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EXAMINER
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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte* STEVEN M. ALLAWAY, PETER A. ACKERMAN,  
and SHAWN C. PILKINGTON

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Appeal 2012-006215  
Application 11/009,547<sup>1</sup>  
Technology Center 3600

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Before NINA L. MEDLOCK, MATTHEW R. CLEMENTS, and  
BRUCE T. WIEDER, *Administrative Patent Judges*.

WIEDER, *Administrative Patent Judge*.

DECISION ON APPEAL

This is a decision on appeal under 35 U.S.C. § 134 from the Examiner's rejection of claims 28–46. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

CLAIMED SUBJECT MATTER

Appellants' claimed invention relates to a “computerized valuation platform” for valuing “an asset, class of assets, and/or portfolio of assets.” (Spec. ¶ 6.)

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<sup>1</sup> According to Appellants, the real party in interest is Innovation Asset Group, Inc. (Appeal Br. 1.)

Claims 28, 35, and 41 are the only independent claims.

## ANALYSIS

### The § 112, Second Paragraph Rejection

Claims 35–37 are rejected under 35 U.S.C. § 112, second paragraph, as being indefinite.<sup>2</sup>

Claim 35 recites:

35. A computer-readable medium encoded with computer-executable instructions for facilitating valuations of intellectual property assets, the instructions perform a method comprising:

publishing at least one portable formula module defining one or more valuation formulas associated with an intellectual property asset at a network server that offers a web-based valuation service;

subscribing to the web-based valuation service from a client device to access the at least one portable formula module;

acquiring one or more values associated with variables of the one or more valuation formulas from a network database utilizing an automated acquisition that pulls information from the network database in response to a subscriber request;

determining one or more valuation results associated with the intellectual property asset by executing the one or more valuation formulas using the acquired values; and

displaying the determined one or more valuation results of the intellectual property asset valuation on an information presentation interface of the client device.

The Examiner argues that “[i]t is unclear how the ‘a computer based readable medium encoded with computer-executable instructions’ subscribes

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<sup>2</sup> The Examiner rejected claims 35 and 37 under § 112, second paragraph, as being indefinite. We treat the Examiner’s failure to include claim 36 in this rejection as inadvertent inasmuch as claim 36 depends from claim 35, and the additional limitation of claim 36 does not address the basis for the rejection of claim 35. (See Answer 5–6.)

to a web-based valuation service (a human activity). As such, the claim is indefinite.” (Answer 5–6.)

Appellants argue that “electronic devices can subscribe to other electronic devices for the purposes of receiving electronic information” and cite to TiVo and Apple iTunes as examples. (Reply 6.) Appellants further argue that “[i]n the definition pertinent to this claim, Dictionary.com defines the word [sic] ‘to subscribe,’ the base of the word ‘subscribing,’ to mean ‘to obtain a subscription . . . .’ Nowhere in this definition is subscribing exclusively limited to ‘human activity’ nor does it exclude the use of electronic devices . . . .” (Appeal Br. 7.)

Dictionary.com, the source Appellants use to define “to subscribe,” defines “subscription” as, e.g., “1. a sum of money given or pledged as a contribution, payment, investment, etc.” and “2. the right to receive a periodical for a sum paid, usually for an agreed number of issues” and “7. the act of appending one’s signature or mark, as to a document.” All of these involve or involved human activity. Likewise, Appellants’ examples of TiVo and Apple iTunes both involve human activity to establish the “subscription” to the service.

The Federal Circuit has stated that

when the USPTO has initially issued a well-grounded rejection that identifies ways in which language in a claim is ambiguous, vague, incoherent, opaque, or otherwise unclear in describing and defining the claimed invention, and thereafter the applicant fails to provide a satisfactory response, the USPTO can properly reject the claim as failing to meet the statutory requirements of § 112(b).<sup>3]</sup>

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<sup>3</sup> Formerly § 112, second paragraph.

*In re Packard*, 751 F.3d 1307, 1311 (Fed. Cir. 2014). In this case, the Examiner presents a well-grounded rejection identifying why the term “subscribing” is unclear in this context. Appellants’ arguments do not overcome the rejection.

The Examiner also rejected claim 37 under § 112, second paragraph. Claim 37 depends from claim 36. Claims 36 and 37 recite:

36. The computer-readable medium of claim 35, wherein the subscriber request is a request to value the intellectual property asset and the valuation requires access to at least one restricted portable formula module.

37. The computer-readable medium of claim 36, wherein access to the at least one restricted portable formula module requires a user of the client device further subscribing to the at least one restricted portable formula module via the web-based valuation service.

Unlike claims 35 and 36, claim 37 “requires a user of the client device further subscribing to the at least one restricted portable formula module via the web-based valuation service.” Thus, claim 37 requires human activity to subscribe to a restricted portable formula module. (*See* Appeal Br. 8.) This overcomes the basis for the rejection.

For the foregoing reasons, we sustain the rejection of claims 35 and 36 under 35 U.S.C. § 112, second paragraph, and reverse the rejection of claim 37.

*The § 101 Rejection*

Claims 41–46 are rejected under 35 U.S.C. § 101.

Claim 41 recites:

41. A computer-implemented method for facilitating valuations of intellectual property assets, the method comprising:

publishing at least one portable formula module defining one or more valuation formulas associated with an intellectual property asset at a network server that offers a web-based valuation service;

subscribing to the web-based valuation service from a client device to access the at least one portable formula module;

acquiring one or more values associated with variables of the one or more valuation formulas from a network database utilizing an automated acquisition that pulls information from the network database in response to a subscriber request;

determining one or more valuation results associated with the intellectual property asset by executing the one or more valuation formulas using the acquired values; and

displaying the determined one or more valuation results of the intellectual property asset valuation on an information presentation interface of the client device.

The Examiner asserts that “the limits of claim 41 and [sic] 46 do not recite what structural apparatus is performing the method steps of publishing, subscribing, acquiring, determining, and displaying.”

(Answer 22.)

Appellants argue that “[e]ven if focusing exclusively on what is claimed, claim 41 does in fact recite the structural apparatus performing the method steps of ‘publishing, subscribing, acquiring, determining, and displaying.’ For instance, the publishing step is performed by a ‘network server’ which provides a ‘web-based valuation service.’” (Reply 8 (emphasis omitted).)

However, the Examiner argues that a “phrase such as ‘at a network server’ does not resolve [the] deficiency since the action of the claim limit can still be broadly interpreted as being performed by a human using the

structural machine and does not indicate that a particular machine has been programmed to perform the method step(s). A similar analysis is applicable to the remaining method claims . . . .” (Answer 22–23.) The Examiner further notes that “[i]ncidental physical limitations, such as data gathering, field of use limitations, and post-solution activity are not enough to convert an abstract idea into a statutory process.” (*Id.* at 7.)

Under § 101, there are four categories of subject matter that are eligible for patent protection: (1) processes; (2) machines; (3) manufactures; and (4) compositions of matter. 35 U.S.C. § 101. Claims that fall within one of these four subject matter categories may nevertheless be ineligible for patent protection if they encompass laws of nature, physical phenomena, or abstract ideas. *See Diamond v. Chakrabarty*, 447 U.S. 303, 309 (1980). The “abstract ideas” category reflects “the longstanding rule that ‘[a]n idea of itself is not patentable.’” *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972) (quoting *Rubber-Tip Pencil Co. v. Howard*, 87 U.S. (20 Wall.) 498, 507 (1874)).

Subsequent to the filing of briefs in this appeal, the Supreme Court decided *Alice Corp. Pty Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347 (2014). *Alice* applies a two-part framework, earlier set out in *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289 (2012), “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those the claim patent-eligible applications of those concepts.” *Alice*, 134 S. Ct. at 2355.

Under the two-part framework, it must first be determined if “the claims at issue are directed to a patent-ineligible concept.” (*Id.*) As the Examiner correctly notes, claims 41–46, given their broadest reasonable

interpretation, “encompass all means by which the claim limit can be performed (including a purely mental step performed by a human).” (Answer 22.) The possibility of such pre-emption drives the “[l]aws of nature, natural phenomena, and abstract ideas” exceptions to § 101. *Alice*, 134 S. Ct. at 2354. In this case, claims 41–46 are directed to the abstract idea of valuing intellectual property assets. Adding the requirement of a subscription does not transform this abstract idea into, e.g., a concrete or tangible form. *See Ultramercial, Inc. v. Hulu, LLC*, No. 2010-1544, 2014 WL 5904902, at \*4 (Fed. Cir. Nov. 14, 2014).

Therefore, we turn to the second part of the framework to determine if “the elements of the claim . . . contain[] an ‘inventive concept’ sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application.” *Alice*, 134 S. Ct. at 2357 (citing *Mayo*, 132 S. Ct. at 1294, 1298).

We agree with the Examiner that the claims do not make clear “that the use of the particular machine(s) involves more than insignificant extra-solution activity.” (Answer 10.) In other words, “the claims simply instruct the practitioner to implement the abstract idea with routine, conventional activity.” *Ultramercial*, 2014 WL 5904902, at \*5. “The claims’ invocation of the Internet also adds no inventive concept.” *Id.* Under *Alice*, this is not sufficient “to transform an abstract idea into a patent-eligible invention.” *See Alice*, 134 S. Ct. at 2360.

For the foregoing reason, we sustain the rejection of claims 41–46 under 35 U.S.C. § 101.<sup>4</sup>

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<sup>4</sup> In the event of further prosecution of this application, the Examiner may wish to review claims 28–40 for compliance with 35 U.S.C. § 101 in light of



The § 103(a) Rejection

Claims 28–46 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Poltorak (US 7,606,757 B1, iss. Oct. 20, 2009) and Zee (US 2003/0065642 A1, pub. Apr. 3, 2003).

Claim 28 is representative and is reproduced below (emphasis added):

28. A networked computing system comprising a computerized valuation platform facilitating valuations of intellectual property assets, the system comprising:

a network server offering a web-based valuation service;  
at least one network client having an information presentation interface;

a network database; and

a data communications network facilitating data communications amongst all devices of the networked computing system,

wherein the network server is configured to:

*publish at least one portable formula module defining one or more valuation formulas associated with an intellectual property asset;*

acquire one or more values associated with variables of the one or more valuation formulas from a network database utilizing an automated acquisition that pulls information from the network database in response to a subscriber request; and

determine one or more valuation results associated with the intellectual property asset by executing the one or more valuation formulas using the acquired values, and

wherein the at least one client device is configured to:  
subscribe to the web-based valuation service to access the at least one portable formula module; and

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the recently issued preliminary examination instructions on patent-eligible subject matter. *See* “Preliminary Examination Instructions in view of the Supreme Court Decision in *Alice Corporation Pty. Ltd. v. CLS Bank International, et al.*,” Memorandum to the Examining Corps, June 25, 2014.

display the determined one or more valuation results of the intellectual property asset valuation on its information presentation interface.

The Examiner states that “[f]or the purposes of applying prior art, the Examiner interprets ‘publish at least one portable formula module’ as allowing a user to access (input and output data) at least one portable formula module over the internet.” (Answer 23.) Thus, the Examiner interprets the requirement to “publish at least one portable formula module” to not require display of the underlying formulas/equations. The Examiner does not assert that Poltorak teaches displaying the underlying formulas/equations.

Appellants argue that “Poltorak distinguishes between the formula or method of calculating, and its result - the estimate of expected value. Again, Poltorak repeatedly discloses that only the result of the calculation is displayed (or outputted), not the formula (or the related equations).” (Appeal Br. 21.)

The term “publish” is not defined in the Specification.<sup>5</sup> The Examiner notes that paragraph 10 of the Specification states that “[t]he portable formula modules can be published on a computer network so that they can be accessed by any valuation engine that has access to that network.” (Answer 23–24.) Although Figure 5 is an example of an information presentation format showing an underlying equation, albeit in sentence form, nothing in the Specification shows that “publish” requires displaying the underlying equations in the at least one portable formula module.

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<sup>5</sup> We note that Dictionary.com, the dictionary used by Appellants, lists “disclose, reveal, declare” as synonyms of “publish.”

Because the Specification discloses only that “portable formula modules can be published . . . *so that they can be accessed . . .*,” (Spec. ¶ 10 (emphasis added)) without specifying that the underlying equations in the formula modules must be displayed, we conclude that the broadest reasonable interpretation of “publishing at least one portable formula module” encompasses providing access to the input and output of the portable formula model.

For the foregoing reason, we sustain the rejection of claim 28 under 35 U.S.C. § 103(a). For the same reason, we sustain the rejection of claims 29-46 which were not argued separately.

#### DECISION

The Examiner’s rejection of claims 35 and 36 under 35 U.S.C. § 112, second paragraph, is affirmed. The Examiner’s rejection of claim 37 under 35 U.S.C. § 112, second paragraph, is reversed. The Examiner’s rejection of claims 41–46 under 35 U.S.C. § 101 is affirmed. The Examiner’s rejection of claims 28–46 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). *See* 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED

rvb