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EXAMINER

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte FLORIAN PESTONI and DALIT NAOR

Appeal 2016-004766
Application 12/119,706
Technology Center 3600

Before MURRIEL E. CRAWFORD, NINA L. MEDLOCK, and
ALYSSA A. FINAMORE, *Administrative Patent Judges*.

CRAWFORD, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants seek our review under 35 U.S.C. § 134(a) of the Examiner's final decision rejecting claims 1–9. We have jurisdiction over the appeal under 35 U.S.C. § 6(b).

BACKGROUND

Appellants' invention is directed to a method and article of manufacture for "protecting and upgrading digital content in a digital content distribution system through the use of content insurance." Spec. 2, lines 8–9.

Claim 1 is illustrative:

1. A method of providing content insurance for distributed digital content to a consumer of said digital content, said insurance used, at a later time, to upgrade said digital content to a new digital format or replace said digital content in an original format upon loss of said digital content, said method implemented by a processor by executing instructions stored in a storage, said method implemented by said processor comprising:

said processor executing instructions to receive a request from said consumer to purchase said content insurance on digital data representative of specified digital content;

said processor executing instructions to store information uniquely identifying said consumer and specified digital content for which said content insurance is purchased;

said processor executing instructions to receive a request from said consumer to retrieve digital data representative of specified digital content;

said processor executing instructions to determine if said requested specified digital content is the same as said specified digital content for which content insurance was purchased, said determination made utilizing said stored information, and

wherein, when said requested specified digital content is the same as said specified digital content for which said content insurance was purchased, said processor executing instructions to retrieve said requested digital data of specified digital content in more than one digital format.

The Examiner relies on the following prior art references as evidence of unpatentability:

Ginter et al. (hereinafter “Ginter”)	US 5,982,891	Nov. 9, 1999
McCabe	US 2002/0095317 A1	July 18, 2002
Stefik et al. (hereinafter “Stefik”)	US 6,708,157 B2	Mar. 16, 2004

Appellants appeal the following rejections:

Claims 1–9 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter (Ans. 3).

Claims 1–9 are rejected under 35 U.S.C. § 103(a) as unpatentable over Stefik in view of McCabe and further in view of Ginter.

PRINCIPLES OF LAW

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 implicit exceptions: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *E.g., Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014).

In determining whether a claim falls within the excluded category of abstract ideas, we are guided in our analysis by the Supreme Court’s two-step framework, described in *Mayo* and *Alice*. *Id.* at 2355 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1296–97 (2012)). In accordance with that framework, we first determine whether the

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claim is “directed to” a patent-ineligible abstract idea. *See Alice*, 134 S. Ct. at 2356 (“On their face, the claims before us are drawn to the concept of intermediated settlement, *i.e.*, the use of a third party to mitigate settlement risk.”); *Bilski v. Kappos*, 561 U.S. 593, 611 (2010) (“Claims 1 and 4 in petitioners’ application explain the basic concept of hedging, or protecting against risk.”); *Diamond v. Diehr*, 450 U.S. 175, 184 (1981) (“Analyzing respondents’ claims according to the above statements from our cases, we think that a physical and chemical process for molding precision synthetic rubber products falls within the § 101 categories of possibly patentable subject matter.”); *Parker v. Flook*, 437 U.S. 584, 594–95 (1978) (“Respondent’s application simply provides a new and presumably better method for calculating alarm limit values.”); *Gottschalk v. Benson*, 409 U.S. 63, 64 (1972) (“They claimed a method for converting binary-coded decimal (BCD) numerals into pure binary numerals.”).

The patent-ineligible end of the spectrum includes fundamental economic practices, *Alice*, 134 S. Ct. at 2357; *Bilski*, 561 U.S. at 611; mathematical formulas, *Parker*, 437 U.S. at 594–95; and basic tools of scientific and technological work, *Gottschalk*, 409 U.S. at 69. On the patent-eligible side of the spectrum are physical and chemical processes, such as curing rubber, *Diamond*, 450 U.S. at 184 n.7, “tanning, dyeing, making waterproof cloth, vulcanizing India rubber, smelting ores,” and a process for manufacturing flour, *Gottschalk*, 409 U.S. at 69.

If the claim is “directed to” a patent-ineligible abstract idea, we then consider the elements of the claim—both individually and as an ordered combination—to assess whether the additional elements transform the nature of the claim into a patent-eligible application of the abstract idea. *Alice*, 134 S. Ct. at 2355. This is a search for an “inventive concept”—an element

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or combination of elements sufficient to ensure that the claim amounts to “significantly more” than the abstract idea itself. *Id.*

In addition, the Federal Circuit has held that if a method can be performed by human thought alone, or by a human using pen and paper, it is merely an abstract idea and is not patent-eligible under § 101. *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1373 (Fed. Cir. 2011) (“[A] method that can be performed by human thought alone is merely an abstract idea and is not patent-eligible under § 101.”). Accordingly, the mental processes recited in the claims, e.g., assimilating information, creating a hypothetical resource, mapping hypothetical and actual resources, determining a minimum parameter increase and reconciling a parameter increase with a scheduling policy, remain unpatentable, 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.*”).

Claims involving data collection, analysis, and display are directed to an abstract idea. *Elec. Power Grp. v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016) (holding that “collecting information, analyzing it, and displaying certain results of the collection and analysis” are “a familiar class of claims ‘directed to’ a patent ineligible concept”); *see also In re TLI Commc’ns LLC Patent Litig.*, 823 F.3d 607, 611 (Fed. Cir. 2016); *FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1093–94 (Fed. Cir. 2016). Claims that focus on specific asserted improvements to computer technology have been found to be not abstract. *See, e.g., McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1314–15 (Fed. Cir. 2016)

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(finding claims not abstract because they “focused on a specific asserted improvement in computer animation”).

ANALYSIS

Rejection under 35 U.S.C. § 101

The Examiner determines that the claims are directed to upgrading digital content through the use of content insurance. Ans. 3. The Examiner states that the claims are directed to a fundamental economic practice or an idea of itself, and that the additional elements do not amount to significantly more than the abstract idea.

We are not persuaded of error on the part of the Examiner by Appellants’ argument that the Examiner has not considered each claim element individually and as an ordered combination to determine whether the additional elements transform the nature of the claims into patent eligible subject matter. Specifically, Appellants argue that the Examiner has not considered the steps of uniquely identifying consumer and digital content and executing instructions to retrieve the requested digital data in more than one digital format and thus the Examiner did not attempt to identify an inventive concept. Appeal Br. 12–13. Appellants argue that these recitations demonstrate that the Appellants foresaw the issue of changing formats and provided a solution.

It is not true that the Examiner did not consider these recitations. The Examiner addressed whether the claims recite an inventive concept by holding that the claims do not include recitations that are significantly more than the abstract idea because the claims do not include an improvement to another technology or technical field and the claims do not improve the functioning of the computer. Specifically, the Examiner found that the limitations are merely instructions to implement the abstract idea of a

computer. We agree with this determination of the Examiner and note that the problem advanced by the Appellants' argument related to changing digital formats is not a technical problem and the claims do not solve any technical problems related to different digital formats. Rather the claims are directed to the business problem related to owning digital content in different and changing digital formats.

In view of the foregoing, we will sustain the Examiner's rejection of claim 1. We will also sustain the rejection as it is directed to the remaining claims because the Appellants have not addressed the separate eligibility of these claims.

Rejection under 35 U.S.C. § 103

The Examiner rejected claims 1–9 under 35 U.S.C. § 103(a) as being unpatentable over Stefik in view of McCabe and Ginter. Fin. Act. 3. In response to this rejection, Appellants argue that the Examiner's Advisory Action of July 3, 2014 was procedurally improper because the Examiner states in the Advisory Action that the arguments regarding the 35 U.S.C. § 103 rejection are "moot since the claims have been amended to cite new claim limits which substantially change the scope of claims." The Appellants argue that this wording of the Examiner is confusing and it is not clear what prior art the Examiner is relying on to reject the claims.

We agree with the Examiner that the propriety of the Advisory Action is a procedural issue that is a petitionable matter not an appealable matter. In addition, as the Examiner did not withdraw the rejection of the claims under 35 U.S.C. § 103 as stated in the Final Rejection, the claims are still subject to the §103 rejection. In the Answer, the Examiner made it clear that the claims are still subject to the §103 rejection of the Final Rejection and stated that this rejection has not been responded to in the Brief. Ans. 5–6.

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In the Reply Brief, the Appellants again do not respond to the rejection. Therefore, we conclude that the claims 1–9 remain rejected under 35 U.S.C. § 103 as made in the Final Rejection. As the Appellants have not presented arguments directed to this rejection, we summarily affirm this rejection.

DECISION

The decision of the Examiner is affirmed.

TIME PERIOD

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).

AFFIRMED