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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte DAVID McCAFFREY

Appeal 2017-003882
Application 13/028,543
Technology Center 3600

Before JOHN A. EVANS, JOYCE CRAIG, and JASON M. REPKO,
Administrative Patent Judges.

CRAIG, *Administrative Patent Judge.*

DECISION ON APPEAL

Appellant¹ appeals under 35 U.S.C. § 134(a) from the Examiner's Non-Final Rejection of claims 1 and 3–13, which are all of the claims pending in this application.² We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

¹ According to Appellant, the real party in interest is Kalibrate Technologies PLC. Br. 2.

² Claims 2 and 14–21 have been canceled. Non-Final Act. 2.

INVENTION

Appellant's invention relates to fuel price data generation. Abstract.

Claim 1 is illustrative and reads as follows:

1. A computer-implemented method of generating fuel prices for each of a plurality of associated retail fuel sites, the method being implemented in a computer comprising a memory in communication with a processor, the method comprising:

receiving, as input to the processor, a total volume fuel sales target for said plurality of associated retail fuel sites, said total volume fuel sales target for said plurality of associated retail fuel sites providing a constraint for total fuel sales across the plurality of associated retail fuel sites;

processing, by the processor, said total volume fuel sales target for said plurality of associated retail fuel sites to generate respective volume fuel sales targets for each of said plurality of associated retail fuel sites, said respective volume fuel sales targets providing a respective constraint for each of the plurality of associated retail fuel sites, said processing comprising:

performing, by the processor, a first optimization process, the first optimization process taking as input said total volume fuel sales target and generating a first fuel price for each of said plurality of associated retail fuel sites, and

processing, by the processor, said generated first fuel prices for said plurality of associated retail fuel sites to generate said volume fuel sales targets for each of said plurality of associated retail fuel sites;

performing, by the processor, a second optimization process, the second optimization process taking as input said volume fuel sales targets for each of said plurality of associated retail fuel sites and generating second fuel prices for each of said plurality of associated retail fuel site; and

updating fuel prices at an associated retail fuel site based upon the generated second fuel prices.

REJECTION

Claims 1 and 3–13 stand rejected under 35 U.S.C. § 101 as directed to patent ineligible subject matter. Non-Final Act. 6.

ANALYSIS

We have reviewed the rejections of claims 1 and 3–13 in light of Appellant’s arguments that the Examiner erred. We have considered in this decision only those arguments Appellant actually raised in the Briefs. Any other arguments Appellant could have made, but chose not to make, in the Briefs are waived. *See* 37 C.F.R. § 41.37(c)(1)(iv). Appellant’s arguments are not persuasive of error. We agree with and adopt as our own the Examiner’s findings of facts and conclusions as set forth in the Answer (Ans. 2–12) and in the Action (Non-Final Act. 6–10) from which this appeal was taken. We provide the following explanation for emphasis.

In rejecting method claim 1, the Examiner concluded the claim is directed to an abstract idea of “updating fuel prices at a retail fuel site,” a concept involving human activity related to commercial practices. Non-Final Act. 8. The Examiner also concluded additional elements recited in claim 1 do not amount to significantly more than the abstract idea itself. *Id.* at 8–10; *see also* Ans. 6–10.

Appellant argues the Examiner’s analysis should have been “streamlined” because the claims do not preempt every application of the invention. Br. 7. Appellant also argues that claim 1 does not preempt all ways of updating fuel prices at a retail fuel site. *Id.* at 8. Appellant contends claim 1 is not directed to an abstract idea because claim 1 is similar to the claims at issue in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245

(Fed. Cir. 2014). *Id.* at 11–12, 14. Appellant further argues the Examiner provided insufficient evidence that claim 1 is directed to an abstract idea. *Id.* at 12. Appellant also argues that, because claim 1 has not been rejected over the prior art, it does not merely recite routine, conventional, or well-understood functionality. *Id.* at 9.

In *Alice*, the Supreme Court sets forth an analytical “framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014) (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 75–78 (2012)). The first step in the analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts,” such as an abstract idea. *Id.* If the claims are directed to a patent-ineligible concept, the second step in the analysis is to consider the elements of the claims “individually and ‘as an ordered combination’” to determine whether there are additional elements that “‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (quoting *Mayo*, 566 U.S. at 79, 77). In other words, the second step is to “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.* (brackets in original) (quoting *Mayo*, 566 U.S. at 71–72). The prohibition against patenting an abstract idea “‘cannot be circumvented by attempting to limit the use of the formula to a particular technological environment’ or adding ‘insignificant postsolution activity.’” *Bilski v. Kappos*, 561 U.S. 593, 610–11 (2010) (citation omitted).

Turning to the first step of the *Alice* inquiry, we agree with the Examiner that Appellant’s method claim 1 is directed to an abstract idea of “updating fuel prices at a retail fuel site.” Non-Final Act. 8.

We are not persuaded by Appellant’s argument that the claims should be subject to streamlined analysis because they do not “tie up” all ways of “updating fuel prices at a retail fuel site.” Br. 7. Section 1(B)(3) of the 2014 Interim Guidance on Patent Subject Matter Eligibility³ is available to the Examiner as a discretionary streamlined § 101 *Mayo/Alice* analysis. Section 1(B)(3) is explicit that “if there is doubt as to whether the applicant is effectively seeking coverage for a judicial exception itself, the full analysis should be conducted.” The Examiner choosing to perform a full § 101 *Mayo/Alice* analysis is not an error.

Appellant’s argument that the claims do not preempt all ways of performing such updating is also not persuasive. *See* Br. 8. Preemption is not the sole test for patent eligibility, and any questions on preemption in the instant case have been resolved by the Examiner’s *Mayo/Alice* analysis. As our reviewing court has explained: “questions on preemption are inherent in and resolved by the § 101 analysis,” and, although “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); *cf. OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015) (“[T]hat the claims do not preempt all price optimization or may be limited to price

³ 2014 Interim Guidance on Patent Subject Matter Eligibility, 79 Fed. Reg. 74618, 74625 (Dec. 16, 2014); *see also* MPEP § 2106.06 [R-08.2017].

optimization in the e-commerce setting do not make them any less abstract.”).

We are also not persuaded by Appellant’s argument that the Examiner erred by not articulating “the reasons the Examiner believes that the claims are directed to an abstract idea.” *See* Br. 12. Appellant cites *Ex parte Poisson*, Appeal 2012-011084 (PTAB Feb. 27, 2015), in support of the contention that the Examiner was required to provide supporting evidence for the conclusion that claim 1 is directed to an abstract idea. Br. 12.

Here, the Examiner made adequate findings of fact that the claims here simply substitute generic, well-known computer components for a human in performing price optimization and updating. *See* Ans. 6–8 (citing Fig. 3; *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1333 (Fed. Cir. 2015)). A plain reading of the rejection and response to arguments in the Answer shows the Examiner reviewed claim 1 as a whole with all its limitations. *See* Non-Final Act. 8; Ans. 4–8. Appellant did not file a Reply Brief, and has not persuasively rebutted the Examiner’s findings in the Answer. Moreover, we note that *Poisson* has not been designated as precedential by the Board and, therefore, we are not bound by it. *See* Patent Trial and Appeal Board, SOP 2 (rev. 9): Publication of opinions and designation of opinions as precedential, informative, representative, and routine, p. 4 (Sept. 22, 2014), <https://www.uspto.gov/sites/default/files/documents/sop2-revision-9-dated-9-22-2014.pdf> (“Every Board opinion is, by default, a routine opinion until it is designated as precedential or informative. . . A routine opinion is not binding authority.”). Nevertheless, we have reviewed *Poisson* but do not consider it to be pertinent to the issue in this appeal.

We agree with the Examiner that the claims here, unlike those in *DDR Holdings*, do not recite limitations that are “necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.” *DDR Holdings*, 773 F.3d at 1257. The Specification makes clear that the recited physical components merely provide a generic environment in which the computer executable instructions that carry out the described processes and methods. Ans. 6; Spec. 5:26–30, 12:23–13:9, Fig. 3. “[A]fter *Alice*, there can remain no doubt: recitation of generic computer limitations does not make an otherwise ineligible claim patent-eligible.” *DDR Holdings*, 773 F.3d at 1256.

Continuing with the second step of the *Alice* inquiry, we find nothing in claim 1 that adds anything “significantly more” to transform the abstract concept into a patent-eligible application. *Alice*, 134 S. Ct. at 2357.

Appellant contends that some inventive concept arises from the ordered combination of steps because “the claims recite determining prices using two optimization processes to generate two sets of prices, where one set of prices is used as input to generate the other set of prices.” Br. 14. Appellant, however, has not persuasively explained why those are not ordinary steps in data processing, or why they are not recited in an ordinary order. We are similarly unpersuaded by Appellant’s argument that claim 1 is like the claims in *DDR Holdings* because claim 1 specifies “how particular inputs are used to generate prices and how intermediate prices are used to generate final prices.” *See id.* No technological advance is evident in the present invention, and Appellant does not identify any problem particular to computer networks or the Internet that claim 1 allegedly overcomes. To the contrary, rather than address a technical problem, the

method of claim 1 is used only to solve the business problem of optimizing and updating retail fuel site prices. *See* Ans. 8, 10–11.

We also disagree that the absence of a prior art rejection is indicative of error in the Examiner’s § 101 analysis. *See* Br. 9. Here, the Examiner made explicit factual findings with regard to generic computer elements and well-understood, routine, and conventional computer functionality recited in the claims. *See* Ans. 6–8.

Because claim 1 is directed to a patent-ineligible abstract concept and does not recite something “significantly more” under the second prong of the *Alice* analysis, we sustain the Examiner’s 35 U.S.C. § 101 rejection of claim 1, as well as the 35 U.S.C. § 101 rejection of grouped claims 3–13, not argued separately. *See* Br. 14.

DECISION

We affirm the decision of the Examiner rejecting claims 1 and 3–13.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv). *See* 37 C.F.R. § 41.50(f).

AFFIRMED