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EXAMINER
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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* ALBERT KWANG-HWA SUN, TAK MING CHAN,  
JACQUELINE LAYER, NICOLE GABRIELLE RODRIGUEZ TOULIS,  
STEPHEN PAN CHEUNG, PATRICK SHU PUI KO,  
SAMMY SHUN YUEN FUNG, THOMAS WILLIAM HALPIN,  
YOKE BEE YAP, ZENO FOOK CHUEN CHOW,  
KELVIN YATSUN LEUNG, KWOK KEUNG YEUNG,  
MAN PUI TSIM, and SOL SOLOMON

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Appeal 2017-007829  
Application 13/874,790  
Technology Center 3600

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Before JASON V. MORGAN, JON M. JURGOVAN, and  
JOSEPH P. LENTIVECH, *Administrative Patent Judges*.

LENTIVECH, *Administrative Patent Judge*.

DECISION ON APPEAL

Pursuant to 35 U.S.C. § 134(a), Appellants<sup>1</sup> appeal from the Examiner's decision to reject claims 42, 44, 47–55, 57–63, 67, and 68. Claims 1–41, 43, 45, 46, 56, 64–66 have been canceled. *See* App. Br. 10–15 (Claims App'x). We have jurisdiction over the pending claims under 35 U.S.C. § 6(b). We affirm.

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<sup>1</sup> According to Appellants, the real party in interest is JPMorgan Chase Bank, N.A. App. Br. 1.

## RELATED APPEAL

Appellants indicate that Appeal 2017-007812 (App. No. 13/735,433), decided October 30, 2018, is related to the instant Appeal.

## STATEMENT OF THE CASE

### *Appellants' Invention*

Appellants' invention generally relates to “systems and methods for managing trading operations and more particularly to a system and method for generating, processing and tracking documents and processes associated with import/export trading operations.” Spec. 1. Claim 42, which is illustrative of the claimed invention, reads as follows:

42. A system of processing trade documents associated with a trade operation between a buyer and a seller, the system comprising:

a customer profile database that stores a customer profile comprising (1) letter of credit templates, (2) letter of credit text, and (3) standard terms and conditions used by the buyer that are approved for transactions involving the buyer and the seller;

an interface module that receives an initiation document comprising one of an application for a letter of credit and a purchase order, the initiation document further comprising requirement information with respect to the trade operation;

a second database coupled to the interface module, the interface module mapping at least some of the requirement information into the second database for tracking and monitoring of the trade operation;

a letter of credit generation module coupled to the customer profile database, the letter of credit generation module automatically generating the letter of credit using the standard terms and conditions contained in the customer profile;

a document generation module coupled to the second database, the document generation module automatically generating the trade documents utilizing the requirement information contained in the second database; and

a verification module that verifies the accuracy of the trade documents by comparing the trade documents to the customer profile.

### *Rejections*

Claims 42, 44, 47–55, 57–63, 67, and 68 stand rejected under 35 U.S.C. § 101 because the claimed subject matter is judicially-excepted from patent eligibility under § 101. Final Act. 2–3.

Claims 42, 44, 47–55, 57–63, 67, and 68 stand rejected on the grounds of non-statutory obviousness-type double patenting over claims 1–24 of Sun et al. (US 7,945,492 B1; issued May 17, 2011) (“Sun”). Final Act. 4.

## ANALYSIS

### *Double Patenting Rejection*

In the Briefs, Appellants present no arguments regarding the rejection of claims 42, 44, 47–55, 57–63, 67, and 68 on the grounds of non-statutory obviousness-type double patenting. *See also* Ans. 4. Accordingly, we summarily sustain the Examiner’s rejection.

### *Rejection under 35 U.S.C. § 101*

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. Pty. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014) (quoting *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 589 (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, 82–84 (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. *Id.* The inquiry often is whether the claims are directed to “a specific means or method” for improving technology or whether they are simply directed to an abstract end-result. *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1314 (Fed. Cir. 2016). 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*, 566 U.S. at 78–79). We, therefore, look to whether the claims focus on a specific means or method that improves the relevant technology or are instead directed to a result or effect that 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).

*Step 1*

The Examiner finds the claims are directed to processing trade documents which “is fundamental to international trade and thus the claims are directed to an abstract idea.” Final Act. 2 (citing cases). Additionally, the Examiner finds the recited limitations “can be performed mentally, and are similar to the concepts identified as abstract ideas by the courts (e.g., using categories to organize and store information for transmission or comparing new and stored information and using rules to identify options.” Ans. 4 (citing cases) (internal citations omitted).

Initially, Appellants argue the “alleged abstract idea – ‘processing trade documents’ – is not an abstract idea within the meaning of *Alice*.” App. Br. 5. Appellants argue:

[T]he Examiner has not alleged that the claims recite a concept that is “similar to concepts previously found abstract by the courts.” Indeed, the cases cited by the Examiner – *Cyberfone* (e.g., using categories to organize and store information for transmission), *SmartGene* (e.g., comparing new and stored information and using rules to identify options), *TDE Petroleum* (e.g., storing, gathering, and analyzing data) and *Electric Power* (e.g., collecting information, analyzing it, and displaying certain results of the collection and analysis) – do not have abstract ideas that are similar to the alleged abstract idea.

Reply Br. 2–3 (footnote omitted). Appellants argue the claims, instead, “recite improvements to trade document processing.” Reply Br. 3.

Second, Appellants argue:

the claims are not simply directed to “processing trade documents” – instead, they require, *inter alia*, “a customer profile database that stores a customer profile comprising (1) letter of credit templates, (2) letter of credit text, and (3) standard terms and conditions used by the buyer that are approved for transactions involving the buyer and the seller,” “a letter of credit generation module coupled to the customer profile database, the letter of credit generation module automatically generating the

letter of credit using the standard terms and conditions contained in the customer profile,” and “a document generation module coupled to the second database, the document generation module automatically generating the trade documents utilizing the requirement information contained in the second database.”

App. Br. 5–6. Appellants argue the claimed method, is rooted in computer technology and, therefore, “cannot be considered [to be] a fundamental financial practice or an ‘abstract idea’ under *Alice*.” App. Br. 6. Appellants further argue “the claims recite specific hardware, such as a customer profile database, an interface module, a database coupled to the interface module, a letter of credit generation module, a document generation module, and a verification module” and, therefore, “are not directed to any ‘judicial exceptions’ – laws of nature, natural phenomena, or abstract ideas.” App. Br. 7.

We do not find Appellants’ arguments persuasive. We agree with the Examiner (Final Act. 2) that the claims are directed to processing trade documents. The Specification describes processing trade documents as a conventional business practice manually performed by buyers, sellers, and/or financial entities in performing trade operations. Spec. 1–3. As such, the claims are directed to a fundamental business practice and method of organizing human activity, long prevalent in our system of commerce. Like risk hedging (*see Bilski v. Kappos*, 561 U.S. 593 (2010)), intermediated settlement (*see Alice*, 134 S. Ct. at 2356–57), credit card transaction verification (*see CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1370 (Fed. Cir. 2011)), information collection and analysis to detect and notify of misuses (*see FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1093–94 (Fed. Cir. 2016)), and transaction guarantees (*see buySAFE*,

*Inc. v. Google, Inc.*, 765 F.3d 1350, 1354 (Fed. Cir. 2014)), the claims are directed to an abstract idea.

We are also not persuaded by Appellants’ argument that the claims are not directed to an abstract idea because the claims “are admittedly *novel* and *nonobvious* – there are *no prior art rejections*.” App. Br. 5. The issue of whether all of the limitations of the claim are well-known is not dispositive for whether the Examiner errs in step *one* of the *Alice* analysis. The dispositive issue is whether the *idea to which the claim is directed* (as a whole) is a fundamental economic practice. *Cf. Alice*, 134 S. Ct. at 2352 n.2, 2355–57 (determining a claim with a variety of specific limitations was directed simply to risk hedging). As claim 42’s preamble highlights, the claim recites a “system of processing trade documents associated with a trade operation between a buyer and a seller.” As discussed above, we agree with the Examiner that this idea is a fundamental economic practice. Final Act. 2.

### *Step 2*

Turning to the second step of the analysis, the Examiner finds that the claims do not recite significantly more than the abstract idea because “the claims fail to include elements that amount to significantly more [than] the [abstract] idea itself because the claim limitations simply instruct the practitioner to implement the [abstract] idea.” Final Act. 2. The Examiner further finds the recited limitations

are recited at a high level of generality, and can comprise only a microprocessor and memory to simply perform the generic computer functions of receiving, manipulating and transmitting information to a computer of the remote party. Generic

computers performing generic computer functions, alone, do not amount to significantly more than the abstract idea. These limitations are simply a field of use and does not add a meaningful limit on the abstract idea. Viewing the elements as a combination does not add anything further than the individual elements.

Ans. 4.

Appellants argue the claims recite “meaningful limitations – which distinguish the claims from the cited art – [that are] significantly more than any alleged abstract idea.” App. Br. 6. Appellants argue because “the claims require hardware that maps data to a database, [] generates a letter of credit, generates trade documents, and verifies the accuracy of the trade documents” the claims recite limitations that “amount to ‘significantly more’ than simply the ‘processing of trade documents.’” App. Br. 6; *see also* Reply Br. 3–4.

Appellants argue the Examiner “has failed to consider *all* of the claim elements in combination” and “[t]o the extent that the Examiner may contend that the claimed functions are generic functions . . . when considered together, these elements can still amount to significantly more than an abstract idea.” App. Br. 7. Appellants further argue:

[T]he claims are not merely directed to “processing of trade documents.” Instead, they involve the mapping of data to a database, the generation of a letter of credit, the generation of trade documents, and the verification of the accuracy of the trade documents. Thus, taken as a whole, the claim elements do significantly more than “simply instruct the practitioner to implement the idea” of document processing.

App. Br. 7.

Appellants also argue “the claims ‘do not merely recite the performance of some business practice known from the pre-Internet world along with the requirement to perform it on the Internet’” but, instead, “the

claimed solution is *necessarily rooted in computer technology* in order to overcome a problem specifically arising in the realm of computer networks.” App. Br. 7–8 (citing *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257 (Fed. Cir. 2014)). Appellants argue the claims are necessarily rooted in computer technology because they “are not an example of ‘implementing an abstract concept faster and more efficiently on a computer’” and because “the process could not occur absent a computer.” App. Br. 8 (emphasis omitted).

We find nothing in Appellants’ claims that adds anything “significantly more” to transform the abstract concept of processing trade documents into a patent-eligible application. *Alice*, 134 S. Ct. at 2357. Limiting such an abstract concept of processing trade documents to a general purpose computer having generic components such as “a customer profile database,” “an interface module,” “a second database,” “a letter of credit generation module,” and “a verification module” does not make the abstract concept of claim 42 patent-eligible under 35 U.S.C. § 101. As recognized by the Supreme Court, “the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention.” *See Alice*, 134 S. Ct. at 2359 (concluding claims “simply instruct[ing] the practitioner to implement the abstract idea of intermediated settlement on a generic computer” not patent eligible); *see also Dealertrack, Inc. v. Huber*, 674 F.3d 1315, 1333–34 (Fed. Cir. 2012) (“Simply adding a ‘computer aided’ limitation to a claim covering an abstract concept, without more, is insufficient to render [a] claim patent eligible” (internal citation omitted)).

To the extent Appellants argue the claims are directed to novel and nonobvious subject matter and, therefore, necessarily entail an inventive

concept that transforms the claims to significantly more than the abstract idea (Reply Br. 4), we disagree. Although the second step in the *Alice/Mayo* 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*, 134 S. Ct. at 2355 (citation omitted). A novel and nonobvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 566 U.S. at 90; *see also Myriad*, 133 S. Ct. 2107, 2117 (2013) (“Groundbreaking, innovative, or even brilliant discovery does not by itself satisfy the § 101 inquiry”).

We are also not persuaded by Appellants’ argument that the claims recite significantly more than an abstract idea because “as a result of the computer implementation, these claims are ‘more than [an] [] effort designed to monopolize the [abstract idea].’” App. Br. 8 (alterations in original); *see also* Reply Br. 4–6 (citing *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1313–16 (Fed. Cir. 2016)). To be sure, the Supreme Court has described “the concern that drives this exclusionary principle [i.e., the exclusion of abstract ideas from patent eligible subject matter] as one of preemption.” *See Alice*, 134 S. Ct. at 2354. However, characterizing preemption as a driving concern for patent eligibility is not the same as characterizing preemption as the test for patent eligibility. As our reviewing court has explained: “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). Although “preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *Id.*

*Conclusion*

Because Appellants’ claims 42, 44, 47–55, 57–63, 67, and 68 are directed to a patent-ineligible abstract concept, and do not recite something “significantly more” under the second prong of the *Alice* analysis, we sustain the Examiner’s rejection of these claims under 35 U.S.C. § 101.

DECISION

We affirm the Examiner’s rejection of claims 42, 44, 47–55, 57–63, 67, and 68 under 35 U.S.C. § 101.

We affirm the Examiner’s rejection of claims 42, 44, 47–55, 57–63, 67, and 68 on the grounds of non-statutory obviousness-type double patenting.

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