



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
13/629,525	09/27/2012	Oscar A. Montemayor	141958 (899586)	6752
15093	7590	06/06/2019	EXAMINER	
Kilpatrick Townsend & Stockton/Qualcomm Mailstop: IP Docketing - 22 1100 Peachtree Street Suite 2800 Atlanta, GA 30309			FISHER, PAUL R	
			ART UNIT	PAPER NUMBER
			3689	
			NOTIFICATION DATE	DELIVERY MODE
			06/06/2019	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):

ipefiling@kilpatricktownsend.com
ocpat_uspto@qualcomm.com
qcominst@kilpatricktownsend.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte OSCAR A. MONTEMAYOR and
DAVID DONAHUE

Appeal 2018-001810
Application 13/629,525¹
Technology Center 3600

Before JENNIFER S. BISK, LARRY J. HUME, and
JULIET MITCHELL DIRBA, *Administrative Patent Judges*.

HUME, *Administrative Patent Judge*.

DECISION ON APPEAL

This is a decision on appeal under 35 U.S.C. § 134(a) of the Final Rejection of claims 1–5 and 8–18, which are all claims pending in the application. Appellants have canceled claims 6 and 7. We have jurisdiction under 35 U.S.C. § 6(b).

We REVERSE.

¹ According to Appellants, the real party in interest is Qualcomm Incorporated. App. Br. 1.

STATEMENT OF THE CASE²

The Invention

Appellants' disclosed embodiments and claimed invention relate to "techniques for confining [digital] content to a device." Spec. ¶ 7.

Exemplary Claim

Claim 11, reproduced below, exemplifies the subject matter on appeal (*emphases* added to contested prior-art limitations):

11. A method for managing access to digital content over a computer network, the method comprising:

detecting, by at least one processor, a device identifier included in a request from a remote device for digital content, the device identifier being associated with the remote device;

generating, by at least one processor, a digital receipt in response to the request, in response to a determination that the remote device is authorized to receive the digital content;

including, by at least one processor, the device identifier with the digital receipt, the digital receipt with the device identifier confining use of the digital content to the remote device associated with the device identifier;

determining, by at least one processor, whether the digital receipt is valid, after a request for transmission of the digital content and the digital receipt are received via the computer network from the remote device; and

sending, by at least one processor, the digital content to the remote device via the computer network, in response to determining that the digital receipt is valid, the digital content

² Our decision relies upon Appellants' Appeal Brief ("App. Br.," filed Sept. 8, 2017); Reply Brief ("Reply Br.," filed Dec. 8, 2017); Examiner's Answer ("Ans.," mailed Nov. 3, 2017); Final Office Action ("Final Act.," mailed Apr. 10, 2017); and the original Specification ("Spec.," filed Sep. 27, 2012).

playable by the remote device when (i) the digital receipt, including the device identifier, and (ii) the digital content simultaneously reside at the remote device.

Prior Art

The Examiner relies upon the following prior art as evidence in rejecting the claims on appeal:

Willey	US 2003/0065918 A1	Apr. 3, 2003
Bi et al. (“Bi”)	US 2004/0024688 A1	Feb. 5, 2004
Yen et al. (“Yen”)	US 2005/0038753 A1	Feb. 17, 2005
Liu et al. (“Liu”)	US 2007/0219917 A1	Sept. 20, 2007
Zhang et al. (“Zhang”)	US 2007/0282751 A1	Dec. 6, 2007

Rejections on Appeal

R1. Claims 1–5 and 8–18 stand rejected under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter. Final Act. 2.

R2. Claims 1, 2, 4, 8, 9, 11, 12, 14, 16, and 17 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over the combination of Yen, Zhang, and Bi. Final Act. 5.

R3. Claims 3, 13, and 18 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over the combination of Yen, Zhang, Bi, and Liu. Final Act. 31.

R4. Claims 5, 10, and 15 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over the combination of Yen, Zhang, Bi, and Willey. Final Act. 40.

CLAIM GROUPING

Based on Appellants' arguments (App. Br. 4–6) and our discretion under 37 C.F.R. § 41.37(c)(1)(iv), we decide the appeal of patent-ineligible subject matter Rejection R1 of claims 1–5 and 8–18 on the basis of representative claim 11; and we also decide the appeal of obviousness Rejection R2 of claims 1, 2, 4, 8, 9, 11, 12, 14, 16, and 17 on the basis of representative claim 11. Remaining claims 3, 5, 10, 13, 15, and 18 in Rejections R3 and R4, not argued separately, stand or fall with the respective independent claim from which they depend.³

ISSUES AND ANALYSIS

Based upon our review of the record, we find a preponderance of the evidence supports particular arguments advanced by Appellants with respect to Rejections R1 through R4 of claims 1–5 and 8–18 for the specific reasons discussed below. We highlight and address specific findings and arguments regarding claim 11 for emphasis as follows.

1. § 101 Rejection R1 of Claims 1–5 and 8–18

Issue 1

Appellants argue (App. Br. 4–6; Reply Br. 2) the Examiner's rejection of claim 11 under 35 U.S.C. § 101 as being directed to patent-ineligible

³ “Notwithstanding any other provision of this paragraph, the failure of appellant to separately argue claims which appellant has grouped together shall constitute a waiver of any argument that the Board must consider the patentability of any grouped claim separately.” 37 C.F.R. § 41.37(c)(1)(iv). In addition, when Appellants do not separately argue the patentability of dependent claims, the claims stand or fall with the claims from which they depend. *In re King*, 801 F.2d 1324, 1325 (Fed. Cir. 1986).

subject matter is in error. These contentions present us with the following issue:

Under our governing case law concerning 35 U.S.C. § 101, did the Examiner err in concluding claim 1 is directed to a judicial exception, i.e., an abstract idea, without significantly more, and thus is patent-ineligible under § 101?

Principles of Law

A. 35 U.S.C. § 101

We first note “[w]hether a claim is drawn to patent-eligible subject matter is an issue of law that we review de novo.” *SiRF Tech., Inc. v. Int’l Trade Comm’n*, 601 F.3d 1319, 1331 (Fed. Cir. 2010).

An invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101.⁴ 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. 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,

⁴ This threshold analysis of whether a claim is directed to one of the four statutory categories of invention, i.e., a process, machine, manufacture, or composition of matter, is referred to as “*Step 1*” in the patent-eligibility inquiry under § 101.

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 “[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 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.”).

However, the Federal Circuit has held claims ineligible as directed to an abstract idea when they merely collect electronic information, display information, or embody mental processes that could be performed by humans. *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1353–54 (Fed. Cir. 2016) (collecting cases). At the same time, “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. Abstract ideas may include, but are not limited to, fundamental economic practices, methods of organizing human activities, and mathematical formulas or relationships. *Alice* 573 U.S. at 217–21. Under this guidance, we must therefore ensure at step one that we articulate what the claims are directed to with enough specificity to ensure the step one inquiry is meaningful. *Id.* at 217 (“[W]e tread carefully in construing this exclusionary principle lest it swallow all of patent law.”).

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.* (alteration 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.*

B. USPTO Guidance

The PTO recently published revised guidance in the Federal Register concerning the application of § 101. *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50 (January 7, 2019) (hereinafter “Guidance”) (<https://www.govinfo.gov/content/pkg/FR-2019-01-07/pdf/2018-28282.pdf>).

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 interactions such as a fundamental economic practice, or mental processes);⁵ and

(2) additional elements that integrate the judicial exception into a practical application (*see* MPEP § 2106.05(a)–(c), (e)–(h)).⁶

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

⁵ Referred to as “*Revised Step 2A, Prong 1*” in the Guidance (hereinafter “*Step 2A(i)*”).

⁶ Referred to as “*Revised Step 2A, Prong 2*” in the Guidance (hereinafter “*Step 2A(ii)*”).

(4) simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception.⁷

See Guidance.

Step 2A(i) – Abstract Idea

Informed by our judicial precedent, the recent Guidance extracts and synthesizes key concepts identified by the courts as abstract ideas to explain that the abstract idea exception includes the following groupings of subject matter, when recited as such in a claim limitation:

(a) Mathematical concepts—mathematical relationships, mathematical formulas or equations, mathematical calculations;

(b) Certain methods of organizing human activity — fundamental economic principles or practices (including hedging, insurance, mitigating risk); commercial or legal interactions (including agreements in the form of contracts; legal obligations; advertising, marketing or sales activities or behaviors; business relations); managing personal behavior or relationships or interactions between people (including social activities, teaching, and following rules or instructions); and

(c) Mental processes—concepts performed in the human mind (including an observation, evaluation, judgment, opinion).

Under the Guidance, if the claim does not recite a judicial exception (a law of nature, natural phenomenon, or subject matter within the enumerated groupings of abstract ideas above), then the claim is patent-

⁷ Items (3) and (4) continue to be collectively referred to as “*Step 2B*” of the Supreme Court’s two-step framework, described in *Mayo* and *Alice*.

eligible at *Step 2A(i)*. This determination concludes the eligibility analysis, except in situations identified in the Guidance.⁸

However, if the claim recites a judicial exception (i.e., an abstract idea enumerated above, a law of nature, or a natural phenomenon), the claim requires further analysis for a practical application of the judicial exception in *Step 2A(ii)*.

Step 2A(ii) – Practical Application

If a claim recites a judicial exception in *Step 2A(i)*, we determine whether the recited judicial exception is integrated into a practical application of that exception in *Step 2A(ii)* by: (a) identifying whether there are any additional elements recited in the claim beyond the judicial exception(s); and (b) evaluating those additional elements individually and in combination to determine whether they integrate the exception into a practical application.

The seven identified “practical application” sections of the MPEP,⁹ cited in the Revised Guidance under *Step 2A(ii)*, are:

- (1) MPEP § 2106.05(a) Improvements to the Functioning of a Computer or To Any Other Technology or Technical Field
- (2) MPEP § 2106.05(b) Particular Machine

⁸ In the rare circumstance in which an Examiner believes a claim limitation that does not fall within the enumerated groupings of abstract ideas should nonetheless be treated as reciting an abstract idea, the procedure described in of the Guidance for analyzing the claim should be followed. *See* Guidance, Section III.C.

⁹ *See* MPEP § 2106.05(a)–(c), (e)–(h). Citations to the MPEP herein refer to revision [R-08.2017].

- (3) MPEP § 2106.05(c) Particular Transformation
- (4) MPEP § 2106.05(e) Other Meaningful Limitations
- (5) MPEP § 2106.05(f) Mere Instructions To Apply An Exception
- (6) MPEP § 2106.05(g) Insignificant Extra-Solution Activity
- (7) MPEP § 2106.05(h) Field of Use and Technological Environment¹⁰

If the recited judicial exception is integrated into a practical application as determined under one or more of the MPEP sections cited above, then the claim is not directed to the judicial exception, and the patent-eligibility inquiry ends. If not, then analysis proceeds to *Step 2B*.

Step 2B – “Inventive Concept” or “Significantly More”

Under our precedent, it is possible that a claim that does not “integrate” a recited judicial exception under *Step 2A(ii)* is nonetheless patent eligible. For example, the claim may recite additional elements that render the claim patent eligible even though a judicial exception is recited in a separate claim element.¹¹ The Federal Circuit has held claims eligible at the second step of the *Alice/Mayo* test (USPTO *Step 2B*) because the additional elements recited in the claims provided “significantly more” than the recited judicial exception (e.g., because the additional elements were unconventional in combination).¹² Therefore, if a claim has been

¹⁰ MPEP §§ 2106.05(a), (b), (c), and (e) are indicative of integration into a practical application, while MPEP §§ 2106.05(f), (g), and (h) relate to limitations that are not indicative of integration into a practical application.

¹¹ See, e.g., *Diehr*, 450 U.S. at 187.

¹² See, e.g., *Amdocs (Israel), Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288, 1300, 1304 (Fed. Cir. 2016); *BASCOM Global Internet Services, Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1349–52 (Fed. Cir. 2016); *DDR*

determined to be directed to a judicial exception under *Revised Step 2A*, we must evaluate the additional elements individually and in combination under *Step 2B* to determine whether they provide an inventive concept (i.e., whether the additional elements amount to significantly more than the exception itself).¹³

Under the Revised Guidance, we must consider in *Step 2B* whether an additional element or combination of elements: (1) “Adds a specific limitation or combination of limitations that are not well-understood, routine, conventional activity in the field, which is indicative that an inventive concept may be present;” or (2) “simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception, which is indicative that an inventive concept may not be present.” *See* Revised Guidance, III.B.¹⁴

Holdings, LLC v. Hotels.com, L.P., 773 F.3d 1245, 1257–59 (Fed. Cir. 2014).

¹³ The patent eligibility inquiry may contain underlying issues of fact. *Mortg. Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1325 (Fed. Cir. 2016). In particular, “[t]he question of whether a claim element or combination of elements is well-understood, routine and conventional to a skilled artisan in the relevant field is a question of fact.” *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1368 (Fed. Cir. 2018).

¹⁴ In accordance with existing *Step 2B* guidance, an Examiner’s finding that an additional element (or combination of elements) is well understood, routine, conventional activity must be supported with at least one of the four specific types of evidence required by the USPTO *Berkheimer* Memorandum, as shown above. For more information concerning evaluation of well-understood, routine, conventional activity, *see* MPEP § 2106.05(d), as modified by the USPTO *Berkheimer* Memorandum (USPTO Commissioner for Patents Memorandum dated Apr. 19, 2018, “Changes in

In the *Step 2B* analysis, an additional element (or combination of elements) is not well-understood, routine or conventional unless the Examiner finds an evidentiary basis, and expressly supports a rejection in writing with, one or more of the following:

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). . . .

See Berkheimer Memo.

The analysis in *Step 2B* further determines whether an additional element or combination of elements:

- (a) Adds a specific limitation or combination of limitations that are not well-understood, routine, conventional activity in the field, which is indicative that an inventive concept may be present; or
- (b) simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception,

Examination Procedure Pertaining to Subject Matter Eligibility, Recent Subject Matter Eligibility Decision (*Berkheimer v. HP, Inc.*)” (hereinafter “*Berkheimer Memo*”).

which is indicative that an inventive concept may not be present.

Revised Guidance, *and see Berkheimer* Memo.

If the Examiner or the Board determines under *Step 2B* that the element (or combination of elements) amounts to significantly more than the exception itself, the claim is eligible, thereby concluding the eligibility analysis.

However, if a determination is made that the element and combination of elements do not amount to significantly more than the exception itself, the claim is ineligible under *Step 2B*, and the claim should be rejected for lack of subject matter eligibility.

Analysis

Based upon our *de novo* review of the record in light of recent Director Policy Guidance with respect to patent-eligible subject matter rejections under 35 U.S.C. § 101, we reverse the rejection of claims 1–5 and 8–18 for the specific reasons discussed below. We highlight and address specific findings and conclusions regarding claim 11 for emphasis as follows.

Step 1

Claim 11, as a method (process) claim, recites one of the enumerated categories of eligible subject matter in 35 U.S.C. § 101. Therefore, the issue before us is whether it is directed to a judicial exception without significantly more.

Step 2A(i): Does the Claim Recite a Judicial Exception?

The Examiner determined exemplary claim 11 is directed to “performing the longstanding practice and business activity of licensing products.” Ans. 7. Further, the Examiner determined claim 11 is directed to “generating and managing digital receipts or licenses.” Final Act. 3.

We find claim 11 does not recite the judicial exceptions of either natural phenomena or laws of nature. We evaluate, *de novo*, whether claim 11 recites an abstract idea based upon the Revised Guidance.

Claim 11 recites “[a] method for managing access to digital content over a computer network,” wherein the method includes the steps of:

(1) “[D]etecting . . . a device identifier included in a request from a remote device for digital content, the device identifier being associated with the remote device.”

(2) “[G]enerating . . . a digital receipt in response to the request, in response to a determination that the remote device is authorized to receive the digital content.”

(3) “[I]ncluding . . . the device identifier with the digital receipt, the digital receipt with the device identifier confining use of the digital content to the remote device associated with the device identifier.”

(4) “[D]etermining . . . whether the digital receipt is valid after a request for transmission of the digital content and the digital receipt are received . . . from the remote device.”

(5) “[S]ending . . . the digital content to the remote device . . . , in response to determining that the digital receipt is valid, the digital content playable by the remote device when (i) the digital receipt, including the device identifier, and (ii) the digital content simultaneously reside at the remote device.”

Claims App’x.

The Specification provides context as to what the claimed invention is directed to. In this case, the Specification discloses the invention as “techniques for confining content to a device.” Spec. ¶ 7.

Appellants’ Abstract provides additional description of the invention:

Disclosed herein are a system, non-transitory computer-readable medium, and method for confining content. A digital receipt is generated in response to a request for content. An identifier associated with the remote device sending the request is included in the digital receipt such that use of the content is confined to the remote device.

Spec. 11.

Under the broadest reasonable interpretation standard,¹⁵ and aside from the “digital” or computer-related aspects, we conclude the claim as a whole recites steps that would ordinarily occur when managing distribution of content based upon a receipt or license to determine whether “the requesting party has the authority to make the request and utilize the functions.” *See* Final Act. 3.

For example, “detecting . . . a device identifier included in a request from a remote device for digital content” (step (1)) and “generating . . . a

¹⁵ During prosecution, claims must be given their broadest reasonable interpretation when reading claim language in light of the Specification as it would be interpreted by one of ordinary skill in the art. *In re Am. Acad. of Sci. Tech. Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004). Under this standard, we interpret claim terms using “the broadest reasonable meaning of the words in their ordinary usage as they would be understood by one of ordinary skill in the art, taking into account whatever enlightenment by way of definitions or otherwise that may be afforded by the written description contained in the applicant’s specification.” *In re Morris*, 127 F.3d 1048, 1054 (Fed. Cir. 1997).

digital receipt in response to the request” (step (2)) would be common steps in accessing digital content. Further, “determining . . . whether the digital receipt is valid” (step (4)) and “sending . . . the digital content to the remote device” (step (5)) are also common steps in accessing digital content involving licensed content.

Thus, under *Step 2A(i)*, we generally agree with the Examiner that claim 11 recites an abstract idea, and we particularly conclude claim 11 recites certain methods of organizing human activity. Specifically, claim 11 recites a business/legal interaction, i.e., license enforcement, which we further note may be performed without a computer using pen and paper. Aside from the digital nature of the content being licensed, this type of activity, i.e., license enforcement of content, includes longstanding conduct that existed well before the advent of computers and the Internet, and could be carried out by a human with pen and paper. *See CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1375 (Fed. Cir. 2011).¹⁶

¹⁶ Our reviewing court recognizes that “[a]n abstract idea can generally be described at different levels of abstraction.” *Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1240 (Fed. Cir. 2016). That need not and, in this case does not, “impact the patentability analysis.” *Id.* at 1241. Further, “[t]he Board’s slight revision of its abstract idea analysis does not impact the patentability analysis.” *Id.* Moreover, merely combining several abstract ideas does not render the combination any less abstract. *RecogniCorp, LLC v. Nintendo Co.*, 855 F.3d 1322, 1327 (Fed. Cir. 2017) (“Adding one abstract idea (math) to another abstract idea . . . does not render the claim non-abstract.”); *see also FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1093–94 (Fed. Cir. 2016) (determining the pending claims were directed to a combination of abstract ideas).

We conclude claim 11, as a whole, under our Revised Guidance, recites a judicial exception of certain methods of organizing human activity, i.e., a legal and/or commercial interaction, and thus an abstract idea.

Step 2A(ii): Judicial Exception Integrated into a Practical Application?

If the claims recite a patent-ineligible concept, as we conclude above, we proceed to the “practical application” *Step 2A(ii)* in which we determine whether the recited judicial exception is integrated into a practical application of that exception by: (a) identifying whether there are any additional elements recited in the claim beyond the judicial exception(s); and (b) evaluating those additional elements individually and in combination to determine whether they integrate the exception into a practical application.

In addition to the abstract steps recited in limitations (1), (2), (4) and (5) identified in Step 2A(i), *supra*, claim 11 further recites (emphasis added) Step (3): “*including . . . the device identifier with the digital receipt, the digital receipt with the device identifier confining use of the digital content to the remote device associated with the device identifier.*”

For the reasons discussed below, we conclude limitation (3) integrates the abstract idea into a practical application as determined under at least one of the MPEP sections cited above.¹⁷

Appellants’ Specification discloses:

In block 306, the identifier associated with the remote device may be included with the digital receipt or attestation. As noted above, this identifier may uniquely identify the remote

¹⁷ See, e.g., MPEP § 2106.05(a) “Improvements to the Functioning of a Computer or To Any Other Technology or Technical Field,” and § 2106.05(e) “Other Meaningful Limitations.”

device such that access to the digital content or electronic product is confined to the device. As such, the digital content or electronic product may be inoperative if copied to another device. Furthermore, the digital content or electronic product may be inoperative on another device even if the digital receipt is also copied thereto. The identifier included in the receipt may ensure that the content is operative in the device authorized to receive the content.

Spec. ¶ 17.

Appellants argue:

Claim 1,¹⁸ for example, is directed to patentable subject matter because it recites a system that restricts access to digital content to only a particular computing device under specific conditions *Preventing (or allowing) access to digital content using digital access controls solve a problem “necessarily rooted in computer technology.” DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257 (Fed. Cir. 2014). Specifically, *the scheme prevents a user who actually has a digital copy of a work from accessing the work unless he also has the correct technical access mechanisms, whose creation and distribution are the focus of the claim.*

App. Br. 5 (emphasis added). Appellants further contend:

The Final Office Action’s (and Advisory Action’s) focus on the creation of a license agreement misses the point of the claimed technology. Instead *the claims are directed to ways to render a digital work unusable unless access is specifically authorized via the technical mechanisms recited in the pending claims*, including generating and providing the claimed access controls.

App. Br. 6 (emphasis added).

¹⁸ Independent system claim 1 recites, in pertinent part, commensurate limitations as exemplary claim 11 (independent method claim). Therefore, we find Appellants’ arguments with respect to claim 1 apply equally to claim 11.

We find Appellants’ argument persuasive that carrying out the step of: “including . . . the device identifier with the digital receipt . . . [and] confining use of the digital content to the remote device associated with the device identifier” (step (3)) provide improvements to the underlying technology or technical field, namely, digital content license enforcement systems. *See* MPEP § 2106.05(a) or, alternatively, § 2106.05(e) “Other Meaningful Limitations.”

With respect to these other meaningful limitation, we find guidance in MPEP § 2106.05(e), which summarizes and relies upon our reviewing courts’ holdings in *Diamond v. Diehr*, cited *supra*, and *Classen Immunotherapies, Inc. v. Biogen IDEC*, 659 F.3d 1057 (Fed. Cir. 2011) (decision on remand from the Supreme Court, which had vacated the lower court’s prior holding of ineligibility in view of *Bilski v. Kappos*).

In *Diehr*, the Court evaluated the additional non-abstract limitations, and found them to be meaningful, because they sufficiently limited the use of the (abstract idea) mathematical equation to the practical application of molding rubber products. MPEP § 2106.05(e) (citing *Diehr*, 450 U.S. at 184, 187).

In *Classen*, the Court held that, although the analysis step was an abstract mental process that collected and compared known information, the (practical application) immunization step was meaningful because it integrated the results of the analysis into a specific and tangible method that resulted in the method “moving from abstract scientific principle to specific application.” MPEP § 2106.05(e) (citing *Classen*, 659 F.3d at 1066–68).

We find this other meaningful limitation identified above provides a technological improvement to digital content license enforcement systems (i.e., “render[ing] a digital work unusable unless access is specifically authorized via the technical mechanisms”). App. Br. 6. Accordingly, we conclude, when the claim is considered as a whole, the recited judicial exception is integrated into a practical application as determined under either MPEP sections 2106.06(a) or 2106.05(e) cited above, such that claim 11 is patent-eligible.

Because claim 11 is directed to a patent-eligible concept, this concludes the patent-eligibility inquiry.

Therefore, based upon the findings and legal conclusions above, on this record and in consideration of the Revised Guidance, we are persuaded the claims are directed to patent-eligible subject matter, such that we do not sustain the § 101 rejection of claim 11, and grouped claims 1–5, 8–10, and 12–18 which stand therewith. *See Claim Grouping, supra.*

2. § 103 Rejection R2 of Claims 1, 2, 4, 8, 9, 11, 12, 14, 16, and 17

Issue 2

Appellants argue (App. Br. 6–7; Reply Br. 2–4) the Examiner’s rejection of claim 11 under 35 U.S.C. § 103(a) as being obvious over the combination of Yen, Zhang, and Bi is in error. These contentions present us with the following issue:

Did the Examiner err in finding the cited prior art combination teaches or suggests “[a] method for managing access to digital content over a computer network” that includes, *inter alia*, the steps of “determining, by at least one processor, whether the digital receipt is valid, after a request for

transmission of the digital content and the digital receipt are received via the computer network *from the remote device,*” wherein “the digital content [is] playable by the remote device when (i) the digital receipt, including the device identifier, and (ii) the digital content simultaneously reside at the remote device,” as recited in claim 11 (emphasis added)?

Analysis

The Examiner finds Zhang teaches or suggests the contested “determining” step. Final Act. 22–23 (citing Zhang ¶¶ 19–20, ¶¶ 23–26 and ¶¶ 28–33). Additionally, the Examiner relies upon Bi as teaching “the digital receipt or license[s,] . . . the device identifier[,] and the digital content to simultaneously reside in the remote device.” Final Act. 26 (citing Bi ¶¶ 123, 141 and 171).

Appellants contend the cited passages of Yen, Zhang, and Bi do not mention that a license (or digital receipt) is *sent from a client* (or a remote device) for validation. Appellants specifically contend:

The error in the Final Office Action’s (and Advisory Action’s) analysis is apparent from the language it uses to describe Zhang: “Thus the license itself can reside on the client or remote device and ***can be sent from the client itself to determine if it is valid.***” Office Action, p. 7. Irrespective of whether the client *could* send the license, it does not.

Zhang describes a device referred to as a “media gateway device” or “MGD,” which can service multiple clients in a local area network. Zhang, ¶¶ 18-19. The Final Office Action has alleged that the functionality provided by the MGD discloses the claimed “fulfillment module.” Final Office Action, p. 7; *see also* Advisory Action, p. 3. . . .

According to Zhang, when a client sends a request to the MGD to view content, the MGD services the request by using

its own locally-stored license information – local license 114 and additional, locally stored data referred to as “remaining rights list” or “RRL” – to ensure there remain sufficient rights to allow the client device to view the requested content. MGD . . . acquires the local license 114. The MGD then obtains and uses the license index 130 to retrieve the remaining digital rights data 122 (i.e., the current status) from the RRL file 116 to validate if the device 106 is authorized to access the requested content.”). If the local license and the RRL indicate sufficient rights are available to view the requested content, the MGD downloads the requested content to the client device along with the required decryption keys. Zhang, ¶ 24. Thus, the MGD does not receive from the client device (or any other remote device) a “digital receipt.” The local license 114 is stored locally on the MGD and thus is not received from a remote device. Similarly, the RRL is stored locally on the MGD and is also not received from a remote device. Thus, Zhang does not cure the deficiencies of Yen in combination with Bi.

App. Br. 6–7.

The Examiner finds:

[A]s shown in Zhang the remote device or the client device **can and does store the license**. Thus the client can send the license to the server for it to be validated. Zhang Page 2, paragraphs [0019]-[0020], Page 3, paragraphs [0025]-[0026]; teach that either the client or the MGD can contain the license. Thus the license itself can reside on the client or remote device and can be sent from the client itself to determine if it is valid.

Ans. 12.

We disagree with the Examiner’s finding that Zhang discloses “determining, by at least one processor, whether the digital receipt is valid, after a request for transmission of the digital content *and the digital receipt are received* via the computer network *from the remote device*,” as recited in claim 11 (emphasis added). We disagree with the Examiner because Zhang

does not teach that the remote device *sends* the digital receipt anywhere; Zhang only teaches that the remote device *stores* the digital receipt.

For essentially the same reasons argued by Appellants (*id.*), we reverse the Examiner's rejection of independent claim 11, and also the rejection of independent claims 1 and 8, which recite the disputed limitations in commensurate form. For the same reasons, we also reverse the rejections of all claims that depend therefrom.¹⁹

Therefore, based upon the findings above, on this record, we are persuaded of at least one error in the Examiner's reliance on the cited prior art combination to teach or suggest the disputed limitations such that we do not sustain the Examiner's obviousness rejection of independent claim 11, and grouped claims 1, 2, 4, 8, 9, 12, 14, 16, and 17 which stand therewith. *See Claim Grouping, supra.*

3. Rejections R3 and R4 of Claims 3, 5, 10, 13, 15, and 18

In light of our reversal of Rejection R2 of independent claims 1, 8, and 11, *supra*, we also reverse obviousness Rejections R3 and R4 under § 103 of claims 3, 5, 10, 13, 15, and 18, all of which variously and ultimately depend from claims 1, 8, and 11. On this record, the Examiner has not shown how the additionally cited secondary Liu and Willey references overcome the aforementioned deficiencies with the combination of Yen, Zhang, and Bi, as discussed above regarding claim 11.

¹⁹ Because we agree with at least one of the dispositive arguments advanced by Appellants, we need not reach the merits of Appellants' other arguments. *See Beloit Corp. v. Valmet Oy*, 742 F.2d 1421, 1423 (Fed. Cir. 1984) (finding an administrative agency is at liberty to reach a decision based on "a single dispositive issue").

CONCLUSIONS

(1) Under our Revised Guidance, governed by relevant case law, claims 1–5 and 8–18 are patent-eligible under 35 U.S.C. § 101, and we do not sustain the rejection.

(2) The Examiner erred with respect to obviousness Rejections R2 through R4 of claims 1–5 and 8–18 under 35 U.S.C. § 103(a) over the cited prior art combinations of record, and we do not sustain the rejections.

DECISION

We reverse the Examiner’s decision rejecting claims 1–5 and 8–18.

REVERSED