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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JEFFREY K. WAGNER, LINDA J. CLARKE,
and MICHAEL E. EGAN

Appeal 2018-003338¹
Application 14/305,628
Technology Center 3600

Before ELENI MANTIS MERCADER, NORMAN H. BEAMER, and
ADAM J. PYONIN, *Administrative Patent Judges*.

PYONIN, *Administrative Patent Judge*.

DECISION ON APPEAL

This is a decision on appeal under 35 U.S.C. § 134(a) from the Examiner's final rejection of claims 1–42. Final Act. 1. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

¹ Aquilon Energy Services, Inc. is identified as the real party in interest. App. Br. 2.

STATEMENT OF THE CASE

Appellants' disclosure relates to "managing the settlement processes for bilateral traded energy products in the wholesale energy industry including transaction selection, collaborative tie-out, invoicing, payment execution, dispute management, and credit management processes."

Abstract. Claim 1 is the sole independent claim, and is reproduced below for reference (with added emphases):²

1. A method of managing wholesale energy trading transaction between a first party and a second party, the method comprising:
 - creating a tie-out period;
 - receiving first transaction details from a transaction system of record of the first party;
 - determining a set of the first transaction details for inclusion in the tie-out period;
 - receiving second transaction details from a transaction system of record of the second party;
 - determining a set of the second transaction details for inclusion in the tie-out period;
 - automatically, by a server, comparing the set of the first transaction details with the set of the second transaction details to identify a matched transaction and an unmatched transaction;
 - and
 - making the matched transaction and the unmatched transaction available for review on at least one *collaborate screen* accessible by the first party and the second party, wherein the at least one *collaborate screen* includes a public section and a proprietary section, the public section presenting information viewable and editable by both the first party and the second party and the proprietary section, when the *collaborate screen* is

² After filing of the Appeal Brief on September 25, 2017, an amendment to correct typographical errors in the claims was entered by the Examiner. *See* Adv. Act. 1, mailed Sept. 28, 2017; Response to Final Office Action 2-7, filed Sept. 12, 2017. Claim 1 after amendment is shown.

accessed by the first party, presenting proprietary information of the first party viewable and editable by the first party and not viewable by the second party.

The Examiner's Rejections

Claims 1–42 stand rejected under 35 U.S.C. § 101 as being patent ineligible. Final Act. 5.

Claims 1–15, 17, 41, and 42 stand rejected under 35 U.S.C. § 103 as being unpatentable over Burke (US 2014/0025475 A1; Jan. 23, 2014), Furphy (US 2002/0107794 A1; Aug. 8, 2002), and Chen (US 2002/0184070 A1; Dec. 5, 2002). Final Act. 8.

Claims 16 and 20 stand rejected under 35 U.S.C. § 103 as being unpatentable over Burke, Furphy, Chen, and Baecker (US 2001/00049649 A1; Dec. 6, 2001). Final Act. 13.

Claim 18 stands rejected under 35 U.S.C. § 103 as being unpatentable over Burke, Furphy, Chen, and Stevens (US 7,991,686 B1; Aug. 2, 2011). Final Act. 15.

Claims 19, 21–23, and 27 stand rejected under 35 U.S.C. § 103 as being unpatentable over Burke, Furphy, Chen, and Cooper (US 7,860,780 B1; Dec. 28, 2010). Final Act. 15.

Claims 24–26 stand rejected under 35 U.S.C. § 103 as being unpatentable over Burke, Furphy, Chen, Cooper, and Tupper (US 2003/0093362 A1; May 15, 2003). Final Act. 18.

Claims 28 and 37–39 stand rejected under 35 U.S.C. § 103 as being unpatentable over Burke, Furphy, Chen, and Schoen (US 2006/0259391 A1; Nov. 16, 2006). Final Act. 19.

Claims 29–32 stand rejected under 35 U.S.C. § 103 as being unpatentable over Burke, Furphy, Chen, Schoen, and Crawford (US 2003/0083984 A1; May 1, 2003). Final Act. 21.

Claim 33 stands rejected under 35 U.S.C. § 103 as being unpatentable over Burke, Furphy, Chen, Schoen, and Tupper. Final Act. 23.

Claims 34–36 stand rejected under 35 U.S.C. § 103 as being unpatentable over Burke, Furphy, Chen, Schoen, and Kochansky (US 2003/0144940 A1; July 31, 2003). Final Act. 24.

Claim 40 stands rejected under 35 U.S.C. § 103 as being unpatentable over Burke, Furphy, Chen, Schoen, and Howorka (US 2005/0027642 A1; Feb. 3, 2005). Final Act. 26.

ANALYSIS

We have reviewed the Examiner’s rejection in light of Appellants’ arguments. We have considered in this Decision only those arguments Appellants actually raised in the Briefs. Any other arguments Appellants could have made but chose not to make are deemed waived. *See* 37 C.F.R. § 41.37(c)(1)(iv).

I. Eligibility Rejection

The Examiner determines claim 1 is patent ineligible under 35 U.S.C. § 101, “because the claimed invention is directed to a judicial exception (i.e., a law of nature, a natural phenomenon, or an abstract idea) without significantly more.” Final Act. 5; *see also Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 217 (2014) (describing the 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”).

After the docketing of this appeal, the USPTO published revised guidance on the application of § 101 (“Guidance”). *See* USPTO’s 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50 (Jan. 7, 2019) (“Memorandum”). Pursuant to the Guidance “Step 2A,” the office first looks to whether the claim recites:

- (1) Prong One: 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); and
- (2) 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, does the Office then (pursuant to the Guidance “Step 2B”) look to whether the claim:

- (3) adds a specific limitation beyond the judicial exception that are 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.

We are not persuaded the Examiner’s rejection is in error. We adopt the Examiner’s findings and conclusions as our own, to the extent consistent

with our analysis herein. We add the following primarily for emphasis and clarification with respect to the Guidance.

A. Step 2A

Appellants argue the Examiner errs in determining claim 1 is abstract, because “by holding that the claims are directed to ‘managing transactions between a first party and a second party,’ the Examiner oversimplifies the claims.” App. Br. 5. Particularly, Appellants contend the following:

aspects of the pending claims represent an advantage over existing manual tie-out processes (and existing proprietary systems) that define a particular solution to a problem just as the patent claims at issue in *McRO* represented an advantage over and a solution for existing lip synchronization technology and manual processes.

App. Br. 9–10, citing *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299 (Fed. Cir. 2016).

Prong One

Pursuant to Step 2A, Prong One of the Guidance, we are not persuaded the Examiner errs in determining claim 1 recites an abstract idea. *See* Final Act. 5–6; Ans. 28; Memorandum Section III (A) (1) (Prong One: Evaluate Whether the Claim Recites a Judicial Exception), 84 Fed. Reg. at 54. The claim recites creating a tie-out period, receiving first transaction details from a transaction system of record of the first party, determining a set of the first transaction details for inclusion in the tie-out period, receiving second transaction details from a transaction system of record of the second party, determining a set of the second transaction details for inclusion in the

tie-out period, comparing the set of the first transaction details with the set of the second transaction details to identify a matched transaction and an unmatched transaction, and presenting proprietary information of the first party viewable and editable by the first party and not viewable by the second party. These limitations accomplish the method of “managing [a] wholesale energy trading transaction” (claim 1), and are steps of “mitigating risk[,] . . . agreements in the form of contracts; legal obligations; advertising, marketing or sales activities or behaviors; business relations[,] . . . and following rules or instructions.” Memorandum Section I, 84 Fed. Reg. at 52. Thus, the claim recites “fundamental economic principles or practices,” “commercial or legal interactions,” and “managing . . . interactions between people,” which are “[c]ertain methods of organizing human activity.” *Id.* *see also* Spec. ¶¶ 4–11.

Appellants argue the following:

[w]hen considering the claims as a whole, the claims are more likely directed to, for example, technology allowing two parties to a transaction to share and collaborate on transactions within a common system while controlling access and editing of information managed by the system.

App. Br. 7. This argument focuses on a degree of particularity as to *how* the transaction is finalized, and does not change our determination that certain claim limitations, as discussed above, recite an abstract idea. *See Trading Techs. Int’l Inc. v. IBG LLC*, 921 F.3d 1084, 1093 (Fed. Cir. 2019), citing *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014) (“Although certain additional limitations, such as consulting an activity log, add a degree of particularity, the concept embodied by the majority of the

limitations describes only the abstract idea of showing an advertisement before delivering free content.”).

Accordingly, claim 1 “recites a judicial exception . . . [and] requires further analysis in Prong Two” of the Guidance. Memorandum, 84 Fed. Reg. at 54.

Prong Two

We are also not persuaded the Examiner’s rejection is in error pursuant to Step 2A, Prong Two of the Guidance. Rather, we agree with Examiner that Appellants’ claimed method “is not clearly directed to an improvement in computer-related technology (*e.g.*, computer functionality) but instead recites ‘an abstract-idea-based solution’ (*i.e.*, a solution ‘implemented with generic technical components in a conventional way’).” Ans. 29. Claim 1 recites limitations involving a “server” and a “collaborate screen [which] includes a public section and a proprietary section.” The server compares transaction details and the collaborate screen presents the information the user is authorized to access. *See* Spec. ¶ 81. That is, these elements function to process and display the data of the identified judicial exception. The limitations, thus, represent the mere use of “a computer as a tool to perform an abstract idea,” and “do[] no more than generally link the use of a judicial exception to a particular technological environment.” Memorandum, 84 Fed. Reg. at 55; *see also* Final Act. 5; *Trading Techs. Int’l, Inc. v. IBG LLC*, No. 2017-2323, 2019 WL 1907236, at *4 (Fed. Cir. Apr. 30, 2019) (“[T]he purported advance is a process of gathering and analyzing information of a specified content, then displaying the results, and not any particular assertedly inventive technology for performing those

functions.”) (Citation and quotations omitted); *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1371 (Fed. Cir. 2015) (“Requiring the use of a ‘software’ ‘brain’ ‘tasked with tailoring information and providing it to the user’ provides no additional limitation beyond applying an abstract idea, restricted to the Internet, on a generic computer.”).

Accordingly, we determine claim 1 does not integrate the judicial exception into a practical application. *See* Memorandum, 84 Fed. Reg. at 54. As the “claim recites a judicial exception and fails to integrate the exception into a practical application” (*id.* at 51), “the claim is directed to the judicial exception” (*id.* at 54).

B. Step 2B

Appellants argue that “when considered as a whole, each claim recites a novel and inventive technology that allows multiple parties to a transaction to share and collaborate on energy transactions within a common system” (App. Br. 12), but Appellants have not shown the recited additional elements (or combination of elements) amount to significantly more than the judicial exception itself. *See* Final Act. 6, Ans. 4–5; Memorandum, Section III(B) (Step 2B), 84 Fed. Reg. at 56. The Examiner finds the “server is no more than a generic computer component, and the comparison performed by the server does not represent any computer function beyond what server[s] typically perform.” Ans. 31. Based on the record before us, we agree with the Examiner that the claimed additional elements and combination of elements only recite generic components and steps that are well-understood, routine, and conventional. *See* Spec. ¶ 52 (“[T]he other servers and computing devices described herein include standard components of a

computing device”); *see also* Spec. ¶¶ 3, 50, 51, 53, 58, 63, 70, 71; *Alice*, 573 U.S. at 226.

Accordingly, we agree with the Examiner that claim 1 is patent ineligible, as well as dependent claims 2–42 not separately argued. *See* Final Act. 7; App. Br. 12.

II. Obviousness Rejections

Appellants argue the Examiner errs in the rejection of independent claim 1, because Chen clearly “fails to teach or suggest providing any type of an ‘collaborate screen’ that is accessible by the each party of the transaction but provides each party with different access and editing rights within the screen.” App. Br. 15. Particularly, Appellants contend that “Chen discloses keeping data as private by not transmitting such data as part of the message exchange” and that

[l]ocally marking or designating data as “private” and not transmitting such data is not equivalent to actually transmitting such data to a centralized server that provides a collaborate screen accessible by parties to a transaction.

App. Br. 15, citing Chen ¶ 107.

We are persuaded the Examiner erred. The portions of Chen that the Examiner relies on as teaching or suggesting the claimed collaborate screen contains no reference to a screen of any kind. *See* Final Act. 9, citing Chen ¶¶ 48, 65, 80. Rather, the Examiner finds the “[t]he ‘collaborate screen’ is not positively recited as part of applicant’s invention,” and is therefore unnecessary under a broadest reasonable interpretation of claim 1. Ans. 36. The Examiner explains that claim 1:

discloses **only** making the matched transaction and the unmatched transaction “available for review” on at least one collaborate screen “accessible” by the first party and the second party.

Ans. 36.

We find the Examiner errs. “All words in a claim must be considered in judging the patentability of that claim against the prior art.” *In re Wilson*, 424 F.2d 1382, 1385 (CCPA 1970). Here, the Examiner has not considered all the words in a claim, such as the recited collaborate screen including a public section and a propriety section. *See, e.g.*, Final Act. 8–9. Accordingly, the Examiner has failed to establish a prima facie case of obviousness of the subject matter of claim 1. *See In re Warner*, 379 F.2d 1011, 1017 (CCPA 1967) (“A rejection based on section 103 clearly must rest on a factual basis.”).

Accordingly, we are constrained by the record to reverse the Examiner’s obviousness rejection of independent claim 1, and the rejections of all claims dependent therefrom.

DECISION

The Examiner’s decision rejecting claims 1–42 under 35 U.S.C. § 101 is affirmed.

The Examiner’s decision rejecting claims 1–42 under 35 U.S.C. § 103 is reversed.

The Examiner’s decision is affirmed because we have affirmed at least one ground of rejection with respect to each claim on appeal. *See* 37 C.F.R. § 41.50(a)(1). No time period for taking any subsequent action in

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connection with this appeal may be extended under 37 C.F.R.
§ 1.136(a)(1)(iv).

AFFIRMED