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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte ROBERT DWYER and KURT MANSFIELD

Appeal 2017–004054
Application 13/035,247
Technology Center 3600

Before ANTON W. FETTING, NINA L. MEDLOCK, and
KENNETH G. SCHOPFER, *Administrative Patent Judges*.
FETTING, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE¹

Robert Dwyer and Kurt Mansfield (Appellants) seek review under 35 U.S.C. § 134 of a final rejection of claims 1, 4–9, 11–13, 16–21, 23–25, 28–33, 35, and 36, 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 Appellants’ Appeal Brief (“App. Br.,” filed June 27, 2016) and Reply Brief (“Reply Br.,” filed January 5, 2017), and the Examiner’s Answer (“Ans.,” mailed November 7, 2016), and Final Action (“Final Act.,” mailed September 3, 2015).

The Appellants invented a way for illustrating variable annuity financial products. Specification 1:15–17.

An understanding of the invention can be derived from a reading of exemplary claim 13, which is reproduced below (bracketed matter and some paragraphing added).

13. A method for illustrating a variable annuity financial product, comprising the steps of:

[1] generating by a computer processor at least one user interface screen at a local computer operated by a user;

[2] receiving user–specified information about a variable annuity financial product to be illustrated and a desired start date for a financial illustration, using the at least one user interface screen;

[3] receiving a specification by a user of a a (sic) plurality of portfolios associated with the variable annuity financial product to be included in the financial illustration using the at least one user interface screen;

[4] transmitting the information about the variable annuity financial product and the desired start date from the local computer system to an illustration server in communication with the local computer system;

[5] electronically obtaining past performance data on a daily basis relating to at least one portfolio of the plurality of portfolios associated with the variable annuity financial product;

[6] determining a fee associated with the at least one portfolio;

[7] calculating, by the computer processor, based at least in part upon the past performance data and the fee,

an actual performance of the variable annuity financial product during a user–defined time period which extends from the desired start date to an end date using the illustration server

to produce a first illustration for the variable annuity financial product, the first illustration illustrating the actual performance of the variable annuity financial product during the user-defined time period;

[8] modeling, by the computer processor, based at least in part upon the past performance data and a living benefit associated with the variable annuity financial product during the user-defined time period,

the variable annuity financial product

to produce a second illustration for the variable annuity financial product, the second illustration illustrating the performance of the variable annuity financial product during the user-defined time period;

[9] modeling, by the computer processor, based at least in part upon the past performance data and a guaranteed minimum return value for the variable annuity financial product during the user-defined time period,

the variable annuity financial product

to produce a third illustration for the variable annuity financial product, the third illustration illustrating the performance of the variable annuity financial product during the user-defined time period;

[10] receiving an indication that the user has specified that the illustration report indicate the performance of the variable annuity financial product based upon the variable annuity financial product being subject to the living benefit and the performance of the variable annuity financial product based upon the variable annuity financial product being subject to the guaranteed minimum return value;

[11] generating by the computer processor, in response to the indication, the illustration report comprising the first, second, and third illustrations;

[12] transmitting the illustration report to the local computer system;

and

[13] displaying the report to the user on the local computer system.

Claims 1, 4–9, 11–13, 16–21, 23–25, 28–33, 35, and 36 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 13 recites generating an interface, receiving user supplied data, transmitting financial product data, obtaining history data, determining a fee, calculating performance data, modelling financial data to produce two illustrations, receiving data from the user, and generating, transmitting, and displaying a report. Thus, claim 13 recites receiving, analyzing, modifying, transmitting, and displaying data. None of the limitations recites implementation details for any of these steps, but instead recite functional results to be achieved by any and all possible means. Data retrieval, analysis, modification, transmission, and display are all generic, conventional data processing operations to the point they are themselves concepts awaiting implementation details. The sequence of data reception–analysis–modification–transmission–display 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 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 determines the claims to be directed to “receiv[ing] user-specified information, obtain[ing] past performance data, determin[ing a] fee, calculat[ing] actual performance and model data to produce illustrations and generating illustrating report comprising illustrations.” 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

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Specification provide enough information to inform one as to what they are directed to.

The preamble to claim 13 recites that it is a method for illustrating a variable annuity financial product. The steps in claim 13 result in transmitting reports of the results of financial models absent any technological mechanism other than a conventional computer for doing so. The Specification at 1:15–17 recites that the invention relates to variable annuity financial product illustrations. Thus, all this evidence shows that claim 13 is directed to financial modelling and reporting, i.e. financial analysis. 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 financial analysis is a fundamental economic practice long prevalent in our system of commerce. The use of financial analysis is also a building block of ingenuity in finance. Thus, financial analysis, 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 financial analysis 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 13, unlike the claims found non–abstract in prior cases, uses generic computer technology to perform data retrieval, analysis, modification, transmission, and display 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 13 is directed to the abstract idea of receiving, analyzing, modifying, transmitting, and displaying 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.

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 Corp. Pty. Ltd., 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 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, transmitting, and displaying data amounts to electronic data query and retrieval—one of the most basic functions of a computer. The limitation of generating an interface is a recitation of a part of every operating system, which is part of a generic computer. 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 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 ‘limited to particular content’ or a particular ‘source,’ that

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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).

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—transmission—display 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 analysis as performed by a generic computer. To be sure, the claims recite doing so by advising one to gather data and create models for comparison to historical performance. But this is no more than abstract conceptual advice on the parameters for such financial analysis and the generic computer processes necessary to process those parameters, and do not recite any particular implementation.

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 25+ pages of specification spell out different generic equipment² and parameters that might be applied using this concept and the particular steps such conventional processing would entail based on the concept of financial analysis 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 analysis 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 Appellants’ Appeal Brief arguments, we adopt the Examiner’s determinations and analysis from Final Action 2–4 and Answer 5–7 and reach similar legal conclusions. We now turn to the Reply Brief.

We are not persuaded by Appellants’ argument that the claims are analogous to those in *McRO*. Reply Br. 2–3. The instant claims do nothing physical, but only create and report financial analysis results.

² The Specification describes generic computers and operating systems and even that the steps could be performed by a human. Spec. 10:19–11:4.

Contrary to InvestPic’s contention, the claims here are critically different from those we determined to be patent eligible in *McRO, Inc. v. Bandai Namco Games America Inc.*, 837 F.3d 1299 (Fed. Cir. 2016). The claims in *McRO* were directed to the creation of something physical—namely, the display of “lip synchronization and facial expressions” of animated characters on screens for viewing by human eyes. *Id.* at 1313. The claimed improvement was to how the physical display operated (to produce better quality images), unlike (what is present here) a claimed improvement in a mathematical technique with no improved display mechanism. The claims in *McRO* thus were not abstract in the sense that is dispositive here. And those claims also avoided being “abstract” in another sense reflected repeatedly in our cases (based on a contrast not with “physical” but with “concrete”): they had the specificity required to transform a claim from one claiming only a result to one claiming a way of achieving it. *McRO*, 837 F.3d at 1314; *see Finjan, Inc. v. Blue Coat Sys., Inc.*, 879 F.3d 1299, 1305–06 (Fed. Cir. 2018); *Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1241 (Fed. Cir. 2016); *Affinity Labs of Texas, LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1265 (Fed. Cir. 2016); *see also Two-Way Media*, 874 F.3d at 1337; *Secured Mail Solutions LLC v. Universal Wilde, Inc.*, 873 F.3d 905, 909 (Fed. Cir. 2017); *RecogniCorp*, 855 F.3d at 1326; *Symantec*, 838 F.3d at 1316.

SAP Am., 898 F.3d at 1168.

We are not persuaded by Appellants’ argument that “Examiner responds by doing nothing more than reciting the action verbs (determining, calculating, modeling, receiving, and generating) in the claims and arguing that those action verbs are abstract. The Examiner ignores over 95% of the language of the claims and generalizes the claim.” Reply Br. 3. The Examiner determines that all of the steps recited are relatively low level or otherwise generic computer functions. No technological implementation steps are recited. The 95% Appellants refer to describe financial data and

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user parameters discernable only to the human mind, which are afforded no patentable weight. *See In re Bernhart*, 417 F.2d 1395, 1399 (CCPA 1969). Beyond that, financial data, as such, is the height of abstraction as finance itself is carried out by human thought.

We are not persuaded by Appellants' argument that "the Examiner disregards the inventive concept provided in the claims by arguing that it is a 102 argument." Reply Br. 3. "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 Corp.*, 839 F.3d 1138, 1151 (Fed. Cir. 2016).

CONCLUSIONS OF LAW

The rejection of claims 1, 4–9, 11–13, 16–21, 23–25, 28–33, 35, and 36 under 35 U.S.C. § 101 as directed to a judicial exception without significantly more is proper.

DECISION

The rejection of claims 1, 4–9, 11–13, 16–21, 23–25, 28–33, 35, and 36 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