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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte RICHARD LANG

Appeal 2018-008839
Application 13/601,984
Technology Center 3600

Before MAHSHID SAADAT, JOHN A. JEFFERY, and
ST. JOHN COURTENAY III, *Administrative Patent Judges*.

COURTENAY III, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant¹ appeals under 35 U.S.C. § 134(a) from a Final rejection of claims 1, 16, 17, and 21–33. Claims 2–15 and 18–20 are canceled. We have jurisdiction over the pending claims under 35 U.S.C. § 6(b). We affirm.

STATEMENT OF THE CASE

Introduction

Embodiments of Appellant’s invention “relate to the ability of content providers in a variety of mediums to monetize content or ‘grabbed’ content

¹ We use the word “Appellant” to refer to “applicant” as defined in 37 C.F.R. § 1.42(a). According to Appellant, the real party in interest is Democrasoft, Inc. *See* Appeal Br. 3.

used in the context of a content creation service, social bookmarking toolbar, or mobile device application The present invention also allows a content provider to customize licensing terms and provisions for content.”
Spec. ¶ 1.

Rejections

- A. Claims 1, 16, 17, and 21–33 are rejected under 35 U.S.C. § 101, as being directed to a judicial exception, without significantly more. *See* Final Act. 6.
- B. Claims 1, 16, 17, 22, 25–27, 30, and 32 are rejected under pre-AIA 35 U.S.C. 103(a) as being obvious over the combined teachings and suggestions of Wong, US 2009/0281908 A1; pub. Nov. 12, 2009 (hereinafter “Wong”) in view of Marcus, US 2006/0015904 A1, pub. Jan. 19, 2006 (hereinafter “Marcus”). *See* Final Act. 15.
- C. Claims 28, 29, and 31 are rejected under pre-AIA 35 U.S.C. 103(a) as being obvious over the combined teachings and suggestions of Wong, Marcus, and Official Notice. *See* Final Act. 21.
- D. Claims 21, 23, 24, and 33 are rejected under pre-AIA 35 U.S.C. 103(a) as being obvious over the combined teachings and suggestions of Wong, Marcus, and Ginter et al. US 6,253,193 B1; iss. June 26, 2001 (hereinafter “Ginter”). *See* Final Act. 23.

Issues on Appeal

Did the Examiner err in rejecting claims 1, 16, 17, and 21–33 under 35 U.S.C. § 101, as being directed to a judicial exception, without significantly more?

Did the Examiner err in rejecting claims 1, 16, 17, and 21–33 under pre-AIA 35 U.S.C. § 103(a), as being obvious over the combined teachings and suggestions of the cited references?

ANALYSIS

We reproduce *infra* independent claim 1 in Table One. We have considered all of Appellant’s arguments and any evidence presented. To the extent Appellant has not advanced separate, substantive arguments for particular claims, or other issues, such arguments are waived. *See* 37 C.F.R. § 41.37(c)(1)(iv).

Principles of Law

A. Section 101

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 U.S. 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 Court’s two-part framework, described in *Mayo* and *Alice*. *Id.* at 217–18 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 75–77 (2012)). In accordance with that framework, we first determine what concept the claim is “directed to.” *See Alice*, 573 U.S. at 219 (“On their face, the claims before us are drawn to the concept of intermediated settlement, *i.e.*, the use of a third party to mitigate settlement

risk.”); *see also* *Bilski v. Kappos*, 561 U.S. 593, 611 (2010) (“Claims 1 and 4 in petitioners’ application explain the basic concept of hedging, or protecting against risk.”).

Concepts determined to be abstract ideas, and thus patent ineligible, include certain methods of organizing human activity, such as fundamental economic practices (*Alice*, 573 U.S. at 219–20; *Bilski*, 561 U.S. at 611); mathematical formulas (*Parker v. Flook*, 437 U.S. 584, 594–95 (1978)); and mental processes (*Gottschalk v. Benson*, 409 U.S. 63, 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 waterproof 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))).

In *Diehr*, the claim at issue recited a mathematical formula, but the Court held that “a claim drawn to subject matter otherwise statutory does not become nonstatutory simply because it uses a mathematical formula.” *Diehr*, 450 U.S. at 187; *see also id.* at 191 (“We view respondents’ claims as nothing more than a process for molding rubber products and not as an attempt to patent a mathematical formula.”). Having said that, the Supreme Court also indicated that a claim “seeking patent protection for that formula in the abstract . . . is not accorded the protection of our patent laws, and this principle cannot be circumvented by attempting to limit the use of the formula to a particular technological environment.” *Id.* (citation omitted) (citing *Benson* and *Flook*); *see, e.g., id.* at 187 (“It is now commonplace that

an *application* of a law of nature or mathematical formula to a known structure or process may well be deserving of patent protection.”).

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

B. USPTO § 101 Guidance

The U. S. Patent and Trademark Office (USPTO) 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 (“2019 Memorandum”).² Under that guidance, we first look to whether the claim recites:

- (1) (*see* 2019 Memorandum Step 2A – Prong One) any judicial exceptions, including certain groupings of abstract ideas (i.e.,

² The Office issued a further memorandum on October 17, 2019 (the “October 2019 Memorandum”) clarifying guidance of the January 2019 Memorandum in response to received public comments. *See* https://www.uspto.gov/sites/default/files/documents/peg_oct_2019_update.pdf. Moreover, “[a]ll USPTO personnel are, as a matter of internal agency management, expected to follow the guidance.” January 2019 Memorandum at 51; *see also* October 2019 Memorandum at 1.

mathematical concepts, certain methods of organizing human activity such as a fundamental economic practice, or mental processes); and (2) (*see* 2019 Memorandum Step 2A – Prong Two) additional elements that integrate the judicial exception into a practical application (*see* MPEP § 2106.05(a)–(c), (e)–(h)).³

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 2019 Memorandum Step 2B.

Because there is no single definition of an “abstract idea” under *Alice* step 1, the PTO has recently synthesized, for purposes of clarity, predictability, and consistency, key concepts identified by the courts as abstract ideas to explain that the “abstract idea” exception includes the following three groupings:

1. Mathematical concepts—mathematical relationships, mathematical formulas or equations, mathematical calculations;

³ This evaluation is performed by (a) identifying whether there are any additional elements recited in the claim beyond the judicial exception, and (b) evaluating those additional elements individually and in combination to determine whether the claim as a whole integrates the exception into a practical application. *See* 2019 Memorandum - Section III(A)(2).

2. Mental processes— concepts performed in the human mind (including an observation, evaluation, judgment, opinion); and
3. 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).

See 2019 Memorandum, 84 Fed. Reg. at 52.

According to the 2019 Memorandum, “[c]laims that do not recite [subject] matter that falls within these enumerated groupings of abstract ideas should not be treated as reciting abstract ideas,” except in rare circumstances. Even if the claims recite any one of these three groupings of abstract ideas, these claims are still not “directed to” a judicial exception (abstract idea), and thus are patent eligible, if “the claim as a whole integrates the recited judicial exception into a practical application of that exception.” *See* 2019 Memorandum, 84 Fed. Reg. at 53.

For example, limitations that **are** indicative of *integration into a practical application* include:

1. Improvements to the functioning of a computer, or to any other technology or technical field — *see* MPEP § 2106.05(a);
2. Applying the judicial exception with, or by use of, a particular machine — *see* MPEP § 2106.05(b);
3. Effecting a transformation or reduction of a particular article to a different state or thing — *see* MPEP § 2106.05(c); and
4. Applying or using the judicial exception in some other meaningful way beyond generally linking the use of the

judicial exception to a particular technological environment, such that the claim as a whole is more than a drafting effort designed to monopolize the exception — *see* MPEP § 2106.05(e).

In contrast, limitations that are **not** indicative of *integration into a practical application* include:

1. Adding the words “apply it” (or an equivalent) with the judicial exception, or merely include instructions to implement an abstract idea on a computer, or merely uses a computer as a tool to perform an abstract idea — *see* MPEP § 2106.05(f);
2. Adding insignificant extra-solution activity to the judicial exception — *see* MPEP § 2106.05(g); and
3. Generally linking the use of the judicial exception to a particular technological environment or field of use — *see* MPEP § 2106.05(h).

See 2019 Memorandum, 84 Fed. Reg. at 54–55 (“Prong Two”).

2019 Memorandum, Step 2A, Prong One⁴
The Judicial Exception

Under the 2019 Memorandum, we begin our analysis by first considering whether the claims recite any judicial exceptions, including certain groupings of abstract ideas, in particular: (a) mathematical concepts, (b) mental steps, and (c) certain methods of organizing human activities.

The Examiner concludes that claim 1 recites an abstract idea, because the claim describes:

generating license terms and pricing for a user based on a selected portion of content, which is considered to be an abstract

⁴ Throughout this opinion, we give the claim limitations the broadest reasonable interpretation consistent with the Specification. *See In re Morris*, 127 F.3d 1048, 1054 (Fed. Cir. 1997).

idea inasmuch as such activity is considered to be a **fundamental economic practice** (i.e., generating license terms and pricing for a user based on a selected portion of content is a fundamental economic practice of the advertising/television/film/media industries), **a method of organizing human activity** by providing a method for generating license terms and pricing for a user based on a selected portion of content (particularly as limitations of the claims may be broadly interpreted as involving human activity, e.g., involving human manipulation and recognition of data), and an algorithm for generating license terms and pricing for a user based on a selected portion of content (for example, generating license terms and pricing for a user based on a selected portion of content at least implies **calculating criteria based on mathematical relationships or formulas**, e.g., amount of media, licensing criteria, relative demand, etc.).

Final Act. 7 (emphasis added).

The Examiner cites to a large number of Federal Circuit case authorities in support. Final Act. 7–11. In this Decision, we apply the Director’s 2019 Memorandum *de novo*. In Table One below, we identify in *italics* the specific claim limitations that we conclude recite an abstract idea. We identify in **bold** the additional (non-abstract) claim limitations that are generic computer components.

TABLE ONE

Independent Claim 1	2019 Memorandum
[a] A method for <i>monetizing content</i> , comprising:	A method falls under the statutory subject matter class of a process. <i>See</i> 35 U.S.C. § 101 (“Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a

Independent Claim 1	2019 Memorandum
	<p>patent therefor, subject to the conditions and requirements of this title.”).</p> <p>Abstract idea: Monetizing content is a fundamental economic practice including the subcategories of commercial interactions such as agreements in the form of contracts, sales activities or behaviors and business relations that could also be performed alternatively as mental steps. <i>See</i> 2019 Memorandum 52.</p>
<p>[b] receiving user input <i>selecting a portion of content</i> via a user interface associated with a user device, wherein the selected <i>portion of content is less than an entirety of the content that is owned by a content provider</i>, and wherein the entirety of the content is stored in memory associated with the content provider; and</p>	<p>Receiving user input is an insignificant extra-solution activity (i.e., data gathering). 2019 Memorandum, 55 n.31; <i>see also</i> MPEP § 2106.05(g).</p> <p>Abstract idea: Selecting a portion of content is performed by a user as a mental step. <i>See</i> 2019 Memorandum 52.</p> <p>The use interface, user device, and memory associated with the content provider are additional non-abstract limitations.</p>
<p>[c] executing instructions stored in memory of an application server, wherein execution of the instructions</p>	<p>The processor and memory of the application server are additional non-abstract limitations.</p>

Independent Claim 1	2019 Memorandum
<p>by a processor of the application server:</p>	
<p>[d] <i>atomizes the content by creating a new content package based on the selected portion of the content,</i></p>	<p>Abstract idea: Atomizing the content by creating a new content package based on the selected portion of the content could be performed alternatively as a mental step. <i>See</i> 2019 Memorandum 52.</p>
<p>[e] retrieves license information associated with the entirety of the content, wherein the license information includes prices and terms for use of the entirety of the content,</p>	<p>Retrieving license information associated with the entirety of the content is insignificant extra-solution activity (i.e., data gathering). <i>See</i> 2019 Memorandum, 55 n.31; <i>see also</i> MPEP § 2106.05(g).</p>
<p>[f] retrieves a user profile associated with the user, wherein the user profile includes a classification of the user,</p>	<p>Retrieving a user profile associated with the user is insignificant extra-solution activity (i.e., data gathering). <i>See</i> 2019 Memorandum, 55 n.31; <i>see also</i> MPEP § 2106.05(g).</p>
<p>[g] <i>generates custom license terms and pricing for the user based on the selected portion of the content, the retrieved license information, and the user profile,</i> and</p>	<p>Abstract idea: Generating custom license terms and pricing for the user based on the selected portion of the content is a method of organizing human activity and is a fundamental economic practice including the subcategories of commercial interactions such as agreements in the form of contracts, sales activities or behaviors and business relations</p>

Independent Claim 1	2019 Memorandum
	that could be performed alternatively as a mental step. <i>See</i> 2019 Memorandum 52.
<p>[h] <i>authorizes the user device to access the selected portion of content based on the generated custom license terms</i> when payment is received in accordance with the generated custom pricing.</p>	<p>Abstract idea: Conditionally authorizing the user device to access the selected portion of content based on the generated custom license terms when payment is received in accordance with the generated custom pricing is a fundamental economic practice including the subcategories of commercial interactions such as agreements in the form of contracts, sales activities or behaviors and business relations that could be performed alternatively as a mental step. <i>See</i> 2019 Memorandum 52.</p> <p>The user device is an additional non-abstract limitation.</p>

*Abstract Ideas — Mental Processes
 and Fundamental Economic Practices*

After considering representative claim 1 as a whole, we conclude the recited *italicized* functions shown in Table One implement a fundamental economic practice (licensing user-selected portions of content to monetize it) that falls into the subcategories of commercial interactions such as agreements in the form of contracts, sales activities or behaviors and business relations that could also be performed alternatively as a mental

process.⁵ See 2019 Memorandum, 84 Fed. Reg. at 52. See also “*Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1318 (Fed. Cir. 2016) (‘[W]ith the exception of generic computer-implemented steps, there is nothing in the claims themselves that foreclose them from being performed by a human, mentally or with pen and paper.’).” 2019 Memorandum, 84 Fed. Reg. at 52 n.14.

“An abstract idea can generally be described at different levels of abstraction.” *Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1240 (Fed. Cir. 2016). Merely combining several abstract ideas does not render the combination any less abstract. See *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.”); *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).

⁵ If a method can be performed by human thought alone, or by a human using pen and paper, it is merely an abstract idea and is not patent eligible under § 101. See *CyberSource*, 654 F.3d at 1372–73; “That purely mental processes can be unpatentable, even when performed by a computer, was precisely the holding of the Supreme Court in *Gottschalk v. Benson*.” *CyberSource*, 654 F.3d at 1375. See also *Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1146–47 (Fed. Cir. 2016). Moreover, “[u]sing a computer to accelerate an ineligible mental process does not make that process patent-eligible.” *Bancorp Services, L.L.C. v. Sun Life Assur. Co. of Canada* (U.S.), 687 F.3d 1266, 1279 (Fed. Cir. 2012); see also *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1363 (Fed. Cir. 2015) (“relying on a computer to perform routine tasks more quickly or more accurately is insufficient to render a claim patent eligible.”).

For at least these reasons, we conclude representative independent claim 1 recites the specific types of abstract ideas identified above in Table One.

Additional Limitations

As emphasized in **bold** in Table One, *supra*, we note the additional non-abstract limitations recited in representative claim 1: a user interface, a user device, a memory associated with the content provider, a processor, and a memory of the application server. We further note the supporting exemplary descriptions of generic computer components in the Specification, for example:

In FIGURE 1, a user (105A, 105B) accesses a content creation service, social bookmarking toolbar, or mobile device application using **any computing device** (110A, 110B) (e.g., workstation, server, lap top computer, cellular telephone, mobile device, etc.) capable of accessing information over a communication network 115 **known in the art**. Computing device (110A, 110B) may receive data or a request (e.g., from another computing device) and send the data or request over communications network 115 to application server 120 for processing. Communications network 115 is inclusive of **any communications network** such as the Internet, Wide Area Network (WAN), Local Area Network (LAN), intranet, extranet, private network, or other network.

Spec. ¶ 8 (emphasis added).

We emphasize that *McRO, Inc. v. Bandai Namco Games America Inc.*, (837 F.3d 1299 (Fed. Cir. 2016)), guides: “[t]he abstract idea exception prevents patenting a *result* where ‘it matters not by what process or machinery the result is accomplished.’” 837 F.3d at 1312 (*quoting O’Reilly v. Morse*, 56 U.S. 62, 113 (1854)) (emphasis added). *See supra* Table One. Because we conclude all claims 1, 16, 17, and 21–33 on appeal recite an

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abstract idea, as identified above, under *Step 2A, Prong One*, we proceed to *Step 2A, Prong Two*.

2019 Memorandum, Step 2A, Prong Two

Integration of the Judicial Exception into a Practical Application

Pursuant to the 2019 Memorandum, we consider whether there are additional elements set forth in the claims that integrate the judicial exception into a practical application. *See* 2019 Memorandum, 84 Fed. Reg. at 54–55.

MPEP § 2106.05(a)
Improvements to the Functioning of a Computer or
to Any Other Technology or Technical Field

Appellant argues:

the present claims should be viewed as being an **improvement** in computer technology by facilitating this inventive method of allowing each user to consume only the content that user desires and paying a corresponding price for the desired content.

No such parallel is possible with respect to providing specific smaller portions for the user to purchase outside the realm of computer technology. For example, a user would not be capable of purchasing a single paragraph from a book or 15 sec of a song from a record found in a store. As such, the ability to atomize digital content and provide customized licensing terms (and pricing) is inextricably tied to computer technology.

Appeal Br. 9 (emphasis added).

Appellant further urges in the Reply Brief:

The implementation of atomizing content **improves** the existing computer technology associated with delivering digital content specific to a user's needs. As a result, acquisition of content is incentivized whereas a user may now purchase the atomized content whereas, before, the purchase would not be consummated to avoid acquiring and/ or paying for undesired ancillary aspects of the same.

Reply Br. 9 (emphasis added).

However, providing the feature of user selection of sub-portions of content for the purpose of monetizing such content is an abstract idea (i.e., a mental step and/or fundamental economic practice), as detailed in Table One above. To the extent that user selection of content is made more granular by the claimed invention (e.g., selecting an individual song instead of an entire musical album), we note an improved abstract idea is still an abstract idea. *See Mayo*, 566 U.S. at 90 (holding that a novel and nonobvious claim directed to a purely abstract idea is, nonetheless patent-ineligible). *See also Synopsys*, 839 F.3d at 1151 (“[A] claim for a new abstract idea is still an abstract idea.”) (emphasis omitted);

Moreover, as set forth in MPEP § 2106.05(a):

To show that the involvement of a computer assists in *improving the technology*, the claims *must recite the details regarding how a computer aids the method, the extent to which the computer aids the method, or the significance of a computer to the performance of the method*. Merely adding generic computer components to perform the method is not sufficient. Thus, the claim must include more than mere instructions to perform the method on a generic component or machinery to qualify as an improvement to an existing technology.

(Emphasis added).

Here, Appellant has not provided sufficient details regarding how the recited user interface, user device, memory associated with the content provider, processor, and memory of the application server (claim 1) include more than mere instructions to perform the recited functions to qualify as an improvement to an existing technology.

As discussed above, we conclude Appellant's generic computer implementation performs a method of organizing human activity including fundamental economic practices that can be performed alternatively as mental processes. *See* independent Claim 1. Moreover, the “‘mere automation of manual processes using generic computers’ . . . ‘does not constitute a patentable improvement in computer technology,’” *Trading Techs. Int'l v. IBG LLC*, 921 F.3d at 1384 (quoting *Credit Acceptance Corp.*, 859 F.3d at 1055).

Accordingly, on this record, we conclude independent claim 1 does not recite an improvement to the functionality of a computer or other technology or technical field. *See* MPEP § 2106.05(a).

MPEP §§ 2106.05(b) and (c)

The Bilski Machine-or-Transformation test (“MoT”)

We note the Supreme Court cautions that the *MoT* test is not the sole test, but may provide a useful clue:

This Court's precedents establish that the machine-or-transformation test is a useful and important clue, an investigative tool, for determining whether some claimed inventions are processes under § 101. The machine-or-transformation test **is not the sole test** for deciding whether an invention is a patent-eligible “**process**.”

Bilski, 561 U.S. at 604 (emphasis added).

Here, Appellant advances no arguments that any of method claims 1, and 21–33 are tied to a particular machine, or transform an article to a different state or thing. *See* MPEP § 2106.05(c).

*MPEP § 2106.05(e) — Meaningful Claim Limitations*⁶

Appellant does not advance further substantive, persuasive arguments as to any specific “meaningful” claim limitations, such as those of the types addressed under MPEP § 2106.05(e), *that impose meaningful limits on the judicial exception*.

As discussed above, we conclude the recited *italicized* functions shown in Table One could also be performed alternatively as a mental process. *See* 2019 Memorandum, 84 Fed. Reg. at 52. As also discussed above, we see nothing in Appellant’s claims that specifically *improves* the efficiency of the user interface, user device, memory associated with the content provider, processor, and memory of the application server (claim 1), or another technology or technical field, as addressed above under MPEP § 2106.05(a).

Accordingly, on this record, we conclude representative independent Claim 1 has no other argued meaningful limitations, as considered under section 2106.05(e) of the MPEP, pursuant to the 2019 Memorandum.

⁶ *See* 2019 Memorandum, 84 Fed. Reg. 55, citing MPEP § 2106.05(e): “[A]pply[ing] or us[ing] the judicial exception in some other *meaningful* way beyond generally linking the use of the judicial exception to a particular technological environment, such that the claim as a whole is more than a drafting effort designed to monopolize the exception.” (emphasis added).

MPEP § 2106.05(f)
*Merely including instructions to implement
an abstract idea on a computer, or
Merely using a computer as a tool
to perform an abstract idea*

We conclude Appellant's claimed invention merely implements the abstract idea using *instructions* executed on generic computer components, as depicted in **bold** type in Table One, and as supported in our reproduction of the Specification, paragraph 8, *supra*. Thus, we conclude Appellant's claims merely use a computer/processor as a tool to perform an abstract idea.

MPEP § 2106.05(g)
*Adding insignificant extra-solution activity
to the judicial exception*

As mapped in the right column of Table One, *supra*, we conclude that representative independent Claim 1 recites extra or post-solution activities that courts have determined to be insufficient to transform judicially excepted subject matter into a patent-eligible application. *See* MPEP § 2106.05(g); 84 Fed. Reg. at 55 n.31.

MPEP § 2106.05(h)
*Generally linking the use of the judicial exception to a particular
technological environment or field of use*

The Supreme Court guides: “the prohibition against patenting abstract ideas ‘cannot be circumvented by attempting to limit the use of the formula to a particular technological environment’ or [by] adding

‘insignificant postsolution activity.’” *Bilski*, 561 U.S. at 611–12, (quoting *Diehr*, 450 U.S. at 191–92).

Here, Appellant advances no *lack of preemption* argument in the Appeal Brief. Nor do claims 1, 16, 17, and 21–33 on appeal present any other issues as set forth in the 2019 Memorandum regarding a determination of whether the additional generic elements integrate the judicial exception into a practical application. See 2019 Memorandum, 84 Fed. Reg. at 55.

Thus, under *Step 2A, Prong Two* (MPEP §§ 2106.05(a)–(c) and (e)–(h)), we conclude claims 1, 16, 17, and 21–33 **do not integrate the judicial exception into a practical application**. Therefore, we proceed to *Step 2B, The Inventive Concept*.

The Inventive Concept – Step 2B

Under the 2019 Memorandum, 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 adds a specific limitation beyond the judicial exception that is not “well-understood, routine, conventional” in the field (*see* MPEP § 2106.05(d)); **or**, simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception.

Berkheimer v. HP Inc., 881 F.3d 1360 (Fed. Cir. 2018)

Berkheimer was decided by the Federal Circuit on February 8, 2018. On April 19, 2018, the PTO issued the Memorandum titled: “Changes in Examination Procedure Pertaining to Subject Matter Eligibility, Recent

Subject Matter Eligibility Decision (*Berkheimer v. HP, Inc.*)” (hereinafter “*Berkheimer Memorandum*”).⁷

Under *Step 2B*, the Examiner finds, inter alia:

Thus, the claim as a whole may be considered to merely apply the abstract idea of generating license terms and pricing for a user based on a selected portion of content to being performed using generic computing devices, with the additional elements adding insignificant extra-solution activity (e.g., mere data gathering **and well-understood, routine, and conventional** computing activities). In other words, the claim as a whole provides a generically computer-implemented solution to a business-related, financial, or economic problem (i.e., generating license terms and pricing for a user based on a selected portion of content). Regarding *Step 2B*, “the courts have recognized the following computer functions to be well-understood, routine, and conventional functions when they are claimed in a merely generic manner: performing repetitive calculations; receiving, processing, and storing data; electronically scanning or extracting data from a physical document; electronic recordkeeping; automating mental tasks; and receiving or transmitting data over a network, *e.g.*, using the Internet to gather data.” See *July 2015 Update on Subject Matter Eligibility*, Federal Register, Vol. 80, No. 146, document entitled “July 2015 Update: Subject Matter Eligibility” at pg. 7 [regarding *Step 2B*, internal footnotes omitted].

Final Act. 11 (emphasis added).

Appellant cites to *Berkheimer* and argues in the Reply Brief:

*But the present invention allows for the ability to atomize content — a feature not presently available anywhere; the Examiner has not provided nor does the Examiner's Answer provide (at least in accordance with *Berkheimer*) why atomization of content is viewed as an insignificant extra-*

⁷ Available at <https://www.uspto.gov/sites/default/files/documents/memo-berkheimer-20180419.PDF>.

solution activity. There is no clear and convincing evidence that shows that atomization of content is considered **well-understood, routine, and convention** computing activity.

Reply Br. 10 (emphasis added).

Contrary to Appellant’s argument that “the present invention allows for the ability to atomize content — a feature not presently available anywhere” *id.*, we find Appellant’s Specification expressly describes a well-known example of atomization of musical album content: “A consumer, at best, **can purchase a musical track from a full album** but otherwise does not have the means to atomize content.” Spec. ¶ 2 (emphasis added). Moreover, we note the Examiner provides *Berkheimer* evidence in support of the **well-understood, routine, and conventional** fact findings in the form of citations to numerous Federal Circuit case authorities, which Appellant has not substantively and persuasively distinguished from the claims before us on appeal. *See* Final Act. 11–13, 33, 34, 38.

We agree with the Examiner that it was well-understood, routine, and conventional for users to interact with computers to make selections at the time of the invention. However, we also conclude the selection by a user of *particular* content, or sub-portions of such content, necessarily involves a mental step to select the particular sub-portions of content desired — i.e., an abstract idea, as discussed above under *Step 2A, Prong One*.

Further, regarding the use of the recited generic computer components identified above in Table One, the Supreme Court has held “the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention.” *Alice*, 573 U.S. at 223. Our reviewing court provides additional guidance: *See FairWarning*, 839 F.3d at 1096 (“[T]he use of generic computer elements like a microprocessor or user

interface do not alone transform an otherwise abstract idea into patent-eligible subject matter.”); *OIP Techs*, 788 F.3d at 1363 (claims reciting, *inter alia*, sending messages over a network, gathering statistics, using a computerized system to automatically determine an estimated outcome, and presenting offers to potential customers found to merely recite “‘well-understood, routine conventional activit[ies],’ either by requiring conventional computer activities or routine data-gathering steps” (alteration in original)).

This reasoning is applicable here. Therefore, on the record before us, Appellant has not shown that the claims on appeal add a specific limitation beyond the judicial exception that is not well-understood, routine, and conventional, when the claim limitations are considered both individually and as an ordered combination. *See* MPEP § 2106.05(d).

In light of the foregoing, we conclude, under the 2019 Memorandum, that each of Appellant’s claims 1, 16, 17, and 21–33, considered as a whole, is *directed to a patent-ineligible abstract idea that is not integrated into a practical application, and does not include an inventive concept*.

Accordingly, for the reasons discussed above, we sustain the Examiner’s rejection under 35 U.S.C. § 101 of claims 1, 16, 17, and 21–33.⁸

⁸ To the extent Appellant has not advanced separate, substantive arguments for particular claims, or other issues, such arguments are waived. *See* 37 C.F.R. § 41.37(c)(1)(iv).

Rejection B of Independent Claim 1 under § 103(a)

Based upon Appellant’s arguments, and our discretion under 37 C.F.R. § 41.37(c)(1)(iv), we decide the appeal of §103(a) Rejection B of claims 1, 16, 17, 22, 25–27, 30, and 32 on the basis of representative claim 1.

Issue: Under 35 U.S.C. § 103(a), we focus our analysis on the following argued limitation that we find to be dispositive regarding obviousness Rejections B, C, and D of all claims 1, 16, 17, and 21–33:

Did the Examiner err by finding that Wong and Marcus would have collectively taught or suggested the disputed “d” limitation of: “atomiz[ing] the content by creating a new content package based on the selected portion of the content,” within the meaning of independent representative claim 1? *See supra*, n.4. *See supra* Table One, atomizing Step “d.”

The Examiner relies principally on Marcus to teach or suggest the contested atomizing step “d” of claim 1 (*see supra* Table One), citing paragraphs 45, 327, 349, 452, and 453. *See* Final Act. 17–18.

Appellant argues:

However, the ability to have content be atomized and thus assembled in any number of different ways for a user to customize their viewing experience as described in Marcus is distinct from ‘atomizes the content by creating a new content package based on the selected portion of content.’ Whereas *Marcus is directed to aggregating different individual program elements to generate content that the user is viewing*, the subject matter of the independent claim atomizes (or breaks down) content into smaller portions based on what the user specifically desires. In other words, *the present claims*

operate in reverse to what Marcus is teaching. Furthermore, Marcus does not disclose, teach, or suggest that the atomized content (e.g. morning weather personality or late night talk-show host content) can be atomized further. Marcus discloses content that is already broken down into smaller atoms for assembly. Each of these smaller “atoms” are individual clips or content that the users in Marcus can assemble together with other media to customize a viewing program. However, there may be some situations where the content within Marcus still includes undesired portions. Marcus does not allow for users to atomize the content even further as claimed.

Therefore, the Appellant submits that the subject matter of the independent claims should be viewed as being distinct from Marcus. As noted above, Wong does not explicitly disclose the claimed subject matter regarding atomizing content. Therefore, Wong does not cure the above stated deficiency with respect to atomizing content with reference to Marcus.

Appeal Br. 11 (emphasis added).

The Examiner disagrees with Appellant, and further explains the mapping and basis for the rejection of Step “d” of claim 1:

See Marcus, at least at [0045], [0327], [0349], [0377], [0452]-[0453] {atomizing content (see, e.g., [0045], media "atoms", [0327], creating content "atomistically", [0349], "atomization" of "forms and types of media") includes creating a new content package(s) based on selected portions of content (see, e.g., [0377], media "clips are structured as a package", [0452][0453], creating "packages" of media for download)}.

Ans. 14.

The Examiner explains:

The ability to atomized content is the same in both cases, i.e., without the ability, one cannot atomize the content. Once the system has the ability, whether the user decide to atomize

the *before* or *after* a particular undefined moment is just a particular usage of that ability.

In Marcus, further atomization is possible. There is no prohibition or the system inability to further atomize content. Also, the finite atomization could be done upfront based on the user's need or base[d] [on] minimizing content to match the quantum of [a] human's sensory ability.

Ans. 14–15 (emphasis added).

As particularly noted by Appellant above, “Marcus is directed to aggregating different individual program elements to generate content that the user is viewing.” Appeal Br. 11. Appellant thus argues that “the present claims operate in *reverse* to what Marcus is teaching.” *Id.* However, we note that teaching an alternative or equivalent method does not “teach away” from the use of a claimed method. *In re Dunn*, 349 F.2d 433, 438 (CCPA 1965).

Marcus, as found by the Examiner (Final Act. 17; Ans. 14), teaches that “entire programs can be **created** from aggregates of other program elements to not only shift the time-of-viewing globally, but atomistically.” Marcus ¶ 327 (emphasis added). We find such generation of new content packages from aggregates of other program elements teaches or suggests *creating* content. *See Id.*

Moreover, we find at least this feature of Marcus (¶ 327) teaches or suggests the disputed claim 1 Step “d” limitation of “atomiz[ing] the content by *creating* a new content package based on the selected portion of the content” (emphasis added), because Appellant’s Specification repeatedly uses the term “creation” as being interchangeable and/or synonymous with the term “atomization.” *See e.g.*, Spec. ¶ 7 “FIGURE 1 illustrates a system

for monetizing content used in the context of a content **creation (or atomization)** service.” (emphasis added). *See also* Spec. ¶ 8: “Content monetization system 100 may include a number of users and computing devices in connection with a content **creation (or atomization)** service, social networking toolbar, or mobile device application.” (emphasis added). *See also* Spec. ¶ 9: “Using computing device 110A, user 105A may subscribe or register (e.g., create an account) with a **content creation (or atomization)** service.”

Further, we find the Examiner’s legal conclusion of obviousness is buttressed by the teachings of Wong. We find Wong cumulatively teaches the disputed claim 1 Step “d” limitation of “atomiz[ing] the content by creating a new content package based on the selected portion of the content,” because Wong expressly teaches *user selection* of song **stems**, which are sub-portions of the various individually recorded tracks of a multi-track song recording:

In alternative embodiments this section may include integrated songs, songs for which **multiple stems** can be individually manipulated, and **individual stems**. In yet other components, the list indicates which songs/**stems have been purchased** and which **stems** have not yet been purchased but which have been **selected by the user** from the online store 204 to be available in the studio 300.

Wong ¶ 48 (emphasis added).

Therefore, based upon a preponderance of the evidence, we are not persuaded the Examiner erred regarding the claims rejected under Rejection B. Accordingly, we sustain the Examiner’s Rejection B of claims 1, 16, 17, 22, 25–27, 30, and 32 under 35 U.S.C. § 103(a).

Rejections C and D under §103(a) of all Remaining Dependent Claims

Appellant advances no separate, substantive arguments for the remaining dependent claims rejected under 35 U.S.C. § 103(a); therefore, such arguments are waived. *See* 37 C.F.R. § 41.37(c)(1)(iv).

CONCLUSIONS

Under the Director’s 2019 Memorandum, as governed by relevant case law, we conclude all claims 1, 16, 17, and 21–33, rejected under 35 U.S.C. § 101, are directed to patent-ineligible subject matter.

The Examiner did not err in rejecting claims 1, 16, 17, and 21–33, as being obvious under pre-AIA 35 U.S.C. § 103(a), over the combined teachings and suggestions of the cited references.

DECISION SUMMARY

Claims Rejected	35 U.S.C. §	Reference(s)Basis	Affirmed	Reversed
1, 16, 17, 21–33	101	Eligibility	1, 16, 17, 21–33	
1, 16, 17, 22, 25–27, 30, 32	103(a)	Wong, Marcus	1, 16, 17, 22, 25–27, 30, 32	
28, 29, 31	103(a)	Wong, Marcus, Official Notice	28, 29, 31	
21, 23, 24, 33	103(a)	Wong, Marcus, Ginter	21, 23, 24, 33	
Overall Outcome			1, 16, 17, 21–33	

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FINALITY AND RESPONSE

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