

The opinion in support of the decision being entered today is *not* binding precedent of the Board.

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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*Ex parte* KRISHNAMURTHY GANESAN

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Appeal 2007-1319  
Application 09/797,017  
Technology Center 2100

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Decided: September 21, 2007

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Before KENNETH W. HAIRSTON, HOWARD B. BLANKENSHIP, and ALLEN R. MACDONALD, *Administrative Patent Judges*.

BLANKENSHIP, *Administrative Patent Judge*.

DECISION ON APPEAL

This appeal involves claims 24-33, 35-44, and 68-82, the only claims pending in this application. We have jurisdiction under 35 U.S.C. §§ 6(b), 134(a).

## INTRODUCTION

The claims relate to a digital license for specifying rights with respect to corresponding digital content. When a user attempts to render digital content on a computing device, the rendering application invokes a Digital Rights Management (DRM) system on the user's computing device. If the user is attempting to render the digital content for the first time, the DRM system either directs the user to a license server to obtain a license to render the digital content, or may obtain the license from the server without user action. The license includes: a decryption key for decrypting the digital content; a description of the rights (e.g., play, copy) conferred by the license and related conditions (e.g., begin date, expiration date, number of plays); and a digital signature that ensures the integrity of the licenses.

(Specification 4: 19-30.)

A generated license 16 (Fig. 8) includes a Digital Rights License (DRL) 48. (Specification 36: 11-18.) DRLs are written according to a "flex" language that can specify rights according to events. The flex language can specify conditions precedent 62 (Fig. 13) to allowing the event 60 to proceed and actions 64 to be taken once the event 62 has been allowed to proceed. In one embodiment, the flex language allows the license 16 to store and modify license-related information. (Specification 59: 1-14.)

The Specification provides two examples of a Digital Rights License (DRL) 48 (Fig. 8). The first, or "simple," DRL is written in a DRL language that specifies license attributes. (Specification 48: 20 - 51: 13.) The second "script" DRL 48 is written in a DRL language that can perform functions according to the script specified in the DRL 48. (Specification 48: 20-27; 51: 14 - 53: 5.)

Claim 28 is illustrative:

28. A computer-readable medium having stored thereon a digital license for specifying rights with regard to corresponding digital content, the digital license specifying at least one event and specifying for the at least one event at least one of a condition precedent to allowing the event to proceed and an action to be taken once the event has occurred, wherein the specified event is a storage of the license on a computer storage device.

The Examiner relies on the following prior art references to show unpatentability:

Krishnan US 6,073,124 Jun. 6, 2000

The rejections as presented by the Examiner are as follows:

1. Claims 28, 35, and 41 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.
  2. Claims 24-33, 35-44, and 68-82 are rejected under 35 U.S.C. § 102(e) as being anticipated by Krishnan.

## OPINION

*Claims 28, 35, and 41 -- § 101*

Appellant submits, in response to the § 101 rejection, that the Examiner’s reliance on *Ex parte Bowman* and a “technological arts” test is misplaced.<sup>1</sup> We agree. Appellant has not, however, responded to the rejection insofar as it is based on the invention being directed to an abstract idea, or nonfunctional descriptive material. As the Supreme Court has made clear, “[a]n idea of itself is not patentable.” *In re Warmerdam*, F.3d 1354,

<sup>1</sup> See *Ex parte Bowman*, 61 USPQ2d 1669 (BPAI 2001) (non-precedential); *Ex parte Lundgren*, 76 USPQ2d 1385 (BPAI 2005) (precedential).

1360, 31 USPQ2d 1754, 1759 (quoting *Rubber-Tip Pencil Co. v. Howard*, 87 U.S. (20 Wall.) 498, 507, 22 L.Ed. 410 (1874)).

In a § 101 analysis, the critical question must be answered: “What did the applicant invent?” *Arrhythmia Research Technology, Inc. v. Corazonix Corp.*, 958 F.2d 1053, 1059, 22 USPQ2d 1033, 1038 (Fed. Cir. 1992) (quoting *In re Grams*, 888 F.2d 835, 839, 12 USPQ2d 1824, 1827 (Fed. Cir. 1989)). A § 101 inquiry is directed to the determination of whether the claimed subject matter as a whole is a disembodied mathematical concept representing nothing more than a “law of nature” or an “abstract idea,” or if the mathematical concept has been reduced to some practical application rendering it “useful.” *AT&T Corp. v. Excel Communications Inc.*, 172 F.3d 1352, 1357, 50 USPQ2d 1447, 1451 (Fed. Cir. 1999) (citing *In re Alappat*, 33 F.3d 1526, 1544, 31 USPQ2d 1545, 1557 (Fed. Cir. 1994) (en banc)).

Instant claim 28, under the broadest reasonable interpretation of its terms consistent with the Specification, requires no more than a mere arrangement of data on a computer-readable medium. The content is not in the form of computer-executable code capable of changing the underlying function of a machine. In other words, the invention is not directed to a computer program (i.e., software) or a data structure embodied in a computer-readable medium. The claimed invention is directed to a mere arrangement of data that *might* serve as input to a machine having computer-executable code, similar to the data representative of music on a compact disc. In either case, the data do not change the underlying function of the machine. *See Manual of Patent Examining Procedure (MPEP)* § 2106.01 (8th Ed., Rev. 5, Aug. 2006).

We sustain the § 101 rejection of claim 28, and that of claims 35 and 41, not separately argued. *See* 37 C.F.R. § 41.37(c)(1)(vii). We enter a new § 101 rejection against additional claims, *infra*.

*Claims 24-33, 35-44, and 68-82 -- § 102(e) over Krishnan*

Appellant submits that claim 28 is representative of the invention for purposes of our review of the § 102 rejection over Krishnan. (Appeal Br. 14.) All the claims thus may stand or fall with claim 28.

Instant claim 28 recites a digital license for specifying rights with regard to corresponding digital content. The digital license specifies (at a minimum) “at least one” (an) event and “at least one of” (one of) a condition precedent to allowing the event to proceed and an action to be taken once the event has occurred. In claim 28, the specified event is a storage of the license on a computer storage device.

Krishnan describes a secure digital commerce (DCS) system having a DCS client and a DCS server. The DCS client includes a plurality of client components, which are downloaded by a boot program onto a customer computer system in response to requesting an item of merchandise to be licensed or purchased. The downloaded client components include a secured (e.g., encrypted) content file that corresponds to the content of the requested item and licensing code that is automatically executed to ensure that an item of merchandise is properly licensed before a customer is permitted to operate it. The DCS server includes a licensing and purchasing broker that generates and returns a secure electronic licensing certificate in response to a request to license the requested item of merchandise. The generated electronic

licensing certificate, which is supplied to the DCS client, contains licensing parameters that dictate whether the merchandise is permitted to be executed. Krishnan, col. 4, ll. 21-44. The item of merchandise may be digital content. Col. 7, ll. 53-54.

Krishnan thus discloses: a computer-readable medium (at the DCS server) having stored thereon a digital license for specifying rights with regard to corresponding digital content; the digital license specifying storage of the license (at least the portion comprising the electronic licensing certificate) on a computer storage device (at the DCS client) and specifying a condition precedent (the client request of an item of merchandise) to allowing the event to proceed.

In view of the breadth of instant claim 28 and the disclosure of Krishnan, we sustain the Examiner's rejection, even if one were to presume that all the recitations of the claim serve to limit the scope of the subject matter. We sustain the rejection of claim 28, and that of claims 24-27, 29-33, 34-44, and 68-82, which fall with claim 28.

As we have indicated in our discussion of the rejection of the claims under § 101, however, the claims are directed to nonfunctional descriptive material. We designate a new ground of rejection under § 102(e) over Krishnan, *infra*.

#### *New Grounds of Rejection*

The Examiner, inexplicably, did not reject (independent) claim 30 when rejecting claims 28, 35, and 41 under 35 U.S.C. § 101 as being

directed to non-statutory subject matter.<sup>2</sup> Nor did the Examiner reject any of the dependent claims under § 101.

We therefore designate a new ground of rejection (37 C.F.R. § 41.50(b)) applied against the remainder of the claims (24-27, 29-33, 36-40, 42-44, and 68-82) under 35 U.S.C. § 101 as being directed to non-statutory subject matter. The subject matter of instant claim 30 does nothing to impart functionality to a machine, for the same reasons that claim 28 does nothing. All of the dependent claims, at best, merely recite differing arrangements of data.

Additionally, as we have determined that the claimed invention is directed to a mere arrangement of data (i.e., non-functional descriptive material), we designate a new ground of rejection of claims 24-33, 35-44, and 68-82 under 35 U.S.C. § 102(e) as being anticipated by Krishnan. The claims are anticipated by any computer-readable medium having data stored thereon. *See In re Ngai*, 367 F.3d 1336, 1339, 70 USPQ2d 1862, 1864 (Fed. Cir. 2004) (“[w]here the printed matter is not functionally related to the substrate, the printed matter will not distinguish the invention from the prior art in terms of patentability,” quoting *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983)); *In re Lowry*, 32 F.3d 1579, 1583, 32 USPQ2d 1031, 1034 (Fed. Cir. 1994) (“Lowry does not claim merely the information content of a memory. . . . [N]or does he seek to patent the content of information resident in a database.”). *See also MPEP* § 2106.01, p. 2100-17 (“USPTO personnel need not give patentable weight to printed

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<sup>2</sup> Claim 30 differs from claim 28 only in the “wherein” clause relating to the “specified event.”

matter absent a new and unobvious functional relationship between the printed matter and the substrate” (citing *Lowry* and *Ngai*)).

## CONCLUSION

The rejection of claims 28, 35, and 41 under 35 U.S.C. § 101 as being directed to non-statutory subject matter is affirmed. The rejection of claims 24-33, 35-44, and 68-82 under 35 U.S.C. § 102(e) as being anticipated by Krishnan is affirmed. The Examiner’s decision is thus affirmed.

A new rejection of claims 24-27, 29-33, 36-40, 42-44, and 68-82 under 35 U.S.C. § 101 as being directed to non-statutory subject matter is set forth herein. A new rejection of claims 24-33, 35-44, and 68-82 under 35 U.S.C. § 102(e) as being anticipated by Krishnan is set forth herein.

With respect to the affirmed rejection(s), 37 C.F.R. § 41.52(a)(1) provides that “Appellant may file a single request for rehearing within two months from the date of the original decision of the Board.”

In addition to affirming the Examiner’s rejection(s) of one or more claims, this decision contains a new ground of rejection pursuant to 37 C.F.R. § 41.50(b). 37 C.F.R. § 41.50(b) provides that “[a] new ground of rejection pursuant to this paragraph shall not be considered final for judicial review.”

37 C.F.R. § 41.50(b) also provides that the Appellant, WITHIN TWO MONTHS FROM THE DATE OF THE DECISION, must exercise one of the following two options with respect to the new ground of rejection to avoid termination of the appeal as to the rejected claims:

- (1) *Reopen prosecution.* Submit an appropriate amendment of the claims so rejected or new evidence relating 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 § 41.52 by the Board upon the same record. . . .

Should the Appellant elect to prosecute further before the Examiner pursuant to 37 C.F.R. § 41.50(b)(1), in order to preserve the right to seek review under 35 U.S.C. §§ 141 or 145 with respect to the affirmed rejection, the effective date of the affirmation is deferred until conclusion of the prosecution before the Examiner unless, as a mere incident to the limited prosecution, the affirmed rejection is overcome.

If the Appellant elects prosecution before the Examiner and this does not result in allowance of the application, abandonment or a second appeal, this case should be returned to the Board of Patent Appeals and Interferences for final action on the affirmed rejection, including any timely request for rehearing thereof.

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

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AFFIRMED -- 37 C.F.R. § 41.50(b)

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