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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte DANIEL JUDSON and PRASHANT KUMAR

Appeal 2019-000685
Application 14/454,499
Technology Center 3600

Before DEBRA K. STEPHENS, JEFFREY S. SMITH, and
ADAM J. PYONIN, *Administrative Patent Judges*.

STEPHENS, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Pursuant to 35 U.S.C. § 134(a), Appellant¹ appeals from the Examiner's decision to reject claims 1–22 (*see* Final Act. 9–11). We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

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 Chicago Mercantile Exchange Inc. (Appeal Br. 1).

CLAIMED SUBJECT MATTER

The claims are directed to an electronic outcry messaging for electronic trading. Claim 1, reproduced below, is illustrative of the claimed subject matter:

1. A computer implemented method for facilitation of communication of electronic messages among a subset of a plurality of market participants, the method comprising:

[a] receiving, by a processor, a request from each of the subset of the plurality of market participants to generate messages, copies of which will be transmitted to each market participant of the subset of the plurality of market participants, and to receive copies of messages generated by any market participant of the subset of the plurality of market participants;

[b] receiving, by the processor, a first message generated by a market participant of the subset;

[c] transmitting the received first message, by the processor subsequent to the receipt thereof, to all other market participants of the subset;

[d] receiving, by the processor, at least a second message generated by one of the other market participants responsive to the first message; and

[e] transmitting, by the processor, the at least second message only to the market participant who generated the first message.

(bracketed labels added).

REJECTION

Claims 1–22 stand rejected under 35 U.S.C. § 101 as being directed to patent ineligible subject matter (Final Act. 9–11).

We have only considered those arguments that Appellant actually raised in the Briefs. Arguments Appellant could have made but chose not to make in the Briefs have not been considered and are deemed to be waived (*See* 37 C.F.R. § 41.37(c)(1)(iv)).

OPINION

35 U.S.C. § 101: Claims 1-22

Appellant argues the Examiner errs because the invention, as recited in claims 1–22, is directed to patent eligible subject matter (Appeal Br. 4–17). The issue presented by the arguments are is whether the claims are directed to patent eligible subject matter.

ANALYSIS

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 Step 2A of the 2019 Guidance, we 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. 4). Accordingly, we address all pending claims as a group and we select independent claim 1 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 claims 1, 13, and 20 recite a method and systems. As such, the claims are directed to statutory classes of invention within 35 U.S.C. § 101, i.e., a process and manufactures.

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 ... business relations)” (2019 Guidance, 84 Fed. Reg. 52).

The Examiner determines the claims recite an abstract idea, namely receiving and transmitting messages related to the offer to buy or sell (i.e., a fundamental economic practice), because the claims describe “facilitating communication of electronic messages among a plurality of individuals such as market participants” (Final Act. 2–3; Ans. 7). Appellant argues the Examiner erred by “oversimplify[ing] Appellants’ claims and ignor[ing] explicit limitations provided therein” (Appeal Br. 12).

An inspection of the claims supports the Examiner’s determination that the claims recite an abstract idea. In particular, representative claim 1 recites limitations which reflect both a “fundamental economic practice” and a “commercial interaction” used in the funding industry, which have been identified as examples of the certain methods of organizing human activity abstract idea (2019 Guidance, Section I(b)). For example, the “receiving ... a request from each of the subset of the plurality of market participants to generate messages ...” (limitation [a]) recitation presents a step for preparing multiple market participants to engage in the ensuing offers to buy and sell products. The “receiving ... a first message” and “transmitting the received first message ... to all other market participants” recitations (limitations [b] and [c]) represent steps for offering to buy or sell a product.

Finally, the “receiving ... at least a second message” and “transmitting ... the at least second message only to the market participant who generated the first message” (limitations [d] and [e]) recitations present steps for accepting the offer to buy or sell the product. Generating offerings to buy or sell a product, and subsequently accepting the offer to buy or sell the product are fundamental aspects of any sale in the market. Thus, these steps recite both “fundamental economic principles” and “business relations” as identified by the 2019 Guidance.

As such, as correctly recognized by the Examiner, the claims recite a method for communicating marketing messages to and from market participants (Ans. 8). As described in the Specification, “[t]he disclosed embodiments relate to communicative messaging capabilities that allow trading parties, such as market makers, traders and other market participants, to communicate within an electronic trading system” (Spec. ¶12). Trading of a financial instrument, as claimed, is a certain method of organizing human activity, and overall, the claims recite a judicial exception according to the 2019 Guidance (2019 Guidance, Section I(b)).

Additionally, it follows from prior Supreme Court cases, and *Alice* in particular, that the claims at issue here recite an abstract idea. 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). Further, in *Alice*, the Supreme Court held “the claims ... [were] drawn to the abstract idea of intermediated settlement” (*id.* at 212). Similarly, in the instant application, the claims

recite steps for offering to buy or sell a product using a computer system (the claimed “system for facilitation of communication of electronic messages between market participants” – *see* claim 13) as a third-party intermediary. Therefore, for reasons similar to those used by the Supreme Court in the claims of *Alice*, we determine that the instant claims recite an abstract idea.

Furthermore, like the risk hedging in *Alice*, the concept of producing offers to buy or sell a product is a fundamental economic practice long prevalent in our system of commerce. The Specification states “[t]ypically, the Exchange provides for a centralized ‘clearing house’ through which all trades made must be confirmed, matched, and settled each day until offset or delivered.” (Spec. ¶ 2). The Specification further describes the “[c]urrent financial instrument trading systems allow traders to submit orders and receive confirmations, market data, and other information electronically via a network” (*id.* ¶ 3). The offering to buy or sell a product through the use of electronic messaging 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 electronic messaging method as recited, like hedging, is an “abstract idea” beyond the scope of § 101 (*see Alice*, 573 U.S. at 219).

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 claims are focused on an improvement to computer functionality itself, e.g., a protocol as to how messages are to be communicated by a processor among participants in the claimed system, thereby enabling a computer to do things it could not do before” (Appeal Br. 9).

We are not persuaded Appellant’s broadly claimed electronic implementation of an apparatus comprising steps for electronic messaging to offer to buy or sell a product 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 determination that

the claim does not effect an improvement to another technology or technical field; the claim does not amount to an improvement to the functioning of a computer itself; and the claim does not move beyond a general link of the use of an abstract idea to a particular technological environment

(Ans. 11).

Appellant also argues “[b]y avoiding/eliminating the transmission of individual messages from the initiator to the recipients, the necessary communications bandwidth is reduced; i.e., by sending a single message that is broadcast” (Appeal Br. 5). We do not find Appellant’s argument persuasive. As shown in Fig. 5, although a single message (“Generate Message”) is sent from the participant 560A to the communication module 540, numerous messages (“Transmit Message”) need to be sent to the participants 560. Therefore, contrary to Appellant’s argument, the bandwidth of the overall system does not appear to be reduced. Furthermore, even if Appellant’s proposed advantage of reduced bandwidth is correct, we determine that sending a lesser number of messages across a

particular network is not an improvement to that technology (e.g., computer networking technology). Rather, it would reduce the bandwidth usage on the network, but not *improve* the networking technology, because it is merely the use of computing equipment for its intended purpose (sending messages).

In addition, even if the claimed method improved the networking technology or the electronic trading technology, the Specification does not provide any technical details about the alleged improvement. In particular, Appellant contends “the claims are focused on an improvement to computer functionality itself, e.g., a protocol as to how messages are to be communicated by a processor among participants in the claimed system, thereby enabling a computer to do things it could not do before” (Appeal Br. 9). We are not persuaded by Appellant’s assertions. The claims recite receiving requests from market participants and transmitting to and receiving messages from market participants and thus, the “protocol as to how messages are to be communicated” describes market participants sending requests and sending and receiving messages, not the technical particulars of the communications.

Appellant further contends the additional elements “provide ‘something more’ than mere computer implementation of communicating information to undertake a financial transaction” (Appeal Br. 11). According to Appellant, “the steps impose meaningful limits that allow for reduced data volume via solicitation message broadcast without loss of confidentiality in the responses thereto” (*id.*). Again, however, neither the claims nor the Specification recite anything more than receiving and transmitting messages by market participants.

Appellant next contends “the Examiner appears to oversimplify Appellants’ claims and ignore explicit limitations provided therein” such as “that initial messages are broadcast to all recipients but responses are restricted to being communicat[ed] only to the initiator” (Appeal Br. 12).

As required by the October 2019 Update to Subject Matter Eligibility, “[d]uring examination, the examiner should analyze the ‘improvements’ consideration by evaluating the specification and the claims to ensure that a *technical explanation* of the asserted improvement is present in the specification, and that the claim reflects the asserted improvement” (*October 2019 Patent Eligibility Guidance Update*, U.S. Patent and Trademark Office (October 19, 2019),

https://www.uspto.gov/sites/default/files/documents/peg_oct_2019_update.pdf). In the instant Specification, no such technical explanation is disclosed (*see generally* Spec.). Appellant identifies various paragraphs of the Specification that disclose the recited elements (Appeal Br. 2–4). However, none of this disclosure provides any technical details (*see* Spec. ¶¶ 17, 44, 45, 47–49, 54, 55, 58, 61, 62, 64–70, Figs. 2, 3, 5). Appellant’s Specification describes the problems addressed:

Anyone standing in or near the trading pit may be privy to the trades taking place, i.e. who is trading, what they are offering to trade (price and quantity), and what ultimately trades ...

Electronic exchanges, while efficient and immediate, do not necessarily provide or include the immediate and available communication between traders provided by traditional, pit or open outcry based trading environments.

(Spec. ¶ 3–4). The Specification then describes a solution to those problems:

The disclosed embodiments relate to communicative messaging capabilities that allow trading parties, such as market makers, traders and other market participants, to communicate within an electronic trading system and which may allow for more efficient communication before, during and after trade execution, as well as an ability for the electronic trading system to manage, regulate, log or otherwise track market related communications for regulatory or other purposes

(*id.* at ¶ 12). That is, the Specification has described a problem in providing privacy to people offering and accepting sales as well giving immediate access to the sales, and the solution proposed by the Specification is to use software and an intermediary device to give that privacy while at the same time giving immediate access to the sales offers and acceptances (*id.* ¶¶ 3–4, 12). Contrary to Appellant’s argument, although the solution uses technology—e.g., electronic messaging is used to enable the offer and acceptance—there is no improvement to the *computer* or the *technology* itself. Any alleged improvement to the efficiency, speed, and accuracy, arises 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”)).

Appellant argues the instant claims are similar to the claims of *Trading Technologies Int’l v. CQG, Inc.*, 675 Fed.Appx. 1001 (Fed. Cir. 2017), as well as *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014) and thus are directed to patent eligible subject matter (*see* Appeal Br. 14–16). We, however, determine the claims of those opinions

are not sufficiently similar to the instant application claims. *Trading Technologies* determined “the specific structure and concordant functionality of the graphical user interface are removed from abstract ideas” (*Trading Technologies* at 1004). Here, Appellant has identified no specific structure and concordant functionality of a computer or computer graphical user interface recited that are removed from the recited abstract idea. In *DDR Holdings*, our reviewing court found upon

the click of an advertisement for a third-party product displayed on a host's website, the visitor is no longer transported to the third party's website. Instead, the patent claims call for an “outsource provider” having a web server which directs the visitor to an automatically-generated hybrid web page that combines visual “look and feel” elements from the host website and product information from the third-party merchant's website related to the clicked advertisement

(*DDR Holdings* at 1257). The present claims do not recite directing market participants to an automatically-generated hybrid web page as recited in *DDR Holdings*; nor do the present claims otherwise recite a technical improvement. Therefore, we do not find Appellant’s arguments persuasive.

Rather, we determine the claims of *Dealertrack, Inc. v. Huber* are more closely analogous to the instant claims (see *Dealertrack, Inc. v. Huber*, 674 F.3d 1315 (Fed. Cir. 2012)). In *Dealertrack*, our reviewing court determined the claimed process “in its simplest form includes three steps: receiving data from one source ..., selectively forwarding the data ..., and forwarding reply data to the first source ...” (*id.* at 1333). Our reviewing court held “how the computer hardware and database are specially programmed to perform the steps claimed” were not specified (*id.*). Moreover, our reviewing court held “[t]he claims are silent as to how a

computer aids the method, the extent to which a computer aids the method, or the significance of a computer to the performance of the method”, and “[s]imply adding a ‘computer aided’ limitation to a claim covering an abstract concept, without more, is insufficient to render the claim patent eligible” (*id.*).

Here, the claims recite a computer implemented method and use of a processor, but do not recite how the processor is specifically programmed to perform the steps.

Our reviewing court further determined “[t]he claims ... do not require a specific application, nor are they tied to a particular machine”, but rather “the claims cover a clearinghouse process using any existing or future-devised machinery” (*id.* at 1333–34). Therefore, our reviewing court held that because “the claims ... recite only that the method is ‘computer aided’ without specifying any level of involvement or detail”, the patent claims at issue were found to be ineligible under § 101 (*id.* at 1334).

The instant claims contain three steps similar to those in *Dealertrack* (*see id.* at 1319), namely receiving a first message from market participant, transmitting that first message to other market participants, and forwarding a reply from one of the market participants to the market participant who generated the first message. Moreover, the instant claims, like the claims in *Dealertrack*, are silent as to the significance of a particular computer to the claimed method. Rather, like in *Dealertrack*, the claimed method describes a clearinghouse that can be implemented using any existing or future-devices machinery — the method is not tied to any particular machine. Therefore, we determine the claims fail to integrate the judicial exception into a practical application.

Thus, the claims do not 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). 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 claim recites the additional element of a processor. The claimed processor is a general purpose computers as noted in the applicant's specification. The claimed processor is noted to perform routine computer functions such as receiving data and transmitting data ...

The claimed processor is seen as a generic computer performing generic functions without an inventive concept as such do not amount to significantly more. This device is simply a field of use that attempt to limit the abstract idea to a particular environment. The type of data being manipulated does not impose meaningful limitations.

(Final Act. 11). Indeed, the remaining claim limitations recited in claims 1, 13, and 20, which are not part of the recited abstract idea discussed above, recite generic computing elements and functions, e.g., a "computer," "a processor," a "memory," and "logic" (Appeal Br. 19, Claims).

Appellant argues,

broadcasting messages from the soliciting participant to all participants while exclusive communicating responses thereto only back to the soliciting participant form a specific solution/application which have NOT been used before and therefore are not well understood, routine or conventional in the art, as evidenced by the absence of an art-based rejection in the Office Action.

(Appeal Br. 12). We do not find Appellant's argument persuasive. As described above, the additional elements recited in claim 1 add well-understood, routine, and conventional activities. Further, the Specification recites these elements at a high level of generality as comprising known

equipment (*see* Spec. ¶ 33, 74–80). Based on the record before us, the additional elements are well understood, routine, and conventional (*see* 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>).

The Specification describes the claimed “computer” as implemented as or incorporated into various devices, such as a personal computer (PC), a tablet PC, a set-top box (STB), a personal digital assistant (PDA), a mobile device, a palmtop computer, a laptop computer, a desktop computer, a communications device, a wireless telephone, a land-line telephone, a control system, a camera, a scanner, a facsimile machine, a printer, a pager, a personal trusted device, a web appliance, a network router, switch or bridge, or any other machine capable of executing a set of instructions (sequential or otherwise) that specify actions to be taken by that machine (Spec. ¶ 73). The Specification describes the claimed “processor” as “one or more general processors, digital signal processors, application specific integrated circuits, field programmable gate arrays, servers, networks, digital circuits, analog circuits, combinations thereof, or other now known or later developed devices for analyzing and processing data” (*id.* ¶ 74). Finally, the Specification describes the claimed “memory” as “computer readable storage media such as various types of volatile and non-volatile storage media, including but not limited to random access memory, read-only memory, programmable read-only memory, electrically programmable read-only memory, electrically erasable read-only memory, flash memory, magnetic tape or disk, optical media and the like.” (*id.* at ¶ 75).

We therefore determine Appellant has not persuaded us the Specification 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)). Further, the lack of detail provided about these devices indicates that they are generic components (*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”)).

Whether we consider these additional elements individually or as an ordered combination, these elements do not transform the nature of claim 1 into a patent-eligible application. These elements are largely recited at a high level of generality, and no indication exists that these elements possess features other than the conventional use of known features or involve an unconventional arrangement or combination of elements.

Appellant argues “the Examiner has not provided any evidence [referring to the USPTO Memorandum regarding *Berkheimer v. HP, Inc.*] to demonstrate that all of the claimed elements, as well as the claimed combination, are well understood, routine or conventional” (Appeal Br. 14). We are not persuaded. The Final Rejection was sent on January 10, 2018, whereas the *Berkheimer* memo was published on April 19, 2018. The Examiner addressed the *Berkheimer* requirements in the Answer. Specifically, the Examiner states:

the only element present in the independent claims 1 is a processor for performing the sole functions of receiving and transmitting message data. The previously applied references in the prior Office actions all teach of a processor for transmitting and receiving message data

(Ans. 14). The *Berkheimer* memo states an Examiner may support a finding of an element as “well-understood, routine, or conventional” if the Examiner provides “3. A citation to a publication that demonstrates the well-understood, routine, conventional nature of the additional element(s)” (April 2018 Berkheimer Memorandum, 4). We determine the previously applied references cited by the Examiner demonstrate the well-understood, routine, conventional nature of the additional elements (e.g., the processor). Furthermore, Appellant’s Specification provides little detail regarding the processor instead describing it as being in a “standard personal computer or a workstation,” for example (Spec. ¶ 74).

Appellant’s argument that “the claims . . . do not preempt that abstract idea and are instead directed to a practical application of enabling broadcasted solicitation messages with responses being directly/exclusively communicated from the responder to the initiator” (Appeal Br. 9) does not persuade us that the claims are directed to patent-eligible subject matter.

The U.S. Supreme Court has described “the concern that drives this exclusionary principle [i.e., the exclusion of abstract ideas from patent eligible subject matter] as one of pre-emption” (*Alice*, 573 U.S. at 216). However, characterizing preemption as a driving concern for patent eligibility is not the same as characterizing preemption as the sole test for patent eligibility. As our reviewing court has explained, “[t]he Supreme Court has made clear that the principle of preemption is the basis for the

judicial exceptions to patentability,” and “[f]or this reason, questions on preemption are inherent in and resolved by the § 101 analysis” (*Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (citing *Alice*, 573 U.S. at 216)). Although “preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility” (*id.*). Moreover, “[w]here a patent’s claims are deemed only to disclose patent ineligible subject matter under the [*Alice/Mayo*] framework . . . , preemption concerns are fully addressed and made moot” (*id.*; see also *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015) (“[T]hat the claims do not preempt all price optimization or may be limited to price optimization in the e-commerce setting do not make them any less abstract.”)).

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.

Finally, Appellant argues “this is neither a routine nor conventional activity previously known in the industry, as evidenced by the lack of any rejection under 35 U.S.C. §§ 102 or 103” (Appeal Br. 10). We are not persuaded. Our reviewing court has determined that it is not enough “for subject-matter 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)). Our reviewing 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, 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 1–22 under 35 U.S.C. § 101 as not being directed to patent eligible subject matter.

CONCLUSION

The rejection of claims 1–22 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
1–22	101	Non-statutory subject matter	1–22	

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