2010 WL 3072973 (Bd.Pat.App. & Interf.)

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

***1** Ex Parte Jorg Heuer, Andreas Hutter, and Ulrich Niedermeier

Appeal 2009-004590
Application 10/482,518 [FN1]

Technology Center 2100

August 4, 2010

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Before JAY P. LUCAS, STEPHEN C. SIU, and DEBRA K. STEPHENS
Administrative Patent Judges
LUCAS
Administrative Patent Judge

DECISION ON APPEAL[FN2]

STATEMENT OF THE CASE

Appellants appeal from a second rejection of claims 19 to 36 under authority of 35 U.S.C. § 134(a). The Board of Patent Appeals and Interferences (BPAI) has jurisdiction under 35 U.S.C. § 6(b). Claims 1 to 18 are cancelled.

We affirm.

Appellants' invention relates to a method of using a simplified schema to efficiently encode and decode a binary representation of an XML-based document (Spec. 1, ll. 9 to 10; claim 19). In the words of Appellants:

> [An] encoder sends an XML file XML containing MPEG-7 elements and elements of [a] schema New [that includes] only … [elements of a] name subspace N [ew]_1. [D]ecoder DEC1 … can of course decode this document in a corresponding manner. On the other hand, only the name space MPEG-7 is known to … decoder DEC2. Therefore the name subspace New_1 is transmitted to this decoder DEC2 as a schema, for example in response to a request …. However, the decoder DEC2 can now still not decode the document, … and so it cannot calculate the code assignments. In order to eliminate this problem, … only a correction code New_2* is transmitted in place of the elements and/or types of the full name space which are not contained in the name subspace and/or simplified schema New_1. From the transmitted simplified schema, the decoder DEC2 can now decode the XML-based document XML [using] correction code in accordance with the full name space and/or schema.

(Spec. 3, ll. 13 to 35).

> [I]nformation for the code calculation relating to the elements or data types not contained in the name subspace is included in the schema definition which is known to the encoder and to the decoder or which is transmitted from the encoder to the decoder, and in this way the information can be uniquely assigned to each code in a part of the entire name space designated in the following as a name subspace. As a result, only a portion of the entire name space including the number of the elements or data types missing for the code calculation have to be transmitted for the configuration of a [code], which generally means a significantly smaller volume of data than the volume of data that would be required for the entire name space. In addition, the code tables are smaller than in fully known name spaces, which requires less storage space in the [code] and enables faster encoding and decoding.

***2** (Spec. 2, ll. 4 to 19).

Claim 19 is exemplary and is reproduced below:

> 19. A method for improved decoding of a binary representation of a[n] XML-based document, comprising the steps of:
> associating the binary representation of the XML-based document to a name space or schema, wherein the XML-based document contains only elements or types of a name subspace of the name space or of a simplified schema of the schema;
> transmitting the name subspace or simplified schema to at least one decoder;
> transmitting a correction code to the at least one decoder;
> performing a code substitution of the name subspace or simplified schema to codes of the name space or schema using the correction code; and
> decoding, via the decoder, the binary representation of the XML-based document in accordance with the name space or schema from the name subspace or simplified schema with the aid of the correction code.

The prior art relied upon by the Examiner in rejecting the claims on appeal is:

| | | |
|---|---|---|
| Yap | US 2002/0040475 A1 | Apr. 04, 2002 |
| Sastri | US 2002/0082998 A1 | Jun. 27, 2002 |
| Mory | US 2002/0138517 A1 | Sept. 26, 2002[FN3] (filed Oct. 17, 2001) |

> W3C, Namespaces in XML: World Wide Web Consortium, pp.1-12 (January 14, 1999), *available at* http://www.w3.org/TR/1999/REC-xml-names-19990114/ (hereinafter "W3C").

REJECTIONS

The Examiner rejects the claims as follows:

R1: Claims 19 to 36 stand rejected under 35 U.S.C. § 103(a) for being obvious over Mory in view of Sastri and W3C and further in view of Yap.

R2: Claims 19 to 36 stand rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter.

Appellants contend that the Mory reference was improperly asserted as a prior art reference because the effective filing date is after the filing date of the claimed invention. (*See* Reply Brief 3, top.) Appellants further contend that the subject matter of claims 19 to 36 is patent-eligible under 35 U.S.C. § 101 because the claimed invention is not merely an abstract

idea (App. Br. 13, middle). The Examiner contends that each of the claims is properly rejected (Ans. 24, middle).

We have only considered those arguments that Appellants actually raised in the Briefs. Arguments that Appellants could have made but chose not to make in the Briefs have not been considered and are deemed to be waived. *See* 37 C.F.R. § 41.37(c)(1)(vii).

ISSUES

***3** The first issue involves the effective filing date of the Mory reference. The second issue involves whether Appellants have shown that the Examiner erred in rejecting the claims under 35 U.S.C. § 101.

FINDINGS OF FACT

The record supports the following findings of fact (FF) by a preponderance of the evidence.

***Mory's Effective Filing Date***

1. With respect to the rejection [R1] under 35 U.S.C. § 103(a), Mory's effective filing date is October 17, 2001. Mory's inventors filed European Patent Office (EPO) patent application No. 00402876.7 on October 17, 2000. On October 17, 2001, the inventors filed U.S. patent application 09/982,269, claiming priority to the EPO patent application filed on October 17, 2000. (*See* Mory's title page.) However, for purposes of 35 U.S.C. § 103(a), Mory's foreign priority date does not defeat the claimed invention's filing date. (*See In re Hilmer*, 359 F.2d 859, 861 (CCPA 1966) (*Hilmer I*).)

***Disclosure***

2. Appellants have invented a method, system, and device for efficiently coding and decoding a binary representation of an XML-based document. (*See* claim 19, Spec. 1, ll. 3-10.) The method involves transmitting a simplified schema based on a schema. (*See* claim 19.) The method further involves transmitting error correction code for purposes of decoding the XML-based document (*id.*).

***Mory***

3. The Mory reference is not valid as a prior art reference under 35 U.S.C. § 103(a). (*See* FF#1, *supra.*)

***Sastri***

4. The Sastri reference discloses a method for allowing digital collaboration of users in different physical locations. (*See* Abstract; ¶¶ [0009] and [0010].) The method of collaboration includes sending documents containing XML tags across a computer network and using error correction to decode the documents. (*See* Abstract; Figs. 21A, element 2110*n* and 21C, element 2150; ¶ [0055].)

***Yap***

5. The Yap reference discloses error correction for audio programming signals (¶ [0243]).

***W3C***

6. The W3C reference discloses a namespace, or collection of names which are used in XML documents as element types and attribute names. Namespaces have internal structure (p. 2, bottom). A category of namespaces called an “All Element

Types Partition" has a unique local part that includes the namespace name and the local part uniquely identifying the element type (p. 9, bottom).

PRINCIPLES OF LAW

Appellants have the burden on appeal to the Board to demonstrate error in the Examiner's position. *See In re Kahn,* 441 F.3d 977, 985-86 (Fed. Cir. 2006).

*Regarding 35 U.S.C. § 119*

***4** "[W]e hold that section 119 does not modify the express provision of section 102(e) that a reference patent is effective as of the date the application for it was 'filed in the United States."' *In re Hilmer,* 359 F.2d 859, 861 (CCPA 1966) ( *Hilmer I*).

"We can now summarize the issue and simultaneously state the board's decision.… [The Board of Patent Appeals and Interferences] said:

> The Examiner insists, however, that the effective date of the Habicht patent is January 24, 1957, the date of an application filed in Switzerland which is claimed by Habicht under 35 USC 119. Appellants have not overcome this earlier date of Habicht. The issue is hence presented of whether the foreign priority date of a United States patent can be used as the effective filing date of the patent when it is used as a reference. (and this is the second statement of the issue by the board.) Our conclusion is that the priority date governs.

This is the decision alleged to be in error. We think it was error." (*Id.* at 864).

"R.S. 4887, predecessor of section 119, was in effect from 1903 to 1952 when it was incorporated unchanged in the present statutes. An examination of the legislative history of that statute fails to reveal a scintilla of evidence that it was ever intended to give 'status' to an application or to serve as a patent-defeating provision." (*Id.* at 883-84).

The Court of Appeals for the Federal Circuit later clarified the *Hilmer I* and *Hilmer II (see In re Hilmer,* 424 F.2d 1108 (CCPA 1970)) holdings of its predecessor court.

> The first case was ***In re Hilmer,* 359 F.2d 859, (CCPA 1966)**. Habicht was awarded priority over Hilmer in an interference, based on Habicht's foreign filing date, which was earlier than Hilmer's United States filing date. The Board then upheld the examiner's subsequent rejection of Hilmer's remaining claims as obvious under 35 U.S.C. § 103. The Board relied primarily on the Habicht disclosures, which it held 35 U.S.C. § 119 made prior art because of Habicht's earlier foreign filing date.
>
> The Court of Customs and Patent Appeals reversed. Noting that the Board had concluded that "**the foreign priority date of a U.S. patent is its effective date as a reference**," *id.* at 870, the court held that "**section 119 does not modify the express provision of section 102(e) that a reference patent is effective as of the date the application for it was 'filed in the United States**."' *Id.* at 861. The court remanded the case for the Board to clarify its position on two other claims in the application, the validity of which the Board did not decide. *Id.* at 884.
>
> ***5** The second case grew out of the remand, in which the Board rejected as obvious Hilmer's two other claims, on the ground that the subject matter of claim 1 of Habicht's patent was prior art under 35 U.S.C. §§ 102(g), 119, and 104 as of Habicht's foreign filing date. The Court of Customs and Patent Appeals again reversed. *In re Hilmer,* 424 F.2d 1108 (CCPA 1970). Noting that "the rejection here is under § 103 for obviousness," *id.* at 1110, the court held that the subject matter of Habicht's claim was prior art under section 102(g), if at all, as of Habicht's U.S. filing date, and could not in fact be prior art with respect to Hilmer because Hilmer's U.S. filing date preceded Habicht's. *Id.* at 1110, 1112-13.

*In re Deckler,* 977 F.2d 1449, 1452-53 (Fed. Cir. 1992) (parallel citations omitted)(Board's emphasis).

*Regarding 35 U.S.C. § 101*

"[The Supreme] Court's precedents establish that the machine-or-transformation test is a useful and important clue, an investigative tool, for determining whether some claimed inventions are processes under §101. The machine-or-transformation test is not the sole test for deciding whether an invention is a patent-eligible 'process.'" *See Bilski v. Kappos,* No. 08-964, 2010 WL 2555192, at * 8 ( June 28, 2010) (majority slip op. at Part II-B1).

The Court of Appeals for the Federal Circuit (CAFC) stated the machine-or-transformation test for process claims. *In re Bilski*, 545 F.3d 943 (Fed. Cir. 2008) (en banc). The CAFC explained the machine-or-transformation test as follows:

> The machine-or-transformation test is a two-branched inquiry; an applicant may show that a process claim satisfies § 101 either by showing that his claim is tied to a particular machine, or by showing that his claim transforms an article. *See* [*Gottschalk v.*] *Benson,* 409 U.S. [63], 70 [(CCPA 1972)]. Certain considerations are applicable to analysis under either branch. First, as illustrated by *Benson* and discussed below, the use of a specific machine or transformation of an article must impose meaningful limits on the claim's scope to impart patent- eligibility. *See Benson,* 409 U.S. at 71-72. Second, the involvement of the machine or transformation in the claimed process must not merely be insignificant extra-solution activity. *See* [*Parker v.*] *Flook,* 437 U.S. [584,] 590 [(1978)].

***6** *Id.* at 961-62 (parallel citations omitted).

The Supreme Court held that there are other tools for establishing subject matter eligibility under 35 U.S.C. § 101. *Bilski*, 2010 WL at *10. Those tools involve an inquiry into whether a process is merely an abstract idea. "In searching for a limiting principle, this Court's precedents on the unpatentability of abstract ideas provide useful tools." (*Id.*). The Court outlined one such precedent:

> In *Benson*, the Court considered whether a patent application for an algorithm to convert binary-coded decimal numerals into pure binary code was a "process" under §101, 409 U.S., at 64-67. The Court first explained that "'[a] principle, in the abstract, is a fundamental truth; an original cause; a motive; these cannot be patented, as no one can claim in either of them an exclusive right.'" *Id.* at 67 (quoting *Le Roy* [*v. Tatham,* 55 U.S. 156], at 175). The Court then held the application at issue was not a "process," but an unpatentable abstract idea. "It is conceded that one may not patent an idea. But in practical effect that would be the result if the formula for converting … numerals to pure binary numerals were patented in this case." 409 U. S. [63], at 71. A contrary holding "would wholly pre-empt the mathematical formula and in practical effect would be a patent on the algorithm itself." *Id.* at 72.

*Id.* at *11 (parallel citations omitted).

ANALYSIS

*Arguments with respect to the rejection of claims 19 to 36 under 35 U.S.C. § 103(a) [R1]*

We first address Appellants' argument that the Examiner improperly asserted the Mory reference as prior art. (*See* Reply Brief 3, top.)

Appellants argue that Mory has an effective filing date of October 17, 2001, a date occurring after the priority date (*i.e.*, June 25, 2001) of Appellants' patent application (*id.*).

We carefully reviewed Mory's prosecution history. We find that with respect to the rejection [R1] under 35 U.S.C. § 103(a), Mory's effective filing date is October 17, 2001 (FF#1), in accordance with Appellants' above-stated assertion. ( *See* Reply Brief 3, top.) Mory's inventors filed European Patent Office (EPO) patent application No. 00402876.7 on October 17, 2000 (FF#1). On October 17, 2001, the inventors filed U.S. patent application 09/982,269, claiming priority to the EPO patent application filed on October 17, 2000 (*id.*).

***7** However, for purposes of 35 U.S.C. § 103(a), Mory's foreign priority date does not defeat the claimed invention's filing date ((*id.*). *In re Hilmer* (*Hilmer I*), cited above, teaches that a patent reference's foreign priority date may not be asserted as a prior art reference against Appellants' claimed invention.

We find that *Hilmer's* doctrine applies to both 35 U.S.C. §§ 102(e) and 103 rejections. (*See In re Deckler*, cited above.) Reading *Hilmer I* otherwise (*i.e.*, to say *Hilmer's* holding applies only with respect to novelty and not to obviousness) would create incongruous results.

For example, where an Examiner first rejected applicants' claims under § 102(e), applicants would prevail. However, to overcome the *Hilmer* doctrine, the Examiner could merely shift the rejection to a § 103 stance (*e.g.*, for any obvious modifications to the same reference), thereby establishing an effective filing date having a patent-defeating effect on the claims. That is to say, changing from a § 102(e) rejection to a § 103 rejection would now antedate the claimed invention. However, the result would be inconsistent, in that the same reference applied to the same claimed invention could produce two different effective filing dates, potentially altering the outcome of the patentability, solely based on the Examiner's statutory choice.

Consequently, Mory's foreign priority date can only be used as a shield (*i.e.*, for purposes of protecting its priority date under 35 U.S.C. § 119), and not as a "patent-defeating" sword (*see id.*), as the Examiner has attempted in the rejection [R1]. In other words, Mory's foreign priority date may not be used to defeat the priority date of Appellants' claimed invention. Thus, the Mory reference pivotal to this appeal is an improper reference, as Appellants have correctly argued in the Reply Brief. (*See* Reply Brief 3, top.) Accordingly, we find error in the Examiner's use of Mory to reject Appellants' claims.

Since the issue of Mory's effective filing date is dispositive, we need not address Appellants' other arguments concerning the rejection [R1] under 35 U.S.C. § 103(a).

*Argument with respect to the rejection of claims 19 to 36 under 35 U.S.C. § 101 [R2]*

***8** The Examiner finds that the claimed invention is drawn to an abstract idea (Ans. 4, middle).

Appellants counter that the Examiner has provided no support in the record showing the claimed invention is merely drawn to an abstract idea (App. Br. 13, middle).

The Supreme Court recently identified the "machine-or-transformation" test as an "important tool" in determining the patentability of subject matter involving processes. (*See Bilski*, 2010 WL 2555192, cited above.) We apply a test recognized in the Supreme Court's *Bilski* decision as a "useful … tool" (*i.e.*, the machine-or-transformation test) for determining subject-matter eligibility of the claimed invention. We find that exemplary claim 19 does not involve a machine under the first prong of the "machine-or-transformation" test stated by the CAFC in *In re Bilski*, cited above. The claim 19 merely recites an "XML-based document," "a simplified schema," "a schema," "correction code," and "at least one decoder." Turning to the Specification, we note nothing demonstrating that any of the above-stated claim elements must be hardware, and not software. Accordingly, we find no evidence that the claim includes any "machine" consistent with the bounds of the CAFC's test. Accordingly, we find that the "machine" prong of the *Bilski* test is not met by the claim language.

Next, we find that claim 19 fails to meet the "transformation" prong of the *Bilski* test. The fact that Appellants' XML-based document is decoded using the claimed "namespace" or the claimed "simplified schema" fails to qualify as a transformation of an article of manufacture consistent with the second prong of the "machine-or-transformation" test. Thus,

we find that claim 19 fails to meet either the prong of the CAFC's test.

However, our guidance from the Supreme Court in *Bilski*, 2010 WL 2555192, cited above, states that the machine-or-transformation test is not the endpoint for our inquiry under 35 U.S.C. § 101. We thus analyze claim 19 under the Supreme Court's precedential tool for determining whether a process is an abstract idea as discussed in *Bilski* (citing *Gottschalk v. Benson, supra*).

We begin with the understanding that abstract ideas are not patent-eligible subject matter. (*See Benson*, cited above.) We compare method claim 19 to the facts before the Court in *Benson.* Appellants contend that the idea of a formula for converting (*i.e.*, "decoding" or coding) a schema from the claimed "simplified schema" would be patent-eligible subject matter. We find that contention similar to the idea for converting BCD numerals to pure binary numerals in *Benson.* Here, as in *Benson*, a finding that the claimed subject matter is patent eligible under 35 U.S.C. § 101 would effectively pre-empt the formula for "decoding" the claimed "schema" and in practical effect would be a patent on the algorithm for "decoding" itself. In light of our above-stated analysis using one of the precedential tools set forth in *Bilski*, 2010 WL 2555192, cited above, we find that the claimed invention is merely an abstract idea. Accordingly, we find no error in the Examiner's rejection [R2] of claim 19.

***9** Since Appellants argued the claims as a group, claims 20 to 36 fall with claim 19. *See* 37 C.F.R. § 41.37(c)(1)(vii).

CONCLUSIONS OF LAW

Based on the findings of facts and analysis above, we conclude that the Examiner erred in the rejection [R1] of claims 19 to 36 under 35 U.S.C. § 103(a). We conclude that the Examiner did not err in the rejection [R2] of claims 19 to 36 under 35 U.S.C. § 101.

DECISION

We reverse the Examiner's obviousness rejection [R1] of claims 19 to 36. We affirm the Examiner's non-statutory subject matter rejection [R2] of claims 19 to 36.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED

FN1. Application filed December 29, 2003. Appellants claim the benefit under 35 U.S.C. § 119 of German patent application No. 10130525.7, filed June 25, 2001. Application No. 10/482,518 is a continuation of PCT/DE02/02309, filed June 25, 2002. The real party in interest is Siemens Aktiengesellschaft.

FN2. 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.

FN3. *See infra*, the factual findings concerning Mory's effective filing date and the discussion in the Analysis section of this final decision.

END OF DOCUMENT