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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* RENEE M. DARRAGH, ADAM E. KENNEY, JOHN S. RYAN,  
JOSEPH W. KAYE JR., JEFFREY A. KESEK,  
and STEPHANIE S. EMANUEL

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Appeal 2017-005527<sup>1</sup>  
Application 13/724,128<sup>2</sup>  
Technology Center 3600

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Before NINA L. MEDLOCK, BART A. GERSTENBLITH, and  
TARA L. HUTCHINGS, *Administrative Patent Judges*.

MEDLOCK, *Administrative Patent Judge*.

DECISION ON APPEAL

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<sup>1</sup> Our decision references Appellants' Appeal Brief ("App. Br.," filed July 19, 2016) and Reply Brief ("Reply Br.," filed February 15, 2017 by the firm of Oblon, McClelland, Maier & Neustadt, LLP), and the Examiner's Answer ("Ans.," mailed December 15, 2016) and Final Office Action ("Final Act.," mailed November 19, 2015).

<sup>2</sup> Appellants identify Thomson Reuters Global Resources as the real party in interest. App. Br. 2.

## STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner’s final rejection of claims 1–12, 16–29, 33, and 34. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

## CLAIMED INVENTION

Appellants’ claimed invention “relates to intellectual property (‘IP’) docketing systems and methods” and, more particularly, to “systems and methods for accounting for the movement of IP during certain time periods to ensure that IP is not inadvertently abandoned” (Spec. 2, ll. 17–19).

Claims 1 and 18 are the independent claims on appeal. Claim 1, reproduced below with bracketed notations added, is illustrative of the claimed subject matter:

1. An automated computer implemented method for payment decisions for intellectual property comprising:

[(a)] identifying a time period comprising a set of due dates for payment decisions;

[(b)] identifying a first time event, wherein the first time event is prior to the start of the time period;

[(c)] generating a set of payment decisions at the first time event for which a set of payment responses is due and is associated with the time period, the set of payment decisions being associated with a first set of intellectual property, the first set of intellectual property being associated with an IP docketing system;

[(d)] identifying a second time event during an interim timeframe wherein a change is detected, the change impacting the set of payment decisions, the second time event being after the first time event and prior to the start of the time period, wherein the detecting is based upon entry of a set of intellectual property asset data into an annuity management system, the set

of data comprising at least one of an acquired intellectual property asset or a divested intellectual property asset;

[(e)] identifying one or more inaccuracies as to the set of payment decisions based upon the second time event;

[(f)] generating an electronic signal indicative of an updated set of payment decisions based upon the one or more inaccuracies for which an updated set of payment responses is due and is associated with the time period, the updated set of payment decisions being associated with a second set of intellectual property, wherein the second set of intellectual property is based at least on the set of the intellectual property asset data; and

[(g)] transmitting the electronic signal.

### REJECTIONS<sup>3</sup>

Claims 1–12, 16–29, 33, and 34 are rejected under 35 U.S.C. § 112, second paragraph, as indefinite for failing to particularly point out and distinctly claim the subject matter that Appellants regard as the invention.

Claims 1–12, 16–29, 33, and 34 are rejected under 35 U.S.C. § 101 as directed to a judicial exception without significantly more.

Claims 1–12, 16–29, 33, and 34 are rejected under 35 U.S.C. § 102(b) as anticipated by Grainger et al. (WO 02/43306 A2, pub. May 30, 2002) (“Grainger”).

### ANALYSIS

#### *Indefiniteness*

In rejecting claims 1–12, 16–29, 33, and 34 under 35 U.S.C. § 112, second paragraph, the Examiner notes that independent claims 1 and 18

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<sup>3</sup> The rejection of claims 1–12, 16–29, 33, and 34 under 35 U.S.C. § 112, first paragraph, and the separate rejection of claims 16 and 33 under § 112, second paragraph, i.e., on the ground that it is unclear from which claim(s) they depend, have been withdrawn. Ans. 2–3.

recite “identifying one or more inaccuracies as to the set of payment decisions” (Final Act. 11). And the Examiner concludes that this language renders the claims indefinite because the “meaning and scope of the term ‘inaccuracies’ is not clear” (*id.*).

Appellants maintain, and we agree, that a person of ordinary skill in the art would understand what is claimed when the claims are read in light of the Specification (App. Br. 8 (citing Spec. 8, ll. 20–26 and Fig. 4); *see also* Reply Br. 2 (additionally citing Spec. 4, ll. 17–22; 8, l. 30 – 9, l. 14, and 9, ll. 22–29)), namely, that the term “inaccuracies” refers to payment decisions impacted by a change in business conditions, i.e., the acquisition or divestiture of an IP asset, detected during the second time period.

Therefore, we do not sustain the Examiner’s rejection of claims 1–12, 16–29, 33, and 34 under 35 U.S.C. § 112, second paragraph. *See Orthokinetics, Inc. v. Safety Travel Chairs, Inc.*, 806 F.2d 1565, 1576 (Fed. Cir. 1986) (The test for definiteness under 35 U.S.C. § 112, second paragraph, is whether “those skilled in the art would understand what is claimed when the claim is read in light of the specification.”).

#### *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)).

We are not persuaded, as initial matter, by Appellants’ argument that the Examiner has oversimplified the claims as directed to “scheduling and making annuity and maintenance payments on IP portfolios,” and ignored “the substantive transformative steps undertaken in rendering payment decisions for intellectual property” (App. Br. 11). Citing the Specification at pages 2–4, Appellants assert that the claimed invention addresses “technical problems faced by many large entities, such as publicly traded

companies, which have large IP portfolios requiring attention and the non-publically traded entities, such as law firms, that manage IP portfolios on behalf of numerous clients” (*id.*), and that the claimed invention specifically accounts for the movement of IP during certain timeframes (e.g., timeframes associated with a merger of businesses, an acquisition or divestiture of a business, a purchase or sale of a IP property) to ensure that IP rights do not inadvertently or mistakenly lapse for failure to make a maintenance or annuity payment (*id.* at 12). According to Appellants, the present claims are not “just reciting ‘a computer implemented method for scheduling and making annuity and maintenance payments on intellectual property portfolios’ as contended in the office action, but [instead] contain[ ] limitations to preserve [the] rights associated with the piece of IP involved in a transaction during a certain timeframe” (*id.*).

Appellants maintain that the claims, therefore, are directed to an improvement of an existing technology (*id.* at 11). Yet, the focus of the claims is not on the improvement of any technological process but instead on implementation of the abstract idea of scheduling and making annuity and maintenance payments on intellectual property portfolios to ensure that IP rights are not inadvertently lost. The Specification supports this view, disclosing that the claimed invention relates to IP docketing systems and methods and, more particularly, to systems and methods for accounting for the movement of IP during certain time periods to ensure that IP is not inadvertently abandoned for failure to make maintenance or annuity payments (Spec. 1, ll. 17–19; *see also id.* at 4 (disclosing that the claimed invention eliminates, or at least reduces, the possibility that the current owner of a piece of IP will mistakenly or inadvertently fail to pay a

maintenance fee and/or an annuity payment in a timely fashion)). It appears clear, when considered in light of the Specification, that rather than improving a technological process, the focus of the claimed invention is on achieving a business objective (i.e., ensuring that IP rights are not mistakenly or inadvertently lost), and not on any claimed means for achieving that objective that improves technology.

Turning to step two 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 include additional elements that constitute “significantly more” than the abstract idea itself. Appellants ostensibly maintain that the present claims are analogous to the claims held patent eligible in *BASCOM Global Internet Services, Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016) (App. Br. 14–15; *see also* Reply Br. 9–10). Yet, we can find no parallel between the present claims and those at issue in *BASCOM*.

Concluding that an “inventive concept” can be found in the non-conventional and non-generic arrangement of known conventional pieces, and applying that standard in relation to claims directed to filtering content from the Internet, the Federal Circuit held, in *BASCOM*, that the second step of the *Mayo/Alice* framework was satisfied because the claimed invention “represents a ‘software-based invention[ ] that improve[s] the performance of the computer system itself.’” *BASCOM*, 827 F.3d at 1351 (stating that like *DDR Holdings*, where the patent “claimed a technical solution to a problem unique to the Internet,” the patent in *Bascom* claimed a “technology-based solution . . . to filter content on the Internet that

overcomes existing problems with other Internet filtering systems . . . making it more dynamic and efficient”) (citations omitted).

Appellants assert here that “[l]ike in *Bascom Global*, the particular arrangement of elements is a technical improvement in the field of intellectual property annuity and maintenance fee management”; and that “[t]he implementation is inextricably tied to computer technology, and is significantly more than an abstract idea” (App. Br. 14–15). But, we are not persuaded that intellectual property annuity and maintenance fee management is a technological process, as opposed to a business process, or that improving the process of scheduling and making IP annuity and maintenance payments is a technological improvement, rather than an improvement to a business process. We also are not persuaded that the claimed invention is inextricably tied to computer technology. Scheduling and paying IP annuities and maintenance fees existed before, and still exists, outside of computer technology.

Appellants further assert that, as in *BASCOM*, “even if, *assuming arguendo*, the claimed elements recite generic or conventional features, they provide a non-generic and non-conventional arrangement which when considered as a whole render them patent-eligible” (Reply Br. 10). But, Appellants do not direct us to what is alleged to be the “non-conventional and non-generic arrangement” of generic or conventional features.

Further responding to the Examiner’s Answer, Appellants assert in the Reply Brief that the Examiner’s comparison of the present claims to those at issue in *Electric Power Group LLC v. Alstom, S.A.*, 830 F.3d 1350 (Fed. Cir. 2016), is inapposite, and that the claimed invention is more analogous to the invention at issue in *McRO* (Reply Br. 2–4). Appellants assert that, as in

*McRO*, “the claimed invention employs a computer to perform a distinct process to automate a task” and that it is “the incorporation of the claimed rules, not the use of the computer, that improves the existing technological process by allowing the automation of further tasks” (*id.* at 5 (emphasis omitted)). Yet, steps (a) through (f) of claim 1, for example (i.e., the “claimed rules”), do not enable the computer to perform IP annuity and maintenance fee management in the same way that the specific rules enabled the computer in *McRO* to generate computer-animated characters.

The rules in *McRO* allowed the computer to produce accurate and realistic synchronization in animated characters that could previously only be produced by humans. We 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.

We also are not persuaded by Appellants’ argument that the present claims are similar to those at issue in *Amdocs (Israel) Limited v. Openet Telecom, Inc.*, 841 F.3d 1288 (Fed. Cir. 2016) (Reply Br. 8–9). In *Amdocs*, the Federal Circuit held the claim patent-eligible because it entailed an unconventional technological solution (enhancing data in a distributed fashion) to a technological problem (massive record flows which previously required massive databases). The solution required arguably generic components, including network devices and “gatherers” which “gather” information. However, the court concluded that the claim’s enhancing limitation necessarily required that these generic components operate in an

unconventional manner to achieve an improvement in computer functionality. *Amdocs*, 841 F.3d at 1300–01.

Appellants ostensibly maintain here that the present claims are analogous to those in *Amdocs* because the claims recite a “particular process of generating updated and accurate records, for solving issues with vulnerabilities encountered with mistaken and/or inadvertent lapsing of IP” (Reply Br. 8–9). But Appellants do not adequately explain how, and we fail to see how, the Federal Circuit’s ruling in *Amdocs* somehow impacts the patent-eligibility of the present claims. For example, Appellants do not maintain that the present claims, like those in *Amdocs*, achieve any improvement in computer functionality or that the operations recited in the claims require that the claimed processor operate in an unconventional manner. Also, as described above, we are not persuaded that IP annuity and maintenance fee management is a technological process, as opposed to a business process, or that improving the process of scheduling and making IP annuity and maintenance payments is a technological improvement, rather than an improvement to a business practice.

For much the same reasons, we also are not persuaded that the present claims are analogous to those at issue in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014) (Reply Br. 9). Although Appellants ostensibly contend otherwise, the court did not conclude in *DDR Holdings* that the claims were patent-eligible merely because the claims did not recite the performance of a business practice known from the pre-Internet world along with the requirement to perform it on the Internet. Instead, 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.

Finally, we are not persuaded of Examiner error to the extent that Appellants argue that the claims are patent-eligible because there is no attempt at preemption (*id.* at 4; *see also id.* at 4–5). Although 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, 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.*

We are not persuaded, on the present record, that the Examiner erred in rejecting claims 19, 20, 23–25, and 28 under 35 U.S.C. § 101. Therefore, we sustain the Examiner’s rejection.

#### *Anticipation*

As an initial matter, we do not agree with the Examiner that “wherein the detecting is based upon entry of a set of intellectual property asset data

into an annuity management system, the set of data comprising at least one of an acquired intellectual property asset or a divested intellectual property asset,” as recited in claim 1, and similarly recited in claim 18, is non-functional descriptive material (Final Act. 19–20; *see also* Ans. 13–14). Instead, we agree with Appellants that the entry of intellectual property asset data, i.e., an acquired intellectual property asset or a divested intellectual property asset, into the asset management system provides a functional relationship between the first set of payment decisions, the detected change, and the subsequent identification of inaccuracies, such that the claim language cannot be ignored and must be given patentable weight (Reply Br. 12). As such, we agree with Appellants that the phrase “a second time event . . . wherein a change is detected,” as recited in independent claims 1 and 18, is properly construed, in light of the Specification, including the claim language, to refer to the entry of asset data, into an annuity management system, comprising at least one of an acquired intellectual property asset or a divested intellectual property asset (App. Br. 16).

Turning to the rejection, we are persuaded by Appellants’ argument that the Examiner erred in rejecting independent claims 1 and 18 under 35 U.S.C. § 102(b), at least because Grainger fails to disclose “identifying one or more inaccuracies as to the set of payment decisions based upon the second time event,” i.e., the entry of a set of IP asset data, into an annuity management system, comprising at least one of an acquired intellectual property asset or a divested intellectual property asset, as recited in claim 1, and similarly recited in claim 18 (App. Br. 15–17).

Grainger is directed to a docketing system “for recording, tracking, and reporting deadlines associated with legal cases and a system for

allowing payment of an annuity or maintenance fee associated with a patent document” (Grainger, Abstract), and discloses in paragraph 123, cited by the Examiner (Final Act. 20), that the docketing system detects the occurrence of, or receives a signal, indicating the occurrence of a particular triggering event for a particular case, when some data associated with the particular case has changed or been updated. Grainger discloses that in this circumstance, the docketing system identifies a set of rules associated with the triggering event and applicable to the particular case; generates one or more docketing messages for each rule; determines one or more recipients for each docketing message; and communicates the docketing messages to the recipients (Grainger ¶¶ 124–127; *see also id.* ¶ 152, Fig. 11).

Grainger discloses in paragraph 142, on which the Examiner also relies (Final Act. 20), that the docketing system may receive a user request to modify a pre-configured triggering event; if the user is authorized to modify the triggering event, and if the triggering event is associated with a continuing case, all docketing messages previously generated in response to the triggering event are automatically regenerated based on the modified information. Grainger further discloses, in cited paragraph 153 (Final Act. 20), with reference to Figure 18, that annuity payment instructions are presented to a client system via Web page 1830, and that, for each instruction, the client system can select, via “ActualPay?” option fields 1838, to pay the fee, not pay the fee, or put the decision “on hold” until a later date.

The Examiner contends that Grainger discloses “a set of payment decisions being rendered inaccurate” when a user elects to postpone or hold the payment until a later date, i.e., the other decisions of “pay now,” “pay

all,” and “not pay” are rendered inaccurate, and that if the application status is changed to abandoned, the decisions to “pay now” or “hold off” from payment would be rendered inaccurate (Final Act. 20). But, we fail to see how, even when combined with Grainger’s cited teachings, at paragraph 123, of detecting the occurrence of a triggering event (changes in case data) and, at paragraph 142, of regenerating docketing messages in response to the triggering event, this constitutes “identifying one or more inaccuracies as to the set of payment decisions based upon the second time event,” as called for in claims 1 and 18. In other words, we find nothing in the cited portions of Grainger that discloses using information regarding “entry of a set of intellectual property asset data into an annuity management system, . . . comprising at least one of an acquired intellectual property asset or a divested intellectual property asset” as a basis for identifying inaccuracies in a set of payment decisions.

Moreover, putting aside whether the characterization of the data as comprising “at least one of an acquired intellectual property asset or a divested intellectual property asset” is properly considered as non-functional descriptive material, the Examiner’s position, as best understood, is that inaccuracies arise out of a triggering event when some data regarding a particular case has been changed or updated, i.e., that the introduction of inaccuracies occurs after, i.e., as a result of, the triggering event. But we find nothing in the cited portions of Grainger that discloses that the docketing system identifies these inaccuracies with respect to the set of “Web page 1830”ActualPay options, as shown in Figure 18, i.e., “identifying one or more inaccuracies as to the set of payment decisions

based upon the second time event,” as recited in claim 1, and similarly recited in claim 18.

In view of the foregoing, we do not sustain the Examiner’s rejection of independent claims 1 and 18 under 35 U.S.C. § 102(b). For the same reasons, we also do not sustain the Examiner’s rejection of dependent claims 2–12, 16, 17, 19–29, 33, and 34.

#### DECISION

The Examiner’s rejection of claims 1–12, 16–29, 33, and 34 under 35 U.S.C. § 112, second paragraph, is reversed.

The Examiner’s rejection of claims 1–12, 16–29, 33, and 34 under 35 U.S.C. § 101 is affirmed.

The Examiner’s rejection of claims 1–12, 16–29, 33, and 34 under 35 U.S.C. § 102(b) is reversed.

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