No. 18-1895

United States Court of Appeals for the Federal Circuit

In re: PAUL MORINVILLE
Appellant

PTAB Appeal 2016-008102
Application 11/003,557
Technology Center 3600

APPELLANT'S OPENING BRIEF - CORRECTED

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Appellant

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

In re: Morinville v. _____

No. 18-1895

INFORMAL BRIEF OF APPELLANT

Read the Guide for Pro Se Petitioners and Appellants before completing this form. Attach a copy of the final decision or order of the Board, Office, or Commission. Answer the following questions as best you can. Your answers should refer to the decision or order you are appealing where possible. Use extra sheets if needed.

1. Have you ever had another case in this court? ☐ Yes ☒ No If yes, state the name and number of each case.

2. Did the Board or Commission incorrectly decide or fail to take into account any facts? ☒ Yes ☐ No If yes, what facts? (Refer to paragraph 7 of the Guide.)

The PTAB failed to provide any evidence that my invention is an abstract idea as required under law and summarily dismissed my arguments that it is not.

3. Did the Board or Commission apply the wrong law? ☒ Yes ☐ No If yes, what law should be applied?

The PTAB failed to provide substantial evidence of unpatentability as required under multiple CAFC and Supreme Court cases such as Gartside, Burkhiemer, Aatrix and Exergen.

4. Did the Board or Commission fail to consider important grounds for relief? ☐ Yes ☒ No If yes, what grounds?

FORM 14. Informal Brief (Board of Contract Appeals, Patent Trial and Appeal Board, Trademark Trial and Appeal Board, and International Trade Commission Cases) Form 14 Rev. 03/16

5. Are there other reasons why the decision was wrong? ☐ Yes ☒ No If yes, what reasons?

6. What action do you want the court to take in this case?

I respectfully request that this Court reverse the PTAB's decision that the Claims are unpatentable as an ineligible abstract idea under §101, find the Claims patentable, and issue instructions to the USPTO to allow the Claims.

7. Do you believe argument will aid the court? ☒ Yes ☐ No If yes, submit a separate notice to court requesting oral argument and include the reasons why argument will aid the court. (Refer to paragraph 15 of the Guide.)

8. Do you intend to represent yourself? ☒ Yes ☐ No If you have not filed an Entry of Appearance, indicate your full name, address, and telephone number.

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9. I certify that a copy of this brief and any attachments were sent to: Phillip Warrick, Associate Solicitor Nathan Kelley and Thomas Krause, Soliciters, the attorney for appellee, at the following address:

Office of the Solicitor, USPTO, Mail Stop 8, P.O. Box 1450, Alexandria, VA 22313

(Address is found on the Entry of Appearance served on you by the attorney for the appellee. If you do not send a copy of this brief to the attorney for the appellee, the court will not file the brief.)

June 9, 2018
Date

Appellant's signature

In addition to mailing a copy to the attorney for the appellee, mail three copies of this informal brief and attachments to:

Clerk of Court
United States Court of Appeals for the Federal Circuit
717 Madison Place, NW
Washington, DC 20439

Reset Fields

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STATEMENT REGARDING ORAL ARGUMENTS

Oral arguments are requested due to the obscurity of the technology space, the complexity of the technology within that space, and the complexity of the technology encompassed in the claimed invention.

Oral arguments are further requested due to the long and complicated prosecution history with multiple rejections and appeals over nearly 14 years of prosecution, and the legal issues brought to light in this appeal.

STATEMENT OF THE CASE

In its Final Written Order, the PTAB raised three arguments that the Claims encompass unpatentable subject matter under 35 U.S.C. §101. Each argument fails. First, the PTAB argued without any evidence that the Claims contain no inventive concept. However, that argument is contradicted by the entirety of the prosecution history in which the examiner identified the inventive concept and then extensively searched for and failed to find it in the prior art thus compelling the examiner to withdraw six (6) rejections under §102 and §103. Second, the PTAB argued without any evidence that the computer is an extra-solution activity. This is also contradicted by the prosecution history where the Claims passed the machine prong of the machine or transformation test, and the specification clearly sets forth that the Claims teach the same kind of rule-based computer automation that this Court found was not directed to ineligible subject matter in *McRO*. Third, the PTAB argued that the Claims merely recite a *"well-established business practice"*. That argument defies logic because both the examiner and the PTAB found the Claims patentable over §102 and §103 rejections. Therefore, no prior art anticipated or made obvious the Claims. What does not exist in the prior art cannot be a "*well-established business practice*".

Prosecution History

In this appeal the PTAB determined that the invention claimed (the "Claims")

in my patent application 11/003,557 (the "557 Application") are not eligible for patent protection because the Claims lack patent eligible subject matter and are an ineligible abstract idea under 35 U.S.C. §101.

The '557 Application was originally filed on December 3, 2004 as a Continuation in Part of U.S. Patent 7,185,010 entitled "Systems and Methods for Rule Inheritance" (the "010 Patent") and U.S. Patent 8,706,538 entitled "Business Process Nesting Method and Apparatus" (the "538 Patent"). The '010 and '538 patents generally teach organizational inheritance of access rules and business process management. The '557 Application is an advancement over the inventions claimed in the '010 and '538 Patents.

The PTAB agreed with the examiner that the Claims are an ineligible abstract idea. However, neither provided any explanation, analysis or *substantial evidence* and despite the fact that the United States Patent and Trademark Office ("USPTO") had previously determined (as more fully set forth in the chart below) that the Claims were patentable *nine (9) times*: once (1) under §101, two times (2) under §102, four times (4) under §103, and two times (2) under §112. This proceeding represents the third time that I've had to appeal an erroneous rejection of these Claims.

Date	Action	Grounds for Rejection	Result
3-Dec-04	'557 Application filed		

18-Nov-08	Examiner issues a Non-Final Rejection	§101, §102, §103, §103	Examiner issues rejections under §101 and §102, and two (2) rejections under §103.
24-Nov-09	Examiner issues a Final Rejection	§101, §112	Examiner withdraws §102 rejection and both rejections under §103 and issues a new rejection under §112.
24-Apr-10	I file Appeal Brief at the BPAI	§101, §112	
16-Aug-10	Examiner issues a Non-Final Rejection	§103, §103	Examiner withdraws final rejection under §101 and §112 and reopens prosecution. Examiner then issues two (2) new rejections under §103.
2-Feb-11	Examiner issues a Final Rejection	§103, §103	Examiner continues both rejections.
5-Jul-11	I file Appeal Brief at the PTAB	§103, §103	Examiner continues both rejections.
26-Nov-14	PTAB issues a Final Written Decision		PTAB reverses and finds the claims *patentable* over both §103 rejections.
29-Jan-15	Examiner issues a Non-Final Rejection	§101, §102	Examiner issues rejections under §101 and §102.
17-Aug-15	Examiner issues a Final Rejection	§101, §112	Examiner withdraws final rejection under §102 and issues a new rejection under §112.

15-Jan-16	I file an Appeal Brief at the PTAB	§101, §112	
14-Jun-16	Examiner files Answer to Appeal Brief	§101	Examiner withdraws rejection under §112.
23-Feb-18	PTAB issues Final Written Decision	§101	I file this appeal.

To put this long and tortured prosecution history into real-world perspective, when I filed the '557 Application, my daughter had just started kindergarten. As of the date of this brief, my daughter has completed her first year as a freshman at Baylor University. I have spent more money on the prosecution and appeals of this patent application than I will spend on my daughter's entire college education. And when I filed this application, I had a full head of hair… and none of it was gray.

The very foundation of the U.S. patent system is the promise that the government makes to inventors: if an inventor publicly discloses an invention through the United States patent system, the government promises to grant a period of exclusivity secured by a patent right. I did my part. I filed this patent application on December 3, 2004. The USPTO disclosed my invention to the public on April 21, 2005. Today, almost 14 years later, it has been subjected to

an unending series of examiner rejections, appeals, re-opened prosecution and remands all of which have denied protection of my invention. The government has failed to honor its promise of patent protection after it seemingly tricked me into publicly disclosing my invention by filing a patent, thus foreclosing my ability to otherwise secure my intellectual property as a trade secret. This has led to rampant infringement of my intellectual property rights, which has resulted in the loss of investment into my company.

The Invention

The invention claimed in the '557 Application fits within markets referred to as enterprise computer systems, middleware and/or enterprise resource planning ("ERP") systems. It is well suited for implementation and use by medium to large businesses, governments or military organizations because it allows organizations to manage and dynamically update their complex organizational structures which constantly evolve and change.

Organizational structures are also used to manage user access rules and many other things. The present invention dynamically manages multiple complex organizational structures in a single system by dynamically generating new and distinct functional organizational structures from an existing operating organizational structure. When the hierarchical structure of the operating organization is changed, all functional organizations are dynamically generated to

map to the changed operating structure's new hierarchy. Then user access rights are dynamically changed within the functional organizational structures to map the changed organizational structures.

The invention enables a company to reorganize, merge, divest, add departments or otherwise change the hierarchies of the organizational structures on the fly while dynamically managing security (via access rights) of the overall enterprise computer system.

The invention claimed by the '557 Application solves longstanding deficiencies in the prior art. Prior art systems managed organizational structures separately. When a company reorganized, merged, divested, added departments or otherwise changed its operating organizational structure's hierarchy, access rules managed in the functional organizational structures no longer matched those access rules managed in the changed operating organizational structure hierarchy. This resulted in the wrong users having access the wrong business processes, which compromised security of the enterprise computer system by opening the system to insider threats, errors, irregularities or fraud, and levying huge administrative costs to correct the compromised enterprise computer system.

The Prior Art

The Claims of the invention overcome longstanding deficiencies in enterprise computer systems, which the industry attempted to solve in various ways but failed

to do for many years. [Appx036-039, Appx142, Appx476-482] A May 24, 2004 article in *HelpNetSecurity* entitled "*Security in the ERP World*"[1] succinctly articulated the deficiencies in the prior art:

> "*Some organizations decide against stringent controls because internal controls can introduce additional overhead by making it hard for employees to do their jobs with process inefficiencies.*
>
> *The biggest drawback of relying on internal controls for ERP security comes from the costly and time-consuming maintenance of those controls. As employees are promoted, reassigned or terminated, organizations must continually update their business systems with each employee's correct authorization level. The advent of new business partners, the creation of new business departments or entry into new markets also requires new or modified procedural rules. Maintenance of the ERP system can turn into a never-ending resource drain.*
>
> *A recent Gartner audit of several SAP systems noted that 'because SAP is used to process financial accounting information including purchasing, accounts payable, accounts receivable, general ledger and human resources, security breaches in these areas could lead to unauthorized, undetected access to confidential financial and employee data.' The study audit revealed two important points:*
>
> • *Duties within the purchasing process have not been adequately segregated. As a result, personnel could gain control of the entire purchasing cycle, resulting in errors, irregularities or fraud.*
>
> • *A lot of users have been granted inappropriate authorities in the Financial Accounting and Controlling modules.*"

Companies may have dozens of organizations (e.g. divisions, functions, departments, operating subsidiaries, etc.). There can be thousands of access rules managed within each organization. Each organization is laid out in different hierarchical parent/child patterns. At the time of the invention, only the most

[1] "Security in an ERP World" *HelpNetSecurity*. May 24, 2004. Accessed at https://www.helpnetsecurity.com/2004/05/24/security-in-an-erp-world/ on March 28, 2018 (the "HelpNetSecurity Article")

advanced prior art systems automated access rules through organizational inheritance. [Appx037]. In those systems, when the parent/child hierarchy in one organization was changed, access rules were automatically rebuilt within the changed organization based upon various organizational inheritance properties.

But it is important to note that in prior art systems because organizations were each managed separately, when the parent/child relationships changed in one organization, the parent/child relationship in the other organizations did not change. As a result, access rules in the unchanged organizations did not update to reflect the altered parent/child relationship.

Typically, access rules are collected from each location where access rules are stored in the enterprise computer system and put into a central repository. When a user accesses the interface of the computer system, the collected access rules enable and dictate the extent and scope of a user's access to that computer system.

As described above in the *HelpNetSecurity* Article and as discussed in the specification, this causes significant security and operational concerns because one operational organization has changed its hierarchy (and, therefore, its access rules) and functional organizations have not. Thus, users may continue to have access to business processes that they should no longer have, and they no longer have access to business processes that they need.

For example, an accountant has access to a purchasing business process and

to a financial business process. The purchasing business process is inherited through the operating organization and the financial business process is inherited through a functional organization. If the hierarchy of the operating organization is changed, the accountant no longer has access to the purchasing business process because the parent/child hierarchy of the operating organization has changed and the access rule granting access to the purchasing business process is no longer inherited down the branch of the operating organization where the accountant now resides. However, because the functional organization's hierarchy is separately managed and therefore not changed, the accountant will continue to inherit access to the financial business process, which creates a security issue like that described in the *HelpNetSecurity* article: *"A lot of users have been granted inappropriate authorities in the Financial Accounting and Controlling modules."*

To correct the now compromised enterprise computer system, potentially thousands of parent/child relationships in each of the unchanged organizations must be manually changed so that the access rules associated with each of these organizations are corrected.

The Claims Address the Deficiencies in the Prior Art

The Claims solve the longstanding deficiencies in the prior art by teaching that when an operating organization changes its parent/child hierarchy, the functional organizations dynamically rebuild their own parent/child hierarchy to

map correctly to the recently changed operating organization. Organizational inheritance then dynamically rebuilds the access rules in all organizations. This ensures that access rules between organizations are matched automatically when any organization changes its structure so that security issues involving improper access are mitigated or altogether avoided.

The Claims even have applicability to access issues that this Court may face. As is customary on this Court, new judges get appointed, senior judges retire, law clerks come and go, and different panel combinations are formed every month. Although I have no specific knowledge about this Court's computer systems, I assume that access rules as between judges and their clerks utilize a parent-child hierarchy, that judges get different access than their clerks, and that clerks get different access from their assigned judges than clerks from other chambers. The invention would automate how access rights are dynamically updated during personnel changes involving clerks, or when panels of judges are changed or reconstituted. For example, if a new clerk for a panel judge gets hired during deliberation of "Smith vs. Jones," my invention dynamically updates how access is granted to that new clerk. So although the role of a clerk within the Smith vs. Jones panel-deliberation permissions set would not change (static), all branches of the tree would update automatically to accommodate or give the necessary access to the newly hired clerk (dynamic). No manual updates would be needed to make sure that

the new clerk gets access to some computer files generated by other chambers, near complete access to computer files of her own judge's chambers, with the supervising judge's complete super-user authority over all content made within those chambers. If the panel composition of judges got changed, the permission set for file access would also change automatically.

The benefits of the invention claimed by the '557 Application in overcoming these complicated deficiencies in the prior art are substantial. The Claims automatically align access rules when a company reorganizes, merges, divests or otherwise changes its organizational structures thus ensuring continual security of the enterprise computer systems. In addition, administrative costs of manually rebuilding organizations and access rules is significantly reduced or even eliminated. Moreover, centralized control of organizations and access rules is made possible. Finally, user frustration is decreased while user efficiency is increased because users automatically have access to the business processes that they need in order to do their assigned work. In sum, the invention claimed by the '557 Application allows a company reorganize its operating and functional organizations dynamically and on the fly with little or no administrative overhead, minimal cost, increased security and minimal user disruption.

Explanation of the Claims

Claim 1, with added formatting and bracketed notations [Appx003], is illustrative of the subject matter on appeal.

Generally speaking, a first computer automation process runs on a first technical object (i.e. a data structure) to dynamically create a second technical object. Then, a second computer automation process runs on the dynamically created second technical object to automate management of access rules within the second technical object. Finally, user access to business processes and company information is controlled by these access rules.

The first technical object is a hierarchical operating structure (operating organization), which is "*a hierarchical data structure of positions reporting to positions... Each position has an associated role*", as constructed in Claim elements (a)(b). [Appx041-042, Appx054].

The *inventive concept* constructed in Claim elements (c)(d)(e) enables a computer system to dynamically generate a second technical object, a hierarchical functional structure, (functional organization) from the operating organization. Claim elements (c)(d)(e) identify positions, parent/child relationships of positions, and roles within the hierarchy of the operating organization. Based on the identified parent/child relationships, positions and roles, the computer automation process dynamically rearranges the parent/child relationships creating a new and distinct

dynamic functional organization. [Appx040-042, Appx045-046 Appx055].

Although the operating and functional organizations may be made up of the same elements, the functional organization is clearly distinct from the operating organization because they each have different parent/child relationships. Both organizations, the operating organization and the dynamically created functional organization, can exist in the enterprise computer system at the same time.

Claim element (f) enables a second automated computer process (organizational inheritance) to run on the dynamically created functional organization to manage access rules:

> "*controlling user access to business processes based on the hierarchical functional structure*" and "*...both or either of operating organization or the functional organizational structures are leveraged to cascade access, collaboration and approval rules down thru the organization thru organizational inheritance properties*" [Appx041]. [2]

Finally, all steps of the Claims are automated in Claim element (g). Thus, when the hierarchy of the operating organization is changed, all functional organizations automatically rebuild to map to the changed hierarchy of the operating organization and all access rules automatically rebuild within each of the organizations automatically. User access is enabled based on the combined access

[2] Organizational inheritance is taught in patent 7,185,010 ('010) "*Systems and Methods for Rule Inheritance*", of which the '557 Application is a Continuation in Part. "...to allow access rules to be inherited by some of the positions from other positions based upon the relationship of positions within the organization and the roles associated with the positions."

rules, which are distinct from the combined access rules prior to changing the hierarchy of the operating organization.

Argument

The Alice/Mayo test

The Supreme Court in *Alice* defined a two-step test, (the "*Alice-Mayo Test*") to determine whether an invention is an abstract idea, which is an unpatentable exception under §101. The first step is to "*determine whether the claims at issue are directed to one of those patent-ineligible concepts.*" If the claims are not directed to an ineligible abstract idea the inquiry ends. Otherwise, the inquiry moves to the second step where the elements of the claims are considered "*individually and 'as an ordered combination'*" to determine whether there are additional elements that "'*transform the nature of the claim' into a patent-eligible application.*" This second step is referred to as "*a search for an 'inventive concept'.*"

In step two of the *Alice-Mayo* test, this Court in *Berkheimer* held that "[w]*hether something is well-understood, routine, and conventional to a skilled artisan at the time of the patent is a factual determination.*" [3]

[3] In *Aatrix Software, Inc. v. Green Shades Software, Inc.*, 882 F.3d 1121 (Fed. Cir. 2018), this Court reversed a judgment of ineligibility, finding that whether the claims in the challenged patent perform well-understood, routine, conventional activities is an issue of fact. In *Exergen Corp. v. Kaz USA, Inc.*, Nos. 2016-2315, 2016-2341, 2018 WL 1193529, at *1 (Fed. Cir. Mar. 8, 2018), this Court affirmed a district court's denial of a motion for judgment as a matter of law of patent ineligibility by concluding that the district court's fact finding that the claimed

As this Court held in *McRO*, it is important to avoid "*oversimplifying the claims*" when applying the *Alice-Mayo* test because at some level all inventions can oversimplified and reduced to an abstract idea. But the inverse is equally flawed. Over broadening a patent-ineligible concept enlarges it such that it can swallow the claims.

This Court held in *In Re GARTSIDE* that "*that the "substantial evidence" standard is appropriate for our review of Board factfindings.*"[4] *Gartside* applies to all reviews by this Court of USPTO patent rejections, including rejections under §101. The "*substantial evidence*" standard asks "*whether a reasonable fact finder could have arrived at the agency's decision.*"

And as this Court made clear in *In re Stepan Co.* that the burden of proving unpatentability lies with the USPTO using clear and specific explanations for the rejection.[5]

In stark contrast to these legal requirements, throughout prosecution and

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combination was not proven to be well-understood, routine, conventional was not clearly erroneous.

[4] '...we review Board decisions "on the record of an agency hearing provided by statute," and that we should therefore review Board factfinding for "substantial evidence." See also *Thomas Leonard Stoll, A Clearly Erroneous Standard of Review*, 79 J. Pat. & Trademark Off. Soc'y 100,106 (1997) (arguing in favor of "substantial evidence" review based on 35 U.S.C. §§ 7(b) and 144).'

[5] Manual of Patent Examining Procedure, Section 2106.07 "Formulating and Supporting Rejections For Lack Of Subject Matter Eligibility [R-08.2017]", "the initial burden is on the examiner to explain why a claim or claims are ineligible for patenting clearly and specifically..."

appeal of the Claims, the USPTO provided no evidence at all of *unpatentability* under §101. Instead the USPTO provided only subjective conclusions supported by generic quotes from case law and did not compare the language of the Claims to any of the claims or cases it cited, the prior art it asserted, or any other sources.

USPTO rejections under the *Alice/Mayo* test

Under the *Alice-Mayo* test, the examiner oversimplified the Claims and over broadened the patent-ineligible concepts and simply recited boilerplate abstract idea rejections summarily concluding the Claims are invalid under almost every category defined in MPEP 2106:

> *"organizing human activity"; "negotiated transactions"; "a contractual relationship"; "scheduling/arranging meetings"; "well-known manual activity"; "an idea of itself"; "insignificant post-solution activity"; "list of option"; "generating a message"; "a mathematical relationship or algorithm"; "does/do not include additional elements that are sufficient to amount to significantly more than the judicial exception". "the additional computer elements... provide conventional computer functions that do not add meaningful limits"; "no more than: recitation of generic computer structure that serves to perform generic computer functions that are well-understood, routine"; "does not impose any meaningful limit on the computer implementation of the abstract idea"; "an ordered combination adds nothing that is not already present"; and "their collective functions merely provide conventional computer implementations"* [Appx497-518, Appx570-585]

Far from providing any substantial evidence, the examiner provided no evidence to support any of the multitude of rejections.

In affirming the examiner, the PTAB similarly provided no evidence and instead quoted phrases from case law summarily dismissing my arguments.

In Step One the PTAB alleged:

(a) *"We find the concept of organizational structure, in which an organization can be structured in different ways, and managing access to business processes based on an organizational structure, is a well-established business practice, and an idea with no particular concrete or tangible form."* [Appx006-007]

(b) *"we find the "computer" of claim 1 is invoked merely as a tool and does not provide any specific improvement in computer capabilities."* [Appx007]

(c) *"Because we find that claim 1, as reasonably broadly construed, is directed to a business administration concept for management of a business, i.e., a conventional business practice long prevalent in our system of commerce, and that the recited "computer" is invoked merely as a tool, we determine that this is nothing more than the automation of the abstract idea."* [Appx007]

(d) *"the claims of the present application are directed to a business practice, which is similarly abstract."* [Appx008]

In Step Two the PTAB concluded:

(e) *"we agree with the Examiner that there is no inventive concept defined by an element or combination of elements in claim 1, which is significantly more than the abstract idea."* [Appx008]

(f) *"The method as claimed is an application of well-known business management concept in a known computing environment."* [Appx008]

(g) *"With regard to implementing said method on a computer, as claimed, "the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention."* [Appx008]

I. The USPTO legally erred by oversimplifying the Claims to ignore the inventive concept, thus wrongly found that the Claims are an ineligible abstract idea.

Finding (e) *there is no inventive concept defined by an element or combination of elements in claim 1, which is significantly more than the abstract idea.* [Appx008]

The examiner and the PTAB summarily concluded without any evidence that the Claims did not set forth an *inventive concept*. However, the prosecution history focused squarely and solely on whether the Claims encompassed an *inventive concept*. And flatly contradicting examiner and the PTAB assertions that the Claims have no inventive concept, are the examiner's own conclusions and actions showing the examiner had identified the inventive concept.

For example, the *Examiner Search Strategy and Results* [Appx142, Appx476-482] which consisted of a total of 83 searches exclusively using search terms derived from the combination of Claim elements (c)(d)(e) and as explained in the specification [Appx045-047], yielded 10,062,604 hits showing that the Examiner identified the *inventive concept* as automatically generating a dynamic functional organization from an operating organization.

That the *inventive concept* is automatically generating a dynamic functional organization from an operating organization is further demonstrated by the fact that all six (6) §102 and §103 rejections were exclusively focused on the *inventive concept* set forth in Claim elements (c)(d)(e).

No prior art, either individually or collectively, teaches the *inventive concept* set forth in Claim elements (c)(d)(e). Yet, the prior art identifies long-standing deficiencies the industry attempted to solve but could not. However, the *inventive concept* set forth in Claim elements (c)(d)(e) solves these

deficiencies.

Furthermore, both the examiner and the PTAB determined that the *inventive concept* found in the Claims is patentable over the prior art under §102 and §103 six different (6) times. In the November 18, 2008 non-final rejection under §102 and §103, the examiner asserted that "*Card, et al discloses a method of dynamically generating a hierarchical functional structure from a hierarchical operating structure*" [Appx073]. In my February 18, 2009 response to this non-final rejection, I overcame the rejections by arguing that,

> "*Card is not concerned with selecting particular positions (e.g. the first position) within the hierarchically linked information, nor is Card concerned with identifying positions within the hierarchically linked information that are related to the first position, either being subordinate or having a role in common with the functional level.*" [Appx100] and,
>
> The Claims are "*directed to methods of identifying selected positions within a first hierarchical structure in a specific manner and generating a second hierarchical structure comprising the selected positions.*" [Appx102]

As a result of these arguments, the examiner determined that the Claims were patentable over the prior art. In addition, on November 26, 2014, the PTAB reversed the examiner's two §103 rejections and concluded that the Claims were patentable:

> "*Examiner has not shown that the prior art teaches 'generating a second, functional hierarchical structure using specific (subordinate common-role) positions identified from a first, operational hierarchical structure'.*" [Appx437]

In the April 29, 2015 response to the fourth non-final rejection, I also overcame the examiner's rejections under §102:

> ...does "*not disclose anything whatsoever regarding identification of any positions, particularly positions that are both subordinate to the first position and have roles...which are the same as the first position.*" [Appx491]

As a result of these arguments, the examiner determined the Claims were patentable over the prior art. The specification clearly identifies the *inventive concept* in the specification of the '557 Application under the discussion set forth in the Field of the Invention:

> *"The invention relates generally to systems and methods for managing complex matrixed organizations. More specifically is relates providing an operating organization... and many functional organizations...within the operating organization.*" [Appx026],

and in the Summary of the Invention:

> "*the invention comprises systems and methods for automating and increasing the efficiency of a Matrixed Organization by managing a static or tabled operating organization and creating dynamic functional organizations based on the operating organization's structure...", and "One embodiment comprises a method for dynamically and selectively generating a hierarchical functional organization from a hierarchical operating organization structure.*" [Appx040]

Finally, the examiner concludes that Claim elements (c)(d)(e) is the "*essential feature*",

> "*"A method implemented in a computer for dynamically generating a hierarchical functional structure from a hierarchical operational structure, ..." which indicates the essential feature is generating a hierarchical function structure.*" [Appx507 (Underlining in the original)]

Claim elements (c)(d)(e), automatically generating a dynamic hierarchical functional structure from a hierarchical operating structure, is the "*inventive concept defined by an element or combination of elements in claim 1, which is*

significantly more than the abstract idea" because it is identified as the *inventive concept* in the specification; because the examiner determined it is the "*essential feature*" of the Claims; because it was the exclusive focus of *all* prior art searches; because it was the exclusive focus of examination and determined patentable over the prior art six (6) times under §102 and §103; because it is clearly evident from a reading of the Claims; and because it solves longstanding deficiencies in the prior art which the industry attempted to solve but could not.

The examiner and the PTAB absurdly oversimplified the Claims in order to ignore the *inventive concept* of the Claims. Thus, the examiner and PTAB provided no evidence supporting its finding that there is no *inventive concept* and wrongly found that the Claims are an ineligible abstract idea. Had they even attempted to provide *substantial evidence* as required by law, they would have been contradicted by the entire prosecution history. In light of the foregoing, the USPTO committed legal error when it found that there is no *inventive concept* set forth in the Claims.

II. The USPTO legally erred by oversimplifying the Claims and failing to provide any evidence supporting their determination that the computer is extra-solution activity and therefore wrongly found that the Claims are an ineligible abstract idea.

Finding (a) "... *the concept of organizational structure,"* is *"an idea with no particular concrete or tangible form."* [Appx006-007]

Finding (b) "the *"computer" of claim 1 is invoked merely as a tool and does not provide any specific improvement in computer capabilities."* [Appx007]

Finding (c) "that *the recited "computer" is invoked merely as a tool".* [Appx007]

Finding (g) *"the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention."* [Appx008]

Without providing any evidence, the examiner and the PTAB summarily concluded multiple times that the computer is extra-solution activity with respect to the Claims. Had they even attempted to provide *substantial evidence*, they would have had to address the following contradictions:

In my invention, an organizational structure is defined by particular rules:

"positions... are defined by the following rules: they must have a superior position; they cannot have more than one superior position; they can have many direct subordinate positions; they must have a role; they may have more than one role; they can have an active user; they cannot have more than one active user; ...." [Appx042-043]

Similar to the claims in *McRO*, the Claims "*are limited to rules with specific characteristics*" and the "*computer automation is realized by improving the prior art through 'the use of rules.'*" *McRO*, 837 F.3d at 1313.

***McRO*: Claim 1 of 6307576**	**My Claim 1**
1. A method for automatically animating lip synchronization and facial expression of three-dimensional characters comprising: obtaining a first set of rules that define output morph weight set stream as a function of phoneme sequence and time of said phoneme sequence; obtaining a timed data file of	1. A method implemented in a computer for dynamically generating a hierarchical functional structure from a hierarchical operational structure, comprising the steps: [(a)] providing a hierarchical operational structure of unique positions within an organization; [(b)] associating one of a plurality of roles with each of the positions, wherein each of the roles has a

phonemes having a plurality of sub-sequences; generating an intermediate stream of output morph weight sets and a plurality of transition parameters between two adjacent morph weight sets by evaluating said plurality of sub-sequences against said first set of rules; generating a final stream of output morph weight sets at a desired frame rate from said intermediate stream of output morph weight sets and said plurality of transition parameters; and applying said final stream of output morph weight sets to a sequence of animated characters to produce lip synchronization and facial expression control of said animated characters.	corresponding major function, and wherein at least a subset of the roles is non-unique; [(c)] identifying a first one of the positions; [(d)] identifying positions in the hierarchical operational structure that are subordinate to the first one of the positions and that have roles which have at least one functional level in common with the role of the first one of the positions; and [(e)] generating a hierarchical functional structure of the identified positions; and [(f)] controlling user access to business processes based on the hierarchical functional structure; [(g)] wherein each of the steps is automatically implemented in the computer

The *inventive concept*, a computer automation process, is applied to the operating organizational structure to identify positions, parent/child relationships between the positions, and the roles associated with the positions. The computer automation process rearranges the parent/child relationships into a distinct second dynamic functional organizational structure, which is defined by the same rules.

The computer automation process cannot identify positions, roles and parent/child relationships within an organizational structure if the organizational structure is not defined by its rules. Nor can the computer automation process rearrange the objects into different parent/child relationships thereby automatically

generating a new dynamic functional organizational structure if the new dynamic functional organizational structure is not defined by the same set of rules.

A second computer automation processes also runs on the organizational structures to automatically apply access rules based on the positions, roles and parent/child relationships between the positions.

> *"...organizational structures are leveraged to cascade access, collaboration and approval rules down thru the organization thru organizational inheritance properties."* [Appx041]

This second automation process of organizational inheritance cannot automatically apply access rules to subordinate positions if the organizational structure is not defined by its rules. Conversely, the organizational inheritance automation process cannot operate on an organizational structure if the automation process is not defined by its own rules.

In other words, the Claims teach the same kind of rule-based computer automation that this Court found was not directed to ineligible subject matter in *McRO*.

Furthermore, the automated computer processes and objects of the invention can exist only inside the computing system and are pointless without the computer. One automated computer process dynamically generates a hierarchical functional organization from a static hierarchical operating organization. Both organizational structures, one static and the other dynamic, exist in the computer system at the same

time. A second automated computer process automatically changes the access rules in organizational structures. In the end the access rules grant a real user access to a real computer system. The Claims are core to the computer system's operation. Indeed, the Claims are the computer system. Even the examiner agrees as evidenced by his conclusion that "*claims 1-12 and 14-15 are tied to a machine.*" [Appx111]

The Claims are a "*specific improvement in computer capabilities*" because the Claims enable a computer system to do something it could not do before and they solve longstanding deficiencies in the prior art that the industry attempted to solve but could not. The examiner and the PTAB legally erred and misapplied the *Alice-Mayo* test by absurdly oversimplifying the Claims, and failing to provide any evidence, much less *substantial evidence*, to support their conclusion that the Claims are an ineligible abstract idea.

III. The USPTO legally erred by oversimplifying the Claims, over broadening the ineligible concepts, and providing no evidence to support their summary conclusion that the Claims are an ineligible abstract idea, thus the USPTO did not prove unpatentability with substantial evidence as required by law.

Finding (a) "*We find the concept of organizational structure, in which an organization can be structured in different ways, and managing access to business processes based on an organizational structure, is a well-established business practice, and an idea with no particular concrete or tangible form.*" [Appx006-007]

Finding (d) "*the claims of the present application are directed to a business practice, which is similarly abstract.*" [Appx008]

Finding (f) "*The method as claimed is an application of well-known*

> *business management concept in a known computing environment."* [Appx008]

Under Finding (a), the *"concept of organizational structure, in which an organization can be structured in different ways, and managing access to business processes based on an organizational structure..."* includes only Claim elements (a), (b) and (f). It completely omits Claim elements (c)(d)(e), which make up the *inventive concept* of generating a dynamic functional organization from an operating organization.

In point of fact, the entire prosecution history of the Claims is focused on the *inventive concept* set forth Claim elements (c)(d)(e). Omitting Claim elements (c)(d)(e) from its summary conclusion of unpatentability not only oversimplifies the Claims but completely disregards the most important part of the Claims, the *inventive concept*, which by law the USPTO must prove unpatentable with *substantial evidence*. The USPTO cannot provide *substantial evidence* to prove the *inventive concept* is unpatentable if the *inventive concept* is completely omitted from the evaluation.

Further, the PTAB absurdly over broadened the ineligible concept by making no attempt to describe what constitutes a *"well-established business practice."* The PTAB applied no limits, described no references, attributed no functionality, provided no analysis and explained nothing. Yet they asserted that Claim elements (a), (b) and (f) are somehow a *"well-established business*

practice" even as the PTAB completely ignored that *inventive concept* set forth in Claim elements (c)(d)(e). This is clear legal error and it requires that the PTAB's final written decision be reversed as a matter of law.

The PTAB provided no evidence, much less *substantial evidence*, on both ends of the evaluation - oversimplification of Claim elements and over broadening the meaning of a *well-established business practice*.

The PTAB concluded,

> "Furthermore, we find the "computer" of claim 1 is invoked merely as a tool and does not provide any specific improvement in computer capabilities." [Appx007]

The PTAB provided no evidence, let alone *substantial evidence*, supporting its summary conclusion that the Claims do not "*provide any specific improvement in computer capabilities.*" Had the PTAB provided *substantial evidence* it would have had to address real and meaningful contradictions in the record such as deficiencies identified in the prior art and in the specification, that the industry had attempted to solve these deficiencies but could not, and that the Claims solve these longstanding deficiencies. Since the Claims solve the longstanding deficiencies identified in the prior art, a reasonable fact finder would conclude the Claims are a *significant improvement to computer capabilities*.

The USPTO, while failing in their burden to provide *substantial evidence*

that the Claims are similar to *SmartGene* and therefore unpatentable, reversed the burden on to me to prove patentability over *SmartGene* with *substantial evidence*.

> "*Appellant does not persuasively explain why the claimed invention is dissimilar to the claims in SmartGene. The claims in SmartGene involved gathering information and applying "expert rules" to generate "advisory information."* [Appx008]

However, *SmartGene* is easily distinguishable from the Claims. The *SmartGene* claims merely compare data to data and then select advisory information based on selection rules. Had the USPTO attempted to provide *substantial evidence* in this case, it would have had to contend with the fact that the rules defining objects in the Claims are used to make the object concrete and tangible just like in *McRO*, and that these rules are not merely used to select information as in *SmartGene*. The USPTO would have had to show that in the Claims "*every step is a familiar part of the conscious process that doctors can and do perform in their heads*" like the *SmartGene* claims. However, the Claims are not a "*familiar part of the conscious process*" because the Claims solve longstanding deficiencies in the prior art, and it is impossible for that which solves longstanding deficiencies in the prior art to be *familiar*. Furthermore, the Claims cannot be "*part of the conscious process*" or otherwise performed in anyone's head because the Claims are the computer system as explained in Argument II.

Had the PTAB provided *substantial evidence* proving unpatentability for each

of the cases set forth in the PTAB Decision, [Appx007-008] (*Accenture*; *Intellectual Ventures*; *OIP Techs*; *Versata*; and *Prism Techs*) they would have had to prove that the Claims are similar to the claims held unpatentable in those cases. However, none of the claims in those cases were made concrete and tangible by defined rules like the Claims here and the claims found patentable in *McRO*.

The USPTO legally erred by oversimplifying the Claims, over broadening the ineligible concepts, and providing no evidence to support their summary conclusion that the Claims are an ineligible abstract idea, thus the USPTO did not prove unpatentability with *substantial evidence* as required by law.

CONCLUSION

For the foregoing reasons, I respectfully request that this Court reverse the PTAB's decision that the Claims are unpatentable as an ineligible abstract idea under §101, find the Claims patentable, and issue instructions to the USPTO to allow the Claims.

ADDENDUM

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte PAUL MORINVILLE

Appeal 2016-008102[1]
Application 11/003,557[2]
Technology Center 3600

Before MURRIEL E. CRAWFORD, BIBHU R. MOHANTY, and BRADLEY B. BAYAT, *Administrative Patent Judges*.

BAYAT, *Administrative Patent Judge*.

DECISION ON APPEAL

Paul Morinville (Appellant) appeals under 35 U.S.C. § 134(a) from the decision rejecting claims 1–16, 18, and 19 under 35 U.S.C. §101.[3] App. Br. 11. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

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[1] Our Decision references Appellant's Appeal Brief ("App. Br.," filed May 3, 2016), Reply Brief ("Reply Br.," filed Aug. 23, 2016), the Examiner's Answer ("Ans.," mailed June 24, 2016), and the Final Office Action ("Final Act.," mailed Aug. 17, 2015).

[2] The real party in interest, as identified by Appellant, is "Paul V. Morinville" (App. Br. 4). Claim 17 is canceled (*id.* at 28 (Claims App'x)).

[3] The rejection under 35 U.S.C. § 112 is withdrawn (Ans. 2).

THE INVENTION

"The invention relates generally to systems and methods for managing complex matrixed organizations." Spec. ¶ 1. Method claim 1, computer readable storage medium claim 12, and apparatus claim 13 are the independent claims on appeal and recite substantially similar subject matter. Claim 1, reproduced below with added formatting and bracketed notations, is illustrative of the subject matter on appeal.

1. A method implemented in a computer for dynamically generating a hierarchical functional structure from a hierarchical operational structure, comprising the steps:

[(a)] providing a hierarchical operational structure of unique positions within an organization;

[(b)] associating one of a plurality of roles with each of the positions, wherein each of the roles has a corresponding major function, and wherein at least a subset of the roles is non-unique;

[(c)] identifying a first one of the positions;

[(d)] identifying positions in the hierarchical operational structure that are subordinate to the first one of the positions and that have roles which have at least one functional level in common with the role of the first one of the positions; and

[(e)] generating a hierarchical functional structure of the identified positions; and

[(f)] controlling user access to business processes based on the hierarchical functional structure;

[(g)] wherein each of the steps is automatically implemented in the computer.

ANALYSIS

Claims 1–16, 18, and 19 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. Final Act. 5.

Under 35 U.S.C. § 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. The Supreme Court, however, has long interpreted § 101 to include an implicit exception: "[l]aws of nature, natural phenomena, and abstract ideas" are not patentable. *See, e.g., Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347, 2354 (2014) (internal quotation marks and citation omitted).

The Supreme Court, in *Alice*, reiterated the two-step framework previously set forth in *Mayo Collaborative Services v. Prometheus Laboratories, Incorporated*, 566 U.S. 66, 82–84 (2012), "for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts." *Alice*, 134 S. Ct. at 2355. The first step in that analysis is to "determine whether the claims at issue are directed to one of those patent-ineligible concepts." *Id.* If the claims are not directed to a patent-ineligible concept, e.g., to an abstract idea, the inquiry ends. Otherwise, the inquiry proceeds to the second step where the elements of the claims are considered "individually and 'as an ordered combination"' to determine whether there are additional elements that "'transform the nature of the claim' into a patent-eligible application." *Id.* (quoting *Mayo*, 566 U.S. 66, 79, 78).

Applying the framework in *Alice*, and as the first step of that analysis, the Examiner maintains that step (a)–(e) of claim 1 are directed to generating a hierarchical functional structure from a hierarchical operational structure,

which is a method of organizing human activity and an idea of itself. Ans. 6. According to the Examiner, providing a hierarchical structure with roles and positions of an organization is an abstract idea of organizing human activity, by identifying unique positions and roles of humans in an organization. *Id.* at 6–7. As for step (f), "controlling user access to business processes based on the hierarchical functional structure," the Examiner considers this step as either insignificant post-solution activity or an abstract idea, as per *SmartGene*.[4] *Id.* at 8. Proceeding to the second step under the *Alice* framework, the Examiner finds the claim does not include additional elements that are sufficient to amount to significantly more than the judicial exception because the additional computer elements, which are recited at a high level of generality, provide conventional computer functions that do not add meaningful limits to practicing the abstract idea. *Id.* at 8–9 (citing Spec. ¶¶ 80–81, Figs 1, 2).

Responding to the Examiner's rejection, Appellant argues claims 1–16, 18, and 19 as a group. App. Br. 16–21. We select independent claim 1 as representative. Thus, claims 2–16, 18, and 19 stand or fall with claim 1. *See* 37 C.F.R. § 41.37(c)(1)(iv).

Appellant's Specification describes the invention as "systems and methods for providing an operating organization, which is generally thought of as a Profit and Loss organization or a business unit organization, and many functional organizations, which are organizations of functions like Finance, Human Resources, Legal, Customers, Vendors, etc., embedded into different business units within the operating organization." Spec. ¶ 1.

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[4] *SmartGene, Inc. v Advanced Biological Labs.*, 555 Fed. Appx. 950 (Fed. Cir. 2014).

Representative claim 1 recites "[a] method implemented in a computer for dynamically generating a hierarchical functional structure from a hierarchical operational structure, comprising" six steps: (a) providing a hierarchical operational structure of unique positions...; (b) associating one of a plurality of roles with each of the positions...; (c) identifying a first one of the positions; (d) identifying positions in the hierarchical operational structure that are subordinate to the first one of the positions and that have roles which have at least one functional level in common with the role of the first one of the positions; (e) generating a hierarchical functional structure of the identified positions; and (f) controlling user access to business processes based on the hierarchical functional structure. *See* Claim 1 *supra*.

"[T]he first step in the *Alice* inquiry . . . asks whether the focus of the claims is on the specific asserted improvement in computer capabilities . . . or, instead, on a process that qualifies as an 'abstract idea' for which computers are invoked merely as a tool." *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335–36 (Fed. Cir. 2016).

The subject matter of claim 1, as reasonably broadly construed, is drawn to a business administration concept for management of a business; that is, claim 1 is focused on a methodology of creating a functional organizational structure[5] from a hierarchical operational structure and controlling access to business processes[6] based on the created functional structure. We find the concept of organizational structure, in which an

[5] "Functional Organizations are used to manage how people and assets report to each other within a function." Spec. ¶ 26.
[6] "Companies must restrict access to certain users while allowing other users to have access to certain business processes and certain information. For example, the purchase of a computer is a business process." Spec. ¶ 5.

organization can be structured in different ways, and managing access to business processes based on an organizational structure, is a well-established business practice, and an idea with no particular concrete or tangible form. Furthermore, we find the "computer" of claim 1 is invoked merely as a tool and does not provide any specific improvement in computer capabilities. *Cf. In re TLI Communications LLC Patent Litigation*, 823 F.3d 607, 613 (Fed. Cir. 2016) (The claims' focus "was not on an improved telephone unit or an improved server."). Because we find that claim 1, as reasonably broadly construed, is directed to a business administration concept for management of a business, i.e., a conventional business practice long prevalent in our system of commerce, and that the recited "computer" is invoked merely as a tool, we determine that this is nothing more than the automation of the abstract idea.[7]

We are not persuaded of error by Appellant's contention that the claims are not directed to an abstract idea because "the limitation of *controlling user access* to business processes does not simply amount to abstract manipulation or communication of information, but instead amounts to a real-life constraint on a real user's ability to perform certain actions." App. Br. 17; *see also* Reply Br. 4–5. Indeed, our reviewing court has held certain fundamental economic and conventional business practices to be abstract ideas. *See, e.g., Accenture Global Services, GmbH v. Guidewire*

[7] *See, e.g.*, Spec. ¶ 44 ("Current systems cannot automatically make this determination without also including organizational information and other information."); Spec. ¶ 48 ("Broadly speaking, the invention comprises systems and methods for automating and increasing the efficiency of a Matrixed Organization by managing a static or tabled operating organization and creating dynamic functional organizations based on the operating organization's structure.").

Software, 728 F.3d 1336, 1344 (Fed. Cir. 2013) (generating task based rules based on an event); *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1370 (Fed. Cir. 2015) (tailoring information presented to a user based on specific conditions); *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362 (Fed. Cir. 2015) (Methods of offer-based price optimization in an e-commerce environment); *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1333 (Fed. Cir. 2015), cert. denied, 136 S. Ct. 2510, 195 L. Ed. 2d 841 (2016) (using organizational and product group hierarchies to determine a price); *Prism Techs. LLC v. T-Mobile USA, Inc.*, No. 2016-2031, 2017 WL 2705338, at *1-2 (Fed. Cir. June 23, 2017) (non-precedential) (providing restricted access to resources.). As discussed above, the claims of the present application are directed to a business practice, which is similarly abstract.

Turning to the second step outlined in *Alice*, we agree with the Examiner that there is no inventive concept defined by an element or combination of elements in claim 1, which is significantly more than the abstract idea. The method as claimed is an application of well-known business management concept in a known computing environment. With regard to implementing said method on a computer, as claimed, "the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention." *Alice*, 134 S. Ct. at 2358. Appellant does not persuasively explain why the claimed invention is dissimilar to the claims in *SmartGene*. The claims in *SmartGene* involved gathering information and applying "expert rules" to generate "advisory information." *SmartGene*, 555 F. App'x at 952. Our reviewing court found the claims patent-ineligible because they did "no more than call on a 'computing

device,' with basic functionality for comparing stored and input data and rules, to do what doctors do routinely." *Id.* at 954. In view of the Specification, Appellant's arguments do not apprise us of error in the rejection because Appellant has not shown how the claimed process amounts to more than comparing stored and input data and applying business rules.[8] *See, e.g.*, Spec. ¶ 4 ("Business Rules may be applied to control how the change of information is accomplished. Business rules generally manage how a given business process is accessed, who collaborates to perform the change, and who approves it and in what order it is approved."); Spec. ¶ 5 ("Business Rules may restrict access to certain users and thereby limit the type of employees who are authorized to purchase a particular computer."); Spec. ¶ 53 ("both or either of operating organization or the functional organizational structures are leveraged to cascade access, collaboration and approval rules down thru the organization thru organizational inheritance properties."); Spec. ¶ 63 ("In a preferred embodiment, the position of Org 0 in the organizational structure is defined in the system by the following rules..."); Spec. ¶ 78 ("Business rules may be set to drive from the functional organization or from the operating organization.").

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[8] *See also, Accenture Global Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1345 (Fed. Cir. 2013) (claims reciting "generalized software components arranged to implement an abstract concept [of generating insurance-policy-related tasks based on rules to be completed upon the occurrence of an event] on a computer" not patent eligible); and *Dealertrack, Inc. v. Huber*, 674 F.3d 1315, 1333 (Fed. Cir. 2012) ("[s]imply adding a 'computer aided' limitation to a claim covering an abstract concept, without more, is insufficient to render [a] claim patent eligible" (internal citation omitted)).

We also find unpersuasive Appellant's argument that controlling the users' access to the business processes amounts to significantly more than the abstract idea because "[t]he claims do not attempt to preempt every application of this idea and consequently do not risk disproportionately tying up the use of the idea." App. Br. 19. Indeed, the Supreme Court has explained that "the prohibition against patenting abstract ideas cannot be circumvented by attempting to limit the use of [the idea] to a particular technological environment." *Alice*, 134 S. Ct. at 2358. Although the Supreme Court has described "the concern that drives this exclusionary principle [i.e., the exclusion of abstract ideas from patent eligible subject matter] as one of pre-emption" (*id.* at 2354), characterizing preemption as a driving concern for patent eligibility is not the same as characterizing preemption as the sole test for patent eligibility. "The Supreme Court has made clear that the principle of preemption is the basis for the judicial exceptions to patentability" and "[f]or this reason, questions on preemption are inherent in and resolved by the § 101 analysis." *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (citing *Alice*, 134 S. Ct. at 2354). Yet although "preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility." *Id.*; *see also OIP Techs.*, 788 F.3d at 1362–63 ("[T]hat the claims do not preempt all price optimization or may be limited to price optimization in the e-commerce setting do not make them any less abstract.").

Finally, Appellant argues the Examiner's assertion that the claims lack an inventive concept is "contradicted by the Examiner's withdrawal of the previous rejections under 35 U.S.C. § 102." App. Br. 20. Appellant's

argument does not persuade us of Examiner error. Although the second step in the *Alice* analysis includes a search for an inventive concept, the analysis is not an evaluation of novelty or nonobviousness, but rather, a search for "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.'" *Alice*, 134 S. Ct. at 2355 (quoting *Mayo*, 132 S. Ct. at 1294). A novel and nonobvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 132 S. Ct. at 1304. Further, "under the *Mayo/Alice* framework, a claim directed to a newly discovered law of nature (or natural phenomenon or abstract idea) cannot rely on the novelty of that discovery for the inventive concept necessary for patent eligibility." *Genetic Techs. Ltd. v. Merial L.L.C.*, 818 F.3d 1369, 1376 (Fed. Cir. 2016).

Accordingly, we sustain the rejection of independent claim 1 as being directed to patent ineligible subject matter, including claims 2–16, 18, and 19 which fall with claim 1.

DECISION

For the foregoing reasons, we affirm the decision of the Examiner to reject claims 1–16, 18, and 19 under 35 U.S.C. § 101.

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).

AFFIRMED