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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte KENNETH ENBORG

Appeal 2017-000562
Application 10/151,427
Technology Center 3600

Before MURRIEL E. CRAWFORD, HUBERT C. LORIN, and JOSEPH A. FISCHETTI, *Administrative Patent Judges*.

CRAWFORD, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant seeks our review under 35 U.S.C. § 134 of the Examiner's final decision rejecting claims 15–17 and 19–21. We have jurisdiction over the appeal under 35 U.S.C. § 6(b).

BACKGROUND

Appellant's invention is directed to a method and system for enabling purchase units within a portable device using a mobile vehicle telematics device. Spec. 1

Claim 15 is illustrative:

15. A system, comprising:
 - a call center having a communications services database including a user's purchase unit service account;
 - a mobile vehicle telematics device selectively connectable to the call center, the mobile vehicle telematics device having a mobile vehicle telematics device purchase unit storage for receiving purchase units from the user's purchase unit service account, and a service routine that consumes the purchase units from the mobile vehicle telematics device purchase unit storage;
 - a portable device having a memory for receiving at least a portion of the purchase units from the mobile vehicle telematics device purchase unit storage, wherein the memory has a purchase unit decrement function responsive to purchase services provided through the portable device.

Appellant appeals the following rejection:

Claims 15–17 and 19–21 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter. In particular, the claims are directed to a judicial exception (abstract idea) without significantly more.

PRINCIPLES OF LAW

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 implicit exceptions: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *E.g., Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014) (internal quotations and citation omitted).

In determining whether a claim falls within the excluded category of abstract ideas, we are guided in our analysis by the Supreme Court’s two-

step framework, described in *Mayo* and *Alice*. *Id.* at 2355 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 76–77 (2012)). In accordance with that framework, we first determine whether the claim is “directed to” a patent-ineligible abstract idea. *See Alice*, 134 S. Ct. at 2356 (“On their face, the claims before us are drawn to the concept of intermediated settlement, *i.e.*, the use of a third party to mitigate settlement risk”); *Bilski v. Kappos*, 561 U.S. 593, 611 (2010) (“Claims 1 and 4 in petitioners’ application explain the basic concept of hedging, or protecting against risk”); *Diamond v. Diehr*, 450 U.S. 175, 184 (1981) (“Analyzing respondents’ claims according to the above statements from our cases, we think that a physical and chemical process for molding precision synthetic rubber products falls within the § 101 categories of possibly patentable subject matter”); *Parker v. Flook*, 437 U.S. 584, 594–95 (1978) (“Respondent’s application simply provides a new and presumably better method for calculating alarm limit values”); *Gottschalk v. Benson*, 409 U.S. 63, 64 (1972) (“They claimed a method for converting binary-coded decimal (BCD) numerals into pure binary numerals”).

The patent-ineligible end of the spectrum includes fundamental economic practices (*Alice*, 134 S. Ct. at 2357; *Bilski*, 561 U.S. at 611); mathematical formulas (*Parker*, 437 U.S. at 594–95); and basic tools of scientific and technological work (*Gottschalk*, 409 U.S. at 69). On the patent-eligible side of the spectrum are physical and chemical processes, such as curing rubber (*Diamond*, 450 U.S. at 184 n.7), “tanning, dyeing, making waterproof cloth, vulcanizing India rubber, smelting ores,” and a process for manufacturing flour (*Gottschalk*, 409 U.S. at 69) (internal quotations and citation omitted)..

If the claim is “directed to” a patent-ineligible abstract idea, we then consider the elements of the claim—both individually and as an ordered combination—to assess whether the additional elements transform the nature of the claim into a patent-eligible application of the abstract idea. *Alice*, 134 S. Ct. at 2355. This is a search for an “inventive concept”—an element or combination of elements sufficient to ensure that the claim amounts to “significantly more” than the abstract idea itself. *Id.* (internal quotations and citation omitted).

Claims involving data collection, analysis, and display are directed to an abstract idea. *Elec. Power Grp. v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016) (holding that “collecting information, analyzing it, and displaying certain results of the collection and analysis” are “a familiar class of claims ‘directed to’ a patent ineligible concept”); *see also In re TLI Commc’ns LLC Patent Litig.*, 823 F.3d 607, 611 (Fed. Cir. 2016); *FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1093–94 (Fed. Cir. 2016).

ANALYSIS

The Examiner holds that claim 15 is directed to an abstract idea of enabling purchase units and “can be performed manually or by using a ‘computer system’ and is similar to the kind of ‘organizing human activity’ at issue in *Alice Corp.*” Final Act. 3. The Examiner also holds that the claims are directed to receiving, processing, and storing of data through the program that enables management of purchase units. Ans. 6. The Examiner finds that taking the additional elements individually and in combination, the

device components at each step of the purchase process perform purely generic portable device function.

We are not persuaded of error on the part of the Examiner by Appellant's argument that the claims on appeal are dissimilar to the patent invalidated in a case like *Alice* and that the Examiner's characterization of the claims is overly broad. Claim 15 recites a system in which data is transmitted between a call center, a mobile vehicle telematics device and a portable device. We agree with the Examiner that the claims are directed to receiving, processing and storing data. As such, the claim is similar to the claims found to be patent ineligible such as in *Electric Power Group*. Claim 15 is also similar to those at issue in *Content Extraction and Transmission LLC v. Wells Fargo Bank, National Association*, 776 F.3d 1343, 1347 (Fed. Cir. 2014) (holding that the claims were “drawn to the abstract idea of 1) collecting data, 2) recognizing certain data within the collected data set, and 3) storing that recognized data in a memory”).

Appellant argues that the claims are directed to a very specific system of devices that do not preempt “enabling purchase units.” This argument is not persuasive because while preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015); *see also OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015), *cert. denied*, 136 S. Ct. 701, 193 (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”). And, “[w]here a patent's claims are deemed only to disclose patent ineligible subject matter under the *Mayo* framework, as they

are in this case, preemption concerns are fully addressed and made moot.”
Ariosa, 788 F.3d at 1379.

We are, likewise, not persuaded of error on the part of the Examiner by Appellant’s argument, which relies on *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257 (Fed. Cir. 2014), that claim 15 is necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks. Appellants contend that the claim addresses the problem of stopping an unauthorized user of the portable device from accessing the credit or bank accounts of the authorized user.

In *DDR*, the Court noted that a claim may amount to more than any abstract idea recited in the claims when it addresses a business challenge, where that challenge is particular to a specific technological environment, such as the Internet. *Id.* at 1257. The court stated that “the . . . patent’s claims address the problem of retaining website visitors that, if adhering to the routine, conventional functioning of Internet hyperlink protocol, would be instantly transported away from a host’s website after ‘clicking’ on an advertisement and activating a hyperlink.” *DDR Holdings*, 773 F.3d at 1257. This was done in the claim by serving a composite page with content based on the link that was activated to serve the page.

In contrast, claim 15 addresses the business problem caused by unauthorized use of accounts. This is not a technical problem. The solution does not involve the improvement of the computer system, the mobile vehicle telematics device, or the portable device. The problem is addressed by storing the purchase units (“data”) on a computer system and by providing the ability to decrement only the purchase units located on the

portable device. Both of these functions relate to the transmission and analysis of data, which are generic and routine functions of a computer. We agree with the Examiner that the claims provide a generically device implemented solution to a business related or economic problems.

Appellant also argues that the invention of claim 15 allows a user to receive and send purchase units anywhere the vehicle wireless communications service operates and anywhere the portable device's wireless communication service operates. These functions, which relate to the transmission of data where a wireless communication service is present, are conventional functions of computers that transmit and receive data through wireless communication services. A claim that uses generic computer technology to perform data collection, analysis, and display and does not recite an improvement to a particular computer technology is abstract. *See, e.g., McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1314–15 (Fed. Cir. 2016) (finding claims not abstract because they “focused on a specific asserted improvement in computer animation”).

Appellant also argues that the invention of claim 15 is narrower than the cited prior art and provides features not found in the prior art and is thus, significantly more than the asserted abstract idea. To the extent Appellant is arguing that the limitations of claim 15 necessarily amount to “significantly more” than an abstract idea because the claimed apparatus is allegedly patentable over the prior art, Appellant misapprehends the controlling precedent. Although the second step in the *Alice/Mayo* 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*, 134 S. Ct. at 2355 (internal citation omitted). A novel and nonobvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 566 U.S. at 90.

In view of the foregoing, we will sustain the rejection as it is directed to claim 15.

Appellant argues that claims 20 and 21 are patent eligible because these claims recite that the telematics device is configured to issue an audible warning using its own speakers or the vehicle speakers and that these warnings cannot be performed manually. First, we note that neither claim 20 nor claim 21 recites that the telematics device uses the vehicle speakers to issue the audible device. In addition, as these claims, like claim 15, are directed to receiving, processing and storing data, they are likewise directed to an abstract idea. Therefore, we will also sustain the rejection as it is directed to claims 20 and 21.

We will also sustain this rejection as it is directed to claims 16, 17, and 19, because the Appellant does not argue the separate patent-eligibility of these claims.

DECISION

The decision of the Examiner 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). *See* 37 C.F.R. § 1.136(a)(1).

AFFIRMED