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In re Application of  
Steven M. HOFFBERG  
Application No. 12/837,504  
Filed: July 16, 2010  
Attorney Docket No.:SMH 203.3 -P/5793-4  
For: SYSTEM AND METHOD

ON PETITION

This is a decision on the petitions filed February 3, 2017 and February 21, 2017 February 21, 2017, which are being treated as a petition under 37 CFR 1.181(a)(3) requesting that the Director exercise her supervisory authority and overturn the decision of December 20, 2016 by the Director of Technology Center 3600 (Technology Center Director), which decision refused petitioner's request to designate the examiner's answer of June 16, 2016 as containing a new ground of rejection and reopen prosecution in above-identified application.

The petition to designate the examiner's answer of June 16, 2016 as containing a new ground of rejection and reopen prosecution in the above-identified application is **DENIED**.

**RELEVANT BACKGROUND**

The above-identified application was filed on July 16, 2010.

A non-final Office action was mailed on June 21, 2012. The non-final Office action of June 21, 2012 included, *inter alia*: (1) a rejection of claims 1 through 10 under 35 U.S.C. § 112, ¶ 2,<sup>1</sup> for failure to comply with its definiteness requirement; (2) a rejection of claims 1 through 10, and 18

<sup>1</sup> Section 4 of the Leahy-Smith America Invents Act (AIA) designated 35 U.S.C. § 112, ¶¶ 1 through 6, as 35 U.S.C. §§ 112(a) through (f), effective as to applications filed on or after September 16, 2012. See Pub. L. No. 112-29, § 4, 125 Stat. 284, 293-97 (2011). Since the above-identified application was filed before September 16, 2012, this decision refers to the pre-AIA version of 35 U.S.C. § 112.

through 20 under 35 U.S.C. § 101 as being directed to non-statutory subject matter; (3) a rejection of claims 1 through 9, 11 through 16 and 18 under 35 U.S.C. § 103 as unpatentable over Rowe et al. (U.S. Patent Application Publication No. 2002/0187834) and Sidley (U.S. Patent No. 4,926,327); (4) a rejection of claims 10 and 17 under 35 U.S.C. § 103 as unpatentable over Rowe et al., Sidley, and Goldberg et al. (U.S. Patent Application Publication No. 2003/0060247); and (5) a rejection of claims 19 and 20 under 35 U.S.C. § 103 as unpatentable over Rowe et al., Sidley, and Guler et al. (U.S. Patent Application Publication No. 2004/0083154).

A reply under 37 CFR 1.111 to the Office action of June 21, 2012 was filed on September 21, 2012.

A final Office action was mailed on November 21, 2013. The final Office action of November 21, 2013 included, *inter alia*: (1) a rejection of claims 1 through 4, 6 through 10, and 18 through 20 under 35 U.S.C. § 101 as being directed to non-statutory subject matter; (2) a rejection of claims 1 through 20 under 35 U.S.C. § 112, ¶ 1, for failure to comply with its written description requirement; (3) a rejection of claims 1 through 9, 11 through 16 and 18 under 35 U.S.C. § 103 as unpatentable over Rowe et al. and Sidley; (4) a rejection of claims 10 and 17 under 35 U.S.C. § 103 as unpatentable over Rowe et al., Sidley, and Goldberg et al.; and (5) a rejection of claims 19 and 20 under 35 U.S.C. § 103 as unpatentable over Rowe et al., Sidley, and Guler et al.

A reply under 37 CFR 1.116 (after final reply) was filed on January 21, 2014. Petitioner was notified that the amendment submitted with the reply of January 21, 2014 would not be entered in an advisory action mailed on February 3, 2014.

A reply under 37 CFR 1.116 was filed on February 21, 2014. Petitioner was notified that the reply of February 21, 2014 did not place the application in condition for allowance in an advisory action mailed on March 12, 2014.

A notice of appeal under 35 U.S.C. § 134 and 37 CFR 41.31 was filed on March 18, 2014. An appeal brief under 37 CFR 41.37 was filed on May 20, 2014.

An examiner's answer was mailed on December 19, 2014. The examiner's answer of December 19, 2014 set out the following rejections: (1) a rejection of claims 1 through 20 under 35 U.S.C. § 101 as being directed to non-statutory subject matter; (2) a rejection of claims 1 through 20 under 35 U.S.C. § 112, ¶ 1, for failure to comply with its written description requirement; (3) a rejection of claims 1 through 9, 11 through 16 and 18 under 35 U.S.C. § 103 as unpatentable over Rowe et al. and Sidley; (4) a rejection of claims 10 and 17 under 35 U.S.C. § 103 as unpatentable over Rowe et al., Sidley, and Goldberg et al.; and (5) a rejection of claims 19 and 20 under 35 U.S.C. § 103 as unpatentable over Rowe et al., Sidley, and Guler et al. The examiner's answer of December 19, 2014 indicated that it contained a new ground of rejection and gave petitioner the option of: (1) filing a reply in compliance with 37 CFR 1.111 to request

that prosecution be reopened; or (2) filing a reply brief that addresses each new ground of rejection in compliance with 37 CFR 41.37(c)(1)(iv) to maintain the appeal.

Petitioner elected to continue prosecution before the examiner and submitted a reply under 37 CFR 1.111 on February 17, 2015.

A final Office action was mailed on June 16, 2015. The final Office action of June 16, 2015 included, *inter alia*: (1) a rejection of claims 1 through 20 under 35 U.S.C. § 101 as being directed to non-statutory subject matter; (2) a rejection of claims 1 through 20 under 35 U.S.C. § 112, ¶ 1, for failure to comply with its written description requirement; (3) a rejection of claims 1 through 9, 11 through 16 and 18 under 35 U.S.C. § 103 as unpatentable over Rowe et al. and Sidley; (4) a rejection of claims 10 and 17 under 35 U.S.C. § 103 as unpatentable over Rowe et al., Sidley, and Goldberg et al.; and (5) a rejection of claims 19 and 20 under 35 U.S.C. § 103 as unpatentable over Rowe et al., Sidley, and Guler et al.

A reply under 37 CFR 1.116 was filed on August 17, 2015. Petitioner was notified that the amendment submitted with the reply of August 17, 2015 would not be entered in an advisory action mailed on September 9, 2015.

A reply under 37 CFR 1.116 was filed on September 11, 2015. Petitioner was notified that the reply of September 11, 2015 did not place the application in condition for allowance in an advisory action mailed on September 24, 2015.

A notice of appeal under 35 U.S.C. § 134 and 37 CFR 41.31 was filed on September 16, 2015. An appeal brief under 37 CFR 41.37 was filed on December 7, 2015.

An examiner's answer was mailed on June 16, 2016. The examiner's answer of June 16, 2016 set out the following rejections: (1) a rejection of claims 1 through 20 under 35 U.S.C. § 101 as being directed to non-statutory subject matter; (2) a rejection of claims 1 through 20 under 35 U.S.C. § 112, ¶ 1, for failure to comply with its written description requirement; (3) a rejection of claims 1 through 9, 11 through 16 and 18 under 35 U.S.C. § 103 as unpatentable over Rowe et al. and Sidley; (4) a rejection of claims 10 and 17 under 35 U.S.C. § 103 as unpatentable over Rowe et al., Sidley, and Goldberg et al.; and (5) a rejection of claims 19 and 20 under 35 U.S.C. § 103 as unpatentable over Rowe et al., Sidley, and Guler et al.

A petition under 37 CFR 1.181 was filed on August 9, 2016, requesting that the rejection under 35 U.S.C. § 101 in the examiner's answer of June 16, 2016 be designated as a new ground of rejection. The petition of August 9, 2016 was dismissed by the Technology Center Director in a decision mailed on December 20, 2016.

A renewed petition was filed on February 3, 2017, again requesting that the rejection in the examiner's answer of June 16, 2016 be designated as a new ground of rejection. The instant

petition was filed on February 21, 2017, and also requests that the rejection in the examiner's answer of June 16, 2016 be designated as a new ground of rejection.

### **STATUTE AND REGULATION**

35 U.S.C. § 132(a) provides that:

Whenever, on examination, any claim for a patent is rejected, or any objection or requirement made, the Director shall notify the applicant thereof, stating the reasons for such rejection, or objection or requirement, together with such information and references as may be useful in judging of the propriety of continuing prosecution of his application; and if after receiving such notice, the applicant persists in his claim for a patent, with or without amendment, the application shall be reexamined. No amendment shall introduce new matter into the disclosure of the invention.

35 U.S.C. § 134 provides that:

(a) PATENT APPLICANT — An applicant for a patent, any of whose claims has been twice rejected, may appeal from the decision of the primary examiner to the Patent Trial and Appeal Board, having once paid the fee for such appeal.

(b) PATENT OWNER — A patent owner in a reexamination may appeal from the final rejection of any claim by the primary examiner to the Patent Trial and Appeal Board, having once paid the fee for such appeal.

37 CFR 1.181(a) provides that:

Petition may be taken to the Director:

(1) From any action or requirement of any examiner in the *ex parte* prosecution of an application, or in *ex parte* or *inter partes* prosecution of a reexamination proceeding which is not subject to appeal to the Patent Trial and Appeal Board or to the court;

(2) In cases in which a statute or the rules specify that the matter is to be determined directly by or reviewed by the Director; and

(3) To invoke the supervisory authority of the Director in appropriate circumstances. For petitions involving action of the Patent Trial and Appeal Board, see § 41.3 of this title.

37 CFR 41.31 provides that:

(a) Who may appeal and how to file an appeal. An appeal is taken to the Board by filing a notice of appeal.

(1) Every applicant, any of whose claims has been twice rejected, may appeal from the decision of the examiner to the Board by filing a notice of appeal accompanied by the fee set forth in § 41.02(b)(1) within the time period provided under § 1.134 of this title for reply.

(2) Every owner of a patent under ex parte reexamination filed under § 1.510 of this title before November 29, 1999, any of whose claims has been twice rejected, may appeal from the decision of the examiner to the Board by filing a notice of appeal accompanied by the fee set forth in § 41.20(b)(1) within the time period provided under § 1.134 of this title for reply.

(3) Every owner of a patent under ex parte reexamination filed under § 1.510 of this title on or after November 29, 1999, any of whose claims has been finally (§ 1.113 of this title) rejected, may appeal from the decision of the examiner to the Board by filing a notice of appeal accompanied by the fee set forth in § 41.20(b)(1) within the time period provided under § 1.134 of this title for reply.

(b) The signature requirements of §§ 1.33 and 1.18(a) of this title do not apply to a notice of appeal filed under this section.

(c) An appeal, when taken, is presumed to be taken from the rejection of all claims under rejection unless cancelled by an amendment filed by the applicant and entered by the Office. Questions relating to matters not affecting the merits of the invention may be required to be settled before an appeal can be considered.

(d) The time periods set forth in paragraphs (a)(1) through (a)(3) of this section are extendable under the provisions of § 1.136 of this title for patent applications and § 1.550(c) of this title for ex parte reexamination proceedings.

37 CFR 41.39 provides that:

(a) *Content of examiner's answer.* The primary examiner may, within such time as may be directed by the Director, furnish a written answer to the appeal brief.

(1) An examiner's answer is deemed to incorporate all of the grounds of rejection set forth in the Office action from which the appeal is taken (as modified by any advisory action and pre-appeal brief conference decision), unless the examiner's answer expressly indicates that a ground of rejection has been withdrawn.

(2) An examiner's answer may include a new ground of rejection. For purposes of the examiner's answer, any rejection that relies upon any Evidence not relied upon in the Office action from which the appeal is taken (as modified by any advisory action) shall be designated by the primary examiner as a new ground of rejection. The examiner must obtain the approval of the Director to furnish an answer that includes a new ground of rejection.

(b) *Appellant's response to new ground of rejection.* If an examiner's answer contains a rejection designated as a new ground of rejection, appellant must within two months from the date of the examiner's answer exercise one of the following two options to avoid sua sponte dismissal of the appeal as to the claims subject to the new ground of rejection:

(1) *Reopen prosecution.* Request that prosecution be reopened before the primary examiner by filing a reply under § 1.111 of this title with or without amendment or submission of affidavits (§§ 1.130, 1.131, or 1.132 of this title) or other Evidence. Any amendment or submission of affidavits or other Evidence must be relevant to the new ground of rejection. A request that complies with this paragraph will be entered and the application or the patent under ex parte reexamination will be reconsidered by the examiner under the provisions of § 1.112 of this title. Any request that prosecution be reopened under this paragraph will be treated as a request to withdraw the appeal.

(2) *Maintain appeal.* Request that the appeal be maintained by filing a reply brief as set forth in § 41.41. Such a reply brief must address as set forth in § 41.37(c)(1)(iv) each new ground of rejection and should follow the other requirements of a brief as set forth in § 41.37(c). A reply brief may not be accompanied by any amendment, affidavit (§§ 1.130, 1.131, or 1.132 of this title) or other Evidence. If a reply brief filed pursuant to this section is accompanied by any amendment, affidavit or other Evidence, it shall be treated as a request that prosecution be reopened before the primary examiner under paragraph (b)(1) of this section.

(c) *Extensions of time.* Extensions of time under § 1.136(a) of this title for patent applications are not applicable to the time period set forth in this section. See § 1.136(b) of this title for extensions of time to reply for patent applications and § 1.550(c) of this title for extensions of time to reply for ex parte reexamination proceedings.

37 CFR 41.40 provides that:

(a) *Timing.* Any request to seek review of the primary examiner's failure to designate a rejection as a new ground of rejection in an examiner's answer must be by way of a petition to the Director under § 1.181 of this title filed within two months from the entry of the examiner's answer and before the filing of any reply brief. Failure of appellant to timely file such a petition will constitute a waiver of any arguments that a rejection must be designated as a new ground of rejection.

(b) *Petition granted and prosecution reopened.* A decision granting a petition under § 1.181 to designate a new ground of rejection in an examiner's answer will provide a two-month time period in which appellant must file a reply under § 1.111 of this title to reopen the prosecution before the primary examiner. On failure to timely file a reply under § 1.111, the appeal will stand dismissed.

(c) *Petition not granted and appeal maintained.* A decision refusing to grant a petition under § 1.181 of this title to designate a new ground of rejection in an examiner's answer will provide a two-month time period in which appellant may file only a single reply brief under § 41.41.

(d) *Withdrawal of petition and appeal maintained.* If a reply brief under § 41.41 is filed within two months from the date of the examiner's answer and on or after the filing of a petition under § 1.181 to designate a new ground of rejection in an examiner's answer, but before a decision on the petition, the reply brief will be treated as a request to withdraw the petition and to maintain the appeal.

(e) *Extensions of time.* Extensions of time under § 1.136(a) of this title for patent applications are not applicable to the time period set forth in this section. See § 1.136(b) of this title for extensions of time to reply for patent applications and § 1.550(c) of this title for extensions of time to reply for ex parte reexamination proceedings.

### OPINION

Petitioner asserts that the examiner failed to comply with the Manual of Patent Examining Procedure (MPEP) and examination guidance in formulating the rejection under 35 U.S.C. § 101 in the final Office action of June 16, 2015, and thus argues that the final Office action of June 16, 2015 fails to state a *prima facie* case of unpatentability under 35 U.S.C. § 101. Petitioner further argues that the rejection under 35 U.S.C. § 101 as explained in the examiner's answer of June 16, 2016 represents a new ground of rejection and thus should have been designated as a new ground of rejection. Petitioner requests, *inter alia*, that the examiner's answer of June 16, 2016 be designated as including a new ground of rejection and prosecution be reopened such that petitioner may be permitted to reply as provided in 37 CFR 41.39(b).

#### ***With respect to petitioner's arguments concerning the rejections in the final Office action of June 16, 2015:***

With respect to petitioner's *prima facie* case requirement arguments (and cases cited in support of those arguments): review of the propriety of a rejection *per se* (and its underlying reasoning) is by way of an appeal as provided by 35 U.S.C. § 134 and 37 CFR 41.31, and not by way of petition under 37 CFR 1.181, even if a petitioner frames the issues as concerning procedure versus the merits. See *Boundy v. U.S. Patent & Trademark Office*, 73 USPQ2d 1468, 1472 (E.D. Va. 2004). As stated by the Court of Customs and Patent Appeals (a predecessor of the U.S. Court of Appeals for the Federal Circuit), the adverse decisions of examiners which are reviewable by the Board are those which relate, at least indirectly, to matters involving the rejection of claims. See *In re Hengehold*, 440 F.2d 1395, 1404 (CCPA 1971). That an applicant casts the argument as directed to the *prima facie* case requirement (rather than the merits of the rejection) does not untether the review of the *prima facie* case from the review of the merits of the rejection. See *In re Jung*, 637 F.3d 1356, 1363 (Fed. Cir. 2011) (applicant's procedural

arguments concerning the *prima facie* case requirement are the same arguments that would have been made on the merits). An applicant dissatisfied with an examiner's decision in the second or subsequent rejection may appeal to the Patent Trial and Appeal Board. *See* 37 CFR 41.31(a)(1). It is well settled that the Director will not, on petition, usurp the functions or impinge upon the jurisdiction of the Patent Trial and Appeal Board. *See In re Dickerson*, 299 F.2d 954, 958 (CCPA 1962) (The Board will not ordinarily hear a question that should be decided by the Director on petition, and the Director will not ordinarily entertain a petition where the question presented is a matter appealable to the Board). *See also* MPEP § 1201.

With respect to petitioner's arguments concerning the examiner's (alleged) failure to comply with the MPEP and examination guidance in formulating the rejection under 35 U.S.C. § 101 in the final Office action of June 16, 2015, the USPTO's patent subject matter eligibility examination guidance (Interim Eligibility Guidance)—

sets out the Office's interpretation of the subject matter eligibility requirements of 35 U.S.C. 101 in view of recent decisions by the Supreme Court and the U.S. Court of Appeals for the Federal Circuit (Federal Circuit), and advises the public and Office personnel on how these court decisions impact the provisions of MPEP 2105, 2106 and 2106.01 [and] has been developed as a matter of internal Office management and is not intended to create any right or benefit, substantive or procedural, enforceable by any party against the Office. Rejections will continue to be based upon the substantive law, and it is these rejections that are appealable. Failure of Office personnel to follow this Interim Eligibility Guidance is not, in itself, a proper basis for either an appeal or a petition.

*See 2014 Interim Guidance on Patent Subject Matter Eligibility*, 79 Fed. Reg. 74618, 74618 (Dec. 16, 2014); *see also May 2016 Subject Matter Eligibility Update*, 81 Fed. Reg. 27381, 27382 (May 6, 2016) (“[f]ailure of [USPTO] personnel to follow the USPTO's guidance materials is not, in itself, a proper basis for either an appeal or a petition”), and *Examination Guidelines for Computer-Related Inventions*, 61 Fed. Reg. 7478, 7479 (Feb. 28, 1996) (same). Accordingly, a petition under 37 CFR 1.181 is not the appropriate forum for this disagreement between an applicant and the examiner.<sup>2</sup>

Petitioner asserts that an examiner's failure to follow established examination guidance in formulating a rejection of a claim or claims is an abuse of discretion and arbitrary and capricious. The phrases “abuse of discretion” and “arbitrary and capricious” refer to standards of review. Characterizing a rejection as “an abuse of discretion” or as “arbitrary and capricious” (rather than as merely “in error”) does not transform a rejection of the claims from an appealable matter to a petitionable matter. Nevertheless, should petitioner proceed with the above-identified application to the Board, the rejections in the above-identified application will be reviewed under

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<sup>2</sup> An applicant may, of course, raise the issue of an examiner's failure to follow guidance with the examiner's supervisor (or Technology Center Director).

a less deferential standard than either the “abuse of discretion” or the “arbitrary and capricious” standard of review. *See Jung*, 637 F.3d at 1365 (while an appellant must identify to the Board what the examiner did wrong, the Board reviews the examiner *de novo*).

To the extent that petitioner is raising the issue of compliance of the rejection of claims 1 through 20 under 35 U.S.C. § 101 as being directed to non-statutory subject matter with the notice requirement of 35 U.S.C. § 132(a): that section “merely ensures that an applicant “at least be informed of the broad statutory basis for [the rejection of] his claims, so that he may determine what the issues are on which he can or should produce evidence,” and “is violated when a rejection is so uninformative that it prevents the applicant from recognizing and seeking to counter the grounds for rejection. *See Chester v. Miller*, 906 F.2d 1574, 1578 (1990) (citations omitted). The final Office action of June 16, 2015 is sufficiently informative as to place petitioners on notice of the basis for the rejection of claims 1 through 20 under 35 U.S.C. § 101 as being directed to non-statutory subject matter in that final Office action as to allow petitioner to recognize and counter the rejection(s). In any event, to the extent that petitioner is requesting administrative review under 37 CFR 1.181 of this aspect of the final Office action of June 16, 2015, such request is no longer timely. *See* 37 CFR 1.181(f) (petitions not filed within two months of the mailing date of the action or notice from which relief is requested may be dismissed as untimely).

Petitioner also provides arguments based upon the Appointments Clause (U.S. CONST. art. II, § 2, cl. 2). An examiner’s (alleged) failure to follow established examination procedures or guidance does not amount to an examiner engaging in USPTO policy making or engaging in the exercise of significant discretion or authority. Primary examiners do not exercise the authority of a principal or inferior officer. Specifically, primary examiners do not engage in USPTO policy making or in the exercise of significant discretion or authority, do not take testimony, conduct trials, or rule on the admissibility of evidence (other than timeliness), and do not have the power to enforce compliance with discovery orders. In addition, the adverse decisions of primary examiners are not final USPTO decisions (the Board’s decisions are the final USPTO decisions), and a primary examiner’s factual findings and legal conclusions are subject to *de novo* review by the Board. *See Jung*, 637 F.3d at 1365 (while an appellant must identify to the Board what the examiner did wrong, the Board reviews the examiner *de novo*).

***With respect to petitioner’s arguments that the examiner’s answer of June 16, 2016 contains a new ground of rejection:***

With respect to petitioner’s argument that the final Office action of June 16, 2015 does not state a *prima facie* case of unpatentability under 35 U.S.C. § 101: the question is not whether the final Office action of June 16, 2015 states a *prima facie* case of unpatentability under 35 U.S.C. § 101, but is whether the basic thrust of the rejection under 35 U.S.C. § 101 has remained the same from the final Office action of June 16, 2015 to the examiner’s answer of June 16, 2016, such that petitioner has been given an opportunity to react to the thrust of the rejection. *See, e.g., In re Adler*, 723 F.3d 1322, 1327 (Fed. Cir. 2013), and *In re Kronig*, 539 F.2d 1300, 1303 (CCPA

1976). A new ground of rejection may be present when a rejection relies upon new facts or a new rationale not previously raised to the applicant. *See In re Biedermann*, 733 F.3d 329, 337 (Fed. Cir. 2013) (quoting *In re Leithem*, 661 F.3d 1316, 1319 (Fed. Cir. 2011)). The prior rejection, however, need not be repeated *in haec verba* to avoid being considered a new ground of rejection. *See id.* In addition, further explaining and elaboration upon a rejection, and thoroughness in responding to an applicant's arguments, are not considered a new ground of rejection. *See Jung*, 637 F.3d at 1364-65. MPEP § 1207.03 specifically provides that—

A position or rationale that changes the "basic thrust of the rejection" will also give rise to a new ground of rejection. *In re Kronig*, 539 F.2d 1300, 1303 (CCPA 1976). However, the examiner need not use identical language in both the examiner's answer and the Office action from which the appeal is taken to avoid triggering a new ground of rejection. It is not a new ground of rejection, for example, if the examiner's answer responds to appellant's arguments using different language, or restates the reasoning of the rejection in a different way, so long as the "basic thrust of the rejection" is the same. *In re Kronig*, 539 F.2d at 1303; see also *In re Jung*, 637 F.3d 1356, 1364–65 (Fed. Cir. 2001) (additional explanation responding to arguments offered for the first time "did not change the rejection" and appellant had fair opportunity to respond); *In re Noznick*, 391 F.2d 946, 949 (CCPA 1968) (no new ground of rejection made when "explaining to appellants why their arguments were ineffective to overcome the rejection made by the examiner" ); *In re Krammes*, 314 F.2d 813, 817 (CCPA 1963) ( "It is well established that mere difference in form of expression of the reasons for finding claims unpatentable or unobvious over the references does not amount to reliance on a different ground of rejection." (citations omitted)); *In re Cowles*, 156 F.2d 551, 1241 (CCPA 1946) (holding that the use of "different language" does not necessarily trigger a new ground of rejection).

*See* MPEP § 1207.03(III).

The basic thrust of the examiner's position in rejecting claims 1 through 20 under 35 U.S.C. § 101 has remained the same from the final Office action of June 16, 2015 to the examiner's answer of June 16, 2016. The legal basis for the rejection of claims 1 through 20 in both the final Office action of June 16, 2015 and the examiner's answer of June 16, 2016 is the subject matter eligibility requirement of 35 U.S.C. § 101. The rationale for the rejection of claims 1 through 20 in both the final Office action of June 16, 2015 and the examiner's answer of June 16, 2016 tracks the *Mayo-Alice*<sup>3</sup> two-step framework. *See, e.g., In re Smith*, 815 F.3d 816, 818 (Fed. Cir. 2016) (to determine whether an invention claims ineligible subject matter, one applies "the now-familiar two-step test introduced in *Mayo*, and further explained in *Alice*") (citations omitted). As to the first step, both the final Office action of June 16, 2015 and the examiner's

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<sup>3</sup> *Mayo v. Prometheus*, 566 U.S. \_\_\_\_ (2012), and *Alice Corp. v. CLS Bank Int'l*, 573 U.S. \_\_\_\_ (2014).

answer of June 16, 2016 take the position that claims 1 through 20 are directed to an abstract idea. *See id* (“First, we determine whether the claims at issue are directed to a patent-ineligible concept such as an abstract idea.”).<sup>4</sup> As to the second step, both the final Office action of June 16, 2015 and the examiner’s answer of June 16, 2016 take the position that the additional elements recited in claims 1 through 20 are generic computer components performing generic computer functions, which considered alone and in combination, do not amount to an inventive concept. *See id* (“Second, we ‘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.’”) (quoting *Alice* and *Mayo*).<sup>5</sup> Therefore, the basic thrust of the examiner’s position in rejecting claims 1 through 20 under 35 U.S.C. § 101 has remained the same from the final Office action of June 16, 2015 to the examiner’s answer of June 16, 2016, and petitioner has been given an opportunity to react to the thrust of the rejection of claims 1 through 20 under 35 U.S.C. § 101.

While both the final Office action of June 16, 2015 and the examiner’s answer of June 16, 2016 take the position that claims 1 through 20 are directed to an abstract idea, the final Office action of June 16, 2015 takes the position that claims 1 through 20 are directed to a fundamental economic practice, where the examiner’s answer of June 16, 2016 takes the position that claims 1 through 20 are directed to an idea of itself and mathematical relationships/functions. Nevertheless, these descriptors (fundamental economic practice, method of organizing human activity, an idea of itself, mathematical relationships/functions) are simply categorizations extracted from the case law for purposes of providing guidance to examiners. They do not represent officially recognized categorization of types of abstract ideas into which each particular abstract idea must fall, and these categorizations are not mutually exclusive. *See 2014 Interim Guidance on Patent Subject Matter Eligibility*, 79 Fed. Reg. at 74622 (there are no bright lines between the types of judicial descriptors).

The circumstances of the above-identified application are not comparable to the circumstances in which a new ground of rejection was found. *See, e.g., In re Imes*, 778 F.3d 1250 (Fed. Cir. 2015) (changing the rationale as to how the prior art reference meets a claim element); *Biedermann* (changing factual basis for combining references); *Rambus Inc. v. Rea*, 731 F.3d 1248 (Fed. Cir. 2013) (changing factual basis for combining references), *In re Leithem*, 661 F.3d 1316 (Fed. Cir. 2011) (changing the rationale as to how the prior art reference meets a claim element); *In re Stepan Co.*, 660 F.3d 1341 (Fed. Cir. 2011) (changing the treatment of an applicant-submitted affidavit or declaration); *In re Kumar*, 418 F.3d 1361 (Fed. Cir. 2005) (providing new calculations to demonstrate that the prior art reference falls within or overlaps with the claimed range); *In re De Blauwe*, 736 F.2d 699 (Fed. Cir. 1984) (changing the treatment of applicant’s contentions of unexpected results); *In re Waymouth*, 486 F.2d 1058 (CCPA 1973) (changing aspect of a claim element relied upon for position that application did not provide written description support under 35 U.S.C. § 112, ¶ 1; *In re Eynde*, 480 F.2d 1364 (CCPA 1973)

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<sup>4</sup> *See* final Office action of June 16, 2015 at pages 2-3.

<sup>5</sup> *See* final Office action of June 16, 2015 at page 3.

(changing factual basis for the position that application did not provide enablement under former 35 U.S.C. § 112, ¶ 1); *In re Echerd*, 471 F.2d 632 (CCPA 1973) (changing portion of a reference relied upon to meet claim limitations); *In re Wiechert*, 370 F.2d 927 (CCPA 1967) (changing portion of a reference relied upon to meet claim limitations); and *In re Hughes*, 345 F.2d 184 (CCPA 1965) (changing the statutory basis of the rejection). In addition, the above-identified application does not involve a situation in which the issue of compliance with 35 U.S.C. § 101 or 112 is being raised for the first time on appeal. *Cf. In re Aoyama*, 656 F.3d 1293 (Fed. Cir. 2011); and *In re Comisky*, 554 F.3d 967 (Fed. Cir. 2009).

Petitioner argues that case law citations represent evidence in formulating a rejection under 35 U.S.C. § 101, and thus the citation to additional case law in an examiner's answer in support of a rejection under 35 U.S.C. § 101 amounts to a new ground of rejection in the examiner's answer. Petitioner, however, cites no authority for the proposition that: (1) case law citations represent evidence in formulating a rejection under 35 U.S.C. § 101; or (2) citation to additional case law in an examiner's answer in support of a rejection under 35 U.S.C. § 101 amounts to a new ground of rejection in the examiner's answer. Case law is jurisprudence established by judicial decisions (as opposed to statutory law). Evidence is something offered to prove or disprove a factual matter in question. *See* 37 CFR 41.30 (evidence means "something (including testimony) that tends to prove or disprove the existence of an alleged fact"). The intensification of the case law exchange between the examiner and an applicant as an application proceeds to appeal is commonplace in the patent examination process, and the citation of additional case law by an examiner does not amount to a new ground of rejection unless it changes the basic thrust of the rejection.<sup>6</sup>

Petitioner argues that the citation of additional cases in the examiner's answer deprives the applicant of an opportunity to address: (1) whether the examiner's characterization of the claim element is accurate; (2) whether petitioner's claims are analogous to the claims of the cited cases; (3) whether the holdings of the cited cases are accurately portrayed by the examiner; (4) whether the cited cases are still good law, and (5) what was actually common in the relevant art to be considered longstanding practices. The accuracy of the examiner's characterization of the claim element, whether petitioner's claims are analogous to the claims of the cited cases, the accuracy of the holdings of the cited cases as portrayed by the examiner, and whether the cited cases are still good law do not go to the underlying factual basis or rationale for the rejection under 35 U.S.C. § 101, and petitioner is free to address these issues in a reply brief under 37 CFR 41.41. With respect to what was actually common in the relevant art to be considered longstanding practices, the examiner's position that the additional elements recited in claims 1 through 20 are generic computer components performing generic computer functions,

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<sup>6</sup> This cuts both ways: the *ex parte* appeal rules restrict the submission of new evidence after an appeal is taken (37 CFR 41.33), but such restriction does not apply to the citation of case law in an appeal brief under 37 CFR 41.37 and a reply brief under 37 CFR 41.41, since case law is simply not evidence.

which considered alone and in combination, do not amount to an inventive concept, is unchanged from the final Office action of June 16, 2015.

Petitioner alternatively requests that portions of the examiner's answer be stricken. An examiner's answer either contains a new ground of rejection or does not contain a new ground of rejection. An examiner is permitted to explain and elaborate on the rejection, and is expected to respond to the arguments in the appeal brief, in the examiner's answer. *See Jung*, 637 F.3d at 1364-65 (further explaining and elaboration upon a rejection, and thoroughness in responding to an applicant's arguments, are not considered a new ground of rejection). Therefore, striking a portion of an examiner's answer that does not contain a new ground of rejection would not be appropriate.

### DECISION

For the previously stated reasons, the petitions filed February 3, 2017 and February 21, 2017 are granted to the extent that the Technology Center Director decision of December 20, 2016 has been reviewed, but the petitions are **DENIED** with respect to designating the examiner's answer of June 16, 2016 as containing a new ground of rejection (or otherwise disturbing the examiner's answer of June 16, 2016) and reopening of prosecution in above-identified application. Accordingly, neither the Technology Center Director decision of December 20, 2016 nor the examiner's answer of June 16, 2016 will be disturbed.

This constitutes a final decision on the petitions. No further requests for reconsideration will be entertained. Judicial review of this decision may be available upon entry of a final agency action adverse to the petitioner in the instant application (e.g., a final decision by the Patent Trial and Appeal Board). *See* MPEP § 1002.02.

Petitioner is reminded that the appeal forwarding fee (37 CFR 41.20(b)(4)) must be paid within **two (2) months** from the mailing date of this decision in order to avoid dismissal of the appeal. *See* 37 CFR 41.45. Extensions of time under 37 CFR 1.136(a) are not applicable to this time period. *See* 37 CFR 41.45(c).

Petitioner is also reminded that a reply brief may be filed within **two (2) months** from the mailing date of this decision. *See* 37 CFR 41.41(a). Extensions of time under 37 CFR 1.136(a) are not applicable to this time period. *See* 37 CFR 41.41(c).

Telephone inquiries concerning this decision should be directed to Ramesh Krishnamurthy at (571) 272-4914.

A handwritten signature in black ink, appearing to read 'R. W. Bahr', written in a cursive style.

Robert W. Bahr  
Deputy Commissioner for  
Patent Examination Policy