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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte KEVIN M. BINSWANGER, SAMUEL R. EPSTEIN,
DAVID L. KAMINSKY, JONATHAN M. WAGNER,
and LIFENG ZHANG

Appeal 2016-003815¹
Application 12/192,664²
Technology Center 3600

Before ANTON W. FETTING, TARA L. HUTCHINGS, and
MATTHEW S. MEYERS, *Administrative Patent Judges*.

HUTCHINGS, *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 1, 4–10, and 12–20. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Our decision references Appellants’ Appeal Brief (“Br.,” filed Aug. 3, 2015), the Examiner’s Answer (“Ans.,” mailed Dec. 18, 2015), and Final Office Action (“Final Act.,” mailed Mar. 2, 2015).

² Appellants identify International Business Machines Corporation. App. Br. 3.

CLAIMED INVENTION

Appellants' claimed invention relates to "service level management in a service environment having multiple management products implementing product level policies." Spec. ¶ 1.

Claims 1, 10, 12, and 20 are the independent claims on appeal.

Claim 1, reproduced below, is illustrative of the claimed subject matter:

1. A method for managing service level policies across management products in a service environment comprising:

a computer, comprising hardware and software, identifying a change in service level for a service for an entity from a first service level to a second service level;

the computer retrieving individual ones of active policies associated with the first service level, wherein the individual ones of the active policies are policies of a plurality of different management products of a service environment, wherein a management product is a component that provides one or more capabilities affecting an execution of a service within a service environment;

the computer tagging each policy of each management product with a service level identifier and a policy domain, wherein values for the policy domain comprise domains for at least two of security, performance, monitoring, and business logic;

the computer, for each management product, deactivating individual ones of the active policies associated with the first service level;

the computer retrieving individual ones of policies associated with the second service level, which at the time of retrieving are not active for the service for the entity; and

the computer, for each management product, activating the individual ones of the policies associated with the second service level.

REJECTION

Claims 1, 4–10, and 12–20 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

ANALYSIS

Under 35 U.S.C. § 101, an invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101. The Supreme Court, however, has long interpreted § 101 to include an implicit exception: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *See, e.g., Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014).

The Supreme Court has instructed us to use a two-step framework to “distinguish[] patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice Corp.*, 134 S. Ct. at 2355. At the first step, we determine whether the claims at issue are “directed to” a patent-ineligible concept. *Id.* If they are, we then “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.” *Id.* (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 78, 79 (2012)).

Starting at step one, we must first examine the “claimed advance” to determine whether the claims are directed to an abstract idea. *Affinity Labs of Tex., LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1257 (Fed. Cir. 2016). In cases involving software innovations, this inquiry often turns on whether the claims focus on “the specific asserted improvement in computer capabilities

. . . or, instead, on a process that qualifies as an ‘abstract idea’ for which computers are invoked merely as a tool.” *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335–36 (Fed. Cir. 2016).

Turning to the invention, claim 1, for example, recites a method for managing service level policies across management products in a service environment. The method performs the following steps: (1) identifying a change in service level for a service for an entity from a first level to a second level; (2) retrieving individual ones of active policies associated with the first service levels; (3) tagging each policy of each management product with a service level identifier and a policy domain; (4) for each management product, deactivating individual ones of the active policies associated with the first service level; (5) retrieving individual ones of policies associated with the second service level; and (6) activating the individual ones of the policies associated with the second service level. According to the Specification, management products often provide different service levels, such as gold, silver, and bronze service levels, associated with different execution characteristics. Spec. ¶ 4. Known systems manage service level policies for one management product separately from the service level policies for other management products. *Id.* ¶ 5. Thus, changing a service level typically requires making multiple policy changes in multiple management products. *Id.* This process is performed manually by “[d]ifferent human administrators” or technicians for different management products, rendering it both inefficient and error-prone. *Id.*

To address this known shortcoming in the art, the Specification describes tagging policies with service level data to correlate policies and service levels. *See, e.g., id.* ¶¶ 24–25, 29. In one exemplary embodiment,

the system extracts policies of a set of management products and places the policies in a data store, where the policies are tagged with service level data. *Id.* ¶ 29. When a request is received for a user to downgrade from a gold to a silver service level, a record change is made for the user, and the system removes policies associated with the user at the gold level in the management products data store and adds policies for the silver level. *Id.* In other words, the heart of the invention involves using service level tags to facilitate the management of service level policies across management products (i.e., retrieving policies, deactivating policies, activating policies).

Therefore, we do not see legal difficulty with the Examiner’s determination that the claims are drawn to the abstract idea of “managing service levels” (Final Act. 4), which “involves the use of categories to organize, store, and transmit information related to management of service level policies for the management products” (*id.* at 5). In our view, the claimed method for managing service levels is not meaningfully distinct from claims involving the collection, organization, manipulation, or display of data that have been deemed patent-ineligible by the Federal Circuit. For example, in *Intellectual Ventures I LLC v. Erie Indemnity*, 850 F.3d 1315, 1328 (Fed. Cir. 2017), the Federal Circuit held that creating and using an index to search for and retrieve data is an abstract idea. In that case, the court determined that

organizing and accessing records through the creation of an index-searchable database, includes longstanding conduct that existed well before the advent of computers and the Internet. For example, a hardcopy-based classification system (such as library-indexing system) employs a similar concept There, classifiers organize and cross-reference information and resources (such as books, magazines, or the like) by certain

identifiable tags, e.g., title, author, subject. Here, tags are similarly used to identify, organize, and locate the desired resource.

Id. at 1327. The court further determined that the claims were not “focused on *how* usage of the [] tags alters the database in a way that leads to an improvement in the technology of computer databases, as in *Enfish*,” but instead focuses “at a high level on searching a database using an index.” *Id.* at 1328.

In *Intellectual Ventures I LLC v. Capital One Financial Corp.*, 850 F.3d 1332, 1339–40 (Fed. Cir. 2017), the claims related to preserving compatibility between XML documents after they had been edited by different users. In that case, a “dynamic document” containing data extracted from the original XML document was created such that changes made by users editing the data displayed in the dynamic document were “dynamically propagated” back into the original XML document. *Id.* at 1339. There, the Federal Circuit concluded that the claims were, “at their core, directed to the abstract idea of collecting, displaying, and manipulating data.” *Id.* at 1341.

Likewise, here, we find the claims focus at a high-level on the use of service level tags to retrieve and manage (e.g., remove, add) policies for a set of managed products, i.e., organizing, accessing, and manipulating data. Therefore, we conclude that the claims are directed to an abstract concept under step one and move to step two of the analysis.

At step two, we “must determine whether the claims do significantly more than simply describe [the] abstract method” and, thus, transform the abstract idea into patent eligible subject matter. *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014). We look to see whether there are

“additional features” in the claims that constitute an “inventive concept,” rendering the claim eligible for patenting even if they are directed to an abstract idea. *Alice*, 134 S. Ct. at 2357. Those “additional features” must be more than “well-understood, routine, conventional activity.” *Mayo*, 566 U.S. at 77, 79.

Here, we agree with the Examiner that the claims do not include additional features that constitute an inventive concept. *See* Final Act. 5. Appellants point to the tagging as an improvement to the technology of a service environment. Br. 21. However, employing tags to better manage the policies “is simply not enough to transform the patent ineligible abstract idea here into a patent-ineligible invention.” *Erie Indemnity*, 850 F.3d at 1328; *see also id* (“we fail to see how the [] use of a well-known tag, i.e., XML tag—to form an index—sufficiently transforms the claims”).

Moreover, the remaining limitations recite routine computer functions, such as identifying information, retrieving information and manipulating information, e.g., activating and deactivating policies, performed by a generic “computer.” These are no more than the “performance of ‘well-understood, routine, [and] conventional activit[ies]’ previously known to the industry.” *Content Extraction and Transmission LLC v. Wells Fargo Bank, Nat. Ass’n*, 776 F.3d 1343, 1347–48 (Fed. Cir. 2014) (quoting *Mayo*, 566 U.S. at 73). Thus, while the claims necessarily cabin the abstract idea to a “service environment” comprising a “computer” having “hardware and software” for performing the recited steps and a “management product” effecting an execution of a service within the service environment, the claimed computer functionality can only be described as generic or conventional. *See, e.g.*, Spec. ¶ 30 (“service environment 220 can

represent any computing environment able to provide one or more services 240”); *see also id.* ¶¶ 11–21, 32–37 (indicating that nothing more than generic technology is required).

We are not persuaded by Appellants’ argument that it is “logically inconsistent” to reject the claims under 35 U.S.C. § 101 when the claims are not rejected under 35 U.S.C. §§ 102 or 103. Br. 14–15. Appellants charge that the shortcomings in the known prior art, as evidenced by the lack of rejections under §§ 102 and 103, “shows that the claims MUST (by definition) include meaningful limitations.” *Id.* at 15. However, a finding of novelty or non-obviousness does not automatically lead to the conclusion that claimed subject matter is patent-eligible. Although the second step in the *Mayo/Alice* framework is termed a search for an “inventive concept,” the analysis is not an evaluation of novelty or non-obviousness, but rather, a search for “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.*, 134 S. Ct. at 2355 (citation omitted). “Groundbreaking, innovative, or even brilliant discovery does not by itself satisfy the § 101 inquiry.” *Ass’n. for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 591 (2013). A novel and non-obvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 566 U.S. at 90; *see also Diamond v. Diehr*, 450 U.S. 175, 188–89 (1981) (“The ‘novelty’ of any element or steps in a process, or even of the process itself, is of no relevance in determining whether the subject matter of a claim falls within the § 101 categories of possibly patentable subject matter.”).

We also are not persuaded by Appellants' argument that the Examiner fails to distinguish the claims from those in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014). Br. 15–16. Appellants argue that the Specification at paragraph 30 provides constraints and requirements for a service environment to operate, and, thus, requires more than “any computer.” *Id.* at 16. For example, Appellants charge that pocket calculators and mobile telephones are generic computers, but these computers could not be used here. *Id.* Appellants also assert that the Examiner's assertion that “management products in a service environment predates computer technology” is “not strictly true.” *Id.* (citing Final Act. 3).

However, we do not find any parallel between the pending claims and those in *DDR Holdings*. The claims at issue in *DDR Holdings* changed the routine, conventional functioning of Internet hyperlink protocol to direct a user of a host website to a “store within a store” on the host website, rather than to an advertiser's third-party website, when the user clicks an advertisement. *DDR Holdings*, 773 F.3d at 1257–58. The court determined that the invention was “necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks,” and that the claimed invention did not simply use computers to serve a conventional business purpose. *Id.*

In contrast, here the claimed invention manages service level policies. Managing service level policies is a business problem, not a problem rooted in technology. For example, the Specification explains that conventionally policy changes have been “manually performed by human administrators” and are “inherently error prone and inefficient.” Spec. ¶ 5. Appellants do

not identify, and we do not find, any indication that technology is used other than in its normal, expected, and routine manner. Instead, the claimed invention simply uses a generic computer to serve the conventional business purpose of managing service level policies of managed products, which is not enough. Likewise, limiting the claims to a particular environment, such as a service environment, is not sufficient to transform Appellants' otherwise patent-ineligible abstract idea into patent-eligible subject matter. *See Alice Corp.*, 134 S. Ct. at 2358.

We also are not persuaded of Examiner error by Appellants' arguments regarding preemption. Br. 20–21. “Where a patent’s claims are deemed only to disclose patent ineligible subject matter under the *Mayo* framework, as they are in this case, preemption concerns are fully addressed and made moot.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015). In addition, “the absence of complete preemption does not demonstrate patent eligibility.” *Id.* (citing *Alice Corp.*, 134 S. Ct. at 2354).

To the extent that Appellants argue that the claims are patent-eligible because they satisfy the transformation prong of the machine-or-transformation test set forth in *Bilski v. Kappos*, 130 S. Ct. 3218 (2010) (*see* Br. 22), we note that the alleged “transformation” is a manipulation of data, i.e., changing the state of policies associated with a plurality of management products, which is not sufficient to meet the transformation prong under § 101. *See Gottschalk v. Benson*, 409 U.S. 63, 71–72 (1972) (a computer-based algorithm that merely transforms data from one form to another is not patent-eligible).

Appeal 2016-003815
Application 12/192,664

We are not persuaded, for the reasons set forth above, that the Examiner erred in rejecting claims 1, 4–10, and 12–20 under 35 U.S.C. § 101. Therefore, we sustain the Examiner’s rejection.

DECISION

The Examiner’s rejection of claims 1, 4–10, and 12–20 under 35 U.S.C. § 101 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)(1)(iv).

AFFIRMED