

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

2018-1586

In re: Intelligent Medical Objects, Inc.

Appellant

Appeal from the United States Patent and Trademark Office,
Patent Trial and Appeal Board, in Application Serial No. 13/622,934

BRIEF OF *AMICUS CURIAE*
THE INTELLECTUAL PROPERTY LAW ASSOCIATION OF CHICAGO
IN SUPPORT OF NEITHER PARTY

Adam G. Kelly, President
THE INTELLECTUAL PROPERTY LAW
ASSOCIATION OF CHICAGO
P.O. Box 472
Chicago, Illinois 60690

Brian J. Emfinger
BANNER & WITCOFF, LTD
10 S. Wacker Dr., Suite 3000
Chicago, Illinois 60606
Tel: (312) 463-5000
Fax: (312) 463-5001
*Counsel of Record for Amicus Curiae,
The Intellectual Property Law Association
of Chicago*

Robert H. Resis
Charles W. Shifley
BANNER & WITCOFF, LTD.
10 S. Wacker Dr., Suite 3000
Chicago, Illinois 60606
Tel: 312-463-5000
Fax: 312-463-5001
Co-counsel for Amicus Curiae

June 5, 2018

Not All Parties Have Consented To The Filing of This Brief

CERTIFICATE OF INTEREST

Counsel for *Amicus Curiae* The Intellectual Property Law Association of Chicago certifies as follows:

1. The full name of every party or *amicus curiae* represented by us is:

The Intellectual Property Law Association of Chicago

2. The name of the real party in interest represented by us is:

Same.

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the *amicus curiae* represented by us are:

None.

4. The names of all law firms and the partners, counsel or associates that appeared for the *amicus curiae* now represented by us in the trial court or are expected to appear in this Court are:

BANNER & WITCOFF, LTD.

Robert H. Resis
Charles W. Shifley
Brian J. Emfinger

THE INTELLECTUAL PROPERTY LAW
ASSOCIATION OF CHICAGO

Adam G. Kelly

5. The title and number of any case known to us to be pending in this or any other court or agency that will directly affect or be directly affected by this Court's decision in the pending appeal are:

The Intellectual Property Law Association of Chicago is not aware of any other pending or related cases within the meaning of Federal Circuit Rule 47.5(b).

Dated: June 5, 2018

/s/ Brian J. Emfinger
Brian J. Emfinger

TABLE OF CONTENTS

CERTIFICATE OF INTEREST	i
TABLE OF CONTENTS.....	ii
TABLE OF AUTHORITIES	iii
STATEMENT OF INTEREST	1
STATEMENT OF FACTS	3
ARGUMENT.....	7
I. Changing the thrust of a rejection requires the Board to designate a new ground of rejection to provide an applicant an opportunity to respond..	7
II. The Board should have designated its decision as a new ground of rejection and reopened prosecution in order to allow the applicant an opportunity to respond to the abstract idea the Board first identified in its Appeal Decision.....	10
CONCLUSION	14
CERTIFICATE OF COMPLIANCE.....	15
CERTIFICATE OF SERVICE.....	16

TABLE OF AUTHORITIES

<i>Alice Corp. v. CLS Bank Int’l</i> , 134 S. Ct. 2347 (2014)	3–4
<i>Apple, Inc. v. Ameranth, Inc.</i> , 842 F.3d 1229 (Fed. Cir. 2016)	7, 11, 12, 13
<i>Belden Inc. v. Berk-Tek LLC</i> , 805 F.3d 1064 (Fed. Cir. 2015)	7
<i>Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat’l Assn.</i> , 776 F.3d 1343 (Fed. Cir. 2104).....	6–7, 10, 11
<i>DDR Holdings, LLC v. Hotels.com, L.P.</i> , 773 F.3d 1245 (Fed. Cir. 2014)	3–4
<i>Enfish, LLC v. Microsoft Corp.</i> , 822 F.3d 1327 (Fed. Circ. 2016).....	12
<i>In re Biedermann</i> , 733 F.3d 329 (Fed. Cir. 2013).....	8
<i>In re Kronig</i> , 539 F.2d 1300 (C.C.P.A. 1976)	8
<i>In re Kumar</i> , 418 F.3d 1361 (Fed. Cir. 2005).....	7
<i>In re Leithem</i> , 661 F.3d 1316 (Fed. Cir. 2011)	7
<i>In re Stepan</i> , 660 F.3d 1341 (Fed. Cir. 2011).....	8, 11
<i>In re TLI Comm. LLC Patent Litig.</i> , 823 F.3d 611 (Fed. Cir. 2016)	6–7, 10, 11
<i>Intellectual Ventures I LLC v. Erie Indemnity Co.</i> , 850 F.3d 1315 (Fed. Cir. 2017)	10
<i>Rambus Inc. v. Rea</i> , 731 F.3d 1248 (Fed. Cir. 2013).....	8
<i>Rodale Press, Inc. v. FTC</i> , 407 F.2d 1252 (D.C. Cir.1968)	7
<i>SAS Inst. Inc. v. ComplementSoft LLC</i> , 825 F.3d 1341 (Fed. Cir. 2016).....	8
5 U.S.C. § 6(b).....	7
5 U.S.C. § 544(b)(3)	7

STATEMENT OF INTEREST¹

Founded in 1884, the Intellectual Property Law Association of Chicago is the country's oldest bar association devoted exclusively to intellectual property matters. Located in Chicago, a principal locus and forum for the nation's authors, artists, inventors, scholarly pursuits, arts, creativity, research and development, innovation, patenting, and patent litigation, IPLAC is a voluntary bar association of over 1,000 members with interests in the areas of patents, trademarks, copyrights, and trade secrets, and the legal issues they present. Its members include attorneys in private and corporate practices before federal bars throughout the United States, from law firm attorneys to sole practitioners, corporate attorneys, law school professors, law students, and judges,² as well as the U.S. Patent and Trademark Office and the U.S. Copyright Office. IPLAC members prosecute thousands of patent applications and litigate many patent lawsuits in Chicago and across the country.³

¹ This brief has not been authored in whole or in part by counsel for a party, and no person or entity other than Amicus, its members, or its counsel, has made a monetary contribution to the preparation or submission of this brief.

² Although over 30 federal judges are honorary members of IPLAC, none was consulted on, or participated in, this brief.

³ In addition to the required statement of footnote 1, after reasonable investigation, IPLAC believes that (a) no member of its Board or Amicus Committee who voted to prepare this brief, or any attorney in the law firm or corporation of such a member, represents a party to this litigation in this matter; (b) no representative of any party to this litigation participated in the authorship of this brief; and (c) no one other than IPLAC, or its members who authored this brief and their law firms or

IPLAC represents both patent holders and other innovators in roughly equal measure. In litigation, IPLAC's members are split roughly equally between plaintiffs and defendants. As part of its central objectives, IPLAC as a not-for-profit is dedicated to aiding in the development of intellectual property law, especially in the federal courts. A principal aim is to aid in the development and administration of intellectual property laws and the manner in which the courts and agencies including the United States Patent and Trademark Office apply them. IPLAC is also dedicated to maintaining a high standard of professional ethics in the practice of law and to providing a medium for the exchange of views on intellectual property law among those practicing in the field and to educating the public at large.

employers, made a monetary contribution to the preparation or submission of this brief.

STATEMENT OF FACTS

In this case, the rationale relied on to support the rejection under § 101 for lack of patent-eligible subject matter has been a moving target. Between the non-final office action and the final office action, the examiner modified the abstract idea used to support the rejection. On appeal the examiner claimed, for the first time and without analysis, that the alleged abstract idea was similar to a multitude of other abstract ideas. The Patent Trial and Appeal Board (the “Board”) ultimately affirmed the rejection under § 101 by morphing the examiner’s basis for rejection into yet another abstract idea identified, also for the first time, in its decision on appeal. The applicant had no notice and no opportunity to address the Board’s new abstract idea seen for the first time in its decision.

In a non-final office action of December 5, 2014, the examiner alleged the claims were “drawn to an abstract idea, being a basic concept of providing healthcare (e.g., implementing a controlled vocabulary in a longitudinal medical record, tagging elements with a longitudinal medical record with said controlled vocabulary, etc.”) (Non-Final Office Action of December 5, 2014, p. 2.) The examiner did not identify any court case in which claims reciting a similar concept were deemed to be directed to an abstract idea. (*See id.*) In response, the applicant argued the claims were analogous to the patent-eligible claims of *DDR Holdings* and were distinguished from the patent-ineligible claims of *Alice*. (Response to Office Action of

February 13, 2015, pp. 6–7 (citing *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014) and *Alice Corp. v. CLS Bank Int’l*, 134 S. Ct. 2347 (2014).)

In a final office action of March 13, 2015, the examiner modified the rationale underlying the § 101 rejection by identifying a new abstract idea the claims were alleged to be directed to: “providing health care by generating and processing medical records.” (Final Office Action of March 13, 2015, p. 2.) Responding to the applicant’s previous remarks about *Alice*, the examiner alleged “the claims involve generating data, linking data, creating data objects, and the like” and thus were directed to an abstract idea. (*Id.* at p. 3.) But the examiner again failed to identify any court case involving a similar abstract idea. Instead, the examiner simply referenced the example abstract ideas the Supreme Court identified in *Alice*—intermediated settlement, fundamental economic practices, and organizing human activities. (*Id.*) Notably, the examiner made no attempt to explain how or why the newly identified abstract idea of “providing health care by generating and processing medical records” was similar to these examples. (*See id.*)

The applicant appealed. In the appeal brief, the applicant argued (i) that the examiner oversimplified the claims, (ii) that the claims were distinguished from the patent-ineligible claims of *Content Extraction*, *Cyberfone*, and *Digitech*, and (iii)

that, again, the claims were analogous to the patent-eligible claims of *DDR Holdings*. (Appellant’s Brief of September 3, 2015, pp. 10–13.)

The examiner’s answer modified the original reasoning used to support the § 101 rejection by characterizing, for the first time, independent claims 1 and 12 as “drawn to” the following:

Independent claim 1 is drawn to a method of implementing a controlled vocabulary in a longitudinal electronic medical record by data objects pertaining to encounters, creating and storing a vocabulary with associated codes, tagging a medical record with the vocabulary.

Independent claim 12 is drawn to a method of processing a sound wave and correlating it with a vocabulary by capturing a sound wave as an electronic file, translating the file to text, storing the text as a patient medical record, tagging the record with a vocabulary, mapping the vocabulary to a reference terminology, and providing a code internal to the vocabulary.

(Examiner’s Answer of February 26, 2016, p. 3.)

Next, the examiner reiterated that “the claims were directed to an abstract idea of providing healthcare by generating and processing medical records.” (*Id.*) The examiner attempted to liken this abstract idea, again for the first time, to a litany of concepts previously determined to be abstract ideas, namely a method of organizing human activities; a fundamental economic practice; using categories to organize, store, and transmit information; collecting and comparing known information; obtaining and comparing intangible data; comparing new and stored information;

“**and/or**” comparing data using mathematical relationships/formulas; “**etc.**” (*Id.*) (emphasis added). But the examiner failed to provide any analysis explaining why “providing healthcare by generating and processing medical records” was similar to any of the seven different concepts listed. (*See id.*)

In reply, the applicant argued that the examiner failed to establish a *prima facie* case of patent ineligibility under § 101 because he provided no corresponding reasoned rationale explaining how the claims recited any of the seven different abstract ideas listed. (Appellant’s Reply Brief of April 26, 2016, pp. 3–5.)

In the end, the Board affirmed the examiner’s rejection and found the claim language to support the examiner’s conclusion that the claims were directed to “processing information to create a longitudinal medical record, and thereby manage patient records.” (Decision on Appeal of December 22, 2017, p. 6.) To support its ruling, the Board expanded beyond the examiner’s characterization of the claims: “Stated at a **higher level of abstraction**, claims 1 and 12 can be characterized as collecting, storing, and organizing data.”⁴ (*Id.* (emphasis added).) The Board then observed that claims directed to “collecting, storing, and organizing data” were previously held to be ineligible in three previous cases: *In re TLI Comm.*, *Content*

⁴ Here, the Board cited to the application’s specification which states, “[t]he present invention is directed to a system and method for electronic record-keeping, organizing, and managing.” (*Id.* (mistakenly citing paragraph [0003] and intending to cite paragraph [0002]).)

Extraction, and *Erie Indemnity*. (*Id.* at p. 7.) The Board also noted the Federal Circuit’s observation in *Apple, Inc. v. Ameranth, Inc.* that “[a]n abstract idea can generally be described at different levels of abstraction.” (*Id.* at pp. 6–7., fn. 3 (quoting 842 F.3d 1229, 1240 (Fed. Cir. 2016).) At no time did the applicant have an opportunity to address whether the claims could properly be “characterized as collecting, storing, and organizing data.” (Decision on Appeal at p. 6.)

ARGUMENT

I. **Changing the thrust of a rejection requires the Board to designate a new ground of rejection to provide an applicant an opportunity to respond**

Under the APA, applicants are “entitled to notice of the factual and **legal bases** upon which the rejection was based.” *In re Leithem*, 661 F.3d 1316, 1319 (Fed. Cir. 2011) (citing 5 U.S.C. §§ 6(b) and 554(b)(3)) (emphasis added). Under 5 U.S.C. § 544(b)(3), “an agency may not change theories in midstream without giving respondents reasonable notice of the change” and “the opportunity to present argument under the new theory.” *Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1064, 1080 (Fed. Cir. 2015) (citing *Rodale Press, Inc. v. FTC*, 407 F.2d 1252, 1256–57 (D.C. Cir.1968)).

And “[m]ere reliance on the same statutory basis . . . , alone, is **insufficient to avoid** making a new ground of rejection when the Board relies on new facts and rationales not previously raised to the applicant by the examiner.” *Id.* (citing *In re Kumar*, 418 F.3d 1361, 1367–68 (Fed. Cir. 2005)) (emphasis added). The Court

reiterated this in *In re Stepan*: “Mere reliance by the Board on the same type of rejection . . ., alone, is insufficient to avoid a new ground of rejection where it propounds new facts and rationales to advance a rejection” which were not “previously raised by the examiner.” 660 F.3d 1341, 1345 (Fed. Cir. 2011). And again in *In re Biedermann*: “The central question in the present case is whether the Board and the examiner properly relied on the same articulated reasoning and factual underpinnings in rejecting [the appellant’s] claims or whether the Board **made new findings** and **adopted different reasons** to support a new ground of rejection, thus depriving [the appellant] of both notice and an opportunity to respond.” 733 F.3d 329, 336 (Fed. Cir. 2013) (emphasis added).

“[T]he ultimate criterion of whether a rejection is considered ‘new’ in a decision by the board is whether appellants have had fair opportunity to react to the thrust of the rejection.” *In re Kronig*, 539 F.2d 1300, 1302–03 (C.C.P.A. 1976). “If that condition is not met, the Board must designate its decision a new ground of rejection and provide the appellant with an opportunity to respond.” *Rambus Inc. v. Rea*, 731 F.3d 1248, 1256 (Fed. Cir. 2013) (citing *Stepan*, 660 F.3d at 1346). “Failure to do so violates the appellant’s notice rights and warrants vacatur of the Board’s decision.” *Id.*

This Court underscored the importance of the APA’s notice requirements in *SAS Inst., Inc. v. ComplementSoft, LLC*, 825 F.3d 1341, 1350–52 (Fed. Cir. 2016),

rev'd on other grounds ___ U.S. ___ (2018). In that case (an *inter partes* review), the Board shifted its construction of a disputed claim term between its institution decision and its final written decision. Even though the Court agreed with the Board's ultimate construction, this Court remanded for further proceedings after finding the Board's procedure failed to satisfy § 554(b)(3). *Id.* at 1352. This Court observed that the petitioner focused its arguments on the initial claim construction set forth in the Board's institution decision—a construction the patent owner agreed with and thus did not challenge. *Id.* at 1351. Consequently, the Court found that the petitioner could not have anticipated—and thus could not have briefed or argued against—alternative or hypothetical constructions. *Id.* According to this Court, the Board “change[d] theories midstream” by adopting a new claim construction for the first time in its final written decision.

To date, precedential case law has typically addressed undesigned new grounds of rejection in the context of art-based rejections under §§ 102 and 103. But there is no reason why the APA's principles should be different for rejections under § 101 in the *Mayo/Alice* context. Shifting to a new abstract idea to support a subject matter rejection changes the underlying rationale for that rejection. The APA's due process principles mandate notice of and the opportunity to respond to that new rationale.

II. The Board should have designated its decision as a new ground of rejection and reopened prosecution in order to allow the applicant an opportunity to respond to the abstract idea the Board first identified in its Appeal Decision

Before the Board’s decision on appeal, the applicant had no opportunity to address the characterization of the claims as directed to “collecting, storing, and organizing data.” Throughout prosecution and the appeal, the examiner alleged the claims to be directed to either “providing healthcare” (non-final office action) or “providing health care by generating and processing medical records” (final office action and examiner’s answer). The allegation that the claims were directed to “collecting, storing, and organizing data” was not raised by the examiner. Instead, this characterization of the claims was a new rationale raised by the Board for the first time in its decision on appeal. In other words, the Board adopted a different reason to conclude the claims failed to set forth patent-eligible subject matter under § 101.

This shift in the Board’s reasoning is further highlighted by the previously uncited case law the Board identified in order to show that “claims directed to collecting, storing, and organizing data” are patent ineligible: *In re TLI Comm. LLC Patent Litig.*, 823 F.3d 611 (Fed. Cir. 2016); *Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat’l Assn.*, 776 F.3d 1343 (Fed. Cir. 2014); and *Intellectual Ventures I LLC v. Erie Indemnity Co.*, 850 F.3d 1315 (Fed. Cir. 2017). (Decision on Appeal at p. 7.) Up until the Board’s decision, the applicant had no

notice that its claims were alleged to be similar to the patent-ineligible claims of *TLI Comm.*, *Content Extraction*, or *Erie*. So the appellant had no opportunity to distinguish its claims from those at-issue in those newly cited cases. That the appellant itself happened to mention *Content Extraction* in its appeal brief should not matter. *See Stepan*, 660 F.3d at 1344–45 (stating that “the mere fortuity [the appellant] addressed the validity of [a] Declaration on its own, without the issue being raised by the examiner, does not permit the Board to reject the Declaration as ineffective without designating its decision as a new ground of rejection”).⁵

In addition, this case is distinguishable from *Apple v. Ameranth*, which the Board cited for the proposition that “[a]n abstract idea can generally be described at different levels of abstraction.” (Decision on Appeal at p. 6, (quoting *Apple*, 842 F.3d at 1240–41).) In *Apple*, although the Board’s characterization of the claims changed between its initial decision to institute a CBM review and its final decision, its subsequent characterization of the claims was narrower than its initial characterization. Initially, the Board found the claims at issue in *Apple* to be “directed to generating a menu on a computer.” *Apple*, 842 F.3d at 1240 (Fed. Cir. 2016). Later, the Board “added to this description, finding the patent claims [were]

⁵ It also should not matter that the Board relied on statements in the application’s specification (*e.g.*, paragraph [0002]) to support its new characterization of the claims as “collecting, storing, and organizing data.” (Decision on Appeal at p. 6.) This was a new characterization of the claims regardless of the statements the Board relied on to support it.

directed to the abstract idea of generating a second menu from a first menu and sending the second menu to another location.” *Id.* (emphasis added). Moreover, both of these alleged abstract ideas were tethered to the specific language of the claims at issue which recited, among other things, a “system for generating and transmitting menus comprising . . . application software for generating a second menu from said first menu.” *Id.* at 1234 (emphasis added). *See also Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1337 (Fed. Cir. 2016) (“describing the claims at such a high level of abstraction and untethered from the language of the claims all but ensures that the exceptions to § 101 swallow the rule”).

While the Board narrowed its alleged abstract idea in *Apple*, here the Board broadened the abstract idea alleged by the examiner: “Stated at a higher level of abstraction . . .” And the Board’s broader characterization of appellant’s 240-word claim as directed to “collecting, storing, and organizing data” was not tethered to any specific language in the claim at issue. *See Enfish*, 822 F.3d at 1337. In *Apple*, this Court determined the Board’s “slight revision of its abstract idea analysis [did] not impact the patentability analysis.” *Apple*, 842 F.3d at 1241. But that is not the case here. The Board’s new characterization of the appellant’s 240-word claim as “collecting, storing, and organizing data” is more than a slight revision. That this new characterization implicated previously uncited case law⁶ is evidence enough of

⁶ *E.g.*, *TLI Comm.*, *Content Extraction*, and *Erie*. (See Decision on Appeal at p. 7.)

this. Hence, this Court should find that the Board’s new and **broader** abstract idea completely **untethered** to any claim language was a significant revision that did impact the patentability analysis.

If anything, this Court’s observation in *Apple* that “[a]n abstract idea can generally be described at different levels of abstraction” reinforces the need to provide an appellant the opportunity to respond to any new abstract idea the Board alleges for the first time in its decision on appeal. Were this not the case, appellants might have tailored their arguments to the abstract ideas alleged by the examiner only to have the Board uphold the rejection based on previously unseen abstract ideas those appellants have not yet had the opportunity to address. That approach cannot be deemed to satisfy the APA’s requirements to provide appellants both the “notice of the factual and legal bases upon which the rejection was based” and the opportunity to respond. Like the petitioner in *SAS Inst.*, who could not have anticipated hypothetical or alternative claim constructions seen for the first time in the Board’s final decision, the appellant here could not have anticipated new abstract ideas alleged by the Board for the first time in its decision on appeal.

CONCLUSION

In view of this Court's precedent, the Board should have designated its rejection of the appellant's claims on the basis that they are directed to the abstract idea of "collecting, storing, and organizing data" as a new ground of rejection in order to reopen prosecution and allow the appellant a fair opportunity to respond to this new characterization of the claims.

Most of all, this Court is presented with an opportunity to address an open question concerning § 101 jurisprudence in the *Mayo/Alice* context. Applicants, the Patent Bar, the Examining Corps, and the Board would benefit from a decision that clarifies under what circumstances the rationale underlying a subject matter rejection changes enough to implicate the APA's due process principles of notice and an opportunity to respond.

Adam G. Kelly, President
THE INTELLECTUAL PROPERTY LAW
ASSOCIATION OF CHICAGO
P.O. Box 472
Chicago, Illinois 60690

Respectfully submitted,

/s/ Brian J. Emfinger

Brian J. Emfinger
Counsel of Record

Robert H. Resis
Charles W. Shifley
BANNER & WITCOFF, LTD.
10 S. Wacker Drive, Suite 3000
Chicago, Illinois 60606
Tel: 312-463-5000
Fax: 312-463-5001
Co-counsel for Amicus Curiae
rresis@bannerwitcoff.com

CERTIFICATE OF COMPLIANCE

Pursuant to Federal Rule of Appellate Procedure 32(a)(7)(B), Counsel for *Amicus Curiae* The Intellectual Property Law Association of Chicago certifies that, according to the Microsoft Word® processing program used to prepare this brief, this brief contains no more than 3300 words and is not more than 15 pages, not including the table of contents, table of citations, signature block, and certificates of counsel.

/s/ Brian J. Emfinger

Brian J. Emfinger

CERTIFICATE OF SERVICE

I, Brian J. Emfinger, certify that on June 5, 2018, a copy of the BRIEF OF *AMICUS CURIAE* THE INTELLECTUAL PROPERTY LAW ASSOCIATION OF CHICAGO IN SUPPORT OF NEITHER PARTY was electronically filed with the Clerk of Court using the CM/ECF System, which will serve via email notice of such filing to all counsel registered as CM/ECF users, including the following principal counsel for the parties:

Richard P. Beem, Esq.
Raymond R. Ricordati, III, Esq.
Beem Patent Law Firm
53 W. Jackson Boulevard, Suite 1352
Chicago, IL 60604

Nathan K. Kelley, Solicitor
Thomas W. Krause, Esq., Deputy Solicitor
William LaMarca, Special Counsel for IP Litigation
Office of the Solicitor, U.S. Patent and Trademark Office
Mail Stop 8, P.O. Box 1450
Alexandria, VA 22313-1450
571-272-9035

All counsel appearing at the time of this filing, will be served by CM/ECF notice only.

Dated: June 5, 2018

/s/ Brian J. Emfinger
Brian J. Emfinger