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TERRILE, CANNATTI, CHAMBERS & HOLLAND, LLP
P.O. BOX 203518
AUSTIN, TX 78720

EXAMINER

MISIASZEK, MICHAEL

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte CLINT H. O'CONNOR, GARY D. HUBER, MICHAEL HAZE,
and WILLIAM A. CURTIS

Appeal 2016-004610
Application 12/688,001¹
Technology Center 3600

Before MAHSHID D. SAADAT, CARL L. SILVERMAN
and NORMAN H. BEAMER, *Administrative Patent Judges*.

BEAMER, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 1–5, 7–11, 13–17, 19, and 20, which are all claims pending. Claims 6, 12, and 18 are cancelled. We have jurisdiction over the pending rejected claims under 35 U.S.C. § 6(b).

We affirm.

¹ Appellants identify Dell Products L.P. as the real party in interest. (Br. 1.)

THE INVENTION

Appellants' disclosed and claimed invention is directed to managing the entitlement of digital assets. (Abstract.)

Independent claim 1, reproduced below, is illustrative of the subject matter on appeal:

1. A system for managing the entitlement of digital assets, comprising:

a storage medium comprising a repository of system identifier data, digital assets data, and digital assets entitlement data; and

a processor, the processor being operable to:

receive input data comprising system identifier data associated with a target system;

receive input data comprising digital assets selection data, wherein the digital assets selection data corresponds to digital assets data;

process the input data to generate digital assets entitlement data, wherein the digital assets entitlement data is associated with the target system identified by the system identifier data and with digital assets corresponding to the digital assets selection data; and

provide the digital assets data and the digital assets entitlement data to a personalization agent associated with the target system, wherein the personalization agent processes the digital assets entitlement data and the digital assets data for installation on the target system; and wherein

the digital assets data comprises system personalization data, the system personalization data corresponding to a personalization option, the personalization option comprising a personalized feature, capability or function to be applied to the target system, the personalization option being applied to the target system via the personalization agent.

REJECTIONS

The Examiner rejected claims 1–5, 7–11, 13–17, 19, and 20 under 35 U.S.C. § 101 as directed to unpatentable subject matter. (Final Act. 2–3.)

The Examiner rejected claims 1–5, 7–11, 13–17, 19, and 20 under 35 U.S.C. § 103(a) as being unpatentable over Kobata (US 2002/0077986 A1, pub. June 20, 2002) and Di Luoffo, et al. (US 2004/0250066 A1, pub. Dec. 9, 2004). (Final Act. 4–6.)

ISSUES ON APPEAL

Appellants’ arguments in the Appeal Brief present the following issues²:

First Issue: Whether the pending claims are directed to unpatentable subject matter. (Br. 3–5.)

Second Issue: Whether the pending claims are obvious over the combination of Kobata and Di Luoffo. (Br. 5–7.)

ANALYSIS

We have reviewed the Examiner’s rejections in light of Appellants’ arguments the Examiner erred. We disagree with Appellants’ arguments, and we adopt as our own (1) the pertinent findings and reasons set forth by the Examiner in the Final Office Action from which this appeal is taken (Final Act. 2–6) and (2) the corresponding findings and reasons set forth by

² Rather than reiterate the arguments of Appellants and the positions of the Examiner, we refer to the Appeal Brief (filed Sep. 23, 2015); the Final Office Action (mailed Apr. 23, 2015); and the Examiner’s Answer (mailed Feb. 3, 2016) for the respective details.

the Examiner in the Examiner's Answer in response to Appellants' Appeal Brief (Ans. 2–6). We concur with the applicable conclusions reached by the Examiner, and emphasize the following.

First Issue

The Examiner concludes the pending claims are invalid under 35 U.S.C. § 101, because the claims “are directed to managing the entitlement of digital assets, which is considered to be an abstract idea.” (Final Act. 2.) In addition, the Examiner concludes:

The claims do not include additional elements that are sufficient to amount to significantly more than the judicial exception because the claims do not amount to an improvement to another technology or technical field; the claims do not amount to an improvement to the functioning of a computer itself; the claims do not move beyond a general link [sic] of the use of an abstract idea to a particular technological environment; the claims merely amount to the application or instructions to apply the abstract idea on a computer; and the claim amounts to nothing more than requiring a generic computer to perform generic computer functions that are well-understood, routine and conventional activities previously known to the industry.

(Final Act. 2–3.)

Appellants rely on *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014), and argue “the claims of the present application provide a substantial improvement over the art in the field of managing the entitlement of digital assets,” and the claims “are necessarily rooted in computer technology rather than simply implement old ideas on a computer.” (Br. 4–5.)

We are not persuaded by Appellants' arguments. We adopt the Examiner's findings and conclusions provided in the Final Office Action

and Answer. (Final Act. 2–3; Ans. 2–4.) The Supreme Court has long held that “[l]aws of nature, natural phenomena, and abstract ideas are not patentable.” *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014) (quoting *Assoc. for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2116 (2013)). The “abstract ideas” category embodies the longstanding rule that an idea, by itself, is not patentable. *Alice Corp.*, 134 S. Ct. at 2355 (quoting *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972)).

In *Alice*, the Supreme Court sets forth an analytical “framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Id.* at 2355. The first step in the analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts,” such as an abstract idea. *Id.* If the claims are directed to a patent-ineligible concept, the second step in the analysis is to consider the elements of the claims “individually and ‘as an ordered combination’” to determine whether there are additional elements that “‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 79, 78 (2012)). In other words, the second step is to “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.’” *Id.* (brackets in original) (quoting *Mayo*, 566 U.S. at 73.) The prohibition against patenting an abstract idea “‘cannot be circumvented by attempting to limit the use of the formula to a particular technological environment’ or adding ‘insignificant postsolution activity.’” *Bilski v. Kappos*, 561 U.S. 593, 610–11 (2010) (internal citation omitted.)

Appellants’ arguments focus on claim 1 — accordingly we select claim 1 as representative in evaluating whether the claims are patent-eligible under Section 101. *See* 37 C.F.R. § 41.37(c)(1)(iv). Turning to the first step of the *Alice* inquiry, we agree with the Examiner that Appellants’ claim 1 is reasonably characterized as directed to an abstract idea of “managing the entitlement of digital assets.” (Final Act. 2.) All the components recited in claim 1 — including: (i) storage of data; (ii) receipt of target system identifier data; (iii) receipt of digital assets data; (iv) generation of digital assets entitlement data; (v) installation of entitlement data; and (vi) applying personalization options — are consistent with the Examiner’s correct characterization of the “managing the entitlement of digital assets” abstract idea that is the subject of the claims, which is a fundamental conventional business practice.

There is no definitive rule to determine what constitutes an “abstract idea.” Rather, the Federal Circuit has explained that “both [it] and the Supreme Court have found it sufficient to compare claims at issue to those claims already found to be directed to an abstract idea in previous cases.” *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1334 (Fed. Cir. 2016); *see also Amdocs (Israel) Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288, 1294 (Fed. Cir. 2016) (explaining that, in determining whether claims are patent-eligible under § 101, “the decisional mechanism courts now apply is to examine earlier cases in which a similar or parallel descriptive nature can be seen—what prior cases were about, and which way they were decided”). The Federal Circuit also noted that “examiners are to continue to determine if the claim recites (i.e., sets forth or describes) a concept that is similar to

concepts previously found abstract by the courts.” *Amdocs*, 841 F.3d at 1294 n.2 (internal citation omitted.)

We are not persuaded *DDR Holdings*, involving subject matter which changed how interactions operated on the Internet, is applicable to the pending claims. *DDR Holdings*, 773 F.3d at 1257. The storage and processing functions recited in the claims involve routine data gathering and storage of target system and digital assets identification, followed by generation and installation of entitlements and personalization options. The data gathering and processing subject matter of the claims can be performed either mentally or with “. . . pencil and paper.” *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1371 (Fed. Cir. 2011) (internal citation omitted.) “[A] method that can be performed by human thought alone is merely an abstract idea and is not patent-eligible under § 101.” 654 F.3d at 1373. In this regard, the claims are similar to the claims that the Federal Circuit determined are patent ineligible in *Elec. Power Grp., LLC v. Alstom*, 830 F.3d 1350, 1353–54 (Fed. Cir. 2016) (collecting information and “analyzing information by steps people go through in their minds, or by mathematical algorithms, without more, [are] essentially mental processes within the abstract-idea category”). The Federal Circuit has also held similar data manipulation claims to be directed to patent-ineligible abstract idea — see *OIP Tech., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015) (offer-based price optimization); *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1370 (Fed. Cir. 2015) (tailoring information presented to a user based on particular information); *Digitech Image Techs., LLC v. Elecs. For Imaging, Inc.*, 758 F.3d 1344, 1351 (Fed. Cir. 2014) (employing mathematical algorithms to manipulate

existing information); *Accenture Global Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1346 (Fed. Cir. 2013) (generating tasks in an insurance organization); and *Versata Dev. Grp. v. SAP Am.*, 793 F.3d 1306, 1333–34 (Fed. Cir. 2015) (price-determination method involving arranging organizational and product group hierarchies).

Moreover, such “insignificant postsolution activity” as installing entitlements and personalization options does not circumvent the prohibition against patenting an abstract idea. *Parker v. Flook*, 437 U.S. 584, 590 (1978); *Bilski v. Kappos*, 561 U.S. 593, 610–11 (2010).

Turning to the second step of the *Alice* inquiry, we find nothing in the claims that adds anything “significantly more” to transform the abstract concept of task monitoring. *Alice*, 134 S. Ct. at 2357. Beyond that abstract idea, the claims merely recite “‘well-understood, routine, conventional activit[ies],’” either by requiring conventional computer activities or routine data-gathering steps. *Alice*, 134 S. Ct. at 2359 (quoting *Mayo*, 566 U.S. at 73.) Considered individually or taken together as an ordered combination, the claim elements fail “to ‘transform’ the claimed abstract idea into a patent-eligible application.” *Id.* at 2357 (quoting *Mayo*, 566 U.S. at 72–73, 78.) For example, claim 1 recites a storage medium and a processor. This is similar to the circumstances of *Alice*, where “[such] computer functions are ‘well-understood, routine, conventional activit[ies],’ previously known to the industry.” *Alice*, 134 S. Ct. at 2359 (quoting *Mayo*, 566 U.S. at 73); *see also buySAFE*, 765 F.3d at 1355 (“That a computer receives and sends the information over a network—with no further specification—is not even arguably inventive.”); *Bancorp Servs., L.L.C. v. Sun Life Assur. Co. of Can. (U.S.)*, 687 F.3d 1266, 1278 (Fed. Cir. 2012) (a computer “employed only

for its most basic function . . . does not impose meaningful limits on the scope of those claims”). The broadly recited computer implementation limitations of the claims do little to limit their scope. Indeed, the Specification makes clear that the memory and processor may be “any instrumentality or aggregate of instrumentalities” to carry out the claimed functions. (Spec. ¶ 18.)

Because Appellants’ claims are directed to a patent-ineligible abstract concept and do not recite something “significantly more” under the second prong of the *Alice* analysis, we sustain the Examiner’s 35 U.S.C. § 101 rejection of the pending claims.

Second Issue

Appellants argue the Examiner errs in finding the combination of Kobata and Di Luoffo teaches or suggests the independent claim 1 requirement:

the digital assets data comprises system personalization data, the system personalization data corresponding to a personalization option, the personalization option comprising a personalized feature, capability or function to be applied to the target system, the personalization option being applied to the target system via the personalization agent;

and commensurate requirements of independent claims 7 and 13. (Br. 6.)

For this limitation, the Examiner relies on the disclosure in Di Luoffo of a secure data transmission system including use of “[p]ersonalized entitlement data and available option information.” (Final Act. 5; Di Luoffo ¶ 80.) Appellants argue:

[N]owhere within the cited portion of Di Luoffo (nor anywhere else within Di Luoffo) is there any disclosure or suggestion of the digital assets data comprising system personalization data where the system personalization data corresponds to a

personalization option, much less where the personalization option is applied to the target system via the personalization agent, all as required by claims 1, 7 and 13.

(Br. 6.) This conclusory attorney argument is unpersuasive. *See In re Lovin*, 652 F.3d at 1357 (We note that “the Board reasonably interpreted Rule 41.37 to require more substantive arguments in an appeal brief than a mere recitation of the claim elements and a naked assertion that the corresponding elements were not found in the prior art.”).

Appellants also argue Di Luoffo fails to teach or suggest the independent claim 13 limitation, “the personalization agent comprising a unique identifier associated with the system identifier data associated with the target system.” (Br. 6.)³ This conclusory argument is also unpersuasive, and, in addition, fails to account for the Examiner’s reliance for this aspect of the claim on the disclosure in Kobata of unique identifiers. (Final Act. 5; Ans. 5; Kobata ¶¶ 46, 157.)

Accordingly we sustain the Examiner’s obviousness rejection of independent claims 1, 7, and 13 over Kobata and Di Luoffo, as well as of claims 2–5, 8–11, 14–17, 19, and 20, which are not argued separately with particularity.

DECISION

We affirm the Examiner’s decision rejecting claims 1–5, 7–11, 13–17, 19, and 20.

³ Appellants indicate independent claims 1 and 7 include this limitation. (Br. 6.) However, this limitation only appears in claim 13.

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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). *See* C.F.R. § 41.50(f).

AFFIRMED