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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte FREELAND GLEN YOUNG III, LIANE DIETRICH,
DIANA H. GARLAND, and LEE EDWARDS

Appeal 2017-005480¹
Application 13/399,607²
Technology Center 3600

Before NINA L. MEDLOCK, KENNETH G. SCHOPFER and
TARA L. HUTCHINGS, *Administrative Patent Judges*.

MEDLOCK, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's final rejection of claims 19, 20, 23–25, and 28. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Our decision references Appellants' Corrected Appeal Brief ("App. Br.," filed July 1, 2016) and Reply Brief ("Reply Br.," filed February 16, 2017), and the Examiner's Answer ("Ans.," mailed December 16, 2016) and Final Office Action ("Final Act.," mailed November 19, 2015).

² Appellants identify Genworth Holdings, Inc. as the real party in interest. App. Br. 1.

CLAIMED INVENTION

Appellants' claimed invention "relates to a system, method and software application which allows for the interactive storage, retrieval, and display of agent identifying information and agent commission information" (Spec. 1, ll. 6–8).

Claims 19 and 24 are the independent claims on appeal. Claim 19, reproduced below, is illustrative of the claimed subject matter:

19. A computer implemented method that implements an electronic interactive tool that provides interactive access to agent commission information activated by a policy/account link using a data processor, the method comprising the steps of:

receiving, by the data processor, agent information, the agent information comprises at least one selected from the group consisting of a name, an address, and a telephone number; and the agent information includes agent identifying information and agent commission information;

analyzing and sorting, by the data processor, the received agent information;

saving, by the data processor, the agent information to a computer storage medium;

providing an interactive display, by the data processor, of the agent information;

providing interactive access, by the data processor, to a display of detailed agent identifying information; and

providing interactive access, by the data processor, to a display of detailed agent commission information, wherein the detailed agent commission information comprises: policy information and commission detail information; the policy information comprises: a policy number; a client name; a product name; a company name; and an issue date;

wherein the detailed agent information is sorted by a plurality of embedded hyperlinks; and

activating a commission information link via activation of a policy/account link, by the data processor, the commission information link included as part of the interactive display,

wherein the activation of the commission information link generates a commission report comprising particulars on at least one selected from the group consisting of policy number, client name, product, company, issue date, estimated commission procurement date, face amount, premium, premium mode, issue age, split percentage, commissionable amount, estimated gross commission and reference number.

REJECTION³

Claims 19, 20, 23–25, and 28 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

³ The rejection of claims 19, 20, 23–25, and 28 under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement has been withdrawn. Ans. 2.

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)).

Here, in rejecting the pending claims under § 101, the Examiner determined that the claims are directed to an abstract idea (Final Act. 3). More particularly, the Examiner observed that the claims recite “receiving agent information[,] formatting (analyzing and sorting)[the received agent information,] and generating a report comprising agent particular[] information such as commissions for transmission (to an interactive interface),” which Examiner determined is “simply the organization of data which can be performed mentally and is an idea of itself” and similar to other concepts that the courts have identified as abstract (*id.* at 4) (citing *Cyberfone Sys., LLC v. CNN Interactive Grp., Inc.*, 558 F. App’x 988 (Fed. Cir. 2014) and *SmartGene, Inc. v. Advanced Biological Labs, SA*,

555 F. App'x 950 (Fed. Cir. 2014)). The Examiner also determined that the claims do not include additional elements or a combination of elements that is sufficient to amount to significantly more than the judicial exception (*id.* at 4–7).

Appellants argue that the rejection cannot be sustained because the Examiner has not conducted a proper § 101 analysis (App. Br. 6–7). In fact, as described above, Examiner provided a reasoned analysis (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) that identifies the judicial exception recited in the claims, i.e., an abstract idea, and explains why it is considered a judicial exception, and also explains why the additional elements in the claim do not amount to significantly more than the judicial exception (Final Act. 2–8).

We also are not persuaded by Appellants' argument that the claims are not directed to an abstract idea because the claims are directed to "a computer implemented method that implements an electronic interactive tool using a data processor, computer storage medium and other hardware components," and require a "type of processing and complex analysis [that] is not possible without use of a computer" (App. Br. 7; *see also id.* at 12). Appellants appear to be arguing that any invention that cannot be performed mentally or by hand, because the claim recites a computer is, therefore, not abstract. Yet, a substantially similar argument was expressly rejected by the Court in *Alice*. *See Alice Corp.*, 134 S. Ct. at 2358 ("the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention"). Although "a method that can be performed by

human thought alone is merely an abstract idea and is not patent-eligible under § 101,” *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1373 (Fed. Cir. 2011), it does not logically follow that methods requiring physical components — i.e., methods that arguably cannot be performed entirely in the human mind — are, therefore, not directed to abstract ideas.

Also, contrary to Appellants’ assertion, the Federal Circuit did not hold, in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1256 (Fed. Cir. 2014), that “if it is not possible to implement the claimed limitations without a computer then the claims are not abstract” (App. Br. 7). Although Appellants ostensibly suggest otherwise, the claims at issue in *DDR Holdings* were not held patent-eligible because they required computing devices or because the claims themselves were detailed or involved the use of technology. Instead, the Federal Circuit held that the claims were directed to patent-eligible subject matter because the claimed invention was “necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks” (i.e., retaining website visitors who, if adhering to the routine, conventional functioning of Internet hyperlink protocol, would be transported instantly away from a host’s website after “clicking” on an advertisement and activating a hyperlink), and did not simply use computers to serve a conventional business purpose. *DDR Holdings*, 773 F.3d at 1257.

Appellants’ argument that the claims cannot be an abstract idea because the Office has provided no supporting evidence is likewise unavailing (App. Br. 8). Appellants note that the Supreme Court, in *Alice*, cited authority (i.e., an 1896 reference), to substantiate its finding that “intermediated settlement” is a fundamental economic practice (*id.*). And

Appellants ostensibly maintain that the Examiner is likewise required to cite authority here in order to establish that the claims are directed to an abstract idea (*id.*). Yet, 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.”). And, to the extent evidence is required here, it is clear from the Specification that tracking agent identifying information and agent commission information is a fundamental and well-known business practice (*see* Spec. 1–3).

We also are not persuaded of Examiner error by Appellants’ argument that the pending claims pose “no risk of preempting the abstract idea — defined by the Examiner” (App. Br. 9; *see also id.* at 12). There is no dispute that the Supreme Court has described “the concern that drives [the exclusion of abstract ideas from patent eligible subject matter] as one of preemption.” *Alice Corp.*, 134 S. Ct. at 2354. But, characterizing preemption as a driving concern for patent-eligibility is not the same as characterizing pre-emption as the sole test for patent-eligibility. “The Supreme Court has made clear that the principle of preemption is the basis for the judicial exceptions to patentability” and “[f]or this reason, questions on preemption are inherent in and resolved by the § 101 analysis.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (citing *Alice Corp.*, 134 S. Ct. at 2354). “[P]reemption may signal patent ineligible subject matter, [but] the absence of complete preemption does not demonstrate patent eligibility.” *Id.*

Turning to step two of the *Mayo/Alice* framework, Appellants maintain that even if the claims are directed to an abstract idea, the claims are nonetheless patent-eligible because the claims recite “significantly more” than an abstract idea (App. Br. 10–13). Appellants assert that “implementing an electronic interactive tool that provides interactive access to agent commission information activated by a policy/account link using a data processor, as claimed by Appellant[s]” are “meaningful limitations that . . . solve a problem [i.e., providing interactive access to agent commission information] with a claimed solution that is necessarily rooted in computer technology, similar to the additional elements of *DDR Holdings*” (*id.* at 11). But, we are not persuaded that providing access to agent commission information is a technical problem as opposed to a business problem. Nor are we persuaded that providing interactive access to commission information is necessarily rooted in computer technology. Rather, it is an implementation on generic computer components of the abstract idea itself.

We find no indication in the Specification, nor do Appellants direct us to any indication, that the particular operations recited in claim 19, for example, require any specialized computer hardware or other inventive computer components, invoke any assertedly inventive programming, or that the claimed invention is implemented using other than generic computer components to perform the claimed method steps. Also, unlike the situation in *DDR Holdings*, there is no indication here that the claimed data processor is used other than in its normal, expected, and routine manner for receiving and processing data, nor any indication of a change in the routine, conventional functioning of Internet hyperlink protocol.

Appellants also misapprehend the controlling precedent to the extent Appellants maintain that the claimed invention is patent-eligible, i.e., that the claim amount to “significantly more” than an abstract idea, and/or that the recited functions are not “well-understood, routine, and conventional activities,” because the claims are allegedly novel and/or non-obvious in view of the prior art (App. Br. 11; *see also* Reply Br. 3–4).

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. “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.”).

Appellants further argue that the claimed embodiments improve the functioning of the computer itself and effect an improvement in a technical field (App. Br. 13). But, we are not persuaded that providing interactive access to agent commission information is a technical field. There also is a

fundamental difference between computer functionality improvements, on the one hand, and uses of existing computers as tools to perform a particular task, on the other. Indeed, the Federal Circuit applied this distinction in *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016) in rejecting a § 101 challenge at the step one stage in the *Alice* analysis because the claims at issue focused on a specific type of data structure, i.e., a self-referential table for a computer database, designed to improve the way a computer carries out its basic functions of storing and retrieving data, and not merely on asserted advances in uses to which existing computer capabilities could be put. *Id.* at 1335–36.

We find no parallel here between the pending claims and the claims in *Enfish* nor any comparable aspect in the pending claims that represents “an improvement to computer functionality.” We are not persuaded that providing interactive access to agent commission information is a technological improvement to computer functionality as opposed to an improvement to a business process in which a computer is used as a tool in its ordinary capacity.

Responding to the Examiner’s Answer in the Reply Brief, and citing *BASCOM Global Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016), Appellants note that the Federal Circuit has held that an “inventive concept” can be found in the non-conventional and non-generic arrangement of known conventional pieces (Reply Br. 4). Applying that standard, in relation to claims directed to filtering content from the Internet, the Federal Circuit held, in *BASCOM*, that the second step of the *Mayo/Alice* framework was satisfied because the claimed invention “represents a ‘software-based invention[] that improve[s] the performance of the

computer system itself” *BASCOM*, 827 F.3d at 1351 (stating that like *DDR Holdings*, where the patent “claimed a technical solution to a problem unique to the Internet,” the patent in *BASCOM* claimed a “technology-based solution . . . to filter content on the Internet that overcomes existing problems with other Internet filtering systems . . . making it more dynamic and efficient”) (citations omitted).

Appellants argue that, like the claims in *BASCOM*, the claims here recite improvements to conventional systems and methods that require specific computer components, including:

a “data processor” that “provid[es] interactive access . . . to a display of detailed agent commission information, wherein the detailed agent commission information comprises: policy information and commission detail information; the policy information comprises: a policy number; a client name; a product name; a company name; and an issue date; wherein the detailed agent information is sorted by a plurality of embedded hyperlinks.”

Reply Br. 4. And Appellants assert that “like the claims in *Bascom*, the novel and non-generic arrangements recited in the claim are patent-eligible” (*id.* at 4–5). But, Appellants do not direct us to what is alleged to be the “non-conventional and non-generic arrangement of known conventional pieces.” Nor do Appellants otherwise adequately explain how the court’s ruling in *BASCOM* impacts the patent-eligibility of the present claims.

We are not persuaded, on the present record, that the Examiner erred in rejecting claims 19, 20, 23–25, and 28 under 35 U.S.C. § 101. Therefore, we sustain the Examiner’s rejection.

Appeal 2017-005480
Application 13/399,607

DECISION

The Examiner's rejection of claims 19, 20, 23–25, and 28 under 35 U.S.C. § 101 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)(1)(iv).

AFFIRMED