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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JEYHAN KARAOGUZ, NAMBIRAJAN SESHADRI,
and HENRY SAMUELI

Appeal 2018-001432
Application 12/948,943
Technology Center 3600

Before ST. JOHN COURTENAY III, CATHERINE SHIANG, and
SCOTT E. BAIN, *Administrative Patent Judges*.

SHIANG, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant¹ appeals under 35 U.S.C. § 134(a) from the Examiner's rejection of claims 1–9, 11, 13, 17–26, and 29, which are all the claims pending and rejected in the application. We have jurisdiction under 35 U.S.C. § 6(b).

We reverse.

¹ We use “Appellant” to refer to “applicant” as defined in 37 C.F.R. § 1.42. Appellant identifies Avago Technologies General IP (Singapore) PTE. LTD as the real party in interest. Appeal Br. 3.

STATEMENT OF THE CASE

Introduction

The present invention relates to “updating advertising content for a recorded program (*e.g.*, recorded on personal video recorder equipment).”

Spec. ¶ 6. Claim 1 is exemplary:

1. A method executable in user equipment having content playback capability to update a recorded advertising content associated with a recorded program content, the method comprising:

 establishing a communication link of the user equipment via a communication network;

 prior to playback of the recorded program content, determining to solicit updated advertising content for the recorded program content, including determining whether the advertising content of the recorded program content includes outdated time sensitive advertising content by comparing a current date or time with at least one of an expiration date or a time window of the advertising content;

 when the advertising content accessible by the user equipment includes outdated time sensitive advertising content, soliciting the updated advertising content for the recorded program content, including:

 transmitting, via the communication link, a first request for updated advertising content from an original source of the recorded program content; and

 transmitting, via the communication link, a second request for updated advertising content from a second source of advertising content;

 when the updated advertising content is available from at least one of the original source of the recorded program content or the second source of advertising content, receiving the updated advertising content via the communication link;

 updating the recorded program content with the updated advertising content; and

 presenting the playback of the recorded program content with the updated advertising content.

Rejection²

Claims 1–9, 11, 13, 17–26, and 29 are rejected under 35 U.S.C. § 101 because they are directed to patent-ineligible subject matter. Final Act. 2–10.

ANALYSIS

We have reviewed the Examiner’s rejection in light of Appellant’s contentions and the evidence of record. We concur with Appellant’s contentions that the Examiner erred in this case.

Section 101 of the Patent Act provides “[w]hoever 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. However, the Supreme Court has long interpreted 35 U.S.C. § 101 to include implicit exceptions: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *E.g.*, *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014) (internal quotation marks and citation omitted).

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,

² Throughout this opinion, we refer to the (1) Final Office Action dated December 28, 2016 (“Final Act.”); (2) Appeal Brief dated April 28, 2017 (“Appeal Br.”); and (3) Examiner’s Answer dated September 6, 2017 (“Ans.”).

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, 67 (1972)). Concepts determined to be patent eligible include physical and chemical processes, such as “molding rubber products” (*Diamond v. Diehr*, 450 U.S. 175, 191 (1981)); “tanning, dyeing, making water-proof cloth, vulcanizing India rubber, smelting ores” (*id.* at 182 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 187; *see also id.* at 191 (“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., id.* 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 (internal 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.* (alterations in original) (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 PTO recently published revised guidance on the application of § 101. USPTO’S 2019 REVISED PATENT SUBJECT MATTER ELIGIBILITY GUIDANCE, 84 Fed. Reg. 50 (Jan. 7, 2019) (“Guidance”). Under the 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) (Step 2A, Prong 1); 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)) (9th ed., rev. 08.2017, 2018) (Step 2A, Prong 2).

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 is 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. (Step 2B.)

See Guidance, 84 Fed. Reg. at 54–56.

Turning to Step 2B of the Guidance, “[t]he second step of the *Alice* test is satisfied when the claim limitations ‘involve more than performance of []well-understood, routine, [and] conventional activities previously known to the industry.’” *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1367 (Fed. Cir. 2018) (quoting *Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat’l Ass’n*, 776 F.3d 1343, 1347–48 (Fed. Cir. 2014) and *Alice*, 573 U.S. at 225). “Whether something is well-understood, routine, and conventional to a skilled artisan at the time of the patent is a factual determination.” *Berkheimer*, 881 F.3d at 1369.

In this case, the Examiner finds:

The additional elements involving functionality performed by the generic computing technology, as described above, include, as examples, but are not limited to: establishing, determining, comparing, soliciting, transmitting, receiving, updating, presenting, monitoring, recording, replacing, inserting and processing of/to/with/on data, information, and/or content as more particularly described within Claims **1-9, 11, 13, 17- 26 and 29**. These additional elements involving functionality performed by the generic computing technology are **well-understood, routine or conventional** computing functions.

Final Act. 9. Appellant argues the Examiner fails to provide evidence to support the above findings. *See* Appeal Br. 12.

We agree with Appellant, because the Examiner has not provided sufficient evidence required by *Berkheimer* to support the above findings. *See Berkheimer*, 881 F.3d at 1369. In particular, the Examiner has not provided any of the four categories of information required by the USPTO Memorandum, dated April 19, 2018, of Changes in Examination Procedure Pertaining to Subject Matter Eligibility, Recent Subject Matter Eligibility Decision (*Berkheimer v. HP, Inc.*) (“*Berkheimer* Memorandum”):

1. A citation to an express statement in the specification or to a statement made by an applicant during prosecution that demonstrates the well-understood, routine, conventional nature of the additional element(s). . . .
2. A citation to one or more of the court decisions discussed in MPEP § 2106.05(d)(II) as noting the well-understood, routine, conventional nature of the additional element(s).
3. A citation to a publication that demonstrates the well-understood, routine, conventional nature of the additional element(s). . . .
4. A statement that the examiner is taking official notice of the well-understood, routine, conventional nature of the additional element(s). . . .

Berkheimer Memorandum at 3–4.

In the Answer, the Examiner cites to *In re TLI Communications LLC Patent Litigation*, 823 F.3d 607 (Fed. Cir. 2016) as evidence that “claims 1–9, 11, 13, 17–26 and 29 simply add conventional, well-known and routine *computer and/or networking components* to implement an abstract idea using generalized, well-known, routine and conventional computing and/or networking *functions*.” Ans. 3 (emphases added). To the extent the claimed user equipment and network components are generic hardware, we

nevertheless conclude the Examiner has not sufficiently developed the record to show how *TLI Communications* is sufficiently on point in showing that *all* of the claimed *functions* are well-understood, routine and conventional, because in *TLI Communications*, “representative claim 17 is drawn to the concept of classifying an image and storing the image based on its classification” and “the claims . . . are . . . directed to the abstract idea of classifying and storing digital images in an organized manner.” *TLI Communications LLC Patent Litigation*, 823 F.3d at 611, 613.

Therefore, the Examiner erred with respect to Step 2B of the Guidance, and we are constrained by the record to reverse the Examiner’s rejection of claims 1–9, 11, 13, 17–26, and 29 on procedural grounds.

CONCLUSION

We reverse the Examiner’s decision rejecting claims 1–9, 11, 13, 17–26, and 29 under 35 U.S.C. § 101, as being directed to patent-ineligible subject matter.

In summary:

Claims Rejected	35 U.S.C. §	Basis	Affirmed	Reversed
1–9, 11, 13, 17–26, 29	101	Eligibility		1–9, 11, 13, 17–26, 29

REVERSED