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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte DMITRIY GLINBERG, TAE S. YOO,
DALE A. MICHAELS, and EDWARD GOGOL[1]

Appeal 2017-010970
Application 13/864,851
Technology Center 3600

Before ST. JOHN COURTENAY III, ELENI MANTIS MERCADER, and JOYCE CRAIG, *Administrative Patent Judges*.

Opinion for the Board filed by *Administrative Patent Judge* JOYCE CRAIG

Opinion Dissenting filed by *Administrative Patent Judge*
ELENI MANTIS MERCADER

CRAIG, *Administrative Patent Judge*.

DECISION ON REQUEST FOR REHEARING

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[1] According to Appellants, the real party in interest is Chicago Mercantile Exchange Inc. App. Br. 2.

Appellants request rehearing of the decision entered July 1, 2019 ("Decision") affirming the rejection of claims 1–7 and 9–19 under 35 U.S.C. § 101. We deny the requested relief.

ANALYSIS

Requests for Rehearing are limited to matters overlooked or misapprehended by the Panel in rendering the original decision. *See* 37 C.F.R. § 41.52. A request for rehearing "'must state with particularity the points believed to have been misapprehended or overlooked by the Board"' and "must specifically recite 'the points of law or fact which appellant feels were overlooked or misapprehended by the Board."' *Ex parte Quist*, 95 USPQ2d 1140, 1141 (BPAI 2010) (precedential) (quoting MPEP § 1214.03).

Appellants argue in the Request for Rehearing that "the Majority has misapprehended or otherwise overlooked the applicability of Prong Two of the USPTO's Revised Patent Subject Matter Eligibility Guidance, i.e. whether the claim recites additional elements that integrate the judicial exception into a practical application." Reh'g Req. 2–3. In particular, Appellants argue that the "means for creating" limitation recited in claim 1 "is not a fundamental economic practice," and "thus is not an abstract idea under Step 2A, Prong 1." *Id.* at 3–4. Appellants further argue that the "means for creating" step "is not fundamental to the analysis of risk of a portfolio of derivative products." *Id.* at 4.

Appellants' arguments based on the Board's Revised Guidance are timely, as the Revised Guidance went into effect on January 7, 2019, after Appellants' Reply Brief was filed and before the Decision issued. We are not persuaded by Appellants' arguments, however. The majority opinion in

the Decision did not determine that the "means for creating" limitation standing alone is a fundamental economic practice. Rather, the majority opinion explained why the "means for creating" step is an operation that would generally occur when analyzing the risk of a portfolio of derivative products and, thus, is part of the fundamental economic practice recited in the claim. *See* Decision 6. Moreover, Appellants' argument that the "means for creating" limitation is not fundamental to analyzing the risk of a portfolio of derivative products depends on unsupported attorney argument, which is not persuasive.

Appellants further argue that the recited "means for grouping" and "means for assigning" limitations are not part of the fundamental economic practice, but instead are "additional elements" that integrate the fundamental economic practice into a practical application under Step 2A, Prong 2. Reh'g Req. 4. Appellants reargue that "the claimed invention solves the technical problem of product offset computation, i.e. by providing a means by which such computations may be performed ahead of time and selectively avoided at the time the portfolio is analyzed." *Id.* at 6. This time, Appellants' argument rests on the reasoning set forth in the dissenting opinion in the Decision. *See id.* at 6–7. Appellants also rely on *Ex parte Smith*, Appeal 2018-000064, 2019 WL 764497 (PTAB Feb. 1, 2019) (informative).

Smith is an informative decision that, although not binding authority, nonetheless provides instructive guidance and Board norms on patent eligibility issues. *See* PTAB Standard Operating Procedure 2, Rev. 10 § III, at 11. In *Smith*, however, the claimed timing mechanisms and associated temporary restraints on execution of trades were additional elements that

provided a specific technological improvement over prior derivative trading systems. *See Smith*, 2019 WL 764497, at *5. Here, consistent with the Revised Guidance, the recited determinations are not additional elements beyond the identified abstract idea because they are part of the abstract idea.

Appellants' contention that the recited determinations are analogous to additional elements of *Smith* that integrated a recited judicial exception into a practical application (Reh'g Req. 3–7) is unpersuasive. Those determinations are part of the abstract idea, as noted above and in our Decision. Therefore, Appellants' reliance on *Smith* is not germane to the holding in our decision and is, therefore, unpersuasive.

The Decision already addressed Appellants' "improvement" argument made in the briefs. *See* Decision 9–13. A request for rehearing may not rehash arguments originally made in the briefs. A request for rehearing is not an opportunity to merely express disagreement with a decision.

In summary, we grant the Request to the extent that we have reconsidered the record. The Request for Rehearing is denied.

REHEARING DENIED

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Appeal 2017-010970
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MANTIS MERCADER, *Administrative Patent Judge*, dissenting.

I respectfully dissent from the majority's opinion denying the request for rehearing of claims 1–7 and 9–19 under 35 U.S.C. § 101.

I continue to respectfully disagree with the majority's determination that the "means for grouping together into a single asset the products and/or the positions on products within the portfolio that are common to at least one of the one or the plurality of predefined sets" (i.e., "means for grouping") and the "means for assigning to the single asset at least a portion of the offset value associated with the at least one of the one or the plurality of predefined sets that holds the products and/or the positions on products that are common to the single asset" (i.e., "means for assigning") are part of the abstract idea claimed. *See* claim 1 and Dec. 6–7. Rather, I agree with Appellants that the "means for grouping" and the "means for assigning" limitations recite additional elements integrating the abstract idea of

fundamental economic practice into a practical application under Step 2A, Prong 2.

I agree with Appellants that the recited determinations are analogous to the additional elements of *Smith* that integrated a recited judicial exception into a practical application. *See* Reh'g Req. 3–7. I disagree with the Majority's conclusion that those determinations are part of the abstract idea. *See* Decision Req. Reh'g 4.

Similar to *Smith* the current claimed invention improves prior art trading systems because the claimed "means for grouping" and "means for assigning" solves the problem of product offset computation by *pre-defining and pre-assigning offsets* such that an offset need not be calculated for a product but instead assigned to the product based on its membership in a set having the assigned offset, and thereby reducing the computational burden on the computational resources leading to a technical field improvement in electronic trading. *See* App. Br. 4, 5–6 (citing ¶¶ 378–379 and 383) and *Ex parte Smith,* Appeal 2018-000064, 2019 WL 764497 (PTAB Feb. 1, 2019) (informative).

The steps of "determining whether any of the products and/or the positions on products within the portfolio are common to any of the one or the plurality of predefined sets" and "grouping together into a single asset the products and/or the positions on products within the portfolio that are common to at least one of the one or the plurality of predefined sets," are operations that do not generally occur when analyzing the risk of a portfolio of derivative products. This is because unlike the conventional Theoretical Intermarket Margin System (i.e., TIMS) as described in paragraph 42 of Appellants' Specification, which addresses combining the risk of *closely*

related products into integrated portfolios by calculating risk exposure at different account levels for different account types, the current invention avoids these calculations as claimed by *creating predefined sets wherein each set has an associated offset value and grouping together into a single asset the products within the portfolio that are common to at least one of the predefined sets* as required by claim 1. *Cf.* Spec. ¶ 42 and Spec. ¶¶ 386, 387; also *see* Figs. 2, 3.

The extensive calculations and process of TIMS for assessing risk in portfolios alluded in paragraph 42 are explained in more detail in paragraphs 43–48 of the Specification. *See* Spec. ¶ 43–48. In other words, the problem solved by the claimed invention is not solved through mathematical operations but rather through this pre-defining and pre-assigning offsets. The Specification explicitly states that "[t]he disclosed embodiments allow for the flexibility of assigning a known offset to a set of products quickly and easily without significant computational efforts." *See* Spec. ¶ 379. As stated in *Enfish*, the "conclusion that the claims are directed to an improvement of an existing technology is bolstered by the specification's teachings that the claimed invention achieves other benefits . . . such as increased flexibility, faster search times, and smaller memory requirements." *See Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1337 (Fed. Cir. 2016).

Furthermore, the Majority has not provided any supporting evidence for its assertion that, the last limitation of claim 1 reciting, "assigning to the single asset at least a portion of the offset value associated with the at least one of the one or the plurality of predefined sets that holds the products and/or the positions on products that are common to the single asset" is an

operation that would occur when analyzing the risk of a portfolio of derivative products. *See* Dec. 7.

Accordingly, the limitations of:

> [c] means for grouping together into a single asset the products and/or the positions on products within the portfolio that are common to at least one of the one or the plurality of predefined sets; and
>
> [d] means for assigning to the single asset at least a portion of the offset value associated with the at least one of the one or the plurality of predefined sets that holds the products and/or the positions on products that are common to the single asset.

as recited in claim 1 serve to integrate the abstract idea into a practical application.

The claims as written constitute patent eligible subject matter consistent with the analysis in *Smith*. Accordingly, I respectfully dissent from the majority's opinion denying the request for rehearing for claims 1–7 and 9–19 under 35 U.S.C. § 101.