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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte* BRIAN J. CRAGUN and JOHN E. PETRI

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Appeal 2017-003134<sup>1</sup>  
Application 13/708,446  
Technology Center 3600

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Before MURRIEL E. CRAWFORD, MICHAEL W. KIM, and  
PHILIP J. HOFFMANN, *Administrative Patent Judges*.

CRAWFORD, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

This is an appeal from the final rejection of claims 1–4. We have jurisdiction to review the case under 35 U.S.C. §§ 134 and 6.

The invention “generally relates to a system for providing content to a user, and more specifically relates to a system for providing licensed content to a user.” Spec. ¶ 2.

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<sup>1</sup> The Appellants identify International Business Machines Corp. as the real party in interest. Appeal Br. 1.

Claim 1, the only independent claim on appeal, is illustrative:

1. A computer-implemented method for a user to receive content from a content provider, the method comprising the steps of:
  - providing at least one processor;
  - providing a memory coupled to the at least one processor;
  - the at least one processor performing the steps of:
    - a user defining a license policy that specifies criteria for automatically acquiring at least one license, the criteria including maximum cost for a licensed object, maximum cost per document that includes the licensed object, and maximum cost per time period for the user;
    - receiving a request from the user for a document;
    - sending the request for the document to the content provider;
    - when all objects in the document are unlicensed, rendering the document to the user;
    - when at least one object in the document is a licensed object, determining when the user has an existing license for the licensed object, and in response, rendering the document to the user;
    - when the user does not have an existing license for the licensed object, performing the steps of:
      - querying the content provider for license information for the licensed object, the license information including price for the licensed object;
      - determining when the price for the licensed object in the license information is less than the maximum cost for the licensed object specified in the license policy, when the price for the document is less than the maximum cost per document specified in the license policy, and when the price for the document does not cause the maximum cost per time period for the user specified in the license policy to be exceeded, and in response, acquiring a license for the licensed content without requiring further input from the user, and the user receiving the document including the licensed object;
      - determining when the price for the licensed object in the license information is less than the maximum cost

for the licensed object specified in the license policy and when the price for the document with the licensed object is more than the maximum cost per document specified in the license policy and the price for the document without the licensed object is less than the maximum cost per document specified in the license policy, rendering a partial document to the user that does not include the licensed object;

determining when the price for the licensed object in the license information is less than the maximum cost for the licensed object specified in the license policy, when the price for the document is less than the maximum cost per document specified in the license policy, and when the price for the document causes the maximum cost per time period for the user specified in the license policy to be exceeded, and in response, rendering a partial document to the user that does not include the licensed object; and

determining when the price for the licensed object in the license information is more than the maximum cost for the licensed object specified in the license policy, and in response, prompting the user for authorization, and when the user authorizes, acquiring a license for the licensed content and rendering the document including the licensed object to the user, and when the user does not authorize, rendering a partial document to the user that does not include the licensed object.

Claims 1–4 are rejected under 35 U.S.C. § 101 as directed to ineligible subject matter in the form of abstract ideas.

Claims 1–4 are rejected under 35 U.S.C. § 103(a) as unpatentable over Ginter et al. (US 5,892,900, iss. Apr. 6, 1999) (hereinafter “Ginter”).

## ANALYSIS

### Claim Construction

During prosecution the PTO gives claims their “broadest reasonable interpretation consistent with the specification.” *In re Hyatt*, 211 F.3d 1367, 1372 (Fed. Cir. 2000).

Claim 1 recites a processor performing steps that begin with a user defining a policy, receiving a request from a user for content, and sending the request to a content provider. Then the claim recites two mutually exclusive “when” sections of limitations, each describing steps taken in the event a “when” condition is met. The two conditions are “all objects in the document are unlicensed,” and “at least one object in the document is a licensed object.”

If all objects in a document are unlicensed, the method recites “rendering the document to the user.” If at least one object in the document is a licensed object, the method involves additional conditions and determinations that dictate what steps are taken, beginning with determining if the user has a license or not. If the user has a license, the content is rendered. But if the user does not have a license, the method recites steps to determine what license will or will not be acquired before determining what portions of the content to render to the user.

As an initial matter of claim construction, and regarding the conditional steps in claim 1, we note that conditional steps employed in a method claim need not be found in the prior art if, under the broadest reasonable construction, the method need not invoke the steps. *Ex parte Schulhauser*, No. 2013-007847, 2016 WL 6277792, at \*3-6 (PTAB April 28, 2016) (concluding the broadest reasonable interpretation of a claim

encompassed situations in which conditional method steps “need not be reached”) (precedential).

The Specification describes that the “term ‘licensed content’ as used herein is any content that requires the user to do something in exchange for receiving the content.” Spec. ¶ 5. A step which does not require a user to “do something” is, thus, broader than one that requires a user to “do something.”

The Specification does not define or describe the term “rendering,” but describes that “[i]f all content in the document requested by the user is unlicensed (step 320=YES), the content provider renders the full document to the user’s browser (step 380).” *Id.* ¶ 40 (cited at Appeal Br. 2). Because “rendering” is not defined, we rely on the ordinary and customary definition, “to transmit to another: deliver.” MERRIAM-WEBSTER ONLINE DICTIONARY, <http://m-w.com/dictionary/render> (last retrieved on June 12, 2018).

In the broadest construction of claim 1, in the condition that all objects in the document are unlicensed, the claim recites “rendering the document to the user,” and no later-recited steps are performed. In this case, the claim merely recites language for *a user defining a policy, the receipt and sending of a request, and the transmitting of unlicensed content to the user*. This is consistent with the Appellants’ description that “[c]laim 1 is a very detailed claim that recites a user defining a license policy that includes specified criteria, and different specified actions depending on various conditions in the claim.” Appeal Br. 5.

Our further analysis of the issues in the case is based on this construction of claim 1.

Section 101 Rejection of Independent Claim 1

We are not persuaded the Examiner errs in finding claim 1 is directed to an abstract idea because, according to the Appellants, “claim 1 as a whole is not directed to the formation of contractual relationships.” *Id.*

This argument is a mischaracterization of the Examiner’s findings, which, instead of finding the claim is *only* similar to cases directed to the formulation of contractual relationships, also finds the claim is similar to case with other characteristics as well:

The claim as a whole is therefore similar in nature to subject matter previously held as being directed towards the judicial exception regarding an abstract idea involving the forming of contractual relationships such as the formulation and trading of risk management contracts (*Alice Corp. Pty. Ltd. v. CLS Bank Intl.*, 573 U.S. \_\_\_, 134 S. Ct. 2347 (2014)), the creation of a transaction guaranty that binds to the transaction upon the closing of the transaction (*buySAFE, Inc. v. Google, Inc.*, 112 USPQ2d 1093 (Fed. Cir. 2014)), determining a price using organizational and product group hierarchies (*Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 115 USPQ2d 1681 (Fed. Cir. 2015)), determining an award in accordance with arbitration language (*In re Comiskey*, 89 USPQ2d 1655 (Fed. Cir. 2009)), implementing a rules based policy for processing an insurance claim (*Accenture Global Servs., GmbH v. Guidewire Software, Inc.*, 108 USPQ2d 1173 (Fed. Cir. 2013)) and detecting fraud in an Internet credit card transaction (*CyberSource Corp. v. Retail Decisions Inc.*, 99 USPQ2d 1690 (Fed. Cir. 2011)) (which can be viewed as the execution of a set of rules in order to determine whether a purchase contract involving a credit should be consummated). Furthermore, the claim can be viewed as nothing more than an “idea of itself” as comparing new and stored information and using rules to identify options has been deemed as ineligible (*SmartGene, Inc. v. Advanced Biological Labs.*, 555 Fed. Appx. 950 (Fed. Cir. 2014)) as has using categories to organize, store and transmit information (*Cyberfone Systems, LLC v. CNN Interactive Group, Inc.*, 558 Fed. Appx. 988 (Fed. Cir. 2014))

and the claim merely uses the policy to implement rules dictating when a license should or should not be acquired and subsequently transmits information based on the applied rule.

Answer 4–5.

Although the claim recites six different possible sets of steps to take under different conditions (one with unlicensed content, one where the user holds a license, one where all required licenses are acquired, and one where only a partial document is rendered because not all licenses are acquired), we need not find cases similar to each and every possible method performed, but only the broadest case. This is because if the broadest reasonable construction of the claim is directed to an abstract idea, we need not consider other cases. Therefore, we find claim 1 is directed to *providing for a user to define a policy, receiving and forwarding a request from the user, and transmitting content to the user.*<sup>2</sup> We find that this is similar to the claims recited in *Cyberfone*, a case identified by the Examiner.

In addition to being similar to the claims in *Cyberfone*, which uses “categories to organize, store and transmit information” (*id.*), claim 1 is also similar to claims in *Front Row Technologies, LLC v. NBA Media Ventures, LLC*, 204 F.Supp.3d 1190 (D.N.M., 2016), *aff’d*, 2017 WL 4127880 (Mem) (Fed. Cir. 2017), which involved sending video of an event to handheld devices over wireless networks. For example, claim 1 of US 7,812,856 recites:

1. A method for providing venue-based data to hand held devices, said method comprising the steps of: capturing video images from more than one perspective of a venue-based activity

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<sup>2</sup> The Appellants argue “[c]laim 1 is directed to receiving content from a content provider in the form of a document.” Appeal Br. 8, *see also* Reply Br. 3.

using more than one video camera located at a sports and entertainment venue; providing said video images to a server to process said more than one video perspective captured by more than one video camera into venue-based data formatted for wireless transmission via wireless data networks to more than one hand held device, each of said more than one hand held device further comprising at least one of a personal digital assistant and a smart phone, said more than one hand held device including at least one 802.11 wireless module for access to a wireless local area network and a cellular communications module for communication with a wireless cellular communications network, said more than one hand held device further comprising a touch-sensitive display screen to simultaneously and singularly display said venue-based data and to accept user input via said touch-sensitive display screen; and retrieving said venue-based data from said server and wirelessly transmitting said venue-based data to at least one hand held device located at said sports and entertainment venue over said wireless local area network and also wirelessly transmitting said venue-based data to at least one hand held device located outside of said sports and entertainment venue over said wireless cellular communications network.

In particular, claim 1 of the Appellants' application is similar to claim 1 in *Front Row Technologies*, because both involve transmitting content to a user.

Furthermore, except for the recitation of the "providing" of a "processor" and "memory," and the recitation that the processor performs the remaining steps of the method, the method involves communicating and forwarding a request, and transmitting content to a user, which can be performed manually by a human using simple devices such as pen and paper. A user may request a document that the provider of the document communicates in writing to the user. 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. *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1373 (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.”). In addition, mental processes remain unpatentable even when automated to reduce the burden on the user of what once could have been done with pen and paper. *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)].”).

For these reasons, we agree with the Examiner that claim 1 is directed to an abstract idea.

We next examine the claim as a whole, and as an ordered set of steps to determine if it recites an “inventive concept” or “something more.” *See Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014).

We are not persuaded by the Appellants’ argument that the specific claim “limitations are improvements to computer systems that deliver licensed content by acquiring a license for the licensed content without requiring further input from the user” (Appeal Br. 7, *see also* Reply Br. 2), because our construction of the claim scope does not include the limitations directed to acquiring licenses. This also applies to the Appellants’ argument that the “limitations improve the functioning of the computer itself, because the computer does not have to wait for user input to acquire a license.” *Id.* We also are unpersuaded, for the same reason, by the Appellants’ argument that the claim is “thus necessarily rooted in computer technology in order to overcome a specific problem arising in the realm of computer systems that

deliver licensed content” (*id.*, *see also* Reply Br. 2), because our construction does not require licensed content.

We also are unpersuaded that additional limitations recited are beyond the scope of what the Examiner finds the claim is directed to (*id.* 8, Reply Br. 3–4), because the limitations denoted are outside the scope of the claim we found above.

The Appellants also argue the claim does not “attempt to preempt every application of the abstract idea identified by the examiner” (the formation of contractual relationships). *Id.* 7. 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) (“[T]hat the claims do not preempt all price optimization or may be limited to price optimization in the ecommerce 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.

The Appellants have, thus, failed to demonstrate that the claim recites an “inventive concept” or “significantly more” that transforms it from the abstract idea of *providing for a user to define a policy, receiving and forwarding a request from the user, and transmitting content to the user*. For this reason, we sustain the rejection of claim 1 under 35 U.S.C. § 101 as directed to an abstract idea.

Section 101 Rejection of Dependent Claims 2–4

Although the Appellants argue that dependent claims 2–4 recite limitations that transform the alleged abstract idea into eligible subject matter (Appeal Br. 9–10), the limitations of each of claims 2–4 address only “criteria in the license policy” that affects the determination for acquiring licensed content. However, our construction of the claim, in its broadest reasonable interpretation, does not require licensed content, or the acquisition of licenses. Therefore, the Appellants’ arguments are unpersuasive.

As a result, we affirm the rejection of claims 2–4 under 35 U.S.C. § 101 as abstract.

Section 103(a) Rejection of Claim 1

We are not persuaded by the Appellants’ arguments advanced at pages 11–18 of the Appeal Brief, and pages 4–8 of the Reply Brief, because they are directed only to limitations for determining and acquiring licenses that are not within the scope of the broadest reasonable interpretation of the claim. This is not in dispute, as the Appellants do “not dispute the fact that when all content in a document is unlicensed (step 320=YES), steps 330, 340, 350, 360 and 370 will not be executed *for that particular user request.*” Appeal Br. 16. However, the Appellants argue the “[E]xaminer cannot assume a particular condition is satisfied, then ignore all the limitations in the claims that are not relevant to that particular condition, because the claim[ ] recites FOUR sets of conditions with FOUR corresponding sets of actions that are performed.” *Id.* 17. The Appellants, thus, argue the Examiner has not shown Ginter to teach all four of the conditional steps for acquiring a license. *Id.*

As we noted above, however, conditional steps employed in a method claim need not be found in the prior art if, under the broadest reasonable construction, the method need not invoke the steps. *Ex parte Schulhauser*, at \*3-6. Further, there is no language in the claim that requires steps to be performed that deal with conditions that are not occurring. There is, for example, no step to determine what conditions are present and to determine what steps are then performed under each condition. Instead, the claim encompasses the situation where unlicensed content is requested and provided, with no additional steps performed, other than permitting a user to define a policy.

The Examiner finds Ginter discloses the receipt of a request and providing of unlicensed content, at column 140[,] lines 25–38 and column 215[,] lines 7–16. Answer 8. The Appellants do not dispute this finding.

The Examiner has, therefore, established on the record the obviousness of claim 1.

For these reasons, we affirm the rejection of claim 1 as obvious over Ginter.

*Section 103(a) Rejection of Claims 2–4*

Each of dependent claims 2–4 recite refinements of the “criteria in the license policy.”

The Appellants argue error on the part of the Examiner for asserting the limitations of dependent claims 2–4 represent merely non-functional descriptive material, undeserving of patentable weight, because, according to the Appellants, claim 1 “specifies criteria for automatically acquiring at least one license,” and claims 2–4 refine that criteria. Appeal Br. 19.

We are not persuaded by the Appellants' argument. In the broadest reasonable interpretation of claim 1, the policy is defined, but the information in the policy, further refined by claims 2–4, is not used, and, thus, has no functional relationship to any method step that is performed. As such, the policy limitations of claims 2–4 correspond to printed matter that does not serve to distinguish the claim.

Our reviewing court has held that nonfunctional descriptive material cannot lend patentability to an invention that would have otherwise been anticipated by the prior art. *In re Ngai*, 367 F.3d 1336, 1339 (Fed. Cir. 2004). *Cf. In re Gulack*, 703 F.2d 1381, 1385 (Fed. Cir. 1983) (noting that when descriptive material is not functionally related to the substrate, the descriptive material will not distinguish the invention from the prior art in terms of patentability). *King Pharm., Inc. v. Eon Labs, Inc.*, 616 F.3d 1267, 1279 (Fed. Cir. 2010) (“[T]he relevant question is whether ‘there exists any new and unobvious functional relationship between the printed matter and the substrate.’”) (citations omitted).

The content of the specific policies does not affect the claim, because the policy is not used in the broadest construction of claim 1. Moreover, even if functional, the claimed policies differ from the prior art only in the content of the policy information, which is not a patentable distinction. As a result, the Appellants' claimed policy refinements do not distinguish the claimed invention from the prior art.

It has been repeatedly held that an applicant cannot create a novel product by attaching printed matter to it, even if that printed matter itself is new. *See, e.g., Ngai*. Thus, adding instructions to a kit that describe a method of using it does not make the kit patentable over the same kit with a

different set of instructions. There are cases in which the descriptive material can form a functional relationship with the underlying substrate. For example, in *In re Miller*, the addition of printed matter to the outside of a cup permitted an otherwise ordinary cup to be used like a measuring cup to half recipes. *In re Miller*, 418 F.2d 1392, 1396 (CCPA 1969). The printed matter in *Miller* served as a computing or mathematical recipe conversion device permitting a cook to perform calculations automatically with no further thought. However, the claim before us is more like the claim in *Ngai* than *Miller*.

#### DECISION

We affirm the rejection of claims 1–4 under 35 U.S.C. § 101.

We affirm the rejection of claims 1–4 under 35 U.S.C. § 103(a).

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