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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte WEI YEN, DAVID BLYTHE, JOHN PRINCEN, and
PRAMILA SRINIVASAN

Appeal 2017-006532
Application 12/330,487
Technology Center 3600

Before JENNIFER S. BISK, LARRY J. HUME, and JOYCE CRAIG,
Administrative Patent Judges.

CRAIG, *Administrative Patent Judge.*

DECISION ON APPEAL

Appellants¹ appeal under 35 U.S.C. § 134(a) from the Examiner's final rejection of claims 7–13 and 19–29, which are all of the claims pending in this application.² We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

¹ According to Appellants, the real party in interest is Acer Cloud Technology, Inc. App. Br. 2.

² Claims 1–6 and 14–18 have been canceled. App. Br. 26–27.

INVENTION

Appellants' invention relates to a system and method for delivering licenses to a playback device. Title. Claim 7 is illustrative and reads as follows:

7. A device comprising:

a memory configured to store first game content of a game, second game content of the game, and a limited license, the limited license specifying:

a first duration of time,

first saved state information saved in the memory, wherein the first saved state information includes: progress of a player in the first game content and a second duration of time associated with executing the first game content, and

a limited license condition that is satisfied when the second duration of time is less than the first duration of time;

an interface coupled to the memory, the interface configured to receive a conditional license, the conditional license granting access to at least a portion of the second game content based on a conditional license condition the progress of the player, the conditional license condition based satisfied when the second duration of time is greater than a third duration of time;

a processor coupled to the memory and the interface, wherein the processor is configured to execute the first game content in response to satisfaction of the limited license condition, and to execute the second game content in response to satisfaction of the conditional license condition.

App. Br., Claims Appendix, 26.

REJECTIONS

Claims 7–13 and 19–29 stand rejected under 35 U.S.C. § 112 (pre-AIA), second paragraph, as indefinite for failing to particularly point out and

distinctly claim the subject matter which the applicant regards as the invention. Final Act. 2³.

Claims 7–13 and 19–29 stand rejected under 35 U.S.C. § 101 because the claimed invention is not directed to patent eligible subject matter. Final Act. 4.

Claims 7–13 and 19–29 stand rejected under pre-AIA 35 U.S.C. § 103(a) as unpatentable over the combination of Reay et al. (US 6,882,979 B1; issued Apr. 19, 2005) (“Reay”) and Rubin (US 2003/0114227; published June 19, 2003). Final Act. 6.

ANALYSIS

We have reviewed the rejections of claims 7–13 and 19–29 in light of Appellants’ arguments that the Examiner erred. We have considered in this decision only those arguments Appellants actually raised in the Briefs. Any other arguments Appellants could have made, but chose not to make, in the Briefs are waived. *See* 37 C.F.R. § 41.37(c)(1)(iv). Appellants’ arguments are not persuasive of error. We agree with and adopt as our own the Examiner’s findings of facts and conclusions as set forth in the Answer (Ans. 2–11) and in the Action from which this appeal was taken (Final Act. 2–17). We provide the following explanation for emphasis.

³ We refer to the Specification, filed Dec. 8, 2008 (“Spec.” – Title only); Final Office Action, mailed Jan. 29, 2016 (“Final Act.”); Advisory Action, mailed Apr. 14, 2016 (“Advisory Act.”); Appeal Brief, filed Jun. 14, 2016 (“App. Br.”); Examiner’s Answer, mailed Jan. 17, 2017 (“Ans.”); and the Reply Brief, filed Mar. 9, 2017 (“Reply Br.”).

*Rejection of Claims 7–13 and 19–29 under
35 U.S.C. § 112, second paragraph*

Appellants provide no substantive response to the Examiner’s indefiniteness rejection of claims 7–13 and 19–29. *See* App. Br. 2, 5 n.4. Accordingly, we sustain the Examiner’s rejection of claims 7–13 and 19–29 under 35 U.S.C. § 112, second paragraph.

Rejection of Claims 7–13 and 19–29 under 35 U.S.C. § 101

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: “[I]aws 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). In determining whether a claim 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*. *Alice*, 134 S. Ct. at 2355 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 76–77 (2012)).

In accordance with that framework, we first determine whether the claim is “directed to” a patent-ineligible abstract idea. *See id.* at 2356. If the claim is “directed to” a patent-ineligible abstract idea, we then consider the elements of the claim—both individually and as an ordered combination—to assess whether the additional elements transform the nature of the claim into a patent-eligible application of the abstract idea. *Id.* at 2355. 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.* (internal quotations and citation omitted). 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. We, therefore, look to whether the claims focus on a specific means or method that improves the relevant technology or are instead directed to a result or effect that itself is the abstract idea and merely invoke generic processes and machinery. *See Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1336 (Fed. Cir. 2016).

In rejecting claims 7–13 and 19–29 as directed to a judicial exception to patent eligible subject matter, the Examiner concluded the claims are directed to the abstract idea of “creating a licensing agreement including assigning and enforcing rights to content with temporal terms,” which the Examiner considered both a fundamental economic practice and a method of organizing human activity. Final Act. 5. The Examiner also concluded the claims are not directed to significantly more than the judicial exception. *Id.*

Alice Step 1: Abstract Idea

As to the first step of the *Alice* inquiry, Appellants contend the Examiner erred because the Examiner’s characterizations of the claims “fail to give effect that the use of conditional licenses to change the behavior of the system to condition access to content is related to content that resides on a device having a memory, interface, and processor” and do not “give any weight to the fact that the present claims provide digital rights management capabilities.” App. Br. 8–9. Appellants also argue the subject matter of the claims is dissimilar from the cases cited by the Examiner. *Id.* at 9.

We are not persuaded of error. The Examiner analyzed the pending claims in light of the holding in *buySAFE, Inc. v. Google, Inc.*, 765 F.3d

1350 (Fed. Cir. 2014), among other cases. We agree with the Examiner that claim 7 is directed to an abstract idea.

First, we agree that claim 7 is similar to the claims at issue in *buySAFE*, which the Federal Circuit held were directed to abstract ideas. Claim 7 is directed to facilitating a commercial transaction in a computer gaming environment by delivering licenses to a playback device. *See* Advisory Act. (Apr. 14, 2016) at 2. Appellants characterize claim 7 as “allowing access to game content using limited licenses and conditional licenses that specify different conditions to permit access to the game content.” App. Br. 9. This is similar to claim 1 in *buySAFE*, which recited sending and receiving communications over a computer network to facilitate online commercial transactions. *buySAFE*, 765 F.3d at 1351–52. The court in *buySAFE* determined that “[t]he claims are squarely about creating a contractual relationship” and, because contractual relations are “intangible entities” and “a fundamental economic practice,” the claims were directed to an abstract idea. *Id.* at 1354–55.

Appellants argue that, unlike the claims in *buySAFE*, the claims here do not create a contractual or legal relationship between entities. Reply Br. 4. Appellants’ argument is not persuasive because it mischaracterizes the Examiner’s comparison of the pending claims to those at issue in *buySAFE*. *See* Final Act. 13 (“The claims are directed towards a content offer and licensing agreement, which is considered to be an abstract idea inasmuch as such activity is considered both a fundamental economic practice and a method of organizing human activity by providing an opportunity for parties to enter into a contractual relationship and executing the terms of the contract by providing content when conditions are met.”).

Moreover, licensing is a fundamental economic practice, as licenses are abstract exchanges of intangible contractual obligations. *See buySAFE*, 765 F.3d 1353.

For these reasons, we agree with the Examiner that the claims are directed to an abstract idea.

Alice Step 2: Significantly More

Turning to step 2 of the *Alice* analysis, Appellants do not argue that any additional element adds something “significantly more” such that the claims are patent-eligible. *See* App. Br. 11–12. For example, Appellants do not argue that any of the elements of claims 7, 21, and 24 are individually inventive. *See id.* Instead, Appellants rely on *DDR Holdings, LLC v. Hotels.com L.P.*, 773 F.3d 1245 (Fed. Cir. 2014), in which the Federal Circuit found claims were “necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks” because they addressed a technical issue unique to Internet website problems. 773 F.3d at 1257.

Appellants argue that, like the claims in *DDR Holdings*, the claims here are rooted in computer technology, particularly technologies that permit access to digital content by users of a closed content distribution system. App. Br. 12. Appellants further argue that, like the claims in *Enfish*, the claims improve computer-related technologies, particularly digital rights management technologies related to game content. *Id.* (citing *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016)). Appellants also argue that the computer systems involved in the claims require at least a specialized device configured to facilitate access to a game and, thus, are not generic computer systems. *Id.*

We are not persuaded of error in the Examiner’s analysis. We agree with the Examiner that the claims recite a generic computer—including a memory, processor, and interface—that performs generic computing functions such as, saving, receiving, and providing content when conditions are met. *See* Ans. 4. We further agree that the additional limitations are not improvements to the functioning of a computer or some other technology, and that any problems being solved are commercial, not technological. *See* Ans. 5 (citing Spec. ¶ 11). Indeed, we find nothing in Appellants’ claims that adds anything “significantly more” to transform the abstract concept of “creating a licensing agreement including assigning and enforcing rights to content with temporal terms.”

Because Appellants’ claims 7–13 and 19–29 are directed to a patent-ineligible abstract concept, and do not recite something “significantly more” under the second prong of the *Alice* analysis, we sustain the Examiner’s rejection of these claims under 35 U.S.C. § 101.

Rejection of Claims 7–13 and 19–29 under 35 U.S.C. § 103(a)

With respect to independent claim 7, Appellants contend the cited portions of Reay and Rubin do not teach or suggest the limitation “first saved state information saved in the memory, wherein the first saved state information includes: progress of a player in the first game content and a second duration of time associated with executing the first game content.” App. Br. 13. Appellants argue that using the techniques of Rubin to automatically save the state of the softgoods of Reay would not teach the recited saved state information because “the softgoods of Reay are unique ‘creative work product[s]’ that are dissimilar from games.” *Id.* at 16.

We are not persuaded that the Examiner erred. The test for obviousness is not whether the claimed invention is expressly suggested in any one or all of the references, but whether the claimed subject matter would have been obvious to those of ordinary skill in the art in light of the combined teachings of those references. *See In re Keller*, 642 F.2d 413, 425 (CCPA 1981). Appellants have not persuasively rebutted the Examiner’s findings that Reay teaches softgoods that include any digital product, players of the softgoods, conditional and limited licensing of the executed content that is executed under specific conditions, and state information for tracking the use of the softgoods. Ans. 9. The Examiner acknowledged that Reay does not explicitly teach a game save module for saving the player's game state data. *Id.* However, the Examiner found that Rubin teaches a data save module 220 that automatically saves the state of a game. *Id.* (citing Rubin ¶ 26).

Appellants next contend the cited portions of the prior art do not teach or suggest the limitation “a processor coupled to the memory and the interface, wherein the processor is configured to execute the first game content in response to satisfaction of the limited license condition, and to execute the second game content in response to satisfaction of the conditional license condition,” as recited in claim 7. App. Br. 17. Appellants argue that “the Examiner’s analysis is flawed because the softgoods of Reay are loaded into memory in a player program irrespective of whether or not a person has obtained a license to the softgoods.” *Id.*

Appellants have presented insufficient persuasive argument or objective evidence to rebut the Examiner’s findings. Appellants’ arguments are not persuasive because they rest on limitations not recited in claim 7,

such as the timing of loading game content into memory. *Id.* Appellants also ask us to assume that whenever game content is loaded into memory, it is executed by the processor, which we decline to do on the record before us. *See id.* at 19. Moreover, the disputed limitation of claim 7 requires only that the processor be *configured* to execute the first and second game content in response to the satisfaction of certain conditions. The plain language of claim 7 does not require that the processor actually execute the content.

For these reasons, we are not persuaded that the Examiner erred in finding that the combination of Reay and Rubin teaches or suggests the disputed limitations recited in claim 7.

Turning to dependent claim 19, Appellants contend the cited portions of Reay and Rubin do not teach or suggest the limitation “wherein the first saved state information includes assets of the player in the game, and wherein the conditional license condition is associated with the assets of the player in the game.” App. Br. 19. Appellants argue that, in the Examiner’s proposed combination, “the keys of Rubin needed to open the door in Rubin would not relate, in any way, to the unlocking of softgood previews in Reay.” App. Br. 22. Appellants further argue that “the content that is able to be previewed and/or unlocked in the combination of Reay and Rubin would be unlocked using the techniques of Reay, i.e., based on a time duration and/or a number of times the content has been previewed, not any techniques of Rubin.” *Id.*

We disagree. Appellants rely on the content or type of saved state information recited in claim 19 to distinguish the claim from the prior art. App. Br. 19–22. The claim simply recites information (data) that is “assets of the player in the game, and wherein the conditional license condition is

associated with the assets of the player in the game.” The claim merely recites what the information or data represents. The recited structure and functionality remain the same regardless of what the data constitutes, how the data may be named, or the relationship among the data. The type of information does not further limit the claimed invention either functionally or structurally. Indeed, the contents of the saved state information is not used elsewhere in the claim. Thus, the informational content represents non-functional descriptive material, which “does not lend patentability to an otherwise unpatentable computer-implemented product or process.” *Ex parte Nehls*, 88 USPQ2d 1883, 1889 (BPAI 2008) (precedential); *see Ex parte Curry*, 84 USPQ2d 1272, 1274 (BPAI 2005) (informative) (Fed. Cir. Appeal No. 2006-1003), *aff’d*, (Rule 36) (June 12, 2006) (“wellness-related” data in databases and communicated on distributed network did not functionally change either the data storage system or the communication system used in the claimed method); *see also In re Ngai*, 367 F.3d 1336, 1339 (Fed. Cir. 2004); *Nehls*, 88 USPQ2d at 1887–90 (discussing non-functional descriptive material).

Even if we *arguendo* ascribe some patentable weight to the disputed limitation, it is well settled that “a determination of obviousness based on teachings from multiple references does not require an actual, physical substitution of elements.” *In re Mouttet*, 686 F.3d 1322, 1332 (Fed. Cir. 2012) (citations omitted). Nor is the test for obviousness whether a secondary reference’s features can be bodily incorporated into the structure of the primary reference. *See Keller*, 642 F.2d at 425. The Supreme Court has held that “analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account

of the inferences and creative steps that a person of ordinary skill in the art would employ.” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007). Here, Appellants have not persuaded us that combining the respective familiar elements of the cited references in the manner proffered by the Examiner would have been “uniquely challenging or difficult for one of ordinary skill in the art” at the time of Appellants’ invention. *Leapfrog Enters., Inc. v. Fisher-Price, Inc.*, 485 F.3d 1157, 1162 (Fed. Cir. 2007) (citing *KSR*, 550 U.S. at 418).

With regard to dependent claim 20, Appellants similarly argue that, in the proposed combination, “content that is able to be previewed and/or unlocked in the combination of Reay and Rubin would be unlocked using the techniques of Reay, i.e., based on a time duration and/or a number of times the content has been previewed, not any techniques of Rubin.” App. Br. 25. We are not persuaded of Examiner error in the rejection of claim 20 for reasons similar to those discussed above for claim 19.

Thus, we are not persuaded the Examiner erred in finding the combination of Reay and Rubin teaches or suggests the disputed limitations of claims 19 and 20.

Accordingly, we sustain the Examiner’s § 103(a) rejection of independent claim 7, as well as the Examiner’s § 103(a) rejection of independent claims 21 and 24, which Appellants argue are patentable for similar reasons. *See* App. Br. 16, 19. We also sustain the Examiner’s rejection of dependent claims 19 and 20, as well as dependent claim 8–13, 22, 23, and 25–29, not argued separately.

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DECISION

We affirm the Examiner's decision rejecting claims 7–13 and 19–29.

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). *See* 37 C.F.R. § 41.50(f).

AFFIRMED