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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte ANTHONY J. FIACABLE and MARK EDWARD HENRY

Appeal 2017-007094¹
Application 14/046,761²
Technology Center 3600

Before HUBERT C. LORIN, TARA L. HUTCHINGS, and
MATTHEW S. MEYERS, *Administrative Patent Judges*.

HUTCHINGS, *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 1–21. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Our decision references Appellants’ Appeal Brief (“App. Br.,” filed Nov. 2, 2016) and Reply Brief (“Reply Br.,” filed Mar. 31, 2017), and the Examiner’s Answer (“Ans.,” mailed Jan. 31, 2017) and Final Office Action (“Final Act.,” mailed Mar. 2, 2016).

² Appellants identify One Technologies, LP. as the real party in interest. App. Br. 2.

CLAIMED INVENTION

Appellants' claimed invention concerns providing localized delivery information without the need to recognize or authenticate a user (*see, e.g.*, Spec. ¶ 10).

Claims 1, 10, and 17 are the independent claims on appeal. Claim 1, reproduced below, is illustrative of the claimed subject matter:

1. A method comprising:
using at least one processing device:
 - identifying at least one first value of at least one characteristic of an average consumer's credit report;
 - receiving, over a network from a user device, information identifying a customer attempting to enroll in a credit reporting service or a credit monitoring service;
 - identifying service-related information associated with the customer, wherein the service-related information comprises at least one second value of the at least one characteristic of the customer's credit report, the customer's credit report to be made available to the customer after the customer enrolls in the credit reporting service or the credit monitoring service; and
 - prior to enrolling the customer in the credit reporting service or the credit monitoring service and prior to collecting payment information from the customer, communicating the at least one first value and the at least one second value over the network for presentation to the customer at the user device.

REJECTION

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

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)).

In rejecting the pending claims under § 101, the Examiner determined that the claims are directed to sales activity of a credit report service or credit monitoring service, which is a method of organizing human activities and a fundamental economic practice, i.e., an abstract idea. Final Act. 4. The Examiner also determined that the claims do not include additional elements sufficient to amount to significantly more than the abstract idea itself.³ *Id.*

Independent Claims 1, 10, and 17

Focusing first on independent claim 1, Appellants argue that claim 1 is not directed to an abstract idea, but instead recites a “specific process that uses specific information in a manner never done before.” App. Br. 12.

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) (citing *Internet Patents Corp.*, 790 F.3d at 1346). It asks whether the focus of the claims is on a specific improvement in the 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.

³ We note that the mailing of the Examiner’s Answer and the filing of Appellants’ Reply Brief occurred prior to the USPTO issuing its latest guidance on patent eligibility. *See* 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50 (Jan. 7, 2019). We review the presently appealed rejection in light of recent relevant court decisions and the recent guidance.

Here, claim 1, by Appellants' own characterization, calls for (1) "identifying at least one first value of at least one characteristic of an average consumer's credit report;" (2) "receiving information identifying a customer that is attempting to enroll in a credit reporting service or a credit monitoring service;" (3) "identifying service-related information associated with the customer, where the service-related information includes at least one second value of the at least one characteristic of the customer's credit report, where the customer's credit report is to be made available to the customer after the customer enrolls in the credit reporting service or the credit monitoring service;" (4) "prior to enrolling the customer in the credit reporting service or the credit monitoring service and prior to collecting payment information from the customer, communicating the at least one first value and the at least one second value over . . . for presentation to the customer." App. Br. 12. Stated differently, the claimed invention results in presenting the credit reporting service or credit monitoring service to the customer prior to enrolling the customer in the service. Similarly, Appellants' Specification discloses that the invention relates to previewing credit reporting or credit monitoring prior to service enrollment. Spec. ¶¶ 3, 5.

The Background section describes that a credit reporting service typically allows customers to receive their credit reports and possibly credit scores from one or more credit bureaus, and a credit monitoring service typically monitors credit bureaus' records and other entities records that can affect the customers' credit rating. Appellants do not identify, and we do not find, any indication in the Specification that the operations recited in claim 1 require any specialized computer hardware or other inventive computer

components, invoke any assertedly inventive programming, or are implemented using other than generic computer components to perform the claimed method steps. Understood in light of the Specification, Appellants' claims, thus, focus on presenting a credit reporting service or credit monitoring service to a customer prior to enrollment, which is a fundamental economic practice, i.e., an abstract idea, and not on any claimed means for achieving that goal that improves technology.

Similar to the claims at issue in *Electric Power Group, LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016), providing a user with the fully-landed cost of an item, as recited in claim 1, involves nothing more than gathering and analyzing information, and then displaying the results — activities squarely within the realm of abstract ideas. *See Elec. Power Grp.*, 830 F.3d at 1354 (finding claims directed to an abstract idea where “[t]he advance they purport to make is a process of gathering and analyzing information of a specified content, then displaying the results, and not any particular assertedly inventive technology for performing those functions”); *see also 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 1353, 1355 (citing cases))); *Mortgage Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1324 (Fed. Cir. 2016) (holding that the claims are directed to the abstract idea where the claims recite “nothing more than the collection of information to generate a ‘credit grading’ and to facilitate anonymous loan

shopping”). Accordingly, we are not persuaded that the Examiner erred in determining that claim 1 is directed to an abstract idea.

Appellants’ further argument that claim 1, “[p]ursuant to *McRO*,” is patent-eligible because “there are countless other ways in which one could engage in ‘sales activity’ of a credit reporting service or a credit monitoring service” (App. Br. 12) is similarly unpersuasive. 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 pre-emption.” *Alice Corp.*, 134 S. Ct. at 2354. But characterizing pre-emption 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.*

Here, the abstract idea is not integrated into a practical application. Appellants argue that claim 1 is analogous to the claims in *McRO*. *See* App. Br. 11–12. But in *McRO* the claim at issue was directed to automatically animating the lip synchronization and facial expressions of three-dimensional animated characters. *McRO*, 837 F.3d at 1307–08. There, the Federal Circuit determined that the claimed invention, considered as a whole, used limited rules in a process specifically designed to achieve a technological improvement over existing, manual 3–D animation techniques.

Id. at 1316. As such, the court determined that the claim is not directed to an abstract idea, and is patent-eligible under 35 U.S.C. § 101. *Id.* We are not persuaded that a credit reporting service or a credit monitoring service is a technical field. Nor are we persuaded that previewing a credit reporting service or a credit monitoring services is a technological improvement.

Turning to step two of the *Mayo/Alice* framework, Appellants assert that the Examiner fails to address the additional elements of claim 1; fails to adequately explain why the additional elements individually do not add significantly more to the exception; and fails to consider the elements as an ordered combination. App. Br. 13. However, the Examiner determined, and we agree, that each of the claimed steps is an abstract idea. *See* Final Act. 4 (“all the steps” are related to the abstract idea). The Examiner further determined that the elements, when taken in combination, do not offer substantially more than the sum of the functions when each element is considered alone. *Id.*

Appellants argue that claim 1 “includes various recitations regarding a specific set of operations using specific information and specific actions” that are “not simply ‘generic computer functionalities’” and are performed “in a manner never done before.” *Id.* at 14. “But the relevant inquiry is not whether the claimed invention as a whole is unconventional or non-routine.” *BSG Tech. LLC v. BuySeasons, Inc.*, 899 F.3d 1281, 1290 (Fed. Cir. 2018). Instead, the question is whether the claim includes additional elements, i.e., elements *other* than the abstract idea itself, that “‘transform the nature of the claim’ into a patent-eligible application.” *Alice Corp.*, 134 S. Ct. at 2355 (quoting *Mayo*, 566 U.S. at 79, 78). These transformative elements must supply an “inventive concept” that ensures the patent “amounts to

significantly more than a patent upon the [ineligible concept] itself.” *Id.* (alteration in original) (quoting *Mayo*, 566 U.S. at 72–73).

The Examiner determined here, and we agree, that the only elements beyond the abstract idea are generically-recited computer components used to perform generic computer functions. *See* Ans. Final Act. 3 — a determination amply supported by, and fully consistent with the Specification. *See, e.g.*, Spec. ¶¶ 19–33.

Appellants cannot reasonably contend that there is a genuine issue of material fact (i.e., requiring the presentation of evidence) regarding whether operation of the claimed third party system is well-understood, routine, or conventional, where, as here, there is nothing in the Specification to indicate that the operations recited in the claim require any specialized hardware or inventive computer components, invoke any assertedly inventive programming, or that the claimed invention is implemented using other than generic computer components. Indeed, the Federal Circuit, in accordance with *Alice*, has “repeatedly recognized the absence of a genuine dispute as to eligibility” where claims have been defended as involving an inventive concept based “merely on the idea of using existing computers or the Internet to carry out conventional processes, with no alteration of computer functionality.” *Berkheimer v. HP, Inc.*, 890 F.3d 1369, 1373 (Fed. Cir. 2018) (Moore, J., concurring) (citations omitted).

We also are not persuaded by Appellants’ argument that the claimed invention is patent-eligible, i.e., that claim 1 amounts to “significantly more” than an abstract idea, because the claim is allegedly non-obvious in view of the prior art. App. Br. 14–15. Neither a finding of novelty nor a non-obviousness determination automatically leads 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.”).

We are not persuaded that providing a preview of a credit reporting service or credit monitoring service prior to enrollment and prior to payment information collection is a technological improvement, rather than an improvement to a process directed to an abstract idea for which generic computer components are used in their ordinary capacity.

We are not persuaded, on the present record, that the Examiner erred in rejecting independent claim 1 under 35 U.S.C. § 101. Therefore, we sustain the Examiner’s rejection. We also sustain the rejection of claims 10 and 17, which are not argued separately.

Dependent Claims 2–9, 11–16, and 18–21

Appellants argue that the Examiner improperly grouped the dependent claims with the independent claims, and failed to identify the additional limitations and explain why they do not amount to significantly more than the exception. See App. Br. 17–30. However, these limitations involve no more than collecting and processing information and displaying the results, and, as such, are insufficient. Appellants’ arguments substantially identical to Appellants’ argument with respect to claim 1, and are similarly unpersuasive. Therefore, we sustain the Examiner’s rejection of dependent claim 2–9, 11–16, and 18–21.

DECISION

The Examiner’s rejection of claims 1–21 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