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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte EDWARD HILLEN and DMITRY BRANT

Appeal 2014–001577
Application 12/839,890
Technology Center 3600

Before ANTON W. FETTING, MICHAEL C. ASTORINO, and
CYNTHIA L. MURPHY, *Administrative Patent Judges*.
FETTING, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE¹

Edward Hillen and Dmitry Brant (Appellants) seek review under 35 U.S.C. § 134 of a final rejection of claims 1–22, the only claims pending in the application on appeal. We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b).

¹ Our decision will make reference to the Appellants’ Appeal Brief (“Appeal Br.,” filed July 29, 2013) and Reply Brief (“Reply Br.,” filed November 12, 2013), and the Examiner’s Answer (“Ans.,” mailed September 9, 2013), and Final Action (“Final Act.,” mailed December 31, 2012).

The Appellants invented a way of licensing features in equipment.
Specification para. 1.

An understanding of the invention can be derived from a reading of exemplary claim 1, which is reproduced below (bracketed matter and some paragraphing added).

1. A system for managing licenses in a welding system, comprising:

[1] a welding system comprising a memory for storing an unlicensed first optional welding function, said memory including a license registry for anyone of:

(i) indicating the availability of the unlicensed welding function,

(ii) recording when the unlicensed welding function has been licensed,

and

(iii) providing a unique identifier code for the function;

[2] a license management system for storing a first license for the unlicensed first optional welding function;

and

[3] a facilitation system for

obtaining the first license from the license management system

and

providing it to the memory of the welding system to license the first optional welding function.

The Examiner relies upon the following prior art:

Robert	US 4,937,863	June 26, 1990
Kolodziej	US 5,667,704	Sept. 16, 1997
Olsen	US 5,905,860	May 18, 1999
Thomas Motley	US 2007/0244823 A1	Oct. 18, 2007
Maeda	US 2008/0027742 A1	Jan. 31, 2008

Claims 12–22 stand rejected under 35 U.S.C. § 101 as directed to non–statutory subject matter.

Claims 1–3, 6, 7, 11–14, and 22 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Thomas Motley and Kolodziej.

Claims 4, 5, 8–10, 15, and 16 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Thomas Motley, Kolodziej, and Maeda.

Claims 17–19 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Thomas Motley, Kolodziej, Olsen, and Robert.

Claims 20 and 21 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Thomas Motley, Kolodziej, Olsen, Robert, and Maeda.

ISSUES

The issues of statutory subject matter turn on whether the claims recite more than managing licensing records. The issues of obviousness turn primarily on whether the recitation of a welding system is no more than a field of use undeserving of patentable weight, and if not, whether one of ordinary skill in the industrial machine marketing arts knew of the use of licensing features within a machine as a marketing technique.

FACTS PERTINENT TO THE ISSUES

The following enumerated Findings of Fact (FF) are believed to be supported by a preponderance of the evidence.

Facts Related to the Prior Art

Thomas Motley

01. Thomas Motley is directed to product licensing and product function or feature enablement. Thomas Motley para. 2.
02. Thomas Motley describes activity logs, user account information, access authorization plus other security features being maintained in licensing records. Product hierarchical data about each product is maintained. The hierarchical data includes customer eligibility for the product (based on resources and equipment installed at a customer's site), product configuration and functions or features available within the product that can be enabled. Thomas Motley para. 32.

03. Thomas Motley describes a licensing system across computing devices that includes a database for the storage of license records. The records include license activity and event logs, license user account information, the control data to be downloaded by the security device, and any license data associated with a respective license user account. Thomas Motley para. 52.
04. Thomas Motley describes including features that are available, but not necessarily enabled for usage without the proper licensing. Thomas Motley para. 58.

Kolodziej

05. Kolodziej is directed to welding controllers. Kolodziej 1:10.
06. Kolodziej describes a machine control system for controlling a welding machine and plural peripheral machines. The control system includes a single unit controller having three welding sequence control modules for controlling a welding operation. The controller also has three machine logic control modules for controlling machine programming, which can be used to control peripheral machines. The single unit controller also controls electric current supply to the welding machine. A variety of input/output ports and circuitry provide for coupling the controller to the welding machines and peripheral machines. A single board supports the controller and the input/output ports and circuitry such that the three machine logic control modules and the three welding sequence control modules are coupled for direct

intercommunication through the firmware located on the single board. Kolodziej 1:65–2:14.

07. All six Kolodziej modules have access to the same memory map within the microprocessor such that the controller is capable of accessing and utilizing any one of the six modules at any given time to perform a required operation. Kolodziej 2:18–22.
08. Kolodziej’s microprocessor includes three separate welding sequence control modules. Each of the welding sequence control modules preferably is capable of performing 900 programmable sequential logic steps, divided into 15 sequences of 60 steps each. Kolodziej 3:42–47.

ANALYSIS

Claims 12–22 rejected under 35 U.S.C. § 101 as directed to non–statutory subject matter

Independent claims 12, 17, and 22 recite:

12. A method for managing licenses in a welding system, comprising:

using a facilitation system to request a first license for an unlicensed first optional welding function in a welding system memory from a license management system;

providing it to the memory of the welding system to license the first optional welding function;

and

recording said license in a license registry of said memory of said welding system.

17. A method for managing licenses in a welding system, comprising;

- requesting a first license for an unlicensed first optional welding function in a welding system memory from a license management system;
- providing it to the memory of the welding system to license the first optional welding function;
- and
- recording said license in a license registry of said memory of said welding system, said recording including counting licenses stored in said registry;
- recording the date of the last update of said license;
- and
- performing a checksum.

22. A method for managing licenses in a memory of a welding system, the method comprising:

- maintaining in a weld table in said memory operating instructions for the welding system and an optional function identifier indicating whether the particular operating instruction uses an optional feature that requires a license;
- and
- maintaining a license registry in said memory, said registry including a license record for any license obtained for any optional feature requiring said license.

All three claims are directed, according to their preambles, to managing licenses. The disclosed nature of the invention is that of licensing features. Spec. para. 1. The Specification and claims nominally recite application to welding equipment, but none of the claims result in operation or actual control over welding equipment. A license is a total abstraction, being an

agreed mental perception of a right. Managing perceptions is no less abstract. The steps are conventional computer records manipulation, viz., requesting, providing, and recording a record (claims 12 and 17), performing a checksum arithmetic operation (claim 17), and maintaining tables such as registries (claim 22). Taken as a whole all three claims do no more than update data. The dependent claims primarily recite known computer memory structures to perform such operations within. Thus all of the rejected claims simply recite conceptual advice for maintaining licensing records with the instruction to do so on a general purpose computer. This is insufficient for finding statutory subject matter. *Alice Corp., Pty. Ltd. v CLS Bank Intl*, 134 S.Ct. 2347 (2014).

We are not persuaded by Appellants' argument that the processes are executed on a machines and that those are special purpose machines. Appeal Br. 9–10. Appellants' contention that any machine including a general purpose computer is sufficient to make eligible subject matter is erroneous as a matter of law.

the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention. Stating an abstract idea “while adding the words ‘apply it’” is not enough for patent eligibility. Nor is limiting the use of an abstract idea “to a particular technological environment.” Stating an abstract idea while adding the words “apply it with a computer” simply combines those two steps, with the same deficient result. Thus, if a patent’s recitation of a computer amounts to a mere instruction to “implement[t]” an abstract idea “on . . . a computer,” that addition cannot impart patent eligibility. This conclusion accords with the preemption concern that undergirds our §101 jurisprudence. Given the ubiquity of computers, wholly generic computer implementation is not generally the sort of “additional

feature[e]” that provides any “practical assurance that the process is more than a drafting effort designed to monopolize the [abstract idea] itself.”

Alice Corp, at 2358 (2014)(citations omitted). Reciting application to a welding system, without reciting any structure or operation particular to a welding system, does not narrow the scope of the claims beyond application on a general purpose computer.

We are not persuaded by Appellants’ argument that the processes transform a machine. Appeal Br. 10. Appellants’ contention that the claims transform a machine from unlicensed to licensed. Again, a license is a mental abstraction. Any such transformation is perpetual and not physical.

We are not persuaded by Appellants’ argument that the processes do not involve a law of nature. Appeal Br. 11. This is not pertinent to whether the processes are abstract subject matter.

We are not persuaded by Appellants’ argument that the processes do not involve a general concept. Appeal Br. 11. All three independent claims describe conceptual advice for maintaining licensing records.

Claims 1–22 rejected under 35 U.S.C. § 103(a) as unpatentable over various combinations of Thomas Motley, Kolodziej, Olsen, Robert, and Maeda

We are not persuaded by Appellants’ argument that neither reference describes the memory in the welding system of Kolodziej including a license registry as claimed (Appeal Br. 15); the combination of Thomas Motley and Kolodziej does not teach or suggest a welding device having memory

including a license registry (Appeal Br. 16); or that Thomas Motley teaches a way from the claimed invention (Appeal Br. 18).

The first two arguments are substantially the same, viz. that neither reference describes the entirety of the claim. This is a rejection under obviousness rather than anticipation. Appellants respond to the rejection by attacking the references separately, even though the rejection is based on the combined teachings of the references. Nonobviousness cannot be established by attacking the references individually when the rejection is predicated upon a combination of prior art disclosures. *See In re Merck & Co. Inc.*, 800 F.2d 1091, 1097 (Fed. Cir. 1986).

The issue really devolves to whether the recitation of a welding system in the claims is more than a suggested field of use. If so, then the issue is whether one of ordinary skill in the machine programming arts would know of and would see a need to add a licensing system in a welding controller. Put another way, would one of ordinary skill see Kolodziej's welding controller that has plural functional capacities as being a product that would sell in plural different configurations, each with differing subsets of those capacities. If so, then Thomas Motley's implementation for activating various such subsets by means of a licensing system would immediately pertain.

None of the claims recite any welding equipment structure or operation. Some of the claims recite a "feature" that might be in such a welding system, but do not narrow or further specify the nature of such a feature, leaving generic computer features within the scope of such limitations. Thus, no

patentable weight should be afforded the recitations of a welding controller, in which case Thomas Motley is sufficient to reject the claims.

But assuming *arguendo* that patentable weight should be afforded, Kolodziej describes a welding system with firmware controlling three welding control modules capable of performing 15 sequences of 60 steps each. As there is more than one such controller, one of ordinary skill in the industrial machine marketing arts who would have been familiar with industrial machine licensing techniques such as those in Thomas Motley as marketing tools, would have immediately envisaged licensing the three controllers and 15 sequences in smaller increments up to those totals because those are machine features as described by Thomas Motley. Thus, the answer to the question we put forth *supra* is that one of ordinary skill would see Kolodziej's welding controller that has plural functional capacities as being a product that would sell in plural different configurations, each with differing subsets of those capacities. Thomas Motley again simply provides one implementation for doing so.

As to the argument regarding teaching away, simply that there are differences between two references is insufficient to establish that such references "teach away" from any combination thereof. *See In re Beattie*, 974 F.2d 1309, 1312-13 (Fed. Cir. 1992).

CONCLUSIONS OF LAW

The rejection of claims 12–22 under 35 U.S.C. § 101 as directed to non–statutory subject matter is proper.

The rejection of claims 1–3, 6, 7, 11–14, and 22 under 35 U.S.C. § 103(a) as unpatentable over Thomas Motley and Kolodziej is proper.

The rejection of claims 4, 5, 8–10, 15, and 16 under 35 U.S.C. § 103(a) as unpatentable over Thomas Motley, Kolodziej, and Maeda is proper.

The rejection of claims 17–19 under 35 U.S.C. § 103(a) as unpatentable over Thomas Motley, Kolodziej, Olsen, and Robert is proper.

The rejection of claims 20 and 21 under 35 U.S.C. § 103(a) as unpatentable over Thomas Motley, Kolodziej, Olsen, Robert, and Maeda is proper.

DECISION

The rejections of claims 1–22 are 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) (2011).

AFFIRMED