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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
14/183,041	02/18/2014	Benjamin S. MILLER	11651-0005-01000	8857
108449	7590	02/05/2020	EXAMINER	
Bookoff McAndrews, PLLC 2020 K Street NW Suite 400 Washington, DC 20006			KWONG, CHO YIU	
			ART UNIT	PAPER NUMBER
			3693	
			NOTIFICATION DATE	DELIVERY MODE
			02/05/2020	ELECTRONIC

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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* BENJAMIN S. MILLER

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Appeal 2018-008078<sup>1</sup>  
Application 14/183,041  
Technology Center 3600

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Before BIBHU R. MOHANTY, MICHAEL C. ASTORINO, and  
AMEE A. SHAH, *Administrative Patent Judges*.

SHAH, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Pursuant to 35 U.S.C. § 134(a), the Appellant<sup>2</sup> appeals from the Examiner's final decision to reject claims 27–30, 32–43, and 45–47, which are all the pending claims. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

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<sup>1</sup> We note related appeal 2018-008242, application number 13/402,118. Appeal Br. 3.

<sup>2</sup> We use the word “Appellant” to refer to “applicant” as defined in 37 C.F.R. § 1.42. The Appellant identifies the real party in interest as Rise Companies Corp. Appeal Br. 2.

### CLAIMED SUBJECT MATTER

The Appellant's invention "generally relates to computerized systems and methods for online securitization of illiquid assets. More particularly, and without limitation, . . . [the invention] relate[s] to computerized systems and methods for issuing shares in illiquid assets, such as real estate, to investors, by communicating electronic information over the Internet."

Spec. ¶ 2.

Claims 27, 40, and 46 are the independent claims on appeal. Claim 27 is illustrative of the subject matter on appeal, and is reproduced below (with added bracketing for reference):

27. A computer-implemented method for evaluating demand for divided interests in real property, the method comprising:

[(a)] receiving, over a network and from an owner or agent of the real property, at an online platform, information relating to the real property, the information including (i) a visual representation of the real property; (ii) the location of the real property; and (iii) a proposed development budget for improving the real property;

[(b)] automatically generating, using a securitization engine executing on a processor of the online platform, electronic promotional material for the real property based on the received information relating to the real property;

[(c)] receiving, using the processor, a profile for each of a plurality of individual investors, each investor profile including a home address or residence of the respective investor;

[(d)] generating, using the processor, a request for expressions of interest in purchasing a partial share in or unit of an entity that holds an interest in the real property based on the information relating to the real property;

[(e)] receiving, over the network, encrypted login request data from one or more investors from the plurality of individual investors to access a web server of the online platform;

[(f)] decrypting, using the processor, the encrypted login request data to generate decrypted login request data;

[(g)] providing, using the processor, access to a web portal of the online platform to the one or more investors based on the decrypted login request data;

[(h)] providing, using the processor, the request for expressions of interest to each prospective investor of the one more investors via the web portal;

[(i)] receiving, using the processor, interest data from a subset of the investors in response to the request for expressions of interest from each respective investor of the one or more investors over the network;

[(j)] generating, using the securitization engine executing on the processor of the online platform, an offer for purchasing a share in or unit of an entity that holds an interest in the real property based on the information relating to the real property;

[(k)] automatically submitting, to a regulatory agency over the Internet, using the securitization engine executing on the processor of the online platform, electronic documentation associated with the generated offer and the real property for regulatory approval based on the information relating to the real property;

[(l)] transmitting the offer to at least each prospective investor of the one or more investors over the network, the offer including (i) a visual representation of the real property; (ii) the location of the real property; and (iii) a price of purchasing the share in or unit of the entity that holds an interest in the real property, the price being a function of the financial value;

[(m)] automatically generating a registered investor profile for each of one or more of the subset of investors, upon the respective investor requesting a hyperlink containing a secure key, the hyperlink being transmitted to the investor by electronic mail;

[(n)] performing server-side form validation and client-side form validation before validating the registered investor profile for the one or more investors of the subset of investors;

[(o)] generating an account activation timestamp associated with an activation time of the investor's account upon successfully generating the registered investor profile and successfully performing the server-side and client-side form validation;

[(p)] receiving, over the network, encrypted electronic web payment information from one or more participating investors of the subset of registered and validated investors, the electronic web payment being provided in consideration for the share in or unit of the entity holding the interest in the real property;

[(q)] decrypting, using the processor, the encrypted payment information to generate decrypted payment information;

[(r)] determining, using the processor, a payment based on the decrypted payment information from the one or more participating investors, the payment being provided in consideration for the share in or unit of the entity holding the interest in the real property;

[(s)] comparing a timestamp associated with an opening date of the transmitted offer to either an account activation timestamp or a timestamp associated receipt of the electronic web payment from the one or more participating investors, to determine the respective participating investors' eligibility to complete an electronic transaction for the share or unit;

[(t)] automatically executing, in order of first-in-first-out relative to other participating investors' electronic payments and timestamps associated with said electronic payments, a transaction to transfer to the one or more participating investors the share in or unit of the entity holding the interest in the real property;

[(u)] upon automatically executing the transaction, automatically generating and transmitting, over the Internet,

electronic completion notification to each of the respective participating investors, the electronic completion notification comprising indicia identifying the real property market cap and the transaction closing date; and

[(v)] generating and displaying, via the electronic web portal, a graphical display of an amount of investment made in the real property to-date relative to a total amount of investment made available by the offer.

Appeal Br. 62–65 (Claims App.).

## REJECTIONS

Claims 27–30, 32–43, and 45–47 stand rejected under 35 U.S.C. § 101 as being directed to a judicial exception without significantly more.

Claims 27–30, 32–43, and 45–47 stand rejected under pre-AIA 35 U.S.C. § 112, first paragraph.

## OPINION

### *Patentable Subject Matter*

The Appellant argues the claims as a group. *See* Appeal Br. 46, 59. We select claim 27 as representative of the group, with claims 28–30, 32–43, and 45–47 standing or falling therewith. *See* 37 C.F.R. § 41.37(c)(1)(iv).

### *35 U.S.C. § 101 Framework*

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. *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014).

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*, 573 U.S. at 217–18 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 75–77 (2012)). 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.”).

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, 67 (1972)). Concepts determined to be patent eligible include physical and chemical processes, such as “molding rubber products” (*Diamond v. Diehr*, 450 U.S. 175, 191 (1981)); “tanning, dyeing, making water-proof cloth, vulcanizing India rubber, smelting ores” (*id.* at 182 n.7 (quoting *Corning v. Burden*, 56 U.S. 252, 267–68 (1853))); 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.”). Having said that, 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 (internal 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.* (alterations in original) (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.*

After the Appellant’s Briefs were filed and the Examiner’s Answer mailed, the U.S. Patent and Trademark Office (“USPTO”) published revised guidance on the application of § 101. 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50 (Jan. 7, 2019) (“2019 Revised Guidance”). That guidance revised the USPTO’s examination procedure with respect to the first step of the *Mayo/Alice* framework by (1) providing groupings of subject matter that are considered an abstract idea; and (2) clarifying that a claim is not “directed to” a judicial exception if the judicial



exception is integrated into a practical application of that exception. *Id.* at 50. The 2019 Revised Guidance, by its terms, applies to all applications, and to all patents resulting from applications, filed before, on, or after January 7, 2019. *Id.*<sup>3</sup> Under the 2019 Revised 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 activity such as a fundamental economic practice, or mental processes); 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) (9th Ed., Rev. 08.2017, Jan. 2018)).

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, 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* 2019 Revised Guidance, 84 Fed Reg. at 54, 56.

#### *Preliminary Matter*

Before turning to the *Mayo/Alice* framework, we address the Appellant’s contention that the Examiner’s rejection is in error because the

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<sup>3</sup> The 2019 Revised Guidance supersedes MPEP § 2106.04(II) and also supersedes all versions of the USPTO’s “Eligibility Quick Reference Sheet Identifying Abstract Ideas.” *See* 2019 Revised Guidance, 84 Fed. Reg. at 51 (“Eligibility-related guidance issued prior to the Ninth Edition, R-08.2017, of the MPEP (published Jan. 2018) should not be relied upon.”).

Examiner fails to set forth a prima facie case of subject matter ineligibility. *See* Appeal Br. 46–48. Specifically, the Appellant argues that the Examiner’s analysis is conclusory and does not provide sufficient evidence, support, or articulated reasoning. *See id.* We disagree.

In rejecting the claims under § 101, the Examiner analyzes the claims using the *Mayo/Alice* two-step framework. Specifically, the Examiner looks to the language of claim 27, as representative of all of the claims, identifies particular specific limitations, and determines that all of the claims are “directed to securitizing illiquid asset,” which is a “fundamental economic practice and similar to the concepts that have been identified as abstract by the courts.” Final Act. 5 (citing cases).<sup>4</sup> The Examiner further determines that the additional elements of the claims, taken alone and as an ordered combination, do not ensure that the claims amount to significantly more than the abstract idea. *See id.* at 5–6; Ans. 4–5. Thus, the Examiner has clearly articulated the reasons for the rejection and has notified the Appellant of the reasons for the rejection “together with such information and references as may be useful in judging of the propriety of continuing the prosecution of [the] application.” 35 U.S.C. § 132. And, we find that, in doing so, the Examiner set forth a prima facie case of unpatentability. *See In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011); *Chester v. Miller*, 906 F.2d 1574, 1578 (Fed. Cir. 1990) (Section 132 “is violated when a rejection is so uninformative that it prevents the applicant from recognizing and seeking to counter the grounds for rejection.”).

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<sup>4</sup> We note that under the 2019 Revised Guidance (84 Fed. Reg. 50, 52–54), there is no requirement that the Examiner must cite to judicial decisions as evidence that the claims are directed to an abstract idea.

*Step One of the Mayo/Alice Framework*

Reciting a Judicial Exception

Under the first step of the *Mayo/Alice* framework and Step 2A, Prong 1 of the 2019 Revised Guidelines, 84 Fed. Reg. at 54, the Examiner determines that claim 27 is “directed to securitizing illiquid asset,” which is a “fundamental economic practice and similar to the concepts that have been identified as abstract by the courts.” Final Act. 5. When viewed through the lens of the 2019 Revised Guidance, the Examiner’s analysis depicts the claimed subject matter as a “[c]ertain method[] of organizing human activity—fundamental economic principles or practices (including hedging, insurance, mitigating risk).” 2019 Revised Guidance, 84 Fed. Reg. at 52 (footnote omitted).

The Appellant contends that the Examiner “merely generalized and mischaracterized the language of the claim[], and asserted that the language constitutes an abstract idea.” Appeal Br. 48. The Appellant argues that the claim “does not recite an abstract idea,” but is “narrowly tailored to a mobile device or PC” that performs the recited limitations. *Id.* at 48–49. The Appellant characterizes the claim as being “directed to a specific and uniquely-described technological solution to problems in traditional real-estate investment trusts and securitization engines,” which is not “a mere fundamental economic or longstanding commercial practice because crowdfunding real-estate is an inventive concept that has only been viable for last few years, and its analog predecessor, operated in significantly different fashion as described in paragraph [0007] of the specification.” *Id.* at 49. For the following reasons, we disagree.

Before determining whether the claim at issue is directed to an abstract idea, we first determine to what the claim is directed. The Federal Circuit has explained that “the ‘directed to’ inquiry applies a stage-one filter to claims, considered in light of the specification, based on whether ‘their character as a whole is directed to excluded subject matter.’” *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016) (quoting *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015)). It asks whether the focus of the claims is on a specific improvement in relevant technology or on a process that itself qualifies as an “abstract idea” for which computers are invoked merely as a tool. *See id.* at 1335–36. Here, it is clear from the Specification, and the claim language, that the focus of claim 27 is on an abstract idea, and not on any improvement to technology and/or a technical field.

The Specification provides for “systems and methods for online securitization of illiquid assets.” Spec. ¶ 2, Title. In the “Background” section, the Specification discusses that the prior art way of raising capital for an asset typically takes place before a contract, takes many months, creates uncertainty for the funder as to which assets are purchased, requires arduous meetings and extensive documents, rarely gives enough time for the buyer to perform due diligence, and results in funds and investors sitting with excess inventory of committed capital. *See id.* ¶ 3. Smaller deals suffer the same problems and lack the ability to raise capital before contracting their assets, so they typically raise money inefficiently from friends or family. *See id.* ¶ 4. Moreover, residents and customers of an asset do not usually have the opportunity to invest in properties near their activities, though they are the ones most likely to appreciate, contribute, and

participate in the value, growth, and participation in the property investment. *See id.* ¶ 5. Further, the prior art process of submitting for regulatory approval or exemption “is extremely costly, slow, and otherwise burdensome.” *Id.* ¶ 7. The Specification posits that investors “would prefer a medium whereby investments are provided to them and funded ‘just in time’ giving them more control of asset selection and liquidity” (*id.* ¶ 6), and an owner or tenant of the real estate “typically wishes to understand the potential demand for his offering, and thereby gauge the amount they could raise, the price for the security, and nature of the investor demand” (*id.* ¶ 7). The invention aims to overcome one or more of these problems by providing “computerized systems and methods for online securitization of illiquid assets.” *Id.* ¶ 8.

Consistent with the disclosure, claim 27 recites “[a] computer-implemented method for evaluating demand for divided interests in real property,” comprising the steps of (1) receiving data, i.e., receiving property information, a profile, login request data, interest data, and encrypted payment information, steps (a), (c), (e), (i), and (p), respectively; (2) generating data based on received or determined information, i.e., generating promotional material, a request for expressions, an offer to purchase, an investor profile, an account activation timestamp, an electronic completion notification, and a graphical display of investment amounts, limitations (b), (d),(j), (m), (o), (u), and (v), respectively; (3) decrypting data, i.e., decrypting login request data and encrypted payment information, limitations (f) and (q), respectively; (4) providing access to a web portal, limitation (g); (5) providing and transmitting data, i.e., providing a request for expressions, submitting data to an agency, transmitting the offer, and

transmitting the electronic completion notification, limitations (h), (k), (l), and (u), respectively; (6) analyzing data, i.e., performing form validations, determining a payment and comparing a timestamp to determining eligibility, limitation (n), (r) and (s), respectively; (7) executing a transaction to transfer a share, limitation (t); and (8) displaying data of investment amounts, limitation (v). *See* Appeal Br. 62–65 (Claims App.). The limitations are recited functionally without any implementation details.

When considered collectively and under the broadest reasonable interpretation, the limitations of claim 27 recite a method for online securitization of illiquid assets by evaluating demand for divided interests in property by receiving, generating, providing decrypting, accessing, transmitting, analyzing, executing, and displaying data,<sup>5</sup> which is an abstract idea of a “[c]ertain method[] of organizing human activity— fundamental economic principles or practices (including hedging, insurance, mitigating risk).” 2019 Revised Guidance, 84 Fed. Reg. at 52.

The courts have held similar concepts to be abstract. For example, our reviewing courts have held abstract the concepts of “intermediated settlement, *i.e.*, the use of a third party to mitigate settlement risk [also known as a clearing house]” in *Alice*, 573 U.S. at 219; of “hedging, or protecting against risk” in *Bilski*, 561 U.S. at 611, of “placing an order based on displayed market information” in *Trading Technologies International, Inc. v. IBG LLC*, 921 F.3d 1084, 1092 (Fed. Cir. 2019), of “a real estate

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<sup>5</sup> We note that “[a]n abstract idea can generally be described at different levels of abstraction.” *Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1240 (Fed. Cir. 2016). The Board’s “slight revision of its abstract idea analysis does not impact the patentability analysis.” *Id.* at 1241.

investment tool designed to enable tax-free exchanges of property” in *Fort Properties, Inc. v. American Master Lease LLC*, 671 F.3d 1317, 1322 (Fed. Cir. 2012), of “allocating investment returns to different investors within a common investment fund” in *In re Greenstein*, 774 F. App’x 661, 664 (Fed. Cir. 2019), and of “prospective evaluation of the market (over some specified period of time) . . . to help investors *automatically* choose the best performing index/financial instrument over that period” in *In re Chorna*, 656 F. App’x 1016, 1020 (Fed. Cir. 2016). Thus, we disagree that the Examiner “merely generalized and mischaracterized the language of the claims, and asserted that the language constitutes an abstract idea of a ‘fundamental economic practice’.” Appeal Br. 48.

Having concluded that claim 27 recites a judicial exception, i.e., an abstract idea, in determining whether the claim is directed to this abstract idea, we next consider whether the claim recites additional elements that integrate the judicial exception into a practical application

#### Integration into a Practical Application

Under Step 2A, Prong 2 of the 2019 Revised Guidance, 84 Fed. Reg. at 54, we look to whether the claim “appl[ies], rel[ies] on, or use[s] the judicial exception in a manner that imposes a meaningful limit on the judicial exception, such that the claim is more than a drafting effort designed to monopolize the judicial exception,” i.e., “integrates a judicial exception into a practical application.” Here, the additional elements recited in claim 27 beyond the abstract idea are “a network,” “an online platform,” “a securitization engine,” “a processor,” “a web portal,” “the Internet,” “a secure key,” and “a graphical display” — elements that, as the Examiner observes (Final Act. 5; Ans. 5–8), are described in the Specification as

generic computing elements. *See* Spec. ¶¶ 26–31, Fig. 1. For example, the Specification describes the network as a communication link or the Internet, and the online platform as including platform server systems and web server systems. *See id.* ¶¶ 26–27. The engine is executed by a processor that “may include, without limitation, digital signal processor (DSP) hardware, or any other hardware capable of executing software.” *Id.* ¶¶ 28, 30. The Specification does not contain the terms “web portal,” “secure key,” or “graphical display” and thus provides no specific definition for them.<sup>6</sup> The Specification does discuss a computing system that can comprise personal computers and mobile devices having a user interface of a display monitor. *See id.* ¶ 28.

Limitations (a), (c), (e), (h), (i), (k), (l), (p), and (v) of receiving, providing, submitting, and transmitting data are activities ordinarily done in financial funding and are extra-solution activities (*see In re Bilski*, 545 F.3d 943, 963 (Fed. Cir. 2008) (en banc), *aff’d sub nom Bilski v. Kappos*, 561 U.S. 593), and are activities of outputting of the results of analyses, a post-solution activity (*see id.*; *Bilski*, 561 U.S. at 610–11 (“*Flook* stands for the proposition that the prohibition against patenting abstract ideas ‘cannot be circumvented by attempting to limit the use of the formula to a particular technological environment’ or adding ‘insignificant postsolution activity.’”)) (quoting *Diehr*, 450 U.S. at 191–92). The limitations of generating data, limitations (b), (d), (j), (m), (o), (u), and (v), are recited functionally without

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<sup>6</sup> We note that Provisional Application number 61/445,529 also does not contain the terms “web portal” and “graphical display” in the Specification or Appendix C. Appendix C, at page 15, states that an “Email will contain a link with a secure key that they will need to click to activate their account.”



technical or technological details on how, i.e., by what algorithm or on what basis/method, the engine or processor performs these steps, and as such can comprise some analysis of data, which can be performed mentally (*see Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1354 (Fed. Cir. 2016) (“[W]e have treated analyzing information by steps people go through in their minds, or by mathematical algorithms, without more, as essentially mental processes”). Similarly, limitations (f), (n), and (q) of decrypting data and performing a validation are recited functionally without technical or technological details on how, i.e., by what algorithm or on what basis/method, the engine or processor performs these steps, and as such comprise some analysis of data, a mental process. Providing access based on the decrypted data, limitation (g), is also functionally recited without implementation details on how it is performed, and as such can be an analysis of data based on rules, which can be performed mentally (*see FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1093 (Fed. Cir. 2016) (analyzing information according to certain rules is a mental process). Limitations (r) and (s) of determining and comparing data, also functionally recited without implementation details on how they are performed, comprises analyses of data, which can be performed mentally. Limitation (t) of executing a transaction is similar to gathering and transmitting information, which are activities ordinarily done in financial transactions and are extra-solution activities. *See In re Bilski*, 545 F.3d at 963 (characterizing data gathering steps as insignificant extra-solution activity).

We find no indication in the Specification, nor does the Appellant direct us to any indication, that the operations recited in claim 27 require any specialized computer hardware or other inventive computer components,

i.e., a particular machine, invoke any asserted inventive programming, or that the claimed invention is implemented using other than generic computer components to perform generic computer functions. *See DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1256 (Fed. Cir. 2014) (“[A]fter *Alice*, there can remain no doubt: recitation of generic computer limitations does not make an otherwise ineligible claim patent-eligible.”). Rather, the Appellant states that the operations recited in the claim require a “mobile device or PC.” Appeal Br. 49.

The Appellant contends that claim 27 is “directed to a specific and uniquely-described technological solution to problems in traditional real-estate investment trusts and securitization engines.” Appeal Br. 49; *see also id.* at 54–55 (citing *DDR Holdings*). The Appellant similarly argues that the claimed features “transform a real-estate entity into a share in or unit that holds an interest in the real property and offers it to investors anywhere online in a step-by-step process that inherently integrates computer systems to be able to securitize a real property to large number of people.” *Id.* at 50. When viewed through the lens of the 2019 Revised Guidance, the Appellant contends that under Prong 2, the elements of the claim integrate the abstract idea into a practical application because the combination of the elements “reflects an improvement in the functioning of a computer, or an improvement to other technology or technical field.” 84 Fed. Reg. at 55 (citing *DDR Holdings*, 773 F.3d at 1258–59). We disagree.

The Appellant states that the invention addresses the problem of “traditional public offerings and funding for real-estate investments.” Appeal Br. 55 (citing Spec. ¶¶ 7–9). However, the Appellant does not address how this problem specifically arises in the realm of computer

networks. As noted above, the Specification provides that prior art problems included the lengthy time to raise capital, uncertainty in which assets are purchased, multiple meeting, lack of time for due diligence, lack of opportunities, and generally, a slow, costly, and burdensome process for investing in real estate. *See* Spec. ¶¶ 3–7. However, as the Appellant acknowledges (*see* Appeal Br. 55), these problems regarding real estate funding existed prior to the Internet, and do not arise from or are specifically related to computer technology.

Further, the purported solution of an automated “process [that] is novel, complex and inherently computerized rather than directed to a simple contractual relationship or conventional steps with wholly generic computer implementation” (*id.* at 49–50) or of “a complete online crowdfunding solution that offers diversified real estate investment directly to investors online and allows them to pool their money and invest collectively in high value real estate properties using state-of-the-art technology in a clear, efficient, and transparent process” (*id.* at 55) is not rooted in computer technology. This purported solution requires the use of a generic system comprising a generic network, computer system, engine, processor, web portal, key, and graphical display. *See supra*; *see also Alice*, 573 U.S. at 224–26. The Appellant does not, and cannot, claim to have invented the use of the system, network, engine, processor, portal, key or display. The “focus” of the claim is not “on the specific asserted improvement in computer capabilities” (*Enfish*, 822 F.3d at 1336), but rather on using the computer components as tools to implement the abstract idea in the particular field of electronic illiquid/real estate investing. *Cf.* Appeal Br. 50 (the process “inherently integrates computer systems to be able to securitize

a real property to a large number of people”). That the claim “intrinsically” involves programming and computer components (*id.*), limiting the invention to a computer environment does not make the claim less abstract. *See FairWarning*, 839 F.3d at 1094–95, 1097 (“[W]hile the patent may in fact require that the claimed data relate to ‘transactions or activities that are executed in the computer environment,’ . . . limiting the claims to the computer field does not alone transform them into a patent-eligible application.”); *Affinity Labs of Tex., LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1259 (Fed. Cir. 2016) (“The Supreme Court and [the Federal Circuit] have repeatedly made clear that merely limiting the field of use of the abstract idea to a particular existing technological environment does not render the claims any less abstract.”). Any improvement to “fractionalizing a real estate property,” “asset manage[ment],” and “securitizing assets” (Appeal Br. 50, 55) lies in the process itself, an improvement in the abstract idea itself, not to any technological improvement. *See BSG Tech LLC v. Buyseasons, Inc.*, 899 F.3d 1281, 1287–88 (Fed. Cir. 2018); *Trading Tech. Int’l, Inc. v. IBG LLC*, 921 F.3d 1378, 1385 (Fed. Cir. 2019). To the extent the Appellant argues that the solution is rooted in technology because the process is complex (*see* Appeal Br. 50), a complex abstract idea is still an abstract idea. The claim merely uses the computer to perform the abstract idea and does no more than generally link the judicial exception to the particular technological environment of online investing. *Cf. id.* at 56–58 (discussing investor’s benefits in funding and availability of the process being online).

To the extent the Appellant argues that the claim is not directed to an abstract idea because it is novel (*id.* at 49) and “innovative” (*id.* at 56; *see*

*also id.* at 57–58), the Federal Circuit has held that “the addition of merely novel or non-routine components” does not “necessarily turn[] an abstraction into something concrete. In any event any novelty in implementation of the idea is a factor to be considered only in the second step of the *Alice* analysis.” *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014).

To the extent the Appellant argues that the claimed features transform a real estate entity into a different state (Appeal Br. 50 (“they transform a real-estate entity into a share in or unit that holds an interest in the real property”)), this is at best a financial transformation of a property into a financial asset and not a transformation of an abstract idea into a patent eligible invention. More broadly, the claim merely takes in real estate data and outputs financial data; the data are still data. *See Clarilogic, Inc. v. FormFree Holdings Corp.*, 681 F. App’x 950, 954 (Fed. Cir. 2017) (taking in financial data and outputting a report does not transform the data into something else).

Accordingly, we conclude claim 27 does not contain an element that imposes a meaningful limit on the abstract idea that integrates the abstract idea into a practical application.

Thus, we are not persuaded of error in the Examiner’s determination that claim 27 is directed to an abstract idea.

#### *Step Two of the Mayo/Alice Framework*

Under the second step in the *Alice* framework (corresponding to Step 2B of the 2019 Revised Guidance), we find supported the Examiner’s determination that the limitations of claim 27, taken individually and as an ordered combination, do not amount to significantly more than the judicial

exception and that “the generically recited network, processor and server” perform “generic computer functions [that] are well-understood, routine and conventional activities previously known to the industry similar to those referenced by the July 2015 Update of the Interim Guidance of Patent Subject Matter Eligibility.” Final Act. 5–6.

The Appellant recites the limitations of the claim and contends that “claim 27 recites more than simply ‘securitization of assets’ using a generically recited processor and computer, and these features cannot be fairly characterized as ‘generic computer functions that are well-understood, routine, and conventional activities.’” Appeal Br. 53 (citing Final Act. 2–3). The Appellant further argues that the Examiner fails to provide evidence otherwise. *See id.* at 58; Reply Br. 2–5 (citing *Berkheimer v. HP Inc.*, 881 F.3d 1360 (Fed. Cir. 2018)). However, the Examiner cites to the USPTO’s July 2015 Update on Patent Subject Matter Eligibility, 80 Fed. Reg. 45,429 (July 30, 2015) as support for the finding that the claimed generic system performs functions that are well-understood, routine, and conventional. Final Act. 6. In doing so, the Examiner follows “Changes in Examination Procedure Pertaining to Subject Matter Eligibility, Recent Subject Matter Eligibility Decision (*Berkheimer v. HP Inc.*),” USPTO Memorandum, Robert W. Bahr, Deputy Commissioner for Patent Examination Policy, April 19, 2018 (the “*Berkheimer* Memo”).

The court in *Berkheimer* held that “[t]he patent eligibility inquiry may contain underlying issues of fact.” *Berkheimer*, 881 F.3d at 1365 (quoting *Mortg. Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1325 (Fed. Cir. 2016) (“The § 101 inquiry ‘*may* contain underlying factual issues.’”)). But, the court also held that “[w]hen there is *no genuine issue of*

*material fact* regarding whether the claim element or claimed combination is well-understood, routine, [and] conventional to a skilled artisan in the relevant field, this issue can be decided on summary judgment as a matter of law.” *Berkheimer*, 881 F.3d at 1368 (emphasis added). This qualification has been subsequently reiterated.

If there is a genuine dispute of material fact, Rule 56 requires that summary judgment be denied. In *Berkheimer*, there was such a genuine dispute for claims 4–7, but not for claims 1–3 and 9. . . . [I]n accordance with *Alice*, we have repeatedly recognized the absence of a genuine dispute as to eligibility for the many claims that have been defended as involving an inventive concept based merely on the idea of using existing computers or the Internet to carry out conventional processes, with no alteration of computer functionality.

*Berkheimer v. HP Inc.*, 890 F.3d 1369, 1371–73 (Fed. Cir. 2018) (Order, On Petition for rehearing en banc, May 31, 2018) (Moore, J., concurring); *see also Aatrix Software, Inc. v. Green Shades Software, Inc.*, 890 F.3d 1354, 1368 (Fed. Cir. 2018) (“A factual allegation or dispute should not automatically take the determination out of the court’s hands; rather, there needs to be justification for why additional evidence must be considered—the default being a legal determination.”). Here, the Specification indisputably shows the claimed computing elements were conventional at the time of filing. *See supra*; Spec. ¶¶ 26–31. And the Appellant’s statements that the functions are not well-understood, routine, and conventional (*see* Appeal Br. 53) is an unsupported allegation. Accordingly, based on the Appellant’s description, we find these components to be well-understood, routine, or conventional.

We note that the claim simply recites the functional results to be achieved by the components. The claim “provides only a result-oriented

solution[] with insufficient detail for how a computer accomplishes it. Our law demands more.” *Intellectual Ventures I LLC v. Capital One Fin. Corp.*, 850 F.3d 1332, 1342 (Fed. Cir. 2017) (“*Capital One*”). Taking the claimed elements separately, the functions performed by the platform, engines, processor, and network are purely conventional. The claimed generic components operate in their ordinary and conventional capacities to perform the well-understood, routine, and conventional functions of receiving and transmitting data (i.e., limitations (a), (c), (e), (h), (i), (k), (l), (p), and (v) of receiving, providing, submitting, and transmitting data, limitations (t) of executing a transaction ), analyzing data (i.e., limitations (b), (d), (j), (m), (o), (u), and (v) of generating data, limitations (f), (n), and (q) of decrypting and validating data, and limitations (r) and (s) of determining and comparing data), and performing an action based on the analysis (i.e., limitation (g) of providing access, and limitations (u) and (v) of sending notifications and displaying results). See Spec. ¶¶ 26–31 (describing generic computer components); *Elec. Power*, 830 F.3d at 1354–55 (gathering, sending, monitoring, analyzing, selecting, and presenting information does not transform the abstract process into a patent-eligible invention); *Alice*, 573 U.S. at 226 (“Nearly every computer will include a ‘communications controller’ and ‘data storage unit’ capable of performing the basic calculation, storage, and transmission functions required by the method claims.”); *Chorna*, 656 F. App’x at 1021 (“Taking the claim elements separately, the claims invoke the use of an ‘organized securities exchange, commodities exchange, alternative trading system, and ‘over the counter’ system’” which were well-understood, routine, conventional activities previously known in the industry), *Maxell, Ltd. v. Fandango Media, LLC*,



No. CV 17-07534 AG (SSX), 2018 WL 5085141, at \*10 (C.D. Cal. Mar. 21, 2018) (claim recited only the routine steps of “downloading data, obtaining key information, storing downloaded data, and decoding the downloaded data using key information”).

Considered as an ordered combination, the components of Appellant’s claim 27 add nothing that is not already present when the steps are considered separately. The sequence of receiving and transmitting data, analyzing data, and performing an action based on the analysis is equally generic and conventional or otherwise held to be abstract. *See Elec. Power*, 830 F.3d at 1354–56 (holding that the sequence of gathering, analyzing, and displaying in real-time was abstract); *FairWarning*, 839 F.3d at 1095 (holding that sequence of generating a rule related to accessing information, applying the rule, and storing and announcing the results was abstract); *Chorna*, 656 F. App’x at 1021 (“Viewing the claims as an ordered combination, the claimed financial securities, allocation formulas, trading networks, and clearing houses do not add anything to the steps described above.”). The ordered combination of the steps is, therefore, ordinary and conventional.

The Appellant also argues that the invention is not directed to an abstract idea and effects an improvement to technology because it is novel, innovative, beneficial, and performs steps that have not been done before “as evidenced by their absence in the prior art,” and as supported by evidence of Declarations. Appeal Br. 55 (emphases omitted); *see also id.* at 49, 56–58. To the extent the Appellant argues that the claim is significantly more than the abstract idea because there are no prior art rejections, an abstract idea does not transform into an inventive concept just because the prior art does

not disclose or suggest it. *See Mayo*, 566 U.S. at 78. Further, “[g]roundbreaking, innovative, or even brilliant discovery does not by itself satisfy the § 101 inquiry.” *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 591 (2013). Indeed, “[t]he ‘novelty’ of any element or steps in a process, or even of the process itself, is of no relevance in determining whether the subject matter of a claim falls within the § 101 categories of possibly patentable subject matter.” *Diehr*, 450 U.S. at 188–89; *see also Mayo*, 566 U.S. at 91 (rejecting “the Government’s invitation to substitute §§ 102, 103, and 112 inquiries for the better established inquiry under § 101”).

Thus, we are not persuaded of error in the Examiner’s determination that the limitations of claim 27 do not transform the claim into significantly more than the abstract idea.

We therefore sustain the Examiner’s rejection under 35 U.S.C. § 101 of claim 27 and of claims 28–30, 32–43, and 45–47, the rejection of which stands with claim 27.

### ***Written Description***

The Examiner rejects the independent claims for the reason that Specification, as originally filed (“Specification”) does not describe in such a way as to reasonably convey to one skilled in the relevant art that the inventor, at the time the application was filed, had possession of the claimed invention having the limitations recited in claim 27 of (a)(iii) “receiving a proposed development plan [budget] for improving the real property”; (e)-(g) “processing a[] user login” by receiving request data, decrypting the data, and providing access based on the decrypted data; (p) and (q) “encrypting

and decrypting payment information”; (m) requesting a hyperlink containing a secure key; (n) “a server side form validation and client side form validation before validating a registered investor profile”; (o) “the generation of an account activation timestamp”; (s) comparing a timestamp; (t) “executing, in order of first-in-first-out relative to other participating investors’ electronic payments and timestamps associated with said electronic payments”; (u) “generating and transmitting completion notification”; and (v) “displaying . . . an amount of investment made in the real property to-date relative to a total amount of investment made available by the offer, ” and similarly recited in claims 40 and 46. Final Act. 6–10; *see also id.* at 11–17.

The Appellant contends that support for limitations (a)(iii), (e)–(g), (m)–(o), (s)–(v) can be found in the specification and Appendices of provisional application number 61/445,529 (“Provisional Application”) (Appeal Br. 6, 9, 13–15, 17), “which was properly incorporated herein by reference at the time of filing this application” (*id.* at 59). The Appellant cites to paragraph 50 of the Specification as support for limitations (p) and (q). *Id.* at 16. The Appellant further contends that the Examiner, on the basis of it containing new matter improperly, refused to enter an amendment to the Specification filed February 13, 2017. *Id.* at 59. Specifically, the Appellant argues that “no new matter was added to this application by these attempted amendments because the subject matter was included in the

Provisional Application, and therefore this Application, at the time of filing.” *Id.* at 60. We address both of these issues in turn.<sup>7</sup>

Provisional Application number 61/445,529 was filed on February 22, 2011. The pending application was filed February 18, 2014. The Specification states “[t]his application claims the benefit of priority of U.S. Provisional Patent Application No. 61/445,529, filed February 22, 2011, which is incorporated by reference herein in its entirety for any purpose.” Spec. ¶ 1. A preliminary amendment filed on February 18, 2014 replaced paragraph 1 to read “[t]his application is a continuation of U.S. Patent Application No. 13/402,118, filed February 22, 2012, which claims the benefit of priority of U.S. Provisional Patent Application No. 61/445,529, filed February 22, 2011, each of which is herein incorporated by reference in its entirety.” Neither the claims as originally filed or as amended on March 7, 2014 recited the limitations at issue.

We first address whether the substance of the limitations at issue were included in the Specification via incorporation of the Provisional Application. The Director of the USPTO has the authority to issue a patent

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<sup>7</sup> Where the new matter is confined to amendments to the specification, review of the examiner’s requirement for cancelation is by way of petition. But where the alleged new matter is introduced into or affects the claims, thus necessitating their rejection on this ground, the question becomes an appealable one, and should not be considered on petition even though that new matter has been introduced into the specification also.

MPEP § 608.04(c); *see also id.* § 2163.06 (“If both the claims and specification contain new matter either directly or indirectly, and there has been both a rejection and objection by the examiner, the issue becomes appealable and should not be decided by petition.”).

upon an application wherein the disclosure incorporates, by reference, and relies on, certain portions of a disclosure of an existing document, provided that such document is easily available to the public and to the USPTO.

*General Elec. Co. v. Brenner*, 407 F.2d 1258, 1262 (D.C. Cir. 1968). In exercising that authority, the Director has promulgated 37 C.F.R. § 1.57.

37 C.F.R. § 1.57 (2015) provides, in relevant part:

(b) Subject to the conditions and requirements of this paragraph, if all or a portion of the specification or drawing(s) is inadvertently omitted from an application, but the application contains a claim under § 1.55 for priority of a prior-filed foreign application or a claim under § 1.78 for the benefit of a prior-filed provisional, nonprovisional, international application, or international design application, that was present on the filing date of the application, and the inadvertently omitted portion of the specification or drawing(s) is completely contained in the prior-filed application, the claim under § 1.55 or 1.78 shall also be considered an incorporation by reference of the prior-filed application as to the inadvertently omitted portion of the specification or drawing(s).

(1) The application must be amended to include the inadvertently omitted portion of the specification or drawing(s) within any time period set by the Office, but in no case later than the close of prosecution as defined by § 1.114(b), or abandonment of the application, whichever occurs earlier. The applicant is also required to:

...

(iii) Identify where the inadvertently omitted portion of the specification or drawings can be found in the prior-filed application.

...

(d) “Essential material” may be incorporated by reference, but only by way of an incorporation by reference to a U.S. patent or U.S. patent application publication, which patent or patent application publication does not itself incorporate such essential

material by reference. “Essential material” is material that is necessary to:

(1) Provide a written description of the claimed invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and set forth the best mode contemplated by the inventor of carrying out the invention as required by 35 U.S.C. 112(a);

...

(g) Any insertion of material incorporated by reference into the specification or drawings of an application must be by way of an amendment to the specification or drawings. Such an amendment must be accompanied by a statement that the material being inserted is the material previously incorporated by reference and that the amendment contains no new matter.

(h) An incorporation of material by reference that does not comply with paragraphs (c), (d), or (e) of this section is not effective to incorporate such material unless corrected within any time period set by the Office, but in no case later than the close of prosecution as defined by § 1.114(b), or abandonment of the application, whichever occurs earlier.

Additionally, 37 C.F.R. § 1.114 (2015) provides:

(b) Prosecution in an application is closed as used in this section means that the application is under appeal, or that the last Office action is a final action (§ 1.113), a notice of allowance (§ 1.311), or an action that otherwise closes prosecution in the application.

(c) A submission as used in this section includes, but is not limited to, an information disclosure statement, an amendment to the written description, claims, or drawings, new arguments, or new evidence in support of patentability. If reply to an Office action under 35 U.S.C. 132 is outstanding, the submission must meet the reply requirements of § 1.111.

In order to satisfy the written description requirement of 35 U.S.C. § 112, first paragraph, the Specification of the present application must

describe the invention so as to convey to those of ordinary skill in the art that the Appellant was in possession of the claimed invention, that is, all elements of each of the claims, combined as called for in the claims, at the time the present application was filed. Thus, description of each of the claim limitations at issue, in combination with the other limitations called for in the claims, is necessary to provide a written description of the claimed invention, as required by the first paragraph of 35 U.S.C. § 112.

Accordingly, description of each of these claim limitations is “essential material,” and cannot be incorporated by reference to a provisional application. 37 C.F.R. § 1.57(d)(1). Therefore, the Appellant’s incorporation of this material by reference to the Provisional Application is ineffective to incorporate such material unless corrected within any time set by the USPTO, but in no case later than the close of prosecution of the application as defined by 37 C.F.R. § 1.114(b), or abandonment of the application, whichever occurs earlier. 37 C.F.R. § 1.57(h).

The second issue is whether the Appellant corrected the incorporation by the proposed Amendment to the Specification, filed February 13, 2017 (“Amendment”). Throughout the prosecution history, the Examiner has rejected the claims under 35 U.S.C. § 112, first paragraph, and has cited to 37 C.F.R. § 1.57 as support for the inadequacy of the Appellant’s statement of incorporation by reference to the provisional application; the Appellant did not submit an amendment to the Specification until after the fourth office action was mailed. However, this attempt to correct the deficiency of the incorporation by reference was after a non-final action was issued pursuant to a request for continued examination, i.e., after re-opening of prosecution, making the attempt timely. The attempt must also include “a statement that

the material being inserted is the material previously incorporated by reference and that the amendment contains no new matter.” 37 C.F.R. § 1.57(g). The Appellant makes such a statement at page 22 of the Remarks accompanying the Amendment:

This application properly claims the benefit of priority to the Provisional Application, which was properly incorporated herein by reference at the time of filing this application. Accordingly, no new matter is added to this application by these amendments because the subject matter was included in the Provisional Application, and therefore this Application, at the time of filing.

Therefore, the attempt to correct the incorporation was timely and included the necessary statement.

The next issue is whether the Amendment contained new matter in adding material not contained in the Provisional Application. With the Remarks accompanying the Amendment, the Appellant does not provide specific citations to the portions of the Provisional Application to where support can be found. The Appeal Brief, at page 60, cites to the Provisional Application at pages 26–27 of Appendix C as support for amended paragraph 25, Figure 3 as support for amended paragraph 38, pages 2–3 of Appendix A as support for amended paragraph 39, pages 8–9 of Appendix C as support for amendment paragraph 46, and pages 26–27 of Appendix C as support for amended paragraph 47. Notably, there is no reference to the Provisional Application’s Specification.

Amended paragraph 25 attempts to add sentences that in one embodiment, a new user may register online to become eligible to invest, the registration possibly involving particular information and an agreement to terms and conditions. Amendment 2. Once the user provides the information and agrees to the terms and conditions, “the server-client form



validation has been performed to validate the information entered. After the validation, a user will be sent an email with a link containing a key to verify their email address. Upon clicking on the link, the user's email is verified and the user account is activated." *Id.* (underlining omitted). Once activated, the user may login, and "a timestamp is recorded to determine an investor's eligibility to invest in a particular security upon the account activation." *Id.* at 2–3 (underlining omitted). In another embodiment, "new users may be allowed to purchase recent offerings," but only "once their account is funded. Additionally, a secure online profile may be used where user data such as payment information, investor SSN, and password are encrypted for the users' protection." *Id.* at 3 (underlining omitted).

Appendix C describes a "defin[ition of] the process by which a new user registers with Zonopoly in order to become eligible to invest in securities offered through the website." App. C 26. Listed are dependencies, parts of an initial sign-up, and an example webpage. *Id.* Part of the "Functionality" of the "Initial Sign-up" are "k. Server-side Form Validation[;] l. Client-side Form Validation." *Id.* The user's email address is verified by a process whereby "Zonopoly will send out an email with a generated key. The user will need to click on a link and login to Zonopoly to verify their ownership of the email address." *Id.* at 27. After the initial sign-up, the user is set to a provisional status and is shown steps required to become a full investor, the steps comprising setting up additional security questions and completing an investor questionnaire. *Id.* The questionnaire includes various questions regarding statuses, income/worth, characteristics, and "k. Server-side form validation[;] l. Client-side form validation." *Id.* At best, Appendix C has support for registering a user involving particular information including an

encrypted SSN and an agreement, sending a key, clicking on a link to verify an email address, and some functionality of server-side form validation and client-side validation, without any further details on what is being validated. There is not sufficient support for activating an account after email verification, performing server-client form validation to validate the information, recording a timestamp to determine eligibility to invest, requiring account funding before allowing purchases, using a secure online profile, and encrypting payment information and a password. Thus, this paragraph contains new matter not in the Provisional Application.

Amended paragraph 38 attempts to insert the sentence “[i]n one embodiment, the securitization engine may display an amount of investment made in the real property to-date relative to total amount of investment made available by the offer.” Amendment 3–4 (underlining omitted). Figure 3 of the Provisional Application depicts a chart with various functionalities of the invention. Figure 3 provides for “AUTOFILL STANDARD WEB PRESENTATION TEMPLATE” with data and for “KEY DATA” of “DATA INPUT/INCOME STATEMENT.” We do not see, and the Appellant does not direct our attention to, anything that provides for a description of a display of an amount of investment made relative to total amount of investment made. Thus, this paragraph contains new matter not in the Provisional Application.

Amended paragraph 39 attempts to insert the sentence “[b]ased on the received expression of interest, the securitization engine may further estimate an amount of money that may be raised from the investors or potential investors and a price of purchasing the partial share in or unit of the entity that holds an interest in the real property.” Amendment 4 (underlining omitted). Appendix A provides an “Exemplary Storyboard.” App. A, Title.

Page 2 shows a graphic of a “Your Portfolio” page with areas depicting a map, a project summary, and amounts for ownership, value, income, and yield in the total portfolio. There are also notes that “[e]ach project summary should come up when clicked on or rolled over” and “[w]e need to create mechanisms to encourage projects get fully funded.” *Id.* Page 3 depicts a graphic of a “Project Summary” page with areas depicting a picture of a building, a description that may contain a link, section of investment offering with values per unit, raised, and closing fate, and an area with community feedback score, comments, and questions and answers. There is also a note that “[w]e should make it easy for text in the site to link to Wikipedia and other sites.” *Id.* We do not see where or how pages 2 and 3 of Appendix A show an engine, based on received information, estimating an amount of money that may be raised and estimating a price. At best, the pages show the amount of money desired to be or that is actually raised and an actual price per unit. Thus, this paragraph contains new matter not in the Provisional Application.

Amended paragraph 46 attempts to insert the following:

In an exemplary embodiment, when an investor purchases shares, a timestamp of the purchase order has been recorded. Orders of investors are processed in a first-in-out manner that is determined by the timestamp of the record in the database. Once the asset is fully funded and all transactions have been successfully completed, an email notification about the market cap and closing date is sent out to investors.

Amendment 5 (underlining omitted). Page 8 of Appendix C describe “the business processes related to post-closing investor management” and “the purchase order business process.” Under the “Functionality” section of the “**3. Post Closing Investor Management (Automated)**” section, page 8

provides for “K-1 generation and emailing” and “Updates on market capitalization and NOI.” Under the “Functionality” section of the “**4. Purchase Order Processing (Automated)**” section, page 8 provides “Orders will be processed in a first-in-first-out manner that is determined by the timestamp of the record in our database.” However, it does not specifically state who placed the purchase order, and, more importantly, does not describe that the timestamp is recorded when an investor purchases shares. Further, there is no discussion of an email notification after the specified criteria about the market cap and closing date. Thus, this paragraph contains new matter not in the Provisional Application.

Amended paragraph 47 attempts to qualify the received “information relating to the illiquid asset” by adding the statement “such as property summary, balance sheet, development budget, return analysis (not including for their fractional share), sources and uses, and loan summary.”

Amendment 5 (underlining omitted). As discussed above with reference to amended paragraph 25, Appendix C describes a “defin[ition of] the process by which a new user registers with Zonopoly in order to become eligible to invest in securities offered through the website” with functionalities of “1. Initial Sign-Up”; “2. Verify Email Address”; “After completing the initial sign-up, the new user is set to a provisional status”; and “Upon first login the user will be presented the investor questionnaire.” App. C 26–27. We do not see where or how pages 26 and 27 of Appendix C show receiving from an investor “information relating to the illiquid asset such as property summary, balance sheet, development budget, return analysis (not including for their fractional share), sources and uses, and loan summary.”

Amendment 5 (underlining omitted). Thus, this paragraph contains new matter not in the Provisional Application.

Having determined that the Appellant's attempt to amend the Specification contains new matter, we conclude that the Appellant's amendment to the Specification does comply with 37 C.F.R. § 1.57 to correct the deficiency in the incorporation by reference of the Provisional Application because the subject matter is not "inadvertently omitted portion[s] of the specification or drawing(s) [that] is completely contained in the prior-filed application." 37 C.F.R. § 1.57(b); *see also id.* §§ 1.57(l), 1.57(g). And, we conclude that the Examiner's decision to refuse to enter the Amendment is proper.

Finally, we address the issue of whether the Specification describes in such a way as to reasonably convey to one skilled in the relevant art that the inventor, at the time the application was filed, had possession of the claimed invention having the limitations at issue. The Appellant acknowledges that the Specification does not provide specific support for limitations (a)(iii), (e)–(g), (m)–(o), (s)–(v) (*see* Appeal Br. 6, 9, 13–15, 17 (providing no citations to the Specification)), and contends that support for limitations (a)(iii), (e)–(g), (m)–(o), (s)–(v) can be found in the specification and Appendices of the Provisional Application (*id.*). However, because we determine that the Provisional Application is not properly incorporated into the Specification, we conclude that there is insufficient support in the Specification for reasonably convey to one skilled in the relevant art that the inventor, at the time of filing, had possession of these limitations. We note that the Specification does not contain the terms "budget," "login," "encrypt," "decrypt," "hyperlink," "timestamp," "first-in-first-out,"

“completion,” or “notification.” Although the Specification discusses a display monitor and displaying data (Spec. ¶ 28), there is no discussion of displaying a graphical display of amounts.

Regarding limitations (p) and (q), the Appellant cites to paragraph 50 of the Specification. Appeal Br. 16. Paragraph 50 provides for “an electronic platform for businesses to deepen their relationship with their investors and customers,” by having the ability to “offer promotions for products or solicit advice about tenancy, locations, and expansion plans,” and that also “establish[es] a central communication platform that allows owners to motivate their investors to take actions to increase the value of the brand and asset or purchase more shares thereby investing more in the company.” There is no discussion of receiving encrypted payment information and decrypting that information. Paragraph 39 discusses providing online payment, but does not discuss encrypting or decrypting the payment information. Thus, there is not sufficient support for limitations (p) and (q) of receiving encrypted payment information and decrypting that information.

Based on the foregoing, we sustain the Examiner’s rejection under 35 U.S.C. § 112, first paragraph, of independent claims 27, 40, and 46.

The Examiner rejects dependent claims 28 and 41 for the Specification not describing in such a way as to reasonably convey to one skilled in the relevant art that the inventor had possession of the claimed invention having the limitation of

estimating an amount of money that can be raised from the investors or potential investors, a price of purchasing the partial share in or unit of the entity that holds an interest in the real

property, the price being a function of the financial value of the real property based on received expression of interest.

Final Act. 10, 14. The Examiner also rejects dependent claim 37 for the Specification not describing in such a way as to reasonably convey to one skilled in the relevant art that the inventor had possession of the claimed invention having the limitation of “a proposed development budget for management of the real property.” *Id.* at 10. The Appellant does not provide separate argument(s) or direct attention to where the Specification provides support for the limitations at issue. *See* Appeal Br. 59–61. Thus, we summarily affirm the rejection under 35 U.S.C. § 112, first paragraph, of these dependent claims.

### CONCLUSION

The Examiner’s decision to reject claims 27–30, 32–43, and 45–47 is sustained.

In summary:

<b>Claims Rejected</b>	<b>35 U.S.C. §</b>	<b>Reference(s)/Basis</b>	<b>Affirmed</b>	<b>Reversed</b>
27–30, 32–43, 45–47	101	Eligibility	27–30, 32–43, 45–47	
27–30, 32–43, 45–47	112, first paragraph	Written Description	27–30, 32–43, 45–47	
<b>Overall Outcome</b>			27–30, 32–43, 45–47	

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TIME PERIOD FOR RESPONSE

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