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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte* ETHAN HADAR

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Appeal 2018-008400  
Application 12/728,616  
Technology Center 3600

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Before KARA L. SZPONDOWSKI, SCOTT B. HOWARD, and  
STEVEN M. AMUNDSON, *Administrative Patent Judges*.

SZPONDOWSKI, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant<sup>1</sup> appeals under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 1–3, 5–12, 14–21, 23–28, and 30–32, which constitute all of the claims pending in this application. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

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<sup>1</sup> We use the word “Appellant” to refer to “applicant” as defined in 37 C.F.R. § 1.42. Appellant identifies the real party in interest as Computer Associates Think, Inc. Appeal Br. 2.

STATEMENT OF THE CASE

Appellant's invention relates "generally to information technology management, and more particularly to a hybrid software component and service catalog." Spec. 1. Claim 1, reproduced below, is representative of the claimed subject matter:

1. A method comprising:

monitoring, by a processor, service information associated with a plurality of existing information technology services in an enterprise, wherein each of the plurality of existing information technology services is selected from the group consisting of hardware, software, a process, and device currently deployed, and wherein each of the plurality of existing information services is associated with one or more attributes;

assigning a quality metric to one or more attributes of each of the respective identified existing information technology services;

monitoring, by the processor, service information associated with a plurality of potential information technology services, wherein each of the plurality of potential information technology services is selected from the group consisting of hardware, software, a process, and device for replacing or enhancing at least one of the plurality of existing information technology services currently deployed in the enterprise, and wherein each of the plurality of existing information services is associated with one or more attributes;

receiving, by the processor, a quality metric associated with one or more attributes of each of the respective identified potential information technology services from a source external to the enterprise;

receiving, from a user, a comparison schedule, the comparison schedule identifying:

a selected one of the existing information technology services currently deployed in the enterprise;

a selected one of the potential information technology services for replacing or enhancing the selected one of the existing information technology services currently deployed in the enterprise; and

one or more comparison times, wherein the one or more comparison times each indicate a time at which to compare the selected one of the existing information technology services included in the comparison schedule and the selected one of the potential information technology services included in the comparison schedule;

based on the comparison schedule, calculating, by the processor, an attribute difference between the quality metric associated with the selected one of the existing information technology services currently deployed in the enterprise and the quality metric associated with the selected one of the potential information technology services;

comparing, by the processor, the attribute difference to a threshold, the threshold comprising a minimum attribute difference between the quality metric associated with the selected one of the existing information technology services and the quality metric associated with the selected one of the potential information technology services;

determining, by the processor, that the attribute difference for the selected one of the potential information technology services is greater than the threshold comprising the minimum attribute difference; and

in response to determining that the attribute difference for the selected one of the potential information technology services is greater than the threshold comprising the minimum attribute difference, determining, by the processor, that the selected one of the existing information technology services should be enhance or replaced with the selected one of the potential information technology services and causing, by the processor, the selected one of the potential information technology services to be displayed to the user.

## REJECTIONS

Claims 1–3, 5–12, 14–21, 23–28, and 30–32 stand rejected under 35 U.S.C. § 101 as directed to patent-ineligible subject matter. Non-Final Act. 11.

Claims 1–3, 5, 7, 9–12, 14, 16, 18–21, 23, 25, 27, and 28 stand rejected under 35 U.S.C. § 103 as unpatentable over Steinberg (US 2005/0220280 A1; published Oct. 6, 2005), Anand et al. (WO 01/26013 A1; published Apr. 12, 2001) (“Anand”), and Vos et al. (US 2008/0244095 A1; published Oct. 2, 2008) (“Vos”). Non-Final Act. 18.

Claims 6, 8, 15, 17, 24, and 26 stand rejected under 35 U.S.C. § 103 as unpatentable over Steinberg, Anand, Vos, and Barrenechea (US 2006/0200477 A1; published Sept. 7, 2006). Non-Final Act. 33.

Claims 30–32 stand rejected under 35 U.S.C. § 103 as unpatentable over Steinberg, Anand, Vos, and Peterson et al. (US 7,197,466 B1; issued Mar. 27, 2007) (“Peterson”). Non-Final Act. 36.<sup>2</sup>

## ANALYSIS

### *Section 101 Rejection*

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: “[l]aws of nature, natural phenomena, and abstract

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<sup>2</sup> The statement of rejection lists claims 6, 8, 15, 17, 24, and 26, but the body of the rejection is directed to claims 30–32. Non-Final Act. 36–37. The Examiner corrects this in the statement of rejection repeated in the Examiner’s Answer. Ans. 4.

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 v. Kappos*, 561 U.S. 593, 611 (2010)); 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, 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 (1853))); and manufacturing flour (*Benson*, 409 U.S. at 69 (citing *Cochrane v. Deener*, 94 U.S. 780, 785 (1876))).

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 citation 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 PTO recently published revised guidance on the application of § 101. USPTO’s January 7, 2019 Memorandum, *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50 (Jan. 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); 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, Jan. 2018)).

*See* Memorandum, 84 Fed. Reg. at 52, 54–55. 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 id.* at 56.

USPTO Memorandum, Step 2A, Prong 1

Under the first step of the *Alice/Mayo* framework, the Examiner determines that the claims are “directed to maximizing investment by making the correct choice of IT services,” which is “directed to the abstract idea of making a proper resource allocation.” Ans. 5. Specifically, the Examiner concludes that the claims are directed to “the abstract idea of gathering known service information data, analyzing the data generating rule based tasks, and displaying the results in the form of a displayed offer.” Non-Final Act. 11–12. The Examiner compares the claimed invention to those in *FairWarning IP, LLC v. Iatric Systems, Inc.*, 839 F.3d 1089 (Fed. Cir. 2016), and *Electric Power Group, LLC v. Alstom, S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2017). *See id.* at 12–15; Ans. 7.

Appellant argues the Examiner’s analysis is “at a high level of abstraction that is untethered from the claim language or oversimplified to downplay the invention’s benefits.” Reply Br. 3. Specifically, Appellant argues that the claims “are directed to an improvement to computer functionality and not merely the abstract idea of receiving, manipulating, and transmitting information to a networked computer” or the “abstract idea of using categories to organize, store, and transmit information.” Appeal Br. 21–22.

We are not persuaded by Appellant’s arguments and agree with the Examiner that the claims recite an abstract idea, specifically, a mental process. *See* Non-Final Act. 11–15; Ans. 5; 84 Fed. Reg. at 52. In the Background of the Invention, Appellant describes that “information technology departments are constantly optimizing their technology infrastructure and deployments for maximal return,” and that “information

technology managers may insert new ones based on needs and proactive forecasting of changes.” Spec. 2. This “optimization can be done by replacing service agreements, tuning according to actual consumption of services, and adjusting service levels.” *Id.* Appellant notes there may be “several alternatives of presumably identical functional and business value, but with different non-functional . . . properties that may differentiate between them.” *Id.* Appellant thus describes the need for an improved “information technology catalog system.” *Id.* at 3.

Claim 1 recites, *inter alia*, a system performing a method comprising:

monitoring . . . service information associated with a plurality of existing information technology services in an enterprise, wherein each of the plurality of existing information technology services is selected from the group consisting of hardware, software, a process, and device currently deployed, and wherein each of the plurality of existing information services is associated with one or more attributes;

assigning a quality metric to one or more attributes of each of the respective identified existing information technology services;

monitoring . . . service information associated with a plurality of potential information technology services, wherein each of the plurality of potential information technology services is selected from the group consisting of hardware, software, a process, and device for replacing or enhancing at least one of the plurality of existing information technology services currently deployed in the enterprise, and wherein each of the plurality of existing information services is associated with one or more attributes;

receiving . . . a quality metric associated with one or more attributes of each of the respective identified potential information technology services from a source external to the enterprise;

receiving, from a user, a comparison schedule, the comparison schedule identifying: [1] a selected one of the existing information technology services currently deployed in the

enterprise; [2] a selected one of the potential information technology services for replacing or enhancing the selected one of the existing information technology services currently deployed in the enterprise; and [3] one or more comparison times, wherein the one or more comparison times each indicate a time at which to compare the selected one of the existing information technology services included in the comparison schedule and the selected one of the potential information technology services included in the comparison schedule;

based on the comparison schedule, calculating . . . an attribute difference between the quality metric associated with the selected one of the existing information technology services currently deployed in the enterprise and the quality metric associated with the selected one of the potential information technology services;

comparing . . . the attribute difference to a threshold, the threshold comprising a minimum attribute difference between the quality metric associated with the selected one of the existing information technology services and the quality metric associated with the selected one of the potential information technology services;

determining . . . that the attribute difference for the selected one of the potential information technology services is greater than the threshold comprising the minimum attribute difference; and

in response to determining that the attribute difference for the selected one of the potential information technology services is greater than the threshold comprising the minimum attribute difference, [1] determining . . . that the selected one of the existing information technology services should be enhance or replaced with the selected one of the potential information technology services and [2] causing . . ., the selected one of the potential information technology services to be displayed to the user.

Supplemental Appeal Br. 2–3 (Claims App.). Claim 7 recites similar limitations in a “system comprising: a memory” and “an optimizing server.” Supplemental Appeal Br. 5–6 (Claims App.). Claim 19 also recites similar

limitations in a “computer readable non-transitory medium encoded with logic” that is executed on a “processor.” Supplemental Appeal Br. 8–9 (Claims App.). Claim 28, likewise, recites a “system” claim with similar limitations. Supplemental Appeal Br. 11–12 (Claims App.).

Appellant has not persuasively argued why the claim limitations identified above cannot be practically performed by a human, either mentally, manually, or with the use of pen and paper. *See, e.g. CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1373 (Fed. Cir. 2011); *Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1318 (Fed. Cir. 2016); *Bancorp Services, L.L.C. v. Sun Life Assur. Co. of Can. (U.S.)*, 687 F.3d 1266, 1279 (Fed. Cir. 2012). For example, an IT manager can monitor service information for existing services, and then assign, either mentally or using pen and paper, quality metrics to attributes of the existing services. Then, the IT manager can monitor service information for potential services, and then receive quality metrics for the attributes of the potential services. Then, the IT manager can mentally, or using pen and paper, compare a selected existing service and a selected potential service according to a comparison schedule, and calculate, either mentally or using pen and paper, the attribute difference between the quality metrics. Next, the IT manager can mentally, or using pen and paper, compare the calculated attribute difference to a threshold, and can mentally, or using pen and paper, determine that this attribute difference is greater than a threshold. As a result, the IT manager can determine, mentally or using pen and paper, that the selected existing service should be enhanced or replaced with the selected potential service, and then inform the user of this selection.

Essentially, Appellant seeks to automate a manual process, which is insufficient to render the claim patent-eligible. *See* Spec. 16 (“Optimizing server 50, configured with *business rules by the tool users*, provides a *constant dashboard to IT managers* for triggering change management, or proactive sensing of business opportunities” and “*users will have ‘hands-on’ watchdogs* over changes in offerings, and align them to their specific business needs”); *see, e.g., OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1363 (Fed. Cir. 2015) (“relying on a computer to perform tasks more quickly or more accurately is insufficient to render a claim patent eligible”). Moreover, the mere mention of certain computer components in the claims (e.g. “processor,” “memory,” “optimizing server”) does not impose sufficiently meaningful limitations on claim scope beyond these mental steps. *Intellectual Ventures*, 838 F.3d at 1318; *Bancorp*, 687 F.3d at 1278–79.

Accordingly, we conclude the claims recite a mental process as identified in the Memorandum, and thus an abstract idea.

USPTO Memorandum, Step 2A, Prong 2

In determining whether claim 1 is “directed to” the identified abstract idea, we next consider whether the claims recite additional elements that integrate the judicial exception into a practical application. For the reasons set forth below, we discern no additional element (or combination of elements) recited in claim 1 that integrates the judicial exception into a practical application. *See* Memorandum, 84 Fed. Reg. at 54–55. Here, the additional elements at issue are the “processor” (claim 1); “memory” and “optimizing server” (claim 9); “computer readable non-transitory medium encoded with logic, the logic operable, when executed on a processor”

(claim 19); and various means for performing the recited steps (claim 28).  
Claims App'x 2, 3, 5, 6, 8, 9, 11.

Appellant argues the claims “are directed to a specific implementation of replacing or enhancing existing information technology services currently deployed in an enterprise,” which is “a technical improvement (a technology-based solution) that overcomes existing problems of other systems and therefore are patent-eligible.” Appeal Br. 23–24. Appellant also contends that the claims “provid[e] for the periodic comparison of IT services to determine whether an existing IT service should be enhanced and/or changed is associated with various benefits that constitute a technical improvement.” *Id.* at 24 (citing Spec. 16, ll. 1–31); *see* Reply Br. 4. Specifically, Appellant argues that, like in *Enfish*, the “claims are directed to a technology-based solution (i.e., a processor configured to monitor existing IT services and potential IT services, assign quality metrics to such IT services, and determine when the existing IT services should be replaced w[ith] the potential IT services) that overcomes existing problems of other systems.” Reply Br. 4 (citing *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016)); *see* Appeal Br. 22–24. Appellant also compares the claimed invention to that in *Bascom*. Appeal Br. 22–24 (citing *BASCOM Glob. Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016)).

We are not persuaded by Appellant’s arguments and agree with the Examiner’s findings. *See* Non-Final Act. 13–16; Ans. 5–7. In *Enfish*, the Federal Circuit decided that the claims satisfied § 101 under *Mayo/Alice* step one because they recited a “specific improvement to the way computers operate,” i.e., an improved database configuration that permitted faster and

more efficient searching. *Enfish*, 822 F.3d at 1330–33, 1336, 1339. Further, the Federal Circuit has explained that the claims in *Enfish* “did more than allow computers to perform familiar tasks with greater speed and efficiency” and “actually permitted users to launch and construct databases in a new way.” *Finjan, Inc. v. Blue Coat Sys., Inc.*, 879 F.3d 1299, 1305 (Fed. Cir. 2018); *see also Secured Mail Sols. LLC v. Universal Wilde, Inc.*, 873 F.3d 905, 910 (Fed. Cir. 2017) (explaining that the claims in *Enfish* “focused on an improvement to computer functionality itself”).

Similarly, in *BASCOM*, the claims recited a “specific method of filtering Internet content” requiring “the installation of a filtering tool at a specific location, remote from the end-users, with customizable filtering features specific to each end user.” *BASCOM*, 827 F.3d at 1345–46, 1350. The Federal Circuit reasoned that the claims covered “a technology-based solution . . . to filter content on the Internet that overcomes existing problems with other Internet filtering systems” and “improve[s] an existing technological process.” *Id.* at 1351 (citing *Alice*, 573 U.S. at 223); *see Alice*, 573 U.S. at 223 (explaining that “the claims in *Diehr* were patent eligible because they improved an existing technological process”).

Unlike the claims in *Enfish* and *BASCOM*, the claims here do not recite an improvement to computer functionality or a technology-based solution that improves an existing technological process. *See* Ans. 5–7; Non-Final Act. 13–14. For instance, the claims do not recite an advance in hardware or software that causes the processor itself or the memory itself to operate faster or more efficiently. As the Examiner correctly finds, the claimed invention is “directed to the abstract idea of making a proper resource allocation,” and “does not solve a technical problem,” but instead

addresses “the business or financial management of IT services directed to maximizing investment by making the correct choice of IT services.” Ans. 5. Specifically, the Examiner determines, and we agree, that “the claimed invention is not directed to an improvement in computer functionality, but rather to the business/management problem of efficient resource allocation.” *Id.* at 6. Our conclusion is supported by Appellant’s own argument, which describes that “the method and system providing for the periodic comparison of IT services to determine whether an existing IT service should be enhanced and/or changed is associated with various benefits that constitute a technical improvement over the prior art.” Appeal Br. 24. Under Appellant’s own description the improvement is to the abstract idea rather than the computer functionality or technological process.

Further, the claims employ generic computer-system components, e.g., a “processor,” “memory,” and an “optimizing server,” in their ordinary capacities to monitor, communicate, manipulate, and display data. *See* Supplemental Appeal Br. 2–3, 5–6, 8–9, 11–12; Spec. 10, 12, 19–20; *see also Alice*, 573 U.S. at 226. Appellant does not direct our attention to any disclosure in the Specification that indicates the claimed “processor,” “memory,” or “optimizing server” are anything other than generic computer components. Simply programming a general-purpose computer to perform abstract ideas does not integrate those ideas into a practical application. *See* Memorandum, 84 Fed. Reg. at 55 (identifying “merely includ[ing] instructions to implement an abstract idea on a computer” as an example of when an abstract idea has not been integrated into a practical application).

Moreover, as discussed above, relying on a computer to perform routine tasks more quickly or more accurately is insufficient to render a

claim patent eligible. *See Alice*, 573 U.S. at 224 (“use of a computer to create electronic records, track multiple transactions, and issue simultaneous instructions” is not an inventive concept); *Bancorp*, 687 F.3d at 1278 (a computer “employed only for its most basic function . . . does not impose meaningful limits on the scope of those claims”); MPEP 2106.05(f)(2) (“Use of a computer or other machinery in its ordinary capacity for economic or other tasks (*e.g.*, to receive, store, or transmit data) or simply adding a general purpose computer or computer components after the fact to an abstract idea (*e.g.*, a fundamental economic practice or mathematical equation) does not provide significantly more.”); *OIP Techs.*, 788 F.3d at 1363. Moreover, the “mere automation of manual processes using generic computers does not constitute a patentable improvement in computer technology.” *Credit Acceptance Corp. v. Westlake Servs.*, 859 F.3d 1044, 1055 (Fed. Cir. 2017).

Appellant further argues that the claims, like those in *DDR Holdings*, “are necessarily rooted in computer technology because they overcome a problem specifically arising in the realm of computer networks are patent eligible.” Appeal Br. 25 (citing *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014)); *see* Reply Br. 4.

In *DDR Holdings*, the Federal Circuit determined that certain claims satisfied § 101 under *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, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1151 (Fed. Cir. 2016) (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”). 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.

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. Innovations, LLC v. Chi. Transit Auth.*, 873 F.3d 1364, 1375 (Fed. Cir. 2017) (quoting *In re TLI Commc’ns LLC Patent Litig.*, 823 F.3d 607, 613 (Fed. Cir. 2016)). Unlike the patent-eligible claims in *DDR Holdings*, the claims here do not attempt to solve a challenge particular to the Internet. *See* Supplemental Appeal Br. 2–3, 5–6, 8–9, 11–12; *see also Non-Final Act.* 11–14, 15–16; Ans. 6.

Accordingly, for the foregoing reasons, the claims fail to integrate the abstract mental process into a practical application.

#### USPTO Memorandum, Step 2B

Turning to step 2 of the *Alice/Mayo* framework, we look to whether the claims (a) add a specific limitation or combination of limitations that are not well-understood, routine, conventional activity in the field, or (b) simply append well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception. Memorandum, 84 Fed. Reg. at 56.

The Examiner determines that the claimed additional elements (e.g., a “processor,” an “optimizing server”) “[are] recited at a high level of generality, and comprise[] only a processor/generic computer . . . to simply perform the generic computer functions of receiving, manipulating and transmitting information to a networked computer.” Non-Final Act. 15–16 (citing Spec. 12, ll. 24–30).

Appellant argues the claims “employ a specifically programmed special-purpose computer to employ a specific classification program that classifies communication flows using collaborative classifiers.” Appeal Br. 25.

We are not persuaded. Consistent with the Examiner’s findings, the Specification describes the claimed computer-system components generically and evidences their conventional nature. *See, e.g.*, Spec. 10, 12, 19–20. As an example, the Specification describes that the “optimizing server 50 comprises any suitable combination of hardware and/or software implemented in one or more modules to provide the described functions and operations,” and “may comprise a general-purpose computer (PC), a Macintosh, a workstation, a Unix-based computer, a server computer, or any suitable processing device.” Spec. 12. The Specification similarly describes a “processor” and “memory.” *See id.* at 10, 12, 19–20. Appellant does not direct our attention to any disclosure in the Specification that indicates the claimed “processor,” “memory,” or “optimizing server” are anything other than generic computer components.

As discussed above, Appellant also does not direct our attention to anything in the Specification that indicates the computer components perform anything other than the well-understood, routine, and conventional

functions of monitoring, communicating, manipulating, and displaying data. *See Elec. Power*, 830 F.3d at 1355 (“Nothing in the claims, understood in light of the specification, requires anything other than off-the-shelf, conventional computer, network, and display technology for gathering, sending, and presenting the desired information”); *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1355 (Fed. Cir. 2014) (“That a computer receives and sends the information over a network—with no further specification—is not even arguably inventive”); *In re TLI Commc’ns LLC Patent Litig.*, 823 F.3d 607, 614 (Fed. Cir. 2016) (server that receives data, extracts classification information from the received data, and stores the digital images insufficient to add an inventive concept); *Alice*, 573 U.S. at 225–26 (receiving, storing, and sending information over networks insufficient to add an inventive concept).

Appellant also argues that the claims “provid[e] for the periodic comparison of IT services to determine whether an existing IT service should be enhanced and/or changed is associated with various benefits that constitute a technical improvement over the prior art.” Appeal Br. 24 (citing Spec. 16, ll. 1–31); *see* Reply Br. 4.

To the extent that Appellant is arguing the pending claims are patent eligible because they otherwise overcome any prior-art references, and are novel and non-obvious, this argument is not persuasive because it improperly conflates the requirements for eligible subject matter (§ 101) with the independent requirements of novelty (§ 102) and obviousness (§ 103). Although the second step in the *Alice* framework is termed a search for an “inventive concept,” the analysis is not an evaluation of novelty or non-obviousness. *Alice*, 573 U.S. at 217–18. A novel and non-obvious

claim directed to a purely abstract idea is, nonetheless, patent ineligible. *See Mayo*, 566 U.S. at 78–79. Further, “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).

Given the claimed generic computer-system components that perform generic computer functions, we conclude that the combination of limitations in each independent claim does not supply an “inventive concept” that renders the claim “significantly more” than an abstract idea. Thus, the claims does not satisfy § 101 under *Mayo/Alice* step two.

For at least the above reasons, we sustain the Examiner’s rejection of claim 1 as being directed to patent-ineligible subject matter, as well as independent claims 10, 19, and 28, with commensurate limitations, and dependent claims 2, 3, 5–9, 11, 12, 14–18, 20, 21, 23–27, 30–32, which were not separately argued.

### *Section 103 Rejections*

*Issue:* Did the Examiner err in finding that the combination of Steinberg, Anand, and Vos teaches:

receiving, from a user, a comparison schedule, the comparison schedule identifying: [1] a selected one of the existing information technology services currently deployed in the enterprise; [2] a selected one of the potential information technology services for replacing or enhancing the selected one of the existing information technology services currently deployed in the enterprise; and [3] one or more comparison times, wherein the one or more comparison times each indicate a time at which to compare the selected one of the existing

information technology services included in the comparison schedule and the selected one of the potential information technology services included in the comparison schedule, as recited in independent claim 1, and commensurately recited in independent claims 10, 19, and 28?

The Examiner finds that Anand's identification of key performance indicators ("KPIs") to report upon in a service level agreement ("SLA"), including details of how and how often measurements will be reported, and comparing the service statistics against key performance indicators, teaches the claimed comparison schedule. Non-Final Act. 21–22 (citing Anand 1, ll. 10–34; 2, ll. 1–10; 7, ll. 9–27; 8, ll. 1–26); *see* Ans. 7–8. Specifically, the Examiner finds that Anand's analysis of technology infrastructure requirements, including software packages now in use or contemplated for use, teaches the claimed existing information technology currently deployed in the enterprise; and that Anand's identifying changes needed to upgrade the service level management capability teaches the claimed potential information technology services. Non-Final Act. 22–23 (citing Anand 13, ll. 1–29; 16–17; 11–12; Fig. 4). The Examiner also finds that Anand's service level review performed at scheduled intervals, selecting components that should support the service level management architecture, and reporting on a daily or even more frequent basis, teaches the claimed comparison times indicating times to compare the selected existing information technology services and potential information technology services. *Id.* at 23–24 (citing Anand 8, ll. 1–26; 22–23; 25–26, 29); *see* Ans. 7–8 (citing Anand 7).

Appellant argues that Anand teaches "identifying services to be included in service level agreements and monitoring those services with respect to KPIs" and creating reports on a time schedule and comparing

service statistics against performance indicators, but does not teach the comparison schedule as claimed. Appeal Br. at 28. Specifically, Appellant argues that “even to the extent that *Anand* discloses reporting on service lines at defined intervals, there is no disclosure in *Anand* of a comparison schedule that identifies an *existing* service line to be compared against a *potential* service line that could replace the existing service line.” *Id.* at 27. According to Appellant, Anand’s “comparison schedule identifies how and how often to generate a report on KPIs,” but does not “identif[y] a specific existing information technology service to be compared with a specific potential technology service.” Reply Br. 5–6.

We are persuaded by Appellant’s arguments. Claim 1 requires (1) *a selected one of the existing information technology services* currently deployed in the enterprise, (2) *a selected one of the potential information technology services for replacing or enhancing the selected one of the existing information technology services* currently deployed in the enterprise, *and* (3) one or more comparison times that each indicate a time at which to *compare the selected one of the existing information technology services* included in the comparison schedule *and the selected one of the potential information technology services* included in the comparison schedule.

The cited sections of Anand teach “creating reports and distributing them on the agreed-upon time schedule,” “obtain[ing] detailed service reports from appropriate service providers, and collat[ing] and/or summariz[ing] report-data as necessary,” and “comparing service statistics against key performance indicators.” Anand 7. Anand also teaches “evaluating the reuse component options, determining possible gaps where

the software does not satisfy requirements, and selecting the appropriate reuse components” and “evaluating the packaged component options, determining gaps where the software does not satisfy requirements, and selecting the appropriate packaged components.” *Id.* at 23.

In other words, Anand teaches, according to a schedule, comparing service statistics against key performance indicators, and generally selecting components by evaluating them and determining gaps where the software does not satisfy requirements. However, Anand does not link one existing service and one potential replacement service, and comparing these services according to a schedule.

Therefore, we find the Examiner has not provided sufficient findings that the combination of Steinberg, Anand, and Vos teaches the claimed “the comparison schedule identifying: [1] *a selected one of the existing information technology services* currently deployed in the enterprise”; (2) “*a selected one of the potential information technology services for replacing or enhancing the selected one of the existing information technology services* currently deployed in the enterprise”; and (3) “one or more comparison times, wherein the one or more comparison times each indicate a time at which to *compare the selected one of the existing information technology services* included in the comparison schedule *and the selected one of the potential information technology services* included in the comparison schedule.” Because we agree with at least one of the arguments advanced by Appellant, we need not reach the merits of Appellant’s other arguments.

Accordingly, we do not sustain the Examiner’s § 103(a) rejection of independent claims 1, 10, 19, and 28, and dependent claims 2, 3, 5, 7, 9, 11,

12, 14, 16, 18, 20, 21, 23, 25, and 27.

Moreover, because the Examiner has not shown that the additional references cure the foregoing deficiency regarding the rejection of the independent claim, we do not sustain the obviousness rejections of dependent claims 6, 8, 15, 17, 24, 26, and 30–32.

### DECISION

We affirm the Examiner’s rejection of claims 1–3, 5–12, 14–21, 23–28, and 30–32 under 35 U.S.C. § 101.

We reverse the Examiner’s rejections of claims 1–3, 5–12, 14–21, 23–28, and 30–32 under 35 U.S.C. § 103.

In summary:

<b>Claims Rejected</b>	<b>35 U.S.C. §</b>	<b>Basis</b>	<b>Affirmed</b>	<b>Reversed</b>
1–3, 5–12, 14–21, 23–28, 30–32	101	Eligibility	1–3, 5–12, 14–21, 23–28, 30–32	
1–3, 5, 7, 9–12, 14, 16, 18–21, 23, 25, 27, 28	103	Steinberg, Anand, Vos		1–3, 5, 7, 9–12, 14, 16, 18–21, 23, 25, 27, 28
6, 8, 15, 17, 24, 26	103	Steinberg, Anand, Vos, Barrenechea		6, 8, 15, 17, 24, 26
30–32	103	Steinberg, Anand, Vos, Peterson		30–32
<b>Overall Outcome</b>			1–3, 5–12, 14–21, 23–28, 30–32	

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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). *See* 37 C.F.R. § 41.50(f).

AFFIRMED