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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte DINESH KUNNATHUR RAGUPATHI and
AKKIAH CHOUDARY MADDUKURI

Appeal 2019-006908
Application 14/525,900
Technology Center 3600

Before ST. JOHN COURTENAY III, ERIC S. FRAHM, and
JOHNNY A. KUMAR, *Administrative Patent Judges*.

COURTENAY, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant¹ appeals under 35 U.S.C. § 134(a) from a Final rejection of claims 1–21. We have jurisdiction over the pending claims under 35 U.S.C. § 6(b).

We affirm.

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 Dell Products L.P. *See* Appeal Br. 1.

STATEMENT OF THE CASE ²

Introduction

Appellant’s claimed invention relates generally to identifying “excess equipment inventory within a particular information handling system located within an enterprise environment.” (Spec. ¶4).

Evidence

The prior art relied upon by the Examiner as evidence is:

Name	Reference	Date
Ferreri et al. (“Ferreri”)	US 2006/0259376 A1	Nov. 16, 2006

Rejections

Rej	Claims Rejected	35 U.S.C. §	Reference(s)/Basis
A	1–21	101	Eligibility
B	1–21	103	Ferreri, Official Notice

² We herein refer to the Final Office Action, mailed Oct. 10, 2018 (“Final Act.”); Appeal Brief, filed Mar. 11, 2019 (“Appeal Br.”); the Examiner’s Answer, mailed July 26, 2019 (“Ans.”), and the Reply Brief, filed Sept. 25, 2019 (“Reply Br.”).

Rejection A of Claims 1–21 under § 101

USPTO § 101 Guidance

The U.S. Patent and Trademark Office (USPTO) has published revised guidance on the application of 35 U.S.C. § 101. *See* USPTO January 7, 2019 Memorandum, 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50 (“2019 Memorandum”).³ 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., 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)).⁴

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 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.” 2019 Memorandum at 51; *see also* October 2019 Memorandum at 1.

⁴ 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).

- (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 Corp. v. CLS Bank Int’l*, 573 U.S. 208 (2014) Step 1, the 2019 Memorandum synthesizes, 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;
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 including 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”).

ANALYSIS

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

We reproduce *infra* independent claim 1 in Table One. We have considered all of Appellant’s arguments and any evidence presented. We highlight and address specific findings and arguments for emphasis in our analysis below.⁵

Rejection A of Claims 1–21 under § 101

The Examiner concludes independent claims 1, 7, and 13 recite an abstract idea that “is considered to be a fundamental economic practice or an idea of itself.” Final Act. 3. 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.

Appellant contends:

It is respectfully submitted that the claims do not recite matter that falls within one of the enumerated groupings of abstract ideas set forth in the Revised Patent Subject Matter Eligibility Guidance effective January 7, 2019. Specifically, the claims do not per se recite mathematical concepts, methods of organizing human activity or mental processes . . .

Accordingly, the claims should not be treated as reciting an abstract idea and are patent eligible.

⁵ Throughout this opinion, we give the claim limitations the broadest reasonable interpretation (BRI) consistent with the Specification. *See In re Morris*, 127 F.3d 1048, 1054 (Fed. Cir. 1997).

Appeal Br. 3–4.

Independent Claim 1

In Table One below, we identify in *italics* the specific claim limitations that we conclude recite an abstract idea. We also identify in **bold** the additional (non-abstract) claim elements that we find are generic computer components:

TABLE ONE ⁶

Independent Claim 1	2019 Memorandum
[a] A computer -implemented method for identifying excess equipment inventory within an enterprise environment, the enterprise environment comprising a monolithic server type information handling system and a modular server type information handling system , comprising: ⁷	
[b] <i>analyzing components within at least one of the monolithic server type</i>	Abstract Idea: <i>analyzing components within at least one of the monolithic server type information</i>

⁶ We apply the Director’s 2019 Memorandum *de novo*.

⁷ A method falls under the statutory subject matter class of a process. *See* 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 patent therefor, subject to the conditions and requirements of this title.”).

Independent Claim 1	2019 Memorandum
<p>information handling system, the components of the monolithic server type information handling system comprising a first fan and a power supply unit, and the modular server type information handling system, the components of the modular server type information handling system comprising a first fan and a power supply unit, the at least one of the monolithic server type information handling system and the module server type information handling system being contained in the enterprise environment to perform an excess equipment identification, the components comprising at least one of a second fan and a redundant power supply unit, the excess equipment identification determining whether any of the components comprise excess equipment, the components comprising excess equipment corresponding to at least one of the second fan and the redundant power supply unit;</p>	<p><i>handling system, the components of the monolithic server type information handling system . . . to perform an excess equipment identification can be performed alternatively by a person as a mental process. See 2019 Memorandum, 84 Fed. Reg. at 52.</i></p> <p>Abstract Idea: <i>identifying excess equipment can be performed alternatively by a person as a mental process. See 2019 Memorandum, 84 Fed. Reg. at 52.</i></p> <p>Abstract Idea: <i>determining whether any of the components comprise excess equipment can be performed alternatively by a person as a mental process. See 2019 Memorandum, 84 Fed. Reg. at 52.</i></p>

Independent Claim 1	2019 Memorandum
<p>[c] storing information regarding whether any of the components are excess equipment within an excess equipment inventory record;</p>	<p>Storing information regarding whether any of the components are excess equipment within an excess equipment inventory record is insignificant extra-solution activity (i.e., data gathering). <i>See</i> 2019 Memorandum, 84 Fed. Reg. at 55 n.31; <i>see also</i> MPEP § 2106.05(g).</p>
<p>[d] informing a user of identified excess equipment via the excess equipment inventory record, the informing comprising presenting the excess equipment inventory record via an excess equipment inventor report screen presentation.</p>	<p>Informing a user of identified excess equipment via the excess equipment inventory record is insignificant post-solution activity. <i>See</i> 2019 Memorandum, 84 Fed. Reg. at 55 n.31; <i>see also</i> MPEP § 2106.05(g).</p>

Abstract Idea

As identified above in Table One, we conclude step “b” of claim 1 recites the sub-steps of *analyzing, identifying, and determining* that can be performed alternatively as a mental process: “*analyzing* components within at least one of the monolithic server type information handling system . . . to perform an excess equipment *identification* . . . [and] *determining* whether any of **the components** comprise excess equipment.” Claim 1 (emphasis added).

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 Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1372–73 (Fed. Cir. 2011). “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 Servs., L.L.C. v. Sun Life Assurance Co. of Can.* (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) (“[R]elying on a computer to perform routine tasks more quickly or more accurately is insufficient to render a claim patent eligible.”).

Because claim 1 considered as a whole **recites** an abstract idea, as identified in Table One, *supra*, and because remaining independent claims 7 and 13 recite similar language of commensurate scope, we conclude all claims 1–21 recite an abstract idea, as identified above, under *Step 2A, Prong One*. Therefore, 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.

The Examiner finds the additional elements:

do not provide meaningful limitation(s) to transform the abstract idea into a patent eligible application of the abstract idea such

that the claim(s) amounts to significantly more than the abstract idea itself. The additional limitations do not constitute improvements to another technology, another technical field, or to the computer itself and are not considered to be meaningful limitations beyond generally linking the use of the abstract idea to a particular technological environment.

Final Act. 3–4.

Additional Generic Computer Limitations

As emphasized in **bold** in Table One, *supra*, we note the additional generic computer components recited in claim 1, for example:

[a] A **computer**-implemented method for identifying excess equipment inventory within an enterprise environment, the enterprise environment comprising **a monolithic server type information handling system** and a **modular server type information handling system**, comprising:

[b] *analyzing components within at least one of the monolithic server type information handling system, the components of the monolithic server type information handling system comprising a first fan and a power supply unit, and the modular server type information handling system, the components of the modular server type information handling system comprising a first fan and a power supply unit, the at least one of the monolithic server type information handling system and the module server type information handling system being contained in the enterprise environment to perform an excess equipment identification, the components comprising at least one of a second fan and a redundant power supply unit, the excess equipment identification determining whether any of the components comprise excess equipment, the components comprising excess equipment corresponding to at least one of the second fan and the redundant power supply unit;*

We further note the supporting exemplary, non-limiting descriptions of generic computer components in the Specification, for example, at paragraph 26:

Referring to Figure 4, an **example** of a server type information handling system 400 on which the excess equipment inventory system performs an analysis is shown. This **example** *server type information handling system is one example of an information handling system 100* and is also an **example** of a chassis server which is included within the **example** enterprise environment 200. The **example** server type information handling system 400 **may be** configured with an extra fan 410. This fan 410 is included within to server type information handling system 400 when *a redundant power supply 420* is included whether or not *a second processor module* is included within *the server type information handling system 400*.

Spec. ¶ 26 (emphasis added).

We emphasize that *McRO, Inc. v. Bandai Namco Games America Inc.*, 837 F.3d 1299 (Fed. Cir. 2016), guides: “The 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.

MPEP § 2106.05(a)

*Improvements to the Functioning of a Computer or
to Any Other Technology or Technical Field*

Appellant contends “the claims are directed to a practical application. More specifically, the claims are generally directed to the practical application of *identifying excess equipment inventory within an enterprise environment*. Accordingly, the claims should not be treated as reciting an abstract idea and are patent eligible.” Appeal Br. 4 (emphasis added).

To the extent Appellant urges that “the claims are directed to a practical application” because “the claims are generally directed to the practical application of identifying excess equipment inventory within an enterprise environment” (Appeal Br. 4), Appellant has not specifically and substantively addressed **how** specific claim limitations are indicative of *integration into a practical application* under the 2019 Memorandum by addressing the following sections of the MPEP:

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).

Regarding independent claims 1, 7, and 13, our reviewing court guides that the “‘mere automation of manual processes using generic computers’ . . . ‘does not constitute a patentable improvement in computer technology.’” *Trading Techs. Int’l, Inc. v. IBG LLC*, 921 F.3d 1378, 1384 (Fed. Cir. 2019) (quoting *Credit Acceptance Corp. v. Westlake Servs.*, 859 F.3d 1044, 1055 (Fed. Cir. 2017)). Simply adding generic hardware and computer components to perform abstract ideas does not integrate those ideas into a practical application, because 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; *see* 2019 Memorandum, 84 Fed.

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Reg. at 55 n.30. *See also* 2019 Memorandum, 84 Fed. Reg. at 55 (“merely includ[ing] instructions to implement an abstract idea on a computer” is an example of when an abstract idea has not been integrated into a practical application).

We emphasize that an improved abstract idea is still an abstract idea. *See Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 90 (2012) (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)).

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, we find Appellant has not persuasively shown how the claims “*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.*” *Id.* (emphasis added).

Accordingly, on this record, we conclude independent claim 1, and independent claims 7 and 13, which recite similar limitations of commensurate scope, do 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), 2106.05(c)

Appellant advances no arguments that any of the method claims on appeal 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

Appellant advances no arguments that the claims on appeal recite certain “meaningful” claim limitations, such as those of the types addressed under MPEP § 2106.05(e), that impose meaningful limits on the judicial exception.⁸

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 (above), and as supported in Appellant’s Specification, for example, at paragraph 26, as discussed above.

Therefore, we conclude Appellant’s claims merely use a generic programmed computer as a tool to perform an abstract idea.

⁸ *See* 2019 Memorandum, 84 Fed. Reg. at 55, citing MPEP § 2106.05(e): “[A]ppl[ying] 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(g)
Adding insignificant extra-solution activity
to the judicial exception

As mapped in the right column of Table One, *supra*, we conclude that 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); 2019 Memorandum, 84 Fed. Reg. at 55 n.31.

For example, *see* Claim 1, Table One, *supra*, **step c** (“storing information regarding whether any of the components are excess equipment within an excess equipment inventory record”), and **step d** (“informing a user of identified excess equipment via the excess equipment inventory record, the informing comprising presenting the excess equipment inventory record via an excess equipment inventor report screen presentation”), which we conclude are recitations of insignificant extra and post-solution activity, respectively. *See* 2019 Memorandum, 84 Fed. Reg. at 55 n.31; *see also* MPEP § 2106.05(g). *See 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.”). These extra or post-solution limitations use a generic computer component that performs a generic computer function as a tool to perform an abstract idea. Thus, these limitations do not integrate the abstract idea into a practical application. *See Alice*, 573 U.S. at 223–24. Instead, these limitations merely perform insignificant extra-solution activities. *Cf. Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1242 (Fed. Cir. 2016) (agreeing with the Board that printing and downloading generated menus are insignificant post-solution activities). *See also Two-Way Media Ltd. v. Comcast Cable*

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Commc 'ns, LLC, 874 F.3d 1329, 1341 (Fed. Cir. 2017) (Streaming audio/visual data over a communications system like the Internet held patent ineligible.).

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: “[T]he 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 v. Kappos*, 561 U.S. 593, 610–12 (2010) (quoting *Diamond v. Diehr*, 450 U.S. 175, 191–92 (1981)).

We note Appellant advances no arguments regarding a lack of preemption in the Appeal Brief.

Nor do claims 1–21 on appeal present any other issues as set forth in the 2019 Memorandum regarding a determination of whether the additional generic computer 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 1–21 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”).⁹ The *Berkheimer* Memorandum provided specific requirements for an Examiner to support with evidence any finding that *claim elements* (or a *combination of elements*) are well-understood, routine, or conventional.

The Examiner finds, under *Step 2B* of the 2019 Memorandum:

Regarding independent claims 1, 7, and [13], the additional element(s) or combination of elements in the claim(s) other than the abstract idea per se (i.e., creating an inventory record and presenting the inventory record on a report screen) amount(s) to no more than: mere instructions to implement the idea on a computer functioning in a standard mode of operation or matters that are **routine and conventional** in the field. The [E]xaminer gives **official notice** that it is **conventional and well-known** to create inventory records and present them on a screen.

Final Act. 3 (emphasis added).

⁹ Available at <https://www.uspto.gov/sites/default/files/documents/memo-berkheimer-20180419.PDF>.

Appellant responds:

Applicants have not disputed the contention that it is well known to include a fan and a power supply within an information handling system. Rather, it is the position of the Applicants that it is not well known that an excess equipment identification operation determines whether any of the components comprise excess equipment, the components comprising excess equipment corresponding to at least one of a *second fan* and a *redundant power supply unit*.

Reply Br. 3.

Thus, Appellant traverses the Examiner's taking of Official Notice under section 101 (Final Act. 3), by asserting that "it is not well known that an excess equipment identification operation determines whether any of the components comprise excess equipment, the components comprising excess equipment corresponding to at least one of a *second fan* and a *redundant power supply unit*." Reply Br. 3. Appellant urges: "It is believed that this argument, which was presented in response to the office notice, presents a proper challenge to the official notice as it presents a reasoned statement explaining how the office notice is in error." Reply Br. 4.

Even though the Reply Brief was filed more than 18 months after the Federal Circuit decision in *Berkheimer*, Appellant does not invoke *Berkheimer* in the Appeal Brief, or in the Reply Brief. Nor does Appellant make a seasonable challenge to the Examiner in the form of a demand for objective evidence to support the taking of Official Notice. Arguments not made are waived. *See* 37 C.F.R. § 41.37(c)(1)(iv).

Moreover, any analysis based upon obviousness is not relevant to our analysis for patent eligibility under 35 U.S.C. § 101. *See Return Mail, Inc. v. U.S. Postal Service*, 868 F.3d 1350, 1370 (Fed. Cir. 2017).

“Groundbreaking, innovative, or even brilliant discovery does not by itself satisfy the § 101 inquiry.” *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 591 (2013); *see also Diamond v. Diehr*, 450 U.S. 175, 188–89 (1981) (“The ‘novelty’ of any element or steps in a process, or even of the process itself, is of no relevance in determining whether the subject matter of a claim falls within the § 101 categories of possibly patentable subject matter.”); *Affinity Labs of Texas, LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1263 n.3 (Fed. Cir. 2016) (noting that an eligibility finding does not turn on the novelty of using a user-downloadable application for the particular purpose recited in the claims).

In light of the foregoing, and under the 2019 Memorandum, we conclude that each of Appellant’s claims 1–21, 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. Therefore, we sustain the Examiner’s Rejection A under 35 U.S.C. § 101 of claims 1–21.¹⁰

¹⁰ Regarding Rejection A under 35 U.S.C. § 101, grouped claims 2–21 (not argued separately) fall with representative independent claim 1. *See* 37 C.F.R. § 41.37(c)(1)(iv).

Rejection B of Claims 1–21 under § 103

Claim Grouping under Rejection B

Appellant argues that the Examiner’s Rejection B of independent claims 1, 7, and 13 under 35 U.S.C. § 103 as being obvious over the combination of Ferreri and Official Notice is in error. *See* Appeal Br. 4–5; Reply Br. 3–4. Regarding Rejection B, and based upon Appellant’s arguments, and our procedural rule, we group claims 2–21 with representative independent claim 1. *See* 37 C.F.R. § 41.37(c)(1)(iv).

Issues: Under 35 U.S.C. § 103, we focus our analysis on the following issues raised by Appellant regarding Rejection B of independent claim 1, and dependent claim 3:

1. Did the Examiner err by finding that Ferreri and Official Notice collectively teach or suggest the disputed limitation **L1**:

[**L1**] analyzing components within *at least one* of the *monolithic server type* information handling system, ... and the *modular server type* information handling system, ... the at least one of the monolithic server type information handling system and the module server type information handling system being contained in the enterprise environment to perform an excess equipment identification,

within the meaning of representative **independent claim 1**?¹¹ (Emphasis added). *See* Final Act. 4–6.

¹¹ We give the contested claim limitations the broadest reasonable interpretation consistent with the Specification. *See Morris*, 127 F.3d at 1054.

2. Did the Examiner err by relying upon “common knowledge” or “well known” principles or “Official Notice” or other information within the Examiner’s personal knowledge to support the rejection? *See* Appeal Br. 4–5.

3. Did the Examiner err by finding that Ferreri and Official Notice collectively teach or suggest the disputed limitation **L2**:

[**L2**] the excess equipment inventory identification uses key configuration factors to determine whether a component comprises excess equipment, the *key configuration factors comprising at least one of cable detection and link status*,

within the meaning of **dependent claim 3**?¹² (Emphasis added). *See* Final Act. 6.

1. *Do Ferreri and Official Notice collectively teach or suggest limitation L1 as recited in independent claim 1?*

Appellant disputes that limitation **L1** is taught or suggested by Ferreri.

In support, Appellant contends:

[T]he inventory balancing process of Ferreri focuses on information handling systems contained *within a manufacturing environment* and balancing inventory within the manufacturing environment. *Nowhere within Ferrer is there any disclosure or suggestion of excess equipment as disclosed and claimed*, much less analyzing components within the monolithic server type information handling system and the modular server type information handling system contained in an enterprise environment to perform an excess equipment identification.

Appeal Br. 4 (emphasis added).

¹² *See Morris*, 127 F.3d at 1054.

We note the Examiner relies upon Ferreri to teach or suggest:

analyzing components within at least one ... information handling system ... contained in the enterprise environment to perform an excess equipment identification,

as recited in independent claim 1 (*see* Final Act. 4–5).

The Examiner took Official Notice that:

*both **monolithic and modular information handling systems** and various equipment components, such as **fans and power supplies**, are well-known in the field.*

Final Act. 5 (emphasis added).

Claim Construction

As an initial matter of claim construction, we turn to the Specification for context, and find no explicit definition for the recited claim 1 term “*information handling system*.” Instead, we find only descriptions of non-limiting, exemplary embodiments, e.g., describing that an *information handling system* can include “a processor (e.g., central processor unit or ‘CPU’) 102, input/output (I/O) devices 104, such as a display, a keyboard, a mouse, and associated controllers, memory 106, and various other subsystems 108.” Spec. ¶ 16. *See also* Spec. ¶ 26, as discussed above under our analysis of Rejection A. Accordingly, under BRI, we interpret the claim term “*information handling system*” to mean a general-purpose computer or computing environment.

Turning to the portions of Ferreri relied upon by the Examiner, paragraph 25 describes:

The inventory balancing application 112 *calculates excess inventory* where supply exceeds forecasted demand over a

variable time horizon. The time horizon may be specified by a user.

(Emphasis added) (*see* Final Act. 5 and Ferreri Fig. 2, showing step 202 of “determine excess inventory”).

Additionally, the Examiner points to Figure 4 of Ferreri to show excess inventory “comprise[s] various *computer system components*,” such as a “*hard drive, disk drive, [and] memory unit.*” Final Act. 5 (emphasis added).

Based upon our review of the record, we find Ferreri’s description of determining excess inventory in which the excess inventory includes components such as hard drives, disk drives, and memory units teaches or suggests “*analyzing components within at least one ... information handling system . . . contained in the enterprise environment to perform an excess equipment identification.*” Claim 1.

Considering Ferreri in combination with the Examiner’s officially-noticed fact that both monolithic and modular *information handling systems* and fans and power supplies were well-known in the art, we find the cited combination of Ferreri and Official Notice teaches or suggests the disputed limitation “**L1**” within the meaning of independent claim 1.

Accordingly, we are not persuaded that the Examiner erred by finding that Ferreri and Official Notice collectively teach or suggest the disputed limitation **L1**.

2. *Did the Examiner err by relying upon “Official Notice” or other information within the Examiner’s personal knowledge?*

Appellant disputes Examiner’s reliance on Official Notice for the fact that “both *monolithic* and *modular information handling systems* and

various equipment components, such as *fans* and *power supplies*, are *well-known in the field.*” See Final Act. 5 (emphasis added).

In so doing, Appellant contends:

[W]hether or not it is well known to include a fan and a power supply within an information handling system, *it is not well known that an excess equipment identification determines whether any of the components comprise excess equipment, the components comprising excess equipment corresponding to at least one of a **second fan** and a **redundant power supply unit.***

Appeal Br. 5 (emphasis added).

In the Reply Brief, Appellant restates “it is not well known that an excess equipment identification operation determines whether any of the components comprise excess equipment . . . corresponding to at least one of a *second fan* and a *redundant power supply unit.*” Reply Br. 3 (emphasis original).

To traverse the Examiner’s taking of Official Notice, Appellant “must specifically point out the supposed errors in the examiner’s action, *which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art.*” See MPEP § 2144.03 (emphasis added). An adequate rebuttal of the Examiner’s taking of Official Notice must contain sufficient information or argument to create on its face a reasonable doubt regarding the circumstances justifying the Examiner’s notice of what is well known to one of ordinary skill in the art. *In re Boon*, 439 F.2d 724, 728 (CCPA 1971).

Here, in our review of the record, we find the Examiner relies upon Official Notice only for the fact that monolithic and modular information handling systems and various equipment components, such as fans and power supplies, are well-known in the field.

In traversing the Examiner’s taking of Official Notice, Appellant does not offer any explanation of *why* monolithic and modular information handling systems and various common computer components, such as fans and power supplies, *are not considered to be common knowledge or well-known in the art*.

Accordingly, we do not find Appellant’s arguments to be sufficient to adequately rebut the Examiner’s taking of Official Notice. *See* MPEP § 2144.03.

3. *Do Ferreri and Official Notice collectively teach or suggest limitation L2, as recited in **dependent claim 3**?*

Regarding dependent claim 3, Appellant disputes that limitation **L2** is taught or suggested by Ferreri by arguing that:

[N]owhere within Ferreri is there any disclosure or suggestion of the excess equipment inventory identification *uses key configuration factors as disclosed and claimed* to determine whether a component comprises excess equipment, as required by claims 3, 9, and 15.

Appeal Br. 6 (emphasis added).

In the Final Action (6), the Examiner finds Ferreri (Figs. 2, 4, ¶¶ 4, 25) teaches or suggests “*the excess equipment inventory identification uses key configuration factors to determine whether a component comprises excess equipment,*” as recited in claim 3.

The Examiner finds the particular “configuration factors” recited in claim 3 (i.e., “the key configuration factors comprising at least one of *cable detection* and *link status*”) constitute a “design choice.” Final Act. 6 (emphasis added).

On this issue, our case law guides that minor differences between the prior art and a claimed device may be a matter of design choice absent evidence to the contrary. *See e.g., In re Rice*, 341 F.2d 309, 314 (CCPA 1965). Additionally, design choices that do not “result in a difference in function *or give unexpected results . . .* are no more than obvious variations consistent with the principles known in the art.” *In re Rice*, 341 F.2d 309, 314 (CCPA 1965) (emphasis added). Thus, a claimed modification to the prior art may be obvious if the claimed structure performs the same function as in the prior art and it presents no novel or unexpected result over the prior art. *See In re Kuhle*, 526 F.2d 553, 555 (CCPA 1975) (use of claimed feature solves no stated problem and presents no unexpected result and “would be an obvious matter of design choice within the skill of the art”).

Here, the Examiner finds that the particular “configuration factors” of “at least one of cable detection and link status” are mere design choices. Final Act. 6. We are not persuaded of error regarding the Examiner’s findings.

We find the incorporation of these particular “configuration factors” into Ferreri’s excess equipment identification method would have been an obvious design choice within the level of ordinary skill in the art, as such design choice would have presented no novel or unexpected results over the prior art. *See Rice*, 341 F.2d at 314; *see also Kuhle*, 526 F.2d at 555. For example, “configuration factors comprising at least one of cable detection and link status” would encompass the connectivity of a network cable. Claim 3.

On this record, we find the Appellant has not sufficiently established nor specifically argued that the configuration factors (which determine

whether the equipment is “in use”) would give unexpected results when compared with the prior art, including Ferreri. Accordingly, on this record, we are not persuaded that the Examiner erred in finding that the “configuration factors” recited in dependent claim 3 are obvious design choices that would have merely yielded predictable results.

Therefore, based upon a preponderance of the evidence, we are not persuaded of error regarding the Examiner’s underlying factual findings and ultimate legal conclusion of obviousness regarding the Examiner’s rejection of independent representative claim 1 and dependent claim 3.

Accordingly, we sustain the Examiner’s obviousness Rejection B of independent representative claim 1, and also independent claims 7 and 13, which recite similar limitations of commensurate scope. *See* Final Act. 4–6. We also sustain the Examiner’s obviousness Rejection B of dependent claim 3, and also dependent claims 9 and 15, which recite similar limitations of commensurate scope. *See* Final Act. 6.

The remaining grouped dependent claims also rejected under Rejection B (and not argued separately) fall with representative independent claim 1. *See* 37 C.F.R. § 41.37(c)(1)(iv). Accordingly, we sustain the Examiner’s obviousness Rejection B of claims 1–21.

CONCLUSIONS

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

The Examiner did not err in rejecting claims 1–21 as being obvious under 35 U.S.C. § 103, over the cited prior art.

DECISION SUMMARY

Rej	Claims Rejected	35 U.S.C. §	Reference(s)/Basis	Affirmed	Reversed
A	1-21	101	Eligibility	1-21	
B	1-21	103	Ferreri, Official Notice	1-21	
	Overall Outcome			1-21	

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