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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte CRAIG STEPHEN ETCHEGOYEN

Appeal 2016-007192
Application 12/792,442
Technology Center 3600

Before MAHSHID D. SAADAT, SCOTT B. HOWARD, and STEVEN M. AMUNDSON, *Administrative Patent Judges*.

SAADAT, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant[1] appeals under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims, and 1–5, 7, 9–13, 15, and 17–23, which constitute all the pending claims in this application.[2] We have jurisdiction under 35 U.S.C. § 6(b).

We reverse.

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[1] Appellant identifies Uniloc USA, Inc. and the assignee Uniloc Luxembourg S.A. as the real party in interest. App. Br. 3.

[2] Claims 6, 8, 14, and 16 have been cancelled. *Id.* at 26, 28.

STATEMENT OF THE CASE

Appellant's invention relates to "a method and system for controlling multiple purchases of an item of commerce by a single client device." Spec. ¶ 2. The commerce client is configured to generate a device identifier using a silicone degradation characteristic of a computer chip of the device and send the device identifier of the user's device to a remote server or the online ticket server. *Id.* ¶ 9. Exemplary claim 1 under appeal reads as follows:

> 1. A method for preventing redundant purchases of an item of commerce in limited supply, the method comprising:
>
> providing a commerce client to a user;
>
> receiving (a) financial information of the user, (b) a device identifier from a device the user is using to run the commerce client, the device identifier being generated by the commerce client from a combination of at least one user-configurable parameter and at least one non-user-configurable parameter of the user device, wherein the at least one non-user-configurable parameter is based on a silicon degradation characteristic of a computer chip of the device, and (c) a transaction identifier comprising information unique to the item of commerce;
>
> determining whether a previous transaction has been made for the item of commerce with the device associated with the received device identifier; and
>
> disallowing the device from executing further transactions for a predetermined period of time.

Claims 1–5, 7, 9–13, 15, and 17–23 stand rejected under 35 U.S.C. § 101 as not being directed to patent-eligible subject matter. *See* Final Act. 7–8.

ANALYSIS

We have reviewed the Examiner's rejection in light of Appellant's arguments that the Examiner erred. We are persuaded the Examiner erred in rejecting the claims under 35 U.S.C. § 101 for not being directed to patent-eligible subject matter. We highlight and address specific findings and arguments for emphasis as follows.

Section 101 Rejection

Independent claim 1 recites a "method for preventing redundant purchases of an item of commerce in limited supply" and "receiving . . . a device identifier being . . . at least one non-user-configurable parameter" as well as "wherein the at least one non-user-configurable parameter is based on a silicon degradation characteristic of a computer chip of the device" and is, therefore, directed to one of the four statutory categories of patentability enumerated by 35 U.S.C. § 101 (process, machine, manufacture, or composition of matter). The Examiner finds claims 1–5, 7, 9–13, 15, and 17–23 are "directed to the abstract idea of determining whether a previous transaction for an item has been made based on a device identifier which is a fundamental economic practice" and "amount[] to no more than: (i) mere instructions to implement the idea on a computer, and/or (ii) recitation of generic computer structure that serves to perform generic computer functions that are well-understood, routine, and conventional activities previously known to the pertinent industry." Final Act. 7. The Examiner explains that the additional claim elements "do not provide meaningful limitation(s) to transform the abstract idea into a patent eligible application

of the abstract idea such that the claim(s) amounts to significantly more than the abstract idea itself." Final Act. 7–8.

Appellant's Arguments

Appellant contends the Examiner erred in finding claim 1 is not directed to patent-eligible subject matter. *See* App. Br. 12–24. Appellant specifically argues that the Examiner has not properly identified the abstract idea, and instead declared the entire claim an abstract idea. App. Br. 13. Appellant further identifies the recited measuring a silicon degradation of a computer chip in the user device as the "significantly more" than an abstract idea. App. Br. 14–22. With respect to the device identifier, Appellant explains that the claimed method does not preempt all other device identifiers because "[m]any device identifiers are not at all 'based on a silicon degradation characteristic of a computer chip of the device.' Examples include MAC and IP addresses and fully qualified domain names." App. Br. 22. Finally, Appellant argues that, contrary to the Examiner's assertion and consistent with *DDR Holdings*, because the claims are tailored toward computer-network technology, they are not directed to an "abstract idea." App. Br. 22–24 (citing *DDR Holdings, LLC v. Hotels.Com, LP,* 773 F.3d 1245, 1257 (Fed. Cir. 2014)).

Discussion

We are persuaded by Appellant's arguments. The Supreme Court has set forth "a framework 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. Pty. Ltd. v. CLS Bank Int'l*, 134

S. Ct. 2347, 2355 (2014) (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1294 (2012))). According to this framework, a determination is made to consider whether the claims at issue are directed to one of those concepts (i.e., laws of nature, natural phenomena, and abstract ideas) (*see id.*). If so, a further determination must be made to 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.*

First, we review claim 1 to determine whether it is directed to a patent-ineligible concept, such as the "abstract idea" exception found by the Examiner. *See Mayo*, 132 S. Ct. at 1297; *see also* Final Act. 3. The claim recites steps of "providing a commerce client to a user" as well as "determining whether a previous transaction has been made" and "disallowing the device from executing further transactions." We find the recited steps are not directed to an abstract idea, but merely recite certain steps used to prevent redundant purchases of an item of commerce in limited supply based on a device identifier. The transaction is prevented upon detecting a previous transaction associated with the received user identifier, which is generated from a user-configurable parameter and a non-user-configurable parameter based on a silicon degradation characteristic of a computer chip of the device. *See* claim 1.

Particularly, we are persuaded by Appellant's argument that the Examiner's generic, conclusory statement that the claim relates to "the abstract idea of determining whether a previous transaction for an item has been made based on a device identifier which is a fundamental economic practice" (*see* Ans. 5) does not address the actual claim as a whole.

Contrary to the Examiner's position that disallowing a client computer from executing a transaction is among conventional computer processing and, therefore, would not amount to "significantly more" than an abstract idea (Ans. 10–11), the claimed features relate to a technological solution to a problem. *See* Reply Br. 6. The recited limitations of generating a non-user-configurable parameter based on a silicon degradation characteristic of a computer chip of the device is not abstract and constitutes functions that can only be performed by a computer. We agree with Appellant's comparison between the claims on appeal and those in *DDR Holding*s (*see* App. Br. 22–24) and observe that the recited "receiving . . . a device identifier being . . . at least one non-user-configurable parameter" as well as "wherein the at least one non-user-configurable parameter is based on a silicon degradation characteristic of a computer chip of the device" is not reciting merely "an inherent part of any abstract idea which processes information to generate an output." *See* Ans. 9. In fact, similar to *DDR Holdings*, the appealed claims are "necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks," and the claimed invention did not simply use computers to serve a conventional business purpose (*see DDR Holdings*, 773 F.3d at 1257).

Therefore, we are persuaded the Examiner erred in finding claim 1, as well as independent claims 9, 17, and 23, which include similar limitations, recite patent-ineligible subject matter. Accordingly, we do not sustain the rejection of claims 1–5, 7, 9–13, 15, and 17–23 under 35 U.S.C. § 101.

DECISION

We reverse the Examiner's decision to reject claims 1–5, 7, 9–13, 15, and 17–23.

REVERSED