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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte THOMAS JOHN POTTS and THOMAS IAN POTTS

Appeal 2016-005396
Application 13/215,670
Technology Center 3600

Before ST. JOHN COURTENAY III, DENISE POTHIER, and
JASON REPKO, *Administrative Patent Judges*.

COURTENAY, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants appeal under 35 U.S.C. § 134(a) from a final rejection of claims 1–10, which are all the claims pending in this application. Claims 11–20 are withdrawn. We have jurisdiction over the pending claims under 35 U.S.C. § 6(b).

We affirm.

STATEMENT OF THE CASE

Introduction

Appellants' invention relates to “[a] controlled substance distribution system may include a controlling entity having a database.” (Spec., Abstract).

Exemplary Claim

Claim 1 is exemplary of the invention and reads as follows.

1. A controlled substance distribution system, comprising:
 - a first computing device associated with a controlling entity, wherein the first computing device comprises a database, wherein the database comprises data;
 - a first computer-readable storage medium in communication with the first computing device;
 - a patient token having a unique patient identifier, wherein the data in the database includes data that is associated with the unique patient identifier; and
 - a dispensing center comprising a second computing device in communication with the first computing device; and
 - a second computer-readable storage medium in communication with the second computing device,
 - wherein the data comprises:
 - data associated with a patient,
 - an authorized amount equal to an amount of a controlled substance that the patient is authorized to receive via disbursement from one or more authorized dispensing entities during a time period, and
 - a received amount equal to an amount of the controlled substance that the patient has already received during the time period,
- wherein the first computer-readable storage medium comprises one or more programming instructions that, when executed, cause the first computing device to:
 - receive the unique patient identifier and a request for the controlled substance from the second computing device, wherein the request comprises a requested controlled substance and a requested amount of the requested controlled substance,

determine whether the request is allowed by determining whether a sum of the requested amount and the received amount exceeds the authorized amount,

if the sum of the requested amount and the received amount exceeds the authorized amount, deny the request, otherwise, allow the request, and send an indication of whether the request is allowed to the second computing device

wherein the second computer-readable storage medium comprises one or more programming instructions that, when executed, cause the second computing device to:

receive, from the first computing device, the indication of whether or not the request is allowed, and

authorize a dispensing event in response to the request only if the indication indicates that the request is allowed.

Rejection

Claims 1–10 are rejected under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter (Final Act. 2–4).

Issue on Appeal

Did the Examiner err in rejecting claims 1–10 under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter?

ANALYSIS

Rejection of Claims 1–10 under 35 U.S.C. § 101

Under 35 U.S.C. § 101, a patent may be obtained for “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.” The Supreme Court has “long held that

this provision contains an important implicit exception: Laws of nature, natural phenomena, and abstract ideas are not patentable.” *Alice Corp. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014) (quoting *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2116 (2013)).

The Supreme Court in *Alice* reiterated the two-step framework previously set forth in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 132 S. Ct. 1289, 1300 (2012), “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice*, 134 S. Ct. at 2355.

The first step in that analysis is to determine whether the claims at issue are directed to one of those patent-ineligible concepts, such as an **abstract idea**. Abstract ideas may include, but are not limited to, fundamental economic practices, **methods of organizing human activities**, an idea of itself, and mathematical formulas or relationships. *Id.* at 2355–57.

If the claims are not directed to a patent-ineligible concept, the inquiry ends. Otherwise, the inquiry proceeds to the second step where the elements of the claims are considered “individually and ‘as an ordered combination’ to determine whether the additional elements ‘transform the nature of the claim’ into a patent-eligible application.” *Id.* at 2355 (quoting *Mayo*, 132 S. Ct. at 1298, 1297).

We, therefore, look to whether the claims focus on a **specific means** or method that **improves the relevant technology**, or instead are directed to a **result or effect** that itself is the **abstract idea**, and merely invokes **generic processes and machinery**. See *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1336 (Fed. Cir. 2016).

Step 1 — Alice/Mayo Analysis

Turning to the first part of the *Alice/Mayo* analysis, the Examiner concludes the claims are directed to an abstract idea, i.e., merely organizing human activities. (Final Act. 3). Further, the Examiner finds Appellants' claimed invention is implemented using a generic, general purpose computer system. (Final Act. 3–4).

Regarding *Alice* Step 1, Appellants contend, inter alia:

Similarly, in this case the Office Action's characterization of a controlled substance distribution as a method of organizing human activities is a conclusory statement and simply expresses the Examiner's opinion. The Office Action provides no evidentiary support for this assertion. In fact, the Office Action fails to explain how the **system of claim 1**, which requires two computing devices, two computer-readable storage mediums, a patient token, a database and a dispensing center **qualifies as a method at all**, let alone a method of organizing human activities.

As such, the Office's failure to provide any support for its assertion contradicts the requirements of the Interim Guidance, Board precedent, and the Supreme Court's precedent in *Alice*.

(App. Br. 9 (emphasis added in bold)).

At the outset, we agree with Appellants at least to the extent that claim 1 is not a method claim. (*Id.*). Claim 1 is directed to “[a] controlled substance distribution **system**” which comprises, inter alia, **first** and **second computers**.

However, we note system or apparatus claim 1 also recites first and second **computer-readable mediums**, which each contain programming instructions to perform recited functions, which we conclude could also be performed by a person as mental steps, or with the aid of pen and paper. *Cf.*

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.”).

We find Appellants’ argument (App. Br. 9) is essentially the same argument advanced by Plaintiff–Appellant **CyberSource**, that the Federal Circuit found unpersuasive:

CyberSource argues that claim 2 is patent-eligible per se because it recites a “manufacture,” rather than a “process,” under the statutory language of § 101. **CyberSource** contends that, by definition, a tangible, man-made article of manufacture such as a “computer readable medium containing program instructions” cannot possibly fall within any of the three patent-eligibility exceptions the Supreme Court has recognized for “laws of nature, physical phenomena, [or] abstract ideas.” Appellant's Br. 47–48 (quoting *Bilski*, 130 S.Ct. at 3225).

CyberSource, 654 F.3d at 1374 (bolding added).

The *CyberSource* court disagreed, declining to “exalt form over substance.” (*Id.*). Instead, the court looked to the **underlying invention** for patent-eligibility purposes: “Regardless of what statutory category (“process, machine, manufacture, or composition of matter,” 35 U.S.C. § 101) a claim’s language is crafted to literally invoke, **we look to the underlying invention for patent-eligibility purposes.**” (*Id.*) (emphasis added).

Applying this reasoning here, we conclude the principal functions of the underlying invention are performed by execution of the recited programming instructions embodied on the **first computer-readable storage medium**, which: (1) “**receive** the unique patient identifier and a request for the controlled substance,” (2) “**determine** whether the request is

allowed by determining whether a sum of the requested amount and the received amount exceeds the authorized amount,” (3) further conditionally **deny or allow the request** based upon a comparison, and (4) then, “**send an indication** of whether the request is allowed to the second computing device.” (Claim 1).

The programming instructions stored on the **second computer-readable storage medium** similarly perform the recited functions of “receiv[ing], from the first computing device, the indication of whether or not the request is allowed, and authoriz[ing] a dispensing event in response to the request only if the indication indicates that the request is allowed.” (Claim 1).

Based upon our review of the record, we agree with the Examiner that “Appellant[s] claim[] a controlled substance distribution system, **which operates using only generic computers and other peripheral data components.**” (Ans. 3 (emphasis added)). For example, Claim 1 expressly recites **first and second computing devices**. Also, as pointed out by the Examiner (Final Act. 3), Appellants’ Specification, paragraph 9, expressly describes that “[e]ach data entry station 22 may be [a] **general purpose computer.**” (some emphasis omitted).

The Supreme Court guides: “the mere recitation of a generic computer cannot transform a patent ineligible abstract idea into a patent-eligible invention.” *See Alice*, 134 S.Ct. 2358. Applying this guidance to the claims

presented here on appeal, we agree with the Examiner’s conclusion that claims 1–10 are directed to an abstract idea.¹

Step 2— Alice/Mayo Analysis

Because the claims are directed to an abstract idea, we turn to the second part of the *Alice/Mayo* analysis. We analyze the claims to determine if there are additional limitations that individually, or as an ordered combination, ensure the claims amount to “significantly more” than the abstract idea. *Alice*, 134 S. Ct. at 2357.

Regarding *Alice*, Step 2, Appellants urge that the Examiner has failed to analyze the claims considered as a whole. (App. Br. 11). Appellants contend, inter alia:

Claim 1 requires hardware elements such that the claims analyzed as a whole amount to significantly more than an abstract idea. For example, claim 1 requires two computing devices, two computer-readable storage mediums, a database, a patient token and a dispensing center. Moreover, claim 2 requires a packaging center data entry system, claim 4 requires a token reader, and claim 7 requires a second token (a caregiver token). These components define a very specific controlled substance distribution system.

(App. Br. 11 (emphasis added)).

Appellants replicate thirty-five lines of claim limitations (App. Br. 12–13), and merely assert: “These **steps** involve much more than an abstract idea. Instead, they are specific system components and **processing steps**.”

¹ To the extent Appellant has not advanced separate, substantive arguments for particular claims, or other issues, such arguments are waived. See 37 C.F.R. § 41.37(c)(1)(iv).

The Office Action overlooks these significant elements in the claim.” (App. Br. 13 (emphasis added)).

We particularly note Appellants expressly refer to “steps” (as in a method) instead of “functions.” (*Id.*). Based upon our review of the record, Appellants’ arguments do not persuade us the Examiner erred. Appellants essentially recite claim limitations without any persuasive explanation of how the limitations either individually, or as an ordered combination, amount to an **inventive concept** that converts the abstract idea into patent-eligible subject matter. (*See* App. Br. 12–13)

Nor have Appellants shown that the claims improve the functioning of the computer itself, thereby to amount to significantly more than the **abstract idea of organizing human activities**. *Alice*, 134 S. Ct. at 2356; *see also, e.g., BASCOM Glob. Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1348 (Fed. Cir. 2016) (“An abstract idea on ‘an Internet computer network’ or on a generic computer is still an abstract idea.”); *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1355 (Fed. Cir. 2016) (“We have repeatedly held that such invocations of computers and networks that are not even arguably inventive are insufficient to pass the test of an inventive concept in the application of an abstract idea”) (internal quotations omitted).

Nor do we find Appellants’ claims similar to the type of claim considered by the court in *DDR Holdings, LLC v. Hotels.com*, 773 F.3d 1245 (Fed. Cir. 2014). In contrast to the claimed invention in *DDR*, we conclude Appellants’ claimed solution is not rooted in computer technology, such that the invention on appeal overcomes a problem specifically arising

in the realm of computer networks, as was the case presented in *DDR*.
Id. at 1257.

Further, we conclude Appellants' claimed **non-specific** "database [that] comprises data" (claim 1) is distinguished from the type of claim upheld by the Federal Circuit as being directed to an **improved database architecture**, i.e., a self-referential table: "a **specific type of data structure** designed to improve the way a computer stores and retrieves memory." *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1339 (Fed. Cir. 2016) (emphasis added).

Therefore, on this record, we conclude that none of the claim limitations, viewed "both individually and as an ordered combination," amount to significantly more than the judicial exception in order to sufficiently transform the nature of the claims into patent-eligible subject matter. *See Alice*, 134 S. Ct. at 2355 (quotations omitted) (quoting *Mayo*, 132 S. Ct. at 1297).

For at least the aforementioned reasons, and on this record, Appellants have not persuaded us the Examiner erred. Accordingly, we sustain the Examiner's rejection under 35 U.S.C. § 101 of all claims 1–10 on appeal. *See n.1, supra.*

Reply Brief

To the extent Appellants advance new arguments in the Reply Brief, not in response to a shift in the Examiner's position in the Answer, we note arguments raised in a Reply Brief that were not raised in the Appeal Brief or are not responsive to arguments raised in the Examiner's Answer will not be considered except for good cause. *See* 37 C.F.R. § 41.41(b)(2).

CONCLUSION

The Examiner did not err in rejecting claims 1–10 under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter.

DECISION

We affirm the decision of the Examiner rejecting claims 1–10 under 35 U.S.C. § 101.

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* 37 C.F.R. § 41.50(f).

AFFIRMED