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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte ILYA WILLIAM SLUTSKER, SASAN MOKHTARI,
GUILLERMO IRISARRI, and TAN TRONG DANG¹

Appeal 2018-004061
Application 14/216,148
Technology Center 3600

Before JASON V. MORGAN, ADAM J. PYONIN, and
PHILLIP A. BENNETT, *Administrative Patent Judges*.

MORGAN, *Administrative Patent Judge*.

DECISION ON APPEAL
STATEMENT OF THE CASE

Introduction

This is an appeal under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 1–36. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

Summary of the disclosure

The Specification discloses “optimally assigning energy generation and procurement resources whereby information needed to calculate an

¹ Appellant is the applicant and real party in interest, Open Access Technology, Inc. Appeal Br. 3.

optimal-cost generation plan is obtained by a database connected to [a] calculation module.” Abstract.

Representative claims (key limitations emphasized)

1. A method for determining a profit-maximizing plan comprising the steps of:

incorporating a plurality of inputs relating to a plurality of parameters of the plan to be maximized, the *plurality of inputs being automatically retrieved from a database*;

incorporating one or more constraints to limit the profit-maximizing plan based on said plurality of inputs;

testing all possible combinations of said plurality of inputs, within said one or more constraints, to *develop one or more profit-maximizing plans* using a computer program;

selecting one of the one or more profit-maximizing plans.

6. The method of claim 1, *wherein said list of one or more profit-maximizing plans includes some non-profit-maximizing plans for non-cost-based considerations.*

13. A method of determining a profit-maximizing energy-generation plan comprising:

determining an amount of additional generation above currently considered plans, and

developing a list of generation units capable of contributing to said additional generation.

Rejections

The Examiner rejects claims 1–36 under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter. Final Act. 14–23.

The Examiner rejects claims 1–5, 9–12, 19–23, and 27–30 under 35 U.S.C. § 102(b) as being anticipated by Murakami et al. (US 2004/0215545 A1; published Oct. 28, 2004) (“Murakami”). Final Act. 24–35.

The Examiner rejects claims 13–18 and 31–36 under 35 U.S.C. § 102(b) as being anticipated by Lof et al. (US 2002/0194113 A1; published Dec. 19, 2002) (“Lof”). Final Act. 35–41.

The Examiner rejects claims 6–8 and 24–26 under 35 U.S.C. § 103(a) as being unpatentable over Murakami and Lof. Final Act. 42–46.

35 U.S.C. § 101

Principles of law

To be statutorily patentable, the subject matter of an invention must be a “new and useful process, machine, manufacture, or composition of matter, or [a] new and useful improvement thereof.” 35 U.S.C. § 101. There are implicit exceptions to the categories of patentable subject matter identified in § 101, including: (1) laws of nature; (2) natural phenomena; and (3) abstract ideas. *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014). The Supreme Court has set forth a framework for distinguishing patents with claims directed to these implicit exceptions “from those that claim patent-eligible applications of those concepts.” *Id.* at 217 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66 (2012)). The evaluation follows a two-part analysis: (1) determine whether the claim is *directed to* a patent-ineligible concept, e.g., an abstract idea; and (2) if so, then determine whether any element, or combination of elements, in the claim is sufficient to ensure that the claim amounts to *significantly more* than the patent-ineligible concept itself. *See id.* at 217–18.

The U.S. Patent and Trademark Office (USPTO) recently published revised guidance on the application of the two-part analysis. USPTO, 2019 *Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50

(January 7, 2019) (“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) (*see id.* at 54 (step 2A, prong one)); and

(2) additional elements that integrate the judicial exception into a practical application (*see id.* at 54–55 (step 2A, prong two); MPEP §§ 2106.05(a)–(c), (e)–(h)).

See Memorandum, 84 Fed. Reg. at 52–55.

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.

See Memorandum, 84 Fed. Reg. at 56.

Memorandum step 2A, prong one

In rejecting claim 1 as being directed to patent-ineligible subject matter, the Examiner determines that claim 1 recites “‘fundamental economic practices’ and ‘certain methods of organizing human activity.’” Final Act. 18; *see also* Ans. 4. We agree with the Examiner because claim 1

recites “incorporating a plurality of inputs relating to a plurality of parameters of the plan to be maximized,” “incorporating one or more constraints to limit the profit-maximizing plan based on said plurality of input,” “testing all possible combinations of said plurality of inputs, within said one or more constraints,” and “develop[ing] one or more profit-maximizing plans.” Put plainly, the claim recites modeling plans to determine, given possible inputs and known constraints, the best (i.e., the “profit-maximizing”) plans. We agree with the Examiner that such modeling represents a fundamental economic practice. Maximizing profit is another form of risk management because—whether through avoiding lost revenues or through avoiding unnecessary expenses—maximizing profit represents minimizing the risk that profits that could have been earned are left unrealized. *Alice*, 573 U.S. at 219 (citing *Bilski v. Kappos*, 561 U.S. 593, 620 (2010)). Thus, like mitigation of settlement risk or hedging, developing profit-maximizing plans is a fundamental economic practice—i.e., a certain method of organizing human activity that is abstract. *See* Memorandum, 84 Fed. Reg. at 52.

Appellant argues the “Examiner has artificially attached pure economic result incentive[s] to” the benefits of the claimed invention. Reply Br. 5. Appellant argues that benefits such as “error reduction,” “grid reliability,” and “grid resiliency” are possible through use of the claimed invention. *Id.*; *see also* Appeal Br. 8 (“[t]he invention allows users to set trade parameters as needed and quickly and efficiently execute trades in an error-free mode”). Appellant does not provide persuasive support showing that a fundamental economic practice that has non-economic benefits ceases to be a fundamental economic practice. Moreover, the additional benefits

Appellant identifies are either tangential to the abstract idea of developing profit-maximizing plans (i.e., a fundamental economic practice) or merely represent other forms of profit maximization (e.g., maintaining a more robust infrastructure can minimize long-term maintenance costs and avoid having to incur the costs associated with consumer discontent).

Appellant also contends the Examiner erred because “claim 1 requires ‘the step for creating a template for an energy trade’ which is a concrete action and not a mere abstract idea.” Appeal Br. 7; *see also* Reply Br. 2 (“templates for an energy trade are suggested in the enablement”).

Appellant’s argument is unpersuasive, at least because claim 1 fails to recite any step for creating a template for an energy trade. *See* Ans. 3–4.

Unclaimed embodiments suggested by the disclosure do not suffice to make a claim non-abstract. *Cf. Two-Way Media Ltd. v. Comcast Cable Commc’ns, LLC*, 874 F.3d 1329, 1338–39 (Fed. Cir. 2017) (citing *RecogniCorp, LLC v. Nintendo Co.*, 855 F.3d 1322, 1327 (Fed. Cir. 2017)) (the innovative concept for an invention must be in found in “the *claim*—as opposed to something purportedly described in the specification”).

Memorandum step 2A, prong two

Appellant’s argument that claim 1 is patent-eligible because “[a]ctual energy (like electricity) is being physically moved around from one region to another as a result of [the claimed] steps and actions” (Appeal Br. 7; *see also* Reply Br. 3–4 (citing Spec. ¶¶ 19, 22)) may be relevant to the question of whether additional elements of claim 1 integrate the underlying abstract idea into a practical application. *See, e.g.*, Memorandum, 84 Fed. Reg. at 55 (additional elements may integrate an abstract idea into a practical application if they reflect “an improvement in the functioning of a computer,

or an improvement to other technology or technical field” or “a transformation or reduction of a particular article to a different state or thing”). The Examiner, however, correctly notes that movement of electricity is not recited in claim 1. *See* Ans. 3. Claim 1 merely recites “selecting one of the one or more profit-maximizing plans” without reciting what happens as a result of that selection. Without more, such selection merely “adds insignificant extra-solution activity to the” abstract idea, thus failing to integrate the abstract idea into a practical application. *See* Memorandum, 84 Fed. Reg. at 55.

Memorandum step 2B

The Examiner determines that claim 1 does “not include additional elements that are sufficient to amount to *significantly more* than the judicial exception.” Final Act. 19. In particular, the Examiner determines that claim 1 and other claims recite “the use of components such as a ‘computer program,’ ‘system,’ ‘computer,’ and ‘memory,’” such that the recitations of such components represent “generic computer components executing generic functions previously . . . well-known to those of ordinary skill in the art.” *Id.* at 21.

The Examiner’s determinations are reasonable and supported by broad, generic descriptions of computer technologies in the Specification. *See, e.g.,* Spec. ¶ 50, Fig. 6. Moreover, Appellant does not provide persuasive arguments or evidence rebutting the Examiner’s determinations. Therefore, we agree with the Examiner that the additional elements of claim 1, either individually or in combination, fail to make claim 1 amount to significantly more than the underlying abstract idea to which claim 1 is directed. *See* Final Act. 19.

Accordingly, we sustain the Examiner's 35 U.S.C. § 101 rejection of claim 1, and claims 2–36, which Appellant does not argue separately.
Appeal Br. 7–8.

35 U.S.C. § 102(B)—CLAIMS 1–5, 9–12, 19–23, AND 27–30

In rejecting claim 1 as being anticipated by Murakami, the Examiner finds that Murakami's demand data inputting unit, which is depicted as being connected to database 1000, discloses a “plurality of inputs being automatically retrieved from a database.” Final Act. 25 (citing Murakami Fig. 6).

Appellant acknowledges that Murakami does teach the “*connection of a power trading risk management system to a data base*” (Reply Br. 7), but argues that Murakami suggests “that data retrieved are individual amounts, suggesting to a reader that data is not repetitiously or automatically retrieved by the embodiment that Appellant believes [the] Examiner meant to cite” (*id.* (citing Murakami ¶ 103)). That is, Appellant argues “*Murakami does not teach automatic retrieval of data, nor is any trigger, manual or automatic, suggested by the enablement.*” *Id.*; *see also* Appeal Br. 6–7.

Appellant's arguments are unpersuasive because the disputed recitation of claim 1, given its broadest reasonable interpretation in light of the Specification, does not require the use of triggers for the automatic retrieval of a plurality of inputs from a database. The Specification at best discloses that automatically retrieving inputs from a database could encompass having a “module automatically select[] which Inputs 104 are relevant to calculating the generation plan and retrieve[] them.” Spec. ¶ 30. Not only does this disclosure fail to define automatic retrieval as requiring

the use of triggers, but the disputed recitation does not limit claim 1 to this particular embodiment.

Accordingly, we sustain the Examiner's 35 U.S.C. § 102(b) rejection of claim 1, and claims 2–5, 9–12, 19–23, and 27–30, which Appellant does not argue separately. Appeal Br. 10.

35 U.S.C. § 103(A)—CLAIMS 6–8 AND 24–26

In rejecting claim 6, which depends from claim 1, as obvious, the Examiner finds that Lof's disclosed benefit of being able to assure "partners in a power production system that the contracted power will in fact be delivered on schedule and in the appropriate quantity despite the fact that the output from the renewable power production facility is subject to meteorologically-induced variations" (Lof ¶ 59) teaches or suggests *wherein said list of one or more profit-maximizing plans includes some non-profit-maximizing plans for non-cost-based considerations* (Final Act 42 (citing Lof ¶ 59); *see also* Ans. 6).

Appellant contends the Examiner erred because the claimed "invention is concerned with 'non-cost based considerations'" (Appeal Br. 12) and "[m]eteorologically-induced variation cannot function as species to the genus of non-cost-based considerations" because Lof mentions "meeting the terms of 'contracted power'" (Reply Br. 9). Meteorological considerations (as well as considerations such as reliability), however, are examples of non-cost-based considerations. Even if the potential *impact* of such considerations can be quantified as potential costs (e.g., the cost of securing power that is not affected by fluctuations in the weather or the cost of losing customers who cannot abide by an unreliable provider of electricity), Lof teaches or suggests handling these considerations directly

rather than merely handling the potential impacts in terms of cost. *See* Lof ¶ 59.

Accordingly, we sustain the Examiner’s 35 U.S.C. § 103(a) rejection of claim 6, and claims 7, 8, and 24–26, which Appellant does not argue separately. Appeal Br. 12.

35 U.S.C. § 102(B)—CLAIMS 13–18 AND 31–36

In rejecting claim 13 as being anticipated by Lof, the Examiner finds that Lof’s disclosure of buying power to meet obligations for a wind farm or set of wind farms discloses *developing a list of generation units capable of contributing to said additional generation*. Final Act. 35–36 (citing Lof ¶ 132, Fig. 19); *see also* Ans. 7–8. Appellant contends the Examiner erred because Lof “only matches bids and offers that meet various criteria. The buyer never sees a list prior to the deal closing.” Appeal Br. 11.

Appellant’s argument is unpersuasive because, as the Examiner correctly notes, claim 13 “does not recite a limitation wherein a buyer [wind farm] must view a list prior to a deal closing.” Ans. 8 (alteration in original). That is, Appellant’s argument is not commensurate with the scope of the claimed invention.

Accordingly, we sustain the Examiner’s 35 U.S.C. § 102(b) rejection of claim 13, and claims 14–18 and 31–36, which Appellant does not argue separately. Appeal Br. 11.

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DECISION

We affirm the Examiner's decision rejecting claims 1–36.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 41.50(f).

AFFIRMED