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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* RICHARD F. CLEMENTS

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Appeal 2017-011139  
Application 13/902,900  
Technology Center 3600

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Before MARC S. HOFF, JOHN A. EVANS, and CATHERINE SHIANG,  
*Administrative Patent Judges.*

EVANS, *Administrative Patent Judge.*

DECISION ON APPEAL

Appellant<sup>1</sup> seeks our review under 35 U.S.C. § 134(a) of the Examiner's final rejection of Claims 1–18. Appeal Br. 1. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.<sup>2</sup>

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<sup>1</sup> Appellant states the real party in interest is Thomson Financial L.L.C. Appeal Br. 1.

<sup>2</sup> Rather than reiterate the arguments of the Appellant and the Examiner, we refer to the Appeal Brief (filed February 21, 2017, "Appeal Br."), the Reply Brief (filed August 28, 2017, "Reply Br."), the Examiner's Answer (mailed June 28, 2017, "Ans."), the Final Action (mailed August 11, 2016, "Final

## STATEMENT OF THE CASE

The claims relate to a computer-based system for evaluating risk in asset backed securities (ABS). *See* Abstract.

### *Invention*

Claims 1, 7, and 13 are independent. An understanding of the invention can be derived from a reading of Claim 1, which is reproduced below with some formatting added:

1. A computer-implemented method comprising:
  - (a) establishing a link between a central server comprising a processor and a memory, and a third-party data provider, the third party data provider storing a set of financial data;
  - (b) receiving, by the central server, a request related to the set of financial data from a client computing system;
  - (c) identifying by a processor an asset backed security (ABS) related to the request for financial data;
  - (d) generating by a processor a data matrix associated with the ABS, the data matrix comprising a set of assets associated with the ABS;
  - (e) automatically collecting by a processor a first set of data related to the set of assets associated with the ABS at a first time, the first set of data comprising types of data including at least one of a Fair Isaac Corporation (FICO) score, Vantage Consumer Credit Score, Experian credit score, Transunion credit score, Equifax credit score, and primary and secondary borrower information;

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Act.”), and the Specification (filed May 27, 2013, “Spec.”) for their respective details.

(f) automatically updating by a processor the data matrix based on the collected first set of data;

(g) automatically generating by a processor a first score for the ABS based on applying a weighted rating model to a plurality of types of data in the first set of data;

(h) automatically collecting by a processor a second set of data related to the set of assets associated with the ABS at a second time, the second set of data comprising types of data including at least one of a Fair Isaac Corporation (FICO) score, Vantage Consumer Credit Score, Experian credit score, Transunion credit score, Equifax credit score, and primary and secondary borrower information;

(i) automatically updating by a processor the data matrix based on the collected second set of data;

(j) automatically determining by a processor a migratory pattern associated with the set of assets associated with the ABS based at least in part on comparing the first set of data and the second set of data;

(k) based at least in part on the migratory pattern associated with the set of assets associated with the ABS, automatically generating by a processor a second score for the ABS based on applying the weighted rating model to the migratory pattern and a plurality of types of data in the second set of data; and

(l) storing by a processor the second score and generating by a human-machine interface at the client computing system a physical element based on the migratory pattern.

*Rejection*<sup>3</sup>

Claims 1–18 stand rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter. Final Act. 8–12.

ANALYSIS

We have reviewed the rejections of Claims 1–18 in light of Appellant’s arguments that the Examiner erred. We have considered in this decision only those arguments Appellant actually raised in the Briefs. Any other arguments which Appellant could have made but chose not to make in the Briefs are deemed to be waived. *See* 37 C.F.R. § 41.37(c)(1)(iv). We are not persuaded that the Appellant identify reversible error. Upon consideration of the arguments presented in the Appeal Brief and Reply Brief, we agree with the Examiner that all the pending claims are unpatentable. We provide the following explanation to highlight and address specific arguments and findings primarily for emphasis. We consider Appellant’s arguments *seriatim*, as they are presented in the Brief, pages 5–28.

CLAIMS 11–19 AND 29–36: INELIGIBLE SUBJECT MATTER

Appellant argues all claims as a group in view of the limitations of Claim 1 and the commensurate limitations of Claims 7 and 13. Appeal Br. 21. Therefore, we decide the appeal of the § 101 rejections with reference to Claim 1, and refer to the rejected claims collectively herein as “the claims.”

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<sup>3</sup> The present application, filed May 27, 2013, i.e., after March 16, 2013, was examined under the first inventor to file provisions of the AIA. Final Act. 2.

*See* 37 C.F.R. § 41.37(c)(1)(iv); *In re King*, 801 F.2d 1324, 1325 (Fed. Cir. 1986).

*Parent Application.*

The present application claims priority to, and is a continuation of, U.S. Application 12/378,483, filed February 13, 2009. Spec., ¶ 1. The '483 Application issued May 28, 2013 as US 8,452,681.

Claim 7 (of the '483 Application) as amended, indicated by the underlining, is set forth below:

A computerized method for evaluating risk in asset backed securities, the method comprising: receiving by a processor a first data set associated with an asset pool of an asset backed security (ABS), the first data set including credit score data related to the asset pool; applying a migratory pattern predictive model to at least a part of the first data set, including the credit score data, and determining by the processor a rating concerning the relative risk associated with the ABS.

US 12/378,483, Claim 7 as amended October 16, 2011.

Appellant argued insertion of the phrase “by the processor” into each step of the claimed method sufficed to render the claims eligible under § 101. The Examiner agreed and withdrew the original rejection of Claim 7 under 35 U.S.C. § 101, in view of an amendment filed October 16, 2011. *See* Non-Final Action mailed December 14, 2011 in the '483 file history.

Claim 1 of the present application shares substantial similarities with claims allowed in the '483 Application, including reciting the phrase “by the processor” in each step of the claimed method. Similarly as was the case for the '483 Application, Appellant argues that a “claimed process is patent-

eligible under 35 U.S.C. § 101 if . . . it is tied to a particular machine or apparatus.” Appeal Br. 8.

“[I]n stating that the ‘machine-or-transformation’ test is an ‘*important and useful clue*’ to patentability, [the Supreme Court] neither said nor implied that the test trumps the ‘law of nature’ exclusion. *Mayo Collaborative Servs. v. Prometheus Labs. Inc.*, 566 U.S. 66, 88 (2012). “[*Parker v. Flook* stands for the proposition that the prohibition against patenting abstract ideas cannot be circumvented by attempting to limit the use of [the idea] to a particular technological environment.” *Alice Corp. Pty. Ltd. v. CLS Bank Intern.*, 573 U.S. 208, 134 S.Ct. 2347, 2358 (2014). “In *Diehr*, 450 U.S. 175, 101 S.Ct. 1048, 67 L.Ed.2d 155, by contrast, we held that a computer-implemented process for curing rubber was patent eligible, but not because it involved a computer. The claim employed a ‘well known’ mathematical equation, but it used that equation in a process designed to solve a technological problem in ‘conventional industry practice.’” *Alice Corp. Pty. Ltd. v. CLS Bank Intern.*, 573 U.S. 208, 134 S.Ct. 2347, 2358 (2014).

We note the prosecution of the ’483 application resulted in the issuance of the ’681 patent prior to promulgation of the *Alice* decision and prior to the promulgation of the 2019 Revised Guidance<sup>4</sup>. Our analysis will follow *Alice* and the Revised Guidance by asking whether the present claims are designed to solve a technological problem.

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<sup>4</sup> USPTO, 2019 Revised Patent Subject Matter Eligibility Guidance, 84(4) Fed. Reg. 50–57 (January 7, 2019) (“Revised Guidance”).

*Preemption*

Appellant contends the limitations of claim 1 are tied to specific components and do not broadly preempt an entire field of endeavor. Appeal Br. 14.

While preemption may denote patent ineligibility, its absence does not demonstrate patent eligibility. *See FairWarning, IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1098 (Fed. Cir. 2016). For claims covering a patent-ineligible concept, preemption concerns “are fully addressed and made moot” by an analysis under the *Mayo/Alice* framework. *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015). We conduct such an analysis below.

*Prima facie case*

Appellant contends the Examiner failed to make out a *prima facie* case of patent ineligibility. Appeal Br. 8. Specifically, Appellant argues “claim 1, and for similar and further reasons claims 7 and 13, are directed towards statutory subject matter pursuant to 35 U.S.C. § 101 because claim 1 is not directed to an abstract idea, and further because claim 1 amounts to significantly more than an abstract idea and otherwise satisfies the requirements of §101.” *Id.*

The Examiner has provided a detailed analysis under the *Mayo/Alice* framework. *See* Final Act. 2-7; 8–12.

We find the Examiner has adequately made out a *prima facie* case. The Federal Circuit has explained repeatedly that “the *prima facie* case is merely a procedural device that enables an appropriate shift of the burden of production.” *Hyatt v. Dudas*, 492 F.3d 1365, 1369 (Fed. Cir. 2007) (citing

*In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992)). The Examiner carries the burden of establishing a prima facie case when its rejection satisfies 35 U.S.C. § 132 by setting forth a rejection in a sufficiently articulate and informative manner. *In re Jung*, 637 F.3d 1356, 1363 (Fed. Cir. 2011). If the Examiner “adequately explain[s] the shortcomings . . . the burden shifts to the applicant to rebut the prima facie case with evidence and/or argument.” *Hyatt*, 492 F.3d at 1370.

*35 U.S.C. § 101*

Section 101 provides that a patent may be obtained for “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.” 35 U.S.C. § 101. The Supreme Court has long recognized, however, that § 101 implicitly excludes “[l]aws of nature, natural phenomena, and abstract ideas” from the realm of patent-eligible subject matter, as monopolization of these “basic tools of scientific and technological work” would stifle the very innovation that the patent system aims to promote. *Alice Corp. Pty. Ltd. 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)); see also *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 72–78 (2012); *Diamond v. Diehr*, 450 U.S. 175, 185 (1981).

Under the mandatory Revised Guidance, we determine whether Appellant’s claims recite:

1. any judicial exceptions, including certain groupings of abstract ideas (i.e., mathematical concepts, certain methods of organizing human

interactions such as a fundamental economic practice, or mental processes),  
and

2. additional elements that integrate the judicial exception into a practical application (see MPEP § 2106.05(a)–(c), (e)–(h)).

Only if a claim, (1) recites a judicial exception, and (2) does not integrate that exception into a practical application, do we then reach the issue of whether the claim:

3. adds a specific limitation beyond the judicial exception that is not “well-understood, routine, conventional” in the field (see MPEP § 2106.05(d)); or

4. simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception.

*Judicial Exceptions.*

Under the Revised Guidance, the abstract idea exception includes the following groupings of subject matter, when recited as such in a claim limitation(s) (that is, when recited on their own or per se): (a) mathematical concepts,<sup>5</sup> i.e., mathematical relationships, mathematical formulas, equations,<sup>6</sup> and mathematical calculations<sup>7</sup>; (b) certain methods of

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<sup>5</sup> *Bilski v. Kappos*, 561 U.S. 593, 611 (2010) (“The concept of hedging . . . reduced to a mathematical formula . . . is an unpatentable abstract idea.”).

<sup>6</sup> *Diamond v. Diehr*, 450 U.S. 175, 191 (1981) (“A mathematical formula as such is not accorded the protection of our patent laws”); *Parker v. Flook*, 437 U.S. 584, 594 (1978) (“[T]he discovery of [a mathematical formula] cannot support a patent unless there is some other inventive concept in its application.”).

<sup>7</sup> *SAP America, Inc. v. InvestPic, LLC*, 898 F.3d 1161, 1163 (Fed. Cir.

organizing human activity—fundamental economic principles or practices (including hedging, insurance, mitigating risk); commercial or legal interactions (including agreements in the form of contracts; legal obligations; advertising, marketing or sales activities or behaviors; business relations); managing personal behavior or relationships or interactions between people (including social activities, teaching, and following rules or instructions)<sup>8</sup>; and (c) mental processes<sup>9</sup> —concepts performed in the human mind (including observation, evaluation, judgment, opinion).<sup>10</sup>

Appellant characterizes his claims as relating to:

a computer-based system for evaluating risk in asset backed securities (ABS) comprising: a database containing data associated with an asset pool of an ABS; a computer having a processor for executing software and being adapted to establish a communication link with an external provider of electronic

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2018) (holding that claims to a “series of mathematical calculations based on selected information” are directed to abstract ideas).

<sup>8</sup> *Alice*, 573 U.S. at 219–20 (concluding that use of a third party to mediate settlement risk is a “fundamental economic practice” and thus an abstract idea); see Revised Guidance, p. 52, n.13 for a more extensive listing of “certain methods of organizing human activity” that have been found to abstract ideas.

<sup>9</sup> If a claim, under its broadest reasonable interpretation, covers performance in the mind but for the recitation of generic computer components, then it is still in the mental processes category unless the claim cannot practically be performed in the mind. See Revised Guidance, p. 52, n. 14; see *Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1318 (Fed. Cir. 2016) (“[W]ith the exception of generic computer-implemented steps, there is nothing in the claims themselves that foreclose them from being performed by a human, mentally or with pen and paper.”).

<sup>10</sup> *Mayo*, 566 U.S. at 71 (“ ‘[M]ental processes[ ] and abstract intellectual concepts are not patentable, as they are the basic tools of scientific and technological work’ ” (quoting *Benson*, 409 U.S. at 67)).

data and to receive a first data set associated with an asset pool of an ABS, the first data set including credit score data related to the asset pool; and a migratory pattern predictive model application executed by the processor and adapted to analyze at least a part of the first data set, including the credit score data, and to determine a rating concerning the relative risk associated with the ABS.

Appeal Br. 8 (citing Abstract). Appellant argues the present rejection is based on an “overly generalized” view of the claims. Appeal Br. 11.

The Examiner finds that courts have determined that the determination of creditworthiness and fraud detection are fundamental economic practices and thus, are abstract ideas. Final Act. 2. Specifically, the Examiner finds the claims are directed to “assigning a risk score to a security.” Ans. 3. We agree. As grouped by the Revised Guidance, the category of abstract ideas includes:

(b) certain methods of organizing human activity—fundamental economic principles or practices (including hedging, insurance, mitigating risk); commercial or legal interactions (including agreements in the form of contracts; legal obligations; advertising, marketing or sales activities or behaviors; business relations).

Revised Guidance, 52.

Indeed, Appellant characterizes his claims as “a computer-based system for evaluating risk in asset backed securities.” Appeal Br. 8. Claim 1 recites various limitations consistent with this characterization, including:

(c) identifying by a processor an asset backed security (ABS) related to the request for financial data;

(d) generating by a processor a data matrix associated with the ABS, the data matrix comprising a set of assets associated with the ABS;

- (e) automatically collecting by a processor a first set of data related to the set of assets associated with the ABS at a first time, the first set of data comprising types of data including at least one of a Fair Isaac Corporation (FICO) score, Vantage Consumer Credit Score, Experian credit score, Transunion credit score, Equifax credit score, and primary and secondary borrower information;
- (f) automatically updating by a processor the data matrix based on the collected first set of data;
- (g) automatically generating by a processor a first score for the ABS based on applying a weighted rating model to a plurality of types of data in the first set of data;
- (h) automatically collecting by a processor a second set of data related to the set of assets associated with the ABS at a second time, the second set of data comprising types of data including at least one of a Fair Isaac Corporation (FICO) score, Vantage Consumer Credit Score, Experian credit score, Transunion credit score, Equifax credit score, and primary and secondary borrower information;
- (i) automatically updating by a processor the data matrix based on the collected second set of data;
- (j) automatically determining by a processor a migratory pattern associated with the set of assets associated with the ABS based at least in part on comparing the first set of data and the second set of data;
- (k) based at least in part on the migratory pattern associated with the set of assets associated with the ABS, automatically generating by a processor a second score for the ABS based on applying the weighted rating model to the migratory pattern and a plurality of types of data in the second set of data.

Thus various claimed limitations recite an abstract idea, i.e., certain methods of organizing human activity, specifically mitigating risk. *See Alice*, 573 U.S. at 219–20 (concluding that use of a third party to mediate

settlement risk is a “fundamental economic practice” and thus an abstract idea); *id.* (describing the concept of risk hedging identified as an abstract idea in *Bilski* as “a method of organizing human activity”). *Bancorp Servs., LLC v. Sun Life Assurance Co. of Can. (U.S.)*, 687 F.3d 1266, 1280 (Fed. Cir. 2012) (identifying the concept of “managing a stable value protected life insurance policy by performing calculations and manipulating the results” as an abstract idea).

*Integration of the judicial exception into a practical application.*

Where, as here, it is determined the claims are directed to a judicial exception, we look to determine the presence of additional elements that integrate the judicial exception into a practical application. The Revised Guidance is “designed to more accurately and consistently identify claims that recite a practical application of a judicial exception [] and thus are not ‘directed to’ a judicial exception.” Revised Guidance, at 53. The claims recite a practical application where an additional element reflects an improvement in the functioning of a computer, or an improvement to other technology or technical field.<sup>11</sup> Revised Guidance, at 55.

For the reasons which follow, we conclude that Appellant’s claims do not integrate the judicial exception into a practical application. See MPEP

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<sup>11</sup> The Revised Guidance also finds integration into a practical application where the judicial exception is used in medical treatment or to transform an article to a different state. Revised Guidance, at 55. Such considerations are not before us.

§§ 2106.05(a)-(c) and (e)-(h). We address these “practical application” MPEP sections seriatim:

MPEP § 2106.05(a) “Improvements to the Functioning of a Computer or To Any Other Technology or Technical Field.”

“In determining patent eligibility, examiners should consider whether the claim “purport(s) to improve the functioning of the computer itself” or “any other technology or technical field.” MPEP § 2106.05(a).

Appellant cites *McRo*<sup>12</sup> for the proposition that automating subjective tasks previously performed by a human may be directed to statutory subject matter where the claim is directed to “limited rules in a process specifically designed to achieve an improved technological result in conventional industry practice.” Appeal Br. 13 (quoting *McRo*, at 1316). See Reply Br. 2–3.

The *McRo* Court found “[t]he claimed process uses a combined order of specific rules that renders information into a specific format that is then used and applied to create desired results.” *McRo*, at 1315. Appellant fails to direct our attention to the “specific rules” that are incorporated into the claimed method so as to make the claims analogous to those of *McRo*.

Appellant further analogizes the claims to those of *Enfish*<sup>13</sup> to argue the “claimed method provides an improvement over the prior art methods by at least allowing investors to compare issues from different regions by proposing establishment of a global scoring standard, providing the

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<sup>12</sup> *McRO, Inc. v. Bandai Namco Games America Inc.*, 837 F.3d 1299 (2016).

<sup>13</sup> *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016).

marketplace with better, in-depth analysis by periodically collecting updated data associated with underlying assets that make up a pool and comparing changes over time associated with conditions.” Appeal Br. 13. Appellant cites *Enfish* for the proposition that where an invention improves the actual functioning of a computer it may not even be directed towards an abstract idea and that the improvements may even be made by computer software. *Id.* (citing *Enfish*, 882 F.3d at 1335). Appellant contends “the limitations of claim 1 provide an improvement to the functioning of a computer.” Reply Br. 3. Specifically, Appellant argues “claim 1 recites specific components such as a central server having a processor and a memory, a third-party data provider, a data matrix, and a human-machine interface.” *Id.*

We do not find Appellant persuasive because Appellant fails to convincingly argue *how* the claimed method “improves the actual functioning of the computer.” Nor is such improvement to computer functioning recited in the claims.

MPEP § 2106.05(b) Particular Machine.

At the outset, we note that the *Bilski* machine-or-transformation test is only applicable to the method (process) claims on appeal. This section of the MPEP guides: “When determining whether a claim recites significantly more than a judicial exception, examiners should consider whether the judicial exception is applied with, or by use of, a particular machine.” *See Bilski v. Kappos*, 561 U.S. 593, 604, (2010) (“The machine-or-transformation test is a useful and important clue, and investigative tool” for determining whether a claim is patent eligible under § 101.”). MPEP § 2106.05(b).

MPEP § 2106.05(b) provides further guidance regarding what constitutes a particular machine:

[A]s described in MPEP §2106.05(f), additional elements that invoke computers or other machinery merely as a tool to perform an existing process will generally not amount to significantly more than a judicial exception. *See, e.g., Versata Development Group v. SAP America*, 793 F.3d 1306, 1335 (Fed. Cir. 2015) (explaining that in order for a machine to add significantly more, it must “play a significant part in permitting the claimed method to be performed, rather than function solely as an obvious mechanism for permitting a solution to be achieved more quickly”).

We find the claims on appeal are silent regarding specific limitations directed to an improved computer system, processor, memory, network, database, or Internet, nor do Appellants direct our attention to such specific limitations. “[T]he mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention.” *Alice*, 134 S. Ct. at 2358; *see also 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”). Applying this reasoning here, we conclude Appellant’s claims are not directed to a particular machine, but rather merely implement an abstract idea using generic computer components. Thus, we conclude Appellant’s method claims fail to satisfy the “tied to a particular machine” prong of the *Bilski* machine-or-transformation test.

MPEP § 2106.05(c) Particular Transformation.

This section of the MPEP guides: “Another consideration when determining whether a claim recites significantly more is whether the claim effects a transformation or reduction of a particular article to a different state or thing.” “[T]ransformation and reduction of an article ‘to a different state or thing’ is the clue to patentability of a process claim that does not include particular machines.” *Bilski v. Kappos*, 561 U.S. 593, 604 (2010) (quoting *Gottschalk v. Benson*, 409 U.S. 63, 70, 175 (1972)).

The claims operate to select and score certain electronic data, i.e., credit scores. The selection and ranking of electronic data is not a “transformation or reduction of an *article* into a different state or thing constituting patent-eligible subject matter[.]” *See Bilski*, at 962 (emphasis added). *See also CyberSource Corp v. Retail Decisions, Inc.*, 654 F.3d 1366, 1375 (Fed. Cir. 2011) (“The mere manipulation or reorganization of data . . . does not satisfy the transformation prong.”). Applying this guidance here, we conclude Appellant’s method claims fail to satisfy the transformation prong of the *Bilski* machine-or-transformation test.

MPEP § 2106.05(e) Other Meaningful Limitations.

This section of the MPEP guides:

*Diamond v. Diehr* provides an example of a claim that recited meaningful limitations beyond generally linking the use of the judicial exception to a particular technological environment. 450 U.S. 175 (1981). In *Diehr*, the claim was directed to the use of the Arrhenius equation (an abstract idea or law of nature) in an automated process for operating a rubber-molding press. 450 U.S. at 177-78. The Court evaluated additional elements such as the steps of installing rubber in a press, closing the mold, constantly measuring the temperature in the mold, and automatically opening the press at the proper time, and found

them to be meaningful because they sufficiently limited the use of the mathematical equation to the practical application of molding rubber products. 450 U.S. at 184. In contrast, the claims in *Alice Corp. v. CLS Bank International* did not meaningfully limit the abstract idea of mitigating settlement risk. 573 U.S. 134 S. Ct. 2347 (2014). In particular, the Court concluded that the additional elements such as the data processing system and communications controllers recited in the system claims did not meaningfully limit the abstract idea because they merely linked the use of the abstract idea to a particular technological environment (i.e., “implementation via computers”) or were well-understood, routine, conventional activity.

MPEP § 2106.05(e).

“[T]he relevant question is whether the claims here do more than simply instruct the practitioner to implement the abstract idea . . . on a generic computer. *Alice*, 134 S. Ct. at 2359. Similarly as for *Alice*, we find that “[t]aking the claim elements separately, the function performed by the computer at each step of the process is “purely conventional.” *Id.* “In short, each step does no more than require a generic computer to perform generic computer functions.” *Alice*, 134 S. Ct. at 2359.

We agree with the Examiner’s conclusion (Ans. 4) that Appellant’s claims do not add meaningful limitations beyond generally linking the use of the judicial exception to a particular technological environment.

MPEP §2106.05(f) Mere Instructions To Apply An Exception.

Appellant has not persuasively shown the claims do any more than to invoke generic computer components merely as a tool in which the computer instructions apply the judicial exception.

MPEP § 2106.05(g) Insignificant Extra-Solution Activity.

Following a determination of the relative risk of a particular asset-backed security, the claims operate to store and display a risk score. *See* claim 1, (l). We find storing and displaying data to be a classic example of insignificant extra-solution activity. *See, e.g., In re Bilski*, 545 F.3d 943, 963 (Fed. Cir. 2008) (en banc), *aff'd sub nom, Bilski v. Kappos*, 561 U.S. 593 (2010).

MPEP § 2106.05(h) Field of Use and Technological Environment.

“[T]he Supreme Court has stated that, even if a claim does not wholly preempt an abstract idea, it still will not be limited meaningfully if it contains only insignificant or token pre- or post-solution activity—such as identifying a relevant audience, a category of use, field of use, or technological environment.” *Ultramercial Inc. v. Hulu LLC*, 722 F.3d 1335, 1346 (Fed. Cir. 2013). We find the “central server, processor and memory” limitations are simply a field of use that attempts to limit the abstract idea to a particular technological environment.

We do not find Appellant’s argument to be persuasive because “[t]he courts have also identified examples in which a judicial exception has not been integrated into a practical application.” Revised Guidance, at 55. The claims fail to recite a practical application where the additional element does no more than generally link the use of a judicial exception to a particular technological environment or field of use. *Id.* The mere application of an abstract idea in a particular field is not sufficient to integrate the judicial

exception into a practical application. *See id.*, n. 32. In view of the foregoing, we find the claims to be “directed to” a judicial exception.

*Well-understood, routine, conventional.*

Because the claims recite a judicial exception and do not integrate that exception into a practical application, we must then reach the issue of whether the claim adds a specific limitation beyond the judicial exception that is not “well-understood, routine, conventional” in the field. Revised Guidance, at 56.

Appellant discloses a conventional database server system. The database may be “SQL 2005 or above or SQL Express or other suitable database.” Spec., ¶ 33. Appellant discloses that the communications links may be “[a]ny of several suitable communication links are available, such as one or a combination of wireless, LAN, WLAN, ISDN, X.25, DSL, and ATM type networks.” Spec., ¶ 34. The operating system may be “for example, Microsoft Windows Vista (business, enterprise and ultimate editions), or Windows XP Professional with SP2.” *Id.* Appellant further discloses the system requirements “may require the client machines to be compatible with minimum threshold levels of processing capabilities, e.g., Intel Pentium III.” *Id.* And Appellant further discloses “[a]spects of the system 100 may be enabled using any combination of Internet or (World Wide) WEB-based, private virtual network, ethernet, etc., and may be desktop-based, or application WEB-enabled.” Spec., ¶ 35.

We find such “well-understood, routine, [and] conventional” limitations fail to indicate the presence of an inventive concept.

*Specified at a high level of generality.*

It is indicative of the absence of an inventive concept where the claims simply append well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception. Revised Guidance, at 56.

Appellant contends that claim 1 recites specific components such as a central server having a processor and a memory, a third-party data provider, a data matrix, and a human-machine interface that are significantly more than and outside the scope of the Examiner’s alleged abstract idea of “assigning a score to an asset backed security.” Reply Br. 3. In analogy to *Enfish*, Appellant argues the specific interaction of these elements of the claimed method, specifically the manner in which the data matrix is generated, updated, stored, and presented at a human-machine interface provide for the more efficient functioning of a computer. *Id.* (citing Spec., ¶¶ 22, 32, and 35–37).

We disagree with the Appellant’s analogy to *Enfish* because the specification and claims describe the claimed invention at such a high level of abstraction that the public is not taught how the desired functions are achieved.

Therefore, we conclude that none of the claim limitations, viewed “both individually and as an ordered combination,” amount to significantly more than the judicial exception in order to sufficiently transform the nature of the claims into patent-eligible subject matter. See *Alice*, 134 S. Ct. at 2355 (internal quotations omitted) (quoting *Mayo*, 132 S. Ct. at 1297).

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Accordingly, we sustain the Examiner's 35 U.S.C. § 101 rejection of representative claim 1, and claims 2–18 (not argued separately) which fall with claim 1. *See* 37 C.F.R. § 41.37(c)(1)(iv).

#### DECISION

The rejection of Claims 1–18 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). *See* 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED