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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte HOWARD W. LUTNICK

Appeal 2017-004031
Application 12/757,270
Technology Center 3600

Before MURRIEL E. CRAWFORD, HUBERT C. LORIN, and
ANTON W. FETTING, *Administrative Patent Judges*.

FETTING, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE¹

Howard W. Lutnick (Appellant²) seeks review under 35 U.S.C. § 134 of a final rejection of claims 1–21, the only claims pending in the application on appeal. We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b).

¹ Our Decision will make reference to the Appellant’s Appeal Brief (“App. Br.,” filed August 24, 2016) and Reply Brief (“Reply Br.,” filed January 4, 2017), and the Examiner’s Answer (“Ans.,” mailed November 4, 2016), and Final Office Action (“Final Act.,” mailed June 15, 2015).

² According to Appellant, the real party in interest is CFPH, L.P. *See* App. Br. 4.

The Appellant does not describe what it invented, but instead describes a series of embodiments of whatever it is it invented. No summary section is provided, but instead the Specification begins with a list of the figures, followed by 14 pages of 77 paragraphs covering glossary and various caveats as to how the Specification is to be interpreted. At that point, the series of embodiments are described with no description of any thread of commonality as to what the invention is and how it is used. Thus, we must rely on the independent claims as the embodiments chosen as the inventions for this particular application.

Exemplary claim 1 is reproduced below (bracketed matter and some paragraphing added).

1. A method comprising:

[1] receiving an indication of items that a user desired to be delivered multiple times in the future;

[2] receiving an indication of a payment method that the user desires to use for each of the multiple times to pay for the items;

[3] in response to receiving the indication of items and the indication of the payment method, establishing,

by a computing device of the user,
a control in a user interface
that may be actuated by the user
to place an order for delivery of the items paid for using
the payment method;

[4] receiving, by the computing device of the user, a plurality of actuations of the control in the user interface;

[5] in response to receiving each actuation of the plurality of actuations of the control in the user interface from the user, transmitting

a respective indication of the items and the payment
method
from the computing device of the user
to a remote device;

[6] receiving each indication of the items and the payment method by the remote device;

[7] in response to receiving each indication of the items and the payment method, facilitating,
by the remote device,
delivery of the items to the user
without requesting additional input from the user other than the actuation;

and

[8] in response to receiving each indication of the items and the payment method, facilitating,
by the remote device,
completion of payment for the items
using the payment method
without requesting additional input from the user other than the actuation.

The Examiner relies upon the following prior art:

Bueno	US 2002/0013734 A1	Jan. 31, 2002
Bowman-Amuah ("Bowman")	US 7,289,964 B1	Oct. 30, 2007
Robinson	US 8,370,271 B1	Feb. 5, 2013

Claims 1–21 stand rejected under 35 U.S.C. § 101 as directed to a judicial exception without significantly more.

Claims 1–21 stand rejected under 35 U.S.C. § 112(b) as failing to particularly point out and distinctly claim the invention.

Claims 1, 2, 5, 7, 8, 10, 11, 14–16, and 18–21 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Robinson.

Claims 3, 4, 6, 12, and 13 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Robinson and Bowman.

Claims 9 and 17 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Robinson and Bueno.

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 indefiniteness turn primarily on whether the claim terms are broad or indefinite.

The issues of obviousness turn primarily on whether Robinson describes establishing, by a computing device of the user, a control in a user interface that may be actuated by the user to place an order for delivery of the items paid for using the payment method in response to receiving the indication of items and the indication of the payment method.

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 Appellant's Disclosure

01. The only support from the Specification for the limitation of
in response to receiving the indication of items and the
indication of the payment method, establishing, by a
computing device of the user, a control in a user interface
that may be actuated by the user to place an order for
delivery of the items paid for using the payment method

is Specification paragraphs 209 and 210. These paragraphs recite phrasing similar to that in the claims and provide no implementation details or examples of how such response is detected or performed.³

Facts Related to the Prior Art

Robinson

02. Robinson is directed to recurring delivery of products to a customer on a periodic basis, without requiring the customer repeatedly place orders for the products. Robinson 2:7–10.
03. Robinson describes a recurring delivery module that allows the customer to select products for recurring delivery, specify a quantity and frequency of delivery for each product, specify a delivery address, specify a delivery slot for the delivery of the products, and specify a payment method for the delivery. The customer makes these selections through a user interface. Robinson 4:8–18.
04. Robinson describes a recurring delivery module that store the customer's selections of products for recurring delivery in a recurring delivery list. The recurring delivery module allows the customer to manage the product selections and other parameters in

³ We note for the record an ambiguity in Specification paragraphs 208–228. Paragraph 208 explicitly states that the remaining paragraphs are embodiments *and not claims*. Paragraphs 211–218 and 220–228 refer to paragraphs 209, 210, and 219 *as claims* and not as embodiments. This has no effect on the analysis here, but the ambiguity may require resolution in any continued prosecution.

the recurring delivery list, such as changing the quantity and/or frequency of delivery of a product or suspending the delivery of a product for a specified period or indefinitely. The customer may manage the recurring delivery list through a UI presented by the recurring delivery module to the customer at the customer computer, as will be described in regard to Figures 8–11.

Robinson 4:32–52.

05. Robinson describes the user interface as including UI components that provide information regarding a number of scheduled future orders that may be generated from the recurring delivery list. The group of UI components display the date of delivery of the future orders. In addition, a number of delivery indicator icons display whether the product identified in the corresponding list item is to be included in each of the future orders. Robinson 12:31–40.

ANALYSIS

Claims 1–21 rejected under 35 U.S.C. § 101 as directed to a judicial exception without significantly more

Method claim 1 recites receiving indications of items and payments, in response to receiving, establishing a control, and receiving actuations of that control, in response to such actuations, transmitting and receiving indications, and in response to such receivings, somehow facilitating delivery and payment. Thus, claim 1 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, modification, 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 process parameters, 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 Int’l, 134 S. Ct. 2347, 2355 (2014) (citing *Mayo Collaborative Servs. v. Prometheus Labs., 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 determines the claims to be directed to “allowing consumers to shop, optionally place recurring orders for merchandise and having the items delivered.” Final Act. 5.

Although the Court in *Alice Corp. Pty. Ltd.* 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 does not recite what it is directed to, but the steps in claim 1 result in order entry and somehow facilitating delivery and payment, absent any technological mechanism other than a conventional computer for doing so. In particular, actual delivery and payment are outside the scope of the claim. Order entry *per se* facilitates shipping and payment, if only by providing the address to be shipped to and the amount to be paid. The Specification provides no description of what the invention relates to, but instead only describes various embodiments. Thus, all this evidence shows that claim 1 is an embodiment directed to order entry and somehow facilitating delivery and payment, i.e., order entry. This is consistent with the Examiner's determination.

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 order entry is a fundamental economic practice long prevalent in our system of commerce. The use of order entry is also a building block of ingenuity in any modern economy. Thus, order entry, 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 order entry 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 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 1, unlike the claims found non-abstract in prior cases, uses generic computer technology to perform data reception, analysis, modification, 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 1 is directed to the abstract idea of receiving, analyzing, modifying, displaying, and transmitting data.

The remaining claims merely describe process parameters. 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.

[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 “implemen[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 (internal 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.

Taking the claim elements separately, the function performed by the computer at each step of the process is purely conventional. Using a computer for receiving, analyzing, modifying, displaying, and transmitting data amounts to electronic data query and retrieval—one of the most basic functions of a computer. The limitation of generating a control is itself part of generating an interface, as a user interface requires controls by definition. Such controls in interfaces have been part of generic computers since at least the advent of windowing operating systems, as evidenced by Microsoft Windows and Unix XWindows. 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*. Also see *In re Katz*, 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*, 898 F.3d 1161, 1168 (Fed. Cir. 2018) (internal citation omitted).

Considered as an ordered combination, the computer components of Appellant’s 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 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 order entry as performed by a generic computer. To be sure, the claims recite doing so by advising one to enter data as to items and payment, generate an interface control to transmit the data, and somehow facilitate delivery and payment. But this is no more than abstract conceptual advice on the parameters for such order entry and the generic computer processes necessary to process those parameters, and do not recite any particular implementation. Again, the data entered and transmitted facilitates payment and delivery by providing address and amount.

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 Specification spells out different generic equipment⁴ and parameters that might be applied using this concept and the particular steps such conventional processing would entail based on the concept of order entry 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 order entry using some unspecified, generic computer. 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.

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 Corp. Pty. Ltd.*, 134 S. Ct. at 2360.

As to Appellant’s Appeal Brief arguments, we adopt the Examiner’s determinations and analysis from the Final Office Action at pages 4–7 and Answer at pages 15–27 and reach similar legal conclusions. We now turn to the Reply Brief.

⁴ The Specification describes using appropriately programmed general purpose computers. Spec. para. 62.

We are not persuaded by Appellant’s argument that the Examiner failed to show that the claims are directed to an abstract idea. Reply Br. 2–4.

Claims 1–21 rejected under 35 U.S.C. § 112(b) as failing to particularly point out and distinctly claim the invention

We are persuaded by Appellant’s argument that the claim terms the Examiner refers to are broad rather than indefinite. App. Br. 22–25. First, Appellant contends

Moreover, the PTO interim guidelines, which are binding on the Examiner, require an analysis of the abstract idea that includes citation to related cases with similar claims when claims are found to be abstract. There is no citation to any similar concept or case as required by the PTO guidelines.

Reply Br. 3. Appellant mischaracterizes the purpose of section 1(B)(3) of the USPTO’s 2014 INTERIM GUIDANCE ON PATENT SUBJECT MATTER ELIGIBILITY guidelines as placing a requirement on the Examiner. Rather, section 1(B)(3) is available to the Examiner as a discretionary streamlined § 101 *Alice/Mayo* analysis favoring Applicant. 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.***” Emphasis added. Contrary to Appellant’s argument, the streamlined patent-eligibility analysis under section 1(B)(3) is not required to be available to Appellant; rather, it is at the Examiner’s discretion. The Examiner choosing to perform a full § 101 *Alice/Mayo* analysis is not an error.

This case, unlike *Enfish*, presents a “close call[] about how to characterize what the claims are directed to.” See [*Enfish LLC v. Microsoft Corp.*, 822 F.3d 1327, 1339 (Fed. Cir. 2016)]. . . . The *Enfish* claims, understood in light of their specific limitations,

were unambiguously directed to an improvement in computer capabilities. *See id.* at 1335–37. . . . Here, in contrast, the claims and their specific limitations do not readily lend themselves to a step-one finding that they are directed to a nonabstract idea. We therefore defer our consideration of the specific claim limitations’ narrowing effect for step two.

BASCOM Global Internet Services, Inc. v. AT&T Mobility LLC, 827 F.3d 1341, 1349 (Fed. Cir. 2016).

Further, any Examiner’s failure to follow the Director’s guidance is appealable only to the extent that the Examiner has failed to follow the statutes or case law. That is, to the extent the Director’s guidance goes beyond the case law and is more restrictive on the Examiner than the case law, failure of the Examiner to follow those added restrictions is a matter for petition to the Director. We review Appellant’s particular arguments against the case law and find no requirement in the law that the Examiner perform a section 1(B)(3) streamlined § 101 *Alice/Mayo* analysis.

Appellant then contends “these claims clearly add functionality to a computer that was previously not available.” Reply Br. 3. But the idea of adding functionality is just that, an idea, which is an abstraction. No technological implementation details are recited.

Finally, Appellant contends the claims do not preempt the abstract idea identified. Reply Br. 3–4. “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 Appellant’s argument that there is no showing of fundamentality and long prevalence. Reply Br. 4. Such a

showing as to the operations involved are described *supra*. As to the fundamentality of order entry, the long history of order entry forms is more than enough to take notice of. As to the limitation of establishing a control in response to entering order data, this is the equivalent of a salesperson taking up pen and entry form after a customer asks for an item and is quoted a price, but in the computer context.

We are not persuaded by Appellant’s argument that organizing human activity is an improper rationale. Reply Br. 4–5. This rationale is not necessary to the rejection, but in any event, the *Alice Corp. Pty. Ltd.* Court held such to be a basis for finding an activity to be abstract. *Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2356. Appellant contends “certain methods of organizing human activities was never identified as a category of abstract idea but rather used as a manner of distinguishing cases.” App. Br. 9 (internal quotation marks and citation omitted). The Court in *Alice Corp. Pty. Ltd.*, however, recited this as characterizing the *Bilski* claims found abstract, which renders the characterization as a category of abstract ideas.

We are not persuaded by Appellant’s argument that the remaining limitations add significantly more. Reply Br. 9–10. Such showing is included *supra*.

Claims 1, 2, 5, 7, 8, 10, 11, 14–16, and 18–21 rejected under 35 U.S.C. § 103(a) as unpatentable over Robinson

We are persuaded by Appellant’s argument that Robinson fails to describe establishing, by a computing device of the user, a control in a user interface that may be actuated by the user to place an order for delivery of the items paid for using the payment method in response to receiving the indication of items and the indication of the payment method. This

limitation requires that the control itself, as contrasted with the data the control affects, is established in response to the recited criteria. The Examiner cites Robinson column 2, lines 7–18 (Final Act. 13) and Robinson column 4, lines 32–52 (Ans. 31). Both of these portions describe altering the data with a control and not establishing the control in response to the data entry. None of Robinson’s figures even show so much as a confirmation control established after data entry. Robinson’s figures and text imply changes to delivery data occur as the data is altered, so Robinson would have no need for establishing a control as recited in the claims.

Claims 3, 4, 6, 12, and 13 rejected under 35 U.S.C. § 103(a) as unpatentable over Robinson and Bowman

These are dependent claims.

Claims 9 and 17 rejected under 35 U.S.C. § 103(a) as unpatentable over Robinson and Bueno

These are dependent claims.

CONCLUSIONS OF LAW

The rejection of claims 1–21 under 35 U.S.C. § 101 as directed to a judicial exception without significantly more is proper.

The rejection of claims 1–21 under 35 U.S.C. § 112(b) as failing to particularly point out and distinctly claim the invention is improper.

The rejection of claims 1, 2, 5, 7, 8, 10, 11, 14–16, and 18–21 under 35 U.S.C. § 103(a) as unpatentable over Robinson is improper.

The rejection of claims 3, 4, 6, 12, and 13 under 35 U.S.C. § 103(a) as unpatentable over Robinson and Bowman is improper.

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The rejection of claims 9 and 17 under 35 U.S.C. § 103(a) as unpatentable over Robinson and Bueno is improper.

DECISION

The rejection of claims 1–21 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