



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

Table with 5 columns: APPLICATION NO., FILING DATE, FIRST NAMED INVENTOR, ATTORNEY DOCKET NO., CONFIRMATION NO. Includes details for application 12/254,502 filed 10/20/2008 by Anadi Upadhyaya, attorney Potomac Law Group, PLLC, examiner OUELLETTE, JONATHAN P, art unit 3629, notification date 06/06/2019, and delivery mode ELECTRONIC.

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

- patents@potomaclaw.com
bgoldsmith@potomaclaw.com
officeaction@apcoll.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte ANADI UPADHYAYA, TY HAYDEN, and
MANISH AGRAWAL

Appeal 2018-000896
Application 12/254,502
Technology Center 3600

Before JOHN A. JEFFERY, DENISE M. POTHIER, and
JUSTIN BUSCH, *Administrative Patent Judges*.

JEFFERY, *Administrative Patent Judge*.

DECISION ON REQUEST FOR REHEARING

Appellants¹ request that we reconsider our decision of March 14, 2019 (“Dec.”), where we affirmed the Examiner’s rejection of claims 1–7, 9–13, 15, 17–19, and 22–25 under 35 U.S.C. § 101. Request for Rehearing filed May 14, 2019 (“Req. Reh’g”). In particular, Appellants request that we reconsider our decision in view of (1) *Ex parte Smith*, Appeal 2018-000064, 2019 WL 764497 (PTAB Feb. 1, 2019) (informative) and (2) an April 19, 2018, Memorandum from Robert W. Bahr, Deputy Commissioner for Patent Examination Policy to the Patent Examining Corps, entitled “Changes in Examination Procedure Pertaining to Subject Matter Eligibility, Recent Subject Matter Eligibility Decision (*Berkheimer v. HP, Inc.*)” (“*Berkheimer* Memo.”).²

For the reasons noted below, however, we deny the request to modify our decision.

Smith

Appellants assert the panel in *Smith* found that a claim reciting timing mechanisms and associated temporary restraints on an execution of trades provided a technological improvement over prior derivative trading systems, thereby integrating a judicial exception of derivative trading into a practical application. Req. Reh’g 2 (citing *Smith*, 2019 WL 764497, at *5).

Appellants contend that, similar to *Smith*, determining (1) “if the budget pool

¹ Appellants identify the real party in interest as Oracle International Corporation. App. Br. 3.

² *Smith* is available at <https://www.uspto.gov/sites/default/files/documents/fd2018-000064.pdf> (last visited May 21, 2019) and the *Berkheimer* Memorandum is available at <https://www.uspto.gov/sites/default/files/documents/memo-berkheimer-20180419.PDF> (last visited May 21, 2019).

for the compensation plan is not created”; (2) “if the budget pool is not associated with at least one component of the compensation plan”; and (3) “if a budgeting style is percent and a percent of eligible salary component is not configured in the budget pool” (“the recited determinations”) as claimed limits any known conventional practice of setup verification for a compensation system. *Id.* at 3.

Appellants’ arguments are unavailing. As we noted in our decision, because the recited determinations could be performed *mentally*, they fall squarely within the mental processes category of the USPTO’s guidelines and, therefore, recite an abstract idea. *See* Dec. 10; *see also* 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50, 52 (Jan. 7, 2019) (“Guidance”).³ Consistent with the Guidance, the recited determinations are not additional elements *beyond* the identified abstract idea because they are *part of* the abstract idea. *See id.* at 55 n.24 (noting the “[G]uidance uses the term ‘additional elements’ to refer to claim features, limitations, and/or steps that are recited in the claim *beyond* the identified judicial exception.”) (emphasis added).

Appellants’ contention that the recited determinations are analogous to additional elements of *Smith* that integrated a recited judicial exception into a practical application (Req. Reh’g 3) is unpersuasive. To be sure, *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,

³ The Guidance is available at <https://www.govinfo.gov/content/pkg/FR-2019-01-07/pdf/2018-28282.pdf> (last visited May 21, 2019).

at 11.⁴ In *Smith*, however, the claimed timing mechanisms and associated temporary restraints on execution of trades were the additional elements that provided a specific technological improvement over prior derivative trading systems. *See Smith*, 2019 WL 764497, at *5.

That is not the case here. As we noted in our decision, the *only* additional elements in claim 1 *beyond* the abstract idea are the processor and graphical user interface (GUI). Dec. 11, 16. As we explained, those additional elements, when considered individually and as an ordered combination, do not integrate the abstract idea into a practical application consistent with the USPTO's Guidance. *See* Dec. 10–16. *Accord* Guidance, 84 Fed. Reg. at 54–55 (instructing Examiners to (1) identify whether there are any *additional elements* in the claim *beyond* the judicial exception; and (2) evaluate *those additional elements* individually and collectively to determine whether they integrate the exception into a practical application). To the extent Appellants contend that the recited determinations are additional elements that integrate the exception into a practical application (*see* Req. Reh'g 2–3), we disagree. Rather, 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.

Accordingly, as we noted on pages 10 to 15 of our decision, claim 1 does not recite additional elements that improve (1) the computer itself or (2) another technology or technical field. *See* Guidance, 84 Fed. Reg. at 55

⁴ This document is available at <https://www.uspto.gov/sites/default/files/documents/SOP2%20R10%20FINAL.pdf> (last visited May 21, 2019).

(citing MANUAL OF PATENT EXAMINING PROCEDURE (MPEP) § 2106.05(a) (9th ed. Rev. 08.2017, Jan. 2018)). Rather, the above-noted additional elements merely (1) apply the abstract idea on a computer; (2) include instructions to implement the abstract idea on a computer; or (3) use the computer as a tool to perform the abstract idea. *See* Guidance, 84 Fed. Reg. at 55 (citing MPEP § 2106.05(f)).

Berkheimer Memorandum

Appellants assert the *Berkheimer* Memorandum provides specific requirements to support with evidence any allegation that claim elements are well-understood, routine, and conventional. Req. Reh’g 3. According to Appellants, “[n]o evidence is provided that the combination of functional elements implemented by software, which is the core of the invention, is conventional as required per the [*Berkheimer* Memorandum.]” *Id.* at 4.

Appellants’ arguments are unavailing. To be sure, the Examiner must show—with supporting facts—that certain claim elements are well-understood, routine, and conventional where such a finding is made. *See Berkheimer v. HP Inc.*, 881 F.3d 1360, 1369 (Fed. Cir. 2018) (noting that “[whether] something is well-understood, routine, and conventional to a skilled artisan at the time of the patent is a factual determination.”). After the Federal Circuit issued its decision in *Berkheimer*, the United States Patent and Trademark Office (USPTO) issued the *Berkheimer* Memorandum in which the Office revised “the procedures set forth in [Manual of Patent Examiner Procedure] (MPEP) § 2106.07(a) (Formulating a Rejection For

Lack of Subject Matter Eligibility) and MPEP § 2106.07(b) (Evaluating Applicant’s Response).” *Berkheimer* Memo. 3.

As the *Berkheimer* memorandum explains, Examiners must provide evidence to support a finding that *an additional element* of a claim is well-understood, routine, and conventional. *See id.* at 2–3 (noting the *Berkheimer* decision clarifies the inquiry whether an *additional element* (or combination of *additional elements*) represents well-understood, routine, and conventional activity).

As we noted in our decision, the processor and GUI are the *only* additional recited elements beyond the abstract idea—additional elements whose *generic computing functionality* is well-understood, routine, and conventional. *See* Dec. 16. Appellants’ contention, then, that no evidence is provided that *all* recited functional limitations are well-understood, routine, and conventional (Req. Reh’g 4) does not address the determination in our decision. Notably, our decision merely held that the *additional elements*, namely the processor and GUI, provide *generic computing functionality* that is well-understood, routine, and conventional—a fact evidenced by relevant case law cited in our decision and Appellants’ own Specification. *See* Dec. 16 (citing *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 221 (2014)); *see also* Spec. ¶¶ 13 (indicating the processor “may be any type of general . . . processor”), 14–15, 54; Figs. 1, 4–6. Using a generic computer for “receiving,” “testing,” and “displaying” information simply takes advantage of some of the “most basic functions of a computer.” *See Alice*, 573 U.S. at 225 (the “use of a computer to obtain data, adjust account balances, and issue automated instructions; all of these computer functions are ‘well-understood, routine, conventional activit[ies]’ previously known to the

industry”) (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 71–73 (2012)); *see also* *Gottschalk v. Benson*, 409 U.S. 63, 65 (1972) (noting that a “computer operates then upon both new and previously stored data. The general-purpose computer is designed to perform operations under many different programs.”); *Fair Warning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1096 (Fed. Cir. 2016) (noting that using generic computing components like a *microprocessor or user interface* do not transform an otherwise abstract idea into eligible subject matter), *cited in* Dec. 14; *Mortgage Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1324–25 (Fed. Cir. 2016) (indicating components such as an “interface” are generic computer components that do not satisfy the inventive concept requirement); MPEP § 2106.05(d)(II) (citing *Alice* and *Mayo*). *Accord Berkheimer* Memo. 3–4.

Accordingly, we have considered the arguments raised by Appellants in the Request, but none of these arguments persuade us that the original decision was in error. We are still of the view the invention set forth in claims 1–7, 9–13, 15, 17–19, and 22–25 is patent ineligible under 35 U.S.C. § 101 for the reasons noted above and in our earlier decision.

CONCLUSION

For the foregoing reasons, we have granted Appellants’ request to the extent that we have reconsidered our decision of March 14, 2019, but we deny the request with respect to making any changes therein.

DENIED