UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte STEVEN LUNDBERG

Appeal 2012-008377[1]
Application 11/276,916[2]
Technology Center 3600

Before HUBERT C. LORIN, ANTON W. FETTING, and
JAMES A. WORTH, *Administrative Patent Judges*.

WORTH, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant appeals under 35 U.S.C. § 134(a) from the Examiner's final rejection of claims 3, 5, 8, 10 and 13–20. We have jurisdiction under 35 U.S.C. §§ 134 and 6(b).

We AFFIRM.

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[1] Our decision refers to the Appellant's Appeal Brief ("Br.," filed Dec. 5, 2011) and the Examiner's Answer ("Ans.," mailed Feb. 15, 2012).

[2] According to Appellant, the real party in interest is FoundationIP, LLC, which is indirectly owned and controlled by CPA Global Limited, a Jersey corporation that is headquartered in St. Helier, Jersey, Channel Islands (Br. 2).

Introduction

Appellant's disclosure relates to a method and non-transitory machine readable medium for "determining which patents to maintain in force and which to let go abandoned by non-payment of annuity or maintenance fees" (Spec. 1, ll. 9–10).

Claims 3 and 8 are the independent claims on appeal. Claim 3, reproduced below, is illustrative of the subject matter on appeal:

> 3. A method to determine a relative potential of continued use of a patent within a portfolio of patents, comprising:
>
> providing, in a database for said patent portfolio, patent documents that require future payments of annuity fees;
>
> performing, on each of said patent documents, an automatic analysis, via a processor, comprising the steps of:
>
> determining the important words in each patent document,
>
> comparing each important word in each patent document with words in electronically-formatted sales or marketing literature, said literature being available on a network, and
>
> recording matches of each important patent document word with said words in said literature;
>
> determining, for each of said patent documents, a potential value or importance based on a total number of said matches; and
>
> recording, for each of said patent documents, an action with respect to payments of annuity fees based on the determination.

Br. 17, Claims App.

Rejections on Appeal

The Examiner maintains, and the Appellant appeals, the following rejections:

I. Claims 3, 5, and 13–17 stand rejected under 35 U.S.C. § 101, as being directed to an abstract idea, and therefore ineligible subject matter.

II. Claims 3, 5, 8, 10, and 13–20 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Woltjen (US 2005/0010515 A1, pub. Jan. 13, 2005) and Bradford (US 2002/0103799 A1, pub. Aug. 1, 2002).

ANALYSIS

Rejection I (Non-patentable Subject Matter)

Independent claim 3 and dependent claims 5 and 13–17

The Examiner rejects claim 3 under 35 U.S.C. § 101, as claiming an ineligible subject matter in the form of an abstract idea, and specifically mental steps (Ans. 5). The Examiner's rejection refers to the standard for patentability in *Bilski v. Kappos*, 561 U.S. 593 (2010) and the *Interim Guidance for Determining Subject Matter Eligibility for Process Claims in View of Bilski v. Kappos*. However, in applying the law of patentable subject matter to the facts, the Examiner applies the two prongs of "the new Federal Circuit decision," which appears to refer to *In re Bilski*, 545 F.3d 943 (Fed. Cir. 2008) (*en banc*), which was reviewed by the Supreme Court by writ of certiorari in *Bilski v. Kappos*, 561 U.S. 593 (2010); *cert. granted sub nom. Bilski v. Doll*, 556 U.S. 1268 (2009). The Examiner states as follows:

> Thus, to qualify as a § 101 statutory process, the claim should positively recite the other statutory class (the thing or product) to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state. Furthermore, the use of a particular machine or transformation of a particular article must involve more than insignificant extra-solution activity.
>
> …
>
> Applicant's method steps fail the first prong of the new Federal Circuit decision since they are not sufficiently tied to a machine and can be performed without the use of a particular machine.
>
> Further, Applicant's method steps fail the second prong of the test because the claimed steps do not result in an article being transformed from one state to another.
>
> …
>
> To overcome this rejection, the steps should be tied to a machine in a manner that is more than insignificant extra-solution activity.

(Ans. 5–6).

Appellant argues that the Federal Circuit has recently looked beyond the "machine or transformation" test (Br. 6). Appellant asserts, by way of analogy to *Research Corp. Techs. v. Microsoft Corp.*, 627 F.3d 859 (Fed. Cir. 2010), that the Examiner erred because Appellant does not seek to patent a mathematical formula, and that the Federal Circuit has held that inventions with specific applications or improvements to technologies in the marketplace are not likely to be so abstract that they override the statutory language and framework of the Patent Act (*see id.*).

Due to the Examiner's reliance on *In re Bilski*, 545 F.3d 943 (Fed. Cir. 2008) (*en banc*), the Examiner did not apply the examination guidelines in effect at the time of the Final Office Action and the Examiner's rejection

is deficient. The Examiner's explanation of the machine or transformation test appears to be too rigid, in view of the further elucidation of the law by the Supreme Court and the USPTO, *inter alia*, in *Bilski v. Kappos*, 561 U.S. 593 (2010) and the *Interim Guidance for Determining Subject Matter Eligibility for Process Claims in View of Bilski v. Kappos.*

We, therefore, do not sustain the Examiner's rejection of claim 3 under 35 U.S.C. § 101. For similar reasons, we do not sustain the Examiner's rejection under 35 U.S.C. § 101 of claims 5 and 13–17, which depend from claim 3.

Rejection II (Obviousness)

Claims 3, 5, 8, 10, and 13–20

Appellant groups together its arguments relating to the patentability of claims 3, 5, 8, 10, and 13–20 under 35 U.S.C. § 103(a). We select claim 3 as representative. Accordingly, claims 5, 8, 10, and 13–20 stand or fall with claim 3. *See* 37 C.F.R. § 41.37(c)(1)(vii) (2011).

First, Appellant argues that Woltjen fails to disclose a "database," as recited by claim 3, i.e., "providing, in a database for said patent portfolio, patent documents that require future payments of annuity fees" (Br. 11). However, the Examiner correctly finds that Woltjen (Fig. 2; ¶¶ 42–43) discloses a database that stores patent records for each patent within a portfolio and that these patents require maintenance fees (Ans. 13).

Second, Appellant argues that Bradford fails to disclose or suggest any such payment of annuity fees based on patent valuation, as recited by claim 3, i.e., "determining, for each of said patent documents, a potential value or importance; and recording, for each of said patent documents, an

action with respect to payments of annuity fees based on the determination" (Br. 11). Instead, the Examiner relies on Woltjen (¶¶ 34, 41) for the finding that patents can be identified as high or low in value in order to determine whether patents should be abandoned, in which case maintenance fees would no longer be paid (*see* Ans. 14 (claim chart)). Indeed, paragraph 34 of Woltjen discloses a "quantified value" that "could be used to identify low value patents that could then be abandoned to save the maintenance fee expenses."

Third, Appellant argues that Bradford fails to disclose "comparing words with electronically-formatted sales or marketing literature, said literature being available on a network," as recited by claim 3 (Br. 11). Appellant asserts that Bradford's disclosure of performing a patent search by comparing two patent documents is not the same as comparing words with sales or marketing literature (*see id.*). However, the Examiner relies on Bradford (¶¶ 3, 4, 27, 86) for a word comparison methodology in general, and the Examiner finds that it would have been obvious to use Bradford's method in determining the commercial interest of a patent to a company (*see* Ans. 8, 14–15). We agree with the Examiner's determination that Bradford's method is a method for word comparison of documents in general (e.g., ¶ 27) and may assist a company in assessing commercial interests (*see* Ans. 8, 14–15). Indeed, Appellant's focus on Bradford's disclosure of a prior art search for patent applications appears to be too narrow because paragraph 4 of Bradford by its own terms describes the patent search as "an example." Bradford (¶¶ 5–6) immediately thereafter proceeds to disclose that its method can be applied to "compare document and sub-document content," *inter alia*, in "requests for proposals (RFPs) and

similar solicitations, from both government and commercial customers" and responses thereto.

Fourth, Appellant argues that one skilled in the art would not have been motivated to modify the patent valuation technique as described in Woltjen to employ the document comparison technique of Bradford (Br. 11–13). Appellant submits that the references cannot be fairly combined because neither Woltjen nor Bradford describes automated decision-making mechanism for payment of annuity fees based on patent valuation (*See* Br. 12). Appellant further asserts that Woltjen fails to teach a need for any non-quantifiable parameters or any document comparison for the purpose of patent valuation that can suggest or motivate a person of ordinary skill in the art to employ the document comparison technique of Bradford in the teaching of Woltjen to perform patent valuation (Br. 12).

However, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references *See In re Keller*, 642 F.2d 413 (CCPA 1981). The Examiner reasons that it would have been obvious to substitute Woltjen's methods of valuating patents with the method of comparing a patent to literature by using document comparison in order to valuate patents within a portfolio (Ans. 8). Appellant argues that the Examiner has not alleged a proper basis that Bradford teaches, discloses, or suggests that the problem identified in the Application would have such known options that the claimed solution would be predictable (Br. 11). However, there is no requirement that the Bradford reference itself provide a teaching, motivation, or suggestion to combine, *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 318 (2007), and Appellant has not

provided evidence in support of the argument that substitution of non-patent documents would yield unpredictable results.

We agree with the Examiner's conclusion (*see* Ans. 8, 14–15) that it would have been obvious to a person of ordinary skill in the art to apply Bradford's method of document comparison to sales and marketing literature to identify commercial interest as part of Woltjen's patent valuation analysis.

We, therefore, sustain the Examiner's rejection of claims 3, 5, 8, 10, and 13–20 under 35 U.S.C. § 103(a).

DECISION

The decision of the Examiner to reject claims 3, 5, and 13–17 under 35 U.S.C. § 101 is reversed.

The decision of the Examiner to reject claims 3, 5, 8, 10, and 13–20 under 35 U.S.C. § 103(a) 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

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