UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/686,955	10/15/2003	Mitch Fredrick Singer	113748-745UT4	8821

103865   7590   09/05/2018

Procopio - SPE
525 B Street
Suite 2200
San Diego, CA 92101

EXAMINER
OBEID, MAMON A

ART UNIT	PAPER NUMBER
3685	

NOTIFICATION DATE	DELIVERY MODE
09/05/2018	ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

docketing@procopio.com

UNITED STATES PATENT AND TRADEMARK OFFICE

_____

BEFORE THE PATENT TRIAL AND APPEAL BOARD

_____

Ex parte MITCH FREDRICK SINGER and BRIAN DAVID LAKAMP

_____

Appeal 2017-006727
Application 10/686,955
Technology Center 3600

_____

Before MICHAEL J. STRAUSS, JON M. JURGOVAN, and
MICHAEL M. BARRY, *Administrative Patent Judges*.

BARRY, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants[1] appeal under 35 U.S.C. § 134(a) from a final rejection of
claims 1–11, 14–20, and 71, which are all the pending claims. We have
jurisdiction under 35 U.S.C. § 6(b).

We affirm.

_____

[1] Appellants identify Sony Corporation and Sony Pictures Entertainment Inc.
as the real parties in interest. Br. 2.

Introduction

By way of background, Appellants explain that, although access to digital content through a variety of devices in multiple locations is a benefit to users, "content owners are often concerned with uncontrolled and unauthorized copying." Spec. 1:17–18. Appellants' invention is directed to "managing devices and content in a network environment." Spec., Abstract. Claim 1 is the only independent claim and is representative of the claims on appeal, reproduced here with disputed limitations emphasized:

> 1.   A method of binding content to a hub network including a server device and one or more client devices, comprising:
>
> [a] receiving at the server device a request to *bind a discrete instance of content of a client device to a hub network* including the server device and the one or more client devices as members of said hub network,
>
> wherein each of the client device and the server device includes one or more computers,
>
> *wherein the discrete instance of content of the client device is independent of any hub network and can be played or presented through any compliant client device according to a corresponding license,*
>
> wherein said discrete instance includes discrete locked content data and a discrete license associated with the discrete locked content data,
>
> wherein the discrete license is not bound to said hub network;
>
> [b] *disabling said discrete instance by the server device;* [and
>
> c] *enabling by the server device a bound instance to bind said discrete locked content data to said hub network at the server device as source locked content data,*

> *wherein the bound instance is bound to one hub network,*
> and is one logical instance represented by the source locked
> content data and corresponding licenses stored on the server
> device of the hub network and the one or more client devices of
> the hub network,
>
> wherein said bound instance includes source locked
> content data and a root license associated with the source
> locked content data,
>
> wherein said source content data and said root license are
> stored on said server device, and
>
> wherein said root license is bound to said hub network.

Br. 15–16 (Claims App'x) (bracketed formatting added).

Rejections & References

Claims 1–11, 14–20, and 71 stand rejected—

(a) under 35 U.S.C. § 101 as directed to an abstract idea without reciting significantly more (Final Act. 2–4);

(b) under 35 U.S.C. § 101 as "hybrid claims" directed both to a product and to a process (*id.* at 4);

(c) under 35 U.S.C. § 112(b) or pre-AIA 35 U.S.C. § 112, ¶ 2, as indefinite for being hybrid claims (*id.* at 4–6);

(d) under 35 U.S.C. § 112(b) or pre-AIA 35 U.S.C. § 112, ¶ 2, as indefinite because "it[i]s unclear to a person of ordinary skill in the art how the discrete locked content is being bound to the hub network when it has already been disabled" (*id.* at 6); and

(e) under pre-AIA 35 U.S.C. § 103(a) as unpatentable over Alve (US 2003/0076955 A1; Apr. 24, 2003) and Chase (US 2003/0187801 A1; Oct. 2, 2003) (*id.* at 7–17).

ANALYSIS

The § 101 "Abstract Idea" Rejection

Section 101 defines patentable subject matter, but the Supreme Court has "long held that this provision contains an important implicit exception"

that "[l]aws of nature, natural phenomena, and abstract ideas are not patentable." *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 70 (2012) (quotation omitted). "Eligibility under 35 U.S.C. § 101 is a question of law, based on underlying facts." *SAP Am., Inc. v. InvestPic, LLC*, 890 F.3d 1016, 1020 (Fed. Cir. 2018). To determine patentable subject matter, the Supreme Court has set forth a two part test.

"First, we determine whether the claims at issue are directed to one of those patent-ineligible concepts" of "laws of nature, natural phenomena, and abstract ideas." *Alice Corp. v. CLS Bank Int'l*, 134 S. Ct. 2347, 2355 (2014). "The inquiry often is whether the claims are directed to 'a specific means or method' for improving technology or whether they are simply directed to an abstract end-result." *RecogniCorp, LLC v. Nintendo Co.*, 855 F.3d 1322, 1326 (Fed. Cir. 2017). A court must be cognizant 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), and "describing the claims at . . . a high level of abstraction and untethered from the language of the claims all but ensures that the exceptions to § 101 swallow the rule." *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1337 (Fed. Cir. 2016). Instead, "the claims are considered in their entirety to ascertain whether their character as a whole is directed to excluded subject matter." *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015).

If the claim is not directed to a patent-ineligible concept then the inquiry continues to a second step, in which we "consider the elements of each claim both individually and 'as an ordered combination' to determine whether the additional elements 'transform the nature of the claim' into a patent-eligible application." *Alice*, 134 S. Ct. at 2355 (quoting *Mayo*, 566

4

U.S. at 79, 78). The Supreme Court has "described step two of this analysis as a search for an 'inventive concept'—*i.e.*, 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." *Id.* (quotation omitted).

Here, the Examiner determines that all the claims "are directed to the basic concept of licensing/binding digital content to a network, which is a fundamental economic practice and a method of organizing human activities and thus, an abstract idea." Final Act. 3. Elsewhere, the Examiner states that "the functions [of] binding content to a hub network, disabling the discrete instance of the content and enabling the bound instance of the content are generic computer functions that are well-understood, routine and conventional activities previously known to the industry," and that "[t]here is no improvement to the <u>functioning</u> of the computer nor is there an <u>improvement</u> to another technology or technical field." Ans. 7, 8, 9 (thrice repeating verbatim the foregoing quoted language).

Appellants contend the Examiner errs because claim 1 is directed to the non-generic, specific technological aspects of "binding content to a hub network," "receiving at a server device a request to bind a discrete instance of content of a client device to a hub network," "disabling said discrete instance of the content by the server device," and "enabling by the server device a bound instance of the content to bind said discrete locked content data to said hub network at the server device." Br. 7. Appellants argue claim 1 is akin to a claim held to be patent-eligible in *DDR Holdings LLC v. Hotels.com L.P*, 773 F.3d 1245, 1258–59 (Fed. Cir. 2015), in which a claim for automating creation of a composite web page was determined not to be

directed to an abstract idea because it recited a specific way to solve a specific problem related to a specific technology. Br. 9.

We agree with Appellants. "The Supreme Court has recognized that all inventions embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas. But not all claims are *directed to* an abstract idea." *Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1241 (Fed. Cir. 2016) (quotation omitted). Here, we agree with Appellants that claim 1 is not directed simply to an abstract idea, but rather it is directed to a technological method of managing devices and digital content in a network environment. More specifically, claim 1 is directed to software technology for binding digital content to specific types of network devices through the use "discrete locked content data." *See* Br. 7–10. The Specification describes a specific technological problem that concerns owners arising from network access to digital content—the ease of uncontrolled and unauthorized copying by network devices—and claim 1 recites a specific way to solve the problem. *See, e.g.*, Spec. 1:11–28, 6:12–7:13.

The Examiner does not sufficiently support the determination that claim 1 is directed to "generic computer functions that are well-understood, routine and conventional activities previously known to the industry." In considering the technological aspects of the software to which claim 1 is directed, it is of little to no import that well known or "generic" computer technology may be programmed to perform the recited functions of claim 1. Furthermore, we disagree with the Examiner's reasoning that the idea of "licensing/binding digital content to a network" constitutes "a fundamental economic practice and a method of organizing human activities." Final Act. 3. Contrary to the Examiner's assertion, "binding digital content to a

network," which is a principal aspect towards which claim 1 is directed, is neither a fundamental economic practice nor a method of organizing human activities. Rather, this aspect to which claim 1 is directed is technological. The limitations of claim 1 are tied directly to the problem and solution in the Specification.

Accordingly, we do not sustain the Examiner's § 101 rejection of claims 1–11, 14–20, and 71.

The "Hybrid Claim" Rejections under §§ 101 and 112

The Examiner rejects claims 1–11, 14–20, and 71 under both §§ 101 and 112 because they "are indefinite because the claims are considered hybrid claims" and they "are directed to neither a 'process' or a 'machine' but rather embrace or overlap two different statutory classes of invention as set forth in 35 U.S.C §101." Final Act. 4–6 (quoting *id.* at 5). Although Appellants argue the allowability of the claims without discussing the hybrid claim determination and a failure to argue an issue constitutes a waiver (*see Ex parte Frye*, 94 USPQ2d 1072, 1075 (BPAI 2010) (precedential) (cited with approval in *In re Jung*, 637 F.3d 1356, 1365 (Fed. Cir. 2011); 37 C.F.R. § 41.37(c)(1)(iv))), we exercise our discretion under 35 U.S.C. § 6(b) to address this matter-of-law issue (*see Akzo Nobel Coatings, Inc. v. Dow Chem. Co.*, 811 F.3d 1334, 1343 (Fed. Cir. 2016) ("Indefiniteness is a question of law that we review de novo."); *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1331 (Fed. Cir. 2015) ("We review questions concerning compliance with the doctrinal requirements of § 101 of the Patent Act (and its constructions) as questions of law.")).

A hybrid claim, which is a single claim that claims both an apparatus and a method, is indefinite. *See* MPEP § 2173.05(p)(II) (citing *In re Katz*

Interactive Call Processing Patent Litigation, 639 F.3d 1303, 1318 (Fed. Cir. 2011); *IPXL Holdings, L.L.C. v. Amazon.com, Inc.*, 430 F.3d 1377, 1384 (Fed. Cir. 2005); *Ex parte Lyell*, 17 USPQ2d1548 (BPAI 1990)). Thus, under § 112, a claim may cover a method of using an apparatus *or* the apparatus, but not both. *See IPXL Holdings*, 430 F.3d at 1384. Here, the Examiner errs in determining claim 1 is a hybrid claim. Claim 1 recites apparatus-related limitations that are method of use limitations, i.e., the apparatus-related limitations limit the functionality of the method, and these limitations do *not* result in the claim covering a recited apparatus.

Accordingly, we do not sustain the Examiner's rejections of claims 1–11, 14–20, and 71 under 35 U.S.C. §§ 101 and 112 based on hybrid claiming.

The § 112 Indefiniteness Rejection because it is Unclear how Discrete Locked Content is Bound to the Hub Network when it has been Disabled

The Examiner rejects claims 1–11, 14–20, and 71 as indefinite under § 112 because, on the one hand, claim 1 requires "that the <u>discrete instance</u> which includes <u>discrete locked content</u> is <u>disabled</u>," and, on the other hand, claim 1 requires "that the <u>discrete locked content</u> is being bound to the hub network at the server device." Final Act. 6. The Examiner reasons it is "unclear to a person of ordinary skill in the art how the discrete locked content is being bound to the hub network when it has already been disabled." *Id.* Appellants offer no responsive arguments. *See* Br. 5; Ans. 11. We summarily affirm this rejection.[2] *Ex parte Frye*, 94 USPQ2d at 1075; 37 C.F.R. § 41.37(c)(1)(iv).

---

[2] We note that, unlike the "hybrid claiming" § 112 rejection, where there were no subsidiary fact-finding issues necessary for our *sua sponte* reversal

The § 103 Obviousness Rejection

Appellants argue the Examiner errs in the rejection of claim 1 by finding Alve teaches or suggests "binding a discrete instance of content of a client device to a hub network," instead contending "the cited passages of Alve merely disclose the concept of authorized devices (having domain keys) within an authorized domain." Br. 12. This argument is unpersuasive.

As the Examiner responds by finding, and as we agree, "Alve discloses enabling by the server device a bound instance to bind said discrete locked content data (e.g. content encrypted with content key) to said hub network (e.g. binding content to a domain by encrypting the content with a domain key) at the server device as source locked content data." Ans. 13 (citing Alve ¶¶ 2, 42, 44, Fig. 2A). As the Examiner also finds, and as we also agree, the recited hub network reads on Alve's "authorized domain" that, for example, as shown in Alve's Figure 1, may several authorized devices networked together through a home network. Final Act. 8 (citing Alve ¶¶ 20, 23, 40–42, Figs 1, 2A (and related text)). Appellants do not persuasively explain how or why the cited portions of Alve, which disclose encrypting of a particular item of content (discrete instance) from an authorized device (client device) with the authorized domain's (hub network's) domain key, fail to disclose binding a discrete instance, as recited.

---

of that rejection, here there are subsidiary fact-related issues related to how an ordinarily skilled artisan would have understood claim 1 in view of Appellants' Specification. *See Akzo Nobel Coatings, Inc. v. Dow Chem. Co.*, 811 F.3d at 1343 (explaining that indefiniteness may be "subject to a determination of underlying facts").

Appellants also argue the Examiner errs in the rejection of claim 1 by finding the combined teachings of Alve and Chase "teach or suggest a server device disabling the discrete instance of the content and enabling the bound instance of the content to bind the discrete locked content data to the hub network, where the bound instance is bound to one hub network." Br. 13. This argument also is unpersuasive.

The relevant inquiry is whether the claimed subject matter would have been obvious to those of ordinary skill in the art in light of the *combined teachings* of Alve and Chase. *In re Keller*, 642 F.2d 413, 425 (CCPA 1981). As the Examiner responds, and as we agree, (a) Alve teaches enabling a bound instance to bind discrete locked content data to the hub network, and (b) Chase teaches a server disabling a discrete instance of content by its disclosure of a DRM system "disabling all licenses issued to a user's computing device for corresponding content" (Chase ¶ 20). *See* Final Act. 8–9; Ans. 14. Appellants do not persuasively explain why Alve's teaching of enabling encryption of an instance of watermarked content with a domain (hub) key (*see* Alve ¶¶ 40–53) is not encompassed by "enabling a bound instance to bind discrete locked content data to the hub network," as recited. Appellants also do not explain how or why the Examiner errs in finding paragraph 20 of Chase ("content revocation is achieved by disabling all licenses issued to a user's computing device for corresponding content") fails to teach disabling an instance of content, as recited. In view of these findings, Appellants do not persuade us how or why the Examiner errs in finding the combination of the cited disclosures from Alve and Chase teach the disputed requirement.

Accordingly, we sustain the § 103 rejection of claim 1. We also, accordingly, sustain the rejections of claims 2–11, 14–20, and 71, for which Appellants offer no separate arguments of error for the § 103 rejection.

DECISION

For the above reasons, we—

(a) reverse the rejection of claims 1–11, 14–20, and 71 under 35 U.S.C. § 101 as directed to an abstract idea without reciting significantly more;

(b) reverse the rejection of claims 1–11, 14–20, and 71 under § 101 as "hybrid claims" directed both to a product and to a process;

(c) reverse the rejection of claims 1–11, 14–20, and 71 under § 112 as indefinite for being hybrid claims;

(d) affirm the rejection of claims 1–11, 14–20, and 71 under § 112 as indefinite because it is unclear how discrete locked content is being bound to the hub network when it has already been disabled; and

(e) affirm the rejection of claims 1–11, 14–20, and 71 under § 103.

Because we affirm at least one rejection of every claim, we designate our decision an affirmance.

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