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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte DARSHANAND KHUSIAL, ROSS MCKEGNEY,
LEV MIRLAS, and WESLEY M. PHILIP

Appeal 2014-002631¹
Application 10/910,900²
Technology Center 3600

Before MICHAEL C. ASTORINO, NINA L. MEDLOCK, and
MATTHEW S. MEYERS, *Administrative Patent Judges*.

MEDLOCK, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner’s final rejection of claims 52, 54, 57–60, 62, 64, 67–70, 72, 74, and 77–80. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM-IN-PART.

¹ Our decision references Appellants’ Appeal Brief (“App. Br.,” filed February 14, 2013) and Reply Brief (“Reply Br.,” filed January 6, 2014), and the Examiner’s Answer (“Ans.,” mailed November 6, 2013) and Final Office Action (“Final Act.,” mailed September 24, 2012).

² Appellants identify International Business Machines Corporation as the real party in interest. App. Br. 2.

CLAIMED INVENTION

Appellants' claimed invention "relates to e-commerce systems deployment and more particularly to buyer organization administration in e-commerce computing systems" (Spec. ¶ 1).

Claim 52, reproduced below, is illustrative of the subject matter on appeal:

52. A method for administrating buyer organizations and partner organizations interacting in a host computing hardware system, comprising:

establishing, by the host computing hardware system, a relationship between an instance of a partner organization and instances of a group of buyer organizations;

persisting the established relationship between the instance of the partner organization and the instances of the group of buyer organizations within a data storage device of the host computing hardware system; and

granting an administrative user of the partner organization administrative access to perform actions on the group of buyer organizations without requiring a separate granting of access for each buyer organization in the group.

REJECTIONS

Claims 52, 54, and 57–60 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

Claims 52, 54, 59, 60, 62, 64, 69, 70, 72, 74, 79, and 80 are rejected under 35 U.S.C. § 103(a) as unpatentable over Shavit (US 4,799,156, iss. Jan. 17, 1989) and C. Wood and E. B. Fernandez, *Decentralized*

Authorization in a Database System, IBM Corp. IEEE 1979 (hereinafter “Wood”).³

Claims 57, 58, 67, 68, 77, and 78 are rejected under 35 U.S.C. § 103(a) as unpatentable over Shavit, Wood, and Official Notice.

ANALYSIS

Non-Statutory Subject Matter

We are not persuaded that the Examiner erred in rejecting claims 52, 54, and 57–60 under 35 U.S.C. § 101 as directed to non-statutory subject matter. Instead, we agree with the Examiner that the claimed method steps, including each of the “establishing,” “persisting,” and “granting” steps recited in independent claim 52, can reasonably be performed by a human, e.g., by human thought alone or by a human using pen and paper, without the use of a machine (Ans. 9–11). As such the claims are directed to a mental process, and, therefore, to patent-ineligible subject matter under § 101.

The patent statute provides that a patent may be obtained for “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.” 35 U.S.C. § 101. Yet the Supreme Court has “long held that this provision contains an important implicit exception: Laws of nature, natural phenomena, and abstract ideas are not

³ The Examiner indicates at page 8 of the Final Office Action that claims 59, 69 and 79 are rejected under 35 U.S.C. § 103(a) as unpatentable over Shavit. Because claims 59, 69, and 79 depend from independent claims 52, 62, and 72, respectively, we treat the dependent claims as rejected under § 103(a) as unpatentable over Shavit and Wood, consistent with the rejection of independent claims 52, 62, and 72.

patentable.” *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014) (quoting *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2116 (2013)). The Court, thus, has made clear that “[p]henomena of nature, though just discovered, *mental processes*, and abstract intellectual concepts are not patentable, as they are the basic tools of scientific and technological work.” *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972) (emphasis added).

Following the Supreme Court, the Federal Circuit has similarly held that mental processes are not patent-eligible subject matter. In this regard, the court has explained that methods that can be performed entirely in the human mind are unpatentable not because “there is anything wrong with claiming mental method steps as part of a process containing non-mental steps,” but rather because “methods which can be performed *entirely* in the human mind are the types of methods that embody the ‘basic tools of scientific and technological work’ that are free to all men and reserved exclusively to none.” *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1373 (Fed. Cir. 2011) (citation omitted).

Appellants argue that the machine-or-transformation test applied by the Examiner is not the exclusive test for determining patent eligibility under 35 U.S.C. § 101, and that additional indicia must be considered before concluding that a claim at issue is not patent-eligible under § 101 (App. Br. 5–6). We agree. Yet the dispositive issue here is not whether the claims satisfy the machine-or-transformation test or whether the claims are “drawn to a specific way of ‘doing something with a computer,’” as Appellants maintain (*id.* at 10). Rather, the issue is whether the claims recite a mental process (i.e., steps that, as the Examiner reasoned, can be performed by a

human being without the use of any machine), which is an abstract idea and, therefore, patent-ineligible.

Appellants argue that the limitations of claim 52 “intimately involve the participation of a hardware device” (Reply Br. 5). But Appellants do not argue that the method steps of claim 52 cannot be performed manually or mentally.

The Federal Circuit made clear in *CyberSource* that a method that can be performed by human thought alone is merely an abstract idea and is not patent-eligible under § 101. *CyberSource*, 654 F.3d at 1373. And mental processes remain patent-ineligible, even when automated, to reduce the burden on the user of what once could have been done with pen and paper. *Id.* at 1375 (“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*, [409 U.S. 63 (1972)].”).

We conclude that claims 52, 54, and 57–60 are directed to a mere mental process. Therefore, we sustain the Examiner’s rejection of these claims under 35 U.S.C. § 101.

Obviousness

Independent claims 52, 62, and 72 and dependent claims 54, 59, 60, 64, 69, 70, 74, 79, and 80

We are persuaded by Appellants’ argument that the Examiner erred in rejecting independent claims 52, 62, and 72 under 35 U.S.C. § 103(a) because Wood, on which the Examiner relies, does not disclose or suggest “granting an administrative user of the partner organization administrative access to perform actions on the group of buyer organizations without requiring a separate granting of access for each buyer organization in the

group,” as recited in independent claim 52 and similarly recited in independent claims 62 and 72 (App. Br. 11–14).

Wood is directed to the decentralization of authorization functions in a shared database system, and discloses that rather than authorization functions residing solely in the hands of a centralized database administrator, the functions are distributed to some users of the system (Wood, 352). Wood discloses, with reference to Figure 1 (reproduced below), on which the Examiner relies, a list of administrative access types, a1–a7.

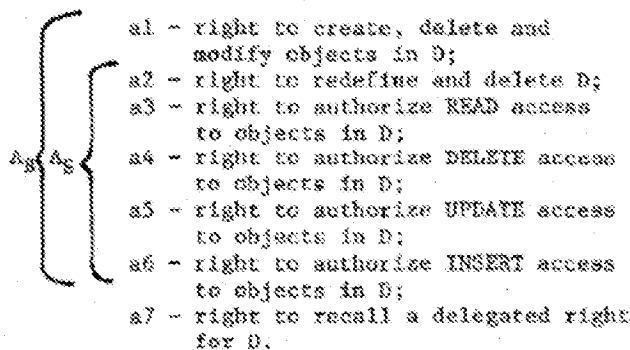


Figure 1. Administrative Access Types

Figure 1 is a listing of administrative access types.

As shown in the figure, access types a1–a6 are collectively referred to as A_B and access types a2–a6 are referred to A_S .

The Examiner takes the position that “Figure 1 shows different levels of access for an end user/organization where all user/organizations have administrative access granted to them” (Ans. 13). The Examiner, thus, reasons that in Figure 1, “a ‘group’ AB is given automatic access rights to set type a1-[a]6 end user/organizations” and that “[m]ore closely, [a]1 is given access over all other end user[]/organizations [i.e., a2–a6] in the

AB group tree” such that, for example, “a1 may perform the ‘rights’ delegated [to] him without requiring the permission of a2-[a]6” (*id.*).

The difficulty with the Examiner’s analysis is that claim 1 requires granting, to an administrative user of the partner organization, administrative access to perform actions on a group of buyer organizations without requiring a separate granting of access for each buyer organization in the group. In Figure 1 of Wood, on the other hand, access types a1–a7 are different actions that may be performed on the same data class D, i.e., not different data classes in a group of data classes let alone different buyer organizations in a group of buyer organizations.

We fail to see how, and the Examiner does not adequately explain how authorizing end users to perform certain actions on the same data class, as disclosed in Wood, somehow discloses or suggest “granting an administrative user of the partner organization administrative access to perform actions on the group of buyer organizations without requiring a separate granting of access for each buyer organization in the group,” as recited in claim 52, and similarly recited in claims 62 and 72.

Therefore, we do not sustain the Examiner’s rejection of independent claims 52, 62, and 72 under 35 U.S.C. § 103(a). For the same reasons, we also do not sustain the Examiner’s rejection of dependent claims 54, 59, 60, 64, 69, 70, 74, 79, and 80, each of which depends from one of independent claims 52, 62, and 72. *Cf. In re Fritch*, 972 F.2d 1260, 1266 (Fed. Cir. 1992) (“dependent claims are nonobvious if the independent claims from which they depend are nonobvious”).

Dependent claims 57, 58, 67, 68, 77, and 78

Each of claims 57, 58, 67, 68, 77, and 78 ultimately depends from one of independent claims 52, 62, and 72. The Examiner's rejection of claims 57, 58, 67, 68, 77, and 78 based on Official Notice, in combination with Shavit and Wood, does not cure the deficiency in the Examiner's rejection of independent claims 52, 62, and 72. Therefore, we do not sustain the Examiner's rejection of dependent claims 57, 58, 67, 68, 77, and 78 under 35 U.S.C. § 103(a) for the same reasons set forth above with respect to the independent claims.

DECISION

The Examiner's rejection of claims 52, 54, and 57–60 under 35 U.S.C. § 101 is affirmed.

The Examiner's rejections of claims 52, 54, 57–60, 62, 64, 67–70, 72, 74, and 77–80 under 35 U.S.C. § 103(a) are reversed.

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-IN-PART