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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
12/709,067	02/19/2010	Joseph M. Asher	04-6197-C1	5858

63710   7590   06/29/2020

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ART UNIT	PAPER NUMBER
3696	

NOTIFICATION DATE	DELIVERY MODE
06/29/2020	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 JOSEPH M. ASHER and HOWARD W. LUTNICK
_____

Appeal 2018-008513
Application 12/709,067
Technology Center 3600
_____

Before DEBRA K. STEPHENS, CARL W. WHITEHEAD JR., and
JON M. JURGOVAN, *Administrative Patent Judges.*

STEPHENS, *Administrative Patent Judge.*

DECISION ON APPEAL

STATEMENT OF THE CASE

Pursuant to 35 U.S.C. § 134(a), Appellant[1] appeals from the
Examiner's decision to reject claims 72–79 (*see* Final Act. 14). We have
jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

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[1] We use the word Appellant to refer to "applicant" as defined in 37 C.F.R.
§ 1.42. Appellant identifies the real party in interest as BGC Partners, Inc.
(Appeal Br. 3).

CLAIMED SUBJECT MATTER

The claims are directed to a system and method for trading a futures contract based on a financial instrument indexed to entertainment revenue. Claim 72, reproduced below, is illustrative of the claimed subject matter:

72. An apparatus to facilitate real time communication for processing electronics transactions between computing devices of investors and computing devices of entertainment companies over communication networks, the apparatus comprising:

a processor; and

a memory, in which the memory stores instructions which, when executed by the processor, direct the processor to:

[a] receive, from a computing device of an entertainment company, electronic signals representing information about each of a plurality of entertainment projects for which the entertainment company seeks funding;

[b] calculate data representing a respective expected revenue for each of the plurality of entertainment projects;

[c] transmit, through a network to a graphical user interface of a computing device of an investor, electronic signals to communicate data representing a presentation of the plurality of entertainment projects that includes the expected revenues;

[d] receive, from the computing device of the investor, electronic signals representing a selection of at least some of the plurality of entertainment projects;

[e] in response to receiving the selection, generate data representing a securities bundle that includes

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one respective security for each entertainment project of the at least some of the plurality of entertainment projects;

[f] calculate data representing a return value of the securities bundle based on each expected revenue of each entertainment project of the at least some of the plurality of entertainment projects;

[g] calculate data representing a purchase price of the securities bundle based on the return value;

[h] determine that the investor purchased a ticket to at least on entertainment project offered by the entertainment company;

[i] in response to calculating the purchase price and determining that the investor purchased the ticket, generate electronic signals to communicate with a computing device of the entertainment company to request that the a computing device of the entertainment company verify a loyalty discount associated with the investor;

[j] in response to receipt of electronic signals from the computer device of the entertainment company data representing verification of a loyalty discount associated with the investor, adjust the purchase price to include a loyalty discount;

[k] generate electronic signals to cause to communicate with the graphical user interface of the computing device of the investor to populate the graphical user interface of the computing device of the investor with data representing the adjusted purchase price;

[l] generate electronic signals to cause to facilitate a purchase of the securities bundle by the investor;

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[m] in response to facilitating the purchase, generate electronic signals to communicate with the computing device of the entertainment company data representing a series of swaps with the entertainment company, in which the series of swaps includes a swap for each entertainment project of the at least some of the plurality of entertainment projects in which each swap of the series of swaps provides the entertainment company funding for a respective entertainment project of the at least some of the plurality of entertainment projects, and in which each swap of the series of swaps entitles a holder of the swap to a portion of revenue from a respective entertainment project of the at least some of the plurality of entertainment projects;

[n] determine data representing an actual revenue for each entertainment project of the at least some of the plurality of entertainment projects;

[o] calculate data representing a payment to the investor based on the actual revenues and the return value;

[p] generate electronic signals to communicate with the computing device of the entertainment company to request data representing amount to collect the payment from the computing device of the entertainment company;

[q] generate electronic signals to cause to communicate with the computing device of the investor to distribute data representing the payment to the investor via the computing device of the investor;

[r] identify data representing a securities bundle that includes one or more securities;

[s] process data representing the identified securities bundle to unbundle the identified securities bundle;

[t] select data representing a security from the identified securities bundle; and

[u] generate electronic signals to communicate with an electronic aftermarket trading system to offer data representing the selected security in the electronic aftermarket trading system.

Appeal Br. 21–23 (Claims App.) (bracketed labels added).

REJECTION

Claims 72–79 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to a judicial exception (abstract idea) without significantly more (Final Act. 2–8).

OPINION

35 U.S.C. § 101: Claims 72–79

Appellant argues their invention as recited in claims 72–79, is directed to patent eligible subject matter (Appeal Br. 8).

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 (*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* (*id.* 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 id.* 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, 69 (1972)). Concepts determined to be patent-eligible include physical and chemical processes, such as "molding rubber products" (*Diamond v. Diehr*, 450 U.S. 175, 192 (1981)); "tanning, dyeing, making waterproof cloth, vulcanizing India rubber, smelting ores" (*id.* at 184 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 176; *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 (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.*).

USPTO Revised Section 101 Guidance

The USPTO published revised guidance on the application of § 101 (*see* 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50 (Jan. 7, 2019) ("2019 Guidance")). Under the 2019 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* MPEP § 2106.05(a)–(c), (e)–(h)).

Only if a claim (1) recites a judicial exception and (2) does not integrate that exception into a practical application, 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, and conventional
> activities previously known to the industry, specified at a high
> level of generality, to the judicial exception

(*see* Guidance, Section III(B)).

Appellant argues all pending claims as a group (*see* Appeal Br. 7). Accordingly, we address all pending claims as a group and we select independent claim 72 as representative of the claimed subject matter (*see* 37 C.F.R. § 41.37(c)(1)(iv)).

STEP 1

Section 101 provides that "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title" (35 U.S.C. § 101). We determine that independent claim 72 recites an apparatus. As such, the

claims are directed to a statutory class of invention within 35 U.S.C. § 101, i.e., a manufacture.

STEP 2A, Prong 1

Under the 2019 Guidance, we must determine whether the claims, being directed to statutory classes of invention, nonetheless recite a judicial exception. Under Supreme Court precedent, claims directed to an abstract idea, without significantly more, are patent ineligible. As set forth in Step 2A, Prong 1 of the 2019 Guidance, abstract ideas include "[c]ertain methods of organizing human activity—fundamental economic principles or practices (including hedging, insurance, mitigating risk) [and] commercial or legal interactions (including … sales activities or behaviors)" (2019 Guidance, 84 Fed. Reg. 52).

The Examiner determines the claims recite an abstract idea, namely funding of an investment project (i.e., a fundamental economic practice), because the claims describe "funding generated from the bundling of securities based on certain defined parameters" (Ans. 6).

Appellant argues the Examiner erred by "oversimplify[ing] the claims by looking at them generally and fail[ing] to account for **the specific requirements in the claims**" (Appeal. Br. 9).

An inspection of the claims supports the Examiner's determination that the claims recite an abstract idea. In particular, representative claim 72 recites limitations which reflect both a "fundamental economic practice" and a "commercial interaction" used in the funding industry, which have been identified as certain methods of organizing principles or practices and thus, recite abstract ideas (2019 Guidance, Section I(b)).

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For example, "receive … information about each of a plurality of entertainment projects," "calculate data representing a representative expected revenue …," and "transmit … data representing … expected revenues" recitations (limitations [a], [b], and [c], respectively) represent steps for providing and collecting data necessary to generate an offering for investing in an entertainment project. "[R]eceive … a selection of at least some of the plurality of entertainment projects" recitation (limitation [d]) represents a step for receiving an investor's selection of one or more of the proposed entertainment projects. Generating offerings for investing in projects by a company seeking funding and the subsequent selection of one or more of the offerings by an investor are a fundamental aspect of soliciting and, subsequently, providing funding for any investment project. Thus, these steps recite "fundamental economic principles" as identified by the 2019 Guidance.

The "generate data representing a securities bundle," "calculate data representing a return value," and "calculate data representing a purchase price" recitations (limitations [e], [f], and [g], respectively) represent steps for generating an investment vehicle and determining, based on a calculated return value for the investment vehicle, a purchase price for the vehicle. Determining an appropriate price to set for investment in a proposed project is a fundamental aspect in the funding of any investment project. Thus, these steps also recite "fundamental economic principles" as identified by the 2019 Guidance.

The "determine that the investor purchased a ticket," "request that the … computing device … verify a loyalty discount," "adjust the purchase price," "populate the graphical user interface … with data representing the

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adjusted purchase price," "facilitate a purchase of the securities bundle," and "a series of swaps" recitations (limitations [h], [i], [j], [k], [l], and [m], respectively) represent steps for executing the purchase of the securities bundle in order to invest in the entertainment project. Executing a purchase of a financial instrument to fund an investment project, including adjusting the price based on loyalty, is a type of sales activity or behavior. Thus, these steps recite a "commercial interaction" as identified by the 2019 Guidance.

Finally, the "determine … an actual revenue," "calculate … a payment to the investor," "request data representing [an] amount to collect the payment," "distribute data representing the payment," "identify … a securities bundle," "process data representing the identified securities bundle," "select … a security," and "offer data representing the selected security" recitations (limitations [n], [o], [p], [q], [r], [s], [t], and [u], respectively) represent steps for providing the investor with the actual revenue from the invested entertainment project. Providing an investor with the appropriate revenue from a project in which they previously invested is a practice that is essential to any investment project or commercial interaction. Thus, these steps recite a "fundament economic practice" as identified by the 2019 Guidance.

Moreover, as correctly recognized by the Examiner, the claims recite a method for funding (an investment project) (Ans. 6). As described in the Specification, "[t]he disclosure relates to trading a financial instrument indexed to entertainment revenue" (Spec. ¶ 2). Trading of a financial instrument such as this is identified as a certain method of organizing human activity according to the 2019 Guidance, and overall, the claims recite a

judicial exception — certain methods of organizing human activity (2019 Guidance, Section I(b)).

Furthermore, in *Alice*, "[t]he claims at issue relate[d] to a computerized scheme for mitigating 'settlement risk'—i.e., the risk that only one party to an agreed-upon financial exchange will satisfy its obligation. In particular, the claims [were] designed to facilitate the exchange of financial obligations between two parties *by using a computer system as a third-party intermediary*" (*Alice*, 573 U.S. at 213, emphasis added). Similarly, in the instant application, the claims recite steps for funding an investment project using a computer system (the claimed "apparatus to facilitate real time communication for processing electronics transactions between computing devices") as a third-party intermediary. Therefore, for reasons similar to those used by the Supreme Court in the claims of *Alice*, we determine the instant claims recite an abstract idea.

Furthermore, like the risk hedging in *Alice*, the concept of funding investment projects is a fundamental economic practice long prevalent in our system of commerce. The Specification states "entertainment events normally require various amounts of funding based on a number of criteria" (Spec. ¶ 3). The Specification further describes the "disclosure provides a method for purchasing a securities bundle indexed to entertainment revenue" (*id.* ¶ 5). According to the Specification, "[t]he selected securities bundle is then purchased at least partially based on the purchase price and the return value" (*id.*). The funding of an investment project through use of a financial instrument is a fundamental economic principle, which is classified as a certain method of organizing human activity as identified in the 2019 Guidance (2019 Guidance, Section I(b)). Thus, the investment funding

method as recited, like hedging, is an "abstract idea" beyond the scope of § 101 (*see Alice*, 573 U.S. at 219; 2019 Guidance).

Therefore, we determine the claims recite an abstract idea.

STEP 2A, Prong 2

Next, we determine whether the claims are directed to the abstract concept itself or whether the claims are instead integrated into a practical application, such as by being directed to some technological implementation or application of, or improvement to, the recited concept (*see, e.g., Alice*, 573 U.S. at 223 (discussing *Diehr*, 450 U.S. at 175)).

Appellant argues "the instant claims recite an apparatus that in fact improves an electronic trading platform by providing the **claimed graphical user interface**" and "these claimed techniques may help improve computer performance by providing **an interface to communicate bundled securities**, which may help **control activity over the network and control computer workload** including computer resources such as **memory resources, processor resources, and network resources such as network bandwidth**" (Appeal Br. 10–11).

We are not persuaded Appellant's broadly claimed electronic implementation of an apparatus comprising steps for funding and investing in an entertainment project is an improvement to the *functioning of a computer*, or to any technology or technical field, or otherwise integrates the abstract concept into a practical application. Rather, we agree with the Examiner's determinations that (1) "[a]lthough the implementation of the process of funding entertainment events is enhanced by the use of technology, … the technology is not where the invention resides,"

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(2) "[e]xecuting a funding process does not suggest an improvement to an existing technology or a technological solution to a problem wherein a computer is integral to the claimed process to facilitate the process in a way that a person making such assessments could not," and (3) "[a]lthough one or more computers comprising processors [are] configured to execute the steps of the claimed method . . . the claims do no more than implement the abstract idea of funding" (Ans. 8–9).

More specifically, the claims broadly recite that the determination of the amount of funding required for the entertainment project includes information considered by the system, e.g., "calculate data representing a representative expected revenue . . . ," "calculate data representing a return value . . . ," and "calculate data representing a purchase price . . . " But such recitation of the information considered and the desired results is not an improvement to the underlying, or other, technology. Rather, the alleged improvement recited by the claims at most will provide a financial or business benefit, as the claim recites steps for determining the appropriate amount of funding required for the entertainment project using a securities bundle and providing the investor with the resulting payment based on the actual revenues and the return value, which is an improvement to the abstract idea (i.e., investment funding generally, and the determination of a financial instrument for use in the funding specifically) discussed above (*see, e.g.*, Spec. ¶ 9 ("The invention . . . provides an opportunity for a wider range of investors to participate in at least some portion of the entertainment industry . . ."; "[T]his network may also increase the reliability and accuracy of transactions, thereby increasing transaction volume")).

Appellant's Specification describes the problem addressed as:

> Occasionally, funding for one of the events may be more difficult to obtain because of poor public or industry perception of the project, lack of information about or knowledge of the project, inaccessibility to the funding process by interested investors, possible exclusivity of the particular entertainment industry, the particular funding needs being too great for one or a few investors, or for any other reason

(Spec. ¶ 3). The Specification then describes a solution to that problem:

> [T]he present invention . . . increases accessibility to the funding process through the use of systems architected into appropriate networks to connect investors with facilitators and those seeking to fund a project. This provides an opportunity for a wider range of investors to participate in at least some portion of the entertainment industry

(*id.* ¶ 9). That is, the Specification has described a problem in finding investors for entertainment projects, and the solution proposed by the Specification is to use software and an intermediary device to increase the exposure of the entertainment project to potential investors. Contrary to Appellant's argument, although the solution uses technology—e.g., software and the intermediary device are used to expose the entertainment project to potential investors as well as determining a financial instrument to fund the entertainment project—there is no improvement to the *computer* or the *technology* itself. Any alleged improvement to the efficiency, speed, and accuracy, arise out of the conventional advantages of using the claimed computer components as tools, and not a particular improvement to the computer itself (*see Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1370 (Fed. Cir. 2015) ("[M]erely adding computer functionality to increase the speed or efficiency of the process does not confer patent eligibility on an otherwise abstract idea")).

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Appellant argues "[a]s with the patents upheld in *CoreWireless*, Appellants respectfully submit Appellants' claimed subject matter is also drawn to an **improved graphical user interface**" (Appeal Br. 14). We do not find Appellant's argument persuasive and more particularly, determine the claims in the instant application are not directed to an improvement in the functioning of computers. In *Core Wireless*, the Court held the patents at issue were directed to "improved display interfaces" and the "improved interfaces allow a user to more quickly access desired data stored in, and functions of applications included in, the electronic devices" (*Core Wireless Licensing S.A.R.L. v. LG Electronics, Inc.*, 880 F.3d 1356, 1359 (Fed. Cir. 2018)). According to the Court, the patents at issue disclosed "[a]n application summary window display[ing] 'a limited list of common functions and commonly accessed stored data which itself can be reached directly from the main menu listing some or all applications'" (*id.*). The Court additionally found "[t]he disclosed invention improves the efficiency of using the electronic device by bringing together 'a limited list of common functions and commonly accessed stored data,' which can be accessed directly from the main menu" (*id.* at 1363).

Unlike the claims in *Core Wireless*, the instant claims do not change or improve anything about the graphical user interface of the investor's computing device. Rather, the instant claims simply display "electronic signals" (e.g., "data representing a presentation of the plurality of entertainment projects that includes the expected revenues" and "data representing the adjusted purchase price") received from the claimed "apparatus" onto the graphical user interface. Accordingly, because the

instant claims do not improve the functioning of computers, as for example, as found in *Core Wireless*, Appellant's argument is not persuasive.

We are not persuaded the claims recite an additional element or elements that reflect an improvement in the functioning of a computer, or an improvement to other technology or technical field (*see Alice*, 573 U.S. at 222 ("In holding that the process was patent ineligible, we rejected the argument that 'implement[ing] a principle in some specific fashion' will 'automatically fal[l] within the patentable subject matter of § 101.'") (alterations in original) (quoting *Parker v. Flook*, 437 U.S. 584, 593 (1978)))). Nor do the additional elements, individually or in combination, otherwise "apply, rely on, or use the judicial exception in a manner that imposes a meaningful limit on the judicial exception" (2019 Guidance, Section II).

Additionally, Appellant's argument that "the claims do not preempt all processes for achieving the intended result" (Appeal Br. 17) does not persuade us that the claims are directed to patent-eligible subject matter. Although preemption is characterized as a driving concern for patent eligibility, preemption itself is not the test for patent eligibility. Rather, "[w]hile preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility" (*Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015)). Where claims are deemed to recite only patent-ineligible subject matter under the *Alice* analysis, as they are here, "preemption concerns are fully addressed and made moot" (*id.*). Thus, we conclude the claims do not provide an inventive concept because the additional elements recited in the claims do not provide more than the identified judicial exception.

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Accordingly, we determine the claims do not integrate the judicial exception into a practical application (*see* 2019 Guidance, Section III(A)(2) (Prong Two: If the Claim Recites a Judicial Exception, Evaluate Whether the Judicial Exception Is Integrated Into a Practical Application)).

STEP 2B

Next, we determine whether the claims include additional elements that provide significantly more than the recited judicial exception, thereby providing an inventive concept (*Alice*, 573 U.S. at 218–219 (quoting *Mayo*, 566 U.S. at 72–73)). "If a claim has been determined to be directed to a judicial exception under revised Step 2A," the additional elements should be evaluated "individually and in combination . . . to determine whether they provide an inventive concept (*i.e.*, whether the additional elements amount to significantly more than the exception itself)" (2019 Guidance, Section III(A)(2)).

We agree with the Examiner's determination that the claims do not recite significantly more than the abstract idea itself. In particular, we agree with the Examiner that the claims include

> limitations [which] are merely instructions to implement the abstract idea on a computer and require no more than a generic computer to perform generic computer functions that are well-understood, routine and conventional activities previously known to the industry. Using a computer to analyze electronic data and then based at least in part upon the result of the analysis executing instructions for the funding process is no more than electronic data processing, which is one of the most basic functions of a computer

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(Ans. 9). Indeed, the remaining claim limitations recited in claim 72, not part of the recited abstract idea discussed above, recite generic computing elements and functions, e.g., "computing devices (including a graphical user interface)," "a processor," "a memory," and "a network" (Appeal Br. 21, Claims).

Appellant argues "the claimed subject matter is directed to improvements in **computer performance** particularly **an interface to communicate bundled securities**" and "the claimed features above are not well-understood, routine or conventional" (Reply Br. 4). We do not find Appellant's argument persuasive. The additional elements recited in claim 72 add well-understood, routine, and conventional activities. Indeed, the Specification provides little detail about these elements, which supports the elements are well understood, routine, and conventional (*see Hybritech Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367, 1384 (Fed. Cir. 1986) ("[A] patent need not teach, and preferably omits, what is well known in the art."); *see also* USPTO, Memorandum on Changes in Examination Procedure Pertaining to Subject Matter Eligibility, Recent Subject Matter Eligibility Decision (*Berkheimer v. HP, Inc.*) at 3 (Apr. 19, 2018) ("April 2018 Berkheimer Memorandum") available at https://www.uspto.gov/sites /default/files/documents/memo-berkheimer-20180419.PDF (explaining that a specification that describes additional elements "in a manner that indicates that the additional elements are sufficiently well-known that the specification does not need to describe the particulars of such additional elements to satisfy 35 U.S.C. § 112(a)" can show that the elements are well understood, routine, and conventional)).

More specifically, the Specification describes the claimed "network" as generic networks such as "local area networks, radio access networks, … and/or any other communication system or systems at one or more locations" (Spec. ¶ 25). Further, the Specification describes the claimed "processor" as "executing instructions and manipulating data, such as data inputs and outputs, to perform the operations of computer 102 and local or remote software modules" without any particulars (*id.* ¶ 28). The Specification additionally describes the claimed "memory" as "any memory, hard drive, or database module, any of which may take the form of volatile or non-volatile memory including, without limitation, magnetic media, optical media, random access memory (RAM), read-only memory (ROM), removable media, or any other suitable local or remote memory component" (*id.*). Finally, the Specification describes the claimed "computing device" (referred to in the Specification as a "computer") as

> intended to encompass a personal computer, server pool, workstation, 25 server, network computer, personal data assistant (PDA), dumb terminal, cell phone, pager, text message device, mainframe, or any other suitable data processing device. Moreover, "computer" and "user of computer" may be used interchangeably, as appropriate, without departing from the scope of this disclosure. In other words, investors 130, brokers 160, and/or employees of entertainment company 110 or trustee 150 may 30 each be associated with a computer 102. The computer 102 may execute any operating system including UNIX, Windows, Linux, and others. The present disclosure contemplates computers other than general purpose computers as well as computers without conventional operating systems.

(*id.* ¶ 26). Whether we consider these additional elements individually or as an ordered combination, these elements do not transform the nature of claim 72 into a patent-eligible application. These elements are largely recited at a

high level of generality, and neither the claims nor the Specification provide any detail that these elements override the conventional use of known features or involve an unconventional arrangement or combination of elements (*see Intellectual Ventures I LLC v. Erie Indem. Co*., 850 F.3d 1315, 1331 (Fed. Cir. 2017) ("The claimed mobile interface is so lacking in implementation details that it amounts to merely a generic component (software, hardware, or firmware) that permits the performance of the abstract idea, i.e., to retrieve the user-specific resources")). We therefore determine nothing in the claim describes an additional element that amounts to significantly more than the judicial exception (2019 Guidance, Section III(B) (Step 2B: If the Claim is Directed to a Judicial Exception, Evaluate Whether the Claim Provides an Inventive Concept)).

Appellant argues "the 'significantly more' analysis in the Final Rejection is not consistent with the USPTO guidelines (*Berkheimer v. HP, Inc.*) of April 19, 2018" (Reply Br. 2). We are not persuaded. Although the Final Rejection (mailed November 17, 2017) did not address the *Berkheimer* memo (published April 19, 2018), the Examiner did address the Berkheimer requirements in the Answer (Ans. 14–15 (citing Spec. ¶¶ 25–27)). As discussed above, we determine the Specification demonstrates the well-understood, routine, conventional nature of the additional elements (e.g., the computing device, processor, memory, and network).

Finally, Appellant argues "[t]he lack of prior art citations in the Final Action indicate that the claimed subject matter allows the computer to perform a novel and non-obvious function that was not previously performable by computers" (Appeal Br. 18). We are not persuaded. Our reviewing court has determined that it is not enough "for subject-matter

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eligibility that claimed techniques be novel and nonobvious in light of prior art, passing muster under 35 U.S.C. §§ 102 and 103. The claims . . . are ineligible because their innovation is an innovation in ineligible subject matter" (*SAP Am., Inc. v. InvestPic, LLC*, 898 F.3d 1161, 1163 (Fed. Cir. 2018)). The court further held in *Ultramercial, Inc. v. Hulu, LLC* that the addition of merely novel or non-routine components to the claimed idea does not necessarily turn an abstraction into something concrete (*see Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014)). Accordingly, in the instant application, the mere fact that a prior art rejection is not present in the Final Office action does not preclude the claims from being directed towards ineligible subject matter. To the contrary, the apparent novelty of the claims is only in the judicial exception (i.e., the abstract idea) itself.

Accordingly, Appellant has not persuaded us the claims are directed to patent eligible subject matter. Therefore, the Examiner did not err in rejecting claims 72–79 under 35 U.S.C. § 101 as not being directed to patent eligible subject matter.

CONCLUSION

The rejection of claims 72–79 under 35 U.S.C. § 101 as being directed to non-statutory subject matter is affirmed.

DECISION SUMMARY

In summary:

Claims Rejected	35 U.S.C. §	Reference(s)/Basis	Affirmed	Reversed
72–79	101	Eligibility	72–79	

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