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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
12/692,090	01/22/2010	David Wigder	REC046	1107
71136	7590	06/03/2019	EXAMINER	
Maldjian Law Group LLC 106 Apple Street Suite 200N Tinton Falls, NJ 07724			HAMILTON, MATTHEW L	
			ART UNIT	PAPER NUMBER
			3682	
			NOTIFICATION DATE	DELIVERY MODE
			06/03/2019	ELECTRONIC

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte DAVID WIGDER and RON GONEN

Appeal 2018-004418
Application 12/692,090
Technology Center 3600

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

POTHIER, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants^{1,2} appeal under 35 U.S.C. § 134(a) from the Examiner's rejection of claims 21–27. Appeal Br. 2. Claims 1–9 have been canceled and claims 10–20 have been withdrawn. *Id.* at 11–12 (Claims App'x).

We affirm.

¹ Throughout this Opinion, we refer to the Final Action (“Final Act.”) mailed April 18, 2017, the Advisory Action (“Adv. Act.”) mailed August 15, 2017, the Appeal Brief (“Appeal Br.”) filed October 17, 2017, the Examiner's Answer (“Ans.”) mailed January 26, 2018, and the Reply Brief (“Reply Br.”) filed March 22, 2018.

² Appellants identify the real party in interest as RECYCLEBANK LLC. Appeal Br. 4.

STATEMENT OF THE CASE

According to the Specification, “[d]ue to mounting global concerns about the state of the environment, it has become necessary for consumers and producers alike to adopt a more eco-friendly lifestyle.” Spec. ¶ 3. Although “[a] significant amount of environmental waste could be eliminated through greater consciousness by consumers regarding the choices that they make in their daily lives, . . . there is no motivation for a consumer to capitalize on the positive impact such environmentally conscious behavior creates.” *Id.* ¶ 8. Appellants’ invention relates to “a system and method for administering an incentive-based program to encourage environmentally-conscious behavior.” *Id.* ¶ 2. Appellants’ incentive-based program aims to “encourage individuals, businesses, and other entities to reduce or minimize the use of non-sustainable natural resources, to limit consumption of vital resources (e.g., water, energy, etc.) and to conduct themselves in behavior patterns and daily activities which result in an increased benefit to the environment.” *Id.*

Independent claim 21 exemplifies the claims at issue and reads as follows:

21. A method for administering an incentive-based program by a computer system comprising a processor communicatively coupled to a computer-readable medium, wherein the computer-readable medium stores processor executable instructions to encourage environmentally-conscious behavior, comprising:
 - storing by the processor, on the computer-readable medium of a server, a user account having a set of data records corresponding to the user;
 - receiving by the processor, at the computer-readable medium of the server, from a resource supplier, an acceptable consumption standard for a given predetermined period associated with the user;

receiving by the processor, at the computer-readable medium of the server, a measurement of consumption activity of the user during the predetermined period;

writing a data record in the user account, the data record generated from a comparison of the received acceptable consumption standard to the measurement of consumption activity;

comparing, by the processor of the server, the acceptable consumption standard to the measured consumption activity during the predetermined period;

determining, by the processor of the server, whether the measured consumption is less than the acceptable consumption standard for the predetermined period; and

calculating, by the processor of the server, a reward for the user to be able to redeem for a credit at a third party retailer when the measured consumption is less than the acceptable consumption standard for the predetermined period, wherein the calculation of the reward is based on the difference between the acceptable consumption standard and the measured consumption; and

providing an electronic data portal to a third party retailer from the server to allow the user to redeem the reward at the third party retailer via the user account, wherein the credit results from a commercial transaction that is an environmentally-conscious behavioral activity.

Appeal Br. 13 (Claims App'x).

RELATED APPEALS

Appellants represent that there are seven related applications to the present application: (1) U.S. Application No. 13/100,384, Appeal No. 2016-005369, (2) U.S. Application No. 12/041,454, Appeal No. 2016-005559, (3) U.S. Application No. 12/354,504, Appeal No. 2017-001456, (4) U.S. Application No. 12/435,619, Appeal No. 2016-006106, (5) U.S. Application No. 12/435,587, Appeal No. 2016-

005362, (6) U.S. Application No. 11/854,387, (request for continued examination filed), and (7) U.S. Application No. 12/200,527, Appeal No. 2017-0010950. Reply Br. 2.

CONTENTIONS

Claims 21–27 are rejected under 35 U.S.C. § 101 as being directed to a judicial exception without significantly more. Final Act. 3–6.³ The Examiner determined that the claims are directed to various abstract ideas, including mental processes and mathematical relationships. Final Act. 3–4. The Examiner added that the claims do not include additional elements or limitations individually or in combination that are sufficient to amount to significantly more than the judicial exception. *Id.* at 5–6. Based on these determinations, the Examiner concluded that the claims are ineligible under § 101. *Id.* at 3–6; *see* Ans. 3–9.

Appellants argue that the claimed invention should not be viewed merely as a method of organizing human behavior. *See* Appeal Br. 7; Reply Br. 4. According to Appellants, the claimed invention is analogous to *BASCOM Global Internet Services, Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016). *See* Appeal Br. at 7–8. In the Reply Brief, Appellants contend the claims are eligible for the same reasons set forth in *Ex parte Fitzgerald*, No. 2016-005389 (PTAB December 26, 2017).⁴ Reply Br. 3–6.⁵

³ The rejections of claims 21–27 based on 35 U.S.C. § 112, ¶¶ 1 (Final Act. 6–8), 2 (*id.* at 9) have been withdrawn. Adv. Act. 1–2, Boxes 5, 12.

⁴ Item (1) listed in the Related Appeals section. This document is available at <https://e->

ISSUE

Under § 101, has the Examiner erred in rejecting the claims by determining that the claims are directed to judicially excepted, patent ineligible subject matter?

PRINCIPLES OF LAW

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. *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 70 (2012) (brackets in original) (citing *Diamond v. Diehr*, 450 U.S. 175, 185 (1981)).

In determining whether a claim falls within an excluded category, we are guided by the Supreme Court’s two-step framework, described in *Mayo* and *Alice*. *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 573 U.S. 208, 217–18 (2014) (citing *Mayo*, 566 U.S. at 75–77). 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.”).

foia.uspto.gov/Foia/RetrievePdf?system=BPAI&flNm=fd2016005389-12-21-2017-1 (last visited May 17, 2018).

⁵ The Reply Brief does not include page numbering. We refer to the pages sequentially in the order they appear in the record.

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 219–20; *Bilski*, 561 U.S. at 611); mathematical formulas (*Parker v. Flook*, 437 U.S. 584, 594–95 (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” (*Diehr*, 450 U.S. at 193); “tanning, dyeing, making water-proof cloth, vulcanizing India rubber, smelting ores” (*id.* at 182 n.7 (quoting *Corning v. Burden*, 56 U.S. (15 How.) 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; *see also id.* at 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.”). That said, 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*); *see, e.g., 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.”).

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.*

In January 2019, the USPTO published revised guidance on the application of § 101. *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50 (Jan. 7, 2019) (“Revised Guidance”). Under that guidance, we first look to whether the claim recites:

- (1) any judicial exceptions, including certain groupings of abstract ideas (i.e., mathematical concepts, certain methods of organizing human activities such as a fundamental economic practice, or mental processes) (Revised Guidance, 84 Fed. Reg. at 52–54) (“Revised Step 2A - Prong 1”); and
- (2) additional elements that integrate the judicial exception into a practical application (*see* MANUAL OF PATENT EXAMINING PROCEDURE (“MPEP”) §§ 2106.05(a)–(c), (e)–(h)) (Revised Guidance, 84 Fed. Reg. at 53–55) (“Revised Step 2A - Prong 2”).

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, and conventional in the field (*see* MPEP § 2106.05(d)); or

(4) simply appends well-understood, routine, and conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception.

See Revised Guidance, 84 Fed. Reg. at 56 (“Step 2B”).

ANALYSIS

CLAIMS 21–26

Appellants argue claims 21–26 as a group. *See* Appeal Br. 6–9.⁶ We select independent claim 21 as representative. *See* 37 C.F.R.

§ 41.37(c)(1)(iv). Claim 21’s subject matter falls within one of a statutory category of patentable subject matter—a process.

Alice Step One

Under this step, we determine whether claim 21 as a whole is directed to a judicial exception, namely an abstract idea. *See Alice*, 573 U.S. at 217. To this end, we determine (1) whether claim 21 recites a judicial exception (Revised Step 2A - Prong 1) and, if so, (2) whether the identified judicial exception is integrated into a practical application (Revised Step 2A – Prong 2). *See* Revised Guidance, 84 Fed. Reg. at 52–55.

Revised Step 2A - Prong 1

In Revised Step 2A - Prong 1, we identify the claim’s specific limitations that recite a judicial exception, and determine whether the

⁶ Appellants include claim 27 in this group (*see id.*), but separately argue claim 27 (*see* Reply Br. at 3–6).

identified limitations fall within certain subject matter groupings, namely (a) mathematical concepts (mathematical relationships, formulas, and calculations); (b) certain methods of organizing human activity (e.g., fundamental economic practices, commercial or legal interactions, and managing personal behavior or interactions between people); or (c) mental processes (e.g., concepts performed in the human mind including an observation, evaluation, judgment, or opinion). *See Revised Guidance*, 84 Fed. Reg. at 52.

Appellants do not appear to challenge the Examiner’s determination that claim 21 is directed to an abstract idea. Appeal Br. 7–8 (discussing only Step 2B and *BASCOM*). Yet, to the extent this is challenged (*see Appeal Br. 7* (stating the claimed method should not be seen *merely* as a method of organizing human behavior)), we disagree.

Claim 21 recites a “method for administering an incentive-based program . . . to encourage environmentally-conscious behavior,” the method comprising the following steps: (A) “storing . . . a user account having a set of data records corresponding to the user,” (B) “receiving . . . from a resource supplier, an acceptable consumption standard for a given predetermined period associated with the user,” (C) “receiving . . . a measurement of consumption activity of the user during the predetermined period,” (D) “writing a data record in the user account, the data record generated from a comparison of the received acceptable consumption standard to the measurement of consumption activity,” (E) “comparing . . . the acceptable consumption standard to the measured consumption activity during the predetermined period,” (F) “determining . . . whether the measured consumption is less than the acceptable consumption standard for

the predetermined period,” (G) “calculating . . . a reward for the user to be able to redeem for a credit at a third party retailer when the measured consumption is less than the acceptable consumption standard for the predetermined period, wherein the calculation of the reward is based on the difference between the acceptable consumption standard and the measured consumption,” and (H) “providing . . . to a third party retailer . . . to allow the user to redeem the reward at the third party retailer via the user account, wherein the credit results from a commercial transaction that is an environmentally-conscious behavioral activity.” Appeal Br. 13 (Claims App’x) (“steps (A)–(H)”).

Steps (A)–(H), under their broadest reasonable interpretation, recite a process for administering an incentive-based program to encourage and reward specific consumer behavior. *See id.*; *see also* Spec. ¶¶ 2, 12. For example, “storing . . . a user account” with data related to the user as step (A) recites is a necessary activity that an incentive-based program administers by creating accounts for the program’s participants so that their activities can be identified and recorded. Appeal Br. 13 (Claims App’x). Similarly, “receiving . . . an acceptable consumption standard for a given predetermined period associated with the user” and “receiving . . . a measurement of consumption activity of the user during the predetermined period” in steps (B) and (C) involve activities which would take place in an incentive-based program to compare the user’s consumption with an acceptable standard and to reward certain behavior deemed environmentally-conscious. *Id.* Also, comparing consumption with the acceptable standard determines whether the measured consumption is less than the acceptable standard and recording (e.g., “writing a data record”) such information (i.e.,

steps (D)–(F)) is an integral part of such an incentive-based program. *Id.* Similarly, steps (G) and (H) involve activities which would take place to reward environmentally-conscious behavior. *Id.*

All these steps (A)–(H) involve certain methods of organizing human activity, including marketing activities that encourage specific consumer behavior (e.g., water or power consumption). *See* Spec. ¶¶ 10, 12, 63–67, Fig. 3; *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015) (holding claims reciting presenting offers of a product to potential customers in response to receiving input by the potential customers as being a fundamental economic concept); *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715–16 (Fed. Cir. 2014) (holding claims that show an advertisement before delivering free content to be abstract). Similarly, claim 21’s steps (A)–(H) involve a process of managing personal behavior through rules that reward, which is comparable to a fundamental economic practice. *See In re Smith*, 815 F.3d 816, 818–19 (Fed. Cir. 2016) (determining a claimed method involving rules for conducting a wagering game is effectively a process of exchanging and resolving financial obligations comparable to fundamental economic practices). Accordingly, we conclude claim 21 at least involves marketing activities or a fundamental economic practice, which are certain methods of organizing human activity identified in the Revised Guidance. *See* Revised Guidance, 84 Fed. Reg. at 52.

Steps (A)–(H) also recite processes that can occur in a human’s mind (or through pen and paper). Appeal Br. 13 (Claims App’x); *see* Final Act. 3. For example, “storing . . . a user account having a set of data records corresponding to the user” as step (A) recites can involve a person *observing* a user and then memorizing data corresponding to a user in one’s mind (or

recording with pen and paper). Similarly, step (B) can involve a person *observing* an acceptable consumption standard or receiving a written communication from another person with such knowledge. Steps (C)–(D) likewise can involve a person receiving a user’s consumption measurement from another person who *observed* the measurement and recording the measurement in a user’s folder. Steps (E)–(F) can involve a person *evaluating* the received acceptable consumption standard and the user consumption measurement by comparing in one’s mind (or with pen and paper) to see if the measured consumption is less than the acceptable consumption standard (e.g., using subtraction). Similarly, step (G) can involve a person *evaluating* the difference between the acceptable consumption standard and the measured consumption to calculate a reward the user can redeem for credit. Lastly, step (H) can involve a person providing such information to a retailer either orally or through written communication to allow the user to redeem the reward using the user’s account.

Thus, with the exception of generic computer-implementation recited in claim 21, there is nothing in steps (A)–(H) that forecloses the steps from being performed mentally or with pen and paper. *See Benson*, 409 U.S. at 67 (indicating converting BCD numbers to pure binary numbers can be done mentally and that “mental processes ... are not patentable, as they are the basics tools of scientific and technological work”). Appellants argue manual determinations of claim 21’s steps are “impossible to achieve on any municipal scale” and executing this method “without computer implementation . . . would be . . . ineffectual.” Appeal Br. 8. Yet, it is well-settled that counsel’s arguments cannot take the place of factually supported

objective evidence. *See In re Huang*, 100 F.3d 135, 139–40 (Fed. Cir. 1996). Moreover, claim 21 is not limited to an incentive-based program *at a municipal scale*. For the above reasons, we conclude claim 21 also involves mental processes identified in the Revised Guidance. *See Revised Guidance*, 84 Fed. Reg. at 52.

Lastly, step (F) involves determining whether the measured consumption activity is “less than” the acceptable consumption standard and step (G) involves calculating a reward “when the measured consumption is less than the acceptable consumption standard” and “based on the difference between the acceptable consumption standard and the measured consumption.” Appeal Br. 13 (Claims App’x); *see also* Spec. ¶¶ 67. In this regard, steps (F) and (G) are reduced to mathematical concepts (e.g., a formula or calculation) like the claims in *Bilski* (561 U.S. at 611). *See id.* (indicating “[t]he concept of hedging ... reduced to a mathematical formula ... is an unpatentable abstract idea[.]”); *see Flook*, 437 U.S. at 594 (indicating “the discovery of [a mathematical formula] cannot support a patent unless there is some other inventive concept.”). Although the claimed steps (F) and (G) are not expressed explicitly using mathematical nomenclature, the “[w]ords used in a claim operating on data to solve a problem can serve the same purpose as a formula.” *In re Grams*, 888 F.2d 835, 837 n.1 (Fed. Cir. 1989). Thus, we determine steps (F) and (G) also recite a mathematical concept identified in the Revised Guidance (*see Revised Guidance*, 84 Fed. Reg. at 52).

Accordingly, we determine claim 21 recites certain methods of organizing human activity, mental processes, and a mathematical concept identified in the Revised Guidance, and thus an abstract idea.

Revised Step 2A - Prong 2

Because claim 21 recites an abstract idea, we must determine whether the abstract idea is integrated into a practical application, namely whether the claim applies, relies on, or uses the abstract idea in a manner that imposes a meaningful limit on the abstract idea, such that the claim is more than a drafting effort designed to monopolize the abstract idea. *See Revised Guidance*, 84 Fed. Reg. at 53. We (1) identify whether there are any additional, recited elements beyond the judicial exception, and (2) evaluate those elements individually and collectively to determine whether they integrate the exception into a practical application. *See id.*, 84 Fed. Reg. at 54–55.

The additionally recited elements beyond the above-identified judicial exceptions in claim 21 are a “computer system comprising a processor communicatively coupled to a computer-readable medium [of a server], wherein the computer-readable medium stores processor executable instructions,” “the processor of the server,”⁷ and “electronic data portal.” Appeal Br. 13 (Claims App’x).

Notably, Appellants assert the claimed invention does *not* improve the computer or its components’ functionality or efficiency, or otherwise changes the way those devices function, at least in the sense contemplated by the court in *Enfish LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016). *See* Appeal Br. 9 (asserting “Appellants have never suggested the presently claimed invention provides an *Enfish* situation. The claims are not

⁷ The “processor of the server” lacks antecedent basis. Previously, claim 21 recites “a processor communicatively coupled to a computer-readable medium” and “the computer-readable medium of a server.” Appeal Br. 13 (Claims App’x).

directed towards the improvement of a computer as a tool.”). We agree, concluding the additional elements at best merely use computer components as tools to perform the above-identified abstract idea. The additional elements merely automate the above-identified method of organizing human activity, mental processes, and mathematical calculations using generic computer elements and are used as tools to perform the identified abstract idea without reflecting an improvement in a computer’s (e.g., the processor, computer-readable medium, server, or electronic data portal) functioning. *See Credit Acceptance Corp. v. Westlake Servs.*, 859 F.3d 1044, 1055 (Fed. Cir. 2017); *see also Alice*, 573 U.S. at 222–26.

Given the record, claim 21’s additional elements beyond the identified judicial exceptions are not shown to improve a computer itself, another technology, or technical field. *See Revised Guidance*, 84 Fed. Reg. at 55 (citing MPEP § 2106.05(a)).

Nor do claim 21’s additional elements implement the identified judicial exception with or use the judicial exception in conjunction with a particular machine or a particular transformation contrary to Appellants’ assertion in the Reply Brief. Reply Br. 4–6 (citing *Ex parte Fitzgerald*, No. 2016-005389 (PTAB December 26, 2017)). According to Appellants, *Fitzgerald* is a “related matter” and “the legal reasoning of [*Fitzgerald*] applies to the present matter.” *Id.* at 3. We disagree *Fitzgerald* controls.

First, *Fitzgerald* is a non-precedential decision of the Board and, therefore, is not binding.⁸ *See* PTAB Standard Operating Procedure 2, Rev.

⁸ That being said, different Board panels have affirmed the rejections under 35 U.S.C. § 101 of various claims in the appeals listed in the above Related Appeals section as items (2)–(5) and (7).

10 § I, at 3 (noting that “[e]very decision other than a precedential decision by the Precedential Opinion Panel is, by default, a routine decision. A routine decision is binding in the case in which it is made . . . , but it is not otherwise binding authority.”).⁹ Second, “a Board decision in an application is the ‘law of the case,’ and is thus controlling in that application and any *subsequent, related* application.” MPEP § 706.07(h)(XI)(A) (emphasis added). We emphasize “subsequent” and “related” here because the instant application and the application in *Fitzgerald* are not related (e.g., have no continuity with each other). Third, claim 21 does not recite a “weighing mechanism” determined to be tied to a particular machine and amounting to significantly more than the abstract idea in *Fitzgerald*. *Fitzgerald*, No. 2016-005389, at *9–11. Specifically, claim 21 does not recite a particular machine for measuring consumption activity as asserted. *See* Reply Br. 3–4. Claim 21 broadly recites “*receiving . . . a measurement of consumption activity . . .*,” which includes simply conveying measurement information. Appeal Br. 13 (Claims App’x) (emphasis added).

We add that certain steps in claim 21 may be considered insignificant extra-solution activity. For example, steps (A)–(C) merely gather data. *See In re Bilski*, 545 F.3d 943, 963 (Fed. Cir. 2008) (en banc), *aff’d on other grounds*, 561 U.S. 593 (2010) (characterizing data gathering steps as insignificant extra-solution activity); *see also CyberSource*, 654 F.3d at 1371–72 (noting that even if some physical steps are required to obtain information from a database (e.g., entering a query via a keyboard, clicking

⁹ This document is available at <https://www.uspto.gov/sites/default/files/documents/SOP2%20R10%20FINAL.pdf> (last accessed May 16, 2019).

a mouse), such data-gathering steps cannot alone confer patentability); *accord* Guidance, 84 Fed. Reg. at 55 (citing MPEP § 2106.05(g)). As another example, step (H) merely provides the incentive or reward of the incentive-based program. Thus, steps (A)–(C) and (H) do not integrate the judicial exceptions into a practical application for this additional reason. *See* Guidance, 84 Fed. Reg. at 55 (citing MPEP § 2106.05(g)).

For the above-stated reasons, we determine the additional elements recited in claim 21 beyond the judicial exception, whether considered alone or in combination, are not integrated into a practical application.

Alice Step Two, Step 2B

Because we determine claim 21 does not integrate the recited judicial exception into a practical application, we need to consider whether the additional elements add a specific limitation or combination of limitations that are not well-understood, routine, or conventional activity in the field. *See* Revised Guidance, 84 Fed. Reg. at 56. If so, this indicates that an inventive concept may be present. If, instead, the additional elements simply append well-understood, routine, and conventional activities previously known to the industry, specified at a high level of generality, to the judicial exceptions, this indicates that an inventive concept may not be present. *Id.*

Appellants assert claim 21 through 27 recite a technology-based solution that was not previously well-understood, routine, or conventional. Appeal Br. 8. We are not persuaded.

As noted above the “computer system,” “a processor communicatively coupled to a computer-readable medium [of a server],” “processor executable instructions” and “electronic data portal” are the

additional elements beyond the above-identified judicial exceptions in claim 21. As such, Appellants' contention that recitations, such as setting acceptable consumption standards for rewards and creating user accounts to redeem awards, in claim 21 (*see id.* at 7–8), are unconventional uses of technology fails to address specifically whether claim 21's *additional elements* (e.g., the processor, the computer-readable medium, and the electronic data portal) individually or in combination recite limitations that are not well-understood, routine, and unconventional activities in a field. Additionally, even though Appellants assert that “[c]laims 21–27 provide a novel method of incentivizing . . . participation” (*id.* at 8), “§ 101 subject-matter eligibility is a requirement separate from other patentability inquiries.” *See Return Mail, Inc. v. U.S. Postal Serv.*, 868 F.3d 1350, 1370 (Fed. Cir. 2017); *see also Mayo*, 566 U.S. at 90 and *Diehr*, 450 U.S. at 190 (1981) (“The question . . . of whether a particular invention is novel is ‘wholly apart from whether the invention falls into a category of statutory subject matter.’”).

Moreover, claim 21's additional elements beyond the above-identified judicial exceptions recite generic computer components, such a network and a computer device, whose functionalities are well-understood, routine, and conventional. *See, e.g., Mortgage Grader*, 811 F.3d at 1324–25 (noting that components such an “interface,” “network,” and “database” are generic computer components that do not satisfy the inventive concept requirement); *see also Alice*, 573 U.S. at 225 (indicating a computer that obtains data and issues automated instructions is a generic computer performing well-understood, routine, and conventional activities).

The Specification also describes components, such as a computer (e.g., the recited “computer system comprising a processor”), server (e.g., the recited “server”), and data portal (e.g., the recited “data portal”), generically. *See, e.g.*, Spec. ¶¶ 26, 28, 29 (describing the server deployed in one or more general purpose computers can include processors), 51 (describing various computer readable media), 92 (describing using a general purpose computer system for communicating using an electronic data portal, such as a website), Figs. 2, 4; *accord* Final Act. 5; Ans. 8.

Appellants’ reliance on *BASCOM* (Appeal Br. 7–8) is also unpersuasive. The *BASCOM* court determined claims directed to a technology-based solution to filter Internet content overcame existing problems with other Internet filtering systems. Such problems were overcome by making a known filtering solution—namely a “one-size-fits-all” filter at an Internet Service Provider (ISP)—more dynamic and efficient by individualized filtering at the ISP. *BASCOM*, 827 F.3d at 1351. This customizable filtering solution improved the computer system’s performance and, therefore, was patent-eligible. *See id.*

Unlike the filtering improvements in *BASCOM* that added significantly more to its abstract idea, the claimed invention here uses generic computing components to implement an abstract idea. We disagree that “[l]ike *BASCOM*, claims 21–27 of the present invention are directed towards method of collecting, and storing data on a computer-readable medium, filtering the data on a customizable basis to determine rewards for a user.” Appeal Br. 7. For example, although claim 21 recites storing a user account having data records on a computer-readable medium, claim 21 does not recite filtering data records or determining rewards based on data

filtering. *Id.* at 13 (Claims App’x); *see also Affinity Labs of Texas, LLC v. DirecTV, LLC*, 638 F.3d 1253, 1265 (Fed. Cir. 2016) (indicating the claims in contrast with *BASCOM* did not have any specific technical solution).

Thus, contrary to Appellants’ assertion (*see id.* at 7–8), Appellants fail to show sufficiently the recited additional elements in claim 21 add a specific limitation or combination of limitations that are not well-understood, routine, or conventional activity in the field. For the above reasons, the additional recited elements—considered individually and as an ordered combination—do not add significantly more than the abstract idea to provide an inventive concept under *Alice/Mayo* step two.

Conclusion

For the foregoing reasons, Appellants have not persuaded us of error in the rejection of independent claim 21 and claims 22–26 for similar reasons.

CLAIM 27

Claim 27 depends from claim 21 and further recites “receiving the measurement from a measuring apparatus comprising one of[:] an industry standard energy meter, or an industry-standard flow meter.” Appeal Br. 14 (Claims App’x).

Appellants contend claim 27’s recited measuring apparatus is a particular machine, and thus claim 27 satisfies the “machine-or-transformation” test. *See* Reply Br. 6–8. Under the “machine-or-transformation” test, a claimed process is patent eligible under § 101 if: (1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing. *See Bilski*, 545 F.3d at 954, *aff’d sub nom. Bilski*, 561 U.S. at 593. This newly-raised contention is untimely and

waived. *See* 37 C.F.R. § 41.41(b)(2). Yet, even assuming Appellants' contention is timely (which it is not), this contention is unpersuasive.

Revised Step 2A - Prong 1

The step reciting “receiving the measurement” further limits step (C) of claim 21, specifying from where the measurement is received. The recited “receiving the measurement” falls squarely within the methods of organizing human activity and mental processes judicial exception categories as explained above and, therefore, recites an abstract idea.

Revised Step 2A - Prong 2

The additionally recited element beyond the above-identified judicial exceptions in claim 27 is “a measuring apparatus comprising one of[:] an industry standard energy meter, or an industry-standard flow meter.” Appeal Br. 14 (Claims App'x). We disagree the recited measuring apparatus that provides a measurement to a processor in claim 27 is a particular machine.

An additional element may integrate a judicial exception into a practical application if the additional element implements the judicial exception with, or uses the judicial exception in conjunction with, a particular machine that is integral to a claim. *See* Revised Guidance, 84 Fed. Reg. at 55 (citing MPEP §§ 2106.05(b)). In order for a machine to add significantly more, it must “play a significant part in permitting the claimed method to be performed, rather than function solely as an obvious mechanism for permitting a solution to be achieved more quickly.” *Versata Dev. Grp. v. SAP America*, 793 F.3d 1306, 1335 (Fed. Cir. 2015); *see also* MPEP § 2106.05(b) (citing *Versata*). The recited measuring apparatus (e.g., an industry standard energy meter or an industry-standard flow meter)

performs an obvious mechanism for measuring consumption activity and at best involves its normal function of a measuring apparatus rather than playing a significant part in permitting the claimed method to be performed. *See Versata* 793 F.3d at 1335.

Moreover, like claim 21, claim 27 does not recite measuring the consumption activity but rather receiving the measurement from a particular apparatus. Appeal Br. 13–14 (Claim App’x). Also, similar to the above discussion addressing step (C) in claim 21, the recited “receiving the measurement from a measuring apparatus comprising one of[:] an industry standard energy meter, or an industry-standard flow meter” in claim 27 is insignificant extra-solution activity insufficient to render the claim patent-eligible. *See Bilski*, 545 F.3d at 962–63. “Purely ‘conventional or obvious’ ‘[pre]-solution activity’ is normally not sufficient to transform an unpatentable law of nature into a patent-eligible application of such a law.” *Mayo*, 566 U.S. at 79 (second brackets in original) (citing *Flook*, 437 U.S. at 590). *Accord* Revised Guidance, 84 Fed. Reg. at 55 (citing MPEP § 2106.05(g)).

For the above-stated reasons, we determine the additional elements recited in claim 27 beyond the judicial exception, whether considered alone or in combination, are not integrated into a practical application.

Alice Step Two, Step 2B

Appellants do not sufficiently demonstrate the recited additional elements in claim 27 are not well-understood, routine, or conventional. Claim 27’s measuring apparatus are recited generically similar to computer components whose functionalities are well-understood, routine, and conventional. Namely, the recited “measuring apparatus” measures

consumption using an industry standard (e.g., using an industry-standard energy meter or flow meter) and provides such information accordingly for recording. The Specification also describes the measuring apparatus generically. *See* Spec. ¶ 42 (describing measuring device 110 to include “any quantitative measuring apparatus”), Fig. 1.

Thus, we do not find that the additional recited elements of claim 27—considered individually and as an ordered combination—add significantly more to the abstract idea to provide an inventive concept under *Alice/Mayo* step two. *See Alice*, 573 U.S. at 221; *see also* Revised Guidance, 84 Fed. Reg. at 56.

Conclusion

For the foregoing reasons, Appellants have not persuaded us of error in the rejection of claim 27.

DECISION

We affirm the Examiner’s rejection of claims 21–27 under § 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)(1)(iv).

AFFIRMED