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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte PAUL M. MOMITA

Appeal 2020-001894
Application 14/985,931
Technology Center 3600

Before ST. JOHN COURTENAY III, LARRY J. HUME, and
PHILLIP A. BENNETT, *Administrative Patent Judges*.

BENNETT, *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 1–3, 8–11, 16, and 17. We have jurisdiction under 35 U.S.C. § 6(b).

We REVERSE and ENTER A NEW GROUND OF REJECTION pursuant to our authority under 37 C.F.R. § 41.50(b).

¹ We use the word “Appellant” to refer to “applicant” as defined in 37 C.F.R. § 1.42(a). Appellant identifies the real party in interest as MedImpact Healthcare Systems, Inc. Appeal Br. 2.

CLAIMED SUBJECT MATTER

The claims relate to “prescription drug benefits programs, and, more particularly, to proactively identifying impacts, recommendations, and/or optimizations related to the modification of a drug formulary.” Spec. ¶ 2.

Claim 1, reproduced below, is illustrative of the claimed subject matter:

1. A computer-implemented method for identifying impacts of a proposed modification to a formulary, the method comprising, by at least one hardware processor:

receiving a proposed modification to a formulary from a user, wherein the formulary comprises a plurality of drug entries, arranged in two or more tiers, and one or more utilization management rules;

in response to receiving the proposed modification to the formulary,

accessing a plurality of data sources, wherein the plurality of data sources comprise rebate information, member information, and marketplace information,

determining an impact of the proposed modification to the formulary based on the plurality of data sources, wherein the impact comprises an increase or decrease in a rebate amount for one or more of the plurality of drug entries based on the rebate information, a number of members affected by the proposed modification based on the member information, and a predicted shift in market share resulting from the proposed modification based on the marketplace information;

automatically identifying one or more alternative modifications to the formulary that achieve a same or similar objective as the proposed modification with less impact than the proposed modification, and

providing the impact of the proposed modification to a user, along with the one or more alternative modifications, prior to implementation of the proposed modification;

receiving either an approval or disapproval of at least one modification to the formulary, from among the proposed

modification and one or more alternative modifications, from the user;

when an approval of at least one modification is received from the user, making the approved at least one modification to the formulary, and initiating a communication to each of a plurality of members of a prescription plan that have been affected by the approved at least one modification to the formulary; and

adjudicating at least one claim using the modified formulary by receiving a request for a claim adjudication associated with a drug from a pharmacy system over at least one network,

determining a response to the request based on the modified formulary, wherein the response comprises either a denial or an approval, and

sending the response to the pharmacy system over the at least one network.

Appeal Br. A-1, 2 (Claims Appendix).

REJECTION

Claims 1–3, 8–11, 16 and 17 stand rejected under 35 U.S.C. § 101 as being directed to ineligible subject matter. Final Act. 2–5.

ANALYSIS

Standard for Patent Eligibility

In issues involving subject matter eligibility, our inquiry focuses on whether the claims satisfy the two-step test set forth by the Supreme Court in *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 573 U.S. 208 (2014). The Court instructs us to “first determine whether the claims at issue are directed to a patent-ineligible concept,” *id.* at 218, and, in this case, the inquiry centers on whether the claims are directed to an abstract idea. If the initial threshold is

met, we then move to the second step, in which we “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.* at 217–18 (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 79, 78 (2012)). The Court describes the second step 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.’” *Id.* (quoting *Mayo*, 566 U.S. at 72–73).

The USPTO has published revised guidance on the application of § 101 consistent with *Alice* and subsequent Federal Circuit decisions. USPTO, *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50 (Jan. 7, 2019) (“Guidance”). Under the Guidance, 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 activity such as a fundamental economic practice, or mental processes) (referred to Step 2A, prong 1 in the Guidance); and
- (2) additional elements that integrate the judicial exception into a practical application (*see* MPEP § 2106.05(a)–(c), (e)–(h)) (referred to Step 2A, prong 2 in the Guidance).

See Guidance, 84 Fed. Reg. at 52–55. Only if a claim (1) recites a judicial exception and (2) does not integrate that exception into a practical application, do we then move to Step 2B of the Guidance. There, we 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, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception.

See Guidance, 84 Fed. Reg. at 56.

Examiner’s Findings and Conclusion

The Examiner rejects claim 1 as being directed to a judicial exception without significantly more under § 101. Final Act. 2–5. The Examiner specifically finds:

These limitations correspond to concepts identified as abstract ideas by the courts, such as ‘an idea of itself’ in *Alice*. For example, the claims are similar to COLLECTING INFORMATION, ANALYZING IT, AND DISPLAYING CERTAIN RESULTS OF THE COLLECTION AND ANALYSIS, as identified in the *Electric Power Group* court decision, because the claims define collecting information (e.g., proposed modifications to formularies), analyzing it (e.g., determining an impact, identifying alternatives), displaying certain results (e.g., approvals or disapprovals, impacts, communications).

Final Act. 4. The Examiner further determines:

[The claims] as a whole and in combination with one another, do not include additional elements that are sufficient to amount to significantly more than the judicial exception because the additional elements or combination of elements in the claims, other than the abstract idea *per se*, amount to no more than a recitation of (A) a generic computer structure(s) that serves to perform generic computer functions that serve to merely link the abstract idea to a particular technological environment (i.e., computers); and/or (B) functions that are well-understood, routine, and conventional activities previously known to the pertinent industry.

Id. The Examiner specifically determines:

[I]ndependent claims 1, 9, and 16 include “one or more limitations that correspond to an abstract idea including

mathematical concepts, mental processes and/or certain methods of organizing human activity. For example, independent claim 1, and similarly independent claims 9 and 16, recite ‘determining a response to the request based on the modified formulary, wherein the response comprises either a denial or an approval’ which can be a mental process because this limitation[] can be performed in the human mind; and recite certain methods of organizing human activity (e.g., formulary modification and claim adjudication management).

Ans. 4. However, the Examiner does not analyze the remaining limitations. *See generally*, Final Act., Ans.

Appellant’s Contentions

Appellant argues the Examiner has not specifically addressed each of the limitations in the claims. Appeal Br. 7. Appellant specifically argues “With respect to the first prong of step one, the Examiner has identified a *single* limitation as falling within the three enumerated subject matter groupings of abstract ideas.” Reply Br. 2.

Based upon our review of the record, we are persuaded by Appellant that the Examiner has not provided sufficient analysis to explain *why* claim 1 is directed to patent-ineligible subject matter. *See* Final Act. 2–5; Ans. 4–5. Although the Examiner’s Final Action was mailed on July 27, 2018, before the issuance of the Guidance, the Answer (mailed Nov. 14, 2019) did have the benefit of the Jan. 7, 2019 Guidance. The Guidance instructs us to first determine whether any judicial exception to patent eligibility is recited in the claim, and then to consider the remaining limitations individually and as an ordered combination to determine whether they integrate the abstract idea into a practical application. Here, the Examiner identifies only a single limitation as reciting an abstract concept, but fails to consider the claim(s) as a whole, and analyze the remaining claim limitations in the manner required

by the Guidance. Accordingly, we are constrained on this record to reverse the Examiner’s rejection because the Examiner summarily concludes the limitations of claim 1 are directed to an abstract idea without applying the Guidance to each of the limitations of claim 1 so as to consider the claim(s) as a whole.

NEW GROUND OF REJECTION

We newly reject claims 1, 3, 8, 11, 16, and 17 under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter as set forth below.

Step 1 – Statutory Category

Claim 1, as a method claim, recites one of the enumerated categories of eligible subject matter in 35 U.S.C. § 101. Therefore, the issue before us is whether it is directed to a judicial exception without significantly more.

Step 2A, Prong 1: Does the Claim Recite a Judicial Exception?

We evaluate, *de novo*, whether claim 1 recites an abstract idea based upon the Revised Guidance.

In TABLE 1 below, we identify in *italics* the specific claim limitations in claim 1 that we conclude recite an abstract idea. We additionally identify in **bold** the additional (non-abstract) claim limitations that are generic computer components and techniques, and underline limitations representing extra or post-solution activity:

TABLE 1

Independent Claim 1	Revised Guidance
A computer-implemented method for identifying impacts of a proposed modification to a	A method is a statutory subject matter class. <i>See</i> 35 U.S.C. § 101.

Independent Claim 1	Revised Guidance
<p>formulary, the method comprising, by at least one hardware processor:</p>	<p>As claimed, a processor is a generic computer component.</p>
<p>[L1] <u>receiving a proposed modification to a formulary from a user, wherein the formulary comprises a plurality of drug entries, arranged in two or more tiers, and one or more utilization management rules</u></p>	<p>“[R]eceiving a proposed modification to a formulary from a user,” is i.e., receiving and processing information, is merely insignificant extra-solution activity that does not add significantly more to the abstract idea to render the claimed invention patent-eligible. Guidance, 84 Fed. Reg. at 55 n.31.</p>
<p>[L2] in response to receiving the proposed modification to the formulary, <u>accessing a plurality of data sources, wherein the plurality of data sources comprise rebate information, member information, and marketplace information</u></p>	<p>“Accessing a plurality of data sources” is merely insignificant extra-solution activity (i.e., data gathering) that does not add significantly more to the abstract idea to render the claimed invention patent-eligible. Guidance, 84 Fed. Reg. at 55 n.31.</p>
<p>[L3] <i>determining an impact of the proposed modification to the formulary based on the plurality of data sources, wherein the impact comprises an increase or decrease in a rebate amount for one or more of the plurality of drug entries based on the rebate information, a number of members affected by the proposed modification based on the member information, and a predicted shift in market share resulting from the</i></p>	<p>Making a determination, i.e., “determining an impact of the proposed modification to the formulary. . .” is an abstract idea, i.e., an “observation, evaluation, judgment, opinion” which could be performed as a mental process. See Guidance, 84 Fed. Reg. at 52.</p>

Independent Claim 1	Revised Guidance
<i>proposed modification based on the marketplace information</i>	
[L4] <i>automatically identifying one or more alternative modifications to the formulary that achieve a same or similar objective as the proposed modification with less impact than the proposed modification</i>	Identifying, i.e., “automatically identifying . . . alternative modifications to the formulary” is also an abstract idea, i.e., an “observation, evaluation, judgment, opinion” which could be performed as a mental process. <i>See</i> Guidance, 84 Fed. Reg. at 52.
[L5] <u>providing the impact of the proposed modification to a user, along with the one or more alternative modifications, prior to implementation of the proposed modification</u>	“providing the impact of the proposed modification to a user . . .” is merely insignificant extra-solution activity that does not add significantly more to the abstract idea to render the claimed invention patent-eligible. Guidance, 84 Fed. Reg. at 55 n.31.
[L6] <u>receiving either an approval or disapproval of at least one modification to the formulary, from among the proposed modification and one or more alternative modifications, from the user;</u>	“receiving either an approval or disapproval of at least one modification to the formulary from a user” is merely insignificant extra-solution activity that does not add significantly more to the abstract idea to render the claimed invention patent-eligible. Guidance, 84 Fed. Reg. at 55 n.31.
[L7] when an approval of at least one modification is received from the user, <i>making the approved at least one modification to the formulary</i> , and <u>initiating a communication to each of a plurality of members of a prescription plan that have been affected by the approved</u>	“making the approved at least one modification to the formulary” are abstract ideas, i.e., an “observation, evaluation, judgment, opinion” which could be performed as a mental process. <i>See</i> Guidance, 84 Fed. Reg. at 52. “[I]nitating a communication” is merely insignificant extra-solution activity that does not add significantly more to the abstract idea to render the claimed invention patent-eligible. Guidance, 84 Fed. Reg. at 55 n.31; <i>see buySAFE, Inc.</i>

Independent Claim 1	Revised Guidance
<u>at least one modification to the formulary;</u>	<i>v. Google, Inc.</i> , 765 F.3d 1350, 1355 (Fed. Cir. 2014) (computer receives and sends information over a network).
[L8] <i>adjudicating at least one claim using the modified formulary</i> by <u>receiving a request for a claim adjudication</u> associated with a drug from a pharmacy system over at least one network	“adjudicating at least one claim using the modified formulary,” is an abstract idea, i.e., an observation, evaluation, judgment, opinion” which could be performed as a mental process. <i>See</i> Guidance, 84 Fed. Reg. at 52. As claimed, a “system” and a “network” represent generic computer components. Spec. ¶¶ 52–75.
[L9] <i>determining a response to the request based on the modified formulary, wherein the response comprises either a denial or an approval</i>	“determining a response to the request based on the modified formulary” which could be performed as a mental process. <i>See</i> Guidance, Fed. Reg. at 52.
[L10] <u>sending the response to the pharmacy system over the at least one network.</u>	Sending a response is post-solution activity that does not add significantly more to the abstract idea to render the claimed invention patent-eligible. <i>See buySAFE, Inc. v. Google, Inc.</i> , 765 F.3d 1350, 1355 (Fed. Cir. 2014) (computer receives and sends information over a network).

Appeal Br. A-1 (Claims App.).

Under the broadest reasonable interpretation standard,² and other than any computer-related aspects recited in the claim, we conclude limitations

² During prosecution, claims must be given their broadest reasonable interpretation when reading claim language in light of the specification as it would be interpreted by one of ordinary skill in the art. *In re Am. Acad. of Sci. Tech. Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004). Under this standard, we interpret claim terms using “the broadest reasonable meaning of the

L3, L4, L7, L8, and L9 recite mental steps that would ordinarily take place when identifying impacts of a proposed modification to a formulary.

We determine that claim 1, overall, recites a mental process that may also be performed by pen and paper.³ This type of activity, i.e., identifying impacts of a proposed modification to a formulary could be carried out by a human in their mind with the aid of pen and paper. *See CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1375 (Fed. Cir. 2011) (“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*.”).

words in their ordinary usage as they would be understood by one of ordinary skill in the art, taking into account whatever enlightenment by way of definitions or otherwise that may be afforded by the written description contained in the applicant’s specification.” *In re Morris*, 127 F.3d 1048, 1054 (Fed. Cir. 1997).

³ Our reviewing court recognizes that “[a]n abstract idea can generally be described at different levels of abstraction.” *Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1240 (Fed. Cir. 2016). That need not and, in this case does not, “impact the patentability analysis.” *Id.* at 1241. Further, “[t]he Board’s slight revision of its abstract idea analysis does not impact the patentability analysis.” *Id.* Moreover, merely combining several abstract ideas does not render the combination any less abstract. *RecogniCorp, LLC v. Nintendo Co.*, 855 F.3d 1322, 1327 (Fed. Cir. 2017) (“Adding one abstract idea (math) to another abstract idea . . . does not render the claim non-abstract.”); *see also FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1093–94 (Fed. Cir. 2016) (determining the pending claims were directed to a combination of abstract ideas). We also note the “determining” steps can be carried out by a human in the mind or by use of pen and paper. *See CyberSource*, 654 F.3d at 1375. Thus, whether the various steps of claim 1 are characterized as “mental processes”, “fundamental economic practices, or “commercial interactions” is not dispositive to our ultimate determination of abstractness.

Thus, under *Step 2A Prong 1*, we determine that claim 1’s method recites a judicial exception, and under our Revised Guidance, claim 1 recites a judicial exception of a mental process, and thus is an abstract idea.

Step 2A Prong 2: Judicial Exception Integrated into a Practical Application

Because we conclude above that the claims are directed to a judicial exception, we proceed to the “practical application” *Step 2A, Prong 2*, in which we determine whether the recited judicial exception is integrated into a practical application of that exception by: (a) identifying whether there are any additional elements recited in the claim beyond the judicial exception(s); and (b) evaluating those additional elements individually and in combination to determine whether they integrate the exception into a practical application. Appellant presents arguments with respect to this step of the analysis. Appellant argues

The integration of impact identification with the claim adjudication process reflects an improvement in the technical field of automated, network-based pharmacy benefit management (PBM). At the very least, the combination of the impact identification with the claim adjudication process uses the limitations in some other meaningful way beyond generally linking the use of the judicial exception to a particular technological environment even assuming, *arguendo*, that the impact identification represents an abstract idea, the claims link these limitations to an automated claim adjudication process, rather than simply computers or the Internet.”

Appeal Br. 8.

Appellant further argues the lack of prior art rejections indicate “the use of these new types of information, to determine an impact of a proposed modification to a formulary, represents a new technique for analyzing the new types of information.” Appeal Br. 7.

In response, we note 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.” *Diehr*, 450 U.S. at 188–89 (emphasis added). Our reviewing court further guides that “[e]ligibility and novelty are separate inquiries.” *Two-Way Media Ltd. v. Comcast Cable Commc'ns, LLC*, 874 F.3d 1329, 1340 (Fed. Cir. 2017); *see also Affinity Labs of Tex., LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1263 (Fed. Cir. 2016) (holding that “[e]ven assuming” that a particular claimed feature was novel does not “avoid the problem of abstractness”).

We disagree that the claimed invention provides a technological improvement because the test of eligibility is not based on whether the claimed invention could only be carried out with a computer. Rather, when using a generic computer, the test is whether the claimed invention effects an improvement to another technology or technical field; whether the claimed invention amount to an improvement to the functioning of a computer itself; and whether the claimed invention move beyond a general link of the use of an abstract idea to a particular technological environment. In this case, the claimed invention does not meet any of the aforementioned criteria. We determine that *the technology implemented in the instant application is useful to solve a business problem, but the additional elements are not a technological solution to a technological problem*, or a solution to a problem introduced by the technology itself.

As to the specific limitations, we find above that limitations L3, L4, L7, L8, and L9 recite abstract ideas. We further find limitations L1, L2, L5, and L6 recited insignificant extra-solution activity that does not add

significantly more to the abstract idea to render the claimed invention patent-eligible. We also find L10 recites post-solution activity that does not add significantly more to the abstract idea to render the claimed invention patent-eligible. The Supreme Court guides that the “prohibition against patenting abstract ideas ‘cannot be circumvented by’ . . . adding ‘insignificant postsolution activity.’” *Bilski*, 561 U.S. at 610–11 (quoting *Diehr*, 450 U.S. at 191–92). Claim 1 further recites “one hardware processor.” Similar well-understood, routine, and conventional computer components are recited in each of independent claims 9 and 16.

On this record, we conclude Appellant’s claims do not operate the recited generic computer components in a manner to achieve an improvement in computer functionality. *See* MPEP § 2106.05(a).

Thus, we find each of the limitations of claim 1 recite abstract ideas or extra-solution activity, and none of the limitations, individually or as an ordered combination, integrate the judicial exception of identifying impacts of a proposed modification to a formulary into a practical application as determined under one or more of the MPEP sections cited above. The claim as a whole merely uses instructions to implement the abstract idea on a computer or, alternatively, merely uses a computer as a tool to perform the abstract idea.

Under analogous circumstances, the Federal Circuit has held that “[t]his 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.” *Univ. of Fla. Research Found., Inc. v. Gen. Elec. Co.*, 916 F.3d 1363, 1367 (Fed. Cir. 2019).

Therefore, the claim as a whole merely uses instructions to implement the abstract idea on a computer or, alternatively, merely uses a computer as a tool to perform the abstract idea. Thus, on this record, Appellant has not shown an improvement or practical application under the guidance of MPEP section 2106.05(a) (“Improvements to the Functioning of a Computer or to Any Other Technology or Technical Field”) or section 2106.05(e) (“Other Meaningful Limitations”). Nor does Appellant advance any arguments in the Brief(s) that are directed to the *Bilski* machine-or-transformation test, which would only be applicable to the method (process) claims on appeal. See MPEP §§ 2106.05(b) (Particular Machine) and 2106.05(c) (Particular Transformation).

Therefore, we conclude the abstract idea is not integrated into a practical application, and thus the claim is directed to the judicial exception.

Step 2B – “Inventive Concept” or “Significantly More”

If the claims are directed to a judicial exception, and not integrated into a practical application, as we conclude above, we proceed to the “inventive concept” step. For *Step 2B* we must “look with more specificity at what the claim elements add, in order to determine ‘whether they identify an “inventive concept” in the application of the ineligible subject matter’ to which the claim is directed.” *Affinity Labs*, 838 F.3d at 1258.

In applying step two of the *Alice* analysis, our reviewing court guides we must “determine whether the claims do significantly more than simply describe [the] abstract method” and thus transform the abstract idea into patentable subject matter. *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014). We look to see whether there are any “additional features” in the claims that constitute an “inventive concept,” thereby

rendering the claims eligible for patenting even if they are directed to an abstract idea. *Alice*, 573 U.S. at 221. Those “additional features” must be more than “well-understood, routine, conventional activity.” *Mayo*, 566 U.S. at 79.

Limitations referenced in *Alice* that are not enough to qualify as “significantly more” when recited in a claim with an abstract idea include, as non-limiting or non-exclusive examples: adding the words “apply it” (or an equivalent) with an abstract idea⁴; mere instructions to implement an abstract idea on a computer⁵; or requiring no more than a generic computer to perform generic computer functions that are well-understood, routine and conventional activities previously known to the industry.⁶

Evaluating claim 1 under step 2 of the *Alice* analysis, we conclude it lacks an inventive concept that transforms the abstract idea of identifying impacts of a proposed modification to a formulary into a patent-eligible application of that abstract idea.

The patent eligibility inquiry may contain underlying issues of fact. *Mortg. Grader*, 811 F.3d at 1325. In particular, “[t]he question of whether a claim element or combination of elements is well-understood, routine and conventional to a skilled artisan in the relevant field is a question of fact.” *Berkheimer*, 881 F.3d at 1368.

⁴ *Alice*, 573 U.S. at 221–23.

⁵ *Alice*, 573 U.S. at 222–23, e.g., simply implementing a mathematical principle on a physical machine, namely a computer.

⁶ *Alice*, 573 U.S. at 225 (explaining using a computer to obtain data, adjust account balances, and issue automated instructions involves computer functions that are well-understood, routine, conventional activities).

As evidence of the conventional nature of the recited “processor” in method claim 1, similarly recited in system claim 9 and method claim 16, the Specification discloses conventional processors by describing:

[T]he various illustrative logical blocks, modules, and methods described in connection with the embodiments disclosed herein can be implemented or performed with a general purpose processor, a digital signal processor (“DSP”), an ASIC, FPGA or other programmable logic device, discrete gate or transistor logic, discrete hardware components, or any combination thereof designed to perform the functions described herein. A general-purpose processor can be a microprocessor, but in the alternative, the processor can be any processor, controller, microcontroller, or state machine. A processor can also be implemented as a combination of computing devices, for example, a combination of a DSP and a microprocessor, a plurality of microprocessors, one or more microprocessors in conjunction with a DSP core, or any other such configuration.

Spec. ¶ 73.

Thus, because the Specification describes the additional elements in general terms, without describing the particulars, we conclude the claim limitations may be broadly but reasonably construed as reciting conventional computer components and techniques, particularly in light of Appellant’s Specification, as quoted above.⁷

The MPEP, based upon our precedential guidance, provides additional considerations with respect to analysis of the well-understood, routine, and conventional nature of the recited computer-related components.

⁷ Claim terms are to be given their broadest reasonable interpretation, as understood by those of ordinary skill in the art and taking into account whatever enlightenment may be had from the Specification. *In re Morris*, 127 F.3d 1048, 1054 (Fed. Cir. 1997).

Another consideration when determining whether a claim recites significantly more than a judicial exception is whether the additional elements amount to more than a recitation of the words “apply it” (or an equivalent) or are more than mere instructions to implement an abstract idea or other exception on a computer. As explained by the Supreme Court, in order to transform a judicial exception into a patent-eligible application, the additional element or combination of elements must do “more than simply stat[e] the [judicial exception] while adding the words ‘apply it’”. *Alice Corp. v. CLS Bank*, 573 U.S. ___, 134 S. Ct. 2347, 2357, 110 USPQ2d 1976, 1982-83 (2014) (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 72, 101 USPQ2d 1961, 1965). Thus, for example, claims that amount to nothing more than an instruction to apply the abstract idea using a generic computer do not render an abstract idea eligible. *Alice Corp.*, 134 S. Ct. at 2358, 110 USPQ2d at 1983. *See also* 134 S. Ct. at 2389, 110 USPQ2d at 1984 (warning against a § 101 analysis that turns on “the draftsman’s art”)

In *Alice Corp.*, the claim recited the concept of intermediated settlement as performed by a generic computer. The Court found that the recitation of the computer in the claim amounted to mere instructions to apply the abstract idea on a generic computer. 134 S. Ct. at 2359-60, 110 USPQ2d at 1984. The Supreme Court also discussed this concept in an earlier case, *Gottschalk v. Benson*, 409 U.S. 63, 70, 175 USPQ 673, 676 (1972), where the claim recited a process for converting binary-coded decimal (BCD) numerals into pure binary numbers. The Court found that the claimed process had no substantial practical application except in connection with a computer. *Benson*, 409 U.S. at 71-72, 175 USPQ at 676. The claim simply stated a judicial exception (e.g., law of nature or abstract idea) while effectively adding words that “apply it” in a computer. *Id.*

MPEP § 2106.05(f) (“Mere Instructions To Apply An Exception”).

With respect to the *Step 2B* analysis, we conclude, similar to *Alice*, the recitation of a method that includes a “processor”, (claim 1) as argued by Appellant, and similarly for claims 9 and 16, is simply not enough to

transform the patent-ineligible abstract idea here into a patent-eligible invention under *Step 2B*. See *Alice*, 573 U.S. at 221 (“[C]laims, which merely require generic computer implementation, fail to transform [an] abstract idea into a patent-eligible invention.”).

We conclude the claims fail the *Step 2B* analysis because claim 1, in essence, merely recites various computer-based elements along with no more than mere instructions to implement the identified abstract idea using the computer-based elements.

Therefore, in light of the foregoing, we conclude, under the Revised Guidance, that each of Appellant’s claims 1–3, 8–11, 16, and 17, considered as a whole, is directed to a patent-ineligible abstract idea that is not integrated into a practical application and does not include an inventive concept.

CONCLUSION

We reverse the Examiner’s § 101 rejection. However, claims 1–3, 8–11, 16, and 17 are newly rejected under 35 U.S.C. § 101 for the reasons discussed above.

This decision contains a new ground of rejection pursuant to 37 C.F.R. § 41.50(b). Section 41.50(b) provides “[a] new ground of rejection pursuant to this paragraph shall not be considered final for judicial review.” Section 41.50(b) also provides:

When the Board enters such a non-final decision, the appellant, within two months from the date of the decision, must exercise one of the following two options with respect to the new ground of rejection to avoid termination of the appeal as to the rejected claims:

(1) *Reopen prosecution.* Submit an appropriate amendment of the claims so rejected or new Evidence relating to the claims so rejected, or both, and have the matter reconsidered by the examiner, in which event the prosecution will be remanded to the examiner. The new ground of rejection is binding upon the examiner unless an amendment or new Evidence not previously of Record is made which, in the opinion of the examiner, overcomes the new ground of rejection designated in the decision. Should the examiner reject the claims, appellant may again appeal to the Board pursuant to this subpart.

(2) *Request rehearing.* Request that the proceeding be reheard under § 41.52 by the Board upon the same Record. The request for rehearing must address any new ground of rejection and state with particularity the points believed to have been misapprehended or overlooked in entering the new ground of rejection and also state all other grounds upon which rehearing is sought.

Further guidance on responding to a new ground of rejection can be found in the Manual of Patent Examining Procedure § 1214.01

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). *See* 37 C.F.R. § 41.50(f).

DECISION SUMMARY

Claims Rejected	35 U.S.C. §	Basis	Affirmed	Reversed	New Ground
1-3, 8-11, 16, 17	101	Eligibility		1-3, 8-11, 16, 17	1-3, 8-11, 16, 17
Overall Outcome				1-3, 8-11, 16, 17	1-3, 8-11, 16, 17

REVERSED; 37 C.F.R. § 41.50(b)