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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte ATUL VARADHACHARY, LEO LLNBECK,
and MARK WORSCHEH

Appeal 2017-009229
Application 15/051,249
Technology Center 3600

Before MAHSHID D. SAADAT, BETH Z. SHAW, and
SCOTT E. BAIN, *Administrative Patent Judges*.

SAADAT, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants¹ appeal under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 1–20. We have jurisdiction over the pending claims under 35 U.S.C. § 6(b).

We affirm.

¹ Appellants identify Fannin Innovation Studio Inc. as the real party in interest. App. Br. 3.

STATEMENT OF THE CASE

Introduction

Appellants' invention relates to “[a] method [and a system for] maximizing the benefits from a group of diverse healthcare technologies” wherein “management is pooled by bringing together experienced people with a range of development or management skills across a range of fields, and where several such experienced people who serve on management also have specific responsibility for one or more of the projects in development.” Abstract, Spec. 2.

Exemplary Claim

Claim 1 is exemplary and illustrative of the invention and reads as follows:

1. A method of maximizing the benefits from a group of diverse healthcare technologies, by establishing a management entity which in turn establishes a website which sets forth its activities, where the activities comprise:

in-licensing, by the management entity, a diverse group of healthcare technologies;

obtaining a funding pool to be allocated for development of said group;

forming a group of business units which is each responsible for developing at least one of the group of technologies, and where distribution to each business unit from the funding pool is determined by the management entity and each business unit reports its technology development progress, available and projected funding for development, and expenditures to the management entity;

pooling the management entity and business unit personnel to form a pool to manage development of the group of technologies;

determining, by the pool, the likelihood of each business unit to obtain a collaborator or outside funding to develop its technology;

distributing funding to a unit from the funding pool and/or determining whether to actively assist each business unit in seeking collaboration or outside funding based on said likelihood;

assisting, by the pool, business units with approval and commercialization of their technology such that the technology is used to treat or diagnose patients; and

wherein the website discusses and continuously updates the pool's activities as a way of attracting additional technologies, funding and collaborators, to thereby enlarge the pool and increase the pool's expertise.

The Examiner's Rejections

Claims 1–20 stand rejected under 35 U.S.C. § 112(b) or 35 U.S.C. § 112 (pre-AIA), second paragraph, as indefinite for failing to particularly point out and distinctly claim the subject matter regarded as the invention. Final Act. 2.

Claims 1–20 stand rejected under 35 U.S.C. § 101 for being directed to patent-ineligible subject matter. *See* Final Act. 3–5.

ANALYSIS

We have reviewed the Examiner's rejection in light of Appellants' arguments in the briefs that the Examiner has erred. We are unpersuaded by Appellants' contentions and agree with and adopt the Examiner's findings and conclusions in: (i) the action from which this appeal is taken (Final Act. 2–5); and (ii) the Answer (Ans. 2–4) to the extent they are consistent with our analysis below.

THE REJECTION UNDER § 112

Section 112's second paragraph requires that the specification "conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the [applicant] regards as his invention." 35 U.S.C. § 112 ¶ 2.

Due to the need for "particular[ity]" and "distinct[ness]," claim language that "is ambiguous, vague, incoherent, opaque, or otherwise unclear in describing and defining the claimed invention" warrants a rejection under § 112 ¶ 2. *In re Packard*, 751 F.3d 1307, 1311, 1313 (Fed. Cir. 2014); *see Ex parte McAward*, Appeal 2015-006416, 2017 WL 3669566, at *5 (PTAB Aug. 25, 2017) (precedential); *see also In re Warmerdam*, 33 F.3d 1354, 1361 (Fed. Cir. 1994) (explaining that "[t]he legal standard for definiteness is whether a claim reasonably apprises those of skill in the art of its scope"); *In re Moore*, 439 F.2d 1232, 1235 (CCPA 1971) (requiring "a reasonable degree of precision and particularity" in claims). Similarly, the Supreme Court has held in a litigation context that § 112 ¶ 2 "require[s] that a patent's claims, viewed in light of the specification and prosecution history, inform those skilled in the art about the scope of the invention with reasonable certainty." *Nautilus, Inc. v. Biosig Instruments, Inc.*, 134 S. Ct. 2120, 2129 (2014). The definiteness requirement "strikes a 'delicate balance' between 'the inherent limitations of language' and providing 'clear notice of what is claimed.'" *Sonix Tech. Co. v. Publ'ns Int'l, Ltd.*, 844 F.3d 1370, 1377 (Fed. Cir. 2017) (quoting *Nautilus*, 134 S. Ct. at 2129).

The Examiner rejects claims 1–20 under 35 U.S.C. § 112(b), as "being indefinite" (Final Act. 2). In particular, as to independent claims 1,

8, and 15, the Examiner concludes that it is not clear if “the pool” recited in lines 13 and 17 “refers to the funding pool or (managing) pool.” *Id.* Appellants contend “[i]t is clear, however, that ‘the pool’ refers to the ‘managing pool,’ because all references to ‘the pool’ follow the introductory clause: ‘pooling the management entity and business unit personnel to form a pool to manage development of the group of technologies . . .’” and “[b]efore that clause, the term ‘funding pool’ is used in the claims (to refer to the funding pool).” App. Br. 12. In response, the Examiner explains the term “‘the pool’ can refer to either the ‘funding pool’ or ‘the pool to manage development of the group of technologies.’” Ans. 2–3.

We agree with the Examiner’s finding that the claims are unclear. The test for definiteness under 35 U.S.C. § 112(b) is whether “those skilled in the art would understand what is claimed.” *Orthokinetics, Inc., v. Safety Travel Chairs, Inc.*, 806 F.2d 1565, 1576 (Fed. Cir. 1986) (citations omitted). The skilled artisan reading the claims would not be able to ascertain the scope of the claimed invention, specifically the term “the pool” recited in claims 1, 8, and 15, because it could refer to either one of the two types of pools in the claim. Therefore, we sustain the rejection of claim 1–20 under the second paragraph of 35 U.S.C. § 112.

THE REJECTION UNDER § 101

Principles of Law

The Patent Act defines patent-eligible subject matter broadly: “Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and

requirements of this title.” 35 U.S.C. § 101. In *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66, 70 (2012), and *Alice Corp. Pty. v. CLS Bank International*, 134 S. Ct. 2347, 2354 (2014), the Supreme Court explained that § 101 “contains an important implicit exception” for laws of nature, natural phenomena, and abstract ideas. See *Diamond v. Diehr*, 450 U.S. 175, 185 (1981). In *Mayo* and *Alice*, the Court set forth a two-step analytical framework for evaluating patent-eligible subject matter: First, “determine whether the claims at issue are directed to” a patent-ineligible concept, such as an abstract idea. *Alice*, 134 S. Ct. at 2355. If so, “consider the elements of each claim both individually and ‘as an ordered combination’ to determine whether the additional elements” add enough to transform the “nature of the claim” into “significantly more” than a patent-ineligible concept. *Id.* at 2355, 2357 (quoting *Mayo*, 566 U.S. at 79); see *Affinity Labs of Tex., LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1257 (Fed. Cir. 2016).

Mayo/Alice Step One

The Examiner rejects claims 1–20 under 35 U.S.C. § 101 because they are directed to patent-ineligible subject matter. See Final Act. 3–5. The Examiner particularly determines that the claims are directed to “a method of organizing human activity” and “are similar to other concepts related to managing relationships or transaction between people that have been found abstract by courts such as creating a contractual relationship in *buySAFE*, and mitigating settlement risk in *Alice*.” Final Act. 4.

Appellants contend the Examiner erred. See App. Br. 12–15; see also Reply Br. 1–2. Appellants argue that, unlike the abstract idea rooted in a “fundamental economic practice” in *Alice*, their claims “are limited to a

particular complex, multi-step business method, which the PTO has tacitly admitted is novel and unconventional, as there is no prior art rejection. App. Br. 13. Appellants also argue that “[t]here is no danger of ‘monopolization’ or ‘pre-emption’ of all verification in all fields, and certainly no such danger with respect to ‘basic tools of scientific and technological work’ (which was the Court’s purpose in carving out exceptions to patentable subject matter in *Alice* and *Bilski*).” *Id.*

The Examiner explains “the claimed invention focuses on certain independently abstract ideas that use computers as tools and not on an improvement in computers as tools.” Ans. 3. With respect to novelty, the Examiner states “the existence of novel and/or non-obvious features does not necessarily cure the deficiencies of the claims with respect to the abstract idea.” Ans. 3–4 (citing *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715–16 (Fed. Cir. 2014)).

Appellants’ arguments do not persuade us of Examiner error. The “abstract idea” category encompasses a variety of concepts including, among other things, mathematical formulas and methods of organizing human activity. *See Alice*, 134 S. Ct. at 2355–56; *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1367 (Fed. Cir. 2015) (deeming the claim at issue is “not meaningfully different from the ideas found to be abstract in other cases before the Supreme Court and our court involving methods of organizing human activity”); *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1351–55 (Fed. Cir. 2014) (creating a contractual relationship); *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1367–68, 1376–77 (Fed. Cir. 2011) (verifying credit-card transactions); *In re Comiskey*, 554 F.3d 967, 970–71, 981 (Fed. Cir. 2009) (conducting an

arbitration). Here, the focus of the claims is organizing human activity and “maximizing the benefits from a group of diverse healthcare technologies,” which uses technology as a tool, rather than improving the underlying technology.

Furthermore, although preemption may denote patent ineligibility, its absence does not demonstrate patent eligibility. *See FairWarning*, 839 F.3d at 1098. For claims covering a patent-ineligible concept, preemption concerns “are fully addressed and made moot” by an analysis under the *Mayo/Alice* framework. *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015).

With respect to novelty, “under the *Mayo/Alice* framework, a claim directed to a newly discovered law of nature (or natural phenomenon or abstract idea) cannot rely on the novelty of that discovery for the inventive concept necessary for patent eligibility.” *Genetic Techs. Ltd. v. Merial L.L.C.*, 818 F.3d 1369, 1376 (Fed. Cir. 2016). “[A] claim for a *new* abstract idea is still an abstract idea.” *Synopsys*, 839 F.3d at 1151. Similarly, a claim for a beneficial abstract idea is still an abstract idea. *See Ariosa*, 788 F.3d at 1379–80. Further, the Federal Circuit has expressly rejected the notion that “abstract ideas remain patent-eligible under § 101 as long as they are new ideas, not previously well known, and not routine activity.” *Ultramercial*, 772 F.3d. at 714–16.

Mayo/Alice Step Two

The Examiner finds the claims use generic computer components to perform generic computer functions, which “does not amount to significantly more than the recited abstract idea.” *See* Final Act. 4. The Examiner particularly determines:

The only additional limitation in the claim relate to the use of a website. This would require a processor and memory in order to perform basic computer functions. These components are construed at the highest level of generality. Thus, the recited generic processor component performs no more than its basic processor functions. These additional elements are well understood, routine and conventional limitation that amounts to mere instructions to implement the abstract idea on a website. Taking these computer limitations as an ordered combination adds nothing that is not already present when the elements are taken individually.

Id.

Appellants assert that the claims satisfy *Mayo/Alice* step two because the claims recite ““wherein the website discusses and continuously updates the pool’s activities as a way of attracting additional technologies, funding and collaborators, to thereby enlarge the pool and increase the pool’s expertise.”” App. Br. 14. Appellants assert “[t]his discussion and updating of the website’s discussion of the management pool’s activities cannot be accomplished without a website and internet technology. There is no way to so update activity summaries where they are in printed form, as used prior to website technology being available.” *Id.* Appellants also assert that the claims here are similar to the claims in *DDR Holdings*, and are thus drawn to patentable subject matter. *See* App. Br. 14–15 (citing *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014)). *DDR Holdings* does not help Appellants.

In *DDR Holdings*, the Federal Circuit determined that certain claims satisfied *Mayo/Alice* step two because “the claimed solution amount[ed] to an inventive concept for resolving [a] particular Internet-centric problem,” i.e., a challenge unique to the Internet. *DDR Holdings*, 773 F.3d at 1257–59;

see Synopsys, 839 F.3d at 1151 (noting that “[i]n *DDR Holdings*, we held that claims ‘directed to systems and methods of generating a composite web page that combines certain visual elements of a “host” website with content of a third-party merchant’ contained the requisite inventive concept”). In *DDR Holdings*, the Federal Circuit explained that the patent-eligible claims specified “how interactions with the Internet are manipulated to yield a desired result . . . that overrides the routine and conventional sequence of events ordinarily triggered by the click of a hyperlink.” *DDR Holdings*, 773 F.3d at 1258. The court reasoned that those claims recited a technological solution “necessarily rooted in computer technology” that addressed a “problem specifically arising in the realm of computer networks.” *Id.* at 1257.

We are not persuaded that the claimed features are rooted in computer technology because “there is nothing generic about the ‘computer-implemented solution’ in the claims, i.e.: a website which ‘discusses and continuously updates the pool’s activities as a way of attracting additional technologies, funding and collaborators, to thereby enlarge the pool and increase the pool’s expertise.’” Reply Br. 2. In fact, the argued improvement is focused on an alleged improvement to the abstract idea. *See Electric Power Group, LLC v. Alstom S.A.*, 830 F.3d 1350, 1354 (Fed. Cir. 2016) (“[T]he focus of the claims is not on such an improvement in computers as tools, but on certain independently abstract ideas that use computers as tools.”). Furthermore, according to the Federal Circuit, “*DDR Holdings* does not apply when . . . the asserted claims do not ‘attempt to solve a challenge particular to the Internet.’” *Smart Sys.*, 873 F.3d at 1375 (quoting *TLI Commc’ns*, 823 F.3d at 613). Similarly, the claims here do not

attempt to solve a challenge particular to a website that collects and updates the data represented in a pool of participating entities.

The claims here do not achieve an improvement in computer functionality. *See* Ans. 4. The claims do not describe an advance in hardware or software that, for example, causes a computer itself or a website related to a pool of entities to perform the business development functions more efficiently. Nor do the claims address the operation of a computer itself or a website itself. Instead, the claims relate to collecting real-world information about a management entity or business unit that allegedly solves “attracting additional technologies, funding and collaborators.” *See* Reply Br. 2. Further, the claims here do not recite a technological solution to a technological problem specific to computer algorithms and networks because they do not require any unconventional website and funding business units. App. Br. 16–20 (Claims App.). Rather, they require generic computer components for collecting and pooling business entities.

SUMMARY

For the reasons discussed above, Appellants’ arguments have not persuaded us of any error in the Examiner’s findings or conclusions under *Mayo/Alice* step one or step two. Hence, we sustain the § 101 rejection of claims 1–20.

DECISION

We affirm the Examiner’s decision rejecting claims 1–20 under 35 U.S.C. § 101.

We affirm the Examiner’s decision rejecting claims 1–20 under 35 U.S.C. § 112(b).

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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