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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JONATHAN AXELRAD,
PING GE, PHILLIP HOARE, YUNUS MOHAMMAD,
AJAY B. MUMMANENI, and LINDA WAISSAR

Appeal 2020-000092
Application 12/905,040
Technology Center 3600

Before CAROLYN D. THOMAS, IRVIN E. BRANCH, and
MICHAEL J. ENGLE, *Administrative Patent Judges*.

ENGLE, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant¹ appeals under 35 U.S.C. § 134(a) from the Examiner's rejection of claims 1–21, which are all of the claims pending in the application. 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). Appellant identifies Wilson Sonsini Goodrich & Rosati as the real party in interest. Appeal Br. 3.

TECHNOLOGY

The application relates to “private equity fund formation.” Spec. ¶ 2.
Claim 10 is illustrative and reproduced below:

10. A method for private equity fund formation, comprising a processor performing steps of:

accessing a website;

registering as a user of the website by selecting a user name and password; and

interacting with the website to automatically generate a subscription agreement for a private equity fund, the subscription agreement incorporating information received in response to at least one questionnaire, the investor information based at least in part on an answer to a question, the question automatically generated in response to an answer to a previous question and the question only relevant to a selected subscriber type.

REJECTION

Claims 1–21 stand rejected under 35 U.S.C. § 101 as directed to patent-ineligible subject matter without significantly more. Final Act. 9–11.

ANALYSIS

Legal Background

“Eligibility under 35 U.S.C. § 101 is a question of law, based on underlying facts.” *SAP Am., Inc. v. InvestPic, LLC*, 898 F.3d 1161, 1166 (Fed. Cir. 2018). The Supreme Court has set forth a two-part test for § 101 to determine whether the subject matter of a claim is patentable: (1) “whether the claims at issue are directed to” “laws of nature, natural phenomena, and abstract ideas” and (2) “whether the additional elements ‘transform the nature of the claim’ into a patent-eligible application.” *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 217 (2014) (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 79, 78 (2012)).

In 2019, the U.S. Patent & Trademark Office (“USPTO”) expanded on the Supreme Court’s test with revised guidance. USPTO, *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50 (Jan. 7, 2019) (“Guidance”). Under that Guidance, we use the following steps to determine whether a claim recites the following items:

USPTO Step	Does the claim recite ___?	MPEP §
1	A process, machine, manufacture, or composition of matter	2106.03
2A, Prong 1	A judicial exception, such as a law of nature or any of the following groupings of abstract ideas: 1) Mathematical concepts, such as mathematical formulas; 2) Certain methods of organizing human activity, such as a fundamental economic practice; or 3) Mental processes, such as an observation or evaluation performed in the human mind.	2106.04
2A, Prong 2	Any additional limitations that integrate the judicial exception into a practical application	2106.05(a)–(c), (e)–(h)
2B	Any additional limitations beyond the judicial exception that, alone or in combination, were not “well-understood, routine, conventional”	2106.05(d)

See Guidance, 84 Fed. Reg. at 52, 55, 56; see also USPTO, *October 2019 Update: Subject Matter Eligibility*, available at https://www.uspto.gov/sites/default/files/documents/peg_oct_2019_update.pdf. Here, Appellant’s dispute begins with USPTO Step 2A, Prong 1.

Representative Claim

According to the Federal Circuit, “[c]ourts may treat a claim as representative in certain situations, such as if the patentee does not present any meaningful argument for the distinctive significance of any claim limitations not found in the representative claim.” *Berkheimer v. HP Inc.*,

881 F.3d 1360, 1365 (Fed. Cir. 2018). We agree with the Examiner that in the Appeal Brief, “Appellant argues claims 1–21 as a group.” Ans. 3. The Examiner therefore determines that “[c]laim 10 is representative of the subject matter on appeal.” *Id.* In the Reply Brief, Appellant argues “each of the claims at issue warrant a discussion on the merits” and recites claim 21 in entirety, yet Appellant fails to identify any specific limitation or distinctive significance of any claim. Reply Br. 6–8. We therefore adopt the Examiner’s treatment of claim 10 as representative.

USPTO Step 2A, Prong 1

Independent claim 10 recites to generate a private equity fund subscription agreement that incorporates information received in response to a questionnaire in which a question “only relevant to a selected subscriber type” is generated in response to an answer to a previous question.

The Examiner characterizes this as “simply a way of gathering data to generate a subscription agreement for a private equity fund.” Ans. 4. The Examiner further determines that the claimed steps “recite the abstract idea of a private equity fund formation which falls under the abstract idea grouping of certain methods of organizing human activity, fundamental economic practice.” *Id.*

Appellant also argues that “only claims that *are* mathematical concepts, certain methods of organizing human activity, and mental processes can be rejected under 35 USC 101.” Appeal Br. 11 (emphasis added). This is an incorrect characterization of the test under the Guidance and precedent from both the Supreme Court and Federal Circuit, none of which require that the *entirety* of the claims “are” an abstract idea. Instead, “[t]o determine whether a claim recites an abstract idea in Prong One,

examiners are now to: (a) Identify *the specific limitation(s)* in the claim under examination (*individually or in combination*) that the examiner believes recites an abstract idea; and (b) determine *whether the identified limitation(s)* falls within the subject matter groupings of abstract ideas enumerated” Guidance, 84 Fed. Reg. at 54 (emphases added); *see also Alice*, 573 U.S. at 217 (asking whether the claims at issue are “directed to” an abstract ideas, then addressing any “additional elements” under step 2). Stated differently, the identified abstract idea need not encompass every claim limitation. Otherwise, there would be no need for step two of the *Alice* inquiry. *Alice*, 573 U.S. at 216.

Appellant further argues that “claims 1, 10, 19 and 21 do not recite a judicial exception,” but Appellant fails to provide sufficient analysis to support this assertion, including failing to address any specific claim limitations. Appeal Br. 10–11.

Here, we agree with the Examiner that claim 10 recites gathering data to generate a subscription agreement for a private equity fund, which is a commercial or legal interaction and a fundamental economic practice falling within certain methods of organizing human activity, and hence an abstract idea. *See, e.g.*, Guidance, 84 Fed. Reg. at 52 & n.13; *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1355 (Fed. Cir. 2014) (holding the concept of “creating a contractual relationship—a ‘transaction performance guaranty’” is an abstract idea); *Credit Acceptance Corp. v. Westlake Servs.*, 859 F.3d 1044, 1054 (Fed. Cir. 2017) (“the claims are directed to the abstract idea of ‘processing an application for financing a purchase’”).

USPTO Step 2A, Prong 2

Beyond the abstract idea, the preamble of claim 10 recites that the claimed steps are performed by “a processor.” Claim 10 further recites “accessing a website”; “registering as a user of the website by selecting a user name and password”; and that “interacting with the website” will “automatically” generate the agreement and the question.

Such recitations are insufficient to integrate the abstract idea into a practical application. “We have repeatedly held that such invocations of computers and networks that are not even arguably inventive are insufficient to pass the test of an inventive concept in the application of an abstract idea.” *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1355 (Fed. Cir. 2016) (quotation omitted); *see also buySAFE*, 765 F.3d at 1355 (“That a computer receives and sends the information over a network—with no further specification—is not even arguably inventive.”).

Appellant argues in conclusory fashion that “[t]he pending claims allow for interaction with a computer system in ways that cannot be done without it” and “are ‘directed to’ technology which is an improvement to the speed of processing messages in a distributed computer system.” Appeal Br. 12. However, we agree with the Examiner that these arguments are not persuasive because “Appellant has not identified . . . any features and/or functions found in the claims or the specification that support this view” and “has not identified any portions of the specification or claims that support Appellant’s argument that the claims are directed to technology.” Ans. 5.

The Examiner correctly notes that the high-level components above merely automate an otherwise manual process. Ans. 4–5 (e.g., “A person can access information relating to the formation of a private equity fund,

gather responses received from a questionnaire, and have a series of follow-up questions, that will depend upon the answer to the previous question.”). Thus, any “speed increase comes from the capabilities of a general-purpose computer, rather than the patented method itself.” *FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1095 (Fed. Cir. 2016). The Federal Circuit has explained that “relying on a computer to perform routine tasks more quickly or more accurately is insufficient to render a claim patent eligible.” *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1363 (Fed. Cir. 2015); *see also Univ. of Fla. Research Found., Inc. v. Gen. Elec. Co.*, 916 F.3d 1363, 1367 (Fed. Cir. 2019) (“This is a quintessential ‘do it on a computer’ patent: it acknowledges that [such] data . . . was previously collected, analyzed, manipulated, and displayed manually, and it simply proposes doing so with a computer. We have held such claims are directed to abstract ideas.”). “Significantly, the claims do not provide details as to any non-conventional software for enhancing the financing process.” *Credit Acceptance*, 859 F.3d at 1057.

The claimed “network”; “application server”; “memory”; “application”; “engine”; “electronic” questionnaire; and “home page” in independent claims 1, 19, and 21 fail to render the claims eligible for the same reasons.

Therefore, the additional elements fail to integrate the abstract idea into a practical application.

USPTO Step 2B

We agree with the Examiner that the additional limitations identified above were well-understood, routine, and conventional. “[T]he mere recitation of a generic computer cannot transform a patent-ineligible abstract

idea into a patent-eligible invention.” *Alice*, 573 U.S. at 222–23. Here, “receiving transmitted data over a network and displaying it to a user merely implicates purely conventional activities that are the ‘most basic functions of a computer.’” *Intellectual Ventures I LLC v. Erie Indem. Co.*, 850 F.3d 1315, 1331 (Fed. Cir. 2017) (quoting *Alice*, 573 U.S. at 225); *see also Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1351 (Fed. Cir. 2016) (“the claims do not go beyond requiring the collection, analysis, and display of available information in a particular field, stating those functions in general terms, without limiting them to technical means for performing the functions that are arguably an advance over conventional computer and network technology”). The Examiner correctly notes that the Specification similarly treats such components as generic. *E.g.*, Spec. ¶ 10 (“Network 116 may be any type of electronic communication network, including but not limited to, a Local Area Network (LAN), a Wide Area Network (WAN), an intranet, an internet, and a wireless network.”).

Appellant also argues that the claims are patentable under § 101 because “no substantive art-based rejections of the claims under 35 U.S.C. § 102 or 35 U.S.C. § 103 remain.” Appeal Br. 8–9; Reply Br. 8–9. However, the Supreme Court and Federal Circuit have both rejected this argument: “The ‘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). “[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.” *Genetic*

Techs. Ltd. v. Merial L.L.C., 818 F.3d 1369, 1376 (Fed. Cir. 2016); *see also SAP Am.*, 898 F.3d at 1163 (“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.”).

Conclusion

Appellant therefore fails to persuade us of Examiner error in the Examiner’s determination that the claims are directed to patent-ineligible subject matter without significantly more.

Accordingly, we sustain the Examiner’s rejection of claims 1–21.

OUTCOME

The following table summarizes the outcome of each rejection:

Claims Rejected	35 U.S.C. §	Basis	Affirmed	Reversed
1–21	101	Eligibility	1–21	

TIME TO RESPOND

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. § 1.36(a)(1)(iv).

AFFIRMED