

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AKIN GUMP STRAUSS HAUER & FELD LLP,
Petitioner Application 17/696,389,
Petitioner,

v.

XCENTIAL CORP.,
Respondent Application 17/018,233,
Respondent.

DER2022-00004

Before JAMESON LEE, JUSTIN T. ARBES, and
CHRISTOPHER C. KENNEDY, *Administrative Patent Judges*.

ARBES, *Administrative Patent Judge*.

DECISION
Denying Institution of Derivation Proceeding
35 U.S.C. § 135

I. INTRODUCTION

A. *Background and Summary*

On March 17, 2022, Petitioner Akin Gump Strauss Hauer & Feld LLP filed a Petition (Paper 1, “Pet.”) to institute a derivation proceeding under 35 U.S.C. § 135 with respect to then-pending claims 1–20 of U.S. Patent

Application No. 17/018,233 (“the ’233 application”) owned by Respondent Xcential Corporation. On July 14, 2023, we exercised exclusive jurisdiction over the ’233 application and Petitioner’s involved application, U.S. Patent Application No. 17/696,389 (“the ’389 application”), under 37 C.F.R. § 42.3(a) for the purpose of determining whether to institute a derivation proceeding. Paper 11. Petitioner also filed a supplemental paper on October 17, 2023 (Paper 14, “Supp.”), pursuant to our authorization (Paper 13).

“Whenever the Director determines that a petition . . . demonstrates that the standards for instituting a derivation proceeding are met, the Director may institute a derivation proceeding.” 35 U.S.C. § 135(a)(1). We have authority to institute a derivation proceeding on behalf of the Director. 37 C.F.R. § 42.408(a). The Board’s rules set forth various requirements for a petition to institute a derivation proceeding, and the threshold showing for institution is “substantial evidence, including at least one affidavit addressing communication of the derived invention and lack of authorization that, if unrebutted, would support a determination of derivation.” 37 C.F.R. § 42.405. For the reasons that follow, we do not institute a derivation proceeding.

B. Respondent’s ’233 Application

The ’233 application, titled “System and Method for Document Extraction and Synthesis,” was filed on September 11, 2020, and claims the benefit of U.S. Provisional Patent Application No. 62/899,384 (Ex. 1003, “the ’384 provisional application”), filed on September 12, 2019. Ex. 1002,

codes (22), (54), (60).¹ The sole named inventor is Grant Vergottini, the co-founder and Chief Executive Officer of Respondent. *Id.*, code (72); *see* Ex. 1004 ¶ 52.

1. Disclosure

Because many of the technical details of the method disclosed in the '233 application are expressly recited in the claims, we describe them in some detail herein.

The '233 application discloses a “system and method for extracting portions of a document to be changed and automatedly synthesizing the changes to the extracted portion of the document to conform to the language and structure required for the final document.” Ex. 1002 ¶ 2. According to the '233 application, “[d]rafting legislative documents and regulations is tedious” because different legislative bodies require different “format requirements and precise language” for presenting bills, such that “a lawyer or other drafter cannot copy the law to be changed from the original source, make changes to the original source document, and simply present those changes to the legislature.” *Id.* ¶¶ 3–4. “Instead, language must be crafted that describes the changes using [the] precise arcane language and format” required by the particular legislature where the bill is to be presented.²

¹ We refer herein to the publication of the '233 application, U.S. Patent Application Publication No. 2021/0082067 A1 (Ex. 1002), for convenience. No changes appear to have been made to the written description of the '233 application since the time of filing.

² An example of the particular language and format required for a bill is shown in Figure 6 of the '233 application. *See* Ex. 1002 ¶¶ 20, 57–58, 77–78.

Id. ¶ 4. The '233 application states that some automation had been accomplished for legislative drafting, but existing tools did not “allow the user to create in-line in-context changes to the original text of the legal provision to be changed and then automatically generate a bill from those changes with the appropriate language required by the jurisdiction where the bill is to be presented.” *Id.* ¶¶ 6–7. The '233 application purports to solve that “unmet need in the art, . . . allowing the attorney to spend more time on the intellectual work of deciding how to change the law, rather than how to construct, organize and present those changes to the law as a bill.” *Id.* ¶¶ 8–9. The '233 application states that its disclosed system “automatedly transforms” a user’s “in-line in-context changes” into “a generated bill that uses the prescribed language and format required by the legislature,” and “could be a stand-alone system or could be incorporated into current bill drafting systems that are capable of supporting the functionality,” such as Respondent’s LegisPro system. *Id.* ¶ 9.

Figure 1 of the '233 application is reproduced below.

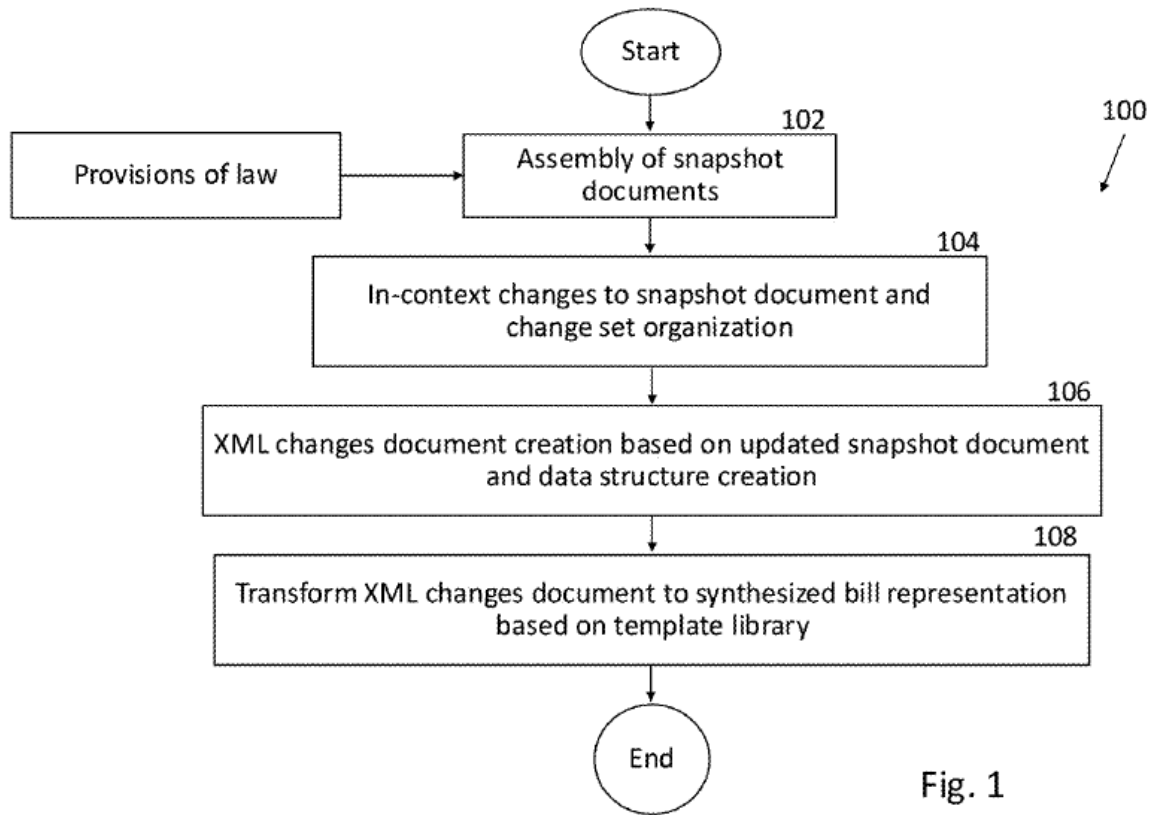


Fig. 1

Figure 1 depicts exemplary method 100 of “law selection and bill synthesis” comprising steps 102–108. *Id.* ¶¶ 15, 25.

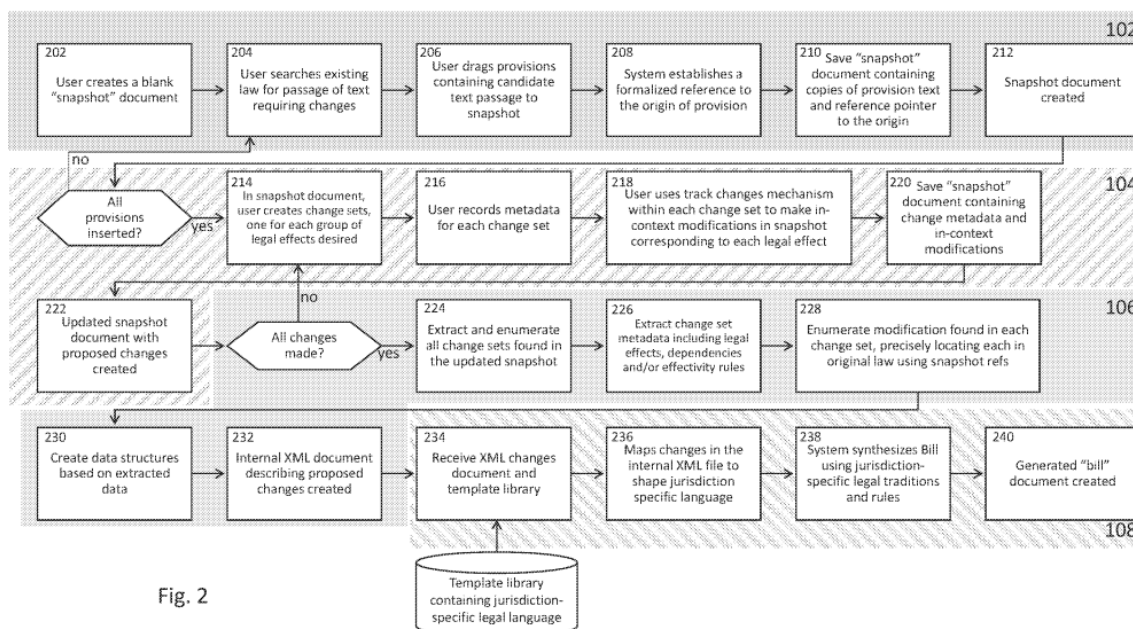
Figure 2 of the '233 application is reproduced below.³

Fig. 2

Figure 2 depicts various sub-steps of steps 102, 104, 106, and 108 in the exemplary method. *Id.* ¶ 16.

Step 102: Step 102 involves creating a “snapshot document,” which is “a document consisting of the portions of existing law that are to be changed and incorporated into the bill to be created.” *Id.* ¶ 26. At step 202, the user creates a blank snapshot document, e.g., using a word processing program. *Id.* ¶ 28. At step 204, the user searches existing law “to locate the portions of text requiring changes for the bill.” *Id.* ¶ 29. At step 206, the identified “provisions are copied from a reliable data source such as an internal database or external data service and incorporated into the snapshot

³ For clarity, we include herein the replacement, unblurred version of Figure 2 submitted by Respondent during prosecution of the '233 application on January 27, 2023. Petitioner submitted a similar replacement figure during prosecution of the '389 application on April 28, 2023.

document,” e.g., by dragging text selections into a snapshot window.

Id. ¶ 30. “At step 208, a formalized reference pointing to the origin of each provision is established by the system and associated with each provision in the snapshot document by adding an annotation to the provision in the snapshot document,” e.g., by “using formalized reference pointers that express the legal citation as a URL . . . point[ing] to where the original source of text of the provisions originated in the law.” *Id.* ¶ 31. Thus, “only the particular provision of the law that is being changed needs to be incorporated into the snapshot document, rather than the entire law.” *Id.* The snapshot document “contain[ing] the provisions of law to be changed and the formalized reference to the origin of each provision” is then saved at step 210 and is “ready for changing” in a graphical user interface displayed to the user at step 212 (as shown in Figure 4). *Id.* ¶¶ 32–33.

Step 104: Step 104 involves making changes to the snapshot document “in-context using some method of change tracking.” *Id.* ¶ 34. The ’233 application states that the exemplary method “build[s] on the existing XML-based capabilities of LEGISPRO® including the unique Change Set mechanism which is used to group and categorize changes to a document,” and states that it incorporates by reference a prior application of Respondent, U.S. Patent Application No. 16/507,855 (“the ’855 application”), disclosing change sets. Ex. 1002 ¶¶ 24, 34. The ’233 application states that “[i]n many cases, the changes that are proposed can have a complex effect on the law—making different changes for different reasons, coming into effect at varying dates, or other complexities,” and change sets account for that feature by “allow[ing] edits, being recorded

as insertion[s] and/or deletions, to be grouped into sets which can have metadata applied to them as a whole.” *Id.* ¶ 34.

“[A]t step 214, change sets are created to group the changes associated with each different legal effect in the snapshot document.” *Id.*

¶ 36. The ’233 application discloses:

Each different legal effect to be caused by the changes made to the text of the provisions will be represented by a different change set. A legal effect may be a change in a tax, a prohibition, [or] an incentive, among others. In addition, consequential or follow-on effects may need [to be] handled where the changes being proposed affect other existing aspects of the law. For example, a proposed change to existing law may be to lower a set of certain taxes and to provide additional time to pay said taxes, this would likely constitute two legal effects and two change sets. The first change set and legal effect would contain all changes required to adjust the tax rate to the new proposed amount. The second change set and legal effect would contain all changes required to extend the time limit to the proposed time limit.

Id. At step 216, metadata (e.g., “description of legal effect,” “dependencies,” “effectivity rules”) for each created change set is recorded.

Id. ¶ 37. At step 218, the user makes “in-context changes” to the provisions “using a change tracking mechanism in the editor of the snapshot

document.” *Id.* ¶ 38. “[T]he changes belonging to each change set[] may be visually distinguished in the snapshot document by use of unique colors, unique underlining, or other visually distinct mechanisms.” *Id.* ¶ 40; *see id.*

¶¶ 34, 66, 70. The “updated snapshot document” containing the legal provisions, formalized references, change sets with metadata, and the user’s in-context modifications is saved at step 220, and “ready for synthesis” at step 222 (as shown in Figure 5). *Id.* ¶¶ 39–40.

Step 106: Step 106 involves “transforming the updated snapshot document into an XML changes document that expresses the changes as [a] series of change instructions” using a document synthesis engine. *Id.* ¶ 41. “[A]t step 224, the document synthesis engine receives [the] updated snapshot document and extracts and enumerates all change sets found in the updated snapshot document by copying the list of change sets into its internal data structures.” *Id.* ¶ 44. “At step 226, the document synthesis engine extracts the change set metadata from the updated snapshot document by copying all metadata related to the change[] sets into its internal data structures.” *Id.* ¶ 45. “At step 228, the document synthesis engine enumerates the in-context changes (insertions and deletions) made in each change set of the updated snapshot document by copying the text and the metadata of each change into its internal data structures,” e.g., using a “reference pointer” in the snapshot document along with “positioning information . . . to precisely locate the change in the original law.” *Id.* ¶ 46. “[T]he document synthesis engine creates nested internal data structures based on the [extracted] information” at step 230. *Id.* ¶ 47. “Within each change set, the document synthesis engine clusters adjacent modifications” (e.g., those “within the same change set and . . . not separated by any unmodified text or text belonging to another change set”) to “create an enumerated list of changes within each change set for the internal data structure.” *Id.*

Figure 7 of the '233 application is reproduced below.

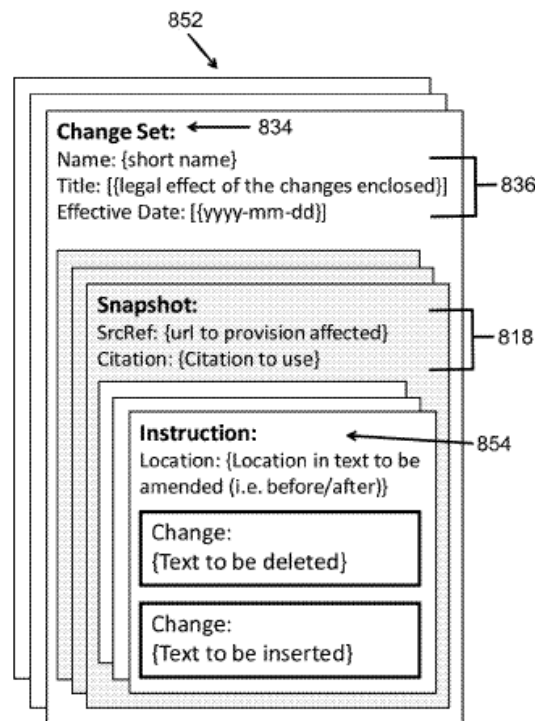


Fig. 7

Figure 7 depicts an exemplary internal data structure “organiz[ing] the information in a hierarchical manner,” with the top level being the applicable change set. *Id.* ¶¶ 47, 72. “At step 232, once the data structures are constructed in memory, the data structure is then expressed as an intermediate XML document.” *Id.* ¶ 49.

Step 108: Step 108 involves “transforming the XML changes document into [a] bill representation” that “conforms to the precise language, construction, and formatting necessary for the bill to be introduced into the lawmaking body” using a transformation engine. *Id.* ¶¶ 50–51. At step 234, the transformation engine receives the XML changes document and an “applicable template library.” *Id.* ¶ 52. The '233 application discloses:

[T]he template library contains an exhaustive suite of amending snippets that conform to the drafting rules and precise language prescribed by the different law-making bodies. Each template is a set of instructions and rules that will determine the precise wording of the bill representation based on the changes and data depicted in the XML changes document, including the type of changes to be made, the legal effect of the changes, the source of the law to be changed, etc. . . . [T]emplates are jurisdiction specific based on the precise language required for bills in each jurisdiction.

Id. ¶ 53. “At step 236, the XML changes document is matched to the appropriate template from the template library and the changes in the XML changes document are mapped to the template by selecting the template that precisely expresses the designed effect matching the available criteria.” *Id.* “[T]he transformation engine synthesizes the bill representation based on the XML changes document mapping to the template(s)” at step 238, and creates and displays to the user a “bill representation document” with “the correct wording and hierarchical format required by the legislature and the correct changes desired by the drafter” at step 240. *Id.* ¶¶ 55–58. As shown in the exemplary bill representation of Figure 6, “[w]hile the changes made to the snapshot document are made in-context to the original law being changed, the format of the presented bill is visually and contextually . . . quite different.” *Id.* ¶ 57.

2. *Prosecution History*

Respondent’s ’233 application was filed with claims 1–20. On November 30, 2022, the Examiner issued a Non-Final Office Action stating that claims 1–5 are allowed and rejecting claims 6–20. Ex. 3001. Respondent subsequently cancelled claims 6–20 in an Office Action

response filed on January 27, 2023. On April 18, 2023, the Examiner entered an Office communication in the file of the '233 application indicating that “all outstanding rejections in the instant application have been overcome” and suspending prosecution in view of the instant proceeding. We subsequently exercised exclusive jurisdiction over the parties’ applications in this proceeding.

C. Petitioner’s ’389 Application

The ’389 application, titled “System and Method for Document Extraction and Synthesis,” was filed on March 16, 2022. Ex. 1001, 1. The ’389 application was filed as a continuation of Respondent’s ’233 application and claims the benefit of Respondent’s ’384 provisional application. *Id.* ¶ 1. The sole named inventor is Louis Agnello, an employee of Petitioner. *See* Ex. 1004 ¶ 1.

1. Disclosure

Petitioner’s ’389 application appears to be identical to Respondent’s ’233 application except that it adds three paragraphs in the “Background” section of the written description describing “[c]onventional word processing software” and explaining why it is “ill-equipped for amending laws.” *See* Ex. 1001 ¶¶ 7–9.

2. Prosecution History

Petitioner’s ’389 application was filed with claims 1–20 identical to those of Respondent’s ’233 application. On June 26, 2023, the Examiner

entered a Non-Final Office Action (1) rejecting claims 1–20 under 35 U.S.C. § 102(a)(2) as being anticipated by the publication of the '233 application (Ex. 1002), and (2) rejecting claims 6–20 under 35 U.S.C. § 103 based on other references. We subsequently exercised exclusive jurisdiction over the parties' applications in this proceeding.

II. ANALYSIS

A. Legal Standards

The statute governing derivation proceedings, 35 U.S.C. § 135, provides as follows:

(a) Institution of Proceeding.—

(1) In general.—An applicant for patent may file a petition with respect to an invention to institute a derivation proceeding in the Office. The petition shall set forth with particularity the basis for finding that an individual named in an earlier application as the inventor or a joint inventor derived such invention from an individual named in the petitioner's application as the inventor or a joint inventor and, without authorization, the earlier application claiming such invention was filed. Whenever the Director determines that a petition filed under this subsection demonstrates that the standards for instituting a derivation proceeding are met, the Director may institute a derivation proceeding.

Although a derivation proceeding is a creation of the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) ("AIA"),⁴ the charge of derivation of invention as a basis for finally refusing

⁴ The language of 35 U.S.C. § 135 was amended to its current form in the Technical Corrections—Leahy-Smith America Invents Act, Pub. L. No. 112-274 §§ 1(e)(1), 1(k), 126 Stat. 2456, 2456–58 (2013).

application claims and cancelling patent claims had been adjudicated under 35 U.S.C § 135(a) as it existed prior to the enactment of the AIA. On the substantive law of derivation of invention, we apply the jurisprudence that developed in that context, including the case law of the U.S. Court of Appeals for the Federal Circuit and the U.S. Court of Customs and Patent Appeals, in addition to jurisprudence developed subsequent to the enactment of the AIA. *See Global Health Solutions LLC v. Selner*, DER2017-00031, Paper 91 at 5–6 (PTAB Mar. 30, 2023) (“*Global Health*”); *Andersen Corp. v. GED Integrated Solutions, Inc.*, DER2017-00007, Paper 57 at 14 (PTAB Mar. 20, 2019) (“*Andersen*”); *Catapult Innovations Pty Ltd v. adidas AG*, DER2014-00002, Paper 19 at 3 (PTAB July 18, 2014) (“*Catapult*”).

Under the AIA, a petitioner must show that the respondent, without authorization, filed an application claiming the derived invention. 35 U.S.C. § 135(a); 37 C.F.R. § 42.405(b)(2). To prove derivation, the party asserting derivation must establish (1) prior conception of the claimed subject matter, and (2) communication of that conception to an inventor of the other party. *See Global Health*, Paper 91 at 6 (collecting cases); *Andersen*, Paper 57 at 14–16 (same); *Catapult*, Paper 19 at 4–5 (same); Changes to Implement Derivation Proceedings; Final Rule, 77 Fed. Reg. 56,068, 56,075 (Sept. 11, 2012) (“Derivation Final Rules”) (“Derivation requires both earlier conception by the party alleging derivation as well as communication of the conception.”).

The Board’s rules set forth various requirements for a petition to institute a derivation proceeding, particularly with respect to the parties’ claims. Rule 42.405(a) sets forth a “standing” requirement that, among

other things, requires the petitioner to have “at least one claim” that is the same or substantially the same as “the respondent’s claimed invention” and the same or substantially the same as “the invention disclosed to the respondent.” 37 C.F.R. § 42.405(a)(2). Rule 42.405(b) then sets forth the required showings to demonstrate derivation of a given claim, including that “the petition must, . . . [f]or each of the respondent’s claims to the derived invention, [s]how why the claimed invention is the same or substantially the same as the invention disclosed to the respondent.” 37 C.F.R.

§ 42.405(b)(3)(i). “Same or substantially the same” means “patentably indistinct.” 37 C.F.R. § 42.401. Assuming that corroborated conception and communication both are established, the petitioner would be able to regard as a derived invention those challenged claims of the respondent that are shown by the petitioner to be drawn to “the same or substantially the same” invention as the disclosed invention. *See Global Health*, Paper 91 at 7–8; *Andersen*, Paper 57 at 16; *Catapult*, Paper 19 at 5.

The threshold showing for institution of a derivation proceeding is “substantial evidence, including at least one affidavit addressing communication of the derived invention and lack of authorization that, if unrebutted, would support a determination of derivation.” 37 C.F.R. § 42.405(c). “Requiring such a showing prior to any institution of a proceeding is consistent with the Office’s goal of avoiding institution of proceedings that lack merit and additional costs on both a respondent and a petitioner unnecessarily.” Derivation Final Rules, 77 Fed. Reg. at 56,074.

B. Petitioner Has Not Met the Requirements of 37 C.F.R. § 42.405

As previously noted, Petitioner appears to set forth multiple different formulations of “the invention disclosed to the respondent” throughout its Petition. *See, e.g.*, Pet. 1, 2, 6, 9, 25, 28–29, 33–65; Paper 13, 2. Therefore, we ordered Petitioner to file a paper “clearly listing (e.g., in bullet point form) each element of the invention that was allegedly conceived by Petitioner’s inventor, Louis Agnello, and communicated to Respondent’s inventor, Grant Vergottini,” and “provid[ing] a citation to the page(s) of the Petition where the articulation of precisely that allegedly conceived and communicated invention was set forth.” Paper 13, 2–3. We informed Petitioner that the alleged invention articulated in its paper would be “regarded as ‘the invention disclosed to the respondent’ under 37 C.F.R. § 42.405.” *Id.* at 2 (emphasis omitted). We also stated that “[i]f Petitioner asserts multiple ‘invention[s] disclosed to the respondent,’ Petitioner shall provide a separate element-by-element listing and citation for each such invention.” *Id.* at 3.

In its supplemental paper, Petitioner identifies a single invention with the following elements as “the invention disclosed to the respondent”:

- bill synthesis which comprises automatic bill drafting based on tracked changes properly formatted and using legislature-specific language;

- snapshot document including at least one provision of law to be changed;

- using known concepts of receiving changes to the snapshot document and creating an updated snapshot document to generate draft bills;

- using known concepts of analyzing the updated snapshot document to generate draft bills; [and]

analyzing the XML changes document to generate a bill representation.

Supp. 1–2 (quotation marks, alterations, and citations omitted). Under the particular factual circumstances of this case, we assume (without deciding) that Mr. Agnello conceived and communicated the invention above, as the issue of whether Petitioner has met the regulatory requirements with respect to that invention is dispositive.

37 C.F.R. § 42.405(b)(3)(i) requires that a petition to institute a derivation proceeding “must, . . . [f]or each of the respondent’s claims to the derived invention, [s]how why the claimed invention is the same or substantially the same as the invention disclosed to the respondent.”

Thus, we compare the allegedly disclosed invention to claim 1 of the ’233 application, which recites (with labeling added for reference):

A method of bill synthesis, the method comprising:

[a] receiving at least one provision of law to be included in a snapshot document, wherein the snapshot document includes a set of original text for each provision of law to be changed;

[b] determining a formalized reference for each provision of law included in the snapshot document, wherein the formalized reference is an original location for the provision of law;

[c] receiving at least one in-line change to the set of original text for each provision of law, wherein the at least one change includes an insertion of text or a deletion of text into the text of the provision;

[d] assigning each in-line change to at least one change set, wherein each change set represents a different legal effect, further wherein each change set groups each in-line change to the same legal effect;

[e] receiving change set metadata associated with each change set, wherein the change set metadata includes a set of dependencies;

[f] creating an updated snapshot document including the set of original text for each provision of law, the formalized reference for each provision of law, the in-line changes, the change sets, and the change set metadata for each change set;

[g] automatedly extracting and enumerating from the updated snapshot document the change sets;

[h] automatedly extracting from the updated snapshot document the change set metadata for each change set;

[i] automatedly extracting and enumerating all changes made to the set of original text for each change set, wherein the extraction includes a reference to an exact location in the set of original text where the change occurs;

[j] clustering adjacent changes for each change set together to create an enumerated list of changes for each change set;

[k] constructing an internal data structure for each extracted change set, wherein the data structure includes a hierarchical representation of the changes to be made for each change set, the change set metadata, and the formalized reference for each provision included in the change set;

[l] creating an XML changes document for each data structure constructed from the updated snapshot document;

[m] analyzing the XML changes document based on a template library to determine at least one template model to synthesize a bill representation;

[n] mapping the XML changes document to the at least one template model to create jurisdiction specific language for the bill representation using the changes from each change set in the data structures of the XML changes document;

[o] generating the bill representation based on the mapping, wherein the bill representation provides the in-context

changes from the updated snapshot document, the change set metadata from the updated snapshot document, and the formalized reference for each provision in a formalized manner and a manner required by a particular jurisdiction;

[p] displaying to a user the generated bill representation;
and

[q] presenting the generated bill representation to a legislature from the particular jurisdiction.

Petitioner has not shown sufficiently that Respondent's claim 1 is the same or substantially the same as (i.e., patentably indistinct from) the invention allegedly disclosed to Respondent. As an initial matter, we note that the Petition does not specifically compare the allegedly disclosed invention as a whole to Respondent's claim 1 and explain "why" they are the same or substantially the same. *See* 37 C.F.R. § 42.405(b)(3)(i). Rather, Petitioner argues that Mr. Agnello conceived and communicated certain general concepts, then cites certain groups of claim limitations for each concept (without tying such arguments to the particular language of claim 1). *See* Pet. 34–39 (addressing the preamble of claim 1), 39–41 (grouping limitations [a] and [b] under the general concept of "creating a 'snapshot document' including at 'least one provision of law to be changed'"), 42–46 (grouping limitations [c]–[f] as "known concepts of 'receiving changes to the snapshot document' and 'creating an updated snapshot document'"), 46–50 (grouping limitations [i]–[l] as "known concepts of 'analyzing the updated snapshot document'"), 50–56 (grouping limitations [n]–[q] under the general concept of "analyzing the XML

changes document to generate a bill representation”).⁵ Petitioner, in its supplemental paper, also ambiguously identifies 37 pages of the Petition as showing where it articulated the invention allegedly disclosed to Respondent. *See* Supp. 1–2 (citing Pet. 1, 2, 6, 9–13, 17–20, 28, 29, 33–47, 49–55, 58). To determine whether Petitioner has satisfied the requirement of 37 C.F.R. § 42.405(b)(3)(i), we consider the differences between Respondent’s claim 1 and the invention allegedly disclosed to Respondent, and then assess the arguments in the Petition, including those at the cited pages, to determine whether, notwithstanding those differences, Petitioner has shown sufficiently that the two are patentably indistinct.⁶

Claim 1 includes numerous technical details as to how the recited method of bill synthesis is accomplished, whereas the allegedly disclosed invention is expressed at a much higher level. Claim 1 can be divided into four sets of actions: a first set setting up a “snapshot document” with a provision of law (limitations [a]–[b]), a second set resulting in the creation of an “updated snapshot document” (limitations [c]–[f]), a third set resulting in the creation of an “XML changes document” (limitations [g]–[l]), and a fourth set resulting in the generation, display, and presentation of a “bill representation” (limitations [m]–[q]). Thus, the overall process involves the

⁵ Petitioner does not appear to discuss limitations [g], [h], and [m] in its analysis. *See* Pet. 34–56.

⁶ The direction of determining patentably indistinct under 37 C.F.R. § 42.405(b)(3)(i) is from the invention disclosed to the respondent to the respondent’s claimed invention. *See Global Health*, Paper 91 at 8 n.9; *Catapult*, Paper 19 at 16–17. That means Respondent’s claimed invention must be shown to be either anticipated by, or that it would have been obvious over, the invention allegedly disclosed to Respondent.

transition from a snapshot document to an updated snapshot document to an XML changes document to a bill representation. Each of the four sets includes multiple steps describing how the particular data is created (similar to the steps of Figures 1 and 2 shown above).

For example, the first two sets involve determining a “formalized reference” that is the “location” of a provision of law, “receiving at least one in-line change,” “assigning each in-line change to at least one change set, wherein each change set represents a different legal effect [and] each change set groups each in-line change to the same legal effect,” “receiving change set metadata associated with each change set” including “a set of dependencies,” and “creating an updated snapshot document including the set of original text for each provision of law, the formalized reference for each provision of law, the in-line changes, the change sets, and the change set metadata for each change set.” The allegedly disclosed invention does not include anything pertaining to change sets, change set metadata, grouping in-line changes into change sets according to their legal effect, or formalized references that are locations of provisions of law. The allegedly disclosed invention just lists the concepts of automatic bill drafting based on “tracked changes,” a “snapshot document,” and “using known concepts of receiving changes to the snapshot document and creating an updated snapshot document to generate draft bills”—nothing pertaining to *how* the updated snapshot document is created (e.g., by using change sets). See Supp. 1 (quotation marks and alterations omitted).

Similarly, the third set of actions in claim 1 involves automatically extracting from the updated snapshot document the change sets and change

set metadata, “clustering adjacent changes for each change set together to create an enumerated list of changes for each change set,” “constructing an internal data structure for each extracted change set” that includes three things—“a hierarchical representation of the changes to be made for each change set, the change set metadata, and the formalized reference for each provision included in the change set”—and “creating an XML changes document for each [constructed] data structure.” The allegedly disclosed invention does not include anything pertaining to change sets, change set metadata, formalized references that are locations of provisions of law, clustering adjacent changes for change sets, internal data structures for change sets, or hierarchical representations of changes for change sets. The allegedly disclosed invention just broadly lists “using known concepts of analyzing the updated snapshot document to generate draft bills.” *See* Supp. 2 (quotation marks and alterations omitted).

Next, we turn to whether Petitioner has shown that claim 1 and the allegedly disclosed invention are patentably indistinct despite the differences discussed above. The significance of the additional detail in claim 1 pertaining to *how* bill synthesis is accomplished is evidenced by the examiner’s findings during prosecution of the ’233 application. Specifically, the examiner stated the following as reasons for allowance of claims 1–5:

[I]ndependent claim 1 describes 1) more detailed and specific ways to generate [a] bill representation including constructing a[] hierarchical data structure includ[ing] in-line text changes, a reference to a location, and dependencies compare[d] to other independent claims, 2) each in-line change set should represent[] a different legal effect, wherein each change set groups each in-line change to the same legal effect, and 3) clustering adjacent changes for each change set together to create an enumerated list

of changes for each change set. These limitations of the independent claim 1 in conjunction with other features of the dependent claims are not taught nor suggested by the prior art made of record. Therefore, . . . claims 1 to 5 [are] hereby allowed.

Ex. 3001, 11. These features appear to correspond, respectively, to the following:

Limitations [b], [e], and [k]–[o]—use of a specific internal data structure: Limitation [k] of claim 1 recites “constructing an internal data structure for each extracted change set, wherein the data structure includes a hierarchical representation of the changes to be made for each change set, the change set metadata, and the formalized reference for each provision included in the change set.” The constructed internal data structure is used to create the XML changes document and eventual bill representation (limitations [l]–[o]). The “formalized reference” is “an original location for the provision of law” (limitation [b]) and the “change set metadata” includes a “set of dependencies” (limitation [e]).

Limitation [d]—use of change sets representing different legal effects: Limitation [d] of claim 1 recites “assigning each in-line change to at least one change set, wherein each change set represents a different legal effect, further wherein each change set groups each in-line change to the same legal effect.”

Limitation [j]—clustering adjacent changes for each change set: Limitation [j] of claim 1 recites “clustering adjacent changes for each change set together to create an enumerated list of changes for each change set.”

The examiner found claim 1, containing all of these limitations, to be patentable. *Id.* The features identified by the examiner are not part of the invention that Petitioner allegedly disclosed to Respondent.⁷

Petitioner argues in the Petition that certain general concepts were known prior to the '233 application because they were implemented in Respondent's commercial product, LegisPro. Pet. 41–49. Petitioner contends that “commercial software, like [Respondent's] LegisPro product, could receive and track changes,” and Mr. Agnello “was aware of these existing commercial capabilities” and “wanted to build on [Respondent's] software, by modifying it to generate bills.” *Id.* at 42–43. Petitioner cites various documents of Respondent as proof that the “concepts of ‘receiving changes to [a] snapshot document,’” “creating an updated snapshot document,” and “analyzing the updated snapshot document” were known at the time. *Id.* at 42–49.

First, Petitioner cites an April 2018 “LegisPro White Paper,” which states that LegisPro “provides a highly configurable and programmable change management mechanism that resembles track changes, but which meets all the requirements of legislative style documents,” and “enables the automated generation of amendment documents based upon changes to the document recorded in the form of insertions and deletions.” *Id.* at 43, 48 (quoting Ex. 1016, 2). Petitioner further points to the following disclosure in the White Paper:

⁷ The three features also are not present in claims 6–20, which had been rejected as unpatentable under 35 U.S.C. § 103 over two references and which Respondent subsequently cancelled. *See* Ex. 3001, 3–11.

LegisPro’s change management allows changes to be grouped into sets of related changes. This mechanism has many applications—it can be used to record the origin of a set of amendments, to define the effectivity of changes in a point-in-time system, or to record categories of edits to a document. Changes in one change set can be nested within another change set in order to record changes to changes. Changes sets can also be shown, hidden, shown as redlining, or highlighted in different colours.

...

... Changes made to a portion of the document are stitched back into the document, updating both the document hierarchy and any accompanying metadata.

Ex. 1016, 2; *see* Pet. 43–44, 47. Petitioner argues, without explanation, that the above language discloses the concepts of “change set metadata,” a “set of dependencies,” “cluster[ing] . . . changes together into change sets,” “construct[ing] an internal data structure for each change set,” and “a hierarchical XML storage scheme,” as well as “[t]he concept of creating an XML changes document.” Pet. 43–44, 48.

Second, Petitioner cites an April 1, 2018 blog post on Respondent’s website describing “LegisPro Sunrise,” “a desktop implementation of [Respondent’s] web-based drafting and amending products,” which describes changes made to a “target document” and the grouping of changes into “change sets” that can be accepted or rejected set-by-set. Ex. 1066, 1, 3, 4, 10; *see* Pet. 44–45. Petitioner argues that the blog post describes the concept of “using change sets to track changes made to pending legislation.” Pet. 44. Petitioner also cites the blog post’s statements that legislation stored as information is “held in XML repositories (a form of a database) where [LegisPro] can query, extract, and update provisions at any level of

granularity, not just at the document level,” and “[d]ocument hierarchies form an important part of any legislative or regulatory document.” *Id.* at 47–48 (quoting Ex. 1066, 5–6). According to Petitioner, these statements disclose change sets with a “hierarchical representation of the changes to be made for each change set.” *Id.* at 48.

Third, Petitioner cites the ’233 application’s disclosure that LegisPro used change sets and recorded “insertions and deletions [within] XML structures,” as well as the ’233 application’s incorporation by reference of the prior ’855 application pertaining to change sets. *Id.* at 45, 48–49 (quoting Ex. 1002 ¶ 34; citing Ex. 1002 ¶¶ 24, 26).

Petitioner’s arguments amount only to an assertion that certain general concepts (e.g., tracking changes to a document, change sets, XML changes documents) were part of Respondent’s existing LegisPro software—they do not account for the specific language of claim 1. In limitations [d]–[o], for example, claim 1 recites a particular way in which change sets are used, where “each change set represents a different legal effect,” “each change set groups each in-line change to the same legal effect,” and “adjacent changes for each change set [are clustered] together to create an enumerated list of changes for each change set.” Petitioner only addresses certain general concepts pertaining to change sets, not the specific way of using change sets recited in claim 1. *See id.* at 43–45, 48–49. Similarly, in limitations [k]–[o], claim 1 recites a particular “internal data structure” for an extracted change set with three data items—“a hierarchical representation of the changes to be made for each change set, the change set metadata, and the formalized reference for each provision included in the change set”—and a particular

way of using that internal data structure to create an XML changes document and the eventual bill representation. Petitioner in its arguments only addresses using an internal data structure in general (not the specific three-item internal data structure for an extracted change set of claim 1) and the general concept of a “document hierarchy” (not the specific hierarchical representation of claim 1 or the way in which the internal data structure is used). *See id.* at 46–49.

Moreover, for purposes of 37 C.F.R. § 42.405(b)(3)(i), the question is not whether individual concepts were known in the art, but rather whether Respondent’s claim 1 as a whole is the same or substantially the same as (i.e., patentably indistinct from) the invention allegedly disclosed to Respondent. Thus, even if individual portions of limitations in claim 1 were known, Petitioner does not explain sufficiently why claim 1 as a whole is patentably indistinct from the allegedly disclosed invention. Again, Petitioner only argues that certain general concepts were embodied in Respondent’s LegisPro software. *See Pet.* 43–49. Petitioner does not argue, for instance, that claim 1 would have been obvious over the invention allegedly disclosed to Respondent combined with one or more prior art references. Petitioner’s arguments regarding certain general concepts in isolation do not account for claim 1 as a whole.

Given the above differences between claim 1 of the ’233 application and the invention allegedly disclosed to Respondent, we are not persuaded that the Petition demonstrates that the two inventions are the same or substantially the same, i.e., patentably indistinct. Accordingly, Petitioner

has not satisfied the requirement of 37 C.F.R. § 42.405(b)(3)(i) with respect to Respondent's claim 1.

Petitioner also has not made a sufficient showing for Respondent's dependent claims 2–5. Because Petitioner has not shown sufficiently that Respondent's claim 1 is substantially the same as (i.e., patentably indistinct from) the invention allegedly disclosed to Respondent, Petitioner likewise has not done so with respect to Respondent's dependent claims 2–5, which include additional technical requirements as to how the bill representation is generated. For example, claim 2 pertains to the use of change sets and recites that “the change set metadata includes a description of the legal effect and a set of effectivity rules for the change set.” Petitioner argues that this limitation was known in the art because LegisPro “included change set metadata, including effectivity rules for the change set.” Pet. 56–57 (citing Ex. 1016, 2; Ex. 1002 ¶ 24). Petitioner, however, does not mention the recited “description of the legal effect,” nor does Petitioner explain sufficiently why the particular way in which change sets are used in claim 2 (which includes limitations [d]–[k] of parent claim 1) does not render the claim patentably distinct. *See id.* Claim 5 likewise pertains to the use of change sets and the internal data structure, reciting that “the internal data structure is organized with the change set at a top level, the provision of law to be changed at a next level, and the adjacent in-line changes at a bottom level” (similar to Figure 7 of the '233 application). Petitioner makes the generic assertions that “[d]ata structures, such as XML, are well known” and Respondent's “LegisPro software used ‘templates.’” *Id.* at 57 (citing Ex. 1069, 1). This does not address the claim language, however, and does

not explain why the particular way in which change sets and the internal data structure are used in claim 5 (which includes limitations [d]–[l] and [n] of parent claim 1) does not render the claim patentably distinct.

Petitioner has not shown sufficiently that claims 1–5 of Respondent’s ’233 application are the same or substantially the same as the invention allegedly disclosed to Respondent. Consequently, Petitioner has not made a sufficient showing of derivation as to Respondent’s claims 1–5 to warrant institution of this proceeding. *See* 35 U.S.C. § 135(a); 37 C.F.R. § 42.405(b)(3)(i).

III. CONCLUSION

Based on the arguments and evidence presented by Petitioner, substantial evidence, unrebutted, does not support a conclusion that the claims of Respondent’s ’233 application constitute derived inventions. Therefore, we do not institute a derivation proceeding.

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition is denied and no derivation proceeding is instituted;

FURTHER ORDERED that jurisdiction over the ’389 and ’233 applications is herein returned to the appropriate officials under the Commissioner for Patents; and

FURTHER ORDERED that a copy of this Decision be placed in the files of the ’389 and ’233 applications.

DER2022-00004

Petitioner Application 17/696,389

Respondent Application 17/018,233

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