UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
14/757,978	12/24/2015	J. Nathaniel Sloan	40189/03702(12DIS074MEDI	7085

94470 7590 10/04/2019

DISNEY ENTERPRISES, INC.
c/o Fay Kaplun & Marcin, LLP
150 Broadway
Suite 702
New York, NY 10038

EXAMINER	
LIM, SENG HENG	

ART UNIT	PAPER NUMBER
3715	

NOTIFICATION DATE	DELIVERY MODE
10/04/2019	ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

fhall@fkmiplaw.com
mmarcin@fkmiplaw.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte J. NATHANIEL SLOAN and DAVID MICHAEL FISHEL

Appeal 2019-001676
Application 14/757,978
Technology Center 3700

Before BRETT C. MARTIN, WILLIAM A. CAPP, and BRANDON J. WARNER, *Administrative Patent Judges*.

CAPP, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

J. Nathaniel Sloan and David Michael Fishel (hereinafter collectively "Appellant")[1] seek our review under 35 U.S.C. § 134(a) of the final rejection of claims 21–38 as unpatentable under 35 U.S.C. § 101 as directed to a judicial exception to patent-eligible subject matter. 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(a). Disney Enterprises, Inc. is the Applicant and real party in interest. Appeal Br. 2.

THE INVENTION

Appellant's invention employs computer technology to facilitate selection of fantasy sports teams. Spec. ¶¶ 17, 22. Claim 21, reproduced below, is illustrative of the subject matter on appeal.

> 21. A method for a fantasy sports application, comprising:
>
> executing, by a host processor, a fantasy sports auction draft for a fantasy sports league that includes a plurality of fantasy sports teams, wherein the fantasy sports auction draft includes a plurality of sports players available to be nominated by the plurality of fantasy sports teams;
>
> receiving, by a host processor, at least one parameter value for each of the plurality of sport players;
>
> determining, by the host processor, a score value for each of the plurality of sport players as a function of the at least one parameter value;
>
> grouping each of the sport players into one of a plurality of tiers, each of the tiers having a tier value determined based on an upper score value threshold and a lower score value threshold, the upper score value threshold and the lower score value threshold for each of the tiers being determined as a function of the score values for each of the sport players, wherein a plurality of the sport players are grouped into each of the tiers, each of the sport players that is grouped into one of the tiers having a score value that is greater than the lower score value threshold of the one of the tiers and less than the upper score value threshold of the one of the tiers;
>
> receiving, by the host processor from a user device, a request for data for a first player of the plurality of sport players, wherein the user device corresponds to one of the plurality of fantasy sports teams;
>
> providing, by the host processor to the user device, data for the first player including at least identity data and a first tier value corresponding to the one of the plurality of tiers into which the first player is grouped;
>
> determining, by the host processor, other sport players of the plurality of sport players having the first tier value;

> determining, by the host processor during the execution of the fantasy sports auction draft, recommendation data for the first player to be nominated at the fantasy sports auction draft, as a function of a first number of remaining sports players of the other sport players available in the fantasy sports auction draft having the first tier value, wherein the recommendation data comprises at least a maximum bid value for the first player; and
>
> transmitting, during the execution of the fantasy sports auction draft, the recommendation data to the user device.

OPINION

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 courts recognize certain judicial exceptions to Section 101, namely: (1) laws of nature, (2) natural phenomena, and (3) abstract ideas. *See Mayo Collaborative Svc. v. Prometheus Labs, Inc.*, 566 U.S. 66, 70–71 (2012).

The Supreme Court has set forth "a framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts." *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 573 U.S. 208, 217 (2014) (citing *Mayo*, 566 U.S. at 72–73). According to the Supreme Court's framework, we must first determine whether the claims at issue are directed to one of those concepts. *Id.* If so, we must secondly "consider the elements of each claim both individually and 'as an ordered combination' to determine whether the additional elements 'transform the nature of the claim' into a patent-eligible application." *Id.*

The Supreme Court characterizes the second step of the analysis as "a 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."' *Alice*, 573 U.S. at 217–18 (alterations in original) (quoting *Mayo*, 566 U.S. at 72–73). Where the claim is directed to an abstract idea that is implemented on a computer, merely stating the abstract idea while adding the words "apply it" is not enough to establish such an inventive concept. *See Alice*, 573 U.S. at 223.

> [I]f that were the end of the § 101 inquiry, an applicant could claim any principle of the physical or social sciences by reciting a computer system configured to implement the relevant concept.

Id. at 224.

The PTO recently published revised guidance on the application of § 101. *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50 (Jan. 7, 2019) ("*2019 Guidelines*"). Under such guidelines, in conducting step one of the *Alice* framework, we first look to whether the claim recites:

> (1) any judicial exceptions, including certain groupings of abstract ideas (i.e., mathematical concepts, certain methods of organizing human interactions 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)).

In other words, under prong 1 of an abstract idea analysis, we look to whether the claim recites an abstract idea. Then, if it does, under prong 2, we look at the claim, as a whole, and determine whether the claim is "directed to" the abstract idea or, instead, is "directed to" a "practical application" of the abstract idea.

Step 1, Prong 1

The *2019 Guidelines* identify three key concepts as abstract ideas:

> (a) mathematical concepts including "mathematical relationships, mathematical formulas or equations, mathematical calculations";
>
> (b) certain methods of organizing human activity, such as "fundamental economic principles or practices," "commercial or legal interactions," and "managing personal behavior or relationships or interactions between"; and
>
> (c) mental processes including "observation, evaluation, judgment, [and] opinion."

2019 Guidelines.

With respect to the first step, the Examiner determines that the claims are directed to an abstract idea. Final Action 9. According to the Examiner, the steps are directed to an idea of itself similar to that of *Electric Power Group, LLC v. Alstom S.A.*, 830 F.3d 1350 (Fed. Cir. 2016) and *Digitech Image Technologies, LLC v. Electronics For Imaging, Inc.*, 758 F.3d 1344 (Fed. Cir. 2014). *Id.* The Examiner further finds that the steps of claim 21 can be performed using pen and paper. *Id.*

Collecting and analyzing information, without more, are treated as essentially mental processes within the abstract idea category. *FairWarning IP, LLC v. Iatrie Systems, Inc.*, 839 F.3d 1089, 1093 (Fed. Cir. 2016) (citing *Elec. Power Grp.*, 830 F.3d at 1353).

> Methods which can be performed entirely in the human mind are unpatentable not because there is anything wrong with claiming mental method steps as part of a process containing non-mental steps, but rather because computational methods which can be performed entirely in the human mind are the types of methods that embody the "basic tools of scientific and technological work" that are free to all men and reserved exclusively to none.

Cybersource Corp. v. Retail Decisions, Inc., 654 F.3d 1366, 1373 (Fed. Cir. 2011); *See also Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1147 (Fed. Cir. 2016)) (explaining that analyzing information by steps people go through in their minds, or by mathematical algorithms, without more, are essentially mental processes within the abstract-idea category).

In the instant case, claim 21 recites, in abbreviated form, using a computer processor in conjunction with a user device to:

> execute . . . [an] auction draft;
>
> receive . . . [a] value;
>
> determine . . . [a] value;
>
> group . . . players . . . based on a . . . value threshold;
>
> receive . . . a request for data;
>
> provide . . . data;
>
> determine . . . other sport players;
>
> determine . . . data;
>
> transmit . . . data.

Claims App.

On its face, the instant application seeks to automate "pen and paper methodologies" to conserve human resources and improve computational efficiency under time constraints imposed by a fantasy sports auction environment. Spec. ¶ 7.[2] This is a quintessential "do it on a computer" patent application: it acknowledges that data related to player's auction

[2] "[R]equires that the owners perform many manual calculations . . . This is often very time-consuming and may result in poor decisions." *Id.*

values was previously collected and analyzed manually and simply proposes doing so with a computer. Spec. ¶¶ 5–6.

> [W]ithin the conventional auction format for selecting a fantasy sports team, the users are required to determine, manually, the players on which to bid, as well as the amount to bid for each of the players.

Id. ¶ 10. Our supervising court maintains that such claims are directed to abstract ideas. *See, e.g.*, *Intellectual Ventures I LLC v. Capital One Fin. Corp.*, 850 F.3d 1332, 1340 (Fed. Cir. 2017) (holding abstract claims "directed to . . . collecting, displaying, and manipulating data"); *Elec. Power Grp.*, 830 F.3d at 1353–54) (holding abstract claims directed to "collecting information, analyzing it, and displaying certain results of the collection and analysis"). That the automation can make player selection under the time exigencies of a fantasy sports auction draft more time efficient is laudable, but it does not render it any less abstract.

The claims here relate to facilitating user behavior by collecting data, processing the data, and notifying the user. Claims App. As such, the method recites an abstract idea under the principles espoused in *FairWarning*.

Step 1, Prong 2

Under Prong 2 of Step 1 of the *2019 Guidelines*, we do not assume that such claims are directed to patent-ineligible subject matter because "all inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas." *In re TLI Commc'ns LLC Patent Litig.*, 823 F.3d 607, 611 (Fed. Cir. 2016) quoting *Alice*. Instead, "the claims are considered in their entirety to ascertain whether their character as a whole is directed to excluded subject matter." *McRO, Inc. v.*

Bandai Namco Games America Inc., 837 F.3d 1299, 1312 (Fed. Cir. 2016). If the claims are not directed to an abstract idea, the inquiry ends. *2019 Guidelines*. If the claims are "directed to" an abstract idea, then the inquiry proceeds to the second step of the *Alice* framework. *Id.*

Consequently, we consider whether the claimed fantasy sport draft method includes additional elements that integrate the judicial exception into a practical application. A claim that integrates a judicial exception into a practical application will apply, rely on, or use 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. *2019 Guidelines.*

Here, Appellant merely takes a known, manual practice of collecting and analyzing data and then applies generic computer and tele-communications technology to speed up the process of data acquisition and analysis. Although automating tasks that humans are capable of performing may be patent eligible if properly claimed (*See McRO*, 837 F.3d at 1313), we are not persuaded that merely expediting the data collection and analysis in a fantasy sports auction environment amounts to a technological improvement analogous to that of *McRO* and *Enfish*. Here, the method of claim 21 generally comprises functional method steps, such as: (1) receiving, (2) determining, (3) grouping, (4) transmitting, and (5) executing. Claims App. The method collects, processes, and presents information to expedite making sports auction decisions under time constraints imposed by the auction environment.

The prospect that Appellant's method uses a computerized "tool" does not render the claims less abstract. An abstract idea does not become

nonabstract by limiting the invention to a particular technological environment. *Intellectual Ventures I*, 792 F.3d at 1367; *see also Affinity Labs of Texas, LLC v. DirecTV, LLC*, 838 F.3d 1253, 1259 (Fed. Cir. 2016) (Merely limiting the field of use of the abstract idea to a particular existing technological environment does not render the claims any less abstract); *see also Alice*, 573 U.S. at 224 (the fact a computer exists in the physical realm is beside the point). Unlike *Enfish*, the focus of the instant claims is not on improving a computer, but rather on a process for which computers are invoked merely as a tool. *See Enfish*, 822 F.3d at 1335–36.

We are fully in accord with the following observation of the Examiner in the final rejection:

> [T]he steps can be performed using pen and paper, wherein a person can gather parameters for each sport players and determine a score value for each of the sport players and place each sport players in the appropriate tiers. The person can determine recommendation data for the first player to be nominated at an auction draft with at least a maximum bid value for the first player and communicating such recommendation data to a user.

Final Action 9–10. Appellant presents neither evidence nor persuasive technical reasoning that refutes the Examiner's finding that claim 21 merely automates a pen and paper process. *See generally* Appeal Br., Reply Br. The claims, thus, fail to integrate the judicial exception into a practical application and, therefore, is "directed to" an abstract idea.

Step 2

Turning to step 2 of the *Alice/Mayo* analysis, we look more precisely at what the claim elements add in terms of whether they identify an "inventive concept" in the application of the ineligible matter to which the claim is directed to. *See SAP Am., Inc. v. InvestPic, LLC*, 898 F.3d 1161,

1167 (Fed. Cir. 2018). "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].'" *Alice*, 573 U.S. at 221 (quoting *Mayo*, 566 U.S. at 77–78). Those "additional features" must be more than well-understood, routine, conventional activity. *Mayo*, 566 U.S. at 79.

Under step two of the *Alice*/*Mayo* framework, the Examiner determines that the steps of Appellant's auction method, considered both individually and in combination, do not amount to significantly more than the abstract idea. Final Action 10. Specifically, the Examiner finds that:

> [N]o element or combination of elements is sufficient to ensure any claim of the present application as a whole amounts to significantly more than one or more judicial exceptions, as described above. For example, such recitations of utilization of a processor used to apply the abstract idea merely implements the abstract idea at a high level of generality and fail to impose meaningful limitations to impart patent-eligibility. These elements and the mere processing of data using these elements do not set forth significantly more than the abstract idea itself applied on general purpose computing devices. Taking the physical elements individually and in combination, the computer-based components perform purely generic computer-based functions. As such, the significantly more required to overcome the 35 U.S.C. 101 hurdle and transform the claimed subject matter into a patent-eligible abstract idea is lacking.

Id.

Appellant argues that claim 21 amounts to significantly more than an abstract idea, analogizing the instant case to *Bascom Global Internet Services, Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016) and *Amdocs (Israel) Limited v. Openet Telecom, Inc.*, 841 F.3d 1288 (Fed. Cir. 2016). Appeal Br. 10, 13.

> The Appellant respectfully submits that the claims at issue satisfy step two of the *Alice* test for the same reasons that the claims at issue in *Bascom* satisfied step two of the *Alice* test. For instance, just like the claims at issue in *Bascom*, the claims at issue in the present case contain an inventive concept because the claims recite an unconventional improvement to a technological process and the claims do not raise any preemption concerns.

Id. Appellant's argument quickly falls to the ground because there is no factual basis for drawing an analogy from either *Bascom* or *Amdocs* to the instant case.

According to Appellant:

> [T]he inventive concept recited in the claims of automatically generating and providing to a user device, real-time recommendations including a player to be nominated and a corresponding maximum bid for an auction type fantasy draft during the execution of the fantasy draft based on the players remaining in the current draft address the known deficiencies of conventional fantasy sport applications and corresponding conventional tools of not being able to provide a recommendation that adapts to the particular players remaining in the selection pool in a timely enough fashion to be relevant to the current stage of the fantasy draft.

Id. at 11. Appellant characterizes such as an "improvement to a technological process." *Id.* at 10. We disagree. The "process" is not a "technological process," rather, and as previously discussed, it is essentially a mental process that can be performed using pen and paper where computers are used merely as a tool. *See Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1331 (Fed. Cir. 2018) (explaining that claims to an abstract idea that merely uses computers as tools are not patent eligible).

The mere fact that Appellant's method uses a computer tool that may be better than another fantasy auction computer tool, without more, fails to establish that the alleged "additional features" in the claim amount to more than well-understood, routine, conventional activity (i.e., using a computer as a "tool"). *Mayo*, 566 U.S. at 79; *Intellectual Ventures*, 838 F.3d at 1331.

Appellant alleges a problem in the prior art with respect to the location of facilities that cause prior art systems to provide data analysis in an untimely manner.

> Conventional tools exist in a location that is external to the conventional fantasy sports draft application. Accessing an external source requires time and during a fantasy draft, time is of the essence. Time is such an important factor in a fantasy draft because draft transactions are fast paced due to time limits expressly enforced by the rules of fantasy sports auction drafts.

Appeal Br. 10–11. Appellant's solution is to use conventional network connectivity techniques to get fantasy auction data analysis into a user's hands in a more timely fashion. Appellant's user device is nothing more than a conventional computer terminal, laptop, personal digital assistant, tablet, or cell phone. Spec. ¶ 22. The claimed "host processor" is nothing more than a conventional server on a network such as the Internet. *Id.* ¶¶ 20–21. The host processor provides "conventional functionalities for the user device." *Id.* ¶ 23.

Appellant's steps of identifying, generating, receiving, suspending, and resuming merely tell a computer to "apply" the abstract idea of claim 21. However, it does not matter how innovative Appellant's abstract idea is. *Id.* A claim for a new abstract idea is still an abstract idea. *Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1151 (Fed. Cir. 2016).

There is no indication in the Specification that Appellant has achieved an advancement or improvement in computer and/or telecommunications technology. *See generally* Spec. Appellant merely uses computer technology in a network environment as a tool to bring information to the user in a timely fashion.

Essentially, all Appellant has done here is automate the manual process of data analysis in a fantasy auction environment and deliver the result of that analysis to a user in a network environment. This is quintessentially "collecting information, analyzing it, and displaying certain results of the collection and analysis." *Electric Power Group*, 830 F.3d at 1353. Appellant's method recites an "abstract idea" for which computers are invoked merely as a tool. *Intellectual Ventures*, 838 F.3d at 1331. In short, claim 21 is directed to an abstract idea that is implemented on a computer in a manner that merely states the abstract idea while adding the words "apply it." *See Alice*, 573 U.S. at 223. This is not sufficient for patent eligibility. *Id.*

Appellant argues that claim 21 does not preempt or monopolize any abstract concept. Appeal Br. 10, This argument is not persuasive as it is well settled that "[w]here a patent's claims are deemed only to disclose patent ineligible subject matter under the *Mayo* framework, as they are in this case, preemption concerns are fully addressed and made moot." *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015).

We have considered Appellant's remaining arguments and find them to be without merit.[3] Accordingly, for the above reasons, the recited

[3] In particular, we find the procedural objection that Appellant raises with respect to the degree of detail and clarity in the Examiner's rejection to be

elements of claim 21, considered individually and as an ordered combination, do not constitute an "inventive concept" that transforms claim 21 into patent-eligible subject matter. On this record, we affirm the Examiner's § 101 rejection of claim 21.

Claims 26 and 27.

Claim 26 depends directly from claim 24 and indirectly from claim 21, adding the following limitations:

> determining, by the processor, an initial bid value; and
>
> adjusting, by the processor, the initial bid value as a function of the maximum bid value and a comparison of the remaining number of sport players in the corresponding tier value of the first player to a tier threshold value indicative of a percentage of a total number of sport players in the corresponding tier value.

Claims App. Claim 27 depends from claim 26 and adds the limitation:

> wherein the initial bid value is determined for a first fantasy sports team as a function of prior bid values placed by at least one second fantasy sports team on the first player.

Id.

Appellant argues that claims 26 and 27 contain an additional inventive concept over and above that of claim 21. Appeal Br. 15.

> The second inventive concept provided by the recitation of claims 26 and 27 is similar to the first inventive concept but relates to bidding on a player that has already been nominated

---

without merit. *See In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011) (explaining that the PTO carries its procedural burden of establishing a prima facie case when its rejection notifies the applicant by stating the reason for a rejection, together with such information and references as may be useful in judging of the propriety of continuing prosecution). We have reviewed the rejection and find that it complies with the governing statute. *Id.*; 35 U.S.C. § 132.

> by another fantasy sports team participating in the fantasy sports auction draft and includes generating real-time recommendations including an initial bid value of a player who has already been nominated in the current fantasy sports auction draft based on a bid placed by another fantasy sports team participating in the draft and subsequent adjustments to the initial bid value based on comparing the remaining number of players in the tier corresponding to the nominated player to a threshold that is indicative of a percentage of total players in the tier.

Id. at 15–16.

Basically, Appellant asserts that the "inventive concept" of claims 26 and 27 is, as with claim 21, the abstract idea of performing data analysis with a computer in a fantasy auction environment. Our discussion with respect to claim 21 is equally appropriate here and will not be repeated at length. Once again, Appellant confuses the concept of an "inventive concept" with that of an allegedly ingenious abstract idea. However, "[i]t 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." *BSG Tech. LLC v. BuySeasons, Inc.*, 899 F.3d 1281, 1290 (Fed. Cir. 2018). We may assume that the techniques claimed are "[g]roundbreaking, innovative, or even brilliant," but that is not enough for eligibility. *Ass'n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 591 (2013); *accord buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1352 (Fed. Cir. 2014). Nor is it 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. *See Mayo*, 566 U.S. at 89–90 (2012); *Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1151 (Fed. Cir. 2016) (explaining that a

claim for a new abstract idea is still an abstract idea). Appellant's claims are ineligible because their innovation is an innovation in ineligible subject matter. Their subject is nothing but data analysis based on selected information and the presentation of the results thereof to a user.

We affirm the Examiner's rejection of claims 26 and 27.

Claims 22–25 and 28–38

These claims are not separately argued. The Examiner's rejection thereof is hereby sustained. *See* 37 C.F.R. § 41.37(c)(1)(iv) (failure to separately argue claims).

CONCLUSION

In summary:

Claims Rejected	Basis	Affirmed	Reversed
21–38	§ 101	X	

DECISION

The decision of the Examiner to reject claims 21–38 is affirmed.

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