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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* DANA BOWERS

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Appeal 2018-008784  
Application 14/225,217<sup>1</sup>  
Technology Center 3600

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Before MICHAEL C. ASTORINO, KENNETH G. SCHOPFER, and  
ROBERT J. SILVERMAN, *Administrative Patent Judges*.

SILVERMAN, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

The Appellant appeals under 35 U.S.C. § 134(a) from the Examiner's decision rejecting claims 1–22. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

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<sup>1</sup> The Appellant identifies Venminder, Inc. as the real party in interest. Appeal Br. 2.

### ILLUSTRATIVE CLAIM

1. A computer-implemented method for managing contracts between a financial institution and its vendors, the method comprising the steps of:

(a) providing, by a processor of a computing device, a first graphical user interface configured to display, for a given financial institution, a listing of vendor products and, upon selection of a listed vendor product by a user, to display details regarding the selected vendor product;

(b) providing, by the processor, a second graphical user interface configured to facilitate uploading, by the user, of one or more contract documents associated with the selected vendor product, wherein the one or more contract documents, upon upload by the user, are transmitted, by the processor, to a centralized or decentralized storage server, and/or are analyzed, by the processor, and/or prepared, by the processor, for review by the user;

(c) providing, by the processor, a third graphical user interface configured to guide a user in preparation of a vendor oversight report associated with the selected vendor product;

(d) displaying, by the processor, a graphical user interface widget configured to allow selection of a risk level associated with the selected vendor product, the widget configured such that selection of a risk level results in display, by the third graphical user interface, of a listing of suggested compliance documents for use in the preparation of the vendor oversight report, the listing of suggested compliance documents being associated with the selected risk level; and

(e) generating an examination report.

#### CITED REFERENCES

Cullen III et al. (hereinafter “Cullen”)	US 2004/0039681 A1	Feb. 26, 2004
King et al. (hereinafter “King”)	US 2008/0183519 A1	July 31, 2008
Ray	US 2009/0299812 A1	Dec. 3, 2009
Fuad	US 2013/0117196 A1	May 9, 2013
Wakely et al. (hereinafter “Wakely”)	US 8,533,027 B1	Sept. 10, 2013

#### REJECTIONS

I. Claims 1–22 are rejected under 35 U.S.C. § 101 as ineligible subject matter.

II. Claims 1–5, 9–18, and 22 are rejected under 35 U.S.C. § 103 as unpatentable over Fuad, Wakely, and Yan.

III. Claims 6 and 8 are rejected under 35 U.S.C. § 103 as unpatentable over Fuad, Wakely, Yan, and Ray.

IV. Claim 7 is rejected under 35 U.S.C. § 103 as unpatentable over Fuad, Wakely, Ray, Yan, and King.

V. Claims 19–21 are rejected under 35 U.S.C. § 103 as unpatentable over Fuad, Wakely, Yan, and Cullen.

#### FINDINGS OF FACT

The findings of fact relied upon, which are supported by a preponderance of the evidence, appear in the following Analysis.

## ANALYSIS

### *Subject-Matter Eligibility*

Under 35 U.S.C. § 101, an invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101. Yet, subject matter belonging to any of the statutory categories may, nevertheless, be ineligible for patenting. The Supreme Court has interpreted § 101 to exclude laws of nature, natural phenomena, and abstract ideas, because they are regarded as the basic tools of scientific and technological work, such that including them within the domain of patent protection would risk inhibiting future innovation premised upon them. *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 589 (2013).

Of course, “[a]t some level, ‘all inventions . . . embody, use, reflect, rest upon, or apply’” these basic tools of scientific and technological work. *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 217 (2014). Accordingly, evaluating ineligible subject matter, under these judicial exclusions, involves a two-step framework for “distinguish[ing] between patents that claim the buildin[g] block[s] of human ingenuity and those that integrate the building blocks into something more, thereby transform[ing] them into a patent-eligible invention.” *Id.* (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 88–89 (2012)). The first step determines whether the claim is directed to judicially excluded subject matter (such as a so-called “abstract idea”); the second step determines whether there are any “additional elements” recited in the claim that (either individually or as an “ordered combination”) amount to “significantly more” than the identified judicially excepted subject matter itself. *Id.* at 217–18.

The USPTO recently published revised guidance on the application of § 101, in accordance with judicial precedent. 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50, 52 (Jan. 7, 2019) (“*2019 Revised Guidance*”). Under the *2019 Revised Guidance*, a claim is “directed to” an abstract idea, only if the claim recites any of (1) mathematical concepts, (2) certain methods of organizing human activity, and (3) mental processes — without integrating such abstract idea into a “practical application,” i.e., without “apply[ing], rely[ing] on, or us[ing] 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.” *Id.* at 52–55. The considerations articulated in MANUAL OF PATENT EXAMINING PROCEDURE § 2106.05(a)–(c) and (e)–(h) (“MPEP”) bear upon whether a claim element (or combination of elements) integrates an abstract idea into a practical application. *Id.* at 55. A claim that is “directed to” an abstract idea constitutes ineligible subject matter, unless the claim recites an additional element (or combination of elements) amounting to significantly more than the abstract idea. *Id.* at 56.

Although created “[i]n accordance with judicial precedent” (*id.* at 52), the *2019 Revised Guidance* enumerates the analytical steps differently than the Supreme Court’s *Alice* opinion. Step 1 of the *2019 Revised Guidance* addresses whether the claimed subject matter falls within any of the statutory categories of § 101. *Id.* at 53–54. Step 2A, Prong One, concerns whether the claim at issue recites ineligible subject matter and, if an abstract idea is recited, Step 2A, Prong Two, addresses whether the recited abstract idea is integrated into a practical application. *Id.* at 54–55. Unless such integration exists, the analysis proceeds to Step 2B, in order to determine whether any

additional element (or combination of elements) amounts to significantly more than the identified abstract idea. *Id.* at 56.

The Appellant argues claims 1–22 as a group. Appeal Br. 7–15. Claim 1 is selected for analysis herein. *See* 37 C.F.R. § 41.37(c)(1)(iv).

Neither the Examiner nor the Appellant questions the satisfaction of Step 1 of the *2019 Revised Guidance* — i.e., that the claims are drawn to subject matter within the scope of § 101.

With regard to the inquiry of Step 2A, Prong One, the Final Office Action addresses the following limitations of independent claim 1: “providing” “a listing of vendor products”; “uploading” “one or more contract documents associated with the selected vendor product”; “guide a user in preparation of a vendor oversight report associated with the selected vendor product”; “allow selection of a risk level associated with the selected vendor product”; “display” “a listing of suggested compliance documents for use in the preparation of the vendor oversight report”; and “generating an examination report.” *See* Final Action 12–13. According to the Examiner, these limitations describe the concept of “contract management,” which the Examiner regards as an “abstract idea.” *Id.* at 12.

Viewed through the lens of the *2019 Revised Guidance*, 84 Fed. Reg. at 52, the identified claim limitations depict the claimed subject matter as one of the ineligible “[c]ertain methods of organizing human activity” that include “commercial or legal interactions (including agreements in the form of contracts; legal obligations; advertising, marketing or sales activities or behaviors; business relations).” Notably, claim 1 recites a “method for managing contracts between a financial institution and its vendors,” including steps for preparing a “vendor oversight report.” Further,

according to the Specification: “This invention relates generally to systems and methods for managing client/vendor relationships. More particularly, in certain embodiments, the invention relates to systems and methods for managing contracts between a financial institution and its vendors and for preparation of associated vendor oversight reports.” Spec. 1, ll. 9–12.

Furthermore, our reviewing court has regarded claims that broadly recite processes for evaluating and creating commercial documents to constitute judicially excepted subject matter. *See Credit Acceptance Corp. v. Westlake Servs.*, 859 F.3d 1044, 1054 (Fed. Cir. 2017) (“Each of the claims is directed to the abstract idea of processing an application for financing a purchase.”)

The Appellant acknowledges that “The methods and systems of claims 1 and 22 utilize a particular set of elements in a novel specific arrangement to produce a tangible product, namely an examination report document.” Appeal Br. 10. Yet, the Appellant contends that the claims

are clearly not abstract in the way that a method of simply applying a fundamental economic principle (*Alice*), a risk hedging method (*Bilski v. Kappos*, 561 U.S. 593 (2010)), or a formula for numeric conversion (*Gottschalk v. Benson*, 409 U.S. 63 (1972)) is abstract, where the invention not just involves an abstract concept, but arguably *is* the abstract concept.

*Id.* This argument is not persuasive. The rejection does not regard the judicially excepted subject matter as being a “fundamental economic principle.” *See id.* Furthermore, the analytical framework described in *Alice*, 573 U.S. 217–18, and articulated in the *2019 Revised Guidance*, 84 Fed. Reg. at 53–55, contemplates that claimed subject matter might contain non-abstract features and, nevertheless, recite an abstract idea (per Step 2A, Prong One) and be directed to an abstract idea (per Step 2A, Prong Two).

Accordingly, we are not persuaded of error in the rejection, in regard to Step 2A, Prong One of the *2019 Revised Guidance*.

Turning to Step 2A, Prong Two, unless a claim that recites a judicial exception (such as an abstract idea) “integrates the recited judicial exception into a practical application of that exception,” the claim is “directed to” the judicial exception. *Id.* at 53. The analysis of such an “integration into a practical application” involves “[i]dentifying . . . any additional elements recited in the claim beyond the judicial exception(s)” and “evaluating those additional elements individually and in combination to determine whether they integrate the exception into a practical application.” *Id.* at 54–55. Among the considerations “indicative that an additional element (or combination of elements) may have integrated the exception into a practical application” is whether “[a]n additional element reflects an improvement in the functioning of a computer, or an improvement to other technology or technical field.” *Id.* at 55 (footnote omitted). “[W]hether an additional element or combination of elements integrate the exception into a practical application should be evaluated on the claim as a whole.” *Id.* at 55 n.24.

In regard to the inquiries of Step 2A, Prong Two, the Appellant argues:

[T]he present embodiments improve the technological process of processing electronic documents, e.g., contracts between a financial institution and its vendors, e.g., for generating an examination report document. The present claims do not rely on computerization for patentability. Instead, the components of the methods and their specific implementation and arrangement are at the center of the claimed embodiments.

Appeal Br. 11.

Although the Appellant does not identify any specific proposed “additional element[s]” that might integrate the identified judicial exception into a “practical application” (*see 2019 Revised Guidance*, 84 Fed. Reg. at 54–55), the Appellant relies upon features that involve the processing of contract documents and preparing a report based upon the contracts — limitations that are part of the judicial exception at issue in claim 1, as discussed above. Accordingly, the Appellant’s argument based upon a proposed technological improvement does not invoke any “additional element” as the *2019 Revised Guidance* requires. *Id.*

The Appellant also argues that, similar to claims addressed in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014),

the claimed solution is **necessarily rooted in computer technology** in order to overcome a problem specifically arising in the realm of computer networks. The methods and systems described in the claims rely on computer networks and databases to provide and manipulate large amounts of data in a variety of formats and generate, by the system, a unique and customizable report for each vendor. . . . [T]he present claims 1 and 22, and their dependent claims, address a challenge that is particular to computational networks and databases, such as the processing and manipulation of certain electronic information and documents in a specific manner.

Appeal Br. 10.

Yet, the Appellant does not indicate how the claimed subject matter might “manipulate[ ]” the operation of computer technology, in order to “override[ ] the routine and conventional sequence of events ordinarily triggered by” the implementation of such technology, like the technology at issue in *DDR Holdings*, 773 F.3d at 1258. The Appellant provides no

explanation of how the computer functionality of claim 1 would do anything other than “operat[e] in its normal, expected manner.” *Id.*

In addition, the Appellant argues that claim 1 “prevent[s] preemption of the alleged abstract idea, i.e., all methods for vendor contract management.” Appeal Br. 11. Although preemption is a fundamental concern of subject-matter eligibility principles, the proper analysis of preemption requires the framework that the Supreme Court has prescribed. *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (“[Q]uestions on preemption are inherent in and resolved by the § 101 analysis.”) “While preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *Id.*

Therefore, we are not persuaded of any error, with respect to Step 2A, Prong Two, of the *2019 Revised Guidance*.

Turning to Step 2B of the *2019 Revised Guidance* (*id.* at 56), a claim that recites a judicial exception (such as an abstract idea) might, nevertheless, be patent-eligible, if the claim contains “additional elements amount[ing] to significantly more than the exception itself” — i.e., “a specific limitation or combination of limitations that are not well-understood, routine, conventional activity in the field, which is indicative that an inventive concept may be present.” *See Alice*, 573 U.S. at 223 (“[T]he mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention.”)

The Appellant argues that “[t]he present claims . . . process documents in a highly specific manner and, e.g., generate customized reports.” Appeal Br. 14. Although the Appellant does not specify which claim elements

might satisfy the Step 2B inquiry, the referenced processing of documents and generation of reports involve the same limitations identified, above, as describing the judicially excepted abstract idea. Such elements may not be relied upon to establish “significantly more” than a judicial exception. *See BSG Tech LLC v. BuySeasons, Inc.*, 899 F.3d 1281, 1290 (Fed. Cir. 2018) (“It has been clear since *Alice* that a claimed invention’s use of the ineligible concept to which it is directed cannot supply the inventive concept that renders the invention ‘significantly more’ than that ineligible concept.”)

Although identified by the Examiner as part of the judicially excepted concept (*see* Final Action 13), the Examiner, alternatively, indicates that the claim 1 limitation of “generating an examination report” provides extra-solution activity only that does not amount to significantly more than the judicially excepted concept (*id.* at 14 (“[T]he output step is considered extra-solution activity”). The Appellant “disagrees and submits that the automatic generation of reports by the system is not ‘mere data gathering,’ ‘selecting a particular data source or type of data to be manipulated’ or an ‘insignificant application,’ (see MPEP 2106.05) but an integral part of the novel technological solution.” Appeal Br. 13.

Regardless of whether the “generating an examination report” limitation might be part of the identified judicial exception, this limitation is the sort of post-solution activity, added to an already completed process, that does not give rise to patent-eligibility. *See Parker v. Flook*, 437 U.S. 584, 590 (1978) (“A competent draftsman could attach some form of post-solution activity to almost any mathematical formula; the Pythagorean theorem would not have been patentable, or partially patentable, because a patent application contained a final step indicating that the formula, when

solved, could be usefully applied to existing surveying techniques.”) The Specification, which describes “generating an examination report” as mere file storage, supports this position:

[T]he method 600 may include generating an examination report in accordance with an embodiment of the invention (step 620). The report may be generated, for example, as a PDF (“portable document format”) file. In some implementations, the report may be generated as a compressed file (e.g., a ZIP (archive file format) file).

Spec. 22, ll. 6–10.

In view of the foregoing we are also not persuaded of error in the Step 2B analysis of claim 1, such that we sustain the rejection of independent claims 1 and 22, along with dependent claims 2–21, under 35 U.S.C. § 101.

#### *Obviousness*

The rejection of claims 1–5, 9–18, and 22 is based upon the combination of Fuad, Wakely, and Yan. Final Action 18–47. The Appellant argues claims 1–5, 9–18, and 22 as a group. Appeal Br. 15–17. Claim 1 is selected for analysis herein. *See* 37 C.F.R. § 41.37(c)(1)(iv).

The Appellant argues that the rejection fails to “indicate how the [ ] two complex processes” of Fuad and Wakely “could be combined and integrated without significant modification that goes far beyond simple substitution.” Appeal Br. 16. Further, the Appellant contends that combining Fuad and Wakely with Yan would be similarly unworkable, stating: “The methods described in the references are complex and distinct, and are not amenable to simple substitution. The Examiner has not shown how the references could be combined and render the present claims obvious without undue experimentation.” *Id.* at 17.

Yet, the Appellant does not identify the reason for any alleged incompatibility among Fuad, Wakely, and Yan — each of which is a computer-implemented technique for analyzing and monitoring contractual performance:

In this case, Fuad discloses a system and method for governance, risk management, and compliance system. The disclosure is directed to a method for monitoring compliance with contract criteria. Wakely describes a user interface and processes are provided to monitor contracts for the delivery of products and/or services to different customers. The user interface provides a comprehensive visual display such that a user can view multiple contracts and a variety of performance information for each contract. Yan describes an approach to identifying and evaluating risks in a contract document including a method implemented at least in part by one or more computing devices for analyzing a contract document to identify risks.

Answer 15.

Furthermore, “[t]he test for obviousness is not whether the features of a secondary reference may be bodily incorporated into the structure of the primary reference”; “[r]ather, the test is what the combined teachings of the references would have suggested to those of ordinary skill in the art.” *In re Keller*, 642 F.2d 413, 425 (CCPA 1981). *See also In re Etter*, 756 F.2d 852, 859 (Fed. Cir. 1985) (en banc) (“Etter’s assertions that Azure cannot be incorporated in Ambrosio are basically irrelevant, the criterion being not whether the references could be physically combined but whether the claimed inventions are rendered obvious by the teachings of the prior art as a whole.”); *In re Sneed*, 710 F.2d 1544, 1550 (Fed. Cir. 1983) (“[I]t is not necessary that the inventions of the references be physically combinable to render obvious the invention under review.”); *In re Nievelt*, 482 F.2d 965,

968 (CCPA 1973) (“Combining the *teachings* of references does not involve an ability to combine their specific structures.”)

The Appellant also questions the sufficiency of the Examiner’s reasons for combining/modifying the references, stating that the Examiner “has pointed to nothing in the references that would teach or otherwise motivate a person of ordinary skill to modify Fuad with Wakely.” Appeal Br. 16. Similarly, the Appellant argues that “the Examiner has pointed to nothing in the references that would teach or otherwise motivate a person of ordinary skill to modify the Fuad-Wakely combination with Yan.” *Id.*

Yet, “[t]he suggestion to combine may be found in explicit or implicit teachings within the references themselves, from the ordinary knowledge of those skilled in the art, or from the nature of the problem to be solved.” *WMS Gaming Inc. v. Int’l Game Tech.*, 184 F.3d 1339, 1355 (Fed. Cir. 1999); *see also* Answer 14. Moreover, the Appellant does not indicate why the Examiner’s stated reasons for combining/modifying the references might be deficient:

It would have been obvious to one of ordinary skill in the art before the effective filing date of the claimed invention to modify Fuad to include the teachings of Wakely, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same functions as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable. The combination provides a more robust method by providing a comprehensive tool to significantly assist organizations in their quest to successfully implement a contract compliance system, thereby allowing companies to determine if contracts are in compliance with the criteria set forth in the contract.

...

It would have been obvious one of ordinary skill in the art before the effective filing date of the claimed invention to modify the Fuad-Wakely combination to include the teachings of Yan, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same functions as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable. The combination provides a more comprehensive method by allowing companies to analyze what risks it is undertaking by way of the contracts into which it enters.

Final Action 24–25, 28.

In view of the foregoing, the Appellant does not persuade us of error in the rejection of claims 1–5, 9–18, and 22. Because the Appellant also relies upon the arguments addressed above, with regard to claims 6–8 and 19–21, we sustain the rejection of claims 1–22 under 35 U.S.C. § 103.

#### DECISION

We AFFIRM the Examiner’s decision rejecting claims 1–22 under 35 U.S.C. § 101.

We AFFIRM the Examiner’s decision rejecting claims 1–22 under 35 U.S.C. § 103.

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

AFFIRMED