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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte RICK A. HAMILTON II, BRIAN M. O'CONNELL,
CLIFFORD A. PICKOVER, KEITH R. WALKER,
and ROBERT WISNIEWSKI

Appeal 2016–003279
Application 12/173,419
Technology Center 3600

Before ANTON W. FETTING, JOSEPH A. FISCHETTI, and
MICHAEL W. KIM, *Administrative Patent Judges*.
FETTING, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE¹

Rick A. Hamilton II, Brian M. O'Connell, Clifford A. Pickover, Keith R. Walker, and Robert Wisniewski (Appellants) seek review under 35 U.S.C. § 134(a) of the Examiner's Final Rejection of Claims 1–5, 7–10,

¹ Our decision will make reference to the Appellants' Appeal Brief ("App. Br.," filed August 14, 2015) and Reply Brief ("Reply Br.," filed February 4, 2016), and the Examiner's Answer ("Ans.," mailed December 9, 2015), and Final Action ("Final Act.," mailed March 18, 2015).

and 26–40, the only claims pending in the application on appeal. Claims 6 and 11–25 have been cancelled. We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b).

The Appellants purport to have invented a form of online polling of users. Specification para. 2.

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 computer implemented method for effecting compliance with power usage specifications, comprising executing on a processing unit the steps of:

[1] measuring,

via a power meter that is placed in-line in a power supply circuit connection between a device and a power source,

power flowing from the power source into the device;

[2] ascertaining an environmental operating context of the device,

wherein the environmental operating context comprises at least one of a surrounding ambient air temperature of the device, and a number of processors and disk drives powered by the device;

[3] monitoring the measured power flowing from the power source into the device that is used by the device to perform a task for an end user of the device within the ascertained environmental operating context,

wherein the monitoring generates power usage data that indicates a quantity of the measured power flowing from the power source into the device that is consumed by the device to perform the task;

[4] comparing

the indicated quantity of the measured power flowing from the power source into the device that is consumed by the device to perform the task

to

a power usage specification for the device for the task,

wherein the power usage specification specifies that the device uses a specified maximum quantity of energy to perform the task within the ascertained environmental operating context;

and

[5] automatically providing a notification reward to the device end-user

in consideration for the device end-user reporting the generated power usage data to a supervisory entity

in response to

the indicated quantity of power flowing from the power source into the device that is consumed by the device to perform the task within the ascertained environmental operating context

exceeding

the specified maximum quantity of energy of the power usage specification.

REFERENCES AND REJECTIONS

The Examiner relies upon the following prior art:

Brown US 2003/0065560 A1 Apr. 3, 2003

Chen US 2004/0095237 A1 May 20, 2004

Claims 1–5, 7–10, and 26–40 stand rejected under 35 U.S.C. § 101 as directed to non–statutory subject matter.

Claims 1–5, 7–10, and 26–40 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Chen and Brown.

ISSUES

The issues of eligible subject matter turn primarily on whether the claims recite more than abstract conceptual advice on what a computer is to provide without any implementation details.

The issues of obviousness turn primarily on whether power usage exceeding the specification is a known species of non-compliance.

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 Claim Construction

01. The disclosure contains no lexicographic definition of “notification reward.”
02. The plain meaning of “notification reward” is a reward in the form of a notification.

Facts Related to the Prior Art

Chen

03. Chen is directed to for remotely adjusting states and/or characteristics of the remote devices for reducing demand/consumption and/or adding to the resource supply based on user defined data, external data and/or other information

relevant in assessing demand, supply and other events/conditions.
Chen para. 2.

04. In connection with the remote monitoring of various equipment, data may be collected over time concerning the monitored equipment. As the use or operation of a device may be altered remotely, a corresponding resource-consumption and/or resource-production amount may also be remotely controlled and adjusted.
Chen para. 18.

05. Chen describes monitoring and controlling remote devices. Monitor data is received by the user or other entity concerning the operation of the devices. In addition, monitor data may be received an interface unit where monitor data may include aggregate resource consumption data for an area, such as a region. Monitor data may include various performance metrics, including state, operation and other characteristics. External data may be received from various sources. Whether a trigger condition/event is detected may be determined based on the monitor data and/or other information. The trigger condition/event may be a predefined condition or event that triggers the generation of a command message for adjusting the demand and/or adding to the supply or other adjustment action. Chen para. 148.

06. If a trigger condition/event is determined, a command message, a control signal and/or an informational message for adjusting devices may be transmitted to a central server or may be generated by the central server. In addition, non-compliance information

may also be received. This data may be used for billing/settlement purposes and for determining an appropriate compensation as well as penalty. Consideration (e.g., a credit, compensation, incentive, etc.) for a change in demand and/or supply as a result of the adjustment may be received. In addition, an amount of supply added may be credited to the user. Chen para. 149.

07. Chen may further credit the user by adjusting a bill of a user associated with the one or more devices for one or more of activating, de-activating and controlling the at least one device in accordance with the at least one informational message; adjusting a bill associated with the one or more devices for an amount of resource consumption avoided as result of one or more of deactivating and controlling the at least one device; adjusting a bill associated with the one or more devices for an amount of supply added as a result of one or more of activating and controlling the at least one device; generating data for one or more of adjusting a bill and initiating a settlement action associated with the one or more devices for one or more of activating, deactivating and controlling the at least one device in accordance with the at least one informational message; adjusting a bill associated with the one or more devices for an amount of resource consumption avoided as a result of one or more of deactivating and controlling the at least one device; and/or adjusting a bill associated with the one or more devices for an amount of supply added as a result of one or more of activating and controlling the at least one device.

In addition, a settlement action may be initiated to ensure an accurate amount is paid to an appropriate recipient from an appropriate payer related to one or more of resource-consumption and resource-production and/or a settlement action may be initiated to ensure a plurality of appropriate amounts is paid to a plurality of appropriate recipients from a plurality of appropriate payers. In addition, a user associated with the at least one device may be compensated based on a difference between a predetermined baseline and an amount attributed to the change in one or more of resource-consumption and resource-production; wherein the step of compensating is performed by crediting the user; wherein the baseline comprises an average amount of change of one or more of resource-consumption and resource-production; and/or wherein the baseline is adjustable based on one or more of time frame, season, and weather data. Chen para. 164.

Brown

08. Brown is directed to adjusting energy efficiency incentives according to current energy efficiency technology. Brown para. 15.

ANALYSIS

Claims 1–5, 7–10, and 26–40 rejected under 35 U.S.C. § 101 as directed to non–statutory subject matter

The Supreme Court

set forth a framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts. First, [] determine whether the claims at issue are directed to one of those patent-ineligible concepts. [] If so, we then ask, “[w]hat else is there in the claims before us? [] To answer that question, [] consider the elements of each claim both individually and “as an ordered combination” to determine whether the additional elements “transform the nature of the claim” into a patent-eligible application. [The Court] described step two of this analysis as a search for an “inventive concept”—i.e., an element or combination of elements that is “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.”

Alice Corp., Pty. Ltd. v CLS Bank Intl, 134 S. Ct. 2347, 2355 (2014) (citing *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 132 S. Ct. 1289 (2012)).

To perform this test, we must first determine whether the claims at issue are directed to a patent-ineligible concept. The Examiner finds the claims directed to providing a notification for a reward to a user. Final Act. 2.

While the Court in *Alice* made a direct finding as to what the claims were directed to, we find that this case’s claims themselves and the Specification provide enough information to inform one as to what they are directed to.

The preamble to claim 1 recites that it is a method for effecting compliance with power usage specifications. The steps in claim 1 result in notifying the user that power consumption exceeds the specified maximum.

The Specification at paragraph 1 recites that the invention relates to monitoring power usage in devices and effecting compliance with specification power usage limits and effecting compliance with limits and other standards by positive feedback mechanisms. Thus, all this evidence shows that claim 1 is directed to notifying equipment providers with feedback when performance is not to specification, i.e. providing feedback. This is consistent with the Examiner's finding. Although the Examiner finds the use of an incentive is part of what the claim is directed to, this is more of an *Alice* step two element, as the incentive is provided to, in turn, provide the feedback.

It follows from prior Supreme Court cases, and *Bilski* (*Bilski v Kappos*, 561 U.S. 593 (2010)) in particular, that the claims at issue here are directed to an abstract idea. The concept of providing feedback is a fundamental business practice long prevalent in our system of commerce. The use of providing feedback is also a building block of any form of control. Thus, providing feedback, like hedging, is an “abstract idea” beyond the scope of §101. *See Alice Corp. Pty. Ltd.* at 2356. Again, even bringing the recited incentive into the mix, the use of incentives to get something done is likewise a fundamental business practice.

As in *Alice Corp. Pty. Ltd.*, we need not labor to delimit the precise contours of the “abstract ideas” category in this case. It is enough to recognize that there is no meaningful distinction in the level of abstraction between the concept of risk hedging in *Bilski* and the concept of providing feedback at issue here. Both are squarely within the realm of “abstract ideas” as the Court has used that term. *See Alice Corp. Pty. Ltd.* at 2357.

The remaining claims merely describe different feedback parameters. We conclude that the claims at issue are directed to a patent-ineligible concept.

The introduction of a computer into the claims does not alter the analysis at Mayo step two.

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. Pty. Ltd., 134 S.Ct. at 2358 (citations omitted).

“[T]he relevant question is whether the claims here do more than simply instruct the practitioner to implement the abstract idea [] on a generic computer.” *Alice Corp. Pty. Ltd.*, 134 S.Ct. at 2359. They do not.

Taking the claim elements separately, the function performed by the computer at each step of the process is purely conventional. Using a computer to retrieve, analyze, and send data amounts to electronic data query and retrieval—one of the most basic functions of a computer. All of these computer functions are well-understood, routine, conventional activities previously known to the industry. In short, each step does no more

than require a generic computer to perform generic computer functions. The recitation of using a power meter does not provide a concrete step as this is only abstract conceptual advice to use the exact known instrument necessary to obtain the data recited, and so is no more than using a meter for only its intended purpose. *See In re TLI Communications LLC Patent Litigation*, 823 F.3d 607, 612–13 (Fed. Cir. 2016). (Using a generic telephone for its intended purpose was a well-established “basic concept” sufficient to fall under Alice step 1.)

Considered as an ordered combination, the computer components of Appellants’ method add nothing that is not already present when the steps are considered separately. Viewed as a whole, Appellants’ method claims simply recite the concept of providing feedback, as performed by a generic computer. To be sure, the claims recite doing so by advising one to compare electric power inputs or outputs to what is expected, and let one know when the power usage is improper. This is, however, no more than abstract conceptual advice on the parameters for such providing feedback and the generic computer processes necessary to process those parameters, and do not recite any particular implementation. The claim recites providing a notification reward as an incentive to provide the feedback, but, again, this is advice to provide some incentive, which is not a technical feature, but rather a promotional marketing feature.

The method claims do not, for example, purport to improve the functioning of the computer itself. Nor do they effect an improvement in any other technology or technical field. The 25 pages of specification spell out different generic equipment and parameters that might be applied using this concept, and the particular steps such conventional processing would

entail based on the concept of providing feedback under different scenarios. They do not describe any particular improvement in the manner a computer functions. Instead, the claims at issue amount to nothing significantly more than an instruction to apply the abstract idea of providing feedback using some unspecified, generic computer. Under our precedents, that is not enough to transform an abstract idea into a patent-eligible invention. *See Alice Corp. Pty. Ltd.* at 2360.

As to the structural claims, they

are no different from the method claims in substance. The method claims recite the abstract idea implemented on a generic computer; the system claims recite a handful of generic computer components configured to implement the same idea. This Court has long “warn[ed] . . . against” interpreting § 101 “in ways that make patent eligibility ‘depend simply on the draftsman’s art.’

Alice Corp. Pty. Ltd. at 2360.

We are not persuaded by Appellants’ argument that the claims do not preempt what the claims are directed to. App. Br. 8. That the claims do not preempt all forms of the abstraction or may be limited to the abstract idea in a particular setting do not make them any less abstract. *See OIP Technologies, Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1360–61 (2015). The claims recite abstract conceptual advices as to what a computer is to perform with no implementation details.

Appellants further argue that the asserted claims are akin to the claims found patent-eligible in *DDR Holdings, LLC v. Hotels.com, L.P.* 773 F.3d 1245 (Fed. Cir. 2014). In *DDR Holdings*, the Court evaluated the eligibility of claims “address[ing] the problem of retaining website visitors that, if adhering to the routine, conventional functioning of

Internet hyperlink protocol, would be instantly transported away from a host's website after 'clicking' on an advertisement and activating a hyperlink." *Id.* at 1257. There, the Court found that the claims were patent eligible because they transformed the manner in which a hyperlink typically functions to resolve a problem that had no "pre-Internet analog." *Id.* at 1258. The Court cautioned, however, "that not all claims purporting to address Internet-centric challenges are eligible for patent." *Id.* For example, in *DDR Holdings* the Court distinguished the patent-eligible claims at issue from claims found patent-ineligible in *Ultramercial*. *See id.* at 1258–59 (citing *Ultramercial*, 772 F.3d at 715–16). As noted there, the *Ultramercial* claims were "directed to a specific method of advertising and content distribution that was previously unknown and never employed on the Internet before." *Id.* at 1258 (quoting *Ultramercial*, 772 F.3d at 715–16). Nevertheless, those claims were patent ineligible because they "merely recite[d] the abstract idea of 'offering media content in exchange for viewing an advertisement,' along with 'routine additional steps such as updating an activity log, requiring a request from the consumer to view the ad, restrictions on public access, and use of the Internet.'" *Id.*

Appellants' asserted claims are analogous to claims found ineligible in *Ultramercial* and distinct from claims found eligible in *DDR Holdings*. The ineligible claims in *Ultramercial* recited "providing [a] media product for sale at an Internet website;" "restricting general public access to said media product;" "receiving from the consumer a request to view [a] sponsor message;" and "if the sponsor message is an interactive message, presenting at least one query to the consumer and allowing said consumer

access to said media product after receiving a response to said at least one query.” 772 F.3d at 712. Similarly, Appellants’ asserted claims recite receiving, analyzing, and sending data. This is precisely the type of Internet activity found ineligible in *Ultramercial*.

Claims 1–5, 7–10, and 26–40 rejected under 35 U.S.C. § 103(a) as unpatentable over Chen and Brown

Claim 1 is the only claim argued. Arguments as to remaining claims are, therefore, waived. Claim 1 has five steps. The first four monitor the power used by a device and compare that to some device specification. Chen describes as much, and this is not under contention. Instead, Appellants contend the art fails to reward power usage exceeding the specification and doing so on an ongoing basis. App. Br. 12–13.

As to the first argument, Chen describes monitoring and controlling the resource consumption data for remote devices, and transmitting a command message, a control signal and/or an informational message for adjusting devices if a trigger condition/event is determined. This data is disclosed as possibly including non-compliance information. FF 06. This data may be used for billing/settlement purposes and for determining an appropriate compensation. *Id.* A user associated with the device may be compensated based on a difference between a predetermined baseline and an amount attributed to the change in resource-consumption. FF 07.

As Chen explicitly describes notifying a user of non-compliance information, and power usage exceeding the specification is a species of non-compliance in this technical field, it would have been predictable to notify the user of power usage exceeding the specification. Chen also suggests various forms of reward associated with its notifications. More

than that, claim 1 recites a notification reward, which is a notification explicitly described by Chen. Any further aspect of the notification being a reward is in the mind of the beholder and afforded no patentable weight. *See In re Bernhart*, 417 F.2d 1395, 1399 (CCPA 1969).

As to frequency of notification, once the idea of notification is established, we are unpersuaded that frequency is anything other than predictable to one of ordinary skill, particularly for some monitored process that is subject to change over time.

CONCLUSIONS OF LAW

The rejection of claims 1–5, 7–10, and 26–40 under 35 U.S.C. § 101 as directed to non–statutory subject matter is proper.

The rejection of claims 1–5, 7–10, and 26–40 under 35 U.S.C. § 103(a) as unpatentable over Chen and Brown is proper.

DECISION

The rejection of claims 1–5, 7–10, and 26–40 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)(2011).

AFFIRMED