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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte WAYNE M. DELIA, EDWARD E. KELLEY, and
FRANCO MOTIKA

Appeal 2017-011026
Application 13/440,015¹
Technology Center 3600

Before MICHAEL R. ZECHER, JASON J. CHUNG, and
BETH Z. SHAW, *Administrative Patent Judges*.

CHUNG, *Administrative Patent Judge*.

DECISION ON APPEAL

This is a decision on appeal² under 35 U.S.C. § 134(a) of the Final Rejection of claims 26–28, 31, and 32.³ We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

INVENTION

The invention is directed to allowing unused time purchased in an on-demand entertainment system to be re-accessed for continued play of the

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

² There are two Appeal Briefs: (1) A defective Appeal Brief filed on June 20, 2016; and (2) an Appeal Brief filed on August 26, 2016. In this Decision, all citations are to the Appeal Brief filed on August 26, 2016.

³ Claims 1–25, 29, and 30 were cancelled. App. Br. 2.

entertainment at a later time. Spec. ¶ 1. Claim 26 is illustrative of the invention and is reproduced below:

26. A system for preserving purchased on-demand video entertainment services at passenger seats on a transportation vehicle for use across different transportation trips, comprising:

terminals including a viewing screen at passenger seats on a first transportation vehicle connected in a network to a first on-board local server;

the first on-board local server connected to said terminals and configured to provide entertainment content through said network for said on-demand video entertainment services to said terminals at said passenger seats in response to a purchase by a purchaser using a unique identifier associated with the purchase, of an on-demand video entertainment service session of a predetermined play time duration;

the terminals at said passenger seats configured to operate with said first on-board local server to enter payment information to authorize, via the unique identifier, the purchase and selection of entertainment content selection into a purchaser file in said first on-board local server from said terminals to authorize play of said service session of predetermined play time duration through said first on-board local server to said terminals and terminate play, in the first transportation vehicle, of said service session of predetermined play time duration to said terminal before the end of said service session of predetermined time duration and determine and store in said purchaser file an amount of unused service session play time remaining in said service session of predetermined play time duration;

a central server wirelessly linked to said first on-board local server configured to receive from said first on-board local server said purchaser file information including said predetermined play time duration purchased, said amount of unused service session play time remaining in said service session of predetermined time duration, an identity of the on-demand video entertainment service session, and the unique identifier and storing said purchaser file including said amount of unused service session play time remaining therein;

other terminals at passenger seats on another transportation vehicle connected in a network to another on-board local server;

the another on-board local server on said another transportation vehicle connected in a network to said other terminals configured to provide the same entertainment content as said on-board local server through said network and wirelessly connected to said central server and configured to receive therefrom said purchaser file information including the unique identifier for resuming play, after the service session was terminated, of said amount of unused service session play time remaining in said service session of predetermined time duration to continue the service session in the another transportation vehicle at a place in the service session at which the service session was terminated in the first transportation vehicle which enables continuity in the play of the service session in the first and the another transportation vehicles; and

the terminals a passenger seats on said another transportation vehicle linked to said another on-board local server configured to access said entertainment content selection on said another on-board local server using said unique identifier to initiate continued play of said service session of predetermined play time duration for at least a part of the amount of unused service session play time remaining.

REJECTION AT ISSUE⁴

Claims 26–28, 31, and 32⁵ stand rejected under 35 U.S.C. § 101 as being directed to patent ineligible subject matter. Ans. 2–4; Final Act. 2–4.⁶

ANALYSIS

Claims 26–28, 31, and 32 Rejected Under 35 U.S.C. § 101

A. The Examiner’s Conclusions and Appellants’ Arguments

The Examiner concludes the present claims are directed to certain methods of organizing human activity—namely, “a system of managing the content streaming duration as per the purchased license.” Ans. 3; Final Act. 3. The Examiner also determines the present claims do not amount to significantly more than an abstract idea because the Examiner finds the abstract idea is implemented on a computer using generic computers that are well-understood, routine, and conventional activities previously known to the industry. Ans. 4; Final Act. 4.

Appellants argue the present claims are directed preserving purchased video on-demand entertainment services at passenger seats on a transportation vehicle for use across different transportation trips, which is not abstract because it does not conform to any of the four categories of

⁴ The obviousness rejection under 35 U.S.C. § 103 was withdrawn. Ans. 2.

⁵ The Examiner states claims 26–32 are rejected in the heading. Ans. 2; Final Act. 2. However, Appellants indicate that claims 29 and 30 were canceled. App. Br. 2. Indeed, based on our review of the prosecution history, claims 29 and 30 were canceled in the response filed March 18, 2016. We, therefore, interpret the Examiner’s inclusion of claims 29 and 30 as a typographical error. We interpret the rejection as only involving claims 26–28, 31, and 32 being rejected under 35 U.S.C. § 101.

⁶ In this Decision, all citations are to the Final Action entered on January 20, 2016.

abstract idea and the Examiner does not provide sufficient evidence that it does conform. App. Br. 9–10; Reply Br. 2–3. Appellants argue that, similar to the claims at issue in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014), the present claims improve video on-demand technology by enhancing the experience and enjoyment of a video purchaser resuming a video session in another transportation vehicle that has been started previously and terminated in a first transportation vehicle, which enables continuity in the play of the video session across different transportation vehicles. App. Br. 10–13; Reply Br. 3–4. We disagree with Appellants.

B. Legal Principles

An invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101. However, the Supreme Court has long interpreted 35 U.S.C. § 101 to include implicit exceptions: “[I]aws of nature, natural phenomena, and abstract ideas” are not patentable. *E.g.*, *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014).

In determining whether a claim falls within an excluded category, we are guided by the Supreme Court’s two-step framework, described in *Mayo* and *Alice*. *Id.* at 217–18 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 75–77 (2012)). In accordance with that framework, we first determine what concept the claim is “directed to.” *See Alice*, 573 U.S. at 219 (“On their face, the claims before us are drawn to the concept of intermediated settlement, i.e., the use of a third party to mitigate settlement risk.”); *see also Bilski v. Kappos*, 561 U.S. 593, 611 (2010) (“Claims 1 and 4

in petitioners’ application explain the basic concept of hedging, or protecting against risk.”).

Concepts determined to be abstract ideas, and thus patent ineligible, include certain methods of organizing human activity, such as fundamental economic practices (*Alice*, 573 U.S. at 219–20; *Bilski*, 561 U.S. at 611); mathematical formulas (*Parker v. Flook*, 437 U.S. 584, 594–95 (1978)); and mental processes (*Gottschalk v. Benson*, 409 U.S. 63, 69 (1972)). Concepts determined to be patent eligible include physical and chemical processes, such as “molding rubber products” (*Diamond v. Diehr*, 450 U.S. 175, 192 (1981)); “tanning, dyeing, making waterproof cloth, vulcanizing India rubber, smelting ores” (*id.* at 184 n.7 (quoting *Corning v. Burden*, 56 U.S. 252, 267–68 (1854))); and manufacturing flour (*Benson*, 409 U.S. at 69 (citing *Cochrane v. Deener*, 94 U.S. 780, 785 (1876))).

In *Diehr*, the claim at issue recited a mathematical formula, but the Supreme Court held that “[a] claim drawn to subject matter otherwise statutory does not become nonstatutory simply because it uses a mathematical formula.” *Diehr*, 450 U.S. at 176; *see also id.* at 192 (“We view respondents’ claims as nothing more than a process for molding rubber products and not as an attempt to patent a mathematical formula.”). Having said that, the Supreme Court also indicated that a claim “seeking patent protection for that formula in the abstract . . . is not accorded the protection of our patent laws, . . . and this principle cannot be circumvented by attempting to limit the use of the formula to a particular technological environment.” *Id.* (citing *Benson* and *Flook*); *see, e.g., Diehr*, 450 U.S. at 187 (“It is now commonplace that an *application* of a law of nature or

mathematical formula to a known structure or process may well be deserving of patent protection.”).

If the claim is “directed to” an abstract idea, we turn to the second step of the *Alice* and *Mayo* framework, where “we must examine the elements of the claim to determine whether it contains an ‘inventive concept’ sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application.” *Alice*, 573 U.S. at 221 (quotation marks omitted). “A claim that recites an abstract idea must include ‘additional features’ to ensure ‘that the [claim] is more than a drafting effort designed to monopolize the [abstract idea].’” *Id.* (quoting *Mayo*, 566 U.S. at 77). “[M]erely requir[ing] generic computer implementation[] fail[s] to transform that abstract idea into a patent-eligible invention.” *Id.*

The U.S. Patent and Trademark Office (“USPTO”) recently published revised guidance on the application of § 101. USPTO’s January 7, 2019 Memorandum, 2019 Revised Patent Subject Matter Eligibility Guidance (“Memorandum”). Under that guidance, we first look to whether the claim recites:

- (1) any judicial exceptions, including certain groupings of abstract ideas (i.e., mathematical concepts, certain methods of organizing human activity such as a fundamental economic practice, or mental processes); and
- (2) additional elements that integrate the judicial exception into a practical application (*see* Manual of Patent Examining Procedure (“MPEP”) § 2106.05(a)–(c), (e)–(h)).

Only if a claim (1) recites a judicial exception and (2) does not integrate that exception into a practical application, do we then look to whether the claim:

- (3) adds a specific limitation beyond the judicial exception that are not “well-understood, routine, conventional” in the field (*see* MPEP § 2106.05(d)); or
- (4) simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception.

See Memorandum.

C. Discussion

1. Step 2A, Prong 1 (Alice Step 1)

We consider claim 26 (with emphasis), reproduced below.

26. A system for preserving purchased on-demand video entertainment services at passenger seats on a transportation vehicle for use across different transportation trips, comprising:

terminals including a viewing screen at passenger seats on a first transportation vehicle connected in a network to a first on-board local server;

the first on-board local server connected to said terminals and configured to provide entertainment content through said network for said on-demand video entertainment services to said terminals at said passenger seats in response to a purchase by a purchaser using a unique identifier associated with the purchase, of an on-demand video entertainment service session of a predetermined play time duration;

the terminals at said passenger seats configured to operate with said first on-board local server to enter payment information to authorize, via the unique identifier, the purchase and selection of entertainment content selection into a purchaser file in said first on-board local server from said terminals to authorize play of said service session of predetermined play time duration through said first on-board local server to said terminals and terminate play, in the first transportation vehicle, of said service session of predetermined play time duration to said terminal before the end of said service session of

predetermined time duration and determine and store in said purchaser file an amount of unused service session play time remaining in said service session of predetermined play time duration;

a central server wirelessly linked to said first on-board local server configured to receive from said first on-board local server said purchaser file information including said predetermined play time duration purchased, said amount of unused service session play time remaining in said service session of predetermined time duration, an identity of the on-demand video entertainment service session, and the unique identifier and storing said purchaser file including said amount of unused service session play time remaining therein;

other terminals at passenger seats on another transportation vehicle connected in a network to another on-board local server;

the another on-board local server on said another transportation vehicle connected in a network to said other terminals configured to provide the same entertainment content as said on-board local server through said network and wirelessly connected to said central server and configured to receive therefrom said purchaser file information including the unique identifier for resuming play, after the service session was terminated, of said amount of unused service session play time remaining in said service session of predetermined time duration to continue the service session in the another transportation vehicle at a place in the service session at which the service session was terminated in the first transportation vehicle which enables continuity in the play of the service session in the first and the another transportation vehicles; and

the terminals a passenger seats on said another transportation vehicle linked to said another on-board local server configured to access said entertainment content selection on said another on-board local server using said unique identifier to initiate continued play of said service session of predetermined play time duration for at least a part of the amount of unused service session play time remaining.

The emphasized text above is directed to commercial or legal interactions because it is directed to preserving purchased on-demand video entertainment services at passenger seats on a transportation vehicle for use across different transportation trips, which Appellants also admit (App. Br. 9–10; Reply Br. 2–3). According to the Memorandum, commercial or legal interactions falls into the category of certain methods of organizing human activity. *See* Memorandum. Moreover, those certain methods of organizing human activity (i.e., commercial or legal interactions) is a type of an abstract idea. *See id.* We also conclude the claims at issue here are analogous to the claims in *Affinity Labs of Texas, LLC v. Amazon.com, Inc.*, 838 F.3d 1266 (Fed. Cir. 2016). In *Affinity Labs*, the Court held “the concept of delivering user-selected media content to portable devices is an abstract idea, as that term is used in the section 101 context.” *Id.* at 1269.

We, therefore, disagree with Appellants’ argument that the present claims are not abstract (App. Br. 9–10; Reply Br. 2–3) for at least the reasons discussed above.

Because the present claims recite commercial or legal interactions, which fall into the category of certain methods of organizing human activity (i.e., an abstract idea), we proceed to prong 2.

2. *Step 2A, Prong 2 (Alice Step 2)*

From reproduced claim 26, which is shown above in the discussion pertaining to *Alice* step 1, prong 1, this claim does not integrate the abstract idea into a practical application because it does not impose any meaningful limits on practicing the abstract idea. In particular, the present claims do not recite improvements to the functioning of a computer or to any other

technology or technical field. Unlike the claims of *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016), the present claims are not directed to “a specific improvement to the way computers operate, embodied in the self-referential table.” *Id.* at 1336. Instead, as described by the Specification (Spec. ¶¶ 5, 6, 32), the present claims focus on abstract ideas that merely use computers as tools. Indeed, Appellants acknowledge the claims are directed to “*enhancing the experience and enjoyment of a video purchaser resuming a video session in another transportation vehicle that had been previously started and terminated in a first transportation vehicle.*” App. Br. 11 (emphasis added).

In particular, Appellants’ argument about an improvement to “enhance[] the experience and enjoyment of a video purchaser” (App. Br. 11) is unpersuasive because “a claim for a *new* abstract idea is still an abstract idea.” *Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1151 (Fed. Cir. 2016). “[U]nder 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) (citations omitted). Contrary to Appellants’ arguments, claim 26 is directed to an abstract idea—not an improvement to computer functionality, as Appellants assert (App. Br. 11; Reply Br. 3–4).

The present claims also do not recite other meaningful limitations that describes a process or product that applies the exception in a meaningful way; rather, the present claims recite certain methods of organizing human activity in a video on-demand environment. Specifically, we determine the

additional elements in claim 26 (e.g., “a first on-board local server,” “another on-board local server,” “terminals”) are merely generic components insufficient to integrate the abstract idea into a practical application. Furthermore, paragraph 32 of the Specification states “*on-board servers may be any of a variety of computers such as [personal computer] systems, microprocessors or other known computer systems used as servers*” and “[t]erminals 3 and 17 may be *any basic interactive terminal arrangement*” Spec. ¶ 32 (emphasis added). In addition, we determine the additional “central server” in claim 26 is described in the Specification at a high level of generality insufficient to integrate the abstract idea into a practical application. Spec. ¶¶ 27, 39, 41, 46.

Because the present claims are directed to an abstract idea, we proceed to Step 2B.

3. Step 2B, Prong 2 (Alice Step 2)

We discern no error in the Examiner’s determination that the present claims are not significantly more than any abstract idea because the abstract idea is implemented on a computer using generic computers that are well-understood, routine, and conventional activities previously known to the industry. Ans. 4; Final Act. 4.

As we explain previously, Appellants’ Specification describes using generic computer components. Spec. ¶ 32; *see supra* § C.2 (discusses the relevant excerpts of the Specification that illustrate the generic nature of Appellants’ local servers, terminal, and central server). Appellants’ Specification demonstrates the well-understood, routine, or conventional nature of these additional elements because it describes the additional

elements in a manner that indicates that they are sufficiently well-known that the Specification need not describe the particulars of such additional elements to satisfy 35 U.S.C. ¶ 112, first paragraph.

Appellants' argument that, similar to *DDR*, the present claims improve video on-demand technology by enhancing the experience and enjoyment of a video purchaser resuming a video session in another transportation vehicle that has been started previously and terminated in a first transportation vehicle, which enables continuity in the play of the video session across different transportation vehicles (App. Br. 10–13; Reply Br. 3–4), is unpersuasive for at least the reasons discussed *supra* in § C.2.

Appellants do not argue separately dependent claims 27, 28, 31, and 32 with particularity, but assert the rejections of those claims should be withdrawn for at least the same reasons. App. Br. 13. We, therefore, group these dependent claims with their underlying base claim. *See* 37 C.F.R. § 41.37(c)(1)(iv). Accordingly, we sustain the Examiner's rejection of claims 26–28, 31, and 32 under 35 U.S.C. § 101.

We have only considered those arguments that Appellants actually raised in the Briefs. Arguments Appellants could have made, but chose not to make, in the Briefs have not been considered and are deemed to be waived. *See* 37 C.F.R. § 41.37(c)(1)(iv).

DECISION

We affirm the Examiner's decision rejecting claims 26–28, 31, and 32 under 35 U.S.C. § 101.

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).

Appeal 2017-011026
Application 13/440,015

AFFIRMED