### **REMARKS**

Claims 2-8, 10, 14-20, 22, 25, 27-33, 35, 40-45, and 49-57 are pending in this application. By this amendment, claim 55 is amended. Thus, claims 2-8, 10, 14-20, 22, 25, 27-33, 35, 40-45, and 49-57 remain pending in this application. Reconsideration and allowance of this application is respectfully requested.

Claim 55 stands rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the enablement requirement. In particular, the Examiner asserts that the steps of "generating in a third license one or more rights based on the meta-right in the second license, wherein the one or more rights in the third license includes at least one right that is shared among one or more users or devices" is not disclosed in the specification.

However, Applicants respectfully submit that amended claim 55, which recites, in relevant part, "generating in a further license one or more rights based on the meta-right in the second license, wherein the one or more rights in the further license includes at least one right that is shared among one or more users or devices; and associating at least one state variable with the at least one right that is shared in the further license, wherein the at least one state variable that is associated with the further license is based on the at least one state variable that is associated with the second license," is fully supported by the specification.

For example, according to the invention, the first license is the offer allowing a distributor to issue licenses for affiliated clubs; the distributor derives from the offer a second license allowing an affiliated club to issue licenses to its member; and the club derives a further license (i.e. a third license) allowing a member to play the ebook.

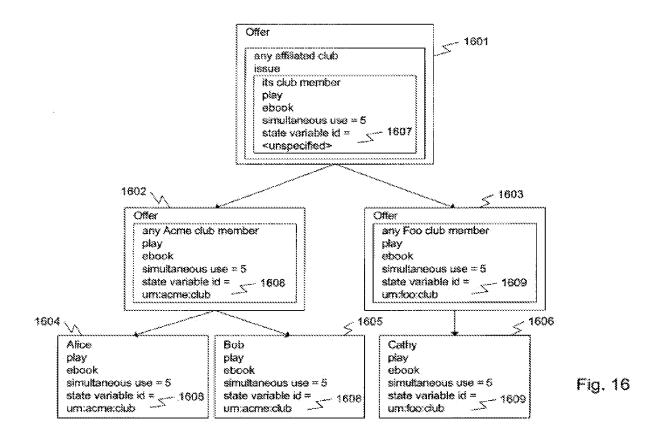
In particular, paragraph [0099] of the published application provides:

FIG. 16 is used to illustrate employing of a state variable in deriving rights that are shared among a dynamic set of rights recipients, according to the present invention. In FIG. 16, an offer 1601 specifies that a distributor can issue site licenses to affiliated clubs, allowing 5 members of each club to concurrently view, play, and the like, content, such as an e-book. A corresponding state variable 1607 associated with such a right can be unspecified in the offer 1601. When corresponding rights 1602 and 1603 are issued to affiliated clubs, the corresponding club identities are used to specify state variables 1608 and 1609 in the issued rights. The offers 1602 and 1603 are meta-rights derived from the offer 1601, with offer being assigned the distinct state variables 1608 and 1609. Further rights 1604-1606 can be derived from the offers 1602 and 1603 to be shared among members of each respective club. The licenses 1604 and 1605 are examples



of rights derived from the offer 1602, and which inherit the state variable 1608, e.g., "urn:acme:club," whereas the license 1606 inherits the state variable 1609, e.g., "urn:foo:club."

For reference, Figure 16 is shown below:

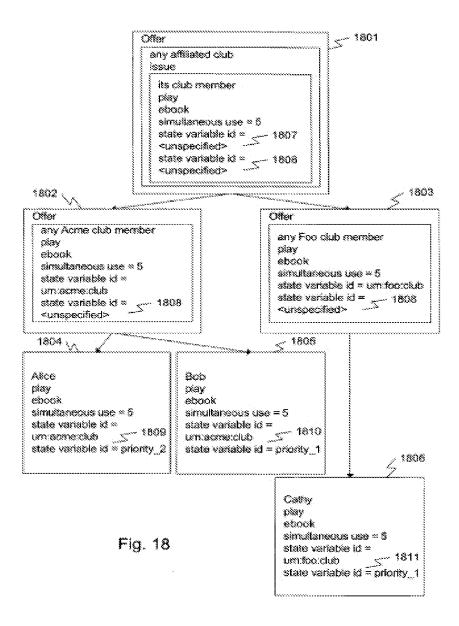


In addition, paragraph [0101] of the published application provides:

The state of rights can depend on more than one state variable. FIG. 18 is used to illustrate employing of multiple state variables to represent one state of rights, according to the present invention. The example described with respect to FIG. 18 builds upon the example described with respect to FIG. 16. In FIG. 18, a usage right can be tracked by employing multiple state variables 1807 and 1808 in an offer 1801. The state variable 1808, for example, representing a priority level, can stay unspecified in the corresponding offers 1802 and 1803 (e.g., site licenses). The corresponding state variables 1809-1811, for example, used for setting a priority, can be assigned to each member in the corresponding licenses 1804, 1805 and 1806. The corresponding right to view, play, and the like, can now be dependent on two state variables, effectively restricting 5 simultaneous views, plays, and the like, per priority level.



For reference, Figure 18 is shown below:



Thus, the features recited in claim 55, as presented herein, are fully and clearly supported by at least Figs. 16 and 18, and related discussion in at least paragraphs [0099] and [0101] of the published application. Accordingly, Applicants respectfully submit that the rejection of claim 55 under 35 U.S.C. § 112 should be reconsidered and withdrawn.

Claims 2-10, 14-22, 25, 27-35, and 40-54 stand rejected under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 6,226,618 to Downs et al. However, Applicants



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respectfully submit that Downs fails to disclose, suggest, or render obvious, each and every feature recited in claims 2-10, 14-22, 25, 27-35, and 40-54.

For example, independent claim 40 recites a method for sharing rights adapted to be associated with an item, the method comprising specifying in a first license at least one usage right and at least one meta-right for the item, wherein the usage right and the meta-right include at least one right that is shared among one or more users or devices, defining, via the at least one usage right, a manner of use selected from a plurality of permitted manners of use for the item, defining, via the at least one meta-right, a manner of rights derivation selected from a plurality of permitted manners of rights derivation for the item, wherein the at least one meta-right allows the one or more users or devices to transfer rights or to derive new rights, associating at least one state variable with the at least one right in the first license, wherein the at least one state variable identifies a location where a state of rights is tracked, generating in a second license one or more rights based on the meta-right in the first license, wherein the one or more rights in the second license includes at least one right that is shared among one or more users or devices, and associating at least one state variable with the at least one right that is shared in the second license, wherein the at least one state variable that is associated with the second license is based on the at least one state variable that is associated with the first license.

In addition, independent claim 41 recites a system for sharing rights adapted to be associated with an item, the system comprising means for *specifying in a first license at least one usage right and at least one meta-right for the item, wherein the usage right and the meta-right include at least one right that is shared among one or more users or devices, means for defining, via the at least one usage right, a manner of use selected from a plurality of permitted manners of use for the item, means for defining, via the at least one meta-right, a manner of rights derivation selected from a plurality of permitted manners of rights derivation for the item, wherein <i>the at least one meta-right allows the one or more users or devices to transfer rights or to derive new rights*, means for associating at least one state variable with the at least one right in the first license, wherein *the at least one state variable identifies a location where a state of rights is tracked*, means for generating in a second license one or more rights based on the meta-right in the first license, wherein the one or more rights in the second license includes at least one right that is shared among one or more



users or devices, and means for associating at least one state variable with the at least one right that is shared in the second license, wherein the at least one state variable that is associated with the second license is based on the at least one state variable that is associated with the first license.

Furthermore, independent claim 42 recites a device for sharing rights adapted to be associated with an item, the device comprising means for receiving a first license specifying at least one usage right and at least one meta-right for the item, wherein the usage right and the meta-right include at least one right that is shared among one or more users or devices, the least one usage right defines a manner of use selected from a plurality of permitted manners of use for the item, the at least one meta-right defines a manner of rights derivation selected from a plurality of permitted manners of rights derivation for the item, the at least one meta-right allows the one or more users or devices to transfer rights or to derive new rights, at least one state variable is associated with the at least one right in the first license and identifies a location where a state of rights is tracked, and means for generating in a second license one or more rights based on the meta-right in the first license, wherein the one or more rights in the second license includes at least one right that is shared among one or more users or devices, at least one state variable is associated with the at least one right that is shared in the second license, and the at least one state variable that is associated with the second license is based on the at least one state variable that is associated with the first license.

Thus, the invention recited in independent claims 40, 41 and 42 includes at least the novel features of specifying in a first license at least one usage right and at least one metaright for an item, the at least one meta-right allows one or more users or devices to transfer rights or to derive new rights, associating at least one state variable with the at least one right in the first license, wherein the at least one state variable identifies a location where a state of rights is tracked, generating in a second license one or more rights based on the meta-right in the first license, and associating at least one state variable with at least one right that is shared in the second license, wherein the at least one state variable that is associated with the second license is based on the at least one state variable that is associated with the first license.

By contrast, Downs is directed to a method and apparatus of securely providing data to a user's system, wherein the data is encrypted so as to only be decryptable by a data



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