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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte MICHAEL D. SHEHAN, J. ALLEN DOVE, and STEVEN B. SWOBODA

Appeal 2015-006210
Application 13/436,584[1]
Technology Center 3600

Before, JOSEPH A. FISCHETTI, NINA L. MEDLOCK, and ALYSSA A. FINAMORE, *Administrative Patent Judges*.

FISCHETTI, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants seek our review under 35 U.S.C. § 134 of the Examiner's final rejection of claims 1, 3–27, and 29–56. We have jurisdiction under 35 U.S.C. § 6(b).

SUMMARY OF DECISION

We AFFIRM IN PART (37 CFR § 41.50(b)).

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[1] Appellants identify SpotXchange, Inc. as the real party in interest. Br. 3.

THE INVENTION

Appellants claim methods and systems for an electronic ad skipping service that provides consumers with the ability to pay to skip content associated with electronic advertisements. (Spec. ¶ 28).

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

> 1. A method comprising:
>
> responsive to a consumer requesting advertising-supported content of a website of a publisher, receiving, by a computer system of an electronic brokerage, an opportunity attestation from the publisher, wherein the opportunity attestation indicates to the electronic brokerage that the publisher has offered the consumer an opportunity to skip an advertising opportunity associated with the advertising-supported content ("skip opportunity") in exchange for money or credits within a brokerage account of the consumer that is maintained by the electronic brokerage; and
>
> when the electronic brokerage has received an electronic skip consent initiated by the consumer indicating the consumer has explicitly consented to the skip opportunity and the electronic brokerage has affirmatively verified the brokerage account satisfies one or more conditions, then causing the publisher to skip or discontinue presenting an advertisement to the consumer that is associated with the advertising opportunity.

THE REJECTIONS

The following rejections are before us for review.

Claims 1, 3–27, and 29 are rejected under 35 U.S.C. § 112 (pre-AIA), second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter.

Claims 1, 3–27, and 29 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

Claims 1, 3–27, and 29–56 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Arankalle (US 2009/0006191 A1, published Jan. 1, 2009) in view of Eyer (US 6,588,015 B1, July 1, 2003).

FINDINGS OF FACT

1. We adopt the Examiner's findings as set forth on pages 3–18 of the Final Action and on pages 3–20 of the Answer excluding any finding made by the Examiner for the 35 U.S.C. § 112, second paragraph, rejection.

2. Arankalle discloses, "The presented content may be provided by the content provider **104** through the network **108**. The ad content may be distributed, through network **108**, to one or more user devices **106** before, during, or after presentation of the material." Para. 25.

3. Figure 7 of Arankalle shows a user interface 700 with user placement preferences 718, 720, 722, 724, and 726. Para. 107.

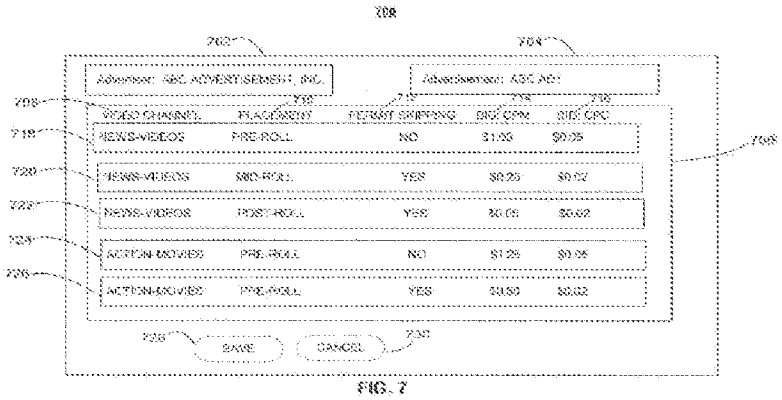

Figure 7 in Arankalle is shown above.

ANALYSIS

35 U.S.C. § 112, SECOND PARGRAPH, REJECTION

We will not sustain the rejection of claims 1, 3–27, and 29 under 35 U.S.C. § 112, second paragraph, for the reasons advanced by Appellants on pages 13–14 of the Brief. In particular, we disagree with the Examiner's finding (Final Act. 2) that the claims, in order to be definite, must "include or require either condition to be satisfied. In other words there is no limitation of 'requesting' or 'receiving a request' and there is no limitation 'receiving a... skip consent.'" In particular, claim 1 properly recites at least one limitation at, "receiving, by a computer system of an electronic brokerage, an opportunity attestation from the publisher." The Examiner's concerns here are, thus, a matter of claim breadth, not indefiniteness. "Breadth is not indefiniteness." *In re Gardner*, 427 F.2d 786, 788 (CCPA 1970).

35 U.S.C. § 101 REJECTION

Claims 1, 3–27, and 29 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter. We will sustain this rejection and enter a new ground of rejection for claims 30–56 under 35 U.S.C. § 101.

Representative independent claim 1 recites:

> 1. A method comprising:
>
> responsive to a consumer requesting advertising-supported content of a website of a publisher, receiving, by a computer system of an electronic brokerage, an opportunity attestation from the publisher, wherein the opportunity attestation indicates to the electronic brokerage that the publisher has offered the consumer an opportunity to skip an advertising opportunity associated with the advertising-supported content ("skip opportunity") in exchange for money or credits within a brokerage account of the consumer that is maintained by the electronic brokerage; and
>
> when the electronic brokerage has received an electronic skip consent initiated by the consumer indicating the consumer has explicitly consented to the skip opportunity and the electronic brokerage has affirmatively verified the brokerage account satisfies one or more conditions, then causing the publisher to skip or discontinue presenting an advertisement to the consumer that is associated with the advertising opportunity.

Br. 40.

The Supreme Court

> set forth a framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts. First, . . .

> determine whether the claims at issue are directed to one of those patent-ineligible concepts. If so, we then ask, "[w]hat else is there in the claims before us?" To answer that question, . . . 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. [The Court] described step two of this analysis as 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. v CLS Bank Int'l, 134 S. Ct. 2347, 2355 (2014) (citations omitted) (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 72–73 (2012)).

To perform this test, we must first determine whether the claims at issue are directed to a patent-ineligible concept.

Although the Court in *Alice* made a direct finding as to what the claims were directed to, we find that this case's claims themselves and the Specification provide enough information to inform one as to what they are directed to.

The steps in claim 1 result in causing the publisher to skip or discontinue presenting an advertisement to the consumer that is associated with the advertising opportunity. The Specification at paragraph 6 recites:

> As broadband video commercials have become ubiquitous, consumers of online video content, some of whom expected to escape TV-like advertising by going online, are desirous of skipping broadband video commercials. This consumer

> demand has resulted in the availability of browser plug-ins, such as Adblock Plus, that purport to remove advertisements from web pages. Such an approach is short-sighted in that publishers (e.g., web sites) which depend on advertising income to disseminate content may be unable to continue. Another potential disadvantage of an ad blocking approach is that it may block too much and prevent some web sites from functioning correctly.

The Specification at paragraph 28 also states: "Methods and systems are described for an electronic ad skipping service that provides consumers with the ability to pay (e.g., pennies at a time) to skip content associated with electronic advertisements." Thus, all this evidence shows that claim 1 is directed replacing lost advertising opportunities with an alternative income stream. It follows from prior Supreme Court cases, and *Gottschalk v. Benson*, 409 U.S. 63 (1972) in particular, that the claims at issue here are directed to an abstract idea. Insuring payment for skipped advertisements otherwise viewed by a viewer is a fundamental economic practice. The patent-ineligible end of the 35 U.S.C. § 101 spectrum includes fundamental economic practices. *See Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2355–57. Thus, providing payment to replace lost advertising opportunities with an alternative income stream is an "abstract idea" beyond the scope of § 101.

As in *Alice Corp. Pty. Ltd.*, we need not labor to delimit the precise contours of the "abstract ideas" category in this case. It is enough to recognize that there is no meaningful distinction in the level of abstraction between the concept of an intermediated settlement in *Alice* and the concept of providing payment to replace lost advertising opportunities with an

alternative income stream, at issue here. Both are squarely within the realm of "abstract ideas" as the Court has used that term. That the claims do not preempt all forms of the abstraction or may be limited to advertising transactions, does not make them any less abstract. *See OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1360–61 (Fed. Cir. 2015).

The introduction of a computer into the claims does not alter the analysis at *Mayo* step two.

> the 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. Nor is limiting the use of an abstract idea "'to a particular technological environment.'" Stating an abstract idea while adding the words "apply it with a computer" simply combines those two steps, with the same deficient result. Thus, if a patent's recitation of a computer amounts to a mere instruction to "implemen[t]" an abstract idea "on ... a computer," that addition cannot impart patent eligibility. This conclusion accords with the preemption concern that undergirds our § 101 jurisprudence. Given the ubiquity of computers, wholly generic computer implementation is not generally the sort of "additional featur[e]" that provides any "practical assurance that the process is more than a drafting effort designed to monopolize the [abstract idea] itself."

Alice Corp. Pty. Ltd., 134 S. Ct. at 2358 (alterations in original) (citations omitted).

"[T]he relevant question is whether the claims here do more than simply instruct the practitioner to implement the abstract idea . . . on a generic computer." *Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2359. They do not.

Taking the claim elements separately, the function performed by the computer at each step of the process is purely conventional. Using a computer to take in data, compute a result, and return the result to a user amounts to electronic data query and retrieval—some of the most basic functions of a computer. All of these computer functions are well-understood, routine, conventional activities previously known to the industry. In short, each step does no more than require a generic computer to perform generic computer functions.

Considered as an ordered combination, the computer components of Appellants' claims add nothing that is not already present when the steps are considered separately. Viewed as a whole, Appellants' claims simply recite the concept of providing payment to replace lost advertising opportunities with an alternative income stream. The claims do not, for example, purport to improve the functioning of the computer itself. Nor do they effect an improvement in any other technology or technical field. Instead, the claims at issue amount to nothing significantly more than instructions to provide payment to replace lost advertising revenues with an alternative income stream, on a generic computer. Under our precedents, that is not enough to transform an abstract idea into a patent-eligible invention. *See Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2360.

As to the structural claims, they

> are no different from the method claims in substance. The method claims recite the abstract idea implemented on a generic computer; the system claims recite a handful of generic

> computer components configured to implement the same idea. This Court has long "warn[ed] ... against" interpreting § 101 "in ways that make patent eligibility 'depend simply on the draftsman's art.'"

Alice Corp. Pty. Ltd., 134 S. Ct. at 2360 (alterations in original). Therefore, we enter a new ground of rejection for claims 30–56 under 35 U.S.C. § 101; independent claim 30 recites steps similar to those of claim 1 only in combination with a non-transitory storage device. As the Federal Circuit has made clear "the basic character of a process claim drawn to an abstract idea is not changed by claiming only its performance by computers, or by claiming the process embodied in program instructions on a computer readable medium." *See CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1375-76 (Fed. Cir. 2011) (citing *In re Abele*, 684 F.2d 902 (CCPA 1982)).

Appellants argue,

> Certainly the mere abstract concept of ad skipping does not inherently require the numerous, meaningful limitations recited by claim 1 and discussed above that seek to securely broker and prevent repudiation of the respective obligations of publishers and consumers by way of specific electronic interactions among consumers and publishers with an electronic brokerage. Stated another way, claim 1 would clearly not preempt the exploitation of or further innovations relating to the abstract concept of ad skipping.

Br. 17.

We disagree with Appellants. Appellants do not identify any claimed

features that would constitute "significantly more" than the abstract idea, in accord with *Alice*. Furthermore, "[t]he Supreme Court has made clear that the principle of preemption is the basis for the judicial exceptions to patentability" and "[f]or this reason, questions on preemption are inherent in and resolved by the § 101 analysis." *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (citing *Alice*, 134 S. Ct. at 2354). Although "preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility." *Id.* We also note that as found *infra*, the Specification fails to explicitly define the term "skip consent," and thus Appellants' arguments to the additional significance of what this term entails (Br. 16) are not persuasive.

Appellants' arguments to the dependent claims merely reference those made in support of reversing the rejection of claim 1, and thus are not persuasive for the same reasons enumerated *supra*.

35 U.S.C. § 103 REJECTION

Claims 1 and 30

The Appellants argued claims 1 and 30 as a group. (Br. 32). We select claim 1 as the representative claim for this group, and the remaining independent claim stands or falls with claim 1. *See* 37 C.F.R. § 41.37(c)(1)(iv) (2015).

Appellants argue that Eyer is not analogous art and so identify the problem addressed by the application on appeal as:

skipping broadband video advertisements presented in the

> context of advertising-supported web content (the opposite of **subscription-based services**) that still allows web publishers that make available advertising-supported web content to continue to be compensated when online advertising is skipped by consumers. See, e.g., Specification at ¶¶ [0006] and [0028]-[0029].

(Br. 30).

Appellants' pertinent argument is thus,

> it is unreasonable to expect Eyer to have commended itself to an inventor's attention seeking to address the problem of lost publisher revenue in the context of skipping online broadband video advertisements associated with advertising-supported web content. Similarly, as a result of Eyer's remote and unrelated considerations, Eyer would not have commended itself to one of ordinary skill in the art attempting to solve the problem addressed by the above-captioned patent application.

(Br. 31).

We disagree with Appellants. "A reference is reasonably pertinent if, even though it may be in a different field from that of the inventor's endeavor, it is one which, because of the matter with which it deals, logically would have commended itself to an inventor's attention in considering his problem." *In re Clay,* 966 F.2d 656, 659 (Fed. Cir. 1992). The Examiner found concerning Eyer that:

> a person having ordinary skill in the art at the time of the invention in 2012 would be aware of such ad-supported content as XM Satellite radio, Pandora Internet Radio and other such services that offer options to consumers for skipping or avoiding commercials when consuming content. It would be reasonably for an inventor in this space to look to other examples of prior art ad skipping across the all ad-supported

content venues including digital radio.

(Answer 19). We agree with the Examiner that Eyer logically would have commended itself to an inventor's attention in considering his problem of allowing web publishers to continue to be compensated when online advertising is skipped by consumers given that Eyer explicitly addresses the issue of subscribers having the ability to skip commercials. (*See* Final Act. 5, citing Eyer col. 6 lines 55–61).

Appellants ague that,

> The combination of Arankalle and Eyer also do[es] not teach or reasonably suggest the expressly recited "electronic skip consent" initiated by the consumer and received by the electronic brokerage. As above, the Examiner has ignored the definition of "skip consent" provided in the above-captioned patent application, which requires a specific type of interaction between a brokerage client (another defined term) and the electronic brokerage. See Specification, ¶ [0063] ("'skip consent' ... refers to the **secure electronic callback** made **by** the **brokerage client** on behalf of a consumer **that provides non-repudiated consent** by the consumer to pay to skip an electronic advertising opportunity.").

(Br. 34).

The Examiner however found,

> There is no positively required step performed by or with an electronic brokerage, consequently whether or not the prior art references cited herein disclose an electronic brokerage is irrelevant because the claims do not require an electronic brokerage. Examiner notes that every citation in Appellant[]s['] brief that support Appellant[]s['] argument that an electronic brokerage performs aspects of the claimed invention are directed to the specification - NOT to the claims.

> Examiner is not expected to read limitations from the specification INTO the claims. Appellant[]s[’] argument on pages 33-34 regarding which entity makes a request for an ad demonstrates that Appellant[s] refuse[] to recognize the cited prior art for what it teaches.

(Answer 19).

We disagree with Appellants. Appellants' Specification does not specifically define the term "skip consent," nor does it utilize the term contrary to its customary meaning.[2] Thus, we find no error with the Examiner's construing the term to mean an option to skip advertisements and, in turn, citing to paragraphs 41 and 88 of Arankalle (Final Act. 4–5) which disclose the viewer having the capability of skipping advertisements.

Appellants further argue that "[t]he Examiner treats the content provider of Arankalle and Eyer as both the recited publisher and the separately recited electronic brokerage, thereby presuming the absurdity of the publisher interacting with itself." (Br. 33).

We disagree with Appellants. The Specification fails to explicitly define the term "electronic brokerage."[3] Arankalle discloses "[t]he presented content may be provided by the content provider **104** through the network **108**. The ad content may be distributed, through network **108**, to

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[2] Appellants direct us to paragraph 63 of the Specification. (Br. 34). Our review of this paragraph of the Specification reveals that the Specification does not explicitly define the term "skip consent," but rather describes only by example the term stating, the "'skip consent' generally refers to . . . ."

[3] The Specification at paragraph 43 only describes by way of example as generally referring to "computing structure."

one or more user devices **106** before, during, or after presentation of the material." (FF. 2). Thus, Arankalle explicitly discloses that network 108, which corresponds to the electronic brokerage, is a separate and distinct element from the publishers, e.g., content provider 104, which merely communicate on the network.

Claims 3 and 31

Appellants argue that, "Appellant[s] find[ ] no teaching or reasonable suggestion of an HTTP based API implemented within an electronic brokerage." (Br. 35).

The Examiner found that Arankalle discloses at paragraph 41 "the video content information set by the publisher indicated whether ads may be skipped." (Final Act. 6).

We disagree with the Appellants. Both claims 3 and 31 recite alternative limitations using the term "or." We choose the limitation of "the opportunity attestation is made electronically by the publisher to the electronic brokerage immediately prior to the advertising opportunity." Paragraph 41 of Arankalle explicitly discloses "the ad request may indicate whether a viewer has capability of skipping advertisements" which we find meets the claim recitation of "immediately prior to the advertising opportunity."

Claims 4 and 32; 12 and 40

Concerning claims 4 and 32; 12 and 40, the Brief states, "Appellants find no teaching or reasonable suggestion of GUIDs in FIG. 7 of Arankalle."

(Br. 36, 38).

The Examiner found, that Figure 7 of Arankalle discloses globally unique identifiers in the designations of "content, placement, whether the ads maybe skipped and the cost for the ads." (Final Act. 6).

We disagree with Appellants. The Specification does not explicitly define the term GUID. At best, paragraph 58 of the Specification describes the term as an "identifier assigned by the brokerage to every attested opportunity." According to Arankalle, the user interface 700 disclosed at Figure 7, sets forth placement preferences identifiers which include a "PERMIT SKIPPING" identifier/ preference. (FF. 3).

Claims 5, 7, 8, 33, 35, and 36

Appellants argue that, "Appellant [sic] finds no teaching or reasonable suggestion of a CPI set by the publisher in this portion of Eyer." (Br. 36–37).

We are not persuaded by Appellants' argument and adopt as our own the Examiner's findings as set forth on pages 6 and 7 of the Final Action.

Claims 10, 11, 13, 38, 39, and 41

Appellants argue "Appellant[s] finds no teaching or reasonable suggestion of a callback to confirm receipt of the opportunity attestation in ¶ [0038] of Arankalle." (Br. 37).

We agree with the Appellants because we find nothing in the paragraphs 38 and 89 of Arankalle which discloses or makes obvious "using, by the electronic brokerage, the opportunity receipt callback to

asynchronously send the publisher an electronic confirmation of the opportunity attestation."

Claims 22–27, 29, 50–55, and 56

Appellants argue, "the Appellant[s] find[ ] no teaching or reasonable suggestion of a CIP set by the publisher or the correlation of skip consents with corresponding opportunity attestations in col. 6, ll. 54–61 of Eyer." (Br. 38).

We are not persuaded by Appellants' argument and adopt as our own reasons the Examiner's findings as set forth on pages 12 and 13 of the Final Action.

CONCLUSIONS OF LAW

We conclude the Examiner did err in rejecting claims 1, 3–27, and 29–56 under 35 U.S.C. § 112, second paragraph.

We conclude the Examiner did not err in rejecting claims 1, 3–27, and 29 under 35 U.S.C. § 101.

We conclude the Examiner did not err in rejecting claims 1, 3–9, 12, 14–27, 29–37, 40, and 42–56 under 35 U.S.C. § 103.

We conclude the Examiner did err in rejecting claims 10, 11, 13, 38, 39, and 41under 35 U.S.C. § 103.

We enter a new ground of rejection under 35 U.S.C. § 101 for claims 30–56.

DECISION

This decision contains a new ground of rejection pursuant to 37 C.F.R. § 41.50(b) (effective September 13, 2004, 69 Fed. Reg. 49960 (August 12, 2004), 1286 Off. Gaz. Pat. Office 21 (September 7, 2004)). 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 CFR § 41.50(b) also provides that the appellants, 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 proceeding 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 . . . .

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED IN PART (37 CFR § 41.50(b)).