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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte MICHAEL M. SROKA and
PHILLIP DRAYER¹

Appeal 2018-006293
Application 13/751,242
Technology Center 3600

Before MICHAEL L. HOELTER, JAMES P. CALVE, and
BRETT C. MARTIN, *Administrative Patent Judges*.

HOELTER, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

This is a Decision on Appeal, under 35 U.S.C. § 134(a), from the Examiner’s Final Rejection of claims 23–25, 27–30, 32, and 35–44. App. Br. 11. “Claims 1–22, 26, 31, 33, and 34 were previously cancelled.” App. Br. 11. We have jurisdiction under 35 U.S.C. § 6(b).

For the reasons explained below, we AFFIRM the Examiner’s rejection of these claims under 35 U.S.C. § 102(b).

¹ “The real party in interest of the present application is Cantor Entertainment Data, L.P.” App. Br. 3. We refer to the appealing party as “Appellant.”

CLAIMED SUBJECT MATTER

As expressed by Appellant, “[c]ertain embodiments of the present invention relate to acquiring, purchasing and selling of synthetic assets.” Spec. ¶ 16. Apparatus claims 23 and 32, and method claims 43 and 44, are independent. Claim 23 is illustrative of the claims on appeal and is reproduced below.

23. An apparatus comprising:
 - at least one processor; and
 - at least one non-transitory medium having stored thereon a plurality of instructions that when executed by the at least one processor cause the apparatus to:
 - receive from a first computing device a request to create interests in an intangible representation of a person, wherein the request comprises a number of the interests to create and an initial price of each of the interests;
 - transmit a first web-based graphical user interface to the first computing device;
 - display via the first web-based graphical user interface an indication that interests in the person are available for purchase at the initial price;
 - receive an acquisition request from the first computing device indicating a desire to acquire at least one of the interests in the person at the initial price;
 - responsive to the acquisition request, determine whether a first electronic account has enough available funds to fulfill the acquisition request;
 - when the first electronic account has enough available funds to fulfill the acquisition request, transfer to the first electronic account at least one of the interests in the person and reduce the available funds in the first electronic account based on a number of interests acquired;
 - responsive to the transfer, display via the first web-based graphical user interface an indication of the number of acquired interests in the person and an amount of the available funds in the first electronic account;

subsequent to acquiring interests in the person, receive from the first computing device a request to sell a number of interests in the person, wherein the request to sell indicates a number of interests to sell and a sales price at which to sell the interests;

transmit a second web-based graphical user interface to a second device;

display via the second web-based graphical user interface in the second computing device an indication of the request to sell;

receive from the second computing device a request to buy interests in the person, wherein the request to buy indicates a number of interests to buy and a purchase price;

responsive to the request to buy, determine whether a second electronic account has enough available funds to fulfill the request to buy;

determine whether a selling price of the request to sell and a purchase price of the request to buy match;

responsive to determining that the selling price and the purchase price match, transfer interests in the person from the first electronic account to the second electronic account, wherein the transfer includes to remove from the first electronic account interests in the person sold via the first computing device and to add to the second electronic account interests in the person purchased via the second computing device; and

responsive to the transfer, display via the first web-based graphical user interface an indication of the number of interests in the person contained in the first electronic account and display via the second web-based graphical user interface an indication of the number of interests in the person contained in the second electronic account.

REFERENCE RELIED ON BY THE EXAMINER

Lee

US 2005/0187866 A1

Aug. 25, 2005

THE REJECTIONS ON APPEAL

Claims 23–25, 27–30, 32, and 35–44 are rejected under 35 U.S.C. § 101 because they are held to claim an abstract idea.

Claims 23–25, 27–30, 32, and 35–44 are rejected under pre-AIA 35 U.S.C. § 102(b) as anticipated by Lee.

ANALYSIS

*The rejection of claims 23–25, 27–30, 32 and 35–44
as anticipated by Lee*

We address the anticipation rejection of all the claims on appeal first. Appellant argues claims 23–25, 27–30, 32, and 35–44 together. *See* App. Br. 20–23. We select independent claim 23 for review, with the remaining claims (i.e., 24, 25, 27–30, 32, and 35–44) standing or falling therewith. *See* 37 C.F.R. § 41.37(c)(1)(iv).

Claim 23 includes the limitation of the creation of interests, and particularly, “to create interests in an intangible representation of a person.”² Appellant acknowledges, “the Examiner argues that the securities in paragraph [0003] of *Lee* correspond to the interests recited in claim 23.” App. Br. 21. However, Appellant argues, “the debt, equity, and so-called ‘non-standard’ instruments discussed in *Lee* do not amount to **‘interests in an intangible representation of a person’** as recited in claim 23.” App. Br. 22. The Examiner responds stating, “Appellants own specification paragraph [0016] defines synthetic assets to include stocks and bonds which has been established that *Lee* teaches in at least paragraphs [0003]–[0006].” Ans. 21.

² Similar language is found in the other independent claims 32, 43, and 44.

Paragraph 16 of Appellant’s Specification states, “[a] synthetic asset is an intangible representation of a real or fictitious *person, place, thing, or object*, or any combination or grouping of the foregoing.”³ Emphasis added. We note claim 23’s recitation of interests “in an intangible representation of a person,” and not that of a “place, thing, or object” as above. Lee, as indicated above, addresses “securities” (analogous to a “thing” or “object”) by which “companies raise capital through the issuance” thereof. Lee ¶ 3.

Addressing this discrepancy, the Examiner acknowledges, “**the claim contains statements of intended or desired use**” and that such statements “**do not serve to patentably distinguish the claimed structure over that of the references.**” Final Act. 7 (numerous citations omitted). Suffice it to say, our reviewing court, in a similar situation, provided guidance that “the absence of a disclosure relating to function does not defeat [a] finding of anticipation. It is well settled that the recitation of a new intended use for an old product does not make a claim to that old product patentable.” *In re Schreiber*, 128 F.3d 1473, 1477 (Fed. Cir. 1997) (referencing *In re Spada*, 911 F.2d 705, 708 (Fed. Cir. 1990)).

Here, it is not disputed that Appellant’s device can likewise be employed with respect to “stocks, bonds” as discussed in Lee. *See* Spec. ¶ 16; Lee ¶¶ 3, 6, 21 and Fig. 21. Thus, Appellant’s focus on an intended use with respect to “an intangible representation of a person,” as patentably distinguishable over Lee’s device, which addresses securities, is not

³ Appellant’s Specification provides numerous examples of synthetic assets, which include “stocks, bonds.” Spec. ¶ 16. Thus, Appellant’s device is capable of addressing the claimed “intangible representations of a person,” as well as that of “stocks, bonds.”

persuasive. In other words, as expressed above, “the recitation of a new intended use for an old product does not make a claim to that old product patentable.”

Moreover, even if we accord patentable weight to this intended use, Lee discloses this feature. Appellant’s Specification describes an example of creating fractional interests in a celebrity named “Rock Star” which may be a faux celebrity. Spec. ¶¶ 30–35. The fractional interests may be initial public offering (IPO) fractional interests (shares). *Id.* ¶ 36, Figs. 2, 5. Lee similarly creates fractional interests (shares) in an “entity” by issuing instruments such as equity or debt instruments, i.e., stocks or bonds. Lee ¶¶ 3, 6, 19–21. Appellant’s Specification describes such instruments as synthetic assets. *See* Spec. ¶ 16. Furthermore, Appellant does not ascribe different structure or function for different synthetic assets and intangible representations but instead lumps them together, e.g., athletes, celebrities, news, actors, animals, and sports players are listed along with stocks and bonds. *See* Spec. ¶ 16. Like the claimed intangible representations, Lee’s fractional interests, stocks and bonds are intangible representations of companies or other “legal entities.” *See* Lee ¶¶ 51, 173, 178. We find no principled distinction between the legal entities in Lee and “a person” as claimed. Indeed, Lee describes its legal entity as having a name, address, and country (*see* Lee ¶ 179) just like a legal entity called a person.

Accordingly, and based on the record presented, we sustain the Examiner’s rejection of claims 23–25, 27–30, 32, and 35–44 as anticipated by Lee.

*The rejection of claims 23–25, 27–30, 32, and 35–44
 as being directed to an abstract idea under 35 U.S.C. § 101*

37 C.F.R. §41.50(a)(1) states, “[t]he affirmance of the rejection of a claim on any of the grounds specified constitutes a general affirmance of the decision of the examiner on that claim.” In the matter before us, the Examiner rejected all the claims on appeal as anticipated by Lee (*see supra*), and additionally rejected all these same claims because they are “held to claim an abstract idea.” Final Act. 5. In view of 37 C.F.R. § 41.50(a)(1) above, we decline to further address the additional rejection of these same claims, whose rejection has already been affirmed.

DECISION

In summary:

Claims Rejected	Basis	Affirmed	Reversed
23–25, 27–30, 32, and 35–44	35 U.S.C. § 102(b) Lee	23–25, 27–30, 32, and 35–44	
Overall Outcome		23–25, 27–30, 32, and 35–44	

We do not reach the additional rejection of these same claims under 35 U.S.C. § 101 as expressed above.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED