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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte GEOFF CONSIDINE

Appeal 2017-006363
Application 12/725,204
Technology Center 3600

Before MAHSHID D. SAADAT, JENNIFER S. BISK, and SCOTT B. HOWARD, *Administrative Patent Judges*.

SAADAT, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant[1] appeals under 35 U.S.C. § 134(a) from a Final Rejection of claims 1, 2, 11, and 12, which are all the claims pending in this application.[2] We have jurisdiction over the pending claims under 35 U.S.C. § 6(b).

We affirm.

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[1] Appellant identifies FOLIO*fn*, Inc. as the real party in interest. Br. 4.

[2] Claims 3–10 and 13–20 have been previously canceled.

STATEMENT OF THE CASE

Introduction

Appellant's Specification describes "a method and apparatus for analyzing an individual investment or an investment portfolio to predict possible future performance of these investments." Spec. ¶ 4.

Exemplary Claim

Claim 1 is illustrative of the invention and reads as follows.

> 1. A computer implemented method for analyzing an investment portfolio comprising:
>
> creating with a computer a plurality of modified portfolios each of which comprise a first percentage allocation to said investment portfolio and a remaining percentage allocation to one of a plurality of core asset classes;
>
> calculating with a computer a plurality of historical returns for each of the plurality of modified portfolios;
>
> calculating with a computer how many of the modified portfolios out-performed the original portfolio; and
>
> displaying via a graphical user interface a result of how many of the modified portfolios out-performed the original portfolio as a star plot having straight lines drawn from a performance value of the original portfolio to a performance value of each of the modified portfolios.

The Examiner's Rejection

Claims 1, 2, 11, and 12 stand rejected under 35 U.S.C. § 101 for being directed to patent-ineligible subject matter. Final Act. 3–4.

ANALYSIS

We have reviewed the Examiner's rejections in light of Appellant's arguments (Appeal Brief and Reply Brief) that the Examiner has erred. We

are unpersuaded by Appellant's contentions and agree with and adopt the Examiner's findings and conclusions in (i) the action from which this appeal is taken (Final Act. 3–4) and (ii) the Answer (Ans. 3–7) to the extent they are consistent with our analysis below.

Principles of Law

Under 35 U.S.C. § 101, a patent may be obtained for "any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof." The Supreme Court has "long held that this provision contains an important implicit exception: Laws of nature, natural phenomena, and abstract ideas are not patentable." *Alice Corp. v. CLS Bank Int'l*, 134 S. Ct. 2347, 2354 (2014) (quoting *Ass'n for Molecular Pathology* v. *Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2116 (2013)). 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, 79 (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*, 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, such as an abstract idea. Abstract ideas may include, but are not limited to, fundamental economic practices, methods of organizing human activities, an idea of itself, and mathematical formulas or relationships. *Id.* at 2355–57. If the claims are not directed to a patent-ineligible concept, 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 the additional elements 'transform the nature of the claim' into a patent-eligible

application." *Alice*, 134 S. Ct. at 2355 (quoting *Mayo*, 132 S. Ct. at 1298, 1297). We, therefore, look to whether the claims focus on a specific means or method that improves the relevant technology or instead are directed to a result or effect that itself is the abstract idea and merely invoke generic processes and machinery. *See Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1336 (Fed. Cir. 2016).

Alice Step 1

Considering the first part of the *Alice/Mayo* analysis, the Examiner finds the claims are directed to the abstract idea of "analyzing an investment portfolio" whereas "[a]nalyzing an investment portfolio is a fundamental economic practice and thus, the claims include an abstract idea." Final Act. 3–4. The Examiner further finds:

> The claims do not include limitations that are "significantly more" than the abstract idea because the claims do not include an improvement to another technology or technical field, an improvement to the functioning of the computer itself, or meaningful limitations beyond generally linking the use of an abstract idea to a particular technological environment. Note that the limitations, in the instant claims, are done by the generically recited computer. The limitations are merely instructions to implement the abstract idea on a computer and require no more than a generic computer to perform generic computer functions that are well-understood, routine and conventional activities previously known to the industry.

Final Act. 4.

Appellant argues the Examiner erred. *See* App. Br. 13–16. According to Appellant, the recited limitation of "displaying via a graphical user interface a result of how many of the modified portfolios out-performed the original portfolio as a star plot having straight lines drawn from a performance value of the original portfolio to a performance value of each of

the modified portfolios" is not an abstract idea, "but rather a concrete display of results of a calculation in a unique and novel manner to present underlying concepts to a user." Br. 14.

We agree with the Examiner that the claims are directed to a fundamental economic practice, i.e., creating a plurality of modified portfolios, calculating a plurality of historical returns for each of the portfolios, calculating the number of modified portfolios that out-performed the original portfolio, and displaying the results as a star plot on a graphical user interface. Final Act. 3–4. Moreover, our reviewing court has found similar methods to be abstract ideas. "[W]e 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." *Elec. Power Grp., LLC v. Alstom S.A.,* 830 F.3d 1350, 1353 (Fed. Cir. 2016) (citations omitted). "In a similar vein, we have treated analyzing information by steps people go through in their minds, or by mathematical algorithms, without more, as essentially mental processes within the abstract-idea category." *Id.* at 1354. "And we have recognized that merely presenting the results of abstract processes of collecting and analyzing information, without more (such as identifying a particular tool for presentation), is abstract as an ancillary part of such collection and analysis." *Id.*

Alice Step 2

Because the claims are directed to an abstract idea, we turn to the second part of the *Alice/Mayo* analysis. We analyze the claims to determine if there are additional limitations that individually, or as an ordered

combination, ensure the claims amount to "significantly more" than the abstract idea. *Alice*, 134 S. Ct. at 2357.

Appellant argues that even if the claims are directed to an abstract idea, the claim features discussed above further include an "inventive concept" that is "significantly more" than the abstract idea and, therefore, transforms the claims into patent-eligible subject matter. App. Br. 15. According to Appellant, "[c]omplex fundamental properties of the investment portfolio are made intuitively understandable to a user through the novel display of the star plot image drawn in the manner claimed," which is a representation of "a computerized graphical manner that adds more to the abstract calculations, thereby transforming the claim to patent eligible subject matter." *Id.*

In response, the Examiner further explains the basis for the rejection:

> Note that the limitations, in the instant claims, are done by the generically recited computer products. The generically recited computer elements such as "computer", and "graphical user interface" do not add a meaningful limitation to the abstract idea because they would be routine in any computer implementation. The steps for creating modified portfolios, calculating historical returns, calculating how many modified portfolios out-performed the original portfolios and displaying a result as a star plot do not add a meaningful limitation to the method as they would be routinely used by those of ordinary skill in the art in order to apply the abstract idea.

Ans. 3–4. The Examiner characterizes the claimed subject matter as an "administrative business solution or a business plan enhanced by common generic hardware." Ans. 5. Citing the court decisions in *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709 (Fed. Cir. 2014) and *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350 (Fed. Cir. 2014), the Examiner asserts "in the case of the

instant claims, limitations drawn to the implementation of the abstract idea, such as creating modified portfolios, calculating historical returns, calculating how many modified portfolios out-performed the original portfolios and displaying a result as a star plot, further describe the abstract idea but do nothing to render the concept less abstract." Ans. 5–6. Additionally, the Examiner finds that the focus of Appellant's claims is collecting, analyzing, and displaying information, which is similar to the claims in *Electric Powers*, which were found to be patent-ineligible. Ans. 6.

We agree with the Examiner. Considered "both individually and as an ordered combination," the computer device and program steps of Appellant's claim add nothing that is not already present when the steps are considered separately. *See Alice*, 134 S. Ct. at 2355 (quotations omitted) (quoting *Mayo*, 132 S. Ct. at 1297). The claims do not, for example, purport to improve the functioning of the processor or memory, or how a star plot is created and displayed. Nor do they effect an improvement in any other technology or technical field. "At best, the claims describe the automation of the [abstract idea] through the use of generic-computer functions." *OIP Techs., Inc. v. Amazon.com, Inc.,* 788 F.3d 1359, 1363 (Fed. Cir. 2015). That is not enough to transform an abstract idea into a patent-eligible invention. *See Alice,* 134 S. Ct. at 2360. *See also* Claim 1 (reciting "a computer" and "a graphical user interface"); Claim 11 (reciting "[a]n apparatus" comprising "a processor" and "a graphical user interface"); and Claim 12 (reciting "a graphical user interface" capable of generating "a two dimensional chart," "a plurality of points" on the chart and drawing a star plot). The dependent claim 2 calls for similar generic components and

devices, and Appellant has not shown such claim limitations require any non-conventional components or devices.

Also, as discussed above, Appellant has not persuasively argued, nor provided sufficient evidence why the claim recitations regarding creating modified portfolios, calculating historical returns, calculating how many modified portfolios out-performed the original portfolios and displaying a result as a star plot, are not routine computer functions. *See, e.g., Elec. Power Grp.,* 830 F.3d at 1355 (quotation omitted) ("We have repeatedly held that such invocations of computers and networks that are not even arguably inventive are insufficient to pass the test of an inventive concept in the application of an abstract idea.") (quotations omitted); *Ultramercial,* 772 F.3d at 716 (quoting *Alice*, 134 S. Ct. at 2357) ("Instead, the claimed sequence of steps comprises only 'conventional steps, specified at a high level of generality,' which is insufficient to supply an 'inventive concept.'"); *buySAFE,* 765 F.3d at 1352, 1355 (finding computer-implemented system for guaranteeing performance of an online transaction to be ineligible); *BASCOM Glob. Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1348 (Fed. Cir. 2016) ("An abstract idea on 'an Internet computer network' or on a generic computer is still an abstract idea."); *Alice*, 134 S. Ct. at 2358 ("[T]he mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention."); *Intellectual Ventures I LLC v. Capital One Fin. Corp.*, 850 F.3d 1332, 1341 (Fed. Cir. 2017) ("Rather, the claims recite both a generic computer element—a processor—and a series of generic computer 'components' that merely restate their individual functions—i.e., organizing, mapping, identifying, defining, detecting, and modifying.").

In sum, Appellant's claims are "directed to nothing more than the performance of an abstract business practice . . . using a conventional computer. Such claims are not patent-eligible." *DDR Holdings, LLC v. Hotels.com, L.P.,* 773 F.3d 1245, 1256 (Fed. Cir. 2014). That is to say, they merely describe the functions of the abstract idea itself, without particularity. This is simply not enough under step two. *Intellectual Ventures I LLC v. Capital One Fin. Corp.,* 792 F.3d 1363, 1370 (Fed. Cir. 2015) ("[T]he 'interactive interface' simply describes a generic web server with attendant software, tasked with providing web pages to and communicating with the user's computer."). We therefore sustain the Examiner's rejection of claims 1, 2, 11, and 12 under 35 U.S.C. § 101.

DECISION

We affirm the Examiner's decision to reject claims 1, 2, 11, and 12 under 35 U.S.C. § 101.

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