



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
11/957,171	12/14/2007	John M. Hess	19603-0054	8810

99434 7590 03/28/2018
McKesson Corporation and Alston & Bird LLP
c/o Alston & Bird LLP
Bank of America Plaza
101 South Tryon St., Suite 4000
Charlotte, NC 28280-4000

EXAMINER

IMMANUEL, ISIDORA I

ART UNIT	PAPER NUMBER
----------	--------------

3685

NOTIFICATION DATE	DELIVERY MODE
-------------------	---------------

03/28/2018

ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

usptomail@alston.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JOHN M. HESS

Appeal 2016-007801
Application 11/957,171
Technology Center 3600

Before NINA L. MEDLOCK, BRUCE T. WIEDER, and
BRADLEY B. BAYAT, *Administrative Patent Judges*.

BAYAT, *Administrative Patent Judge*.

DECISION ON APPEAL¹

STATEMENT OF THE CASE

John M. Hess (“Appellant”)² appeals under 35 U.S.C. § 134(a) from the Examiner’s final rejection of claims 1–8 and 15–20. We have jurisdiction under 35 U.S.C. § 6(b).

¹ Our Decision references Appellant’s Appeal Brief (“Br.,” filed Nov. 4, 2015) and Supplemental Appeal Brief (“Supp. App. Br.,” filed Feb. 24, 2016), the Examiner’s Answer (“Ans.,” mailed June 3, 2016) and the Final Office Action (“Final Act.,” mailed May 29, 2015).

² Appellant identifies “McKesson Financial Holdings Limited” as the real party in interest. Appeal Br. 3.

SUMMARY OF DECISION

We AFFIRM.

THE INVENTION

Appellant's claimed invention relates to efficiently searching data files with multi-layer encoding. Spec. ¶ 1. Claim 1, reproduced below, is illustrative of the subject matter on appeal:³

1. A method for retrieving encoded transaction information associated with a pharmacy transaction, comprising:

receiving a request for transaction information;

identifying, in an index of data elements associated with pharmacy transaction messages in a plurality of data files, at least a first data file including the requested transaction information and at least one location of the transaction information within the first data file;

opening the first data file, wherein the first data file includes a header and a plurality of data blocks of encoded pharmacy transaction messages;

reading the header; and

determining based at least in part on the at least one location a first data block in the first data file that contains a first byte of the requested transaction information;

decoding at least the first data block; and

³ We note that there is a discrepancy as to the language of pending claim 1. In the amendment filed February 21, 2012, Appellant deleted several portions of claim 1 including the words "and" and "outputting," and the "generating" step. In the subsequent (and most recent) amendment filed May 12, 2015, the deleted portions reappear without markings. For purposes of this appeal, we take the claim language as set forth in Appellant's Supplemental Appeal Brief, which reflects the language in the May 12, 2015 amendment, except that we treat the superfluous re-introduction of the word "outputting" in claim 1 as a typographical error.

outputting [sic] retrieving the transaction information from the decoded first data block based at least in part on the at least one location; and

generating a report based at least in part on the transaction information, and presenting the report to a user.

THE REJECTIONS

1. Claims 1–8 are rejected under 35 U.S.C. § 101 as directed to judicially-expected subject matter.
2. Claims 1–8 and 15–20 are rejected under 35 U.S.C. § 112, second paragraph, as indefinite.
3. Claims 15–20 are rejected under 35 U.S.C. § 102(b) as anticipated by Ginter et al. (US 5,892,900, issued Apr. 6, 1999) (“Ginter”).
4. Claims 1–8 and 15–20 are rejected under 35 U.S.C. § 103(a) as unpatentable over Mayaud (US 5,845,255, issued Dec. 1, 1998), Ginter, and Midgdey et al. (US 5,485,606, issued Jan. 16, 1996) (“Midgdey”).

ANALYSIS

Ground of Rejection under 35 U.S.C. § 101

Claims 1–8

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: “[I]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) (internal quotation marks and citation omitted).

The Supreme Court, in *Alice*, reiterated the two-step framework previously set forth in *Mayo Collaborative Services v. Prometheus Laboratories, Incorporated*, 566 U.S. 66, 82–84 (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.” *Id.* If the claims are not directed to a patent-ineligible concept, e.g., to 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. 66, 79, 78).

Applying the framework in *Alice*, and as the first step of that analysis, the Examiner determines that claim 1 “is directed to an abstract idea of an algorithm and can be performed manually.” Final Act. 5. The Examiner maintains that:

the method is directed to standard pharmacy transactions where a pharmacist or technician receives a request to fill a prescription, the patient is identified and the specific profile information of that patient is accessed, opened and read, whether the specific information is in regards to a prior dispensing pharmacist, medical code for treatment received or sought or a patient's drug abuse, and based on the sensitivity of the patient's information and where it would be stored based on the sensitivity of the patient's file, accessing that information would require further authorization, the information is then retrieved and the patient receives a receipt of the transaction and information detailing their prescription.

Ans. 9. According to the Examiner, “Applicant seeks to automate an algorithm directed to accessing patient information.” *Id.* Proceeding to the second step of the *Alice* framework, the Examiner finds that:

the limitations “identifying”, “reading”, “determining”, “decoding” and “retrieving” are each mental steps and “opening” while requiring a computer is still from the perspective of a person, 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. 5. The Examiner also finds that claim 1 “is silent in the recitation of a computer performing the steps and can be directed to a person performing the steps” (Ans. 8–9) and that “[t]he steps can be performed with use of a wireless device or a generic computer, a computer is already capable of receiving a command, showing the location of information, opening a file, searching for a specific piece of information, translating information, outputting what it derives and displaying results.” *Id.* at 9–10. The Examiner has applied this analysis to all the claims in the rejection.

As an initial matter, we note that Appellant argues claims 1–8 as a group, and argues claim 1 as exemplary. *See* Br. 10–20. We select independent claim 1 as the representative claim for this group and, thus, the remaining claims 2–8 stand or fall with claim 1. 37 C.F.R. § 41.37(c)(1)(iv). Addressing these arguments, in turn, we do not find any to be persuasive of error in the rejection thereof.

Turning to the first step of *Alice*, Appellant argues that the Examiner erred in rejecting claim 1 under 35 U.S.C. § 101 because “the Examiner has failed to provide any proof that pharmacy benefit adjudication is an abstract concept.” Br. 11. According to Appellant, “the Examiner only provides an

opinion as to what is an abstract concept.” *Id.* Appellant cites *Ex parte Renald Poisson*, Appeal 2012-011084 (PTAB Feb. 27, 2015) in support of the contention that the Examiner was required to provide factual support for the conclusion that the claim is directed to an abstract idea (Br. 11, 16–17). Appellant also argues that the Examiner has put forth no evidence that the claims are directed to “a building block of economic activity or any other form of building block of human activity.” *Id.* at 12. According to Appellant, abstract ideas are “limited to mathematical algorithms, fundamental economic practices, or longstanding commercial practices” (*id.* at 12–13) and “the Examiner has provided no authority for the expansion of categories for abstract ideas to encompass” an algorithm that can be performed mentally.

A plain reading of the rejection and response to arguments in the Answer shows the Examiner reviewed the claim as a whole with all its limitations. *See* Final Act. 5; *see also* Ans. 8–10. Appellant does not cite any authority as to what kind “proof” the Examiner is required to provide in making a determination as to the abstract idea under 35 U.S.C. § 101. *See*, MPEP § 2106.07(a) III (2018). Moreover, we note that *Poisson* is not a precedential decision and, therefore, we are not bound by it. Nevertheless, we have reviewed *Poisson* and do not consider it to be pertinent to the issue in this appeal. In *Poisson*, the Patent Trial and Appeal Board (“Board”) rejected the Examiner’s conclusion that the claims were directed to an abstract idea of a new set of rules for playing a card game. *Poisson*, Appeal 2012-011084, slip op. at 5. Instead, the Board found that the claim involved playing a game of football “using a table and cards.” *Id.* The Board reversed the Examiner’s rejection because the Examiner did not provide

adequate findings of fact “on which to base the *Alice* analysis.” *Id.* Thus, the Board concluded that the facts and evidence relied upon by the Examiner did not support a finding that the claim was an ineligible abstract idea. *Id.* Here, the Examiner made adequate findings of fact, as discussed above, that the claimed method is directed to an abstract idea.

Appellant’s argument is unpersuasive at least because abstract ideas are not limited to building blocks of economic activity or building blocks of human activity. “The ‘abstract idea’ step of the inquiry calls upon us to look at the ‘focus of the claimed advance over the prior art’ to determine if the claim’s ‘character as a whole’ is directed to excluded subject matter.” *Affinity Labs of Tex., LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1257–58 (Fed. Cir. 2016 (quoting *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016)); see also *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016). 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*, 822 F.3d at 1334; 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”).

Importantly, it is the invention *as claimed* that is analyzed at step one. See *Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat. Ass’n*, 776 F.3d 1343, 1346 (Fed. Cir. 2014) (“We focus here on whether *the*

claims of the asserted patents fall within the excluded category of abstract ideas.”) (Emphasis added); *see also In re Hiniker Co.*, 150 F.3d 1362, 1369 (Fed. Cir. 1998) (“[T]he name of the game is the claim.”); *In re Warmerdam*, 33 F.3d 1354, 1360 (Fed. Cir. 1994) (“The problem with Warmerdam’s argument is that the claims here do not have that [argued-over] effect. It is the claims which define the metes and bounds of the invention entitled to the protection of the patent system.”)

Here, we agree with the Examiner that the claims are focused on a combination of abstract-idea processes. *See supra*. Claim 1 recites a process of using an index to search for and retrieve a pharmacy transaction and then presenting a report to a user, without any inventive technology for performing those functions. *Cf. Intellectual Ventures I LLC v. Erie Indemnity Company*, 850 F.3d 1315, 1328 (Fed. Cir. 2017) (“the heart of the claimed invention lies in creating and using an index to search for and retrieve data . . . an abstract concept.”). No specific type of encoding or decoding is required by claim 1. *See RecogniCorp, LLC v. Nintendo Co.*, 855 F.3d 1322, 1326 (Fed. Cir. 2017) (“abstract idea of encoding and decoding image data”); *see also Intellectual Ventures I LLC v. Capital One Fin. Corp.*, 850 F.3d 1332, 1340–41 (Fed. Cir. 2017) (organizing, displaying, and manipulating data encoded for human- and machine-readability is directed to an abstract concept).

In maintaining the rejection under § 101, the Examiner points out that “the claim is silent in the recitation of a computer performing the steps and can be directed to a person performing the steps.” Ans. 8–9. 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. *See CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1372–73 (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.”). Additionally, mental processes, e.g., reading information and determining information as recited in claim 1, remain unpatentable even when automated to reduce the burden on the user of what once could have been done with pen and paper. *See 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*, [409 U.S. 63 (1972)].”).

Appellant argues that “the claims are not directed to an abstract idea that can be implemented solely in the human mind or using only pen and paper” because the claims “provide a computer-based solution that must necessarily be implemented in a network context and that necessarily requires evaluation of data exchanged over a network.” Br. 14–15.

Appellant’s argument is not persuasive of error in the rejection because Appellant has not directed us to any particular limitation recited *in the claims* that cannot be performed in the human mind or using only pen and paper. Appellant’s argument that claim 1 provides “a computer-based solution” is not commensurate with the scope of claim 1, which, on its face, does not require a computer.⁴ Nor does claim 1 recite “a network” or “data exchanged over a network.” Contrary to Appellant’s arguments, Appellant’s

⁴ “[R]elying on a computer to perform routine tasks more quickly or more accurately is insufficient to render a claim patent eligible.” *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1363 (Fed. Cir. 2015), *cert. denied*, 136 S. Ct. 701 (2015) (citing *Alice*, 134 S. Ct. at 2359)

Specification expressly states that the invention is *not* necessarily implemented in a network environment. *See* Spec. ¶ 41 (“the invention may be implemented in *a non-network environment*, in which a standalone application server 140 executes the SLFile application 144 on a locally stored file system data.”) (Emphasis added).

Nor do we agree with Appellant’s contention that “no corresponding pre-existing manual analog solution exists.” Br. 13. Anyone who has ever used a library is familiar with the concept of using an index (e.g., a card catalog) to identify the location of information (e.g., a book), and reading a header (e.g., a table of contents in the front of the book) to determine a more specific location of the information (e.g., page numbers in the book).

Appellant further argues “that the claimed elements are not merely directed to an abstract concept of an algorithm” because the claims are similar to the inventions held eligible in *DDR Holdings*⁵ and *Trading Technologies*⁶. Br. 13–16. According to Appellant, “the solution provided by the present claims can only be implemented within a networked environment such as the Internet and no corresponding pre-existing manual analog solution exists.” *Id.* Appellant concludes that “as in *DDR Holdings*, the solution provided by the present claims is not an abstract idea.” *Id.*

In *DDR Holdings*, the Federal Circuit held that the invention was eligible under step two of the *Mayo/Alice* framework, which is only reached when a claimed invention fails under step one. *See DDR Holdings*, 773 F.3d at 1257 (“under any of these characterizations of the abstract idea, the [’]399

⁵ *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014).

⁶ *Trading Techs. Int’l, Inc. v. CQG, Inc.*, No. 05-CV-4811, 2015 WL 774655 (N.D. Ill. Feb. 24, 2015), *aff’d*, 675 F. App’x 1001 (Fed. Cir. 2017)

patent's claims satisfy *Mayo/Alice* step two.”). Thus, Appellant's arguments are not persuasive of error in the Examiner's determination that the claims are directed to an abstract idea under *Mayo/Alice* step one.

Moreover, Appellant's arguments are not commensurate with the scope of the claims, which do not recite “a networked environment,” the Internet, or any other network. Unlike the situation in *DDR Holdings*, Appellant does not identify any problem particular to computer networks and/or the Internet that claim 1 allegedly overcomes. The possibility that a data file *may* be transmitted or received via some unspecified network, in some embodiments covered by claim 1, is not sufficient to make the claimed invention as a whole rooted in computer technology. *Cf. Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1371 (Fed. Cir. 2015) (“The patent claims here do not address problems unique to the Internet, so *DDR* has no applicability.”). Appellant's argument that the claims are similar to *Trading Technologies* is unpersuasive of Examiner error for the same reason, namely that claim 1 does not recite “network-based healthcare claim requests received from or transmitted to a healthcare provider computer and claims processor computer.” Br. 14.

We note the Appellant's arguments regarding preemption. *See, e.g., id.* at 12 (“the present claims include additional features that do not preempt every application of any alleged abstract idea.”); *id.* at 15 (“there is no attempt to preempt the concept of an algorithm such that others cannot

practice it.”). But preemption is not a separate test under § 101.⁷ There is no dispute that the Supreme Court has described “the concern that drives this exclusionary principle [i.e., the exclusion of abstract ideas from patent eligible subject matter] as one of pre-emption.” *Alice Corp.*, 134 S. Ct. at 2354. But characterizing pre-emption as a driving concern for patent eligibility is not the same as characterizing pre-emption as the sole test for patent eligibility. “The Supreme Court has made clear that the principle of preemption is the basis for the judicial exceptions to patentability” and “[f]or this reason, questions on preemption are inherent in and resolved by the § 101 analysis.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (citing *Alice Corp.*, 134 S. Ct. at 2354). Yet, although “preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *Id.*; *see also OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir.

7

To be clear, the proper focus is not preemption *per se*, for some measure of preemption is intrinsic in the statutory right granted with every patent to exclude competitors, for a limited time, from practicing the claimed invention. *See* 35 U.S.C. § 154. Rather, the animating concern is that claims should not be coextensive with a natural law, natural phenomenon, or abstract idea; a patent-eligible claim must include one or more substantive limitations that, in the words of the Supreme Court, add “significantly more” to the basic principle, with the result that the claim covers significantly less. *See Mayo*, [566 U.S. at 72–73]. Thus, broad claims do not necessarily raise § 101 preemption concerns, and seemingly narrower claims are not necessarily exempt.

CLS Bank Int’l. v. Alice Corp. Pty. Ltd., 717 F.3d 1269, 1281 (Fed. Cir. 2013) (Lourie, J., concurring).

2015) (“[T]hat the claims do not preempt all price optimization or may be limited to price optimization in the e-commerce setting do not make them any less abstract.”). Thus, Appellant’s argument fails to apprise us of error as to the Examiner’s determination under step one of *Alice*.

Turning to the second step of *Alice*, Appellant argues that the Examiner failed to set forth a prima facie case for ineligibility because “the Examiner makes a blanket opinion covering all claims; failing to discuss each element, or even each claim, and failing to provide factual evidence and/or documentary support as to why it is not significantly more than the alleged abstract idea.” Br. 16.

As to the question of establishing a prima facie case, the Federal Circuit has made clear 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)). 35 U.S.C. § 132 sets forth a general notice requirement whereby the applicant is notified of the reasons for a rejection together with such information as may be useful in judging the propriety of continuing with prosecution of the application. *See, e.g., In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011). In this case, the Examiner provided adequate explanation to meet the notice requirement. The Examiner set forth the statutory basis of the rejection, applied *Alice*’s two-part framework, and sufficiently articulated reasoning in an informative manner, thus, meeting the notice requirement of 35 U.S.C. § 132. *See 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.”). We

note that Appellant has put forward no rebuttal evidence showing that any particular limitation of claim 1 amounts to “significantly more” than the abstract idea. Nor has Appellant identified any particular issue of disputed fact. Appellant has not, in fact, pointed to anything in the Specification, including the claims, in support of Appellant’s arguments and, thus, does not bring any questions of fact to our attention.

Appellant further argues that the claims recite substantially more and are not generic computer functions. *See* Br. 17–19. Appellant reproduces the language of claim 1 at page 17 of the Appeal Brief. But repeating the claim language fails to advance Appellant’s position by apprising us of Examiner error. Appellant does not provide any technical reasoning that any particular limitation, or combination of limitations, transforms the abstract idea into a patent-eligible invention.

Appellant next reproduces the “identifying,” “opening,” and “determining” steps and argues that these “are meaningful limitations beyond generally linking the alleged basic concept of an algorithm.” Br. 18 (citing Example 3 of the January 2015 USPTO Examples: Abstract Ideas). Example 3 is based on the Federal Circuit’s decision in *Research Corporation Technologies, Inc. v. Microsoft Corporation*, 627 F.3d 859 (Fed. Cir. 2010). There, the court observed that the claimed methods (i.e., claims 1 and 2 of US 5,111,310 and claim 11 of US 5,341,228) “address ‘a need in the art for . . . halftone rendering of gray scale images in which a digital data processor is utilized in a simple and precise manner to accomplish the halftone rendering.’” *Id.* at 868–69 (citations omitted). Even though the claimed combination incorporated, in significant part, algorithms and formulas that control the masks and half-toning, the court

found that “[t]he invention presents functional and palpable applications in the field of computer technology.” *Id.* at 869.

Here, in contrast, no analogous improvement in the field of computer technology is recited. Rather, the claimed steps of “identifying,” “opening,” and “determining” amount to basic functions commonly performed by generic computers. Identifying a file using an index, opening a file, and determining a location within a file amount to performing a “mathematical operation.” *Cf. Bancorp Servs., L.L.C. v. Sun Life Assur. Co. of Canada (U.S.)*, 687 F.3d 1266, 1278 (Fed. Cir. 2012) (citing *Gottschalk*, 409 U.S. at 67) (a computer used “for its most basic function, the performance of repetitive calculations”). For example, the “determining” step is described in the Specification as “simply dividing the byte location in the unencoded data file 130 by the configured data segment size, which is fixed and stored in header 152, and then rounding up to the next whole integer.” Spec. ¶ 39. Indexing and opening files are also routine and/or generic computer functions. *Cf. Intellectual Ventures*, 850 F.3d at 1329 (“while the claims necessarily cabin the idea of categorical data search and retrieval to a computer environment, the claimed computer functionality can only be described as generic or conventional.”). Thus, in contrast to *Research Corporation Technologies*, the instant claims describe purely conventional computing functions.

Appellant next argues that “the pending claims are improving the technological process of retrieving encoded transaction information associated with a pharmacy transaction as part of the processing of an electronic healthcare transaction, such as a healthcare claim request, communicated over a network, such as the Internet” and “are patent-eligible

not because they were implemented on a computer, but because they improve an existing technological process for electronic healthcare transaction processing.” Br. 19.

We have already addressed Appellant’s argument that the claims improve technology because they are limited to a network such as the Internet. There is no such requirement in the claims. Aside from Appellant’s network-based arguments, Appellant does not identify any other specific technological process that is improved by the claims.

Accordingly, we are not persuaded for the reasons set forth above that the Examiner erred in rejecting independent claim 1 under 35 U.S.C. § 101. Therefore, we sustain the Examiner’s rejection of claim 1. We also sustain the Examiner’s rejection of dependent claims 2–8 which fall with claim 1.

New Ground of Rejection under 35 U.S.C. § 101

Claims 15–20

We note that a claim directed to a “system,” despite its format, should be treated no differently from the comparable process claims held to be patent ineligible under § 101. *Cf. Alice*, 134 S. Ct. at 2351 (“the system claims are no different in substance from the method claims”). Indeed, the Supreme Court cautioned that the form of the claims should not trump basic issues of patentability. *See Parker v. Flook*, 437 U.S. 584, 593 (1978) (advising against a rigid reading of § 101 that “would make the determination of patentable subject matter depend simply on the draftsman’s art and would ill serve the principles underlying the prohibition against patents for ‘ideas’ or phenomena of nature.”). Independent claim 15 is

substantially similar to independent claim 1, and fails to satisfy the *Alice* framework for the same reasons.

It appears from the Specification that there may be a disclosed performance improvement from decoding less than the entire first data file. *See* Spec. ¶ 35 (“**only** the data block(s) 154 containing the specified claim transaction message 120 is decoded (e.g., decrypted and decompressed) rather than decoding the entire encoded data file 150, thereby limiting the number of CPU cycles required to retrieve the requested transaction information.”) (Emphasis added). However, this performance improvement is not captured in claim 15, which is not limited to decoding less than the entire file. Claim 15 recites “decode **at least** the first data block and output the transaction information” which encompasses decoding the entire first data file. Supp. App. Br. 4 (Claims Appendix) (emphasis added); *see Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1322 (Fed. Cir. 2016) (“The district court erred in relying on technological details set forth in the patent’s specification and not set forth in the claims to find an inventive concept.”); *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1369 (Fed. Cir. 2018) (“[Claim 1] does not recite any of the purportedly unconventional activities disclosed in the specification.”).

Therefore, we reject claim 15 under 35 U.S.C. § 101. Claims 16–20 depend from claim 15 and add nothing more than data gathering steps or merely reciting generic computer instructions performing conventional functions that courts have routinely found insignificant to transform abstract ideas to those into patent-eligible inventions. As such, we reject claims 15–20 under 35 U.S.C. § 101.

Indefiniteness

Claims 1–7 and 15–20

The Examiner found that claims 1 and 15 are indefinite “because the limitation ‘receiving a request . . .’ rests on a priori understanding for the existence of a file containing transaction information.” Final Act. 3, 6. According to the Examiner, “[t]he method and system are directed to retrieving information from a file, there is an essential missing step/element.” *Id.* at 3.

A claim which omits matter disclosed to be essential to the invention as described in the Specification or in other statements of record may be subject to rejection under 35 U.S.C. § 112(b) or pre-AIA 35 U.S.C. § 112, paragraph 2. *See In re Mayhew*, 527 F.2d 1229 (CCPA 1976); *In re Venezia*, 530 F.2d 956 (CCPA 1976); *In re Collier*, 397 F.2d 1003 (CCPA 1968). But the Examiner does not point to any disclosure in the Specification or statements of record by Appellant that identify creation of a file containing transaction information as being essential to the invention. We are persuaded that those skilled in the art would understand what is claimed given the ordinary meaning of the claim language when read in light of the Specification. *See Orthokinetics, Inc. v. Safety Travel Chairs, Inc.*, 806 F.2d 1565, 1576 (Fed. Cir. 1986) (The test for definiteness under 35 U.S.C. § 112, second paragraph, is “whether those skilled in the art would understand what is claimed when the claim is read in light of the specification.”). In other words, as disclosed in the “Background of the Invention” section of the Specification, the creation of files containing electronic pharmacy transaction messages is known in the industry. *See, e.g.*, Spec. ¶ 3 (“These messages are typically collected into files and

archived by the claims switch for a variety of reasons, such as audits, customer troubleshooting, data mining and reporting.”) Thus, the absence of a file creation step in the claims is merely an issue of breadth and not indefiniteness. *See In re Gardner*, 427 F.2d 786 (CCPA 1970).

Accordingly, we do not sustain the rejection of claims 1 and 15 as indefinite. Dependent claims 2–7 and 16–20 were rejected only because of their dependence on claims 1 and 15. Final Act. 6. Accordingly, we also do not sustain the rejection of claims 2–7 and 16–20 as indefinite.

Claim 8

The Examiner rejected claim 8 because it lacks antecedent basis for the limitation “the first data file unencoded.” Final Act. 6. Appellant does not argue this rejection of claim 8. *See* Br. 21–22. Claim 8 depends from claim 1, which does not contain any mention of an *unencoded* data file. Accordingly, we sustain the rejection of claim 8 as indefinite.

Anticipation

In rejected claim 15, the Examiner finds that Ginter discloses a processor in communication with a memory as claimed, and determines that “[t]he remaining limitations are intended use, as the function is associated with what the computer is implemented to perform and therefore does not have patentable weight.” Final Act. 7 (citing MPEP § 2103(I)(C)).

Appellant disputes the Examiner’s position. Br. 22–23.

In the Answer, the Examiner does not reproduce the rejection under 35 U.S.C. § 102(b) or respond to Appellant’s argument. It appears that the Examiner intended to withdraw this rejection. However, the Examiner has not expressly indicated that the rejection under 35 U.S.C. § 102(b) is withdrawn. *See* MPEP § 1207 (“An examiner’s answer is deemed to

incorporate all of the grounds of rejection set forth in the Office action from which the appeal is taken (as modified by any advisory action and pre-appeal brief conference decision), unless the examiner’s answer expressly indicates that a ground of rejection has been withdrawn.”).

Regardless, the Examiner’s rejection is in error. A patent applicant is free to recite features of an apparatus either structurally or functionally. *See In re Swinehart*, 439 F.2d 210, 212 (CCPA 1971) (“[T]here is nothing intrinsically wrong with [defining something by what it does rather than what it is] in drafting patent claims.”); *see also* MPEP § 2103(I)(C) (“when evaluating the scope of a claim, every limitation in the claim must be considered”). Here, the Examiner summarily concludes that the system of Ginter is capable of performing the recited functions. Final Act. 7. There is no analysis. Accordingly, we do not sustain the rejection of independent claim 15, and its dependent claims 16–20, as being anticipated by Ginter.

Obviousness

Appellant argues independent claims 1 and 15 together, and does not separately argue the rejection of dependent claims 2–8 and 16–20. *See* Br. 23–28. We select independent claim 1 as the representative claim for this group, and the remaining claims 2–8 and 15–20 stand or fall with claim 1. 37 C.F.R. § 41.37(c)(1)(iv).

The Examiner’s position is that Mayaud discloses the “receiving,” “identifying,” and “generating” limitations of claim 1. Final Act. 7, 10. The Examiner finds that Ginter discloses the “opening,” “reading,” “determining,” “decoding,” and “retrieving” limitations of claim 1, except that the determining and retrieving steps are “based at least in part on the at least one location” *Id.* at 8. The Examiner finds that Midgdey remedies this

deficiency in Ginter (*id.*) and determines that “it would have been obvious to one of ordinary skill in the art at the time of the invention to combine Mayaud, Ginter and Midgdey in order to efficiently manage a large number of files.” *Id.* The Examiner applies this same analysis to independent claim 15. *Id.* at 7.

Appellant argues that “neither Mayaud nor Ginter teach[es] or suggest[s]” the claim 1 limitations of “identifying,” “determining,” and “retrieving.” Br. 26.

Appellant’s argument is unpersuasive because Appellant is attacking Mayaud and Ginter individually; the rejection is based on the combined teachings of Mayaud, Ginter and Midgdey, not on any one of them alone. *See In re Merck & Co.*, 800 F.2d 1091, 1097 (Fed. Cir. 1986) (Nonobviousness cannot be established by attacking the references individually when the rejection is based on the teachings of a combination of references).

Appellant further argues that Midgdey does not disclose “based at least in part on the at least one location” as required by claim 1. According to Appellant, “[t]he locations in Midgdey are the starting points for the directory blocks and data blocks that are being restored” and “are not locations within a data file where transaction data is stored.” Br. 27.

Appellant’s argument is not persuasive at least because it does not address the Examiner’s rejection. The Examiner finds that Mayaud, not Midgdey, discloses data files that contain transaction data. Final Act. 7.

Moreover, we are not persuaded of Examiner error because Appellant does not adequately explain why the location of data blocks in Midgdey does not teach or suggest the claimed location of a first data block. Midgdey

discloses a system for archiving and restoring data files. As shown in Figure 1 of Midgdey, each data file **30a** is stored in a sequential series of data blocks **30**. The mapping of blocks **30** to data files is provided by block allocation table **24**, which “includes an array of memory locations, each of which corresponds to one block **12** of the tape.” Midgdey, col. 4, ll. 34–36. Midgdey discloses that “a data block chain is established in the block allocation table corresponding to the data blocks **30** in which the data files **30a** are written for a given backup set” and “starting locations for . . . the data block chain are addressed by pointers from the backup set directory file **26a** for the corresponding backup set.” *Id.* at col. 4, ll. 41–46.

Appellant has not offered any persuasive argument or technical reasoning to explain why a pointer to a location of a first data block **30** of a requested file **30a** to be restored does not meet the claimed “location [of] a first data block in the first data file that contains a first byte of the requested . . . information.” For example, Appellant has not explained how claim 1 excludes the requested information being stored at the start of a file, i.e., in the first data block of that file.

As such, we are not persuaded, on the present record, of error on the part of the Examiner. Accordingly, we sustain the rejection of independent claim 1, and claims 2–8 and 15–20 which fall with claim 1. 37 C.F.R. § 41.37(c)(1)(iv).

DECISION

The rejection of claims 1–8 under 35 U.S.C. § 101 is affirmed.

We enter a NEW GROUND OF REJECTION of claims 15–20 under 35 U.S.C. § 101.

The rejection of claims 1–7 and 15–20 under 35 U.S.C. § 112, second paragraph, is reversed.

The rejection of claim 8 under 35 U.S.C. § 112, second paragraph, is affirmed.

The rejection of claims 15–20 under 35 U.S.C. § 102(b) as anticipated by Ginter is reversed.

The rejection of claims 1–8 and 15–20 under 35 U.S.C. § 103(a) as unpatentable over Mayaud, Ginter, and Midgdey is affirmed.

This decision contains new grounds of rejection pursuant to 37 C.F.R. § 41.50(b) (2010). 37 C.F.R. § 41.50(b) provides that “[a] new ground of rejection pursuant to this paragraph shall not be considered final for judicial review.”

37 C.F.R. § 41.50(b) also provides that Appellant, WITHIN TWO MONTHS FROM THE DATE OF THE DECISION, must exercise one of the following two options with respect to the new ground of rejection to avoid termination of the appeal as to the rejected claims:

(1) *Reopen prosecution.* Submit an appropriate amendment of the claims so rejected or new Evidence relating to the claims so rejected, or both, and have the matter reconsidered by the examiner, in which event the prosecution will be remanded to the examiner. . . .

(2) *Request rehearing.* Request that the proceeding be reheard under § 41.52 by the Board upon the same Record. . . .

Should Appellant elect to prosecute further before the Examiner pursuant to 37 C.F.R. § 41.50(b)(1), in order to preserve the right to seek review under 35 U.S.C. §§ 141 or 145 with respect to the affirmed rejection, the effective date of the affirmance will be deferred until conclusion of the prosecution before the Examiner unless the affirmed rejection is overcome.

If Appellant elects prosecution before the Examiner and this does not result in allowance of the application, abandonment, or a second appeal, this case should be returned to the Patent Trial and Appeal Board for final action on the affirmed rejection, including any timely request for rehearing thereof.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a).

AFFIRMED
37 C.F.R. § 41.50(b)