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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte* JENNIFER G. BECKER, THEODORE F. RIVERA,  
ADAM TATE, and SCOTT A. WILL

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Appeal 2017-003511<sup>1</sup>  
Application 12/147,721<sup>2</sup>  
Technology Center 3600

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Before MEREDITH C. PETRAVICK, PHILIP J. HOFFMANN, and  
TARA L. HUTCHINGS, *Administrative Patent Judges*.

HUTCHINGS, *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 1–23. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM

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<sup>1</sup> Our decision references Appellants’ Appeal Brief (“App. Br.,” filed June 17, 2016) and Reply Brief (“Reply Br.,” filed Dec. 29, 2016), and the Examiner’s Answer (“Ans.,” mailed Nov. 7, 2016) and Final Office Action (“Final Act.,” mailed Jan. 2, 2015).

<sup>2</sup> Appellants identify International Business Machines Corporation as the real party in interest. App. Br. 3.

CLAIMED INVENTION

Appellants' claimed invention "relates to the field of software tools for business compliance management" and, more specifically, to "managing a company's compliance with multiple process standards and performing cost/benefit analysis of the same." Spec. ¶ 1.

Claims 1, 12, and 19 are the independent claims on appeal. Claim 1, reproduced below, is illustrative of the claimed subject matter:

1. A method for managing compliance with at least one compliance standard, comprising:
  - identifying at least one internal process of an entity;
  - at least one computer identifying at least one internal process of an entity;
  - the at least one computer identifying at least one compliance standard, wherein each compliance standard comprises at least one required process, wherein the at least one compliance standard includes one or more of an International Organization for Standardization (ISO) compliance standard, a Six Sigma compliance standard, an Information Technology Infrastructure Library (ITIL) compliance standard, a Sarbanes-Oxley compliance standard, and a FRA 21 CFR based compliance standard;
  - the at least one computer programmatically comparing said at least one internal process against said at least one required processes for the compliance standard;
  - the at least one computer determining differences between said at least one internal process and said at least one required process, wherein when at least one compliance standard comprises a plurality of compliance standards, identifying a modification to said at least one internal process able to satisfy said at least one requirement for multiple ones of the compliance standards;
  - the at least one computer estimating a compliance cost based at least in part upon the determined differences;
  - the at least one computer ascertaining an expected benefit of satisfying the compliance standard; and

the at least one computer outputting at least one report that includes data based on the estimated compliance cost and the expected benefit.

### REJECTION

Claims 1–23 are rejected under 35 U.S.C. § 101 as directed to a judicial exception without significantly more.

### ANALYSIS

Appellants argue independent claims 1, 12, and 19 as a group. App. Br. 9–13. We select independent claim 1 as representative. The remaining claims stand or fall with claim 1. 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. *Alice Corp. 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

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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 determined that the claims are directed to “estimating a compliance cost,” “i.e., a method of organizing human activities involving mathematical relationships” and, therefore, an abstract idea. Final Act. 3. The Examiner also determined that the claims do not include additional elements that are sufficient to amount to significantly more than the identified judicial exception. *Id.*

As an initial matter, we are not persuaded of Examiner error by Appellants’ argument regarding preemption. App. Br. 10. 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 pre-emption as a driving concern for patent eligibility is not the same as characterizing pre-emption 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

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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.*

We also are not persuaded that the Examiner erred in determining that the claim 1 is directed to an abstract idea. App. Br. 9–10. Claim 1 is directed to a method for managing compliance with at least one compliance standard, and recites the following steps: (1) identifying at least one internal process of an entity; (2) identifying at least one compliance standard, wherein each compliance standard comprises at least one required process; (3) comparing the at least one internal process against the at least one required processes for the compliance standard; (4) determining differences between the at least one internal process and the at least one required process, wherein when at least one compliance standard comprises a plurality of compliance standards, identifying a modification to said at least one internal process able to satisfy said at least one requirement for multiple ones of the compliance standards; (5) estimating a compliance cost based at least in part upon the determined differences; (6) ascertaining an expected benefit of satisfying the compliance standard; and (7) outputting at least one report that includes data based on the estimated compliance cost and the expected benefit. Claim 1, thus, broadly recites gathering and analyzing information, and displaying the results thereof. Claim 1 recites that steps (2)–(7) are performed by “at least one computer.” Yet, the underlying processes recited in claim 1 are all acts that could be performed by a human, e.g., mentally or via pen and paper, without the use of a computer.

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. *See CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1372–73 (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.”); *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972) (“Phenomena of nature . . . , mental processes, and abstract intellectual concepts are not patentable, as they are the basic tools of scientific and technological work.”). And, 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. *CyberSource*, 654 F.3d 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*.”).

Turning to step two of the *Mayo/Alice* framework, Appellants argue that claim 1 amount to significantly more than an abstract idea. App. Br. 10–13. Specifically, Appellants contend that “the claims apply the alleged abstract idea[] . . . with a particular machine as set forth in the claims.” *Id.* at 10. But there is no indication that the particular operations called for 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. Indeed, the Specification suggests just the opposite, i.e., that the claimed invention is implemented using only generic computer components. *See, e.g.*, Spec. ¶¶ 14–20 (describing generic computer structure), 16 (“the computer-usable or computer-readable medium can even include paper”).

Appellants contend that “the creation of a report comprising the information that can be implement[ed] to obtain a benefit” effects a transformation. App. Br. 11. But merely presenting the results of an abstract process of collecting and analyzing information is abstract as an ancillary part of the collection and analysis. *See, e.g., Elec. Power Grp. V. Alstom, S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016).

Appellants argue that the claimed invention is patent-eligible, i.e., that claim 1 amounts to “significantly more” than an abstract idea, because the claim is allegedly non-obvious in view of the prior art. App. Br. 13. But neither a finding of novelty nor a non-obviousness determination automatically leads 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 (alteration in original) (citation omitted). “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.”).

Appellants argue that claim 1 is analogous to those at issue in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014) because it “do[es] not merely recite the performance of some business practice known from the pre-Internet world along with the requirement to perform it on the Internet.” App. Br. 13 (quoting *DDR Holdings*, 773 F.3d at 1257). Appellants’ argument is not persuasive. In *DDR Holdings*, the Federal Circuit held that the claims were directed to statutory subject matter because they claimed a solution “necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks,” i.e., retaining website visitors who, if adhering to the routine, conventional functioning of Internet hyperlink protocol, would be transported instantly away from a host’s website after “clicking” on an advertisement and activating a hyperlink. *DDR Holdings*, 773 F.3d at 1257. We are not persuaded that a comparable situation is presented here.

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 independent claims 12 and 19, which fall with claim 1. Appellants summarily assert that the dependent claims each adds an additional limitation that further emphasizes that the claim is directed to statutory subject matter. App Br. 13–18. Yet, Appellants do not explain, and we do not see why, any of these additional limitations render the claims patent eligible.

#### DECISION

The Examiner’s rejection of claims 1–23 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