UNITED STATES PATENT AND TRADEMARK OFFICE

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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 KELSEY ROSE SWEENEY and BRYAN KYLE TUBLIN

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Appeal 2018-001411
Application 13/781,234[1]
Technology Center 3600

———————

Before ST. JOHN COURTENAY III, SCOTT B. HOWARD, and
SCOTT E. BAIN, *Administrative Patent Judges*.

BAIN, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's
Final Rejection of claims 1, 3–8, 10–15, and 17–21, which constitute all
claims pending in the application. App. Br. 9. We have jurisdiction under
35 U.S.C. § 6(b).

We affirm.

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[1] Appellants identify Intuit Inc. as the real party in interest. Br. 4.

BACKGROUND

The Claimed Invention

The invention relates to managing an employee reward program, and specifically, to providing "low cost rewards/benefits that [] employees desire." Abstract; Spec. ¶ 1. As the Specification explains, the invention enables employers to tailor reward offerings to their employees based upon factors such as each employee's spending records. *Id.* at ¶¶ 2–3.

Claims 1, 8, and 15 are independent. Claim 1 is illustrative of the invention and the subject matter in dispute, and reads as follows:

1.   A method, comprising:

retrieving, from a first personal financial management application (PFMA) operating at a first remote location on a computer network, a *plurality of purchase records* regarding a spending history of a first employee of a first employer of a plurality of employers, wherein the first PFMA tracks the spending history of the first employee at the first remote location;

detecting, from the plurality of purchase records, a first employee preference for making purchases in a *spending category*;

obtaining, by a reward processing computer system, an employee *reward item list* comprising:

a first employer specific portion specifying *items* designated by the first employer to be allocated for eligible employees of the first employer; and

a for-trade items pool specifying *items* designated for exchange among the plurality of employers;

receiving, from the first employer and via a graphical user interface, an award *eligibility requirement* for the first employee;

retrieving, from a first business management application (BMA) operating at a second remote location on the computer

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network, *employee information* for the first employee from business data for the first employer, wherein the first BMA manages the business data for the first employer; determining, from the employee information and based on the award eligibility requirement, that the first employee of the first employer is eligible for being rewarded;

determining, by the reward processing computer system, that no designated item in the first employer specific portion and the for-trade items pool of the employee reward item list *matches* the first employee preference;

notifying, via the graphical user interface and based on determining that the first employee is eligible for being rewarded, the first employer that the first employee is eligible for a reward;

displaying, to the first employer and via the graphical user interface of the reward processing computer system, an *action button* configured to enable the first employer to add a new designated item that matches the first employee preference to the employee reward item list, wherein the first employer adds the new *designated item* to the employee reward item list by selecting the action button; and

selecting the new *designated item* from the employee reward item list, wherein the new designated item is awarded to the first employee by the first employer via the graphical user interface.

App. Br. 19–20 (Claims App.) (emphases added).

The Rejections on Appeal

Claims 1, 3–8, 10–15, and 17–21 are rejected under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter. Final Act. 2–5.

DISCUSSION

We have reviewed the Examiner's rejection in light of Appellants' arguments presented in this appeal. Arguments which Appellants could have made but did not make in the Briefs are deemed to be waived. *See*

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37 C.F.R. § 41.37(c)(1)(iv). On the record before us, Appellants have not persuaded us of error.

Rejection Under 35 U.S.C. § 101

The Examiner determined that the claims are directed to "rewarding employees by their employers based on their purchase records," which is a "fundamental economic practice" and "method of organizing human activities," and accordingly constitutes an abstract idea. Final Act. 2–3; *Alice Corp. v. CLS Bank lnt'l*, 573 U.S. 208, 217 (2014) (describing two-step framework "for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts"). Further, the Examiner determined that the additional elements in the claims merely constituted "instructions to implement the abstract idea" on a generic computer, and therefore did not include additional elements sufficient to amount to significantly more than the abstract idea. Final Act. 2–3. Thus, the Examiner concluded that the claims constitute ineligible subject matter.

Appellants argue that the Examiner "overgeneralize[ed]" the claims and ignored the recited elements of controlling "a dynamically changing and unconventionally structured reward item list," "matching of the employee's purchase preference to a reward item," and "access[ing]" a "personal financial management application (PFMA) . . . to retrieve purchase records." App. Br. 10–14; Reply Br. 2–3. Appellants further contend the claims are materially different from those that have been found directed to ineligible subject matter in other cases (*see infra*), and that even if the claims include an abstract idea, they also recite "highly specialized" (not generic) computer

functions that amount to significantly more than the abstract idea itself.
App. Br. 16–18; Reply Br. 5.

After the Briefs were filed and Answer mailed in this case, the USPTO published "Revised Subject Matter Eligibility Guidance" synthesizing case law and providing agency instruction on the application of § 101. *See* USPTO's *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50 (Jan. 7, 2019) ("Guidance"). Under the Guidance, we must look to whether a claim recites:

> (1) any judicial exceptions, including certain groupings of abstract ideas (i.e., mathematical concepts, certain methods of organizing human activity such as a fundamental economic practice, or mental processes) ("Step 2A, Prong One"); and
>
> (2) additional elements that integrate the judicial exception into a practical application (*see* MPEP § 2106.05(a)–(c), (e)–(h)) ("Step 2A, Prong Two").

See 84 Fed. Reg. at 54–55.

Only if a claim recites a judicial exception and 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 id. at 56 (collectively "Step 2B").

We begin our *de novo* review with Step 2A, Prong One of the Guidance as applied to Appellants' claim 1.[2] We observe that claim 1 recites "a method" comprising the following steps: (1) "retrieving" purchase records (i.e., data); (2) "detecting" preferences from this data; (3) "obtaining" a reward item list (i.e., data) comprising particular items; (4) "receiving" an eligibility requirement (i.e., rules or data); (5) "retrieving . . . employee information;" (6) "determining" eligibility (i.e., applying rule); (7) "determining" matches of reward list items to preference; (8) "notifying" the employer of employee eligibility (i.e., transmitting data); (9) "displaying" an action button; (10) "add[ing]" a designated item by selecting the action button (i.e., data input); and (11) "selecting" a designated item from the reward list (i.e., data input). App. Br. 19–20.

We agree with the Examiner's determination that these steps merely describe the data retrieval, processing, selection, and display involved in administering an employee rewards program, which is an abstract idea. Steps (1), (3), (4), and (5) recite data retrieval related to rewards and employee purchasing. Steps (2), (6), and (7) recite applying reward program rules that will determine reward to offer an employee. Steps (8) and (9) recite data transmission or display related to reward eligibility. Finally, steps (10) and (11) recite data input regarding selection of a reward. Each of these steps describe a rewards program, which is a fundamental economic practice. Accordingly, we determine that, like the claims to hedging in

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[2] The Guidance refers to "Step One" as determining whether the claimed subject matter falls within the four statutory categories identified by 35 U.S.C. § 101: process, machine, manufacture, or composition of matter. This step is not at issue in this case.

Bilski and the claims to mitigating settlement risk in *Alice*, claim 1 recites a fundamental economic practice, which is one of the certain methods of organizing human activity deemed to be an abstract idea under the Guidance. *See Bilski v. Kappos*, 561 U.S. 593 (2010); *Alice*, 573 U.S. 208.

We next proceed to Step 2A, Prong 2 of the Guidance. Under this step, if the claim "as a whole" integrates the abstract idea into a "practical application," it is patent eligible. Appellants argue that claim 1 recites "highly specialized computer functions" and unique "personal financial management application" that realize technical improvements. App. Br. 11–12 (citing *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016); *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299 (Fed. Cir. 2016)); Reply Br. 5–6.

Improving the functioning of a computer can reflect integration of an idea into a "practical application." Guidance Section III. Appellants, however, do not explain, and we do not discern, any improvement in technology from the claimed invention. *Compare Enfish*, 822 F.3d at 1330–33, 1336 ("self-referential database" which permitted faster searching for data); *McRO*, 837 F.3d at 1302–03, 1307–08, 1314–15 ("specific . . . improvement in computer animation" for "achieving automated lip-synchronization," using "unconventional rules that relate[d] sub-sequences of phonemes, timings, and morph weight sets."). The claims in *McRO* and *Enfish*, for example, recited a "specific . . . improvement to the way computers operated," *see, e.g., Enfish*, 822 F.3d at 1330–33, but Appellants' claim 1 recites a rewards program that merely uses generic computing elements. Appellants' Specification explains that the invention "may be implemented on virtually any type of computing system," and can be

implemented "locally or remotely." Spec. ¶ 47. The Specification lists a wide variety of generic computing elements that may be used to implement the invention, including generic laptops, smart phones, displays, power, memory, keyboards, and networks. *Id.* at ¶¶ 47–48. Although Appellants argue that the "business management application" recited in claim 1 is unconventional, the Specification describes this element merely as "*e.g.*, an accounting software, a payroll software, etc." *Id.* at ¶ 12; *see also id.* at ¶ 32 ("a business management application (BMA) (*e.g.*, accounting application, payroll application, personnel application, etc.) used by the employer to manage his/her business").

Appellants also do not direct us to any evidence that claim 1 recites any unconventional rules, transform or reduce an element to a different state or thing, or otherwise integrate the idea into a practical application. Rather, claim 1 recites spending and rewards data being "retrieve[d]," "detect[ed]," "obtain[ed]," "receive[d]," "determine[d]," "display[ed]," and "select[ed]." App. Br. 20–21 (Claims App.). Reciting a result-oriented solution that lacks any details as to how the computer performed the modifications is the equivalent of the words "apply it." *Intellectual Ventures I LLC v. Capital One Fin. Corp.,* 850 F.3d 1332, 1341–42 (Fed. Cir. 2015) (*citing Elec. Power Grp., LLC, v. Alstrom S.A.,* 830 F.3d 1350, 1356 (Fed. Cir. 2016) (cautioning against claims "so result focused, so functional, as to effectively cover any solution to an identified problem")); *see also CyberSource v. Retail Decisions, Inc.,* 654 F.3d 1366, 1375 (Fed. Cir. 2011) (mere data gathering does not make a claim patent-eligible). The data gathering and processing steps in claim 1 do not add meaningfully to the recited fundamental economic practice.

Finally, under Step 2B of the Guidance we must look to whether the claims include any "additional limitation that is not well-understood, routine [or] conventional." The "question of whether a claim element or combination of elements is well-understood, routine and conventional to a skilled artisan in the relevant field is a question of fact." *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1368 (Fed. Cir. 2018); *see also Mortg. Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d. 1314, 1325 (Fed. Cir. 2016) (holding that patent eligibility inquiry may contain underlying issues of fact).

As discussed above, claim 1 recites a method that retrieves and compares spending data in order to facilitate an employee rewards program. *See supra.* We agree with the Examiner's finding that simply using standard computer elements to implement rules for facilitating a rewards program is well understood, routine, and conventional. Ans. 3. Although Appellants assert that the computer functions are "highly specialized," Reply Br. 5, Appellants do not identify any such highly specialized elements, and we discern none. *See, e.g.*, Spec. ¶¶ 47–48. As the Examiner finds, "[t]he recitations to 'computer network, processing computer system, system, computer processor memory, and computer readable medium' are generically recited computer structure," as described in the Specification. Ans. 5; Spec. ¶¶ 47–48.

Accordingly, we conclude that the Examiner did not err in concluding that claim 1 constitutes ineligible subject matter. Appellants do not argue any of the remaining claims separately from claim 1. *See* 37 C.F.R. § 41.37(c)(1)(iv). We, therefore, sustain the rejection of claims 1, 3–8, 10–15, and 17–21 under 35 U.S.C. § 101.

DECISION

We affirm the Examiner's decision rejecting claims 1, 3–8, 10–15, and 17–21.

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