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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte HUGO OLLIPHANT, VISHWANATH SHASTRY,
MATTHEW MENGERINK, and HARVEY GRASY

Appeal 2016-001386¹
Application 11/837,001²
Technology Center 3600

Before HUBERT C. LORIN, WILLIAM V. SAINDON, and
ALYSSA A. FINAMORE, *Administrative Patent Judges*.

FINAMORE, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Pursuant to 35 U.S.C. § 134(a), Appellants appeal from the Examiner's decision to reject claims 1, 4, 5, 8, 9, 11, 14–17, 24, 27–30, and 33–37. We have jurisdiction under § 6(b).

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

¹ Our Decision references Appellants' Specification ("Spec.," filed Aug. 10, 2007).

² Appellants identify eBay Inc. as the real party in interest. Appeal Br. 2.

SUBJECT MATTER ON APPEAL

The invention “relates generally to a system and method for distributing digital content and more specifically to a system and method for integrating Digital Rights Management (DRM) information and payment information for the digital content.” Spec. 1:3–6. Claims 1, 8, 11, 24, and 30 are the independent claims on appeal. Independent claim 1, reproduced below, is illustrative of the claimed subject matter:

1. A system for a buyer to receive digital content from another buyer over a network, the system comprising:

a client machine of the buyer comprising an interface including:

a digital content portion to receive, via the network, a package including the digital content; and

a header portion to receive, via the network, a package including a header of the digital content;

the digital content is outside the header and is configured to enable the client machine of the other buyer to transmit the header and the digital content to the interface;

the header provides Digital Rights Management (DRM) information and payment information for the digital content;

the payment information includes payment receiver information and is embedded into the DRM information; and

the interface is configured to be used by the buyer to transmit a payment to a payment system in response to the buyer determining to buy the digital content, the payment system being associated with a seller of the digital content based on the payment information for the digital content.

REJECTION

The Examiner rejects claims 1, 4, 5, 8, 9, 11, 14–17, 24, 27–30, and 33–37 under 35 U.S.C. § 101 as non-statutory subject matter.

ANALYSIS

Written Description

We enter a new ground of rejection of claims 1, 4, 5, 8, 9, 11, 14–17, 24, 27–30, and 33–37 under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement. These claims contain subject matter that is not described in the disclosure of the application in such a way as to reasonably convey to one skilled in the relevant art that the inventors, at the time the application was filed, had possession of the claimed invention. *Ariad Pharms., Inc. v. Eli Lilly & Co.*, 598 F.3d 1336, 1351 (Fed. Cir. 2010) (en banc) (citations omitted).

Each of the independent claims recites that the digital content is configured to cause the client machine of another buyer to transmit the header and the digital content to the client machine of the buyer. For example, independent claim 1 recites “the digital content . . . is configured to enable the client machine of the other buyer to transmit the header and the digital content to the interface.”

The disclosure, however, does not describe that the digital content is configured to enable the other client machine to transmit the header and the digital content to the interface. As such, the disclosure of the application does not reasonably convey to one skilled in the art that the inventors had possession of the invention as recited in each of the independent claims. Consequently, independent claim 1, 8, 11, 24, and 30 and dependent claims 4, 5, 9, 14–17, 27–29, and 33–37 fail to comply with the written description requirement.

Indefiniteness

We also enter a new ground of rejection of claims 1, 4, 5, 8, 9, 11, 14–17, 24, 27–30, and 33–37 under 35 U.S.C. § 112, second paragraph, as being

indefinite for failing to particularly point out and distinctly claim the subject matter which Appellants regard as the invention. These claims contain subject matter that is unclear. *Ex parte McAward*, No. 2015-006416, 2017 WL 3669566, at *5 (PTAB Aug. 25, 2017) (precedential) (citing *In re Packard*, 751 F.3d 1307, 1310, 1314 (Fed. Cir. 2014)).

Each of the independent claims recites that the digital content is configured to cause the client machine of another buyer to transmit the header and the digital content to the client machine of the buyer. For example, independent claim 1 recites “the digital content . . . is configured to enable the client machine of the other buyer to transmit the header and the digital content to the interface.” In contrast, the Specification describes that the interface, not the digital content, can be used to receive digital content. Namely, the Specification describes that “[t]he interface 200 can be used by the buyer to receive a digital content package.” Spec. 5:3–4. The Specification similarly describes that “[t]he buyer system 500 provides an interface (as shown in FIGS. 2 and 3) for a buyer to receive a digital content package.” *Id.* at 6:7–8. In light of the inconsistency between the claims and the Specification as to what is configured to cause the other buyer’s client machine to transmit the header and the digital content, the scope of the independent claims is unclear. *See, e.g., In re Cohn*, 439 F.2d 989, 993 (Fed. Cir. 1971) (sustaining a rejection of claims under 35 U.S.C. § 112, second paragraph, where the claims are inherently inconsistent with the specification). Consequently, independent claim 1, 8, 11, 24, and 30 and dependent claims 4, 5, 9, 14–17, 27–29, and 33–37 are indefinite.

Non-Statutory Subject Matter

The Examiner has determined that claims 1, 4, 5, 8, 9, 11, 14–17, 24, 27–30, and 33–37 are judicially excepted from statutory subject matter. To distinguish claims to judicially-excepted subject matter, i.e., laws of nature, natural phenomena, and abstract ideas, from claims to patent-eligible applications of those concepts, we apply a two-step framework, which, in the first step, considers whether a claim is directed to a patent-ineligible concept, e.g., an abstract idea, and, if so, considers, in the second step, whether the elements the claim, individually and as an ordered combination, recite an inventive concept—an element or combination of elements sufficient to ensure the claim amounts to significantly more than the abstract idea and transform the nature of the claim into a patent-eligible concept. *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014) (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1294, 1296–98 (2012)).

To apply this two-step framework, we must understand the scope of a claim. Without an understanding of the scope, we cannot accurately ascertain what a claim is directed to pursuant to the first step, nor can we properly consider the elements of the claim individually and as an ordered combination under the second step. Given that the present claims include subject matter that is unclear, the Examiner’s determination that the claims are patent ineligible necessarily required speculation as to the scope of the claims. We, therefore, do not sustain *pro forma* the Examiner’s rejection of claims 1, 4, 5, 8, 9, 11, 14–17, 24, 27–30, and 33–37 under 35 U.S.C. § 101 as subject matter judicially excepted from statutory subject matter.

DECISION

We enter a new ground of rejection for claims 1, 4, 5, 8, 9, 11, 14–17, 24, 27–30, and 33–37 under 35 U.S.C. § 112, first paragraph.

We also enter a new ground of rejection for claims 1, 4, 5, 8, 9, 11, 14–17, 24, 27–30, and 33–37 under 35 U.S.C. § 112, second paragraph.

The Examiner's decision to reject claims 1, 4, 5, 8, 9, 11, 14–17, 24, 27–30, and 33–37 under 35 U.S.C. § 101 is reversed.

NEW GROUNDS OF REJECTION

We enter new grounds of rejection pursuant to our authority under 37 C.F.R. § 41.50(b). Section 41.50(b) further 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.

REVERSED; 37 C.F.R. § 41.50(b)