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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte STEPHEN L. TESTARDI

Appeal 2016-007986¹
Application 11/831,811²
Technology Center 3600

Before MURRIEL E. CRAWFORD, NINA L. MEDLOCK, and
JAMES A. WORTH, *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 1–11 and 14–18. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Our decision references Appellant’s Appeal Brief (“App. Br.,” filed December 4, 2015) and Reply Brief (“Reply Br.,” filed August 19, 2016), and the Examiner’s Answer (“Ans.,” mailed June 20, 2016) and Non-Final Office Action (“Non-Final Act.,” mailed July 1, 2015).

² Appellant identifies Hewlett-Packard Development Company, LP as the real party in interest. App. Br. 1.

CLAIMED INVENTION

Appellant’s claimed invention relates to a method for “[d]etermining whether to entitle a product for warranty purposes[, which] means determining whether the user returning the product for warranty purposes satisfies any and all constraints imposed by the terms of the warranty in question” (Spec. 1, ll. 10–12).

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

1. A method comprising:

by a first computer program, generating a code encoding a date when the code was generated, an at least substantially unique identifier of a consumable item for an image-forming device, and usage information regarding the consumable item, the at least substantially unique identifier and the usage information retrieved from a memory of the consumable item;

upon a user returning the consumable item for warranty purposes, by a second computer program,

decoding the code to obtain the date, the at least substantially unique identifier, and the usage information;

determining whether to entitle the consumable item for warranty purposes based on the date, the at least substantially unique identifier, and the usage information, including ensuring that the usage information is not stale by comparing a current date to the date when the code was generated; and,

outputting whether the consumable item should be entitled for warranty purposes.

REJECTION

Claims 1–11 and 14–18 are rejected under 35 U.S.C. § 101 as directed to judicially-excepted subject matter.

ANALYSIS

Appellant argues claims 1–11 and 14–18 as a group (App. Br. 4–8). We select independent claim 1 as representative. The remaining claims stand or fall with claim 1. *See* 37 C.F.R. §41.37(c)(1)(iv).

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 35 U.S.C. § 101, the Examiner concludes that the claims are directed to “the abstract idea of determining if the terms and conditions of a contract have been complied with, specifically the processing of a warranty claim to determine whether or not to entitle an item for warranty purposes” (Non-Final Act. 3), which the Examiner determines is similar to the abstract ideas addressed in *SmartGene, Inc. v. Advanced Biological Labs, SA*, 555 F. App’x 950 (Fed. Cir. 2014) and *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350 (Fed. Cir. 2014) (*id.* at 3–4). The Examiner also finds that the claims do not include additional elements that are sufficient to amount to significantly more than the judicial exception (*id.* at 5–12).

Appellant argues that the Examiner erred in rejecting the claims under § 101 because the claimed invention is “directed to a *technological* solution to a *technological* problem, and is not directed to an abstract idea” (App. Br. 4 (citing Spec. 1, ll. 19–21)). Yet, we are not persuaded that determining whether an item is eligible for warranty coverage is a “technological” problem rather than a business problem. And although Appellant maintains that generating a code (i.e., encoding a date when the code was generated, an at least substantially unique identifier of a consumable item for an image-forming device, and usage information regarding the consumable item), and then decoding the code (i.e., to obtain

the date, the unique identifier, and the usage information), as recited in claim 1, is “decidedly technological” (*id.*), we find no indication in the record, nor does Appellant point us to any indication, that the particular operations recited in claim 1 require any specialized computer hardware or other inventive computer components, invoke any assertedly inventive programming, or that the claimed invention is implemented using other than generic computer components to perform the claimed method steps, which involve no more than gathering, processing, and displaying information, i.e., generic computer functions. *See Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1354 (Fed. Cir. 2016) (claims held to be directed to an abstract idea where “[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.”); *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1256 (Fed. Cir. 2014) (“After *Alice*, there can remain no doubt: recitation of generic computer limitations does not make an otherwise ineligible claim patent-eligible.”).

Appellant ostensibly attempts to recast the claimed invention as a method for detecting whether fraudulent behavior has occurred in relation to a consumable item of an image-forming device, and argues that the invention itself is not in determining whether the terms of the warranty have been satisfied or not (App. Br. 4–6; *see also* Reply Br. 1). However, it is clear from the Specification, including the claim language, that the claimed invention is directed to a method for determining warranty entitlement (*see, e.g.*, Spec. 1 (“FIG. 1 shows a method 100 for performing a warranty entitlement process for a consumable item for an image-forming device,

according to an embodiment of the present disclosure.”); claim 1 (“outputting whether the consumable item should be entitled for warranty purposes”). To the extent user fraudulent behavior is detected at all, that detection is incident to determining warranty entitlement, i.e., determining whether the terms of the warranty are satisfied, and this is done, as the Examiner observes, by comparing new information (i.e., a date, unique identifier, usage information) to stored information (the constraints that must be satisfied in order to obtain warranty coverage) and using rules to determine if the item is covered under the warranty or not (*see, e.g.*, Non-Final Act. 3–4).

In this regard, we are not persuaded by Appellant’s argument that the Examiner’s comparison of the present claims to those at issue in *SmartGene* is inapposite (App. Br. 5). Although there may be factual differences, we agree with the Examiner that claim 1, like the claims found patent-ineligible in *SmartGene*, involves no more than collecting information and comparing information in view of a set of rules, i.e., to determine warranty entitlement (Ans. 5–6).

We also are not persuaded of Examiner error to the extent that Appellant argues that the claims are patent-eligible, i.e., that the recited features of claim 1 are not “well-understood, routine, and conventional,” because the Board previously reversed the rejection of the pending claims under 35 U.S.C. § 103(a) (*see, e.g.*, App. Br. 6, 7). A finding of novelty or non-obviousness does not automatically lead to the conclusion that the claimed subject matter is patent-eligible. Although the second step in the *Mayo/Alice* framework is termed a search for an “inventive concept,” the analysis is not an evaluation of novelty or non-obviousness, but rather, a

search for “an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Alice Corp.*, 134 S. Ct. at 2355.

“Groundbreaking, innovative, or even brilliant discovery does not by itself satisfy the § 101 inquiry.” *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 591 (2013). A novel and non-obvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible.

See Mayo, 566 U.S. at 90. *See also Diamond v. Diehr*, 450 U.S. 175, 188–89 (1981) (“The ‘novelty’ of any element or steps in a process, or even of the process itself, is of no relevance in determining whether the subject matter of a claim falls within the § 101 categories of possibly patentable subject matter.”).

Responding to the Examiner’s Answer, Appellant argues that the Examiner merely considered the gist of each claim element separately, and failed to consider the claim elements as an ordered combination (Reply Br. 2–4). But, aside from quoting the language of claim 1, Appellant does not explain why any particular claim limitation requires alteration of the Examiner’s determination of the concept to which claim 1 is directed.

We are not persuaded, on the present record, that the Examiner erred in rejecting claim 1 under 35 U.S.C. § 101. Therefore, we sustain the Examiner’s rejection of claim 1, and claims 2–11 and 14–18, which fall with claim 1.

DECISION

The Examiner’s rejection of claims 1–11 and 14–18 under 35 U.S.C. § 101 is affirmed.

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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