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EXAMINER

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte ROBERT CRITES

Appeal 2014-008858
Application 10/015,548¹
Technology Center 3600

Before HUBERT C. LORIN, MICHAEL C. ASTORINO, and
BRADLEY B. BAYAT, *Administrative Patent Judges*.

LORIN, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Robert Crites (Appellant) seeks our review under 35 U.S.C. § 134 from the final rejection of claims 1, 2, and 4–31. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

¹ The Appellant identifies IBM Corporation as the real party in interest. App. Br. 1.

SUMMARY OF DECISION

We AFFIRM-IN-PART and enter a NEW GROUND OF REJECTION.

THE INVENTION

Claim 1, reproduced below, is illustrative of the subject matter on appeal.

1. A computer-implemented method of determining a prioritized list of offers for use to contact potential customers, the method comprises:

receiving by a computer expected profits for each offer in a set of offers for each potential customer in a group of potential customers;

generating by the computer an ordered list of offers, by which to contact a potential customer from the group of potential customers, the offers in the ordered list of offers selected from the set of offers based on expected, composite profit of combinations of the offers for others of the potential customers in the group of potential customers,

ordering by the computer offers in the list of offers according to the expected profit;

repeating generating by the computer for subsequent others of the potential customers to produce corresponding ordered lists based on expected, composite profit of combinations of the offers for the subsequent potential customers independent from expected, composite profit of combinations of the offers for others of the potential customers in the group of potential customers; and

producing by the computer a second list of offers that is a list provided from the ordered lists of offers from the one and subsequent others of the potential customers, with the second list based upon a budget for contacting the potential customers in the group.

THE REJECTIONS

The Examiner relies upon the following as evidence of unpatentability:

Herz et al.	US 2001/0014868 A1	Aug. 16, 2001
Kepecs	US 2001/0032128 A1	Oct. 18, 2001
Galperin et al.	US 6,993,493 B1	Jan. 31, 2006

The following rejections are before us for review:

1. Claims 20–27 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.
2. Claims 1, 2, 4–8, 15, 20, 21, 27, 28, and 31 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Herz and Kepecs.
3. Claims 9–14, 16–19, 22–26, 29, and 30 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Herz, Kepecs, and Galperin.

ISSUES

Did the Examiner err in rejecting claims 20–27 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter?

Did the Examiner err in rejecting claims 1, 2, 4–8, 15, 20, 21, 27, 28, and 31 under 35 U.S.C. § 103(a) as being unpatentable over Herz and Kepecs?

Did the Examiner err in rejecting claims 9–14, 16–19, 22–26, 29, and 30 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Herz, Kepecs, and Galperin?

ANALYSIS

The rejection of claims 20–27 under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

This rejection is pending. Although this rejection does not appear among the “Grounds of Rejection to be Reviewed on Appeal” (Ans. 2), it is included in the Final Action (page 3) and there is no indication that it has since been withdrawn.

The Examiner stated that “[a]dding ‘a computer program product residing on a non-transitory computer readable storage medium’ [to claim 20] should fix this 101 issue.” Final Act. 3. However, claim 20 (App. Br. 30–31) does not appear to have been amended consistent with said suggestion.

The Appellant has made no argument in the Brief challenging the rejection. Rather, the Appellant states that

[a]n After-Final Amendment was submitted subsequent to the imposition of the Eighth and Final Office Action dated October 29, 2013 (hereinafter the Eighth Office Action). Since this Amendment address matters not associated with the prior art and would place this application in better condition for appeal, Appellant proceeds under the assumption that this Amendment will be entered.

App. Br. 2. However, we can find no record of such an amendment. And there is no record of an after-final amendment having been entered. Be that as it may, the record provides no indication that the rejection at issue has been addressed to the Examiner’s satisfaction.

The rejection is sustained.

The rejection of claims 1, 2, 4–8, 15, 20, 21, 27, 28, and 31 under 35 U.S.C. § 103(a) as being unpatentable over Herz and Kepecs.

The independent claims are claims 1, 7, 20, and 28. The Examiner's position is essentially the same as to all of them. *See* Final Act. 4.

As to claim 1, the Examiner finds that Herz discloses all that is claimed but for the limitation “e. producing by the computer a second list of offers that is a list provided from the ordered lists of offers from the one and subsequent others of the potential customers, with the second list based upon a budget for contacting the potential customers in the group,” for which Kepecs is relied upon. Final Act. 9.

As to claim 7, the Examiner finds that Herz discloses all that is claimed but for the limitation “c. producing by the computer a second list of offers that is a list provided from the ordered lists of offers from the one and subsequent others of the potential customers, with the second list based upon a budget for contacting the potential customers in the group,” for which Kepecs is relied upon. Final Act. 19.

As to claim 20, the Examiner finds that Herz discloses all that is claimed but for the limitation “c. produce a second list of offers from the ordered lists of offers from the one and subsequent others of the potential customers, with the second list of offers based upon a budget for contacting the potential customers in the group” for which Kepecs is relied upon. Final Act. 27.

And, as to claim 28, the Examiner finds that Herz discloses all that is claimed but for the limitation “c. produce a second list of offers from the ordered lists of offers from the one and subsequent others of the potential customers, with the second list of offers based upon a budget for contacting

the potential customers in the group,” for which Kepecs is relied upon. Final Act. 35.

In each case, according to the Examiner, Kepecs discloses:

64 “A campaign designer may customize the minimum and/or the maximum number of offers that may be presented to a consumer via a particular channel,” 65, 66 “Arbiter 122 may then sort the offers based on their priority values (which may be composite values) to generate a sorted list of offers such that offers with higher priorities are placed higher up the list than offers with lower priorities, with offers having [‘]special[’] priority values being placed at the top of the list (step 408). Arbiter 122 then determines if the number of active offers for the distribution channel selected in step 404 equals the maximum number of active offers for that channel (step 410). As indicated above, the maximum number of active offers for a channel may be configured by the user of the present invention or may alternatively be determined by the nature of the distribution channel,” 67-70, 77 “The processing may also be terminated if marketing system 110 decides not to make any offers to a consumer, for example, for budgetary reasons, due to rules configured by the campaign designer, etc[.],” 94 “. . . . The value specified in target budget field 634 and/or 640 indicates the target amount of markdown dollars that the retailer and the manufacturer, respectively, would like to spend on the product promotion,” Figs. 3, 4

Final Act. 9–10, 19–20, 27, 35–36 (respectively).

In each case, the Examiner finds that

it would have been obvious to a person of ordinary skill in the art at the time of the applicant's invention to modify Herz by combining prior art elements according to known methods of incorporating known data processing features into similar systems to yield predictable results wherein producing by the computer a second list of offers that is a list provided from the ordered lists of offers from the one and subsequent others of the potential customers, with the second list based upon a budget for contacting the potential customers in the group.

Final Act. 10–11, 20, 28–29, 36 (respectively).

The Appellant disagrees. According to the Appellant, these figures and the Examiner’s cited passages refers to selecting offers from a customer (i.e., one customer). The limitations at issue, however, refer to producing a second list that is a list from ordered lists of offers from both the potential customer and others of potential customers (i.e., a plurality of customers). Therefore, to the extent that the Examiner’s cited passages refers to the creation of a list, this list does not correspond to the claimed second list, since the second list includes offer[s] for a plurality of customers.

Ans. 62. We agree.

The relied-upon passages and Figures do not disclose producing “a second list of offers that is a list provided from the ordered lists of offers from the one and subsequent others of the potential customers” as claimed. According to the claims, the offers of the ordered lists are “selected from the set of offers based on expected, composite profit of combinations of the offers for others of the potential customers in the group of potential customers.”

Kepecs discloses “a sorted list of offers such that offers with higher priorities are placed higher up the list than offers with lower priorities, with offers having ‘special’ priority values being placed at the top of the list (step 408).” Kepecs, para. 66. But the claims call for more. The second list as claimed is not merely a prioritized list of offers but a list of offers that is “provided from [] ordered lists of offers from [] one and subsequent others of [] potential customers.”

Furthermore, the claims require the ordered lists from which the second list is produced to be “based on expected, composite profit of combinations of the offers for others of the potential customers in the group

of potential customers.” As the Appellant argues, Kepecs does not disclose or suggest a plurality of offers from a plurality of customers. Thus, Kepecs does not meet the claim limitation that the second list of offers be a list provided “*from the ordered lists of offers from the one and subsequent others of the potential customers*” as claimed (emphasis added).

Finally, the claims require “the second list [to be] based upon a budget for contacting the potential customers in the group.” While the Examiner is correct that Kepecs discloses an activity that depends on budgetary reasons, it does not disclose basing a list “upon a budget for contacting the potential customers in the group” as claimed. Instead, Kepecs discloses the possibility of terminating a campaign “if marketing system 110 decides not to make any offers to a consumer, for example, for budgetary reasons.” Kepecs, para. 77.

For the foregoing reasons, a prima facie case of obviousness for the claimed subject matter of the independent claims has not been made out in the first instance by a preponderance of the evidence. Accordingly, the rejection of the independent claims is not sustained. The rejection as to the claims depending from the independent claims is also not sustained for the same reasons.

The rejection of claims 9–14, 16–19, 22–26, 29, and 30 under 35 U.S.C. § 103(a) as being unpatentable over Herz, Kepecs, and Galperin.

Because the rejection of the independent claims is not sustained (*see above*), this rejection of the claims depending from the independent claims is also not sustained for the same reasons.

NEW GROUND OF REJECTION

Claims 1, 2, and 4–31 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

Alice Corp. Pty. Ltd. v. CLS Bank Int’l, 134 S. Ct. 2347 (2014) identifies a two-step framework for determining whether claimed subject matter is judicially-excepted from patent eligibility under § 101. According to *Alice* step one, “[w]e must first determine whether the claims at issue are directed to a patent-ineligible concept,” such as an abstract idea. *Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2355.

Taking claim 1 as representative of the claims on appeal, the claimed subject matter is directed, broadly-speaking, to list-creation. List-creation, per se, is a fundamental building block of human knowledge, akin to a law of nature. As such, it is directed to an abstract idea. Even if viewed more narrowly, in that claim 1 is directed to a particular type of list-creation; that is, prioritized-listing or contact-prioritization in a business environment that, too, is an abstract idea because prioritized-listing or contact-prioritization in a business environment are fundamental economic practices well known in business. The well-known nature of prioritized-listing or contact-prioritization is supported by the discussion in the Specification’s “BACKGROUND” section. *See, e.g.*, Spec. 1:14–15 (“Techniques are known to solve what is often referred to as contact optimization.”).

Step two is “a search for an “inventive concept”—*i.e.*, an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2355 (citing *Mayo*

Collaborative Services v. Prometheus Labs., Inc., 132 S. Ct. 1289, 1294 (2012)).

We see nothing in the subject matter claimed that transforms the abstract idea of list-creation into an inventive concept.

Claim 1 presents a scheme by which information is gathered (expected profits for each offer in a set of offers for each potential customer in a group of potential customers”); the gathered information is put into a list (“generating . . . an ordered list of offers, by which to contact a potential customer from the group of potential customers, the offers in the ordered list of offers selected from the set of offers based on expected, composite profit of combinations of the offers for others of the potential customers in the group of potential customers”); the list is put into an order (ordering . . . offers in the list of offers according to the expected profit”); more lists are made (“repeating generating by the computer for subsequent others of the potential customers to produce corresponding ordered lists based on expected, composite profit of combinations of the offers for the subsequent potential customers independent from expected, composite profit of combinations of the offers for others of the potential customers in the group of potential customers”); and, a second list is created (“producing . . . a second list of offers that is a list provided from the ordered lists of offers from the one and subsequent others of the potential customers, with the second list based upon a budget for contacting the potential customers in the group”). The scheme employs common techniques like putting information into an order based on other information to create various lists. The employment of common techniques via the recited scheme in order to create

a list is insufficient to ensure that in practice the scheme amounts to significantly more than to be on the list-creation concept itself.

Finally, we note that claim 1 calls for the recited method to be “computer-implemented” and all the recited steps involve a “computer.” But any general-purpose computer available at the time the application was filed would have satisfied these limitations. The Specification supports that view. *See* Spec. 4:25–6:17. “[T]he mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention. Stating an abstract idea ‘while adding the words “apply it”’ is not enough for patent eligibility.” *Alice Corp. Pty. Ltd.* 134 S. Ct. at 2358.

For the foregoing reasons, we find that claim 1 covers claimed subject matter that is judicially-excepted from patent eligibility under § 101. The other independent claims—claims 7, 20, and 28 parallel claim 1—similarly cover claimed subject matter that is judicially-excepted from patent eligibility under § 101. The dependent claims relate to inputs and outputs commonly associated with list-creation which do little to patentably transform the list-creation abstract idea into a patent-eligible inventive concept.

Therefore, we enter a new ground of rejection of claims 1, 2, and 4–31 under 35 U.S.C. § 101.

For the foregoing reasons, the rejections are affirmed-in-part but the claims are newly rejected under § 101.

CONCLUSIONS

The rejection of claims 20–27 rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter is affirmed.

The rejection of claims 1, 2, 4–8, 15, 20, 21, 27, 28, and 31 under 35 U.S.C. § 103(a) as being unpatentable over Herz and Kepecs is reversed.

The rejection of claims 9–14, 16–19, 22–26, 29, and 30 under 35 U.S.C. § 103(a) as being unpatentable over Herz, Kepecs, and Galperin is reversed.

Claims 1, 2, and 4–31 are newly rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

DECISION

The decision of the Examiner to reject claims 1, 2, and 4–31 is affirmed-in-part.

Claims 1, 2, and 4–31 are newly rejected.

NEW GROUND

This decision contains a new ground of rejection pursuant to 37 C.F.R. § 41.50(b). 37 C.F.R. § 41.50(b) provides “[a] new ground of rejection pursuant to this paragraph shall not be considered final for judicial review.” 37 C.F.R. § 41.50(b) also provides that the Appellant(s), WITHIN TWO MONTHS FROM THE DATE OF THE DECISION, must exercise one of the following two options with respect to the new ground of rejection to avoid termination of the appeal as to the rejected claims:

- (1) *Reopen prosecution.* Submit an appropriate amendment of the claims so rejected or new Evidence relating to the claims so rejected, or both, and have the matter reconsidered by the examiner, in which event the prosecution will be remanded to the examiner. . . .
- (2) *Request rehearing.* Request that the proceeding be reheard under § 41.52 by the Board upon the same Record. . . .

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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)(1). *See* 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED-IN-PART
37 C.F.R. § 41.50(b)