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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte WILLIAM A. YASNOFF

Appeal 2016-006270¹
Application 11/533,209²
Technology Center 3600

Before JOSEPH A. FISCHETTI, MICHAEL W. KIM, and
NINA L. MEDLOCK, *Administrative Patent Judges*.

MEDLOCK, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant appeals under 35 U.S.C. § 134(a) from the Examiner’s rejection of claims 2–4 and 6–19. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Our decision references Appellant’s Appeal Brief (“App. Br.,” filed November 20, 2015) and Reply Brief (“Reply Br.,” filed June 6, 2016), and the Examiner’s Answer (“Ans.,” mailed April 7, 2016) and Final Office Action (“Final Act.,” mailed April 15, 2015).

² Appellant identifies Arxiviva, Inc. as the real party in interest. App. Br. 3.

CLAIMED INVENTION

Appellant's claimed invention "relates generally to information and more particularly to medically-related information" (Spec. ¶ 2).

Claim 17, reproduced below, is the sole independent claim, and representative of the subject matter on appeal:

17. An apparatus comprising:
 - a compensation-provision interface;
 - an information-provider interface;
 - a processor operably coupled to the compensation-provision interface and the information-provider interface and being configured and arranged, at least in part, to:
 - provide an opportunity via the information-provider interface for an information-possessing entity other than a first individual and comprising a doctor for the first individual to submit patient-specific medically-related information regarding the first individual;
 - receive, via the information-provider interface, the patient-specific medically-related information regarding the first individual from the information-possessing entity to provide received patient-specific medically-related information regarding the first individual;
 - arrange for digital storage of the received patient-specific medically-related information regarding the first individual such that the received patient-specific medically-related information regarding the first individual can be later specifically accessed with respect to medically treating and assisting the first individual;
 - arrange, using the compensation-provision interface, for the information-possessing entity to receive compensation in direct exchange for the information-possessing entity having provided the patient-specific medically-related information regarding the first individual.

REJECTIONS

Claims 2–4 and 6–19 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

Claims 2–4 and 6–19 are rejected under 35 U.S.C. § 102(b) as anticipated by Felsher (US 2002/0010679 A1, pub. Jan. 24, 2002).

ANALYSIS

Non-Statutory Subject Matter

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, in *Alice*, reiterated the two-step framework previously set forth in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66 (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 Corp.*, 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.” *Id.* If the claims are not directed to a patent-ineligible concept, e.g., an abstract idea, 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 there are additional elements that “‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (quoting *Mayo*, 566 U.S. at 79, 78).

The Court acknowledged in *Mayo*, that “all inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas.” *Mayo*, 566 U.S. at 71. Therefore, the Federal Circuit has instructed that claims are to be considered in their entirety to determine “whether their character as a whole is directed to excluded subject matter.” *McRO, Inc. v. Bandai Namco Games Am., Inc.*, 837 F.3d 1299, 1312 (Fed. Cir. 2016) (quoting *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015)).

Addressing the first step of the *Mayo/Alice* framework, Appellant argues that the § 101 rejection cannot be sustained because the Examiner has provided no evidence to support the Examiner’s determination that the claims are directed to an abstract idea (App. Br. 7–8; *see also* Reply Br. 2–3). Appellant, thus, ostensibly maintains that because there is no evidentiary support of record for the Examiner’s determination, the Examiner has failed to establish a prima facie case of patent-ineligibility (App. Br. 7).

Appellant’s argument is not persuasive at least because there is no requirement that an examiner provide evidentiary support in every case before a conclusion can be made that a claim is directed to an abstract idea.³ Nor, contrary to Appellant’s suggestion (*see id.*), did this Board hold in *Ex parte Renald Poisson*, Appeal 2012-011084 (PTAB Feb. 27, 2015), that

³ *See, e.g.*, para. IV “July 2015 Update: Subject Matter Eligibility,” available at <https://www.uspto.gov/sites/default/files/documents/ieg-july-2015-update.pdf> (“The courts consider the determination of whether a claim is eligible (which involves identifying whether an exception such as an abstract idea is being claimed) to be a question of law. Accordingly, courts do not rely on evidence that a claimed concept is a judicial exception, and in most cases resolve the ultimate legal conclusion on eligibility without making any factual findings.”).

there is any such requirement.⁴ Although evidence may be helpful, e.g., where facts are in dispute, it is not always needed. *See Mortgage Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1325–26 (Fed. Cir. 2016) (“[I]t is also possible, as numerous cases have recognized, that a § 101 analysis may sometimes be undertaken without resolving fact issues.”).

We are not persuaded here, from our review of the Examiner’s analysis, that evidence is needed to support the Examiner’s determination that “providing an opportunity to submit patient information” is an abstract idea. We also are not persuaded that Appellant’s bare assertion that evidence is needed, without any supporting reasoning as to why, is sufficient to require the Examiner to provide evidentiary support.⁵

The Federal Circuit, moreover, has repeatedly observed that “the prima facie case is merely a procedural device that enables an appropriate shift of the burden of production.” *Hyatt v. Dudas*, 492 F.3d 1365, 1369 (Fed. Cir. 2007) (citing *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992)). The court has, thus, held that the USPTO carries its procedural burden of establishing a prima facie case when its rejection satisfies the requirements of 35 U.S.C. § 132 by notifying the applicant of the reasons for the rejection, “together with such information and references as may be useful in judging of the propriety of continuing the prosecution of [the] application.” *See In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011). Thus, all that is required of the Office is that it sets forth the statutory basis of the rejection

⁴ We would not be bound, in any event, by a non-precedential decision of another panel of the Board.

⁵ We note that Appellant has put forward no rebuttal evidence showing the claims are not directed to an abstract idea.

in a sufficiently articulate and informative manner as to meet the notice requirement of § 132. *Id.*; *see also Chester v. Miller*, 906 F.2d 1574, 1578 (Fed. Cir. 1990) (Section 132 “is violated when a rejection is so uninformative that it prevents the applicant from recognizing and seeking to counter the grounds for rejection.”).

Here, in rejecting the pending claims under 35 U.S.C. § 101, the Examiner notified Appellant that the claims are directed to “providing an opportunity to submit patient information,” i.e., to an abstract idea; and that the additional elements or combination of elements, other than the abstract idea, does not provide meaningful limitations to transform the abstract idea into a patent-eligible application of the abstract idea such that the claims amount to significantly more than the abstract idea itself (Final Act. 2) (emphasis omitted). Appellant does not contend that the Examiner’s rejection under § 101 was not understood or that the Examiner’s rejection, otherwise, fails to satisfy the notice requirements of § 132. Instead, Appellant’s understanding of the rejection is clearly manifested by Appellant’s response as set forth in the briefs.

Claim 17 is directed to an apparatus comprising: (1) a compensation-provision interface; (2) an information-provider interface; and (3) a processor operably coupled to the compensation-provision interface and the information-provider interface, and recites that the processor is configured and arranged to receive information (i.e., “patient-specific medically-related information regarding [a] first individual from [a] information-possessing entity”); store the information (i.e., “arrange for digital storage of the received patient-specific medically-related information”); and compensate the supplier for providing the information

(i.e., “arrange . . . for the information-possessing entity to receive compensation in direct exchange for . . . having provided the patient-specific medically-related information).” Claim 17 is, thus, similar to claims that the court, in *Ultramerical, Inc. v. Hulu, LLC*, 772 F.3d 709 (Fed. Cir. 2014), determined were directed to an abstract idea.

The *Ultramerical* claims were “directed to a specific method of advertising and content distribution that was previously unknown and never employed on the Internet before,” i.e., displaying advertisement in exchange for access to copyrighted media. *Ultramerical*, 772 F.3d at 714. Nevertheless, those claims were patent-ineligible because they merely recited the abstract idea of offering media content in exchange for viewing an advertisement, i.e., using advertising as an exchange or currency, 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.* at 715–16. Similarly here, claim 17 merely recites receiving information from an information-possessing entity; storing the information, and providing compensation in exchange for the information, without any particular inventive technology — an abstract idea.

It also is significant here, as the Examiner observes (Ans. 2), that although claim 17 recites that the claimed steps (i.e., “provide an opportunity . . . for an information-possessing entity . . . to submit . . . information”; “receive the . . . information”; “arrange for digital storage of the received . . . information”; and “arrange . . . for the information-possessing entity to receive compensation in direct exchange for . . . the . . . information”) are performed via user interfaces and a processor operably coupled to the interfaces, these steps all involve acts that can be performed

by a human, either mentally or manually, using pen and paper, without the use of any machine.⁶

The law is clear that “a method that can be performed by human thought alone is merely an abstract idea and is not patent-eligible under § 101.” *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1372–73 (Fed. Cir. 2011); *see also Gottschalk v. Benson*, 409 U.S. 63, 67 (1972) (“[p]henomena of nature . . . , mental processes, and abstract intellectual concepts are not patentable, as they are the basic tools of scientific and technological work.”). Moreover, mental processes remain unpatentable even when automated to reduce the burden on the user of what once could have been done with pen and paper. *CyberSource*, 654 F.3d 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*.”).

Turning to the second step of the *Mayo/Alice* framework, the Examiner determined, and we agree, that the claims do not include additional elements or a combination of elements sufficient to transform the abstract idea into patent-eligible subject matter (Final Act. 2; *see also*

⁶ For example, an announcement alerting information-possessing entities of the opportunity to submit information could be communicated via written correspondence. The sending, receiving, and storing of information also can be performed through the use of pen and paper, as can the “arrang[ing] . . . for the information-possessing entity to receive compensation,” e.g., by providing instructions to a third party directing that such compensation be paid (*see* Spec. ¶ 32 (describing that the processor “could provide compensation information (such as the identity of the entity to be compensated and a specific amount by which such entity is to be compensated) to a given financial institution 306 which in turn then effects the actual compensation step.”)).

Ans. 3–4). For example, we find no indication, in the record, that the particular operations recited in the claims require any specialized computer hardware or other inventive computer components, or that the claimed invention is implemented using other than generic computer components to perform generic computer functions.⁷ *See DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1256 (Fed. Cir. 2014) (“[A]fter *Alice*, there can remain no doubt: recitation of generic computer limitations does not make an otherwise ineligible claim patent-eligible.”).

Appellant does not contend otherwise; nor does Appellant otherwise address the second step of the *Mayo/Alice* test in either its Appeal Brief or Reply Brief. Instead, Appellant focuses solely on step one of the *Mayo/Alice* test.

We are not persuaded, for the reasons outlined above, that the Examiner erred in rejecting claims 2–19 under 35 U.S.C. § 101. Therefore, we sustain the Examiner’s rejection.

Anticipation

We are not persuaded by Appellant’s argument that the Examiner erred in rejecting independent claim 17 under 35 U.S.C. § 102(b) because “Felsher does not disclose providing compensation directly to an original holder of information for providing that information,” i.e., “arrang[ing] . . . for the information-possessing entity to receive compensation in direct exchange for . . . having provided the patient-specific medically-related information,” as recited in claim 17 (App. Br. 9; *see also id.* at 10–11 and

⁷ The Specification expressly discloses that “the above-described processes are readily enabled using any of a wide variety of available and/or readily configured platforms.” *See Spec.* ¶ 27.

Reply Br. 3–7). Appellant notes that “per Felsher’s approach, a submitting party only receives compensation if and when the submitted data is actually used by someone” (App. Br. 9). And Appellant argues that because Felsher only discloses providing compensation when and if submitted information is ever used and “specifically does not disclose the idea of providing compensation in *direct exchange* for information being submitted,” Felsher “cannot be fairly relied upon as an anticipatory reference” (*id.* at 10).

Focusing particularly on the phrase “in direct exchange,” as used in claim 17, Appellant argues that “the word [‘direct’] in context in the [claim’s] statement ‘receive compensation in direct exchange for the information-possessing entity having provided the patient-specific medically-related information regarding the first individual’ works to exclude the prior art practice of providing compensation upon making use of previously-stored information” (Reply Br. 5). Appellant, thus, ostensibly maintains that claim 17, by its use of the word “direct,” requires that the submission of information, without more, automatically trigger the payment of compensation (*id.* at 4 (“Our argument is that the word in context helps to provide a clear distinction with respect to the prior art by making clear that the compensation is provided in response to when the information is provided . . . and at a time that is clearly other than when the information has already been gathered and is then being made available to an interested party at a cost at a time of use”); *see also* App. Br. 9 (“We describe something quite different [from Felsher]. In particular, we describe and claim providing compensation in direct response to the information being provided and accordingly ‘use’ is not required.”)).

We find nothing in the claim language, including the phrase “in direct exchange,” that requires the original holder of the information, i.e., the claimed “information-possessing entity,” to be compensated in *every* instance in which information is provided, i.e., that the only prerequisite to the payment of compensation is the submission of information. Instead, in our view, the term “direct,” as used in claim 17, does no more than establish a causal relationship between the provision of information and the receipt of compensation. In other words, the claimed “information-possessing entity” receives compensation because he or she provided the information, i.e., compensation is provided “in direct exchange” for the provision of information.

This interpretation is fully consistent with the ordinary and customary meaning of the term “direct,” which is generally understood to mean “characterized by close logical, causal, or consequential relationship.” See MERRIAM-WEBSTER DICTIONARY, <https://www.merriam-webster.com/dictionary/direct> (last visited on April 11, 2018). We find no indication in the Specification that Appellant has given the term a meaning different from its ordinary and customary meaning.⁸

⁸ The only appearance of the word “direct” in Appellant’s Specification is in paragraph 32. There, the Specification states, in pertinent part, “by one approach, the information facilitator 302 can arrange, if desired, for *direct* compensation of the information providers as per these teachings. By another approach, however, it would also be possible for the information facilitator 302 to cooperate instead with one or more financial institutions 306 in this regard.” (Spec. ¶ 32) (emphasis added). “Direct” is, thus, used in paragraph 32 in a different context, i.e., to describe the facilitator’s payment of compensation to the information provider directly rather than via a third party.

Felsher is directed to a method of maintaining information records, e.g., electronic medical records, and discloses a trustee model for the collection, maintenance, and distribution of entrusted information content (*see, e.g.*, Felsher ¶ 189, Abstract). Felsher discloses that the economic model for the trustee allows compensation from a number of sources; an accounting, thus, first occurs when a content owner supplies content to the trustee for inclusion in the virtual trust (*id.* ¶ 211). The trustee also is compensated when trust content is accessed and used by a third party and, in that instance, Felsher discloses that the trustee, in turn, compensates the content owner, whose content resulted in the acquisition of the data (*id.* ¶ 215). In other words, when trust content is accessed and used, Felsher discloses that the content owner who supplied the content is compensated. Felsher, thus, discloses a causal, consequential relationship between the provision of information and the receipt of compensation, i.e., the content owner “receive[s] compensation in *direct exchange* for . . . having provided the . . . information,” which meets the claim language.

Appellant has not shown error in the Examiner’s rejection of claim 17 as anticipated by Felsher. Therefore, we sustain the rejection of claim 17 under 35 U.S.C. § 102(b). We also sustain the rejection of dependent claims 2–4, 6–16, 18, and 19, which are not argued separately except by reference to Appellant’s arguments with respect to claim 17 (App. Br. 11).

Appeal 2016-006270
Application 11/533,209

DECISION

The Examiner's rejection of claims 2–4 and 6–19 under 35 U.S.C. § 101 is affirmed.

The Examiner's rejection of claims 2–4 and 6–19 under 35 U.S.C. § 102(b) 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