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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte SHIBHU NAMBIAR and SUMAN GUHA

Appeal 2017-005451¹
Application 12/482,149²
Technology Center 3600

Before MICHAEL C. ASTORINO, NINA L. MEDLOCK, and
BART A. GERSTENBLITH, *Administrative Patent Judges*.

MEDLOCK, *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, 3, 4, 7–10, 15, 16, and 25–28. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Our decision references Appellants’ Appeal Brief (“App. Br.,” filed November 8, 2016) and Reply Brief (“Reply Br.,” filed February 14, 2017), and the Examiner’s Answer (“Ans.,” mailed December 14, 2016) and Final Office Action (“Final Act.,” mailed June 9, 2016).

² Appellants identify Oracle International Corporation as the real party in interest. App. Br. 3.

CLAIMED INVENTION

Appellants' claimed invention relates to "a computer system for managing documents, and more particularly, to a computer system for managing purchase documents" (Spec. ¶ 1).

Claims 1 and 15 are the independent claims on appeal. Claim 1, reproduced below, is illustrative of the claimed subject matter:

1. A non-transitory computer readable medium having instructions stored thereon that, when executed by a processor, cause the processor to manage purchase documents, the managing comprising:

receiving a request to modify a first purchase document having an active status;

importing contents of the first purchase document into a second purchase document that is a change order object that inherits data, attributes, and entities from the first purchase document;

receiving modifications to the second purchase document including a new value for at least one attribute;

transmitting, over a network, a request to approve the modified second purchase document to a supplier;

receiving, over the network, an invoice from the supplier;

receiving, over the network, approval of the modified second purchase document from the supplier;

implementing the approved modifications to the second purchase document by:

replacing the corresponding contents of the first purchase document with the approved modifications to the second purchase document, or

replacing the first purchase document with the approved modified second purchase document, the status of the first purchase document remaining active until approval of the modifications is received, and

while the status of the first purchase document is active and modifications to the second purchase document are being made, validating the invoice received from the supplier using the first purchase document.

REJECTIONS

Claims 1, 3, 4, 7–10, 15, 16, and 25–28 are rejected under 35 U.S.C. § 101 as directed to a judicial exception without significantly more.

Claims 1, 3, 4, 7–10, 15, 16, and 25–28 are rejected under 35 U.S.C. § 103(a) as unpatentable over King et al. (US 2002/0152133 A1, pub. Oct. 17, 2002) (“King”).

ANALYSIS

Patent-Ineligible Subject Matter

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 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)).

In rejecting the pending claims under § 101, the Examiner determined that the claims are directed to “managing purchase documents,” which the Examiner determined is a method of organizing human activity, i.e., creating a contractual relationship between a buyer and a seller, and, therefore, an abstract idea (Final Act. 2). The Examiner also determined that the claims do not include additional elements that are sufficient to amount to significantly more than the judicial exception (*id.* at 2–3).

Appellants argue that “‘managing purchase documents’ is a concept that has **not** been identified as an abstract idea by the courts” and that “a comparison of ‘managing purchase documents’ to the abstract ideas identified by the courts shows that there are **no similarities**” (App. Br. 8). Yet, we agree with the Examiner that managing purchase documents, as recited in the claims, amounts to the creation of a contractual relationship between a buyer and a seller (Final Act. 2). And, as Appellants acknowledge, “this abstract idea was identified by the Federal Circuit in

buySAFE, Inc. v. Google Inc., [7]65 F.3d 1350 (Fed. Cir. 2014)” (App. Br. 9).

Appellants note that, in *buySAFE*, the Federal Circuit cited a legal article to establish that the idea recited in the claims was a fundamental economic practice (*id.*). And Appellants ostensibly maintain that the Examiner is likewise required to cite authority here in order to establish that “managing purchase documents” is an abstract idea (*id.* at 10; *see also id.* at 8 (“[T]he [F]inal Office Action has declined to follow the methodology provided by the Court, which offered citations to textbooks and articles to establish that the identified abstract idea of ‘managing purchase documents’ was, indeed, a fundamental economic practice or a method of organizing human activity.”)).

Appellants’ argument is not persuasive. There is no requirement that an examiner provide evidentiary support in every case before a conclusion can be made that a claim is directed to an abstract idea. Nor, contrary to Appellants’ suggestion (*id.* at 10), did this Board hold in *Ex parte Renald Poisson*, Appeal 2012-011084 (PTAB Feb. 27, 2015), that there is any such requirement.³ Although evidence may be helpful, e.g., where facts are in dispute, it is not always needed. *See Mortgage Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1325–26 (Fed. Cir. 2016) (“[I]t is also possible, as numerous cases have recognized, that a § 101 analysis may sometimes be undertaken without resolving fact issues.”). Appellants’ bare assertion that evidence is needed, without any supporting reasoning, is

³ We would not be bound, in any event, by a non-precedential decision of another panel of the Board.

insufficient to require the Examiner to provide evidentiary support,⁴ particularly where, as here, Appellants explicitly acknowledge that the Federal Circuit has previously identified the “creation of a contractual relationship between a buyer and a seller” as an abstract idea.

It also is significant here that although the claims recite the use of a processor, i.e., a computer, the underlying processes recited in independent claims 1 and 15, including, for example, receiving a request to modify a first purchase document, importing the contents of the first purchase document into a second purchase document, receiving modifications to the second purchase document, and implementing the approved modifications, are all acts that could be performed by a human, without the use of a computer. Appellants argue that the claimed method cannot be performed entirely in the human mind (*see* Reply Br. 4; *see also* App. Br. 12). Yet, Appellants cannot reasonably deny that the claimed method could be performed by a human, manually, e.g., using pen and paper. For example, a person, using pen and paper, could generate a request to modify a first purchase document and communicate this information via written communications; approvals for any such modifications could similarly be communicated via written communications. The contents of the first purchase document also could be manually copied into a second purchase document and the corresponding contents of the first purchase document manually replaced with approved modifications to the second purchase document. And a human could maintain the active status of the first purchase document until after any

⁴ We note that Appellants have put forward no rebuttal evidence showing the claims are not directed to an abstract idea.

modifications are approved and could validate the invoice using the purchase document.

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.”). Additionally, 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*.”).

We also cannot agree with Appellants that there is any parallel between the present claims and the claims in *McRO* that the court determined were not directed to an abstract idea. Appellants argue that their claims, like those in *McRO*,

recite an improvement to computer-related purchase document management technology by allowing the performance of a function not previously performable by a computer, i.e., validating the invoice received from the supplier using the first purchase document while the status of the first purchase document is active and modifications to the second purchase document are being made

(App. Br. 13). But, Appellants do not identify any specific rules that enable the computer to manage purchase documents in the same way the specific rules enabled the computer in *McRO* to generate the computer animated characters. We also find no evidence of record here to support the argument that the present situation is like the one in *McRO* where computers were unable to make certain subjective determinations, i.e., regarding morph weight and phoneme timings, which could only be made prior to the claimed invention by human animators.

The ‘576 patent, at issue in *McRO*,⁵ describes that, prior to the claimed invention, character animation and lip synchronization were accomplished by human animators, with the assistance of a computer, and involved the use of a so-called “keyframe” approach in which animators set appropriate parameters, i.e., morph weights, at certain important times, i.e., “keyframes,” in order to produce accurate and realistic lip synchronization and facial expressions. *McRO*, 837 F.3d. at 1305. Animators knew what phoneme a character pronounced at a given time from a time-aligned phonetic transcription (a “timed transcript”). *Id.* In accordance with the prior technique, animators, using a computer, thus, manually determined the appropriate morph weight sets for each keyframe based on the phoneme timings in the timed transcript. *Id.*

In *McRO*, the improvement in computer animation was realized by using “rules, rather than artists [i.e., human animators], to set the morph weights and transitions between phonemes” (*id.* at 1313), i.e., in *McRO*, the invention used “rules to automatically set a keyframe at the correct point to

⁵ U.S. Patent No. 6,307,576.

depict more realistic speech, achieving results similar to those previously achieved manually by animators.” *Id.* at 1307. The rules in *McRO*, thus, allowed the computer to produce accurate and realistic synchronization in animated characters that could only previously be produced by humans. We are not persuaded that any comparable situation is presented here.

We also are not persuaded of Examiner error to the extent that Appellants argue that the claims are patent-eligible because the claims do not preempt an abstract idea (App. Br. 13–14).

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 preemption as a driving concern for patent eligibility is not the same as characterizing preemption 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 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.*

Turning to the second step of the *Mayo/Alice* framework, Appellants argue that even if the claims are directed to an abstract idea, the claims are nonetheless patent-eligible because “the claims recite ‘significantly more’ than merely requiring ‘generic computer implementation’ of an alleged abstract idea” (App. Br. 14). But, to the extent Appellants maintain that the claimed invention is patent-eligible, i.e., that the claims amount to

“significantly more” than an abstract idea, because the claims are allegedly novel and/or non-obvious in view of the prior art (*see* App. Br. 15 (“More specifically . . . the claims are allowable over the prior art, meaning all of the pending claims now recite an inventive concept per Step 2B, as discussed in [*BASCOM Global Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016)])), Appellants misapprehend the controlling precedent.

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.”).

We are not persuaded, on the present record, that the Examiner erred in rejecting claims 1, 3, 4, 7–10, 15, 16, and 25–28 under 35 U.S.C. § 101. Therefore, we sustain the Examiner’s rejection.

Obviousness

Independent Claim 1 and Dependent Claims 3, 4, and 7–10

We are persuaded by Appellants' argument that the Examiner erred in rejecting independent claim 1 under 35 U.S.C. § 103(a) because King does not disclose or suggest "while the status of the first purchase document is active and the modifications to the second purchase document are being made, validating the invoice received from the supplier using the first purchase document," as recited in claim 1 (App. Br. 15–17).

The Examiner interprets the argued limitation to refer to "review of an invoice against a purchase document that is undergoing a change order process, potentially as a result of a supplier sending a partial shipment" (Final Act. 8). And the Examiner takes the position that because the system supports multiple ordering, "it is obvious that a receipt for a partial shipment would be received and compared against a first order while a change to the order is being processed" (*id.*). In this regard, the Examiner notes that King discloses a scenario, at paragraph 134, where the supplier proposes a partial delivery on the requested date and a second delivery later in time (*id.*). And the Examiner concludes, "[t]hus the partial shipment will be reviewed and the buyer can initiate a change order relating to the second delivery (for example, perhaps prior to the time of the second delivery the buyer needs additional material and therefore initiates a change order)" (*id.*).

Establishing a prima facie case of obviousness requires an apparent reason to modify the prior art as proposed by the Examiner. *See KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007). The Examiner has not established here that a person of ordinary skill in the art would have had an apparent reason, in view of King, to validate an invoice received from the

supplier using a first purchase document while the status of the first purchase document is active and modifications to a second purchase document are being made. Instead, the Examiner has provided mere speculation to that effect, and such speculation is not a sufficient basis for a prima facie case of obviousness. *See, e.g., In re Warner*, 379 F.2d 1011, 1017 (CCPA 1967).

In view of the foregoing, we do not sustain the Examiner's rejection of independent claim 1 under 35 U.S.C. § 103(a). For the same reason, we also do not sustain the rejection of dependent claims 3, 4, and 7–10. *Cf. In re Fritch*, 972 F.2d 1260, 1266 (Fed. Cir. 1992) (“dependent claims are nonobvious if the independent claims from which they depend are nonobvious”).

Independent Claim 15 and Dependent Claims 16 and 25–28

Independent claim 15 includes language substantially similar to the language of claim 1, and stands rejected based on the same rationale applied with respect to claim 1 (Final Act. 6–8). Therefore, we do not sustain the rejection under 35 U.S.C. § 103(a) of independent claim 15, and claims 16 and 25–28, which depend therefrom, for the same reason set forth above with respect to claim 1.

DECISION

The Examiner's rejection of claims 1, 3, 4, 7–10, 15, 16, and 25–28 under 35 U.S.C. § 101 is affirmed.

The Examiner's rejection of claims 1, 3, 4, 7–10, 15, 16, and 25–28 under 35 U.S.C. § 103(a) is reversed.

Appeal 2017-005451
Application 12/482,149

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