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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte KEVIN MICHAEL FURBISH, SABARIDAS
DEVADOSS, PORNVARA NASH POOLKASEM

Appeal 2017–011521¹
Application 13/863,230
Technology Center 3600

Before: ERIC B. CHEN, BARBARA A. BENOIT, and
JOHN R. KENNY, *Administrative Patent Judges*.

KENNY, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

This is an appeal under 35 U.S.C. § 134(a) from a final rejection of claims 1, 4, 5, 8, 11, 12, 14, 17, and 18, which constitute all pending claims. Final Act. 1, App. Br. 8. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Appellants identify Intuit, Inc., as the real party in interest. App. Br. 2.

SPECIFICATION

Appellants' Specification relates "to a method of delivering an invoice." Spec. ¶ 2. "The method includes creating, for a vendor, the invoice for a recipient, sending the invoice to the recipient using a recipient email address, intercepting the invoice sent to the recipient email address, and populating, according to a recipient preference, a recipient financial management application (FMA) account with data from the invoice." *Id.*

ILLUSTRATIVE CLAIM

Claim 1, reproduced below, is illustrative of the claimed subject matter:

1. A method for delivering an invoice, comprising:

receiving, via a computer network by a financial management application (FMA) and from a recipient, a recipient email address and a recipient preference identifying a recipient FMA account as a recipient preferred destination of the invoice, wherein the recipient email address and the recipient preference are stored in the recipient FMA account;

creating, for a vendor, the invoice for the recipient, wherein the invoice comprises the recipient email address, wherein the vendor uses the FMA as a medium to send the invoice to the recipient, wherein the vendor specifies a vendor preference identifying the recipient email address as a vendor preferred destination of the invoice;

receiving, from the vendor based on the vendor preference, a request to send, via the computer network based on the recipient email address, the invoice to the recipient in an email that is external to the FMA;

stopping, in response to the request to send from the FMA the invoice in the email, the invoice from exiting the FMA to reach any recipient by the email;

retrieving, by the FMA based on the recipient email address, the recipient preference from the recipient FMA account;

determining, by the FMA based on the recipient preference, that the invoice should be sent to the recipient FMA account; redirecting, by the FMA and in response to stopping the invoice from exiting the FMA to reach any recipient by the email, the invoice from the vendor preferred destination external to the FMA to the recipient FMA account within the FMA;

preventing the vendor from being aware of the stopping and the redirecting; and

populating the recipient FMA account with data from the invoice,

wherein the FMA is remotely connected to the recipient and the vendor via the computer network.

REJECTION

Claims 1, 4, 5, 8, 11, 12, 14, 17, and 18 stand rejected under 35 U.S.C. § 101 as directed to patent ineligible subject matter. Final Act. 3.²

ANALYSIS

For purposes of this Appeal, Appellants state that the pending claims stand or fall together, and Appellants select claim 1 as representative of the pending claims. App. Br. 8. Accordingly, we analyze the subject matter eligibility of claim 1.

² The Final Action also included a rejection under 35 U.S.C. § 103, but that rejection was withdrawn. Final Act. 6; Ans. 2.

A. Section 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. However, the Supreme Court has long interpreted 35 U.S.C. § 101 to include implicit exceptions: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *E.g.*, *Alice Corp. Pty Ltd. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014) (quotation marks and citation omitted).

In determining whether a claim falls within an exception, we are guided by the Supreme Court’s two-step framework, described in *Mayo* and *Alice*. *Alice*, 573 U.S. at 217–18 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 75–77 (2012)). In accordance with that framework, we first determine what concept the claim is “directed to.” *See Alice*, 573 U.S. at 219 (“On their face, the claims before us are drawn to the concept of intermediated settlement, i.e., the use of a third party to mitigate settlement risk.”); *see also Bilski v. Kappos*, 561 U.S. 593, 611 (2010) (“Claims 1 and 4 in petitioners’ application explain the basic concept of hedging, or protecting against risk.”).

Concepts determined to be abstract ideas, and, thus, patent ineligible, include certain methods of organizing human activity, such as fundamental economic practices (*Alice*, 573 U.S. at 219–220; *Bilski*, 561 U.S. at 611); mathematical formulas (*Parker v. Flook*, 437 U.S. 584, 594–595 (1978)); and mental processes (*Gottschalk v. Benson*, 409 U.S. 63, 69 (1972)). Concepts determined to be patent eligible include physical and chemical processes, such as “molding [of] rubber products” (*Diamond v. Diehr*, 450 U.S. 175, 191 (1981)); “tanning, dyeing, making water-proof cloth, vulcanizing India rubber, smelting ores” (*id.* at 182 n.7 (quoting *Corning v.*

Burden, 56 U.S. 252, 267-68 (1854)); and manufacturing flour (*Benson*, 409 U.S. at 69 (citing *Cochrane v. Deener*, 94 U.S. 780, 785 (1876))).

In *Diehr*, the claim at issue recited a mathematical formula, but the Supreme Court held that “[a] claim drawn to subject matter otherwise statutory does not become nonstatutory simply because it uses a mathematical formula.” *Diehr*, 450 U.S. at 187, 191 (“We view respondents’ claims as nothing more than a process for molding rubber products and not as an attempt to patent a mathematical formula.”). Having said that, the Supreme Court also indicated that a claim “seeking patent protection for that formula in the abstract . . . is not accorded the protection of our patent laws,[] and this principle cannot be circumvented by attempting to limit the use of the formula to a particular technological environment.” *Id.* (citing *Benson* and *Flook*); *id.* at 187 (“It is now commonplace that an application of a law of nature or mathematical formula to a known structure or process may well be deserving of patent protection.”) (emphasis omitted).

If the claim is “directed to” an abstract idea, we turn to the second step of the *Alice* and *Mayo* framework, where “we must examine the elements of the claim to determine whether it contains an ‘inventive concept’ sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application.” *Alice*, 573 U.S. at 221 (quotation marks omitted). “A claim that recites an abstract idea must include ‘additional features’ to ensure ‘that the [claim] is more than a drafting effort designed to monopolize the [abstract idea].’” *Id.* (quoting *Mayo*, 566 U.S. at 77). “[M]erely requir[ing] generic computer implementation[] fail[s] to transform that abstract idea into a patent-eligible invention.” *Id.*

B. USPTO Section 101 Guidance

The United States Patent and Trademark Office (USPTO) recently published revised guidance on the application of section 101. USPTO's January 7, 2019 Memorandum, *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50 ("Memorandum"). Under that guidance, we first look to whether the claim recites:

(1) (*see* Memorandum Step 2A—Prong One) any judicial exceptions, including certain groupings of abstract ideas (i.e., mathematical concepts, certain methods of organizing human activity such as commercial or legal interactions, or mental processes); and

(2) (*see* Memorandum Step 2A—Prong Two) 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 look to 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.

See Memorandum Step 2B.

C. Claim 1

Although we conduct our review for patent eligibility *de novo* in light of the revised guidance of the Memorandum ("Guidance"), we agree with the Examiner that claim 1 does not recite eligible subject matter for the reasons discussed below.

1. Alice Step One

a. USPTO Step 2A—Prong One

The Examiner determines that claim 1 is directed to, *inter alia*, certain methods of organizing human activity. Final Act. 3. Appellants argue that Examiner erred by describing claim 1 at a high level of abstraction. App. Br. 9–11; Reply Br. 2–3. Appellants also argue that this case is not analogous with the cases cited by the Examiner as establishing subject matter ineligibility. App. Br. 11–13; Reply Br. 3.

Consistent with the Examiner’s findings, we determine that claim 1 is directed to commercial interactions, which is one of the certain methods of organizing human activity identified in the Memorandum as an abstract idea. Memorandum 52 (identifying “commercial or legal interactions (including agreements in the form of contracts; legal obligations; advertising, marketing or sales activities or behaviors; business relations” as certain methods of organizing human activity that are abstract ideas). The following recitations of claim 1 concern commercial interactions (text that is not directed to commercial interactions is omitted):

A method for delivering an invoice, comprising:

receiving, . . . from a recipient, a recipient email address and a recipient preference identifying a recipient FMA account as a recipient preferred destination of the invoice, wherein the recipient email address and the recipient preference are stored in the recipient FMA account;

creating, for a vendor, the invoice for the recipient, wherein the invoice comprises the recipient email address, . . . , wherein the vendor specifies a vendor preference identifying the recipient email address as a vendor preferred destination of the invoice;

receiving, from the vendor based on the vendor preference, a request to send, . . . based on the recipient email address, the invoice to the recipient in an email that is external to the FMA;

stopping, in response to the request to send . . . the invoice in the email, the invoice from exiting . . . to reach any recipient by the email;

retrieving, . . . based on the recipient email address, the recipient preference from the recipient FMA account;

determining, . . . based on the recipient preference, that the invoice should be sent to the recipient FMA account; redirecting, . . . and in response to stopping the invoice from exiting . . . to reach any recipient by the email, the invoice from the vendor preferred destination external to the FMA to the recipient FMA account within the FMA;

preventing the vendor from being aware of the stopping and the redirecting; and

populating the recipient FMA account with data from the invoice.

The recitations listed above concern the steps of delivering an invoice, receiving from a recipient its email address and preference for receiving an invoice, creating an invoice, receiving a request for an invoice, stopping an invoice, checking how the recipient wants to receive the invoice, providing the invoice to the recipient's account if recipient desires it, preventing the vendor from being aware that the invoice was stopped and redirected to the recipient's account, and populating the account with the invoice data if that is the chosen method. These are all commercial interactions that can be done by humans. An employee at a billing company ("employee") can deliver an invoice. The employee can also receive from a recipient an indication of a preferred method for receiving an invoice, and the employee can record that information on paper. A vendor can request that an invoice

be created to be sent to a particular email address and send that request to the employee at the billing company. The employee at the billing company can check the invoice to determine whether the recipient would prefer the invoice to instead be posted to an account. If the recipient has that preference, the employee can so post it without telling the vendor. As such, the recitations listed above are directed to ineligible subject matter.

Ultramercial, Inc. v. Hulu, LLC, 772 F.3d 709, 715 (Fed Cir. 2014) (showing an advertisement before delivering free content is abstract); *In re Ferguson*, 558 F.3d 1359, 1364 (Fed Cir. 2009) (methods of organizing business or legal relationships in the structuring of a sales force are abstract); *Credit Acceptance Corp. v. Westlake Services*, 859 F.3d 1044, 1054 (Fed. Cir. 2017) (processing an application for financing a purchase is abstract); *Interval Licensing LLC v. AOL, Inc.*, 896 F.3d 1335, 1348 (Fed. Cir. 2018) (providing additional information without disrupting the ongoing provision of an initial set of information is abstract); and *Accenture Global Services, GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1338 (Fed. Cir. 2013) (generating tasks to be performed in an insurance organization is abstract); *see also* Memorandum 52 (identifying “commercial or legal interactions” as among the certain methods of organizing human activity that are abstract ideas).

b. USPTO Step 2A—Prong Two

Prong Two of the Guidance instructs us to examine whether a claim recites additional elements that integrate a judicial exception into a practical application and to do so by evaluating the claim as a whole. Memorandum 54. One exemplary consideration is whether an additional element reflects an improvement in the functioning of a computer or an improvement to

other technology to a technical field. Memorandum 55. Appellants argue that claim 1 recites an improvement in computer technology. App. Br. 14–15. Appellants assert that claim 1 is directed toward an FMA that enables the recipient’s electronic invoice destination preference to be observed, even without the vendor being aware of that preference. *Id.* at 14. According to Appellants, the FMA implements this functionality by intercepting and redirecting an email with an invoice composed by the vendor before it leaves the FMA. *Id.* Appellants assert that this is an improvement in computer technology and, therefore, patent eligible under *Enfish*. *Id.* The Examiner disagrees, arguing that claim 1 is not analogous to the claims in *Enfish*. Ans. 3.

We agree with the Examiner. In *Enfish*, the claims were directed to an improved database architecture, i.e., a self-referential table—“a specific type of data structure designed to improve the way a computer stores and retrieves data in memory.” *Enfish*, 822 F.3d at 1339. The patent specification in *Enfish* indicated that such a data structure has several distinct advantages over conventional relational databases, including: (1) faster searching of data than would be possible with the conventional relational model (*see* US 6,151,604, 1:55–59, 2:66–3:6); (2) more effective storage of data other than structured text, such as storage of images and unstructured text (*see* US 6,151,604, 2:16–22, 2:46–52); and (3) more flexibility in configuring the database (*see* US 6,151,604, 2:27–29). In light of the “plain focus of the claims” and the disclosure in the specification, the Federal Circuit concluded that *Enfish*’s claims were directed to “a specific improvement to the way computers operate, embodied in the self-referential table,” and, as such, were more than a mere abstract idea. *Id.* at 1336

Here, claim 1 is not directed to any improvements to the way computers operate. Claim 1 recites an improvement to commercial interactions that a human can perform (e.g., redirecting an invoice). Although claim 1 recites the use of a particular application (the FMA) to perform those commercial interactions, the mere recitation of a particular computer application to perform such interactions does not constitute an improvement in computer technology. *In re TLI Communications LLC Patent Litigation*, 823 F.3d 607, 613 (Fed. Cir. 2016) (“[A]lthough the claims limit the abstract idea to a particular environment—a mobile telephone system—that does not make the claims any less abstract for the step 1 analysis.”); *Return Mail, Inc. v. United States Postal Serv.*, 868 F.3d 1350, 1368 (Fed. Cir. 2017) (“Encoding and decoding mail recipient information—including whether the sender wants a corrected address—are processes that can, and have been, performed in the human mind. The claims here simply recite that existing business practice with the benefit of generic computing technology. That is insufficient to make the claims any less abstract under step 1.”), *rev’d* on other grounds, 139 S.Ct. 1853 (2019).

Further, no limitation of the claim 1 constitutes any other exemplary element set forth in the Guidance for integrating a judicial exception into a practical application. Memorandum 55. For the reasons discussed above, we determine that claim 19 does not integrate a judicial exception into a practical application. Therefore, we proceed to *Alice* Step Two, USPTO Step 2B.

2. *Alice* Step Two/USPTO Step 2B

For *Alice* Step Two, Appellants argue claim 1 recites an improvement in computer technology, citing *Bascom Global Internet Services, Inc. v.*

AT&T Mobility LLC, 827 F.3d 1341 (Fed. Cir. 2016). App. Br. 14–15; Reply Br. 4. Appellants note that the FMA, among other things, intercepts and redirects an email with an invoice. App. Br. 14–15; Reply Br. 4. In response, the Examiner indicates that the additional recitations of the claim 1 do not amount to substantially more than claim 1’s underlying abstract idea. Ans. 5–6. We agree with the Examiner. With regard to computer technology, the FMA is merely a conventional computer application connected to a conventional network. Claim 1 does not recite any technical characteristics of that application, and as the Federal Circuit has held, “the use of conventional computer components, such as a database and processors, operating in a conventional manner” “do[es] not confer patent eligibility.” *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1371 (Fed. Cir. 2015).

Therefore, we determine claim 1 does not have additional recitations that make it significantly more than its patent-ineligible abstract idea.

3. Preemption

Appellants further argue that claim 1 is patent eligible because, even if the claim were deemed to recite an abstract idea, claim 1 would not preempt others from using any such idea. App. Br. 16–17. We are not persuaded by that argument because even if we were to accept the assertion that claim 1 would not preempt any abstract idea, that fact would not render claim 1 patent eligible. Although 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.

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Ariosa Diagnostics, Inc. v. Sequenom, Inc., 788 F.3d 1371, 1379 (Fed. Cir. 2015).

Therefore, we sustain the section 101 rejection of claim 1, and of claims 4, 5, 8, 11, 12, 14, 17, and 18, not argued separately.

DECISION

We affirm the rejection of claims 1, 4, 5, 8, 11, 12, 14, 17, and 18 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). *See* 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED