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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte ADRIAN FANARU, DARRIN HATAKEDA,
GUNNAR LJOSDAHL RASMUSSEN, KRISTER MIKALSEN,
DAG STEINNES EIDESEN, RUNE DEVIK, and JOHN D. FAN

Appeal 2017-002898
Application 13/287,831¹
Technology Center 3600

Before JUSTIN BUSCH, SCOTT B. HOWARD, and
STEVEN M. AMUNDSON, *Administrative Patent Judges*.

HOWARD, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants appeal under 35 U.S.C. § 134(a) from the Final Rejection of claims 1–10, 12, 13, and 15–20, which constitute all of the claims pending in this application. Claims 11 and 14 have been cancelled. App. Br. 5. We have jurisdiction under 35 U.S.C. § 6(b).

We reverse.

¹ Appellants identify Microsoft Technology Licensing, LLC as the real party in interest. App. Br. 3.

THE INVENTION

The disclosed and claimed invention is directed to “[d]ifferent analytics data systems [used to] analyze data and produce reports for a user to view.” Spec. ¶ 1. The data analysis is performed on “data that has previously been generated and stored,” such as “business data, web traffic data, sales data, and the like.” *Id.*

Claim 1, reproduced below, is illustrative of the claimed subject matter:

1. A method for providing services corresponding to productivity applications comprising:
 - collecting usage information from devices connected to a computing system in response to inputs to the devices, the usage information including occurrences of usage events generated by the devices, the usage events being associated with activities related to content encoded on a data store;
 - providing an interface for configuring the usage events and to provide the usage information;
 - receiving by an analytics engine the usage information and aggregating the usage information for a specified period of time; and
 - automatically altering operations of the computing system based on the aggregated usage information, the operations including at least one of a retention time of the content, a crawl policy of the content, a backup policy of the content, a restore schedule of the content, and one or more storage tier levels of the content.

REJECTION

Claims 1–10, 12, 13, and 15–20 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to a judicial exception (i.e., a law of nature, a natural phenomenon, or an abstract idea) without significantly more. Final Act. 8–10.

ANALYSIS

We have reviewed the Examiner’s rejection in light of Appellants’ arguments that the Examiner erred. In reaching this decision, we have considered all evidence presented and all arguments made by Appellants. We are persuaded by Appellants’ arguments regarding the pending claims.

Patent-eligible subject matter is defined in § 101 of the Patent Act, which recites “[w]hoever 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.”

There are, however, three judicially created exceptions to the broad categories of patent-eligible subject matter in § 101: laws of nature, natural phenomena, and abstract ideas. *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 573 U.S. 208, 215–17 (2014); *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 70–71 (2012). Although an abstract idea, itself, is patent-ineligible, an application of the abstract idea may be patent-eligible. *Alice*, 573 U.S. at 217. Thus, we must consider “the elements of each claim both individually and ‘as an ordered combination’ to determine whether the additional elements ‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (citing *Mayo*, 566 U.S. at 79, 78). The claim must contain elements or a combination of elements that are “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [abstract idea] itself.” *Id.* (citing *Mayo*, 566 U.S. at 72–73).

The Supreme Court set forth a two-part “framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas

from those that claim patent-eligible applications of those concepts.” *Id.* at 217.

First, we determine whether the claims at issue are directed to one of those patent-ineligible concepts. [Mayo, 566 U.S. at 75–77]. If so, we then ask, “[w]hat else is there in the claims before us?” *Id.* . . . To answer that question, we consider the elements of each claim both individually and “as an ordered combination” to determine whether the additional elements “transform the nature of the claim” into a patent-eligible application. *Id.* [at 79, 77–78]. We have described step two of this analysis as a search for an ““inventive concept”—*i.e.*, an element or combination of elements that is “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.” *Id.* [at 72–73].

Id.

“The ‘abstract idea’ step of the inquiry calls upon us to look at the ‘focus of the claimed advance over the prior art’ to determine if the claim’s ‘character as a whole’ is directed to excluded subject matter.” *Affinity Labs of Tex., LLC v. DirecTV, LLC*, 838 F.3d 1253, 1257 (Fed. Cir. 2016) (quoting *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016)); *see also Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016). There is no definitive rule to determine what constitutes an “abstract idea.” Rather, the Federal Circuit has explained that “both [it] and the Supreme Court have found it sufficient to compare claims at issue to those claims already found to be directed to an abstract idea in previous cases.” *Enfish*, 822 F.3d at 1334; *see also Amdocs (Isr.) Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288, 1294 (Fed. Cir. 2016) (explaining that, in determining whether claims are patent-ineligible under § 101, “the decisional mechanism courts now apply is to examine earlier cases in which

a similar or parallel descriptive nature can be seen—what prior cases were about, and which way they were decided”).

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 184 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 Supreme 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 176; *see also id.* at 191 (“We view respondents’ claims as nothing more than a process for molding rubber products and not as an attempt to patent a mathematical formula.”). Having said that, the Supreme Court also indicated that a claim “seeking patent protection for that formula in the abstract . . . is not accorded the protection of our patent laws, . . . and this principle cannot be circumvented by attempting to limit the use of the formula to a particular technological environment.” *Id.* (citing *Benson* and *Flook*); *see, e.g., id.* at 187 (“It is now commonplace that an *application* of a law of nature or mathematical formula

to a known structure or process may well be deserving of patent protection.”).

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.* (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 interactions such as a fundamental economic practice, or mental processes); and
- (2) additional elements that integrate the judicial exception into a practical application (*see* MPEP § 2106.05(a)–(c), (e)–(h)).

See Memorandum at 52, 55–56. Only if a claim (1) recites a judicial exception and (2) does not integrate that exception into a practical application, do we then look to whether the claim:

- (3) adds a specific limitation beyond the judicial exception that are not “well-understood, routine, conventional” in the field (see MPEP § 2106.05(d)); or
- (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.

Furthermore, the Memorandum “extracts and synthesizes key concepts identified by the courts as abstract ideas to explain that the abstract idea exception includes the following groupings of subject matter, when recited as such in a claim limitation(s) (that is, when recited on their own or *per se*)”:

- (a) Mathematical concepts—mathematical relationships, mathematical formulas or equations, mathematical calculations;
- (b) Certain methods of organizing human activity—fundamental economic principles or practices (including hedging, insurance, mitigating risk); commercial or legal interactions (including agreements in the form of contracts; legal obligations; advertising, marketing or sales activities or behaviors; business relations); managing personal behavior or relationships or interactions between people (including social activities, teaching, and following rules or instructions); and
- (c) Mental processes—concepts performed in the human mind (including an observation, evaluation, judgment, opinion).

Id. at 52 (footnotes omitted).

The Examiner concludes that claims are similar to those found to be patent-ineligible in *PerkinElmer, Inc. v. Intema Ltd.*, 496 F. App’x 65 (Fed. Cir. 2012), *Classen Immunotherapies, Inc. v. Biogen IDEC*, 659 F.3d 1057 (Fed. Cir. 2011), *Cyberfone Systems v. CNN Interactive Group*, 558 F. App’x 988 (Fed. Cir. 2014), and *CyberSource Corp. v. Retail Decisions*,

Inc., 654 F.3d 1366 (Fed. Cir. 2011). Final Act. 9. More specifically, the Examiner identifies the abstract idea as “a method for collecting usage information.” Ans. 4.

Appellants argue that the claims are not directed to an abstract idea; instead, Appellants argue the claims are directed to a technological solution to a technical problem. *See* App. Br. 13–14; Reply Br. 3–4.

On the current record, we are persuaded that the Examiner has failed to identify an ineligible abstract idea. In light of our guidance, because collecting usage information is not a mathematical concept, an identified method of organizing human activity, or a mental process, we conclude “collecting usage information” it is not an abstract idea. *See* Memorandum at 52; *see also id.* at 53 (“Claims that do not recite matter that falls within these enumerated groupings of abstract ideas should not be treated as reciting abstract ideas, except” in rare circumstances.). Accordingly, we do not sustain the Examiner’s rejection.

DECISION

For the above reasons, we reverse the Examiner’s decisions rejecting claims 1–10, 12, 13, and 15–20.

REVERSED