

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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DELL INC.  
Petitioner

v.

DISPOSITION SERVICES LLC  
Patent Owner

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Case CBM2013-00040  
Patent 5,424,944

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Before SALLY C. MEDLEY, KEVIN F. TURNER, and  
MATTHEW R. CLEMENTS, *Administrative Patent Judges*

**PETITIONER'S REPLY BRIEF**

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## I. INTRODUCTION

The Board instituted this CBM Review because it found that Petitioner demonstrated that claims 1-23 are “more likely than not . . . directed to non-statutory subject matter and, thus, unpatentable under 35 U.S.C. § 101.” Paper 7 [Institution Decision] (“ID”) at 18-19, 21. Patent Owner’s Response fails to establish any error or deficiency in the conclusion reached in the ID, and therefore the Board should issue a Final Written Decision canceling claims 1-23 as unpatentable under § 101.

## II. ANALYSIS

### A. *Alice v. CLS Bank* Confirmed the Correctness of the Board’s Approach to Analyzing Patent Eligibility Under § 101

In its Institution Decision, the Board applied a two-step approach for determining whether the claims are directed to patentable subject matter under § 101. First, the Board assessed whether the claims are directed to an abstract idea, and it found they are. ID at 17. Next, the Board assessed “whether ‘additional substantive limitations’ work to ‘narrow, confine, or otherwise tie down the claim so that, in practical terms, it does not cover the full abstract idea itself.’” *Id.* (quoting *Accenture Global Servs. GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1344-45 (Fed. Cir. 2013)).

The language the Board quoted from *Accenture* is based on the Supreme Court’s decision in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*,

132 S. Ct. 1289 (2012). In *Mayo*, the Supreme Court applied a two-step framework for determining patent eligibility of claims directed to laws of nature. *Id.* at 1296-97. In *Alice Corporation Pty. Ltd. v. CLS Bank International*, 134 S. Ct. 2347, 2355 (2014), the Supreme Court confirmed that the *Mayo* framework applies equally when determining patent eligibility of claims directed to an abstract idea. See also U.S. Patent and Trademark Office, Preliminary Examination Instructions in view of the Supreme Court Decision in *Alice Corporation Pty. Ltd. v. CLS Bank International, et al.* at 1 (June 25, 2014), available at [http://www.uspto.gov/patents/announce/interim\\_alice\\_guidance.jsp](http://www.uspto.gov/patents/announce/interim_alice_guidance.jsp) (“The Supreme Court made clear in *Alice Corp.* that it applies the [two-step] framework set forth in *Mayo* . . . to analyze all claims directed to laws of nature, natural phenomena, and abstract ideas for subject matter eligibility under 35 U.S.C. § 101.”).

In step one of the *Alice/Mayo* framework, “we determine whether the claims at issue are directed to one of those patent-ineligible concepts.” *Alice*, 134 S. Ct. at 2355. In step two, “we consider the elements of each claim both individually and as an ordered combination to determine whether the additional elements transform the nature of the claim into a patent-eligible application.” *Id.* (internal quotation marks omitted). Step two can be described “as a search for an inventive concept—*i.e.*, an element or combination of elements that is sufficient to ensure that the

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