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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* ANDREW GARRETT SYCOFF

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Appeal 2017-005438<sup>1</sup>  
Application 14/589,302<sup>2</sup>  
Technology Center 3600

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Before NINA L. MEDLOCK, BART A. GERSTENBLITH, and  
AMEE A. SHAH, *Administrative Patent Judges*.

MEDLOCK, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant appeals under 35 U.S.C. § 134(a) from the Examiner’s final rejection of claims 1–18. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

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<sup>1</sup> Our decision references Appellant’s Appeal Brief (“App. Br.,” filed November 7, 2016) and Reply Brief (“Reply Br.,” filed February 14, 2017), and the Examiner’s Answer (“Ans.,” mailed December 14, 2016) and Final Office Action (“Final Act.,” mailed August 11, 2016).

<sup>2</sup> Appellant identifies the inventor, Andrew Garrett Sycoff, as the real party in interest. App. Br. 1.

### CLAIMED INVENTION

Appellant’s claimed invention “relate[s] to monetizing financial brokerage data” (Spec. ¶ 2).

Claim 1, reproduced below, is the sole independent claim, and representative of the claimed subject matter:

1. A computer-implemented method for monetizing financial brokerage accounts, the method comprising:
  - storing in an information repository input data, transactional data, and behavioral data for a customer of a financial brokerage system;
  - creating an individual profile for the customer describing attributes of the customer based on the input data, transactional data, and behavioral data of the customer stored in the information repository;
  - classifying the customer in one or more taxonomies;
  - mining data from the individual profile for the customer and the one or more taxonomies;
  - monetizing the mined data; and
  - providing to the customer an unlimited number of free trades for an unlimited period of time, wherein the at least one computer module monetizes the mined data by performing data analytics including generating rules to learn customer behavior and to predict customer behavior.

### REJECTION

Claims 1–18 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

### ANALYSIS

Under 35 U.S.C. § 101, an invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101. The Supreme Court, however, has long interpreted § 101

to include an implicit exception: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *Alice Corp. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014).

The Supreme Court, in *Alice*, reiterated the two-step framework previously set forth in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66 (2012), “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.*, 134 S. Ct. at 2355. The first step in that analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts.” *Id.* If the claims are not directed to a patent-ineligible concept, e.g., an abstract idea, the inquiry ends. Otherwise, the inquiry proceeds to the second step where the elements of the claims are considered “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, 78).

The Court acknowledged in *Mayo*, that “all inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas.” *Mayo*, 566 U.S. at 71. Therefore, the Federal Circuit has instructed that claims are to be considered in their entirety to determine “whether their character as a whole is directed to excluded subject matter.” *McRO, Inc. v. Bandai Namco Games Am., Inc.*, 837 F.3d 1299, 1312 (Fed. Cir. 2016) (quoting *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015)).

As an initial matter, we are not persuaded of Examiner error to the extent Appellant argues that the Examiner has failed to establish a prima facie case of patent-ineligibility (App. Br. 3–4).

In rejecting the pending claims under § 101, the Examiner analyzed the claims using the *Mayo/Alice* two-step framework, consistent with the guidance set forth in the USPTO’s “2014 Interim Guidance on Patent Subject Matter Eligibility,” 79 Fed. Reg. 74618 (Dec. 16, 2014), in effect at the time the Final Office Action was mailed (*see* Final Act. 2). Specifically, the Examiner notified Appellant that the claims are directed to “monetizing financial data,” which the Examiner determined is a “longstanding commercial practice” and, therefore, an abstract idea; and that the claims, viewed as a whole, do not include an element or combination of elements that is sufficient to amount to significantly more than the judicial exception (*id.* at 4–5). The Examiner, thus, notified Appellant of the reasons for the rejection in a sufficiently articulate and informative manner as to meet the notice requirement of § 132. And we find that, in doing so, the Examiner set forth a prima facie case of patent-ineligibility. *See In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011) (holding that the USPTO carries its procedural burden of establishing a prima facie case when its rejection satisfies the requirements of 35 U.S.C. § 132 by notifying the applicant of the reasons for rejection, “together with such information and references as may be useful in judging of the propriety of continuing the prosecution of [the] application”) (alteration in original).

We also do not agree with Appellant that the Examiner has oversimplified the claimed invention as directed to a method for monetizing financial data, or that the Examiner has, otherwise, failed to consider the

claims as a whole (App. Br. 4–5; *see also* Reply Br. 2). Taking claim 1 as an example, and quoting the claim language, Appellant argues that claim 1 recites “much more than simply a ‘method for monetizing financial data,’” i.e., including, *inter alia*, creating individual profiles for customers describing their attributes based on the input data, transactional data, and behavioral data of the customer; classifying the customers into taxonomies; and mining the data from the individual profile for the customer and one or more taxonomies. But, there is no requirement that the Examiner’s formulation of the abstract idea must copy the claim language.

The Federal Circuit has explained that “the ‘directed to’ inquiry applies a stage-one filter to claims, considered in light of the [S]pecification, based on whether ‘their character as a whole is directed to excluded subject matter.’” *See Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016) (quoting *Internet Patents Corp.*, 790 F.3d at 1346). It asks whether the focus of the claims is on a specific improvement in relevant technology or on a process that itself qualifies as an “abstract idea” for which computers are invoked merely as a tool. *See id.* at 1335–36. The Examiner’s determination here — that the claims are directed to “monetizing financial data” — is fully consistent with the Specification, including the claim language (*see, e.g.*, Spec., Title (“Monetizing Financial Brokerage Data”), ¶ 22 (“FIG. 1 illustrates a high-level overview of the monetization model based on analytics of user brokerage data and other data, according to certain embodiments of the invention.”), Abstract (“Method and systems for monetizing financial brokerage accounts are disclosed.”), claim 1 (“A computer-implemented method for monetizing financial brokerage accounts”)).

Appellant would seemingly characterize the claimed invention differently than does the Examiner, e.g., by including additional claim language; but, that difference only relates to the level of abstraction. An abstract idea can be expressed at various levels of abstraction. *See Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1240 (Fed. Cir. 2016) (“An abstract idea can generally be described at different levels of abstraction. As the Board has done, the claimed abstract idea could be described as generating menus on a computer, or generating a second menu from a first menu and sending the second menu to another location. It could be described in other ways, including, as indicated in the specification, taking orders from restaurant customers on a computer.”). That the Examiner articulates the abstract idea at a higher level of abstraction than does Appellant is an insufficient basis for finding that the claims are not directed to an abstract idea.

We also are not persuaded of Examiner error to the extent that Appellant argues that the § 101 rejection cannot be sustained because the Examiner has provided no evidence that storing the specific information required by claim 1, i.e., “input data, transactional data, and behavioral data of the customer,” was long-prevalent and, therefore, an abstract idea (App. Br. 5; *see also* Reply Br. 4–5).

As an initial matter, we note that there is no requirement that an examiner provide evidentiary support in every case before a conclusion can be made that a claim is directed to an abstract idea. *See Mortgage Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1325–26 (Fed. Cir. 2016) (“[I]t is also possible, as numerous cases have recognized, that a § 101 analysis may sometimes be undertaken without resolving fact issues.”).

Nonetheless, the Federal Circuit has made clear that examining earlier cases can have a role in deciding whether a claim is directed to an abstract idea. *See Amdocs (Isr.) Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288, 1294 (Fed. Cir. 2016) (“Instead of a definition [that specifies what an “abstract idea” entails], . . . the decisional mechanism courts now apply is to examine earlier cases in which a similar or parallel descriptive nature can be seen — what prior cases were about, and which way they were decided.”). And, significantly here, the court has repeatedly held that information collection and analysis, including when limited to particular content, is within the realm of abstract ideas. *See, e.g., Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016) (“we have treated collecting information, including when limited to particular content (which does not change its character as information), as within the realm of abstract ideas”); *SAP Am., Inc. v. Investpic, LLC*, 898 F.3d 1161, 1168 (Fed. Cir. 2018) (“As many cases make clear, 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.” (quoting *Elec. Power Grp.*, 830 F.3d at 1355 (citing cases))).

Turning to the second step of the *Mayo/Alice* framework, Appellant asserts that claim 1, for example, recites specific steps (i.e., including, “creating an individual profile for the customer describing attributes of the customer based on the input data, transactional data, and behavioral data of the customer stored in the information repository”; “reclassifying the customer in one or more taxonomies”; and “mining data from the individual profile for the customer and the one or more taxonomies”), and, thus, on its face, requires more than ““storing customer information, creating a profile

and then classifying the customer, monetizing the data and providing free trades’ as alleged by the Examiner” (App. Br. 7 (citing Final Act. 4)). Appellant argues that “[t]hose limitations, and their novel combination, recite significantly more than the idea of ‘monetizing financial data’” (*id.*). Yet, to the extent that Appellant maintains that the claims are patent-eligible because they are allegedly novel and/or non-obvious in view of the prior art, Appellant misapprehends the controlling precedent.

A finding of novelty or non-obviousness does not automatically lead to the conclusion that the claimed subject matter is patent-eligible. Although the second step in the *Mayo/Alice* framework is termed a search for an “inventive concept,” the analysis is not an evaluation of novelty or non-obviousness, but rather, a search for “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.*, 134 S. Ct. at 2355 (citation omitted). “Groundbreaking, innovative, or even brilliant discovery does not by itself satisfy the § 101 inquiry.” *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 591 (2013). A novel and non-obvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 566 U.S. at 90; *see also Diamond v. Diehr*, 450 U.S. 175, 188–89 (1981) (“The ‘novelty’ of any element or steps in a process, or even of the process itself, is of no relevance in determining whether the subject matter of a claim falls within the § 101 categories of possibly patentable subject matter.”).

Responding to the Examiner’s Answer in the Reply Brief, Appellant asserts that the present claims are analogous to the claims found patent-eligible in *Amdocs* and “even more closely aligned” with those in *Trading*

*Technologies International, Inc. v. CQG, Inc.*, 675 F. App'x 1001 (Fed. Cir. 2017). But we find no parallel between the present claims and the claims at issue in either of those cases.

In *Amdocs*, the Federal Circuit held the claim was patent-eligible because the claim entails an unconventional technological solution (enhancing data in a distributed fashion) to a technological problem (massive record flows which previously required massive databases). The solution required arguably generic components, including network devices and “gatherers” which “gather” information. The court, however, concluded that the claim’s enhancing limitation necessarily requires that these generic components operate in an unconventional manner to achieve an improvement in computer functionality. *Amdocs*, 841 F.3d at 1300–01.

Similarly, in *Trading Technologies*, where the Federal Circuit affirmed the district court’s holding that the patented claims (which recited a method and system for displaying market information on a graphical user interface) were not directed to an abstract idea, the district court found, and the Federal Circuit agreed, that the challenged patents did not simply claim displaying information on a graphical user interface; instead, the claims required “a specific, structured graphical user interface paired with a prescribed functionality directly related to the graphical user interface’s structure that is addressed to and resolves a specifically identified problem in the prior state of the art.” *Trading Technologies*, 675 F. App'x at 1004.<sup>3</sup>

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<sup>3</sup> Specifically, the district court found that with prior art graphical user interfaces (GUIs), the best bid and best ask prices changed based on updates received from the market; therefore, there was a risk with these GUIs that a trader would miss her intended price as a result of prices changing from under her pointer at the time she clicked on the price cell on the GUI. The

Appellant ostensibly maintains here that the present claims are analogous to those in *Amdocs* and *Trading Technologies* because “[t]he pending claims require storing specific information for a customer, creating an individual profile for the customer describing attributes for the customer based on specific data, classifying the customer into one or more taxonomies, mining the data, and monetizing the data in a specific way” (Reply Br. 4–5). But Appellant does not explain adequately how, and we fail to see how, the Federal Circuit’s rulings in *Amdocs* and *Trading Technologies* somehow impact the patent-eligibility of the present claims. For example, Appellant does not identify any technological problem that the present claims allegedly solve. Nor, for example, does Appellant maintain that the present claims, like those in *Amdocs*, achieve any improvement in computer functionality.

We are not persuaded, on the present record, that the Examiner erred in rejecting claims 1–18 under 35 U.S.C. § 101. Therefore, we sustain the Examiner’s rejection.

#### DECISION

The Examiner’s rejection of claims 1–18 under 35 U.S.C. § 101 is affirmed.

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patents-in-suit provided a system and method whereby traders could place orders at a particular, identified price level, not necessarily the highest bid or the lowest ask price by keeping the prices static in position, and allowing the quantities at each price to change. *Trading Techs. Int’l, Inc. v. CQG, Inc.*, No. 05-cv-4811, 2015 WL 774655, at \*4 (N.D. Ill. Feb. 24, 2015).

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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).

AFFIRMED