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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte ANADI UPADHYAYA, TY HAYDEN,
KRISHNARAJ MAHADEVAN, and DEBASISH DEB

Appeal 2017-007209
Application 13/358,861
Technology Center 3600

Before ST. JOHN COURTENAY III, CARL L. SILVERMAN, 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 1–26, which are all of the claims pending in this application. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

¹ According to Appellants, the real party in interest is Oracle International Corporation. App. Br. 2.

INVENTION

Appellants' invention relates to a compensation plan system with cross referencing. Spec. 1. Claim 1 is illustrative and reads as follows:

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

selecting, in a compensation system comprising a plurality of compensation plans, employee compensation data to cross-reference from at least one other compensation plan into a referencing compensation plan, wherein each of the compensation plans comprises a plurality of columns of compensation plan data:

selecting at least one column of the referencing compensation plan for each cross-referenced column to label cross-referenced employee compensation data;

mapping the cross-referenced employee compensation data to the selected at least one column;

configuring details of the referencing compensation plan using at least one property of the selected at least one column, wherein the details comprise the expected type of data coming from the cross-referenced employee compensation data; and

receiving at the referencing compensation plan, the cross-referenced employee compensation data from the at least one other compensation plan; and

using the cross-referenced data to automatically update employee compensation data independent of a batch process and in real-time as if it were stored with the referencing compensation plan, the using comprising importing data from the at least one other compensation plan into a display of the referencing compensation plan, the display providing compensation plan data combined from multiple compensation data plans.

REJECTIONS

Claims 1–26 stand rejected under 35 U.S.C § 101 because the claimed invention is directed to a judicial exception, without significantly more. Final Act. 2–6.

Claims 1–26 stand rejected under pre-AIA 35 U.S.C. § 103(a) as unpatentable over the combination of McKeown et al. (US 8,280,822 B2; issued Oct. 2, 2012) (“McKeown”), Stephens et al. (US 2007/0266054 A1; published Nov. 15, 2007) (“Stephens”), and Mahadevan et al. (US 2010/0122218 A1; published May 13, 2010) (“Mahadevan”). Final Act. 6–21.

ANALYSIS

We have reviewed the rejections of claims 1–26 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. 2–7) and in the Action from which this appeal was taken (Final Act. 2–22). We provide the following explanation for emphasis.

Rejection of Claims 1–26 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: “[l]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 Alice*, 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. *Alice*, 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).

Alice Step One: Abstract Idea

Appellants contend the Examiner failed to establish a *prima facie* case that the claims are directed to an abstract idea. App. Br. 12. Appellants

argue that the Examiner failed to follow USPTO examination guidelines for rejections under § 101. *See* App. Br. 5, 8, 10. In particular, Appellants argue that the Examiner over-generalized the claims and abstract idea, failed to present supporting evidence, and improperly referred to non-precedential cases. *Id.*

We disagree. The Examiner satisfied the burden of establishing a *prima facie* case under 35 U.S.C. § 132 by setting forth a rejection in a sufficiently articulate and informative manner. *In re Jung*, 637 F.3d 1356, 1363 (Fed. Cir. 2011). If the Examiner “adequately explain[ed] the shortcomings . . . the burden shifts to the applicant to rebut the *prima facie* case with evidence and/or argument.” *Hyatt v. Dudas*, 492 F.3d 1365, 1370 (Fed. Cir. 2007). The Final Office Action adequately explained the § 101 rejection. *See* Final Act. 2–5. The Examiner’s statements satisfy § 132(a) because they apply the *Alice* analytical framework and apprise Appellants of the reasons for the § 101 rejection under that framework. Appellants have not responded by alleging a failure to understand the rejection. To the contrary, Appellants refer to the “alleged abstract idea,” as identified by the Examiner. *See, e.g.*, App. Br. 5–6.

Appellants’ argument concerning the absence of evidence supporting the § 101 rejection also does not persuade us of Examiner error. “Patent eligibility under § 101 presents an issue of law.” *Accenture Glob. Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1340 (Fed. Cir. 2013). There is no requirement that Examiners must provide evidentiary support in every case before a conclusion can be made that a claim is directed to an abstract idea. *See, e.g.*, Section IV “July 2015 Update: Subject Matter Eligibility” to 2014 Interim Guidance on Subject Matter Eligibility (2014

IEG), 79 Fed. Reg. 74618 (Dec. 16, 2014) (“The courts consider the determination of whether a claim is eligible (which involves identifying whether an exception such as an abstract idea is being claimed) to be a question of law. Accordingly, courts do not rely on evidence that a claimed concept is a judicial exception, and in most cases resolve the ultimate legal conclusion on eligibility without making any factual findings.” (footnote omitted)); MPEP § 2106.07(a) (III). We agree that evidence may be helpful in certain situations where, for instance, facts are in dispute. But evidence is not always necessary and, based on the analysis set forth by the Examiner, we are not persuaded it is necessary in this case.

We are also not persuaded by Appellants’ argument that the Examiner erred in relying on non-precedential cases. App. Br. 6–8 (citing *Cyberfone Sys., LLC v. CNN Interactive Group, Inc.*, 588 F.2d 998 (Fed. Cir. 2014); *SmartGene, Inc. v. Advanced Biological Labs, SA*, 555 Fed. Appx. 950 (Fed. Cir. 2014)). Although *Cyberfone* and *SmartGene* are not precedential, we conclude these cases are relevant to our analysis and provide at least persuasive authority for guidance.

In *Cyberfone*, the Federal Circuit held that “using categories to organize, store, and transmit information is well-established,” and “the well-known concept of categorical data storage, the idea of collecting information in classified form, then separating and transmitting that information according to its classification, is an abstract idea that is not patent-eligible.” *Cyberfone*, 558 F. App’x at 992. Here, as in *Cyberfone*, information is “selected” and “received” (collected), and “mapped,” “configured,” and “used” (classified or organized).

The claims at issue in *SmartGene* were patent ineligible because they did “no more than call on a ‘computing device,’ with basic functionality for comparing stored and input data and rules, to do what doctors do routinely.” *SmartGene*, 555 F. App’x at 954. We agree with the Examiner that, in the instant case, the identified steps in claim 1 are directed to data in an algorithm that uses a processor (i.e. computer) for processing the data using comparisons and rule-based processes. *See* Final Act. 3; Ans. 2–3. The “expert rules” in *SmartGene* are analogous to identifying and “mapping the cross-referenced employee compensation data to the selected at least one column,” as recited in claim 1. In other words, the claimed steps do not rely on an inventive device or technique for displaying information or new techniques for analyzing information, but rather constitute a generic recitation of steps for manipulating data. *See id.*

Further, the Federal Circuit has ruled that claims merely requiring data collection and analysis—like claim 1—did not pass muster under a § 101 review for patent eligibility. *See, e.g., Smart Sys. Innovations, LLC v. Chi. Transit Auth.*, 873 F.3d 1364, 1368-73 (Fed. Cir. 2017); *Credit Acceptance Corp. v. Westlake Servs.*, 859 F.3d 1044, 1047, 1054–56 & n.6 (Fed. Cir. 2017); *Intellectual Ventures I LLC v. Capital One Fin. Corp.*, 850 F.3d 1332, 1339–40 (Fed. Cir. 2017); *Elec. Power Group, LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016).

For these reasons, we are not persuaded the Examiner erred in concluding claims 1–26 are directed to an abstract idea.

Alice Analysis: Step Two

Turning to step two of the *Alice* analysis, we are not persuaded by Appellants argument that claim 1 is necessarily rooted in computer

technology in order to overcome an Internet-centric problem specifically arising in the realm of computer technology. *See* App. Br. 13–14 (citing *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257 (Fed. Cir. 2014)). Appellants argue the claimed subject matter addresses a problem by automatically updating employee compensation data independent of a batch process and in real-time as if it were stored with the referencing compensation plan. *Id.* at 13. Appellants argue that because the claims solve a problem arising in the realm of data migration, they are necessarily rooted in technology. *Id.* at 14.

In *DDR*, the Court noted that a claim may amount to more than any abstract idea recited in the claims when it addresses a business challenge, where that challenge is particular to a specific technological environment, such as the Internet. 773 F.3d at 1257. Here, claim 1 addresses the business problem of updating data on a display in a certain manner. This is not a technical problem. The solution does not involve the improvement of the computer processor or display. Thus, Appellants’ claim 1 does not attempt to solve a challenge particular to the Internet.

Appellants further argue the pending claims are like those in *Enfish* because “improvements to the functioning of the computer are provided.” App. Br. 9 (citing *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016)).

Claim 1, however, is not related to the type of patent-eligible database claim considered by the court in *Enfish*. Indeed, all claims on appeal are silent regarding a database. Therefore, none of Appellants’ claims is directed to a “self-referential table for a computer database” of the type considered in *Enfish*. *See* 822 F.3d at 1336.

Appellants also rely on *Bascom*, arguing that the present claims are indicative of “an inventive concept [that] can be found in the ordered combination of claim limitations that transform the abstract idea of filtering content into a particular, practical application of that abstract idea.” App. Br. 12–13 (citing *Bascom Global Internet Services, Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016)).

In *Bascom*, the Federal Circuit held “[t]he inventive concept described and claimed in the ’606 patent is the installation of a filtering tool at a specific location, remote from the end-users, with customizable filtering features specific to each end user.” *Bascom*, 827 F.3d at 1350. In determining this feature to be an inventive concept, the Federal Circuit explained that the remote location of a filtering tool having customizable user-specific filtering features provides the filtering tool both the benefits of a filter on a local computer and the benefits of a filter on the ISP server and is a technical improvement over prior art ways of filtering content. *Id.* at 1350–51. Notably, the Federal Circuit specifically determined that “the claims may be read to ‘improve[] an existing technological process.’” *Id.* at 1351 (citing *Alice*, 134 S. Ct. at 2358). The Federal Circuit emphasized that the claims of the ’606 patent are a technical solution that improves computer technology. *See id.*

In considering the instant claims individually and as an ordered combination, we fail to see how the specific steps recited in the claims improve the functioning of a computer or some other technology. Instead, we conclude the steps of the claimed method are directed to managing cross-referenced compensation plans, in which the steps may be performed by any generic computer with appropriate programming. However, “the mere

recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention.” *Alice*, 134 S. Ct. at 2358.

Consequently, the claims do not recite something apart from the generic computer implementation of the abstract idea of using categories to organize, store and transmit information, or comparing new and stored information and using rules to identify options, which are not an inventive concept sufficient to confer patent-eligibility.

Appellants next contend the claims are patent eligible because they “do not preempt all systems and methods for performing the alleged abstract idea.” App. Br. 14 (citing *McRO, Inc. v. Bandai Namco Games Am., Inc.*, 837 F.3d 1299 (Fed. Cir. 2016)).

We are not persuaded Appellants’ claims are similar to those found eligible in *McRO*. In *McRO*, the Federal Circuit found the claims prevent preemption of all processes for achieving automated lip-synchronization of 3-D characters because the claims recite a rule with specific characteristics. *Id* at 1315. Unlike in *McRO*, Appellants’ claims do not recite a rule-based improvement of a technological process. The claims in *McRO* were drawn to improvements in the operation of a computer at a task, rather than applying a computer system to perform generic data manipulation steps, as in Appellants’ claim 1. *See McRO*, at 1314. Moreover, the *McRO* court explicitly “recognized that ‘the absence of complete preemption does not demonstrate patent eligibility.’” *See id* at 1315 (quoting *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015)); *see also OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (“[T]hat the claims do not preempt all price optimization or may be limited to price

optimization in the e-commerce setting do not make them any less abstract.”), *cert. denied*, 136 S. Ct. 701 (2015).

For these reasons, we are not persuaded the Examiner erred in concluding the subject matter of claims 1–26 is judicially-excepted from patentability.

Accordingly, we sustain the Examiner's § 101 rejection of independent claim 1, as well as the Examiner's § 101 rejection of grouped claims 2–26, not argued separately. *See* App. Br. 3.

Rejection of Claims 1–26 under 35 U.S.C. § 103(a)

Appellants contend the Examiner erred in rejecting claim 1 for obviousness because the cited portions of the prior art references fail to teach the limitation “using the cross-referenced data to automatically update employee compensation data independent of a batch process and in real-time.” App. Br. 15. Appellants argue Mahadevan is not directed to providing compensation plan data combined from multiple compensation data plans. *Id.* at 17; Reply Br. 4–5.

We are not persuaded that the Examiner erred because Appellants’ arguments are not commensurate in scope with the rejection actually made by the Examiner. The Examiner cited Mahadevan to teach the “independent of a batch process” limitation. Final Act. 14; Ans. 7 (citing Mahadevan ¶ 46). The Examiner relied on McKeown as teaching “using the cross-referenced data to automatically update employee compensation data . . . and in real-time.” Final Act. 11; Ans. 5 (citing McKeown, col. 22:20–47). Nonobviousness cannot be established by attacking the references individually when the rejection is predicated upon a combination of prior art disclosures. *See In re Merck & Co.*, 800 F.2d 1091, 1097 (Fed. Cir. 1986).

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).

For these reasons, we are not persuaded that the Examiner erred in finding that the combination of McKeown, Stephens, and Mahadevan teaches or suggests the disputed limitation.

Accordingly, we sustain the Examiner's § 103(a) rejection of independent claim 1, as well as the Examiner's § 103(a) rejection of independent claims 9 and 16, which Appellants argue are patentable for similar reasons. App. Br. 18. We also sustain the Examiner's rejection of dependent claims 2–8, 10–15, and 17–26, not argued separately. *Id. See* 37 C.F.R. § 41.37(c)(1)(iv).

DECISION

We affirm the Examiner's decision rejecting claims 1–26.

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