

2010 WL 3017285 (Bd.Pat.App. & Interf.)

Board of Patent Appeals and Interferences  
Patent and Trademark Office (P.T.O.)

\*1 Ex Parte Harold Edward Elkins II and Freeman Murray Sanderford II

Appeal 2009-006190  
Application 10/853,732 Technology Center 2100

July 30, 2010

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Before JOHN A. JEFFERY, JAMES D. THOMAS, and JOSEPH L. DIXON  
Administrative Patent Judges  
THOMAS  
Administrative Patent Judge

DECISION ON APPEAL<sup>[FN1]</sup>

STATEMENT OF THE CASE

This is an appeal under 35 U.S.C. § 134 (a) from the Examiner's final rejection of claims 1 through 45. We have jurisdiction under 35 U.S.C. § 6(b).

We vacate the remaining rejection before us under 35 U.S.C. § 103 and institute a new ground of rejection within the provisions of 37 C.F.R. § 41.50(b).

*Invention*

This invention relates generally to the field of analyzing electric generators for use by a customer and more particularly, but not by way of limitation, to a distributed generation modeling system and method. (Spec. 5, ll. 2-5; Fig. 9.)

*Representative Claim*

1. A method for modeling distributed generation for a customer, comprising:  
obtaining a projected electric consumption profile for the customer for a period of time that is divided into a plurality of time periods;  
obtaining a projected electricity cost that projects the cost of electricity purchased from an electric provider

for the period of time, the projected electricity cost being associated with one or more of the plurality of time periods;  
obtaining operating parameters for one or more generators, the operating parameters including an electrical generator capacity and heat rate information;  
obtaining a projected fuel price for one or more fuels to be used by the one or more generators for the period of time;  
determining a projected generator operating cost to generate electricity using a generator from the one or more generators based on the projected electric consumption profile for the plurality of time periods of the period of time, the projected generator operating cost determined using at least the operating parameters associated with the generator and the projected fuel price of the fuel to be used by the generator;  
generating a projected dispatch operation schedule of the generator by comparing, for the plurality of time periods, the projected generator operating cost of the generator to the projected electricity cost of electricity purchased from an electric provider for the plurality of time periods of the period of time; and  
generating a revised projected electric consumption profile for the customer by subtracting the projected dispatch of the generator for the plurality of time periods from the projected electric consumption profile.

*Prior Art and Examiner's Rejection*

\*2 The examiner relies on the following references as evidence of unpatentability:

Zaloom 6,366,889 B1 Apr. 2, 2002

Resource Dynamic Corporation, *Industrial Applications for Micropower: A Market Assessment* (Nov. 1999) ("RDC").

After withdrawing, at pages 3 and 14 of the Answer, an outstanding rejection of claims 1 through 39 under the second paragraph of 35 U.S.C. § 112, the rejection under 35 U.S.C. § 103 of claims 1 through 45 remains. As evidence of obviousness, the Examiner relies on Zaloom in view of RDC.

ANALYSIS

We vacate the prior art rejection encompassing all claims on appeal because we conclude that all claims on appeal, claims 1 through 45, are "barred at the threshold by § 101." *In re Comiskey*, 554 F.3d 967, 973 (Fed. Cir. 2009) (citing *Diamond v. Diehr*, 450 U.S. 175, 188 (1981)). Therefore, the following new ground of rejection is set forth in this Opinion within the provisions of 37 C.F.R. § 41.50(b).

NEW REJECTION UNDER 35 U.S.C. § 101

PRINCIPLES OF LAW

*Statutory Subject Matter*

The subject matter of claims permitted within 35 U.S.C. § 101 must be a machine, a manufacture, a process, or a composition of matter. Moreover, our reviewing court has stated that "[t]he four categories [of § 101] together describe the exclusive reach of patentable subject matter. If the claim covers material not found in any of the four statutory categories, that claim falls outside the plainly expressed scope of § 101 even if the subject matter is otherwise new and useful." *In re Nuijten*, 500 F.3d 1346, 1354 (Fed. Cir. 2007); *accord In re Ferguson*, 558 F.3d 1359 (Fed. Cir. 2009). This latter case held that claims directed to a "paradigm" are nonstatutory under 35

U.S.C. § 101 as representing an abstract idea. Thus, a “signal” cannot be patentable subject matter because it is not within any of the four categories. *In re Nuijten*, 500 F.3d at 1357. Laws of nature, abstract ideas, and natural phenomena are excluded from patent protection. *Diamond v. Diehr*, 450 U.S. at 185. A claim that recites no more than software, logic or a data structure (i.e., an abstraction) does not fall within any statutory category. *In re Warmerdam*, 33 F.3d 1354, 1361 (Fed. Cir. 1994). Significantly, “[a]bstract software code is an idea without physical embodiment.” *Microsoft Corp. v. AT&T Corp.*, 550 U.S. 437, 449 (2007). The unpatentability of abstract ideas was reaffirmed by the U.S. Supreme Court in *Bilski v. Kappos*, 130 S. Ct. 3218 (2010).

\*3 The initial clauses of method independent claims 1 and 35 relate to preliminary data gathering operations or extra solution data gathering functions. In a corresponding manner, in system independent claim 40, these corresponding data gathering operations are merely reflected as database “components,” in turn reflective of the data structures from figures 2 through 7. These data “components” are also merely recited to be “operable to” maintain data of various characterizations; they are not positively recited in claim 40. The data associated with a generator of representative independent claim 1 on appeal is characterized as relating to “one or more” such generators. Independent method claim 35 merely purports to relate to a first and a second generator in a corresponding manner that fails to positively recite that these respective generators are different from each other.

The remaining clauses of method independent claims 1 and 35 on appeal relate to functionalities associated with mathematical compare operations, mathematical subtractions and the mathematical determination of related data values. System independent claim 40 recites these functionalities as associated with a processor that is merely characterized as “operable to” calculate data values and merely “operable to” to perform mathematical compare operations to yield a numeric result. These functionalities are not positively recited.

The end result of each independent claim 1, 35, and 40 is a computed, characterized numeric value similar to the computed updated alarm limit data values proscribed by *Parker v. Flook*, 437 U.S. 584 (1978). The numeric value resulting from the data gathering and mathematical computations of the present claims on appeal falls short of being utilized in any manner to perform a corresponding control function of a physical machine, such as opening a rubber mold, as in *Diamond v. Diehr*, 450 U.S. 175. Additionally, these claims do not survive the analysis from *Ex parte Gutta*, 93 USPQ2d 1025 (BPAI 2009) (precedential).

Overshadowing all of this analysis, the claims in this appeal may be fairly characterized as being directed to abstract ideas according to the earlier-noted precedent since these claims are directed to a mathematical modeling functionality.

#### CONCLUSION AND DECISION

We have vacated the outstanding rejection over applied prior art of all claims on appeal, claims 1 through 45. We have instituted a new ground of rejection within 37 C.F.R. § 41.50(b). This new rejection of all claims on appeal is based upon 35 U.S.C. § 101 since these claims are directed to non-statutory subject matter.

A new ground of rejection is pursuant to 37 C.F.R. § 41.50(b). Section 41.50(b) provides that, “[a] new ground of rejection pursuant to this paragraph shall not be considered final for judicial review.”

\*4 Section 41.50(b) also provides that the Appellants, WITHIN TWO MONTHS FROM THE DATE OF THE DECISION, must exercise one of the following two options with respect to the new grounds of rejection to avoid termination of proceedings as to the rejected claims:

- (1) *Reopen prosecution*. Submit an appropriate amendment of the claims so rejected or new evidence relat-

ing to the claims so rejected, or both, and have the matter reconsidered by the examiner, in which event the proceeding will be remanded to the examiner....

(2) *Request rehearing*. Request that the proceeding be reheard under 37 C.F.R. § 41.52 by the Board upon the same record....

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).

VACATED 37 C.F.R. § 41.50(b)

FN1. The two-month time period for filing an appeal or commencing a civil action, as recited in 37 C.F.R. § 1.304, or for filing a request for rehearing, as recited in 37 C.F.R. § 41.52, begins to run from the “MAIL DATE” (paper delivery mode) or the “NOTIFICATION DATE” (electronic delivery mode) shown on the PTOL-90A cover letter attached to this decision.

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