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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte PATRICK FANNIN, MICHAEL KEESE, and
STEPHEN PARKER

Appeal 2018-000239
Application 14/027,626¹
Technology Center 3600

Before JOSEPH L. DIXON, JAMES W. DEJMEK, and
STEPHEN E. BELISLE, *Administrative Patent Judges*.

DEJMEK, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants appeal under 35 U.S.C. § 134(a) from a Final Rejection of claims 1–20. We have jurisdiction over the pending claims under 35 U.S.C. § 6(b).

We affirm.

¹ Appellants identify Winning Bid, Inc. as the real party in interest. App. Br. 3.

STATEMENT OF THE CASE

Introduction

Appellants' disclosed and claimed invention generally relates to "facilitating structured settlement transactions." Spec. ¶ 16.

Claim 1 is representative of the subject matter on appeal and is reproduced below with the disputed limitation emphasized in *italics*:

1. A structured settlement transaction information processing system comprising:

a processor; and

a memory device storing structured settlement transaction data and instructions which

when executed by the processor, cause the processor to:

generate a file containing at least a portion of the structured settlement transaction data formatted to include a bid item;

cause the bid item to be displayed at a first bidder interface and a second bidder interface;

receive a first bid placed on the bid item by a first bidder using the first bidder interface, the first bid having a first minimum amount;

receive a second bid placed on the bid item by a second bidder using the second bidder interface, the second bid having a second minimum amount; and

based at least in part on at least one of the first bid or the second bid, send a notification to at least one of the first bidder or the second bidder, the notification being indicative of an intention to sell the bid item.

The Examiner's Rejections

1. Claims 1–20 stand rejected under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter. Final Act. 2–4.

2. Claims 1–20 stand rejected under pre-AIA 35 U.S.C. § 103(a) as being unpatentable over Erisman (US 2008/0016007 A1; Jan. 17, 2008); Worthington (US 2008/0140556 A1; June 12, 2008); and Wilson, II et al. (US 2015/0332407 A1; Nov. 19, 2015 (filed Apr. 27, 2012, which claims benefit of Provisional Application No. 61/480,207 (filed Apr. 28, 2011))) (“Wilson”). Final Act. 5–8.

ANALYSIS²

Rejection under 35 U.S.C. § 101

Appellants dispute the Examiner’s conclusion that the pending claims are directed to patent-ineligible subject matter. App. Br. 12–17; Reply Br. 3–5. In particular, Appellants argue the Examiner mischaracterizes the claims as being directed to an abstract idea. App. Br. 12–13; Reply Br. 3. Instead, Appellants assert the claims are directed to “the creation of a file that assists in a structured settlement transaction.” App. Br. 12. Additionally, Appellants assert the claims are necessarily rooted in computer technology and improve the functioning of the computer itself. App. Br. 13–16 (citing *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014); *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016); and *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299 (Fed. Cir. 2016)). Moreover, Appellants contend the claims recite significantly more than the alleged abstract idea. App. Br. 16–17; Reply Br. 5.

² Throughout this Decision, we have considered the Appeal Brief, filed April 3, 2017 (“App. Br.”); the Reply Brief, filed October 5, 2017 (“Reply Br.”); the Examiner’s Answer, mailed August 7, 2017 (“Ans.”); and the Final Office Action, mailed November 4, 2016 (“Final Act.”), from which this Appeal is taken.

The Supreme Court’s two-step framework guides our analysis of patent eligibility under 35 U.S.C. § 101. *Alice Corp. Pty. v. CLS Bank Int’l*, 573 U.S. 208, 217 (2014). If a claim falls within one of the statutory categories of patent eligibility (i.e., a process, machine, manufacture, or composition of matter) then the first inquiry is whether the claim is directed to one of the judicially recognized exceptions (i.e., a law of nature, a natural phenomenon, or an abstract idea). *Alice*, 573 U.S. at 217. If so, the second step is to determine whether any element, or combination of elements, amounts to significantly more than the judicial exception. *Alice*, 573 U.S. at 217.

Although the independent claims each broadly fall within the statutory categories of patentability, the Examiner concludes the claims are directed to a judicially recognized exception—i.e., an abstract idea. Final Act. 2–4. In particular, the Examiner concludes the claims are directed to the abstract idea of “facilitating an auction,” which the Examiner considers both a method of organizing human activity and a fundamental economic practice. Final Act. 2. Further, the Examiner concludes the claims do not recite significantly more to transform the abstract idea into a patent-eligible application. Final Act. 2–4.

Instead of using a definition of an abstract idea, “the decisional mechanism courts now apply is to examine earlier cases in which a similar or parallel descriptive nature can be seen—what prior cases were about, and which way they were decided.” *Amdocs (Isr.) Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288, 1294 (Fed. Cir. 2016) (citing *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353–54 (Fed. Cir. 2016)); accord United States Patent and Trademark Office, July 2015 Update: Subject Matter

Eligibility 3 (July 30, 2015), <https://www.uspto.gov/sites/default/files/documents/ieg-july-2015-update.pdf> (instructing Examiners that “a claimed concept is not identified as an abstract idea unless it is similar to at least one concept that the courts have identified as an abstract idea”). As part of this inquiry, we must “look at the ‘focus of the claimed advance over the prior art’ to determine if the claim’s ‘character as a whole’ is directed to excluded subject matter.” *Affinity Labs of Tex., LLC v. DirecTV, LLC*, 838 F.3d 1253, 1257–58 (Fed. Cir. 2016) (citations omitted).

Here, Appellants’ claims are generally directed to placing a structured settlement up for auction. This is consistent with Appellants’ own characterization of the claimed invention. *See* Spec. ¶ 2 (“enable users to conduct structured settlement transactions”), ¶ 16 (describing the present disclosure relates to “facilitating structured settlement transactions”). Thus, we agree with the Examiner that the claims are directed to a fundamental economic concept (i.e., an abstract idea). *See, e.g., OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362 (Fed. Cir. 2015) (concluding “offer based pricing” to be a fundamental economic concept). Similar to the claims at issue in *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1355 (Fed. Cir. 2014), the claims “are squarely about creating a contractual relationship . . . that is beyond question of ancient lineage.” *See* Final Act. 4.

Using structured settlement data to generate a file containing a portion of the structured settlement data to include a bid item is similar to the abstract idea of analyzing information by steps that people go through in their minds. *See Elec. Power*, 830 F.3d at 1354; *see also Intellectual Ventures I LLC v. Capital One Fin. Corp.*, 850 F.3d 1332, 1340 (Fed. Cir. 2017) (“customizing information and presenting it to users based on

particular characteristics” is an abstract idea (citing *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1370 (Fed. Cir. 2015)). Further, displaying the bid item is also abstract. *See SAP Am., Inc. v. InvestPic, LLC*, 898 F.3d 1161, 1167 (Fed. Cir. 2018) (“merely presenting the results of abstract processes of collecting and analyzing information . . . is abstract as an ancillary part of such collection and analysis”) (quotations omitted). Additionally, receiving bids and sending a message (i.e., “notification”) based on the received bids are similar to the abstract ideas of collecting, analyzing, comparing, and manipulating information. *See Elec. Power*, 830 F.3d at 1353; *Content Extraction & Transmission v. Wells Fargo Bank, N.A. Ass’n*, 776 F.3d 1343, 1347 (Fed. Cir. 2014); *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1366 (Fed. Cir. 2018); *Smart Sys. Innovations, LLC v. Chicago Transit Authority*, 873 F.3d 1364, 1372 (Fed. Cir. 2017) (concluding “the collection, storage, and recognition of data” to be abstract).

Further, merely combining several abstract ideas does not render the combination any less abstract. *RecogniCorp, LLC v. Nintendo Co.*, 855 F.3d 1322, 1327 (Fed. Cir. 2017) (“Adding one abstract idea (math) to another abstract idea . . . does not render the claim non-abstract.”); *see also FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1093–94 (Fed. Cir. 2016) (determining the pending claims were directed to a combination of abstract ideas).

Because we determine the claims are directed to an abstract idea or combination of abstract ideas, we analyze the claims under step two of *Alice* to determine if there are additional limitations that individually, or as an ordered combination, ensure the claims amount to “significantly more” than the abstract idea. *Alice*, 573 U.S. at 217–18 (citing *Mayo Collaborative*

Servs. v. Prometheus Labs., Inc., 566 U.S. 66, 72–73, 77–79 (2012)). The implementation of the abstract idea involved must be “more than [the] performance of ‘well-understood, routine, [and] conventional activities previously known to the industry.’” *Content Extraction*, 776 F.3d at 1347–48 (alteration in original) (quoting *Alice*, 573 U.S. at 225).

The Examiner finds, and we agree, to the extent the claims recite technological elements (e.g., a processor or a memory device), such elements are recited at a generic level and the elements are merely performing generic computer functions that are well-understood, routine, and conventional. Final Act. 4. Additionally, we note the Specification describes the hardware components at a high level of generality. *See, e.g.*, Spec. ¶ 17, Fig. 2 (illustrating a computing device comprising a processor, memory, interface circuits, a keyboard, mouse or other user input device, a display, and “[o]ther PC circuits”). It is well-settled that reciting generic computer components to perform generic computer functions is insufficient to add an inventive concept to an otherwise abstract idea. *See, e.g., Alice*, 573 U.S. at 226 at 226 (“Nearly every computer will include a ‘communications controller’ and ‘data storage unit’ capable of performing the basic calculation, storage, and transmission functions required by the method claims.”). Additionally, “relying on a computer to perform routine tasks more quickly or more accurately is insufficient to render a claim patent eligible.” *OIP Techs.*, 788 F.3d at 1363.

To the extent Appellants assert the pending claims are similar to those held to be patent eligible in *Enfish*, *DDR*, or *McRO* (*see App. Br.* 13–16), we disagree.

Contrary to Appellants’ assertions, the claims are distinguishable from the claims at issue in *Enfish*, because “the focus of the claims is not on . . . an improvement in computers as tools, but on certain independently abstract ideas that use computers as tools.” *See Elec. Power*, 830 F.3d at 1354.

We disagree with Appellants’ assertion that the pending claims—like those in *DDR*—“specify how interactions with user interfaces on computing platforms are manipulated to yield a desired result that overrides the routine and conventional sequence of events.” App. Br. 16–17. To the contrary, using a computing device (i.e., a processor and memory device) to generate a file including a bid item, display the bid item, receive bids on the bid item, and send a notification based at least in part on the received bids, when considered individually or as an ordered combination, fails to recite an unconventional sequence of events. *buySAFE*, 765 F.3d at 1355 (“That a computer receives and sends the information over a network—with no further specification—is not even arguably inventive.”). Moreover, we disagree that “the claimed solution is necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.” *See* App. Br. 16.

Additionally, the claims in *McRO*—unlike the claims here—recited a “specific . . . improvement in computer animation” using “unconventional rules” that related “sub-sequences of phonemes, timings, and morph weight sets” to automatically animate lip synchronization and facial expressions for three-dimensional characters that only human animators could previously produce. *McRO*, 837 F.3d at 1302–03, 1307–08, 1313–15. In *McRO*, “the incorporation of the claimed rules” improved an existing technological process. *McRO*, 837 F.3d at 1314. In contrast, Appellants’ claims here do

not improve an existing technological process. *See Alice*, 573 U.S. at 223 (explaining that “the claims in *Diehr* were patent eligible because they improved an existing technological process”).

For the reasons discussed *supra*, we are unpersuaded that the Examiner erred in rejecting under 35 U.S.C. § 101 claim 1 as being directed to patent-ineligible subject matter. Accordingly, we sustain the Examiner’s rejection of claim 1. Additionally, we sustain the Examiner’s rejection of independent claims 9 and 17, which recite similar limitations and were not argued separately. *See App. Br. 17; see also 37 C.F.R. § 41.37(c)(1)(iv)* (2016). Further, we sustain the Examiner’s rejection of claims 2–8, 10–16, and 18–20, which depend directly or indirectly therefrom and were not argued separately. *See 37 C.F.R. § 41.37(c)(1)(iv)*.

Rejection under pre-AIA 35 U.S.C. § 103(a)

In rejecting independent claim 1, the Examiner relies on the combined teachings of Erisman, Worthington, and Wilson. Final Act. 5–7. In particular, the Examiner relies on Wilson to teach “generat[ing] a file containing at least a portion of the structured settlement transaction data formatted to include a bid item.” Final Act. 6 (citing Wilson ¶¶ 42 and 50). Additionally, the Examiner relies on the same findings in rejecting independent claims 9 and 17. Final Act. 7.

Appellants argue the Examiner erred in relying on Wilson because Wilson is not prior art. App. Br. 18; Reply Br. 5–6. In particular, Wilson has a filing date of April 27, 2012 and claims priority to Provisional Application No. 61/480,207, filed on April 28, 2011. *See App. Br. 18*. The present application, filed September 16, 2013 is a continuation of, and

claims priority to, PCT Application No. PCT/US2012/029669, filed March 19, 2012, which claims the benefit of Provisional Application No. 61/453,569, filed on March 17, 2011 (“Provisional ’569”). App. Br. 18. In other words, Appellants contend Wilson has an earliest effective filing date of April 28, 2011, whereas Appellants’ claimed invention has an effective filing date of March 17, 2011.

In response, the Examiner determines Appellants are not entitled to the earlier date of Provisional ’569 because “the provisional application is silent on the generation of files containing formatted structured settlement data.” Ans. 6. Rather, the Examiner finds support for the disputed limitation in the PCT application. Thus, the Examiner determines the earliest effective filing date for Appellants’ claimed invention is March 19, 2012 (i.e., after Wilson’s priority date). Ans. 6.

As the Federal Circuit explains:

the test to determine if an application is to receive the benefit of an earlier filed application is whether a person of ordinary skill in the art would recognize that the applicant possessed what is claimed in the later filed application as of the filing date of the earlier filed application.

Noelle v. Lederman, 355 F.3d 1343, 1348 (Fed. Cir. 2004).

Here, we agree with Appellants (*see* Reply Br. 5–6) that the provisional application provides sufficient support for generating a file containing at least a portion of the structured settlement transaction data formatted to include a bid item. For example, the provisional application describes an intermediary advisor preparing a set of legal documents associated with the proposed sale of a structured settlement plan and that such documents may include a guaranteed minimum selling price, specify a

discount rate, or a present value of the structured settlement payment plan. Provisional '569 ¶¶ 20–24, Figs. 9–16. Thus, we find an ordinarily skilled artisan would recognize that Appellants' were in possession of “generat[ing] a file containing at least a portion of the structured settlement transaction data formatted to include a bid item,” as recited in claim 1, at the time Provisional '569 was filed. As such, claim 1, *inter alia*, is entitled to an effective filing date of March 17, 2011.

Because Wilson is not prior art to Appellants' claimed invention, the Examiner erred in relying on Wilson in rejecting the pending claims. Accordingly, on the record before us, we do not sustain the Examiner's rejection under pre-AIA 35 U.S.C. § 103(a) of claims 1–20.

DECISION

We affirm the Examiner's decision rejecting claims 1–20 under 35 U.S.C. § 101.

We reverse the Examiner's decision rejecting claims 1–20 under pre-AIA 35 U.S.C. § 103(a).

Because we affirm at least one ground of rejection with respect to each claim on appeal, the Examiner's decision rejecting claims 1–20 is affirmed. *See* 37 C.F.R. § 41.50(a)(1).

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). *See* 37 C.F.R. § 41.50(f).

AFFIRMED