporting. 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 financial reporting is a fundamental economic practice long prevalent in our system of commerce. The use of financial reporting is also a building block of ingenuity in business management. Thus, financial reporting, like hedging, is an “abstract idea” beyond the scope of §101. *See Alice*, 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 financial reporting at issue here. Both are squarely within the realm of “abstract ideas” as the Court has used that term. *See Alice*, 134 S. Ct. at 2357.

Further, 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 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). Claim 42, unlike the claims found non-abstract in prior cases, uses generic computer technology to perform data retrieval, analysis, display, 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 42 is directed to the abstract idea of receiving, analyzing, displaying, and transmitting data.

The remaining claims merely describe parameters for reporting and the parties soliciting the reports. We conclude that the claims at issue are directed to a patent-ineligible concept.

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

the 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 feature[e]” that provides any “practical assurance that the process is more than a drafting effort designed to monopolize the [abstract idea] itself.”

*Alice*, 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*, 134 S. Ct. at 2359. They do not.

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, modify, display, and transmit data amounts to electronic data query and retrieval—one of the most basic functions of a computer. The limitation of the updates being in real time is not a step, but a recitation of frequency of reporting, *viz.* a desired outcome, which is aspirational.<sup>2</sup> The limitation of “each of said plurality of authorized parties having predefined privileges for accessing and updating data” is also not a step, but a recitation of attributes users might have, which is again aspirational. Further, nothing in the claim recites how the predefined privileges for accessing and updating data affects or is affected by the steps. And assigning predefined privileges for accessing and updating data has been conventional since the inception of multi-user systems such as UNIX. 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 Litigation*, 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

---

<sup>2</sup> Neither the claims nor the Specification define or provide guidance as to how “real time” relates to timing and frequency. The Specification describes only what the claim does, *viz.* presenting inputs in real time (para. 38) and viewing in real time (para. 39), without explaining what that means.

‘limited to particular content’ or a particular ‘source,’ that limitation does not make the collection and analysis other than abstract.” *SAP America Inc. v. InvestPic LLC*, 898 F.3d 1161, 1168 (Fed. Cir. 2018)

Considered as an ordered combination, the computer components of Appellants’ method add nothing that is not already present when the steps are considered separately. The sequence of data reception-analysis-modification-display-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 Communications, 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, Appellants’ method claims simply recite the concept of financial reporting as performed by a generic computer. To be sure, the claims recite doing so by advising one to receive data and report on a mortgage, and display real time status, accept real time inputs, and generate real time reports. But this is no more than abstract conceptual advice on the parameters for such financial reporting and the generic computer processes necessary to process those parameters, and do not recite any particular implementation, particularly as to the meaning and implementation of real time operation.

The method claims do not, for example, purport to improve the functioning of the computer itself. Nor do they effect an improvement in any other technology or technical field. The 26+ pages of specification spell out different generic equipment<sup>3</sup> and parameters that might be applied using this concept and the particular steps such conventional processing would entail based on the concept of financial reporting 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 financial reporting using some unspecified, generic computer. Under our precedents, that is not enough to transform an abstract idea into a patent-eligible invention. *See Alice*, 134 S. Ct. at 2360.

As to the structural claims, they

are no different from the method claims in substance. The method claims recite the abstract idea implemented on a generic computer; the system claims recite a handful of generic computer components configured to implement the same idea. This Court has long “warn[ed] . . . against” interpreting § 101 “in ways that make patent eligibility ‘depend simply on the draftsman’s art.’”

*Alice*, 134 S. Ct. at 2360.

We are not persuaded by Appellants' argument that

there are currently two independent claims on file, method claim 42 and system claim 58. Both of these claims include the

---

<sup>3</sup> The Specification at paragraph 104 describes the system as being executed by an appropriately programmed computer processor or similar device.

features of a physical computer system where data is updated and displayed in real-time, by "*a plurality of authorized parties ... each of said plurality of authorized parties having predefined privileges for accessing and updating data*". A generic computer system consisting of a number of interconnected computers can be used to communicate data between parties. But such a generic computer system would not be effective in the process of mortgage management. This explains why, until Appellant had conceived the claimed invention, there was no system for managing mortgages which had any significant presence in the marketplace. The claimed invention in contrast, sets out that the different parties authorized to access the systems, have different pre-defined privileges for accessing and updating data. Adding these restrictions to the functionality of the computers in the system turns the otherwise useless computer system, into a system that is useful for the management of mortgage reports. The claimed invention does not simply use generic computers in a conventional way, to automate the process of what was previously done by hand.

App. Br. 13. As we determined *supra*, the claims and Specification provide no definition or guidance for how frequently real time update occurs. In any event, absent implementation details this is abstract conceptual advice to perform operations in real time. Similarly, the claims do not recite the authorization for parties or how such authorization affects operation is implemented, and so is also abstract conceptual advice to use authorization as access control. Appellants do not explain why a generic computer system would not be effective in the process of mortgage management, and the Specification does not support this argument, as we find *supra*. The Specification only requires an appropriately programmed processor. As the specific programming implementation is unrecited, this allows for any and all forms of such programming. Appellants do not explain why a computer providing mortgage reports but absent such authorization features is not

useful, and indeed the Background section of the Specification describes using such reports historically. Adding authorization may marginally improve utility, but again, the claims only recite abstract conceptual advice to do so. More to the point, nothing in the claims recites how the predefined privileges for accessing and updating data affects or is affected by the steps, and so independent claims 42 and 58 do not recite “adding these restrictions to the functionality of the computers.” *Id.*

We are not persuaded by Appellants’ argument that

Examiner has not provided any substantial elaboration on how an “*abstract idea*” is defined, other than asserting that the claims “*essentially amount to an abstract idea of financial/mortgage reporting*”. Appellant has great difficulty seeing how a claim which recites multiple electrical devices (i.e.,] computers) interconnected over a physical communication network can be considered to be a mere “*idea*”.

App. Br. 13. We provide this analysis supra.

We are not persuaded by Appellants’ argument that

there are practical, physical outcomes to Appellant's claimed system, in the electronic display of information in real-time, and the generation of certified, secure reports. Both are generated by the claimed system, and both provide a physical, tangible result which sets the claimed invention apart from other pure software applications which simply process calculations. Thus, the invention is just as tangible and physical as any other patentable machine. An artisan may produce paper by hand, using a mortar and pestle, but surely a paper making machine is patentable. In the same way, Appellant submits that the claimed method and system are just as physical and tangible, and should be found allowable.

App. Br. 14. Again, simply using a tangible generic computer with display and printer to implement an abstract idea does not produce a non-abstract

outcome for patentability purposes. “When claims like the Asserted Claims are directed to an abstract idea and merely require generic computer implementation, they do not move into section 101 eligibility territory.” *Smart Systems Innovations, LLC v. Chicago Transit Authority*, 873 F.3d 1364 (2017) (citations and internal quotations omitted).

Intellectual Ventures argues that the “interactive interface” is a specific application of the abstract idea that provides an inventive concept. But nowhere does Intellectual Ventures assert that it invented an interactive interface that manages web site content. Rather, the interactive interface limitation is a generic computer element.

*Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1370 (2015).

Because the claims are directed to an abstract idea, the claims must include an “inventive concept” in order to be patent-eligible. No such inventive concept is present here. Instead, the claims “add” only generic computer components such as an “interface,” “network,” and “database.” These generic computer components do not satisfy the inventive concept requirement.

*Mortgage Grader, Inc. v. First Choice Loan Services Inc.*, 811 F.3d 1314, 1324–25 (2016)(internal citations and quotation marks omitted).

We are not persuaded by Appellants’ argument that the claims would not preempt the idea. App. Br. 15. “Where a patent’s claims are deemed only to disclose patent ineligible subject matter under the *Mayo* [*Alice*] framework, as they are in this case, preemption concerns are fully addressed and made moot.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015).

We are not persuaded by Appellants' argument that

features of a physical computer system where data is updated and displayed in real-time, by "*a plurality of authorized parties ... each of said plurality of authorized parties having predefined privileges for accessing and updating data*" at the very least is unconventional given that there are no outstanding novelty or obviousness objections in view of the prior art.

App. Br. 15. "A claim for a new abstract idea is still an abstract idea. The search for a § 101 inventive concept is thus distinct from demonstrating § 102 novelty." *Synopsys, Inc. v. Mentor Graphics Corporation*, 839 F.3d 1138, 1151 (Fed. Cir. 2016).

Appellants further argue that the asserted claims are akin to the claims found patent-eligible in *DDR Holdings, LLC v. Hotels.com, L.P.* 773 F.3d 1245 (Fed. Cir. 2014). App. Br. 16–17. In *DDR Holdings*, the Court evaluated the eligibility of claims "address[ing] the problem of retaining website visitors that, if adhering to the routine, conventional functioning of Internet hyperlink protocol, would be instantly transported away from a host's website after 'clicking' on an advertisement and activating a hyperlink." *Id.* at 1257. There, the Court found that the claims were patent eligible because they transformed the manner in which a hyperlink typically functions to resolve a problem that had no "pre-Internet analog." *Id.* at 1258. The Court cautioned, however, "that not all claims purporting to address Internet-centric challenges are eligible for patent." *Id.* For example, in *DDR Holdings* the Court distinguished the patent-eligible claims at issue from claims found patent-ineligible in *Ultramercial*. *See id.* at 1258–59 (citing *Ultramercial*, 772 F.3d 709, 715–16 (Fed. Cir. 2014)). As noted there,

the *Ulramercial* claims were “directed to a specific method of advertising and content distribution that was previously unknown and never employed on the Internet before.” *Id.* at 1258 (quoting *Ulramercial*, 772 F.3d at 715–16). Nevertheless, those claims were patent ineligible because they “merely recite[d] the abstract idea of ‘offering media content in exchange for viewing an advertisement,’ along with ‘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.’” *Id.*

Appellants’ asserted claims are analogous to claims found ineligible in *Ulramercial* and distinct from claims found eligible in *DDR Holdings*. The ineligible claims in *Ulramercial* recited “providing [a] media product for sale at an Internet website;” “restricting general public access to said media product;” “receiving from the consumer a request to view [a] sponsor message;” and “if the sponsor message is an interactive message, presenting at least one query to the consumer and allowing said consumer access to said media product after receiving a response to said at least one query.” 772 F.3d at 712. Similarly, Appellants’ asserted claims recite receiving, analyzing, modifying, displaying, and transmitting data. This is precisely the type of Internet activity found ineligible in *Ulramercial*.

Appellants contend

the claims of the invention set out specific technical changes (i.e., each party being assigned different, predetermined privileges for accessing and updating data) which are required to provide the needed functionality. The prior art did attempt to take an abstract business method from the pre-Internet world and implement it on a computer, but those attempts failed.

App. Br. 16–17. First the recited changes are advisory only as results to be achieved. No technological implementation details are recited, and they are specific only in the sense they are specified with words. The scope of each party being assigned different, predetermined privileges for accessing and updating data is open to any and all methods of implementation, and again, independent claims claim 42 and 58 do not recite how those privileges affect or are effected by the recited steps.

We are not persuaded by Appellants’ argument that several District Court and Patent Trial and Appeal Board cases held certain claims non-abstract. As those cases are factually different and are not controlling in the instant case, they are not persuasive.

#### CONCLUSIONS OF LAW

The rejection of claims 42–79 under 35 U.S.C. § 101 as directed to a judicial exception without significantly more is proper.

#### DECISION

The rejection of claims 42–79 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