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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JAMES R. DRISCOLL and MATTHEW W. CLAUS

Appeal 2019–001660
Application 12/985,894¹
Technology Center 3600

Before HUNG H. BUI, JOHN F. HORVATH, and ADAM J. PYONIN,
Administrative Patent Judges.

BUI, *Administrative Patent Judge.*

DECISION ON APPEAL

Appellant seeks our review under 35 U.S.C. § 134(a) from the Examiner’s Final rejection of claims 1–5 and 7–13, which are all the claims pending in the application. Claims 6 and 14–18 are cancelled, and claims 19–27 are withdrawn from consideration. Appeal Br. 18–22 (Claims App.). We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.²

¹ We use the word “Appellant” to refer to “applicant(s)” as defined in 37 C.F.R. § 1.42. Appellant identifies BGC PARTNERS, INC., as the real party in interest. Appeal Br. 3.

² Our Decision refers to the Appellant’s Appeal Brief filed February 23, 2018 (“Appeal Br.”); the Reply Brief filed December 18, 2018 (“Reply Br.”); the Examiner’s Answer mailed October 19, 2018 (“Ans.”); the Final Office Action mailed July 7, 2017 (“Final Act.”); and the original Specification filed January 6, 2011 (“Spec.”).

STATEMENT OF THE CASE

Appellant’s invention relates to “systems and methods for placing test orders and real orders, processing the test orders and the real orders, and transmitting results of processing the tests orders and real orders back to the entities originating the orders.” Spec. 17:27–30. According to Appellant, “a test order may be used to test the state and response of a trading computer system,” but “does not bind the party placing the test order to fulfill a contract to tender the money or securities specified in the test order.” Spec. 17:31–18:2. “In an embodiment, a trading and processing computer system processes a test order similarly to a real order by matching the test order with another order and then generally executing the test order, but it does not generate a transaction involving the test order.” Spec. 18:7–10.

Claim 1—the only independent claim on appeal—is representative of Appellant’s invention, reproduced below:

1. A computer-implemented method for testing a trading system comprising:
 - receiving, by at least one processor, data indicative of real orders for an instrument and data indicative of test orders for the instrument;
 - generating, by the at least one processor, a plurality of electronic test order books in a memory coupled to the at least one processor, in response to receipt of the test orders;
 - searching, by the at least one processor, a real order for the instrument that matches the test order;
 - in response to finding the matching real order, identifying, by the at least one processor, whether a computer system workload is below a threshold value;
 - in response to determining that the workload is below a threshold value, generating, by the at least one processor, a bid table and an offer table in a memory; and
 - automatically executing, by the at least one processor, the test order using the bid table and the offer table; and

transmitting, by the at least one processor, data indicative of a report regarding the test order to an originating device of the test order.

Appeal Br. 18 (Claims App.).

EXAMINER’S REJECTIONS

(1) Claims 1–5 and 7–13 stand rejected under pre-AIA 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement. Final Act. 22–24.

(2) Claims 1–5 and 7–13 stand rejected under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter. Final Act. 8–21.

ANALYSIS

35 U.S.C. § 112, First Paragraph: Written Description

Claim 1 recites a computer-implemented method for testing a trading system comprising, *inter alia*: “generating, by the at least one processor, a plurality of electronic test order books in a memory coupled to the at least one processor, in response to receipt of the test orders.”

In support of the § 112, first paragraph rejection of claims 1–5 and 7–13, the Examiner finds the limitations: (1) “testing a trading system” and (2) “generating, by the at least one processor, a plurality of electronic test order books in a memory coupled to the at least one processor, in response to receipt of the test orders” lack written description support from the Specification. Final Act. 22–24.

Appellant argues the limitation “testing a trading system” is described in paragraph 104 (“[a] test order may be used to test the state and response of a trading computer system”) and paragraphs 105–120 (“trading and

processing computer system processes a test order similarly to a real order by matching the test order with another order and then generally executing the test order”) of the Specification. Appeal Br. 14–15. Similarly, Appellant argues the limitation “generating . . . a plurality of electronic test order books . . . in response to receipt of the test orders” is described in paragraphs 107 and 126 of the Specification. Appeal Br. 15.

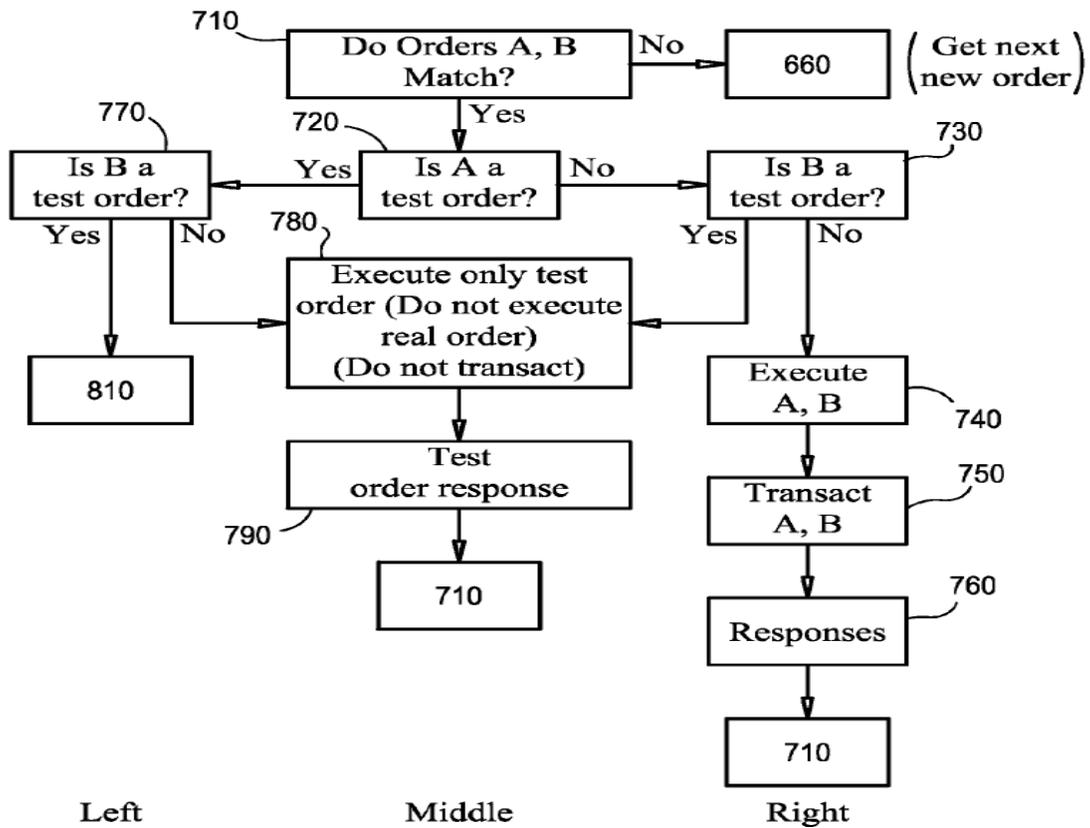
In response, the Examiner does not account for Appellant’s arguments. Instead, the Examiner asserts that because the Specification describes “a variety of tools to test trading strategies” with “[t]he goal of such tools [] to determine trading strategies that will result in maximal profit to the trader,” “[i]t cannot be seen where strategies is a synonym for system, particularly in regard to computer.” Ans. 16–17 (citing Spec. 16:24–26).

We do not agree with the Examiner. The *written description* requirement under 35 U.S.C. § 112, first paragraph requires Appellant to “reasonably convey[] to those skilled in the art that the inventor had possession of the claimed subject matter as of the filing date.” *Ariad Pharms., Inc. v. Eli Lilly & Co.*, 598 F.3d 1336, 1351 (Fed. Cir. 2010). “[T]he level of detail required to satisfy the written description requirement varies depending on the nature and scope of the claims and on the complexity and predictability of the relevant technology.” *Id.* However, “the disclosure as originally filed does not have to provide *in haec verba* support for the claimed subject matter at issue.” *Purdue Pharma L.P. v. Faulding Inc.*, 230 F.3d 1320, 1323 (Fed. Cir. 2000). In some cases, “drawings alone may provide a ‘written description’ of an invention as required by § 112.” *Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1565 (Fed. Cir. 1991). Regardless, the disclosure must convey with reasonable clarity

to those skilled in the art that the inventor was in possession of the invention.
Id. at 1563–64.

Here, Appellant has shown that there is sufficient structure and description in the Specification as filed to support the disputed limitations recited in claims 1–5 and 7–13. For example, paragraph 104 of the Specification describes the use of “a test order [] to test the state and response of a trading computer system.” Spec. ¶ 104. Paragraphs 105–120 of the Specification describe a “computer system [that] processes a test order similarly to a real order by matching the test order with another order and then generally executing the test order.” Spec. ¶¶ 105–120. Similarly, Figure 7 shows processing of an order book for an instrument (e.g., stock), including determining whether orders match, whether matching orders are test or real orders, and under what conditions to execute and transact matching orders. Spec. ¶¶ 99, 143.

Figure 7 is reproduced below:



Appellant's Figure 7 shows order book processing of orders for an instrument, including processing of test orders.

In light of these teachings and Appellant's Figure 7, we agree with Appellant that (1) a skilled artisan would understand that the scope of claim 1 is supported by the specification as originally filed, and (2) Appellant has "reasonably convey[ed] to those skilled in the art that the inventor had possession of the claimed subject matter as of the filing date."

For these reasons, we do not sustain the § 112, first paragraph rejection of claims 1-5 and 7-13 for failure to comply with the written description requirement.

35 U.S.C. § 101: Patent-Ineligible Subject Matter

In support of the 35 U.S.C. § 101 rejection of claims 1–5 and 7–13, the Examiner determines Appellant’s claims are directed to “a method of trading financial orders,” and “involve comparing values related to a test order and a real order and executing orders based on those values” “which is a fundamental economic practice and therefore an abstract idea.” Final Act. 11; Ans. 17.

The Examiner also determines the additional elements (i.e., “trading system,” “processor,” “computer system,” and “memory” recited in claim 1), when analyzed individually or in combination, do not amount to significantly more than the abstract idea because these additional elements: (1) “do not include an improvement to another technology or technical field, an improvement to the functioning of the computer,” (2) “are recited at a high level of generality,” and (3) perform “generic computer functions that are well-understood, routine and conventional activities.” Final Act. 14–17.

Legal Framework

To determine whether claims are patent eligible under 35 U.S.C. § 101, we apply the Supreme Court’s two-step framework articulated in *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208 (2014). First, we determine whether the claims are directed to a patent-ineligible concept: laws of nature, natural phenomena, and abstract ideas. *See Alice*, 573 U.S. at 216. If so, we then proceed to the second step to consider the elements of the claims “individually and ‘as an ordered combination’” to determine whether there are additional elements that “‘transform the nature of the claim’ into a patent-eligible application.” *Id.* at 217. In other words, the second step is to “search for an ‘inventive concept’—*i.e.*, an element or

combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Id.* at 217–18 (quotation marks omitted).

The Federal Circuit has described the *Alice* step-one inquiry as looking at the “focus” of the claims, their “character as a whole,” and the *Alice* step-two inquiry as looking more precisely at what the claim elements add—whether they identify an “inventive concept” in the application of the ineligible matter to which the claim is directed. *See Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335–36 (Fed. Cir. 2016); *see also Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015).

In an effort to achieve clarity and consistency in how the U.S. Patent and Trademark Office (the “Office”) applies the Supreme Court’s two-step framework, the Office has published revised guidance interpreting governing case law and establishing a prosecution framework for all patent-eligibility analysis under *Alice* and 35 U.S.C. § 101 effective as of January 7, 2019. *See 2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50–57 (Jan. 7, 2019); *see also* USPTO October 2019 Update: Subject Matter Eligibility, 84 Fed. Reg. 55942–53 (Oct. 17, 2019) (Updating the guidance promulgated in January 2019 with “examples as well as a discussion of various issues raised by the public comments.”). “All USPTO personnel are, as a matter of internal agency management, expected to follow the guidance.” *See 2019 Revised Guidance*, 84 Fed. Reg. 51; *see also* October 2019 Update.

2019 Revised Guidance, 84 Fed. Reg.

Under the 2019 Revised Guidance and the October 2019 Update, we first look under *Alice* step 1 or “Step 2A” to whether the claim recites:

(1) Prong One: any judicial exceptions, including certain groupings of abstract ideas (i.e., [i] mathematical concepts, [ii] mental processes—concepts performed in the human mind (including an observation, evaluation, judgment, opinion), or [iii] certain methods of organizing human activity such as a fundamental economic practice or managing personal behavior or relationships or interactions between people); and

(2) Prong Two: additional elements that integrate the judicial exception into a practical application (*see* Manual of Patent Examining Procedure (“MPEP”) § 2106.05(a)–(c), (e)–(h)).³

See 2019 Revised Guidance, 84 Fed. Reg. 51–52, 55, Revised Step 2A, Prong One (Abstract Idea) and Prong Two (Integration into A Practical Application). Only if a claim: (1) recites a judicial exception; and (2) does not integrate that exception into a practical application, do we then evaluate whether the claim provides an “inventive concept” under *Alice* step 2 or “Step 2B.” *See* 2019 Revised Guidance, 84 Fed. Reg. 56; *see also Alice*, 573 U.S. at 217–18. For example, we look to whether the claim:

- 1) adds a specific limitation beyond the judicial exception that is not “well-understood, routine, conventional” in the field (*see* MPEP § 2106.05(d)); or
- 2) 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 2019 Revised Guidance, 84 Fed. Reg. 56.

In the briefing, Appellant refers to prior USPTO guidance regarding 35 U.S.C. § 101, i.e., the *May 2016 Subject Matter Eligibility Update*, 81

³ All references to the MPEP are to the Ninth Edition, Revision 08.2017 (rev. Jan. 2018).

Fed. Reg. 27,381 (May 6, 2016). Final Act. 7–8. However, 2019 Revised Guidance has superseded all prior guidance. *See* 2019 Revised Guidance, 84 Fed. Reg. 52; *see also* October 2019 Update: Subject Matter Eligibility, 17. As such, we review the 101 rejection *de novo* (*Dealertrack, Inc. v. Huber*, 674 F.3d 1315, 1333 (Fed. Cir. 2012)) in accordance with the 2019 Revised Guidance below.

Alice/Mayo—Step 1 (Abstract Idea)

Step 2A—Prongs 1 and 2 Identified in the Revised Guidance

Step 2A—Prong 1

Appellant does not dispute the Examiner’s determination that the claims recite “a method of trading financial orders,” “which is a fundamental economic practice and therefore an abstract idea.” Final Act. 11; Ans. 17. Instead, Appellant argues (1) the Examiner “oversimplifies the claims by looking at them generally and failing to account for the specific requirements recited in the claims”; (2) “the courts have never held a method for testing a trading system to be an abstract idea”; and (3) the Examiner “cites a series of decisions that are irrelevant to the facts of the instant case,” including “*Bilski*, *Alice*, [*Dealertrack*,⁴ *Bancorp*,⁵ *buySafe*,⁶ *Planet Bingo*,⁷

⁴ *Dealertrack, Inc. v. Huber*, 674 F.3d 1315 (Fed. Cir. 2012).

⁵ *Bancorp Servs., L.L.C. v. Sun Life Assurance Co. of Can. (U.S.)*, 687 F.3d 1266 (Fed. Cir. 2012)..

⁶ *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350 (Fed. Cir. 2014).

⁷ *Planet Bingo, LLC v. VKGS LLC*, 576 F. App’x 1005, 1007–08 (Fed. Cir. 2014).

CyberSource,⁸ *Classen*,⁹ *Accenture*,¹⁰ *In Re Grams*,¹¹ *CyberSource*.”

Appeal Br. 7–8.

Appellant’s arguments are not persuasive. At the outset, we note Appellant’s Specification and claims describe “systems and methods for placing test orders and real orders, processing the test orders and the real orders, and transmitting results of processing the tests orders and real orders back to the entities originating the orders.” Spec. 17:27–30. According to Appellant, “[a] test order may be used to test the state and response of a trading computer system,” but “does not bind the party placing the test order to fulfill a contract to tender the money or securities specified in the test order.” Spec. 17:31–18:2. “In an embodiment, a trading and processing computer system processes a test order similarly to a real order by matching the test order with another order and then generally executing the test order, but it does not generate a transaction involving the test order.” Spec. 18:7–10.

For example, Appellant’s claim 1 recites (1) “receiving . . . data indicative of real orders for an instrument and data indicative of test orders for the instrument”; (2) “generating . . . a plurality of electronic test order books . . . in response to receipt of the test orders”; (3) “searching . . . a real order for the instrument that matches the test order”; (4) “identifying . . .

⁸ *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366 (Fed. Cir. 2011).

⁹ *Classen Immunotherapies, Inc. v. Biogen IDEC*, 659 F.3d 1057, 1066–68 (Fed. Cir. 2011).

¹⁰ *Accenture Glob. Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336 (Fed. Cir. 2013).

¹¹ *In re Grams*, 888 F.2d 835 (Fed. Cir. 1989).

whether a computer system workload is below a threshold value”; (5) “generating . . . a bid table and an offer table in a memory”; (6) “automatically executing . . . the test order using the bid table and the offer table”; and (7) “transmitting . . . data indicative of a report regarding the test order to an originating device of the test order.” These limitations recite known commercial activities, especially in the context of a stock exchange (“a trading computer system for trading securities”) where “[t]raders run a variety of tools to test trading strategies” with the “goal of such tools [] to determine trading strategies that will result in maximal profit to the trader.” Spec. 16:24–26.

As correctly recognized by the Examiner, limitations of Appellant’s claim 1, under their broadest reasonable interpretation, recite “commercial practices” and fundamental economic practices (including testing trading strategies to maximize profit) in our system of commerce, examples of “certain methods of organizing human activity” identified in the 2019 Revised Guidance, and therefore the claim recites an abstract idea. *See* 2019 Revised Guidance (*Revised Step 2A, Prong One*), 84 Fed. Reg. at 52 (describing an abstract idea category of “[c]ertain methods of organizing human activity—fundamental economic principles or practices . . . commercial or legal interactions (including . . . advertising, marketing or sales activities or behaviors; business relations)”), 54. *See* Spec. 1:16–2:2, 2:22–31, 5:4–18, 9:13–28.

Such economic activities are squarely within the realm of abstract ideas, including those identified by the Supreme Court and the Federal Circuit as abstract ideas, such as, for example: (1) the risk hedging in *Bilski v. Kappos*, 561 U.S. 593 (2010); (2) the intermediated settlement in *Alice*,

573 U.S. at 220; (3) verifying credit card transactions in *CyberSource*, 654 F.3d at 1370; (4) managing a stable value protected life insurance policy in *Bancorp Servs.*; (5) guaranteeing transactions in *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1354 (Fed. Cir. 2014); (6) distributing products over the Internet in *Ultramercial Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014); (7) determining a price of a product offered to a purchasing organization in *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306 (Fed. Cir. 2015); (8) pricing a product for sale in *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359 (Fed. Cir. 2015); (9) delivering user-selected media content (i.e., targeted advertisement) to a portable device in *Affinity Labs of Tex., LLC v. Amazon.com Inc.*, 838 F.3d 1266, 1269, 1271 (Fed. Cir. 2016); and (10) taking orders from restaurant customers in *Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229 (Fed. Cir. 2016).

Under the October 2019 Update: Subject Matter Eligibility, 84 Fed. Reg. 55942–53 (Oct. 17, 2019), we also agree with the Examiner’s determination that:

“the claims involve concepts relating to performance of financial transactions, concepts relating to managing transactions between people, as well as concepts relating to processes of searching a real order for the instrument that matches the test order and comparing data (comparing the bid table and the offer table) that can be performed mentally,”

which is similar to the claims found by the Federal Circuit to be an abstract idea in *Electric Power Group, LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016) (holding that the concept of “collecting information, analyzing it, and displaying certain results of the collection and analysis” is an abstract idea). Ans. 18; *see also CyberSource Corp. v. Retail Decisions*,

Inc., 654 F.3d 1366, 1372–73 (Fed. Cir. 2011) (“[A] method that can be performed by human thought alone is merely an abstract idea and is not patent-eligible under § 101.”); *see also In re Comiskey*, 554 F.3d 967, 979 (Fed. Cir. 2009) (“[M]ental processes—or processes of human thinking—standing alone are not patentable even if they have practical application.”); *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972) (“Phenomena of nature, . . . *mental processes*, and abstract intellectual concepts are not patentable, as they are the basic tools of scientific and technological work.” (Emphasis added)). Additionally, mental processes remain unpatentable even when automated to reduce the burden on the user of what once could have been done with pen and paper. *See CyberSource*, 654 F.3d at 1375 (“That purely mental processes can be unpatentable, even when performed by a computer, was precisely the holding of the Supreme Court in *Gottschalk v. Benson*.”).

Information, as such, is intangible, and data analysis and algorithms that manipulate that information are also abstract ideas. *See, e.g., Microsoft Corp. v. AT&T Corp.*, 550 U.S. 437, 451 n.12 (2007); *see also Alice*, 573 U.S. at 218; *Parker v. Flook*, 437 U.S. 584, 589, 594–95 (1978) (“Reasoning that an algorithm, or mathematical formula, is like a law of nature, *Benson* applied the established rule that a law of nature cannot be the subject of a patent.”); *Benson*, 409 U.S. at 71–72. According to the Federal Circuit, “collecting information, including when limited to particular content (which does not change its character as information),” falls within the realm of abstract ideas. *Elec. Power Grp.*, 830 F.3d at 1353; *see also e.g., Internet Patents Corp.*, 790 F.3d at 1346; *OIP Techs. Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1363 (Fed. Cir. 2015); *Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat’l Ass’n*, 776 F.3d 1343, 1347 (Fed. Cir. 2014);

Digitech Image Techs., LLC v. Elecs. for Imaging, Inc., 758 F.3d 1344, 1351 (Fed. Cir. 2014); *CyberSource*, 654 F.3d at 1370.

Likewise, “analyzing information by steps people go through in their minds, or by mathematical algorithms, without more,” is “essentially mental processes within the abstract-idea category.” *Elec. Power Grp.*, 830 F.3d at 1353–54; *see, e.g., In re TLI Commc’ns LLC Patent Litig.*, 823 F.3d 607, 613 (Fed. Cir. 2016); *Digitech*, 758 F.3d at 1351; *SmartGene, Inc. v. Advanced Biological Labs., SA*, 555 F. App’x 950, 955 (Fed. Cir. 2014); *Bancorp Servs. L.L.C. v. Sun Life Assurance Co. of Can. (US)*, 687 F.3d 1266, 1278 (Fed. Cir. 2012); *CyberSource Corp.*, 654 F.3d at 1372; *SiRF Tech., Inc. v. Int’l Trade Comm’n*, 601 F.3d 1319, 1333 (Fed. Cir. 2010); *see also Parker v. Flook*, 437 U.S. at 589–90; *Benson*, 409 U.S. at 67. That is, “[w]ithout additional limitations, a process that employs mathematical algorithms to manipulate existing information to generate additional information is not patent eligible.” *Digitech*, 758 F.3d at 1350–51 (“Data in its ethereal, non-physical form is simply information that does not fall under any of the categories of eligible subject matter under section 101.”). And the Federal Circuit has also recognized that merely presenting the results of abstract processes of collecting and analyzing information, without more (such as identifying a particular tool for presentation), is abstract as an ancillary part of such collection and analysis. *See, e.g., Content Extraction*, 776 F.3d at 1347; *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014).

Thus, under Step 2A, Prong One, we agree with the Examiner that limitations (1)–(7) in Appellant’s claim 1, identified *supra*, recite a fundamental economic practice or a series of mental processes as identified

in the 2019 Revised Guidance, and thus, an abstract idea. *See* 2019 Revised Guidance (*Revised Step 2A, Prong One*), 84 Fed. Reg. at 52, 54.

Because the claims recite an abstract idea, we next proceed to *Step 2A, Prong Two* of the Revised Guidance, to determine whether additional elements recited in the claims integrate the recited idea into a practical application. *See* 2019 Revised Guidance, 84 Fed. Reg. 54.

Step 2A—Prong 2 (Integration into Practical Application)

Under *Step 2A, Prong Two* of the Revised Guidance, we discern no additional element (or combination of elements) recited in Appellant’s claim 1 that integrate(s) the judicial exception into a practical application. *See* 2019 Revised Guidance, 84 Fed. Reg. at 54–55 (“Prong Two”).

For example, Appellant’s additional elements (i.e., “trading system,” “processor,” “computer system,” and “memory” recited in claim 1) do not (1) improve the functioning of a computer or other technology, (2) are not applied with any particular machine (except for generic computer components), (3) do not effect a transformation of a particular article to a different state, and (4) are not applied in any meaningful way beyond generally linking the use of the judicial exception to a particular technological environment, such that the claim as a whole is more than a drafting effort designed to monopolize the exception. *See* MPEP § 2106.05(a)–(c), (e)–(h).

Appellant argues “the claims recite an improvement to the functioning of the computer” or “an improvement to the computer technology” because “the claims recite a set of rules that allow the computer to perform a function that was not previously performed by a computer,” and “the specification

contains teachings of computer improvements.” Appeal Br. 9–11 (citing Spec. ¶¶ 126, 183).

We do not agree. First, there is no support from Appellant’s Specification for any feature recited in Appellant’s claim 1 that would improve any existing technological process or computer-related technology, as Appellant argues. Appeal Br. 9–11. As correctly recognized by the Examiner, “the focus of the claims involve concepts relating to performance of financial transactions . . . concepts relating to processes of searching a real order for the instrument that matches the test order and comparing data (comparing the bid table and the offer table).” Ans. 18. There is nothing in the claim to suggest that the computer functionalities are improved. Instead, “[t]he focus of the claims is not on such an improvement in computers,” but rather uses “computers as tools” to perform the abstract idea. Ans. 20. Using generic computing components (i.e., “trading system,” “processor,” “computer system,” and “memory” recited in claim 1) as a tool, for example, as shown in Appellant’s Figure 1, to perform an abstract idea, shown in Figure 7, is insufficient to show “integration into a practical application.” See MPEP § 2106.05(f). Instead, these generic computing components are simply the automation of the recited abstract idea. *OIP Techs.*, 788 F.3d at 1362–63. “[M]erely requiring generic computer implementation,” “does not move into section 101 eligibility territory.” *buySAFE*, 765 F.3d at 1354.

A claim for a new abstract idea is still an abstract idea. See *Synopsis, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1151 (Fed. Cir. 2016). “No matter how much of an advance in the finance field the claims recite, the advance lies entirely in the realm of abstract ideas, with no plausibly alleged

innovation in the non-abstract application realm.” *SAP America, Inc. v. InvestPic, LLC*, 898 F.3d 1161, 1163 (Fed. Cir. 2018).

For these reasons, we determine that: (1) Appellant’s “additional elements” recited in claim 1 do not integrate the recited judicial exception into a practical application; and (2) Appellant’s claims are directed to an abstract idea. *See* 2019 Revised Guidance (*Revised Step 2A, Prong Two*), 84 Fed. Reg. at 54–55.

*Alice/Mayo—Step 2 (Inventive Concept)
Step 2B Identified in the Revised Guidance*

Under the 2019 Revised Guidance, 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 (3) the claim adds a specific limitation beyond the judicial exception that is not “well-understood, routine, conventional” in the field (*see* MPEP § 2106.05(d)) or, instead, it simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception. *See* 2019 Revised Guidance, 84 Fed. Reg. at 56. After considering the elements of claim 1, both individually and in combination, we find that no element or combination of elements recited contains any “inventive concept” or adds “significantly more” to transform the abstract concept into a patent-eligible application. *Alice*, 573 U.S. 208 at 221.

Appellant does not identify any specific limitation of claim 1 beyond the judicial exception that is not “well-understood, routine, and conventional in the field” as per MPEP § 2106.05(d). Instead, Appellant argues the lack of prior art rejections indicate patent eligibility. Appeal Br. 13 (citing Judge Newman’s concurring opinion in *BASCOM Global Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016)).

This argument improperly conflates the test for 35 U.S.C. § 101 with the separate tests for 35 U.S.C. §§ 102 and 103. *See, e.g., Genetic Techs. Ltd. v. Merial L.L.C.*, 818 F.3d 1369, 1376 (Fed. Cir. 2016) (“[U]nder the *Mayo/Alice* framework, a claim directed to a newly discovered law of nature (or natural phenomenon or abstract idea) cannot rely on the novelty of that discovery for the inventive concept necessary for patent eligibility.”). As the Supreme Court emphasizes, “[t]he ‘novelty’ of any element or steps in a process, or even of the process itself, is of **no relevance** in determining whether the subject matter of a claim falls within the § 101 categories of possibly patentable subject matter.” *Diamond v. Diehr*, 450 U.S. 175, 188–89 (1981) (emphasis added). Thus, a novel and nonobvious claim directed to a purely-abstract idea is, nonetheless, a patent-ineligible abstract idea. *See Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 89–91 (2012).

Preemption

Lastly, Appellant argues the “claims do not pre-empt all ways of testing a trading system” because “the claimed recitations are very specific and do not cover all possible approaches.” Appeal Br. 12.

We disagree. The lack of preemption is a factor to consider for patent eligibility, but it is not by itself sufficient for patent eligibility. As the Federal Circuit explicitly recognized, “the absence of complete preemption does not demonstrate patent eligibility.” *See McRO*, 837 F.3d at 1315 (quoting *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015)); *see also* Ans. 20. Furthermore, “[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.” *See Ariosa*, 788 F.3d at 1379.

Because Appellant’s independent claim 1 is directed to a patent-ineligible abstract concept and does not recite an “inventive concept” or provide a solution to a technical problem under the second step of the *Alice* analysis, we sustain the Examiner’s 35 U.S.C. § 101 rejection of independent claim 1 and its dependent claims 2–5 and 7–13, which are not separately argued.

CONCLUSION

On the record before us, we conclude Appellant has demonstrated the Examiner erred in rejecting claims 1–5 and 7–13 for failure to comply with the “written description” requirement, but has not demonstrated the Examiner erred in rejecting claims 1–5 and 7–13 under 35 U.S.C. § 101. As such, we AFFIRM the Examiner’s rejection of claims 1–5 and 7–13 under 35 U.S.C. § 101, but REVERSE the Examiner’s rejection of claims 1–5 and 7–13 under pre-AIA 35 U.S.C. § 112, first paragraph.

DECISION SUMMARY

In Summary:

Claims Rejected	35 U.S.C. §	Reference(s)/Basis	Affirmed	Reversed
1–5, 7–13	112, first paragraph	Written Description		1–5, 7–13
1–5, 7–13	101	Eligibility	1–5, 7–13	
Overall Outcome			1–5, 7–13	

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Because we have sustained at least one ground of rejection with respect to each claim on appeal, the Examiner’s decision is affirmed. *See* 37 C.F.R. § 41.50(a)(1).

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

AFFIRMED