

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte BALAJI RAJAMANI

Appeal 2008-0975
Application 10/286,764
Technology Center 3600

Decided: September 8, 2008

Before WILLIAM F. PATE, III, DAVID B. WALKER, and JOHN C.
KERINS, *Administrative Patent Judges*.

WALKER, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant seeks our review under 35 U.S.C. § 134 of the Examiner's final rejection of claims 1-17 and 20-30. We have jurisdiction under 35 U.S.C. § 6(b) (2002). We affirm.

Appellant claims a system and method for automatically licensing appliances or applications (Specification 1:[0001]). Claim 1, reproduced below with bracketed numbering added, is representative of the subject matter on appeal.

1. A method of automated licensing of an appliance or an application comprising:

[a] obtaining for a customer, a customer identification;

[b] obtaining for a customer a license entitlement for a purchased appliance or a purchased application;

[c] providing from the customer to a licensing client associated with the appliance or the application the customer identification and the license entitlement;

[d] producing with the licensing client a validation key to identify an entity associated with the appliance or a host of the application;

[e] transmitting the validation key, the customer identification and the license entitlement from the licensing client to a licensing server;

[f] processing the validation key, the customer identification and license entitlement at the licensing server to determine if the validation key, the customer identification and license entitlement are verified; and

[g] in response to determination that the validation key, the customer identification and the license entitlement are verified, generating with the licensing server a license key for the appliance or application which is transmitted by the licensing server back to the licensing client which enables the appliance or application.

FINDINGS OF FACT

We find the following enumerated findings to be supported by at least a preponderance of the evidence. *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Office).

1. Figure 1 of Appellant's Specification is admitted to be prior art, and illustrates a manually operated prior art system and method 10 for providing licensing of appliances, such as network appliances or applications such as network management stations (Specification [0002] and Figure 1).
2. The licensing performed by the system and method 10 is characterized by manual interaction between the customer 12, software license management infrastructure 14, and the network appliance and application host 16. These manual interactions include license registration of the appliance or application, which need the customer 12 manually interacting with the software license management infrastructure 14 and the network appliance or application host 16 to obtain a lookup appliance/application validation key 20 from the network appliance or application host 16 and forward the same along with the customer ID and the license entitlement 24 to the software license management infrastructure 14 which provides the license key 26 back to the customer 12 (Specification [0002] and Figure 1).
3. The license key 26 is generated by the software license management infrastructure verifying the customer ID, validation key and entitlement with stored counterparts thereof by comparison with the

- stored counterparts. After thus receiving the license key 26 from the license management infrastructure 14, the customer 12 manually installs the obtained license key 28 in the appliance or application host 16 which subsequently gets used by the software licensing client 18 (Specification [0002] and Figure 1).
4. Misra discloses a software licensing system including a license generator located at a licensing clearinghouse and at least one license server and multiple clients located at a company or entity (Misra, abstract).
 5. Misra teaches that one or more intermediate servers can be used, because some clients may not have network connectivity to the license server (Misra, col. 4, ll. 31-34).
 6. When a client connects to a server, the client presents a valid license (if it has one). If the client does not have an appropriate license, the server assists the client in obtaining a license from the license server. This provides an automated mechanism for clients to obtain and license servers to distribute licenses to clients (Misra, col. 2, ll. 62-67).
 7. Misra teaches that the client 30 has a license requestor 132, a challenge handler 134, and a license cache 136. The license requestor initiates the license request for obtaining a software license from the license server. This involves connecting to the intermediate server and presenting a software license and a client ID to the intermediate server. (Misra, col. 11, ll. 46-51).
 8. The client ID submitted by the client is validated against a client ID within the software license (Misra, col. 11, ll. 51-53).

9. The client ID is passed on to the license server, which then initiates a platform challenge. The client's challenger handler handles the platform challenge from the license server. It computes a response to the challenge that contains the client's image, which can be used by the license server to authenticate the client (Misra, col. 11, ll. 60-65).
10. If the client is deemed authentic, the license server downloads a software license to the client. The license generator assigns a unique license ID to the issued license. Because the licenses are tied to a specific client through a client ID, digitally signed by the license server, and encrypted, the software licenses cannot be activated on other clients (Misra, col. 11, l. 66 – col. 12, l. 7).

PRINCIPLES OF LAW

“Section 103 forbids issuance of a patent when ‘the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.’” *KSR Int'l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1734 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, (3) the level of ordinary skill in the art, and (4) where in evidence, so-called secondary considerations. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966). *See also KSR*, 127 S.Ct. at 1734 (“While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.”)

In *KSR*, the Supreme Court emphasized “the need for caution in granting a patent based on the combination of elements found in the prior art,” *id.* at 1739, and reaffirmed principles based on its precedent that “[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *Id.* The Court explained:

When a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or a different one. If a person of ordinary skill can implement a predictable variation, §103 likely bars its patentability. For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill.

Id. at 1740. The operative question in this “functional approach” is thus “whether the improvement is more than the predictable use of prior art elements according to their established functions.” *Id.*

In rejecting claims under 35 U.S.C. § 103(a), the examiner bears the initial burden of establishing a prima facie case of obviousness. *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992). *See also In re Piasecki*, 745 F.2d 1468, 1472 (Fed. Cir. 1984). Only if this initial burden is met does the burden of coming forward with evidence or argument shift to the appellant. *Id.* at 1445. *See also Piasecki*, 745 F.2d at 1472. Obviousness is then determined on the basis of the evidence as a whole and the relative persuasiveness of the arguments. *See Oetiker*, 977 F.2d at 1445; *Piasecki*, 745 F.2d at 1472.

ANALYSIS

Rejection of claims 1-15 under 35 U.S.C. § 103(a) as unpatentable over AAPA in view of Misra

The Appellant argues claims 1-15 as a group. We treat claim 1 as representative.

The Examiner found that AAPA discloses all of the recited steps of claim 1 except for the limitations of the licensing client handling the transmitting of the validation key, customer identification, and license entitlement to a license server and transmitting a license key from the license server back to the licensing client (Answer 3-4). The Examiner further found that the difference between AAPA and what is being claimed is the automation of a previously recognized manual activity that was done by the customer in the prior art. The Examiner concluded that it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify AAPA by automating the steps of transmitting the validation key, customer identification, and license entitlement to the license server and receiving the license key from the license server, because Misra recognizes and discloses the desirability of automating a licensing process (Answer 4; citing *In re Venner*, 262 F.2d 91, 95 (CCPA 1958) for the premise that mere automation of an activity recognized in the prior art as being performed manually is not sufficient to patentably distinguish over the prior art).

The Appellant argues that the AAPA of Figure 1 differs from Figure 2 of the invention in that the license key and validation key, which both pass through the customer in Figure 1, completely bypass the customer in Figure 2. The Appellant further argues that AAPA fails to disclose a licensing client associated with the appliance or application as claimed in claim 1 (Br.

6). The Appellant argues that AAPA thus fails to disclose limitations [f] and [g] in claim 1 above.

The Examiner found that the license key and validation key bypass the customer in Figure 2 because the applicant has automated these steps and the manual interaction of the customer for these steps is not needed anymore, because it has been automated (Answer 12). We agree with the Examiner that the customer would logically be cut out of processing the license key and validation key as a natural byproduct of automating the licensing process. Our reviewing court stated in *Leapfrog Enterprises, Inc. v. Fisher-Price, Inc.*, 485 F.3d 1157 (Fed. Cir. 2007), that one of ordinary skill in the art would have found it obvious to combine an old electromechanical device with electronic circuitry

to update it using modern electronic components in order to gain the commonly understood benefits of such adaptation, such as decreased size, increased reliability, simplified operation, and reduced cost The combination is thus the adaptation of an old idea or invention . . . using newer technology that is commonly available and understood in the art.

Id. at 1162. We conclude that here, as in *Leapfrog*, it would have been obvious to one of ordinary skill in the art to automate the processing of the license key and validation key as suggested by the Examiner, particularly in light of the teaching of Misra to provide an automated licensing system (Finding of Fact 6).

Also, we do not find persuasive the argument that the combination of AAPA in view of Misra fails to teach or suggest the licensing client,

because, as discussed more fully below, Misra alone renders obvious the licensing client (Findings of Fact 6 and 7).

The Appellant thus has failed to show error in the Examiner's rejection of claim 1. Claims 2-15 are not argued separately and, thus fall with claim 1. *See* 37 C.F.R. § 41.37(c)(1)(vii) (2007). *See also In re Young*, 927 F.2d 588, 590 (Fed. Cir. 1991).

Rejection of claims 1-17 and 20-30 under 35 U.S.C. § 103(a) as unpatentable over Misra

The Appellant argues claims 1-17 and 20-30 as a group. We treat claim 1 as representative.

The Examiner equates 1) the client ID of Misra to the customer ID of the claimed invention; 2) the software license of Misra to the license entitlement of the claimed invention; and 3) the data involved in the platform challenge of Misra to the validation key of the claimed invention (Answer 7; citing Misra, col. 11, ll. 49-51 and 60-65). The Examiner found that upon verification of the validation key, customer ID, and license entitlement, a license key (new license) is sent to the client 30 from the license server (Answer 7).

The Examiner concedes that Misra does not teach that the processing of the validation key, customer ID, and the license entitlement takes place at the licensing server, and that Misra uses two servers where the Appellant claims using the license server to handle data verification processing (Answer 8). The Examiner found that Misra teaches, at column 4, lines 31-34, that an intermediate server is used because some clients may not have network connectivity to the license server (*Id.*). The Examiner therefore

found that Misra teaches one of skill in the art that the intermediate server is not essential and can be removed if the clients have network connectivity to the licensing server. The Examiner concluded that it would have been obvious to one of ordinary skill in the art at the time the invention was made to have the license server handle the data verification processing as opposed to two servers (*Id.*).

The Appellant argues that Misra does not teach or suggest limitations [f] or [g] of claim 1 (Br. 3-4). More specifically, Appellant argues that Misra fails to teach or suggest that the license entitlement is verified (Br. 4). According to Appellant, the client ID submitted by the client is validated against a client ID within the software license (Br. 4, citing Misra, col. 11, ll. 51-53), but the software license itself is not verified. The Appellant argues that the software license of Misra is only used to provide a value for comparison to the client ID and is not itself verified (Br. 4).

The Examiner found that, in the system of Misra, when a license is initially presented to the intermediate server 32, it must be determined whether the license is valid or not. If the license is expired, this fact is verified by the server, and the server then assists the client in obtaining a new and valid license (license key). The Examiner found that this satisfies what is claimed as far as “verifying” the license entitlement at the server (Answer 11).

We agree with the Examiner. We find that validating the client ID submitted by the client against a client ID within the software license (which the Appellant concedes is taught by Misra) meets the claim limitation for validating the license entitlement (Finding of Fact 8). The only apparent difference between the prior art and limitations [f] and [g] is the use of an

intermediate server and license server rather than a license server alone. We agree with the Examiner that it would have been obvious to do away with the intermediate server and to combine the functions of the two servers in a single license server in view of the cited teachings of Misra (Finding of Fact 5).

Appellant further argues that Misra fails to teach or suggest that the software license is transmitted to the license server (28) (Br. 5). This argument is not commensurate with the scope of claim 1, which requires that a license key for the appliance or application, not the software license or license entitlement, is transmitted by the licensing server back to the licensing client which enables the appliance or application. To the extent that the Appellant argues that the license entitlement is not verified, we do not find the argument persuasive for the reasons stated above (Finding of Fact 8).

The Appellant thus has failed to show error in the Examiner's rejection of claim 1. Claims 2-17 and 20-30 are not argued separately and, thus fall with claim 1. *See* 37 C.F.R. § 41.37(c)(1)(vii). *See also In re Young*, 927 F.2d at 590.

CONCLUSIONS

We conclude that Appellants have not shown that the Examiner erred in rejecting claims 1-15 as unpatentable over AAPA in view of Misra and claims 1-17 and 20-30 as unpatentable over Misra.

DECISION

The decision of the Examiner to reject 1-17 and 20-30 is affirmed.

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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) (2007).

AFFIRMED

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