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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte RAMAKRISHNA V. SATYAVOLU,
SARAVANA PERUMAL SHANMUGAM, and SAMIR KOTHARI

Appeal 2016-007939¹
Application 12/533,447²
Technology Center 3600

Before ANTON W. FETTING, BIBHU R. MOHANTY, and
NINA L. MEDLOCK, *Administrative Patent Judges*.

MEDLOCK, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner’s final rejection of claims 1–11 and 13–21. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Our decision references Appellants’ Appeal Brief (“App. Br.,” filed December 16, 2015) and Reply Brief (“Reply Br.,” filed August 22, 2016), and the Examiner’s Answer (“Ans.,” mailed June 23, 2016) and Final Office Action (“Final Act.,” mailed April 13, 2015).

² Appellants identify Truaxis, Inc. as the real party in interest. App. Br. 2.

CLAIMED INVENTION

Appellants' claimed invention "is generally related to consumer comparison shopping and usage based service analysis" (Spec. ¶ 4).

Claims 1, 9, and 16 are the independent claims on appeal. Claim 9, reproduced below, is illustrative of the claimed subject matter:

9. A method comprising:
 - defining a plurality of service plan-related data types for a service provider;
 - generating a normalized service plan model, the normalized service plan model comprising a plurality of service parameters derived from a plurality of provider service plans, at least two of the parameters derived from identical time periods from the plurality of provider service plans;
 - logging into a computer data base of the service provider by a user to access service usage data of the user;
 - collecting the user's service usage data from the service provider using a computer implemented facility;
 - sorting the user's service usage data according to the defined service plan-related data types; and
 - comparing a present service provider plan for the user with at least one alternative service plan from the service provider using the sorted usage data.

REJECTION³

Claims 1–11 and 13–21 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.⁴

³ The rejection of claims 1–11 and 13–21 under 35 U.S.C. § 112, second paragraph, has been withdrawn (Ans. 3).

⁴ We treat the Examiner's reference to canceled claim 12 as inadvertent error.

ANALYSIS

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)).

Here, in rejecting the pending claims under § 101, the Examiner analyzed the claims using the *Mayo/Alice* two-step framework, in accordance with the guidance set forth in the USPTO's "2014 Interim Guidance on Patent Subject Matter Eligibility," 79 Fed. Reg. 74618 (Dec. 16, 2014), in effect at the time the Final Office Action was mailed (Final Act. 5–6). Specifically, the Examiner notified Appellants that the claims are directed to "comparing service plans," which the Examiner determined is a method of organizing activities and, therefore, an abstract idea; that the additional elements, other than the abstract idea itself, i.e., a computer-readable medium and a computer, "perform generic computer functions, such as defining service plans, normalizing service plan data, generating a matrix using service plan data and collecting usage data, which are well-understood, routine, and conventional activities previously known to the pertinent industry"; and that "these additional claim elements do 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" (*id.*).

Appellants contend that the § 101 rejection cannot be sustained because the Office Action fails to analyze the claims as a whole and also fails to provide any explanation or reasons why the claims were determined to not include an element, or combination of elements, sufficient to ensure that the claims amount to significantly more than the asserted abstract idea (App. Br. 9–17). In fact, as described above, the Examiner provides a reasoned analysis that identifies the judicial exception recited in the claims,

i.e., an abstract idea, and explains both why it is considered a judicial exception and why the claims, “as a whole, considering all claim elements both individually and in combination, do not amount to significantly more than an abstract idea” (Final Act. 2–5).

Appellants also assert that “[t]he present Office Action does not appear to use any other steps of Claim 1, merely the last step, to characterize the claim,” and charge that this violates the principle that claims should be examined as a whole to determine patent-eligibility (App. Br. 25). But, that argument is not persuasive at least because there is no requirement that the Examiner’s formulation of the abstract idea must copy the claim language. Instead, the Federal Circuit has explained that “the ‘directed to’ inquiry applies a stage-one filter to claims, considered in light of the [S]pecification, based on whether ‘their character as a whole is directed to excluded subject matter.’” *See Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016) (citing *Internet Patents Corp.*, 790 F.3d at 1346). The Examiner’s determination here that the claims are directed to “comparing service plans” fairly reflects the character of the claims as a whole, and is fully consistent with the Specification (*see, e.g.*, Spec. ¶ 4 (“The present invention is generally related to consumer comparison shopping and usage based service analysis.”); *id.* ¶ 6 (“[T]here remains a need [in the art] for a consumer comparison shopping method that obtains. . . service usage data from the consumer and service provider information in order to present the consumer with relevant alternative service offering options.”); *id.* ¶ 46 (describing, with reference to Figure 2, a method of comparing service plans based on a user’s service usage data)).

Appellants argue that the Examiner has failed to establish a prima facie case of patent-ineligibility because the Examiner has provided no evidence that the claims are directed to an abstract idea (App. Br. 24–25). But, that argument is likewise unpersuasive.

We are aware of no controlling precedent that requires an examiner to provide evidentiary support in every case before a determination can be made that a claim is directed to an abstract idea.⁵ Nor have Appellants articulated sufficiently their assertion that the Administrative Procedure Act imposes any such requirement (*id.*). Also, contrary to Appellants’ suggestion, this Board did not hold in *Ex parte Renald Poisson*, Appeal 2012-011084 (PTAB Feb. 27, 2015) that there is any such requirement.⁶ Evidence may be helpful, e.g., where facts are in dispute, but 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.”). Appellants’ bare assertion that

⁵ *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.”).

⁶ We would not be bound, in any event, by a non-precedential decision of another panel of the Board.

evidence is needed here, without any supporting reasoning as to why, is insufficient to require the Examiner to provide evidentiary support.⁷

Further citing the “July 2015 Update: Subject Matter Eligibility” (the “July 2015 Update”)⁸ Appellants maintain that the USPTO guidelines “require that a prima facie rejection for subject matter ineligibility must first identify a claimed concept similar to a concept that the courts have identified as an abstract idea” (App. Br. 25–26).⁹ Appellants assert that the Office Action fails to adhere to the guidelines because “[t]he Office Action cites no case in which a court has identified ‘comparing service plans’ as an abstract idea” (*id.* at 26). Yet, even accepting Appellants’ assertion that “comparing service plans” is unlike any previously identified abstract idea, Appellants cannot reasonably maintain that the current body of case law precedent encompasses every conceivable abstract idea.

⁷ We note that the Appellants have put forward no rebuttal evidence showing the claims are not directed to an abstract idea.

⁸ We note for the record that the July 2015 Update (available at <https://www.uspto.gov/sites/default/files/documents/ieg-july-2015-update.pdf>) was published on July 30, 2015, i.e., after the Examiner’s April 13, 2015 Final Office Action was mailed.

⁹ The July 2015 Update instructs examiners to refer to the body of case law precedent in order to identify abstract ideas by way of comparison to concepts already found to be abstract (*id.* at 3), and explains that “[t]his discussion is meant to . . . ensure that a claimed concept is not identified as an abstract idea unless it is similar to at least one concept that the courts have identified as an abstract idea” (*id.*). Examiners also are instructed to clearly articulate “the reason(s) why the claimed invention is not eligible, for example, by providing a reasoned rationale that identifies the judicial exception recited in the claim and why it is considered an exception, and that identifies the additional elements in the claim (if any) and explains why they do not amount to significantly more than the exception” (*id.* at 6).

The Federal Circuit, in *Enfish*, explained that courts “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) Limited v. Openet Telecom, Inc.*, 841 F.3d 1288, 1294 (Fed. Cir. 2016) (explaining that the “decisional mechanism courts now apply” for deciding if claims are directed to an abstract idea “is to examine earlier cases in which a similar or parallel descriptive nature can be seen”). We are aware, however, of no controlling authority, nor do Appellants point us to any authority, that holds that a claim may only be determined to be directed to an abstract idea if a court has previously identified the *identical* concept as abstract.

It also is significant here that the Federal Circuit 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) (alteration in original). Thus, all that is required of the Office is that it sets forth the statutory basis of the rejection 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, the Examiner set forth the statutory basis of the § 101 rejection in the Office Action in a sufficiently articulate and informative manner as to meet the notice requirement of 35 U.S.C. § 132. And, we find that the Examiner, in doing so, set forth a prima facie case of patent-ineligibility such that the burden shifted to Appellants to demonstrate that the claims are patent-eligible.

Appellants cannot reasonably maintain that the rejection was not understood or that the rejection otherwise fails to satisfy the notice requirement of § 132. Indeed, Appellants’ understanding of the rejection is clearly manifested by Appellants’ response as set forth in the briefs.

We also are not persuaded of Examiner error by Appellants’ argument that the claims are patent-eligible because they do not preempt all possible ways of carrying out “comparing service plans” (App. Br. 17–21). There is no dispute that the Supreme Court has described “the concern that drives [the exclusion of abstract ideas from patent eligible subject matter] as one of pre-emption. *Alice Corp.*, 134 S. Ct. at 2354. But, characterizing preemption as a driving concern for patent eligibility is not the same as characterizing preemption 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). “[P]reemption may signal

patent ineligible subject matter, [but] the absence of complete preemption does not demonstrate patent eligibility.” *Id.*

Appellants further argue that the claims are patent-eligible because the claims are similar to the claims at issue in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014) and to the patent-eligible claim in Example 23 of Appendix 1¹⁰ to the July 2015 Update (App. Br. 21–23). But, we find no parallel between independent claim 9, for example, and the claims in *DDR Holdings*. Nor do we find any parallel between independent claim 9 and hypothetical claim 1 (or hypothetical claim 4) deemed patent-eligible in Example 23.

The claims at issue in *DDR Holdings* were directed to retaining website visitors, and, particularly, to a system that modified the conventional web browsing experience by directing a user of a host website, who clicks an advertisement, to a “store within a store” on the host website, rather than to the advertiser’s third-party website. *DDR Holdings*, 773 F.3d at 1257–1258. The court determined that “the claims address a business challenge (retaining website visitors) [that] is a challenge particular to the Internet.” *Id.* at 1257. The court also determined that the invention was “necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks,” and that the claimed invention did not simply use computers to serve a conventional business purpose. *Id.*

Hypothetical claim 1 of Example 23 is directed to a computer-implemented method for dynamically relocating information on a graphical

¹⁰ July 2015 Update Appendix 1: Examples, issued by the Office on July 30, 2015, available at <https://www.uspto.gov/sites/default/files/documents/ieg-july-2015-appl.pdf> (hereinafter “July 2015 Update Appendix”).

user interface (“GUI”) if a window overlap condition exists. Similar to the situation in *DDR Holdings*, the July 2015 Update explains that claim 1 is patent-eligible because it is not directed to an abstract idea (e.g., it “does not recite any mathematical concept or mental process such as comparing or categorizing information”) but instead is “necessarily rooted in computer technology to overcome a problem [i.e., overlapping windows and obscured text in GUIs] specifically arising in graphical user interfaces.” *Id.* at 9.

We are not persuaded that the method of claim 9, for example, improves an existing technological process or that it solves a technical problem, similar to *DDR Holdings* and hypothetical claim 1 of Example 23. Appellants assert that the present claims “solve a data processing problem with a claimed solution that is necessarily rooted in computer technology, ‘comparing a present service provider plan for the user with at least one alternative service plan from the service provider using the sorted usage data’” (App. Br. 21), and that the claims improve the technical fields of “comparing service plans, comparison shopping and usage based service analysis” (*id.* at 22; *see also id.* at 9, 16). But, we are not persuaded that “comparing service plans, comparison shopping, and usage based service analysis” are technical fields. Nor are we persuaded that “comparing a present service provider plan for the user with at least one alternative service plan from the service provider using sorted usage data” (i.e., in order to present the user with relevant alternative service offering options) is a technological solution, as opposed to a business solution to the problem of identifying an optimal service offering for a user based on the user’s past service usage, cost, service quality, and/or other pertinent factors

Appellants further argue that the claims are patent-eligible because they improve the operation of the computer by “efficiently comparing a present service provider plan for the user with at least one alternative service plan from the service provider” (App. Br. 15–16; *see also id.* at 10–11). Appellants also assert that “[l]imiting the service parameters [used to compare the present service provider plan with an alternative service plan] as claimed conserves computational resources and also helps the computer or computers to operate more efficiently, because the [normalized service plan] model limits the computations that are used in the step of comparing” (App. Br. 22). Yet, we find nothing in the record, short of attorney argument, to support that position. For example, we find nothing in the Specification, nor do Appellants point us to anything in the Specification that attributes an improvement in computer operation to the claimed invention. We also find nothing in the claim language that places any limitation on the number of service parameters that may be reflected in the normalized service plan model. Instead, claim 9 merely recites that “at least two of the parameters [are] derived from identical time periods from the plurality of provider service plans.”

There also is a fundamental difference between computer functionality improvements, on the one hand, and uses of existing computers as tools to perform a particular task, on the other. Indeed, the Federal Circuit applied this distinction in *Enfish*, in rejecting a § 101 challenge at the step one stage in the *Alice* analysis because the claims at issue focused on a specific type of data structure, i.e., a self-referential table for a computer database, designed to improve the way a computer carries out its basic

functions of storing and retrieving data, and not on asserted advances in uses to which existing computer capabilities could be put. *Id.* at 1335–36.

We find no parallel between the present claims and the claims in *Enfish* nor any comparable aspect in the present claims that represents “an improvement to computer functionality.” The alleged advantage that Appellants tout, i.e., “efficiently comparing a present service provider plan for the user with at least one alternative service plan from the service provider,” does not concern an improvement to computer capabilities but instead relates to an alleged improvement in comparing competing service plan offerings for which a computer is used as a tool in its ordinary capacity.

Rather than paralleling the claims in *DDR Holdings* and the patent-eligible hypothetical claims in Example 23, independent claims 1, 9, and 16, in our view, are substantially similar to the claims that the Federal Circuit determined were patent-ineligible in *Electric Power Group LLC v. Alstom, S.A.*, 830 F.3d 1350 (Fed. Cir. 2016). There, the court held that the claims were directed to an abstract idea because “[t]he advance they purport to make is a process of gathering and analyzing information of a specified content, then displaying the results, and not any particular assertedly inventive technology for performing those functions.” *Electric Power*, 830 F.3d at 1354; *see also id.* at 1353–54 (characterizing collecting information, analyzing information by steps people go through in their minds, or by mathematical algorithms, and presenting the results of collecting and analyzing information, without more, as matters within the realm of abstract ideas).

Similarly here, we find that independent claims 1, 9, and 16 involve nothing more than collecting data (i.e., a plurality of service plan-related

data types and usage data for a user’s current service provider) and analyzing the data (i.e., normalizing the service plan-related data types; sorting the user’s service usage data; and comparing a present service provider plan for the user with at least one alternative service plan from the service provider using the sorted usage data) — without any asserted inventive technology for performing these functions. For example, there is no indication in the record that the particular operations called for 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 the claimed method steps. Instead, the Specification suggests just the opposite, i.e., that the claimed invention is implemented using only generic computer components (*see, e.g.*, Spec. ¶¶ 82), which is not enough for patent-eligibility. *DDR Holdings*, 773 F.3d at 1256 (“[A]fter *Alice*, there can remain no doubt: recitation of generic computer limitations does not make an otherwise ineligible claim patent-eligible.”).

We are not persuaded, on the present record, that the Examiner erred in rejecting claims 1–11 and 13–21 under 35 U.S.C. § 101. Therefore, we sustain the Examiner’s rejection.

DECISION

The Examiner’s rejection of claims 1–11 and 13–21 under 35 U.S.C. § 101 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