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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte* DAVID DUNMIRE, BRIAN NOVACK,  
CHAD C. KEITH, and JEFF CLARK

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Appeal 2015-006698  
Application 11/426,206  
Technology Center 3600

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Before HUBERT C. LORIN, PHILIP J. HOFFMANN, and  
AMEE A. SHAH, *Administrative Patent Judges*.

SHAH, *Administrative Patent Judge*.

DECISION ON APPEAL<sup>1</sup>

The Appellants<sup>2</sup> appeal under 35 U.S.C. § 134(a) from the Examiner's final decision rejecting claims 1–9, 19–24, 26–36, 54, and 55 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. We have jurisdiction under 35 U.S.C. § 6(b). We AFFIRM.

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<sup>1</sup> Throughout this Opinion, we refer to the Appellants' Appeal Brief ("Appeal Br.," filed Feb. 25, 2015), Reply Brief ("Reply Br.," filed July 6, 2015), and Specification ("Spec.," filed June 23, 2006), and to the Examiner's Answer ("Ans.," mailed May 4, 2015) and Final Office Action ("Final Act.," mailed Nov. 25, 2014).

<sup>2</sup> According to the Appellants, the real party in interest is "AT&T Intellectual Property I, L.P.," formerly known as "SBC Knowledge Ventures, L.P. a Nevada Partnership." Appeal Br. 2.

### STATEMENT OF THE CASE

The Appellants' invention is directed to “[m]ethods and an apparatus to provide an electronic agent in a telecommunication system.” Spec. ¶ 13.

Claims 1, 19, and 28 are the independent claims on appeal. Claim 1 is illustrative of the subject matter on appeal and is reproduced below:

1. A method comprising:

identifying, using a processor, an interactive television program received at an information presenting device;

accessing, using the processor, a list of keywords associated with the interactive television program via a network, the keywords associated with the interactive television program by a provider of the interactive television program;

identifying, using the processor, a user identifier of a user of the information presenting device;

accessing user profile information associated with the user identifier;

automatically accessing, using the processor, a first database using at least one of the keywords to retrieve at least two advertisements associated with the interactive television program;

automatically determining, using the processor, a selected advertisement of the at least two advertisements based on a proximity of a business represented in the selected advertisement to a location indicated in the user profile information; and

presenting an electronic agent on the information presenting device to at least one of present the selected advertisement retrieved from the first database or offer to retrieve the selected advertisement identified via the first database.

Appeal Br. (Claims App. A1).

## ANALYSIS

Under 35 U.S.C. § 101, a patent may be obtained for “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.” The Supreme Court has “long held that this provision contains an important implicit exception: Laws of nature, natural phenomena, and abstract ideas are not patentable.” *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014) (quoting *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2116 (2013)).

The Supreme Court in *Alice* reiterated the two-step framework, set forth previously in *Mayo Collaborative Services v. Prometheus Labs., Inc.*, 566 U.S. 66, 78–79 (2012), “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice Corp.*, 134 S. Ct. at 2355. The first step in that analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts.” *Id.* If so, the second step is to consider the elements of the claims “individually and ‘as an ordered combination’” to determine whether the additional elements “‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (citing *Mayo*, 566 U.S. 79, 78).

In other words, the second step is to “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.’” *Id.* (alteration in original) (citing *Mayo*, 566 U.S. at 72–73). The Court acknowledged in *Mayo*, that “all inventions at some level embody, use, reflect, rest upon, or apply laws of

nature, natural phenomena, or abstract ideas.” *Mayo*, 566 U.S. at 71. We, therefore, look to whether the claims focus on a specific means or method that improves the relevant technology or are instead directed to a result or effect that itself is the abstract idea, and merely invoke generic processes and machinery. *See Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1336 (Fed. Cir. 2016).

Turning to the first step of the *Alice* framework, we find unpersuasive the Appellants’ arguments that “the analysis offered by the Examiner is at odds with the *Alice* decision” because the Examiner does not “properly identify an abstract concept set forth or described in claim 1,” and because the “Examiner fails to identify an abstract concept to which the claim as a whole is directed.” Appeal Br. 13.

Before determining whether the claims at issue are directed to an abstract idea, we must first determine to what the claims are directed.

The “directed to” inquiry[] . . . cannot simply ask whether the claims involve a patent-ineligible concept, because essentially every routinely patent-eligible claim involving physical products and actions involves a law of nature and/or natural phenomenon—after all, they take place in the physical world. *See Mayo*, 132 S. Ct. at 1293 (“For all inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas.”) Rather, the “directed to” inquiry applies a stage-one filter to claims, considered in light of the specification, based on whether “their character as a whole is directed to excluded subject matter.” *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015); *see Genetic Techs. Ltd. v. Merial L.L.C.*, 818 F.3d 1369, 1375, 2016 WL 1393573, at \*5 (Fed. Cir. 2016) (inquiring into “the focus of the claimed advance over the prior art”).

*Enfish*, 822 F.3d at 1335.

With respect to computer-enabled claimed subject matter, it can be helpful to determine whether “the claims at issue . . . can readily be understood as simply adding conventional computer components to well-known business practices” or not. *Id.* at 1338. *See also Affinity Labs of Tex., LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1257 (Fed. Cir. 2016). In *Enfish*, for example, the court noted that “[s]oftware can make non-abstract improvements to computer technology just as hardware improvements can[.]” *Enfish*, 822 F.3d at 1335. The court put the question as being “whether the focus of the claims is on [a] specific asserted improvement in computer capabilities . . . or, instead, on a process that qualifies as an ‘abstract idea’ for which computers are invoked merely as a tool.” *Id.* at 1335–36. In *Enfish*, the court found that the “plain focus of the claims” there was on “an improvement to computer functionality itself, not on economic or other tasks for which a computer is used in its ordinary capacity.” *Id.* at 1336.

“In determining the eligibility of respondents’ claimed process for patent protection under § 101, their claims must be considered as a whole.” *Diamond v. Diehr*, 450 U.S. 175, 188 (1981). The question is whether the claims as a whole “focus on a specific means or method that improves the relevant technology” or are “directed to a result or effect that itself is the abstract idea and merely invoke generic processes and machinery.” *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1314 (Fed. Cir. 2016).

In this case, the claims as a whole are focused on presenting targeted advertisements. We are not persuaded by the Appellants’ argument that “no abstract concept can be found recited” in claim 1. Appeal Br. 13; *see also*

*id.* at 14–17. Independent claims 1, 19, and 28 recite the limitations of identifying data comprising a program, accessing data comprising keywords associated with the program, identifying data comprising a user identifier, accessing data comprising the identified user profile, accessing a database using the keyword data to retrieve advertisements, determining a selected advertisement based on data criteria comprising proximity, and presenting an electronic agent to present or offer to retrieve the selected advertisement. Appeal Br. (Claims App. A1, A3–A5). Dependent claims 2–9, 20–24, 26, 27, 29–36, 54, and 55 recite limitations further defining the program data, the database from which the advertisement is selected, the presentation of the agent, the data retrieved from the database, and the step of accessing the database; and limitations adding steps of retrieving the advertisement and joining an online chat. The Specification provides that the invention is directed to providing an electronic information to present information retrieved from a database. Spec. ¶¶ 13, 39. Thus, the “character as a whole” of the claims, considered in light of the Specification (*see Enfish*, 822 F.3d at 1335), is directed to presenting advertisements via an electronic agent,<sup>3</sup> as

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<sup>3</sup> We note that “[a]n abstract idea can generally be described at different levels of abstraction.” *Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1240 (Fed. Cir. 2016). The Examiner’s and Board’s “slight revision of its abstract idea analysis does not impact the patentability analysis.” *Id.* at 1241. We do not consider whether the Examiner’s Answer presented a new grounds of rejection (*see* Reply Br. 3) because such a request must be made by way of petition to the Director under 37 C.F.R. § 1.181. 37 C.F.R. § 41.40 (setting forth the exclusive procedure for Appellants to request review of the Examiner’s failure to designate the rejection as a new ground of rejection).

found by the Examiner to be a “fundamental economic principle[] prevalent in advertising and [a] marketing business practice.” Ans. 5.

The Appellants’ argument that the Examiner is required to present “actual evidence” that presenting an electronic agent to provide information is a fundamental economic practice (Reply Br. 3) is unpersuasive because there is no such requirement nor, contrary to the Appellants’ suggestion (*see* Appeal Br. 17), did this Board so hold, in *PNC Bank v. Secure Access, LLC*.<sup>4</sup> Notwithstanding that the *Alice* Court relied, *inter alia*, on Emery, *Speculation on the Stock and Produce Exchanges of the United States*, in 7 STUDIES IN HISTORY, ECONOMICS AND PUBLIC LAW 283, 346–56 (1896), in reaching the determination that intermediated settlement is an abstract idea, as a general matter, what a court or a different Board panel has relied on in determining the abstract nature of what claims are directed to, under a different set of facts, is not dispositive of the basis on which such a determination must be made in this case.

There is no such requirement that Examiners must provide evidentiary support in every case before a conclusion can be made that a claim is directed to an abstract idea. *See, e.g.*, para. IV JULY 2015 UPDATE: SUBJECT MATTER ELIGIBILITY to 2014 INTERIM GUIDANCE ON SUBJECT MATTER ELIGIBILITY (2014 IEG), 79 Fed. Reg. 74618 (Dec. 16, 2014) (“Interim Guidance”)

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<sup>4</sup> Initially, we note that *PNC Bank* has not been designated as precedential, and, thus, is not binding in the instant proceeding. *See* PTAB, STANDARD OPERATING PROCEDURE 2 (REVISION 9) (available at <http://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/resources>). That being said, we have considered the opinion to the extent it offers guidance on the issue before us in this appeal.



The courts consider the determination of whether a claim is eligible (which involves identifying whether an exception such as an abstract idea is being claimed) to be a question of *law*. Accordingly, courts do not rely on evidence that a claimed concept is a judicial exception, and in most cases *resolve the ultimate legal conclusion on eligibility without making any factual findings*.

*Id.* (emphasis added).

Evidence may be helpful in certain situations where, for instance, facts are in dispute. But it is not always necessary. It is not necessary in this case.

Still, examining earlier cases can have a role, especially in deciding whether a concept that claims are found to be directed to is an abstract idea. *See Amdocs (Israel) Limited v. Openet Telecom, Inc.*, 841 F.3d 1288, 1294 (Fed. Cir. 2016) (“Instead of a definition [what an ‘abstract idea’ encompasses], then, the decisional mechanism courts now apply is to examine earlier cases in which a similar or parallel descriptive nature can be seen—what prior cases were about, and which way they were decided”). In that regard, the patent claims (US 7,631,191 (“’191 patent”)) the *PNC Bank* panel had before them are not comparable to the claims here at issue. The ’191 patent claims involve authenticating a web page and were classified in class 713 covering electrical computers and digital processing systems subject matter. They are comparable to the claims involved in *BASCOM Global Internet Services v. AT&T Mobility LLC.*, 827 F.3d 1341 (Fed. Cir. 2016) (US 5,987,606, classified in class 713). In contrast, the claims here at issue, classified in class 705, subclass 14, involve information generation. In this manner, the claims are similar to the fundamental economic and conventional business practices our reviewing court have

deemed ineligible. *See Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 713 (Fed. Cir. 2014) (using advertisement as currency); *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1370 (Fed. Cir. 2015) (tailoring information presented to a user based on particular information); and *Affinity Labs of Texas, LLC v. Amazon.com, Inc.*, 838 F.3d 1266, 1271 (Fed. Cir. 2016) (customizing a user interface to have targeted advertising based on user information). The presenting of a targeted advertisement via an agent is similar to these abstract ideas, and, thus, we determine that the claims are directed to an abstract idea. The claims involve nothing more than providing specific, targeted advertising via an agent by obtaining and analyzing information, without any particular inventive technology — an abstract idea. *See Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1354 (Fed. Cir. 2016).

We further find unpersuasive the Appellants’ argument that the claims are not directed to an abstract idea because “there is no danger of preemption” in that “independent claim 1 as a whole is not directed to an abstract idea that would give rise to ‘a concern that monopolization of the basic tools of scientific and technological work might impede innovation more than it would promote it.’” Appeal Br 14–15; *see also id.* at 16–20 and Reply Br. 4–5, 9–10. Although the Supreme Court has described “the concern that drives this exclusionary principle[, i.e., the exclusion of abstract ideas from patent eligible subject matter,] as one of pre-emption” (*see Alice*, 134 S. Ct. at 2354), characterizing pre-emption as a driving concern for patent eligibility is not the same as characterizing pre-emption as the sole test for patent eligibility. “The 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.*; *cf. OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir.), *cert denied*, 136 S. Ct. 701, 193 L. Ed. 2d 522 (2015) (“[T]hat the claims do not preempt all price optimization or may be limited to price optimization in the e-commerce setting do not make them any less abstract.”)

We also find unpersuasive the Appellants’ argument that the invention is not directed to an abstract idea because it is “directed to a real world activity inherently grounded in technology.” Reply Br. 6. In *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1256 (Fed. Cir. 2014), the Federal Circuit determined that the claims addressed the problem of retaining website visitors who, if adhering to the routine, conventional functioning of Internet hyperlink protocol, would be transported instantly away from a host’s website after clicking on an advertisement and activating a hyperlink. *DDR Holdings*, 773 F.3d at 1257. The Federal Circuit, thus, held that the claims were directed to statutory subject matter because they claim a solution “necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.” *Id.* In contrast, there is no indication here that the claimed invention requires something other than the normal, conventional computer functions of accessing, identifying, determining, and presenting data.

Turning to the second step of the *Alice* analysis, we find unpersuasive the Appellants’ arguments that the claims recite “meaningful limitations beyond generally linking the use of judicial exception to a particular technological environment.” Appeal Br. 19 (quoting Interim Guidance, 79 Fed. Reg. at 74624). The Appellants argue that the claims recite limitations of automatically accessing a first database and determining a selected advertisement that are novel over the prior art and notes the Examiner’s indication of allowability indicating as such. *Id.*

Specifically, we find unpersuasive the Appellants’ argument that the claims are significantly more than the abstract idea because they “provide ‘meaningful limitations beyond generally linking the use of judicial exception to a particular technological environment.’” Appeal Br. 19 (quoting Interim Guidance, 79 Fed. Reg. at 74624). The Appellants argue that the limitations of automatically accessing a database and determining a selected advertisement are not well-understood, routine, and conventional activities of a general processor because the Examiner specifically indicated that the limitations are not obvious over the prior art. Appeal Br. 19–21; Reply Br. 7–8. As such, the Appellants argue that the claims are “directed to a specific real world method, with real world effects not previously known in science, economics, or industry,” and are thus

far more analogous to the claim in *Diamond v. Diehr*, 450 U.S. 175 (1981) (holding a computer-implemented process for curing rubber based on calculated cure times from temperature measurements to be patent eligible) and to the claim of *PNC Bank* (directed to transforming data with an authentication key) than to the intermediated settlement claim of *Alice*.

Appeal Br. 19–20.

Claim limitations found to be novel and/or nonobvious can affect a patent-eligibility determination. *Cf. Ariosa*, 788 F.3d at 1377 (“For process claims that encompass natural phenomenon, the process steps are the additional features that must be new and useful.”) Thus, novelty is a factor to be considered when determining “whether the claims contain an ‘inventive concept’ to ‘transform’ the claimed abstract idea into patent-eligible subject matter.” *Ulramercial*, 772 F.3d at 715. “[N]ovelty in implementation of the idea is a factor to be considered only in the second step of the *Alice* analysis.” *Id.*

However, an abstract idea does not transform into an inventive concept just because the prior art does not disclose or suggest it. *See Mayo*, 566 U.S. at 90–91. A finding of novelty or nonobviousness does not necessarily lead to the conclusion that subject matter is patentable eligible. “Groundbreaking, innovative, or even brilliant discovery does not by itself satisfy the § 101 inquiry.” *Ass’n for Molecular*, 133 S. Ct. at 2117.

Indeed, “[t]he ‘novelty’ of any element or steps in a process, or even of the process itself, is of no relevance in determining whether the subject matter of a claim falls within the § 101 categories of possibly patentable subject matter.” *Diamond v. Diehr*, 450 U.S. 175, 188–89 . . . (1981) (emphasis added); *see also Mayo*, 132 S. Ct. at 1303–04 (rejecting “the Government’s invitation to substitute §§ 102, 103, and 112 inquiries for the better established inquiry under § 101”).<sup>1</sup> Here, the jury’s general finding that Symantec did not prove by clear and convincing evidence that three particular prior art references do not disclose all the limitations of or render obvious the asserted claims does not resolve the question of whether the claims embody an inventive concept at the second step of *Mayo/Alice*. *Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1315 (Fed. Cir. 2016).

Nor does a finding of obviousness necessarily lead to the conclusion that subject matter is patentable ineligible. *See also Rapid Litig. Mgmt. Ltd. v. CellzDirect, Inc.*, 827 F.3d 1042, 1050 (Fed. Cir. 2016) (“That each of the claims’ individual steps (freezing, thawing, and separating) were known independently in the art does not make the claim unpatentable.”) “[P]atent-eligibility does not turn on ease of execution or obviousness of application. Those are questions that are examined under separate provisions of the Patent Act.” *Id.* at 1052 (citing *Mayo*, 566 U.S. at 90).

Notwithstanding that “‘the § 101 patent-eligibility inquiry and, say, the § 102 novelty inquiry might sometimes overlap,’ . . . a claim for a new abstract idea is still an abstract idea.” *Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1151 (quoting *Mayo*, 566 U.S. at 90). The question in step two of the *Alice* framework is not whether an additional feature is novel but whether the implementation of the abstract idea involves “more than the performance of ‘well-understood, routine, [and] conventional activities previously known to the industry.’” *Content Extraction and Transmission LLC v. Wells Fargo Bank, Nat. Ass’n*, 776 F.3d 1343, 1347–48 (quoting *Alice*, 134 S.Ct. at 2359).

In that regard, the Appellants have not shown that the novel features transform the abstract idea into patent-eligible subject matter. The Appellants do not provide adequate evidence or technical reasoning that the claims improve some existing *technological process* or solves some *technological problem* in conventional industry practice, such as in *Diehr*. *See Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1334 (Fed. Cir. 2015), *cert. denied*, 136 S. Ct. 2510, 195 L. Ed. 2d 841 (2016) (finding that the “claims recit[ed] a commonplace business method aimed at processing

business information despite being applied on a general purpose computer”); *see also Alice*, 134 S. Ct. at 2359. The steps/functions of identifying data, accessing data, determining data, and presenting data are well-understood, routine, and conventional functions of a generic computer. *See FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1095 (Fed. Cir. 2016). The Specification supports this view. *See* Spec. ¶ 60 (“The system 900 of the instant example includes a processor 912 such as a general purpose programmable processor”); ¶ 62 (“The computer 900 also includes a conventional interface circuit 924”). There is no further specification of particular technology for performing the steps. *See Versata*, 793 F.3d at 1334; *Affinity Labs*, 838 F.3d at 1263; *see also Enfish*, 822 F.3d. at 1336 (focusing on whether the claim is “an improvement to [the] computer functionality itself, not on economic or other tasks for which a computer is used in its ordinary capacity”); *DDR Holdings*, 773 F.3d at 1256 (“[A]fter *Alice*, there can remain no doubt: recitation of generic computer limitations does not make an otherwise ineligible claim patent-eligible. . . . The bare fact that a computer exists in the physical rather than purely conceptual realm ‘is beside the point’” (internal citation omitted) (quoting *Alice*, 134 S. Ct. at 2358)). The Appellants do not adequately show how the claimed steps are technically done such that they are not routine, conventional functions of a generic computer, nor do the Appellants provide evidence why the steps are not routine and conventional functions of a generic computer. *See Intellectual Ventures*, 792 F.3d at 1370 (“Rather, the ‘interactive interface’ simply describes a generic web server with attendant software, tasked with providing web pages to and communicating with the user’s computer.”)

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Based on the foregoing, we are not persuaded that the Examiner erred in the rejection of claims 1–9, 19–24, 26–36, 54, and 55 under 35 U.S.C. § 101.

#### DECISION

The Examiner’s decision to reject claims 1–9, 19–24, 26–36, 54, and 55 is AFFIRMED.

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)(iv).

AFFIRMED