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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
11/741,385	04/27/2007	Shyh-Kwei Chen	CH920050046US1	2886

48813 7590 06/21/2018

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EXAMINER	
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ART UNIT	PAPER NUMBER
3683	

NOTIFICATION DATE	DELIVERY MODE
06/21/2018	ELECTRONIC

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte SHYH-KWEI CHEN, JOACHIM H. FRANK, JANA KOEHLER, HUI LEI, and MICHAEL SEBASTIAN WAHLER

Appeal 2017-000903
Application 11/741,385
Technology Center 3600

Before HUBERT C. LORIN, BIBHU R. MOHANTY, and MICHAEL W. KIM, *Administrative Patent Judges*.

MOHANTY, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

The Appellants seek our review under 35 U.S.C. § 134(a) of the final rejection of claims 1 and 25–46 which are all the claims pending in the application. We have jurisdiction under 35 U.S.C. § 6(b).

SUMMARY OF THE DECISION

We AFFIRM.

THE INVENTION

The Appellants' claimed invention is directed to a method and apparatus for observation model validation (Spec., para. 2). Claim 1, reproduced below, is representative of the subject matter on appeal.

> 1. A method for validating an observation model, the method comprising:
>
> receiving the observation model at a validation engine;
>
> identifying a constraint applicable to the observation model;
>
> classifying the applicable constraint by at least one computer processor, wherein the step of classifying the applicable constraint determines that the applicable constraint is a global uniqueness constraint or a global cyclic dependency constraint; and
>
> validating the observation model dependent on the constraint category of the applicable constraint, wherein the step of validating the observation model comprises executing a classification-based validation algorithm; and
>
> outputting the validated observation model from the validation engine to a monitoring engine;
>
> wherein the step of receiving the observation model comprises (a) reading at least one model element from the observation model to the validation engine, and the step of identifying comprises (b) identifying a constraint applicable to the at least one model element, and the step of validating comprises (c) validating the at least one model element dependent on the constraint category of the constraint applicable to the at least one model element; and
>
> further comprising the step of checking for further model elements to read from the observation model to the validation engine and, if at least one further element is present, performing steps (a), (b) and (c).

THE REJECTION

The following rejection is before us for review:

Claims 1 and 25–46 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

FINDINGS OF FACT

We have determined that the findings of fact in the Analysis section below are supported at least by a preponderance of the evidence.[1]

ANALYSIS

Rejection under 35 U.S.C. § 101

The Appellants argue that the rejection of claim 1 is improper because the claim 1 is not directed to an abstract idea (App. Br. 6–9, Reply Br. 6–10). The Appellants also argue the claim is "significantly more" than the alleged abstract idea (App. Br. 9–11, Reply Br. 11, 12).

In contrast, the Examiner has determined that the rejection of record is proper (Final Act. 2–6, Ans. 2–11).

We agree with the Examiner. 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: "laws 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).

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[1] *See Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Patent Office).

In judging whether claim 1 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.*, 132 S. Ct. 1289, 1296–97 (2012)). In accordance with that framework, we first determine whether the claim is "directed to" a patent-ineligible abstract idea. If so, we then consider the elements of the 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 of the abstract idea. *Id.* 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.* The Court also stated that "the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention." *Id at* 2358.

Here, we determine that the claim is directed to the concept of validating an observation model subject to a constraint. This is a fundamental economic practice long prevalent in our system of commerce to validate business models or an idea of itself, and is an abstract idea beyond the scope of § 101. Here, the preamble of the claim is directed to a "method for validating an observation model." The Specification at para. 2 states that the invention relates to "a method . . . for observation model validation". The Specification at para. 8 states an "'observation model' describes the monitoring of the business process model in a graphical way" and is related to the concept of business metrics. *See Electric Power Group, LLC v. Alstom S.A.*, 830 F.3d 1350 (Fed. Cir. 2016) where collecting information,

analyzing it, and displaying results from certain results of the collection and analysis was held to be an abstract idea.

We next consider whether additional elements of the claim, both individually and as an ordered combination, transform the nature of the claim into a patent-eligible application of the abstract idea, e.g., whether the claim does more than simply instruct the practitioner to implement the abstract idea using generic computer components. We conclude that it does not. For example, the Specification at para. 83 states "[a]ny suitable computer usable or computer readable medium may be utilized." The Specification at para. 83 describes using conventional computer components such as a hard disk, RAM, optical fiber, the Internet, and magnetic storage devices.

Considering each of the claim elements in turn, the function performed by the computer system at each step of the process is purely conventional. Each step of the claimed method does no more than require a generic computer to perform a generic computer function.

We note the point about pre-emption (App. Br. 12, 13). While pre-emption "'might tend to impede innovation more than it would tend to promote it,' thereby thwarting the primary object of the patent laws" (*Alice*, 134 S. Ct. at 2354 (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1293 (2012)), "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.").

For these above reasons the rejection of claim 1 is sustained. The Appellants have provided the same arguments for the remaining claims which are directed to similar subject matter and the rejection of these claims is sustained as well.

CONCLUSIONS OF LAW

We conclude that Appellants have not shown that the Examiner erred in rejecting claims 1 and 25–46 under 35 U.S.C. § 101.

DECISION

The Examiner's rejection of claims 1 and 25–46 is sustained.

AFFIRMED