

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

IN RE JOHN NICHOLAS GROSS

2014-1474
Serial No. 10/770,767

Appeal from the United States Patent and Trademark Office,
Patent Trial and Appeal Board.

**BRIEF FOR APPELLEE – DIRECTOR OF THE
UNITED STATES PATENT AND TRADEMARK OFFICE**

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Representative Claim 1

1. A method of monitoring a queue maintained by a content provider for a subscriber, the method comprising the steps of:
 - (a) setting up a subscriber rental queue for the subscriber on a computing system, said subscriber rental queue consisting of a list of one or more playable media items desired by the subscriber;
 - (b) setting up queue monitoring control rules on said computing system for the subscriber rental queue; and
 - (c) automatically monitoring said subscriber rental queue with said computing system in accordance with said queue monitoring control rules to determine if a change should be made to a composition and/or ordering of said list;
 - (d) based on the results of step (c) performing a step with the computing system of: 1) automatically selecting a first proposed playable media item to be added to the subscriber rental queue; and/or 2) automatically selecting a second proposed playable media item to be removed from the subscriber rental queue;

wherein the computing system supports both steps (d)(1) and d(2);
further wherein at least for step (d)(2) said monitoring compares content of playable media items previously selected by the subscriber with content of playable media items in said subscriber rental queue, including said second proposed playable media item, to determine if said second proposed playable media item should be removed;
 - (e) modifying said subscriber rental queue with the computing system based on an authorization from the subscriber to generate a new ordered list of one or more playable media items in response to the results of steps (c) and (d); wherein at least some playable media items including said second proposed playable media item can be automatically removed by the computing system for the subscriber from said subscriber rental queue in response to said authorization.

A107 (disputed language added during prosecution underlined).

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STATEMENT OF RELATED CASES

The Director is not aware of any other appeal involving the underlying decision in this case that was previously before this or any other appellate court.

The Director is aware of *In re Gross*, Appeal No. 14-1429 currently on appeal before this Court for related applications.

I. STATEMENT OF THE ISSUE

Gross claims a method and system of monitoring a list of playable media items, like DVDs, in a queue maintained by a content provider for a subscriber. During prosecution, Gross amended his representative claim 1 to add that the method compares content of a playable media item selected by the subscriber to content of a second playable media item selected by the system to determine if the second playable media item should be removed from the queue. The Examiner rejected the claim for failing to provide written descriptive support, finding that the specification does not disclose that “an item is actually removed from a queue based on a comparison step as claimed.” In his appeal brief to the Board, Gross did not argue that the specification describes removing items based on the claimed comparison step. Because Gross did not address the Examiner’s rationale for the written description rejection, the Board affirmed the rejection. The primary issue on appeal is whether the Board erred in affirming the written description rejection.

II. STATEMENT OF THE CASE

Appellant, J. Nicholas Gross, filed U.S. Patent Application Serial No. 10/770,767 (“the ’767 application”) directed to a method and system of monitoring a list of playable media items, such as DVDs, located within a queue maintained by a content provider for a subscriber. The Examiner rejected all the claims as lacking written descriptive support and indefinite, and various claims as anticipated

and/or obvious over prior art references. For the written description rejection of claims 1-30, the Examiner found that the specification does not disclose that “an item is actually removed from the queue based on a comparison step as claimed.”

A120; A192. The Board affirmed the rejection because Gross failed to address the Examiner’s rationale for the rejection, but reversed each of the other rejections.

A1-23. Gross appealed the Board’s decision to this Court.

A. The Claimed Invention: A Method and System of Monitoring a List of Playable Media Items, e.g., DVDs, Maintained by a Content Provider

The ’767 application is directed to a method and system of monitoring a list of playable media items, such as DVDs, in a queue that is maintained by a content provider for a subscriber. A38. The specification states that the internet can be used to rent movies, and expressly notes that one popular website is Netflix™, a place “where subscribers can search, review and select movie titles,” then “prioritize them in a desired order for shipment” to a subscriber. *Id.* The specification explains that the Netflix™ system can also make recommendations for titles to a subscriber using well-known algorithms. *Id.*

The specification states that Netflix™ does not perform any active monitoring of selections after recommendations of selections to determine whether a new selection is currently available that may be desirable for consideration in the queue. A40. The specification describes an embodiment in which the system may

“replace” the next item to be shipped if its automatic recommendation finds a more desirable title than what is currently in the queue. A81, Fig. 2 box 250.

Representative claim 1 recites, in relevant part:

1. A method of monitoring a queue maintained by a content provider for a subscriber, the method comprising the steps of:

(c) automatically monitoring said subscriber rental queue with said computing system in accordance with said queue monitoring control rules to determine if a change should be made to a composition and/or ordering of said list;

(d) based on the results of step (c) performing a step with the computing system of: 1) automatically selecting a first proposed playable media item to be added to the subscriber rental queue; and/or 2) automatically selecting a second proposed playable media item to be removed from the subscriber rental queue;

wherein the computing system supports both steps (d)(1) and d(2); further wherein at least for step (d)(2) said monitoring compares content of playable media items previously selected by the subscriber with content of playable media items in said subscriber rental queue, including said second proposed playable media item, to determine if said second proposed playable media item should be removed;

A107 (disputed language added during prosecution underlined).

In Gross’ disclosed method and system, a subscriber initially sets up a queue with a list of movie titles the subscriber would like to receive. A44, ll. 8-28.

During the set up process, the subscriber can also establish monitoring control rules for the items in the queue. A47, ll. 17-32. For example, when the number of movie titles in a rental queue gets low and should be replenished, the subscriber can have the system automatically recommend titles to be placed in the rental

queue based on the subscriber's prior movie ratings or rentals. A51, ll. 10-20.

After the rules are set up, then the rental queue is automatically monitored to determine whether the order of titles should be changed. A51, ll. 30-32; A81, box 250.

In one embodiment, the system compares the subscriber's "selections (which may be identified in a queue with a high priority) against automatically recommended selections (which may be identified with a lower priority but predicted to be more 'desirable' to the subscriber) to see if the latter should 'bump' the former in shipping priority." A49, ll. 15-20. In other words, when it is determined that the system's automatic recommendation feature finds a movie title that the subscriber would prefer over the next one to be shipped, the system inserts that new title into the queue, ahead of the next item to be shipped. A81, Fig. 2, box 250. The system does not remove the previous title entirely from the queue.

In another embodiment, a title is removed from one queue and sent to another queue for some negotiable consideration. A66, ll. 10-17. A subscriber requests a title, and once it is available as a result of at least one subscriber having a copy that he is willing to part with, then the requester can negotiate for it. *Id.*

B. The Prosecution History

The prosecution history of the '767 application includes an amendment in which Gross added language to claim 1 that according to the rejection at issue,

lacks written descriptive support from the specification. Claim 1 as originally filed, in relevant part, recited:

1. A method of monitoring a queue maintained by a content provider for a subscriber, the method comprising the steps of:

(d) automatically selecting a proposed playable media item to be added to the subscriber rental queue, or removed from the subscriber rental queue;

A75. The Examiner rejected the claim in view of prior art that met this limitation, and in response, Gross filed an amendment to claim 1. The amendment added the following language to step (d):

further wherein at least for step (d)(2) said monitoring compares content of playable media items previously selected by the subscriber with content of playable media items in said subscriber rental queue, including said second proposed playable media item, to determine if said second proposed playable media item should be removed;

A107. The Examiner then finally rejected the claim under 35 U.S.C. § 112(a) as failing to comply with the written description requirement. The Examiner reviewed each of the passages of the specification that Gross pointed to as support for the language added to claim 1, but expressly found that the specification does not disclose that “an item is actually removed from the queue based on a comparison step as claimed.” A120 (emphasis added). The Examiner noted that those sections seem to “disclose[] that a title may bump another one as far as shipping order goes but where is there support in the specification as originally filed for the actual removal of the item.” *Id.* The Examiner emphasized the lack of

written descriptive support for “removing” a movie title from a queue “based on a comparison” when he observed that an electronic text search of the specification with the words “compare or comparing or compared to” do not appear in conjunction with the words “remove or removal or removed.” A121. The Examiner thus determined that the newly added language to claim 1 constitutes new matter. A120.

Gross appealed the Examiner’s final rejection to the Board citing additional passages of the specification that he believed provided written descriptive support for the amendment, A168-69, but the Examiner maintained the written description rejection because he found that Gross’ arguments were not persuasive. A192-93; A206-09. Regarding Gross’ argument that the meaning of the term “bump” in the specification at page 14, l. 30 to page 15, l. 3, supports the amendment, the Examiner found that this portion of the specification discloses only that “the new recommended title (which is not actually a removal but an addition to the queue) will bump the ‘next to be shipped item.’” A207. The Examiner explained that this text can mean that “the ‘bumped’ title still remains in the subscribers rental queue, it is just not the next one to be sent out because the newly recommended title is going to be sent out first.” *Id.*

The Examiner disagreed with Gross’ argument that the term “bump” would be understood by those skilled in the art to mean a complete removal from the

subscriber's rental queue because in the airline industry, "[a] passenger 'bumped' from an airplane does not retain a seat – they are in fact removed entirely from such flight." A168; A207. However, the Examiner found that "a passenger can be bumped out of first class and moved into coach class, and in this case the passenger is not removed from the flight." A207.

The Examiner also rejected Gross' argument that while the specification at A49, ll. 15-20, describes a "bump" in terms of shipping priority and not removal of a title, that section was not purporting to define the term. A169; A209. The Examiner found that description of the term "bump" in a scenario where a title is not removed from the queue is "evidence that the term 'bump' does not require that the title be removed from the queue." A209.

Finally, the Examiner found that the embodiment in Fig. 9 relates to finding out the order in which subscribers should receive the desired movie title. A208. The Examiner noted that where two subscribers want the same movie, the embodiment determines which subscriber should receive the movie title first. *Id.* The Examiner explained that when the movie title is not available, it will remain in each subscriber's queue. *Id.* The Examiner concluded that Fig. 9 and its supporting discussion, does not disclose or require removing the title from the queue. *Id.*

C. The Board Decisions

In its decision on appeal, the Board noted that Gross did not respond to the Examiner's rationale for the rejection. The Board stated that Gross argued that the specification provides written descriptive support to show he had possession for the limitation reciting that a "title can be automatically removed from a subscriber rental queue." A10. However, the Board found that the Examiner took the position that the specification fails to provide adequate disclosure for the language: "an item is actually removed from the queue based on a comparison step as claimed." *Id.* (citing A192). The Board concluded that since Gross did not address the Examiner's position, Gross failed to show error in the Examiner's rejection of claim 1 under 35 U.S.C. § 112(a) as failing to comply with the written description requirement. *Id.* Thus, the Board affirmed the rejection.

On rehearing, the Board disagreed that Gross' appeal brief addressed the Examiner's finding that the specification lacks written descriptive support for removing movie titles based on a comparison of the items in the queue. A31. The Board stated that it considered all of the sections Gross relied on to support his arguments, but found that Gross never addressed the Examiner's position. A32.

The Board noted that Gross' appeal brief did not argue that the passage from the specification quoted on page 3 of Gross' Request for Reconsideration provides adequate written description for "removing" an item from the queue "based on a

comparison step as claimed.” A29-30. The Board explained that the portion of the specification in the appeal brief is Gross’ response to the “portion of the specification that the Examiner cited,” not Gross. A30. The Board stated that Gross’ response to the Examiner’s citation was that “in this scenario, the title is not entirely removed.” A30.

Moreover, the Board pointed out that the appeal brief did not make the new argument found on page 3 of the request for reconsideration—that the specification “describes ‘bumping’ of a title based on a comparison” and that “Appellant’s construction of the term ‘bumping’ to include removal is described in depth in the briefs.” A30. Thus, the Board determined that because this argument was advanced for the first time in the request for reconsideration, it could not have been overlooked by the Board in reaching its decision. A32.

III. SUMMARY OF THE ARGUMENT

Gross’ specification lacks adequate written descriptive support for representative claim 1. The Examiner explained that the specification fails to describe that “an item is actually removed from the queue based on a comparison step as claimed.” Instead of addressing this argument, Gross attempted to demonstrate that the specification describes automatically removing items from a queue. However, the specification only describes removing a title after a negotiation between subscribers for a title of interest. The specification does not

describe removing an item based on the claimed comparison step as claimed.

Given Gross' failure to respond to the Examiner's rationale for the rejection, the Board properly affirmed the written description rejection.

Gross devotes much of his brief to arguing that the term "bumping" has a broad connotation giving clarity that many possibilities were encompassed based on a comparison, that the agency improperly isolated the disputed claim limitation, and that Figs. 2 and 4 support removing items based on the claimed comparison step. Because none of these arguments were raised before the Board, they are waived.

IV. ARGUMENT

A. Standard of Review

Gross has the burden of showing that the Board committed reversible error. *In re Watts*, 354 F.3d 1362, 1369 (Fed. Cir. 2004). Whether a claimed invention is supported by an adequate written description is a question of fact. *Ariad Pharm., Inc. v. Eli Lilly and Co.*, 598 F.3d 1336, 1351 (Fed. Cir. 2010) (*en banc*). The Board's findings of fact are reviewed for substantial evidence. *In re Gartside*, 203 F.3d 1305, 1312 (Fed. Cir. 2000). Substantial evidence "means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion." *Consolidated Edison Co. v. NLRB*, 305 U.S. 197, 229 (1938). "If the evidence in record will support several reasonable but contradictory conclusions," this Court

“will not find the Board’s decision unsupported by substantial evidence simply because the Board chose one conclusion over another plausible alternative.” *In re Jolley*, 308 F.3d 1317, 1320 (Fed. Cir. 2002).

B. The Board’s Decision Affirming The Examiner’s Rejection Was Proper In Light of Gross’ Failure To Address The Examiner’s Rationale For The Written Description Rejection

The Board properly affirmed the Examiner’s written description rejection.

Written description is a statutory requirement set forth in 35 U.S.C. § 112. Section 112(a), provides, in relevant part, that:

The specification *shall contain a written description of the invention*, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same . . .

35 U.S.C. § 112(a) (emphasis added). “[T]he test for sufficiency is whether the disclosure of the application relied upon reasonable conveys to those skilled in the art that the inventor had possession of the claimed subject matter as of the filing date.” *Ariad*, 598 F.3d at 1351. “Accordingly, claims added during prosecution must find support sufficient to satisfy § 112 in the written description of the original priority application.” *Novozymes A/S v. Dupont Nutrition Biosciences APS*, 723 F.3d 1336, 1344 (Fed. Cir. 2013). A “mere wish or plan” to obtain the claimed invention is not sufficient. *Regents of the Univ. of Cal. v. Eli Lilly & Co.*, 119 F.3d 1559, 1566 (Fed. Cir. 1997). Likewise, “a description that merely

renders the invention obvious does not satisfy the requirement.” *Ariad*, 598 F.3d at 1352. “[I]f the claimed invention does not appear in the specification . . . the claim . . . fails regardless whether one of skill could make or use the claimed invention.”

Id.

1. The Examiner Expressly Stated that the Specification Fails to Provide Adequate Written Disclosure for “An Item is Actually Removed from the Queue Based on a Comparison Step as Claimed”

Limitation (d) of representative claim 1 as originally filed recited “automatically selecting a proposed playable media item to be added to the subscriber rental queue or removed from the subscriber rental queue.” A75. During prosecution, Gross amended this limitation to add, among other things, that “said monitoring compares content of playable media items previously selected by the subscriber with content of playable media items in said subscriber rental queue, including said second proposed playable media item, to determine if said second proposed playable media item should be removed.” A107. However, nowhere does the specification provide adequate written descriptive support for this new claim language. As the Examiner found, the specification fails to disclose “an item is actually removed from the queue based on a comparison step as claimed.” A120; A192. Gross did not challenge this finding in its appeal to the Board. Thus, the Board correctly affirmed the Examiner’s written description rejection of claim 1.

Although the Examiner's rejection expressly stated that the specification fails to "disclose[] that an item is actually removed from the queue based on a comparison step as claimed," A120; A192, Gross contends that the Board erred in affirming because the rejection was something else. Br. at 18-19. Based on various snippets of the Examiner's statements, Gross argues that the Examiner's rejection was that "there was [no] teaching of 'items being removed' from the subscriber queues" in the specification. Br. 18-19. That argument makes no sense. As the Board found, "the Examiner could not have taken that position because the automatic removal of a title from a subscriber rental queue was originally claimed." A10; A75. And the originally claimed "removal" does not mean removing a title based on a comparison step. Rather, it means that a title is removed based on a negotiation between two subscribers. A66, ll. 1-3. The specification explains that through the automatic exchange system, a subscriber can request a title in the system, and once a subscriber holding a copy of the title is willing to part with it, then the requester can negotiate to receive it. A66, ll. 1-17. In other words, after a successful negotiation, the title is removed from the holder's queue and sent to the requester's queue.

After reviewing Gross' amendment to claim 1, the Examiner concluded that "the newly added subject matter" relating to removing items based on the claimed comparison step "constitutes new matter." A120. Thus, as the Board found, the

rejection that Gross suggests “would have been contrary to the Examiner’s ‘new matter’ rejection.” A10.

In any event, when the snippets are read in proper context, it is unmistakable that the Examiner was not limiting his position to “removing items from the queues.” For example, the first snippet is “. . . where is there support in the specification as originally filed for the actual removal of the item.” Br. at 18 (citing A192). But its preceding and succeeding sentences show that the purpose of the rejection is “removal based on a comparison step”:

In the independent claims applicant has recited that the system compares content of a playable media item to content of media items viewed by the subscriber and automatically removes the second playable media item. Applicant has stated that paragraphs 65, 66, 73, 75, 77 and 96 support what is claimed. The examiner has reviewed these sections and do not see where it has been disclosed that an item is actually removed from the queue based on a comparison step as claimed. It seems to be disclosed that a title may bump another one as far as shipping order goes but **where is there support in the specification as originally filed for the actual removal of the item**. . . . The paragraphs relied upon by the applicant do not appear to support what is claimed and upon an electronic text search of the specification the words compare or comparing or compared to [do] not appear in conjunction with remove or removal or removed.

A192-93 (bold and underlining added); A287-90. Thus, not only did the Examiner articulate that the rationale for the rejection was that the specification lacks descriptive support for removing items based on the claimed comparison step, he conducted a text search to confirm his position. Accordingly, the statements, when read in the context of the rejection, do not support Gross’ argument that the thrust

of the Examiner's rejection was merely that the specification lacked disclosing the "removal" of items.

Relatedly, Gross asserts that the Board re-wrote the written description rejection by "*unilaterally* decid[ing] that it should highlight and emphasize the ' . . . based on comparison step' language." Br. at 20-21. Gross argues that "[t]here is nothing on the record, other than the Board's 'highlighting' of a portion of the Examiner's rejection to support the finding that the Examiner was instead separately challenging the 'comparing' language in the claim." Br. at 21. Gross is wrong.

The Examiner's written description rejection itself is clear evidence that he was challenging the claim's "comparing" language. The Examiner's rejection unambiguously states that there is no adequate written disclosure that "an item is actually removed from the queue based on a comparison step as claimed." A120; A192. If the Examiner was not disputing the "comparing" language as Gross alleges, he would not have included that claim term in his rejection; instead, he would simply have stated that the disclosure lacks "an item is actually removed from the queue." The Board highlighted the particular language to demonstrate to Gross why his position was wrong.

The Examiner's electronic text search also proves that he was challenging the claimed "comparing." The Examiner used the search to buttress his finding

that “the words compare or comparing or compared to” in the specification do not “appear in conjunction with remove or removal or removed.” A121 (emphasis added). The Examiner noted the “comparing” search in the rejection to make it abundantly clear to Gross that he was questioning whether the specification adequately described this term as claimed. If the Examiner was only disputing the “removal of items,” he would not have included the word “comparing” in his text search. Contrary to Gross’ argument, Br. at 21, by including “comparing” in the text search, the Examiner plainly demonstrated that the thrust of the rejection was on contesting that items were “removed” based on a “comparing” as claimed.

Finally, Gross asserts that he provided substantial citations from the specification showing that terms such as “bump,” “replace,” and “swapping” would be understood by skilled artisans in their common usage to mean “removing” items from the subscriber’s wish list. Br. at 19-20, 25. As Gross puts it, the “Board’s opinion unqualifiedly agrees with these conclusions.” Br. at 20; *see also* Br. at 26 (“the Board agreed with the Appellant that this language (and other language) was broad enough to cover ‘removing’ of titles”). That is not true. In no uncertain terms, the Board rejected each of Gross’ substantive arguments regarding the written description rejection. *See* A8-10; A26-32.

Moreover, as the Examiner found, the portions of the specification that Gross relied on concerning “bumping,” “replacing,” and “swapping” do not describe “removing” items from the subscriber lists. *See* A120; 207-209.

2. Gross Failed to Address the Examiner’s Rationale for the Written Description Rejection

In his briefs to the Board, Gross did not contend that the Examiner improperly found that the specification does not describe “an item is actually removed from the queue based on a comparison step as claimed.” A168-69; A220-26. Instead, Gross only advanced arguments relating to his possession of the limitation that “titles can be automatically removed from a subscriber rental queue.” A31; A168-69; A220-26. But, as the Board found, the Examiner did not take that position. A31. Given that Gross’ appeal brief was silent concerning the Examiner’s rationale for the rejection, the Board correctly affirmed the Examiner’s rejection.

Gross argues that the Board ignored his alleged support for the disputed claim feature in the Summary of Claimed Subject Matter. Br. at 21-22. Citing this section of his brief to the Board, Gross asserts that he pointed to “several areas of the disclosure” as support. Br. at 22. To be sure, in the Summary of Claimed Subject Matter section, where Gross simply recites each limitation of claim 1, for limitation (d), there are cites to sections of the specification:

further wherein at least for step (d)(2) said monitoring compares content of

playable media items previously selected by the subscriber with content of playable media items in said subscriber rental queue, including said second proposed playable media item, to determine if said second proposed playable media item should be removed; (*Id.*, particularly page 12, ll. 12-20)

A162. However, Gross' reliance on a parenthetical cite in the Summary of Claimed Subject Matter is misplaced. As the Board properly found, the problem is that "this disclosure was not included or mentioned in any part of any argument challenging the Examiner's position." A29. The rules governing briefing before the Board are clear; they require appellants to present all challenges to rejections in an argument. *See e.g.*, 37 C.F.R. § 41.37(c)(vii) ("Arguments") ("Each ground of rejection contested by appellant must be argued under a separate heading, and each heading shall reasonably identify the ground of rejection being contested"). Any argument not raised in a Board brief is waived. *Id.* ("Any arguments or authorities not included in the brief or reply brief * * * will be refused consideration by the Board, unless good cause is shown."). Thus, contrary to Gross' argument, Br. at 23, the Board considers arguments regardless of its location in the brief, even arguments not included in the "Arguments" section. Gross' problem is not the location of his argument, it is the lack of an argument.

In his brief to the Board, Gross argued various passages from the specification that he believed satisfied the written description requirement. But nowhere in his Board brief did he associate any "arguments" with all of the disputed cites in an effort to demonstrate that items are removed based on the

claimed comparison step. Gross' alleged support are only bald cites. Thus, the issue was not sufficiently briefed to preserve it. *See SmithKline Beecham Corp. v. Apotex Corp.*, 439 F.3d 1312, 1320 (Fed. Cir. 2006) (citing *United States v. Dunkel*, 927 F.2d 955, 956 (7th Cir. 1991) (“A skeletal ‘argument,’ really nothing more than an assertion, does not preserve a claim. * * * Especially not when the brief presents a passel of other arguments”)); *DeSilva v. DiLeonardi*, 181 F.3d 865, 867 (7th Cir. 1999) (“[An appeal] brief must make all arguments accessible to the judges, rather than ask them to play archaeologist with the record.”); *see also Tolbert v. Queens Coll.*, 242 F.3d 58, 75 (2d Cir. 2001) (“It is a ‘settled appellate rule that issues adverted to in a perfunctory manner, unaccompanied by some effort at developed argumentation, are deemed waived.’”) (citations omitted).

3. Even if the Cites That Gross Relies on are Considered, Gross' Arguments Still Fail

Regardless, none of the cites listed next to the disputed claim limitation, A162 (“*Id.*, particularly page 12, ll. 12-20”) or listed in Gross' brief to this Court, Br. at 22 (“Fig. 4; step 410-295 including discussion at page 18, l. –page 21, l. 22; box 250; page 12, ll. 15-20; page 14, l. 29-page 15, l. 10; Fig. 9 and the discussion at page 31, l. 16- page 34, l. 24, and particularly page 12, ll. 12-20”) save Gross' argument that the specification supports the amended claim. For example, page 12, lines 12-20 of the specification discuss “comparing” resulting in “bumping” :

Threshold Option #2 gives additional flexibility for a variety of reasons. First, if there are lesser desirable selections remaining, these can be supplemented by (or even swapped out for) better selections before the former are actually moved into Titles Out Queue 106 for shipment. Furthermore, in some instances it may be desirable for the system to compare user selections (which may be identified in a queue with a high priority) against automatically recommended selections (which may be identified with a lower priority but predicated to be more “desirable” to the subscriber) to see if the latter should “bump” the former in shipping priority.

A49, ll. 12-20. The Examiner found that this passage does not describe “bump” in terms of removing any titles from the queue. A169; A209. Instead, it explains that “bump” relates to shipping priorities. *Id.* With respect to page 14, l. 29-page 15, l. 10 of the specification, “bump” signifies that the title to be shipped next is replaced with the newly recommended one:

Finally, a fifth preference display area 250 provides additional levels of queue management control. For example, in response to a Queue Management Option #1, a subscriber can elect to have any new automatically selected title “bump” the next to be shipped item in the Subscriber Selection Queue 110. In some instances, additional sub-control features can be employed so that the new automatically selected item “always” bumps such existing queue item, or only does so when it is of a higher preference for the particular user.

A51, l. 30-A52, l. 3; A169. As the Examiner found, “the ‘bumped’ title still remains in the subscriber’s rental queue, it is just not the next one to be sent out because the newly recommended title is going to be sent out first.” A207. As to Fig. 9 and its discussion, the embodiment determines the ranking for access to titles. As the Examiner found, when two or more subscribers want the same movie

title, the embodiment in Fig. 9 determines which subscriber should receive it first. A208. Thus, the embodiment is “not actually removing any media titles from any queue.” *Id.* Box 250 is discussed in the above passage, and expressly states that system will “replace the next item to be shipped.” A81, box 250. Finally, nowhere do steps 410-495 and discussions at 18, l. 27-page 21, l. 22 disclose the added claim language.

Gross contends that the Board erred in “stating that some parts of an appeal brief may be considered, while others of their choosing (including the “Summary of Claimed Subject Matter”) may be ignored at their discretion.” Br. at 22. Gross argues that the Board’s opinion is arbitrary and capricious in this respect, violates 37 C.F.R. § 41.37, elevates form over substance, and violates the Administrative Procedure Act. Br. at 23-24.

Gross mischaracterizes the Board’s decision. With respect to the cites in the Summary of Claimed Subject Matter section, as mentioned above, the Board stated that “this disclosure was not included or mentioned in any part of any argument challenging the Examiner’s position.” A29. As importantly, the Board never stated that it can consider portions of an appeal brief while ignoring others.

Next, citing his appeal brief where he inserted a portion of the specification discussing “bumping,” Gross suggests that the Board was wrong in finding that “the citations from the Summary of Claimed Subject Matter were not used in the

‘Argument’ section of the Brief.” Br. at 24 (emphasis in the original). As Gross puts it, he “pointed out that [this] section was an explicit example of the disclosure mentioning that a ‘comparing’ step could result in ‘bumping’ or replacing (*see* Fig. 2) of titles, with one instance meaning switching priorities.” Br. at 25.

Again, Gross mischaracterizes the Board’s decision. The Board did not find that the citations in the Summary of Claimed Subject Matter were not used in the “Argument” section of the brief, as Gross alleges. Rather, the Board properly found that the citations were “not included or mentioned in any part of any argument challenging the Examiner’s position.” A29. In other words, if the cites were included in an argument in any part of the brief, then it would have been considered. None of the cites, however, were presented in arguments seeking to establish that the specification adequately describes removing items based on the claimed comparison step. And the same is true about the portion of the specification cited in Gross’ appeal brief discussing “bumping.” A49, ll. 15-20; A169. As the Examiner found, the word “bump” relates to shipping priorities, not to “removing” items based on the comparison step. *See* A169; A209; Br. at 25. Indeed, as Gross conceded in his brief to the Board, that language does not describe removing items. A169 (“Applicant agrees that in this scenario, the title is not entirely removed.”).

4. Gross' Untimely Arguments Regarding "Comparing and Then Removing Steps" are Waived

In his appeal to the Board, Gross dedicated two pages to the written description rejection under 35 U.S.C. § 112(a). Gross only made challenges relating to the following areas:

- whether the term "bump" in the specification would be understood to mean removing items from a subscribers queue (A168-69); and
- whether Fig. 9 provides an example of where titles are automatically removed from queues (A168).

And in his reply brief to the Board, Gross reiterated his challenges to the written description rejection. A221-24.

Now, before this Court, Gross has added arguments he never presented to the Board. Specifically, Gross spends the entire last section of his brief to this Court arguing the following, which relates to "comparing and then removing steps":

- whether the term "bumping" had a broader connotation than that used by the Examiner, in light of Fig. 9, combined with control parameters, leading to the skilled artisan to understand that "a variety of possibilities were encompassed based on the comparison, including complete removal" (Br. at 25);
- whether the agency "improperly isolated limitation (d) and concluded that there was no 'removing' of titles done based on a 'comparison' of some kind" (Br. at 26);
- whether the agency ignored evidence from the specification, figures, and claim language "which clearly set out that the auto recommend

logic (incorporated in limitation (c) and (d)(2) uses some form of comparison to determine what to propose adding/removing from the user's selection queue" (Br. at 27);

- whether the "main change to claim 1 was the further clarification that the additions/removals were made based on comparisons of prior items to the user's existing queue selection, which is set out in box 240" (Br. at 27);
- whether the operation of the auto recommender logic, as described in Figs. 2 and 4 and in the specification, would be clearly understood by a skilled artisan to be 'comparing' current/prior content as part of the monitoring (Br. at 29); and
- whether the description of the auto recommender logic, as described in Figs. 2 and 4 and in the specification is "more than enough to impart reasonable clarity to a skilled artisan that the inventor was in possession of the subject matter of claim 1" (Br. at 29).

To preserve an issue for appeal to this Court, it is well settled that a party must first raise the issue below. *Watts*, 354 F.3d at 1367 ("[I]t is important that the applicant challenging a decision not be permitted to raise arguments on appeal that were not presented to the Board."); *Hyatt v. Dudas*, 551 F.3d 1307, 1313-14 (Fed. Cir. 2008) (arguments that appellant could have made, but did not, before the Board may be treated as waived). The Board rules governing briefing similarly enforce the timely presentation of issues. *See, e.g.*, 37 C.F.R. § 41.37(c)(vii) ("Argument") ("Any arguments or authorities not included in the brief or a reply brief * * * will be refused consideration by the Board, unless good cause is shown.").

This Court has repeatedly enforced these pragmatic requirements of proper judicial and administrative functioning by refusing to consider waived arguments. *Watts*, 354 F.3d at 1367-68; *see also, e.g., In re Berger*, 279 F.3d 975, 984 (Fed. Cir. 2002) (declining to consider the merits of indefiniteness rejections not contested before the Board); *In re Schreiber*, 128 F.3d 1473, 1479 (Fed. Cir. 1997) (declining to consider whether prior art cited in an obviousness rejection was non-analogous art when that argument was not raised before the Board).

Here, Gross' Board briefing never made these particular arguments. Although the Examiner repeatedly stated that the specification fails to describe items being removed based on a comparison step as claimed (A120; A192), Gross never alleged that this was an improper isolation of limitation (d). And Gross never lodged any error with the Examiner's rejection predicated upon Figs. 2 and 4 in the specification. Therefore, each of Gross' untimely blue brief arguments is not properly before this Court.

C. Gross' Claimed Invention Is Ineligible For Patent Protection Under The Supreme Court's Recent Decision In *Alice Corp. v. CLS Bank*

1. Generic Computer Implementations of Abstract Ideas are Ineligible for Patent Protection

Recently, the Supreme Court held that a computer-implemented method for mitigating settlement risk using an intermediary was ineligible for patent

protection under 35 U.S.C § 101.¹ *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347 (2014). In so holding, the Court applied a two-step “framework” to determine whether a patent claims abstract ideas or other patent-ineligible concepts. *Id.* at 2355. First, the court must “determine whether the claims at issue are directed to one of those patent-ineligible concepts.” *Id.* If it finds that they are, the court must then consider “the elements of each claim both individually and as an ordered combination to determine whether the additional elements transform the nature of the claim into a patent-eligible application.” *Id.*

The claims at issue in *Alice Corp.* were “drawn to the concept of intermediated settlement, *i.e.*, the use of a third party to mitigate settlement risk.” *Id.* at 2356. The Court concluded that such claims are indistinguishable from others that it had invalidated for claiming “fundamental economic practice[s]” and other “method[s] of organizing human activity,” *id.*—and were thus “squarely within the realm of ‘abstract ideas’ as we have used that term.” *Id.*

In the second step of its patent-eligibility analysis, the *Alice Corp.* court held that “mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention.” *Id.* at 2360; *see also id.* (“[I]f a patent’s recitation of a computer amounts to a mere instruction to implement an

¹ In light of recent Supreme Court case law and decisions of this Court, *e.g.*, *In re Comiskey* and *In re Bentwich*, the Director provides the discussion below for completeness. However, the Director stands by the rejection of record as discussed above.

abstract idea on a computer, that addition cannot impart patent eligibility.”)
(citations omitted).

Applying this standard to the claims at issue, *Alice Corp.* held that the claims’ steps of using a computer for “electronic recordkeeping,” to “obtain data,” “adjust [*i.e.*, calculate] account balances,” and output “instructions,” *id.* at 2359, amounted to “no more than requir[ing] a generic computer to perform generic computer instructions.” *Id.* The Court emphasized that the claims do not “purport to improve the functioning of the computer itself” or to “effect an improvement in any other technology or technical field.” *Id.*

The Court reached the same conclusion for the patent’s computer-system and computer-readable-medium claims: it found that they “recite a handful of generic computer components configured to implement the same [abstract] idea” as the method claims, *id.* at 2360, and thus such system and medium claims “add nothing of substance to the underlying abstract idea” and are “patent ineligible under § 101.” *Id.* at 2360.

2. The Claimed Method and System of Monitoring a List of Playable Media Items in a Queue Does Not Satisfy the *Alice Corp.* Test

The first step of the *Alice Corp.* test is to “determine whether the claims at issue are directed to [abstract ideas or other] patent-ineligible concepts.” *Alice Corp.*, at 2355. The claimed method involves monitoring a list of playable media items, like DVDs, in a queue that is maintained by a content provider. Simply

monitoring the order of items in a list and making suggestions for the list is an abstract idea. The claimed method amounts to “no more than require[ing] a generic computer to perform generic computer instructions” like the method in *Alice Corp.*, and to nothing more than “method[s] of organizing human activity” like the method in *Bilski v. Kappos*. *Alice*, at *2356 (citing *Bilski v. Kappos*, 561 U.S. 593, 611 (2010)).

The second step of the *Alice Corp.* test—once it is determined that claims are drawn an abstract idea—is to consider “the elements of each claim both individually and as an ordered combination to determine whether the additional elements transform the nature of the claim into a patent-eligible application.” *Alice Corp.*, at *2355.

Gross’ claim 1 recites computer-implemented steps: (1) “setting up a subscriber rental queue;” (2) “setting up queue monitoring control rules;” (3) “automatically monitoring;” (4) “automatically selecting a first proposed playable media item;” (5) “automatically selecting a second proposed playable media item;” and (6) “modifying said subscriber rental queue.” These steps are similar to those at issue in *Alice Corp.*, which consisted of: (1) “obtain[ing] data;” (2) “adjust[ing] account balances;” and (2) outputting “instructions.” *Alice Corp.*, at 2356.

Just as in *Alice Corp.*, Gross’ computer limitations amount to “no more than requir[ing] a generic computer to perform generic computer instructions.” *Id.*; *see*

also *Bancorp Servs., LLC v. Sun Life Assurance Co. of Canada (U.S.)*, 687 F.3d 1266, 1278 (Fed. Cir. 2012) (“[T]he use of a computer in an otherwise patent-ineligible process for no more than its most basic function—making calculations or computations—fails to circumvent the prohibition against patenting abstract ideas and mental processes.”).

Gross’ specification states that (1) the “software components [for a preferred embodiment] are essentially the same as those found in a prior art system” (A60, ll. 32-33); (2) the automatic recommendations produced use stem from “a well-known recommender algorithm” that is “commonplace in a number of Internet commerce environments, including at Amazon, CDNOW, and Netflix” (A38, ll. 28-30); (3) “while not explicitly shown or described herein, the details of the various software routines, executable code, etc., required to effectuate the functionality discussed above in such modules are not material to the present invention, and may be implemented in any number of ways known to those skilled in the art” (A64, ll. 15-19); and (4) the “routines for implementing the exchange operations as described above can be implemented using any conventional software programs and routines available to skilled artisans” (A67, ll. 22-23). Thus, under *Alice Corp.*, Gross’ recitation of the steps of using a computer system to monitor and make suggestions to a list of items in a queue is not patent eligible subject matter. Accordingly, under *Alice Corp.*, the claimed method and system of

monitoring a queue with a list media items is not eligible for patent protection under 35 U.S.C. § 101.

V. CONCLUSION

For the foregoing reasons, substantial evidence supports the Board's fact findings. This Court should affirm.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on October 17, 2014, I electronically filed the foregoing BRIEF FOR APPELLEE – DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE using the Court’s CM/ECF filing system. Counsel for the Appellant was electronically served via e-mail through the Court’s CM/ECF system per Fed. R. App. P. 25 and Fed. Cir. R. 25.

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