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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte TIMOTHY A. KENDALL, MATTHEW R. COHLER,
MARK E. ZUCKERBERG, YUN-FANG JUAN, ROBERT KANG-XING
JIN, JUSTIN M. ROSENSTEIN, ANDREW G. BOSWORTH,
YISHAN WONG, ADAM D'ANGELO, and
CHAMATH M. PALIHAPITIYA

Appeal 2015-008149
Application 13/447,102¹
Technology Center 3600

Before ANTON W. FETTING, SHEILA F. McSHANE, and
MATTHEW S. MEYERS, *Administrative Patent Judges*.

McSHANE, *Administrative Patent Judge*.

DECISION ON APPEAL

The Appellants seek our review under 35 U.S.C. § 134(a) of the Examiner's final decision to reject claims 1–28. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ According to the Appellants, the real party in interest is Facebook, Inc. Appeal Brief filed May 5, 2015, hereafter "Appeal Br.," 1.

BACKGROUND

The invention relates to social networking websites and using connections amongst users to generate and communicate social advertisements. Specification, hereafter “Spec.,” ¶ 2.² Embodiments of the invention may “present advertisements that communicate information about actions taken by others in the member’s network” that “may inform a member that a friend . . . has purchased a particular item made by an advertiser, will attend an event sponsored by an advertiser, or has added a connection to a profile for a business or other entity.” *Id.* ¶ 6.

Representative method claim 1 is reproduced from pages 17 and 18 of the Appeal Brief (Claims App.) as follows:

1. A computer-implemented method comprising:
 - logging, by a social networking computer system, information related to actions performed by users of a social networking system;
 - receiving, by the social networking computer system, an advertisement request from an advertiser for providing a sponsored story, the sponsored story comprising:
 - a message to a viewing user of the social networking system that includes information related to an action performed by one or more users with whom the viewing user is connected in the social networking system,
 - wherein the action is selectable by the advertiser from a plurality of actions provided to the advertiser by the social networking computer system;
 - selecting, by the social networking computer system, information about one or more actions performed by one or

² Herein, we refer to version of the Specification as published on August 9, 2012, in US Publication No. 2012/0203847 A1, which is the same as the originally-filed Specification, filed on April 13, 2012, except for some paragraph numbering variations.

more users with whom a viewing user is connected in the social networking system to identify one of a plurality of candidate information for a sponsored story;

selecting, as the one of a plurality of candidate information for a sponsored story, information about a selected action of the advertisement request that was determined by the social networking computer system to have been performed by the one or more users;

generating, by a computer processor of the social networking computer system, the sponsored story for providing to the viewing user;

generating, by the social networking computer system, a feed that comprises:

the generated sponsored story; and

a plurality of news stories about one or more users of the social networking system with whom the viewing user is connected in the social networking system; and

providing, by the social networking computer system, the feed for display to the viewing user.

In a Final Rejection, the Examiner rejects claims 1–28 under 35 U.S.C. § 101 as directed to non-statutory subject matter. Final Action, hereafter “Final Act.,” 2–7, mailed November 21, 2014; Answer, hereafter “Ans.,” 2–15, mailed August 26, 2015.

DISCUSSION

The Appellants argue the rejections under § 101 using independent claims 1, 15, and 23 as representative. *See* App. Br. 10–16. We select claim 1 as representative.

The Examiner finds that claims 1–28 are directed to non-statutory subject matter that does not amount to significantly more than an abstract idea because the claims are directed to communicating actions within a social network for the purpose of advertising a product and/or for the

purpose of selling advertising which is a fundamental economic practice (advertising) and “employ[] methods of organizing human activities (sending/receiving information, logging or recording information, selecting information, generating an advertisement (sponsored story), [] to achieve this outcome.” Final Act. 4. Additional claim elements are found to not be significantly more than an abstract idea because the claims “are a mere instruction to apply the abstract idea;” require no more than a generic computer to perform generic computer functions that are well-understood, routine and conventional, and there is no improvement to another technology or to the functioning of the computer itself; and “no meaningful limitations beyond generally linking the use of an abstract idea to a particular technical environment.” *Id.* at 5. The Examiner refers to the Specification, which states “[a]ny computer-based system that provides social networking functionality can be used in accordance with the present invention,” and is “not limited to any particular type of communication system, network, protocol, format or application.” *Id.* (citing Spec. ¶ 102).

The Appellants argue that the claims at issue are not directed to an abstract idea because they are “more aptly described as directed to the receipt, analysis, and processing of data generated with or received by a social networking system, and not ‘communicating actions’ as alleged.” App. Br. 7. The Appellants refer to the “U.S. Patent Office Examples of Abstract Ideas,” and its Example 2 that describes an “e-commerce outsourcing system” that is alleged to be analogous to the instant claims, where Example 2 was found to patent eligible. *Id.* at 7–8.³ It is further

³ Example 2 articulates the decision in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014) (“*DDR*”). U.S. Patent Office Examples

contended that the instant claims are similar to those of Example 2 because “they both recite methods for storing various forms of data and data objects, processing the data and data objects, and providing a product of the processing to computer users (e.g., the feed of stories).” Reply Brief, hereafter “Reply Br.,” 5, mailed September 15, 2015. The Appellants also argue that the claims are directed to specific methods “tied to an online social networking environment,” and, therefore, “overcome a problem specifically arising in the realm of computer networks.” *Id.* The Appellants further contend that “the pending claims are directed to a ‘business challenge . . . that is particular to the Internet,’ namely the management and distribution of electronic advertising to users based on specific criteria known only to a social networking system.” App. Br. 10. It is argued that the invention addresses problems with providing effective online advertise, that draws attention “by providing an online ad to a user that includes a message about an action of the user’s social networking connection (e.g., your friend John likes Nike), making it more likely that the advertiser will entice the user to read the ad.” *Id.*

The Appellants additionally contend that the claims are not drawn to all applications of the alleged abstract idea, and therefore, do not preempt “communicating actions” or “selling advertising,” such that others cannot use those ideas. App. Br. 8–9. It is further argued that the claims have to be considered as a whole, with all limitations considered, but the Examiner instead dissects the claim limitations. *Id.* at 6–7. The Appellants further

of Abstract Ideas (January 2014), issued in conjunction with Interim Eligibility Guidance on Patent Subject Matter Eligibility, 79 Fed. Reg. 74,618 (Dec. 16, 2014), available at https://www.uspto.gov/patents/law/exam/abstract_idea_examples.pdf.

allege that the claims are not directed to an idea itself, but rather the elements have a concrete and tangible form such as the “sponsored story” and the “feed.” Reply Br. 2–3. The Appellants also allege that the claims are not directed to “fundamental economic practices” or to “certain methods of organizing human activity” because they are distinguishable from the types of practices described in the USPTO’s Interim Guidance on Patent Subject Matter Eligibility (July 2015). Reply Br. 3–4.

The Appellants further argue that, even if the Examiner’s findings regarding an abstract idea are adopted, the claims represent significantly more than an abstract idea. App. Br. 10–14. In support, the Appellants compare the claims at issue with those in *DDR*, arguing that they “are similar in that they both recite methods for storing various forms of data and data objects, processing the data and data objects, and providing a product of the processing to computer users (e.g., the feed of stories).” *Id.* at 11–12. The Appellants further contend that there is no traditional analog for the claimed invention, and, more specifically, “[t]here is no traditional business analog for the claimed ‘feed’ outside of interconnected computer networks, let alone outside of social networking systems.” *Id.* at 12–13. The Appellants argue that an example of these steps using a non-online environment, such as advertising in a paper magazine, would be “a nonsensical example” that is based on impermissible hindsight. *Id.* at 13.

Finally, the Appellants argue that the rejection under § 101 is improper because the Examiner fails to provide factual support for the allegation that providing social endorsements within a social network and sending information is a method of organizing human activity and an abstract idea. App. Br. 14–16.

After considering the Appellants' arguments and the evidence presented in this Appeal for the § 101 rejection, we are not persuaded that the Appellants identify reversible error. To provide context, 35 U.S.C. § 101 provides that a new and useful "process, machine, manufacture, or composition of matter" is eligible for patent protection. The Supreme Court has made clear that the test for patent eligibility under Section 101 is not amenable to bright-line categorical rules. *See Bilski v. Kappos*, 130 S. Ct. 3218, 3229–30 (2010). There are, however, three limited, judicially-created exceptions to the broad categories of patent-eligible subject matter in § 101: laws of nature; natural phenomena; and abstract ideas. *See Mayo Collaborative Services v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1293 (2012).

In *Alice Corporation Party, Ltd. v. CLS Bank International*, 134 S. Ct. 2347 (2014) ("*Alice*"), the Supreme Court reiterated the framework set forth previously in *Mayo*, "for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of these concepts." *Alice*, 134 S. Ct. at 2355 (citation omitted). Under *Alice*, the first step of such analysis is to "determine whether the claims at issue are directed to one of those patent-ineligible concepts." *Id.* (citation omitted). If determined that the claims are directed to a patent-ineligible concept, the second step in the analysis 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*, 132 S. Ct. at 1291, 1297). 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.* (citing *Mayo*, 132 S. Ct. at 1294).

With this context in mind, we evaluate the Examiner’s rejection of representative claim 1.

Claim 1 requires logging information relating to actions performed by users of a social networking system, receiving an advertising request from an advertiser for providing a sponsored story, selecting some information to identify candidate information for the sponsored story, generating the sponsored story, and feeding it to the viewing user. *See* Claims App.17–18. We agree with the Examiner that the claim as a whole is directed to the purpose of advertising a product and/or for the purpose of selling advertising, which is the fundamental economic practice of advertising. More specifically, we agree with the Examiner that “[s]ocial endorsements are a type of advertisement.”⁴ Ans. 4. All of the steps of the claim that the Appellants allege are specific to the internet and the use of social media, including promoting products by the use of a “sponsored story,” are, without exception, directed to the overall purpose of advertising. As such, the representative claim is directed to a fundamental business purpose, which is distinguishable from claims of *DDR*. *See DDR*, 773 F.3d at 1257 (“the . . . asserted claims do not recite a mathematical algorithm. Nor do they recite a fundamental economic or longstanding commercial practice.”). As discussed further below, we determine that, unlike *DDR*, the claim at issue

⁴ On this issue, the Specification explains the alleged advantage of social advertisements: “[s]ocial ads thus allow advertisers to enjoy the credibility that consumers naturally give to their friends through word of mouth advertising. Beyond simple targeting of ads that merely chase demand, therefore, this approach is better able to create or generate demand” Spec. ¶ 7.

does not address a business issue that arises from and is specific only to the Internet. *See id.*

We are also not persuaded by the Appellants' allegation on patentability based on the argument that the claims will not preempt other types of advertising that do not employ the specific claimed steps. Although it may be true that there are other methods of advertising, that issue is not dispositive as to whether the claims are patent eligible. *See Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) ("While preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility."). We also do not agree that the rejection under § 101 is improper because the Examiner fails to provide factual support for the allegation that providing social endorsements within a social network and sending information is a method of organizing human activity and an abstract idea. Contrary to the Appellants' assertion, we find that the Examiner was not required to proffer additional extrinsic evidence in support of the finding of an abstract idea. *See, e.g., Mortgage Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1325 (Fed. Cir. 2016).

Finally, as to the first step of the *Alice* analysis, we are not persuaded by the Appellants' argument that the claims are not directed to an idea itself, but rather the elements have a concrete and tangible form. Our reviewing court has found that if a method can be performed by human thought, these processes remain unpatentable even when automated to reduce burden to the user. *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1375 (Fed. Cir. 2011) ("That purely mental processes can be unpatentable, even

when performed by a computer, was precisely the holding of the Supreme Court in *Gottschalk v. Benson*, [409 U.S. 63 (1972)].”).

As to the second step of the *Alice* analysis, we are not persuaded by the Appellants’ arguments that the claims represent “significantly more” than the abstract idea exception. On this issue, we agree that the Examiner’s finding that the claim has no meaningful limitations beyond linking the use of an abstract idea to a technical environment. *See* Final Act. 5. The Examiner acknowledges that claim 1 is related to actions performed on a social network, but finds that “the appealed claims are simply reciting steps to solve the problem of communicating actions of one party to one or more socially connected users.” Ans. 13. Further, the Examiner analogizes the social endorsements objectives of the claims to known non-computer-based social endorsements, such as celebrity endorsements. *Id.* at 14–15. Here, we agree with the Examiner that advertising products by the use of social endorsements was known, and contrary to the allegations of the Appellants, the objectives of this type of non-internet advertising would be the same as that of the claims— that is, to draw attention to the ad and entice the user to read it. Considering the steps of the claims, the claims can be analogized to pre-internet advertising practices. For instance, for a social network such as a school alumni organization, actions logged could be the positive responses of other connected alumni to, say, a print ad for an alumni trip, and that information could then be used in an insert of a newsletter to other alumni, with the “feed” to include information on the trip and identification of the alumni in the organization who already booked, with the objective to attract others to read the insert and entice them to consider signing up for the trip. This is similar to the Appellants’ view of the invention as providing an ad to

a user “that includes a message about an action of the user’s social networking connection (e.g., your friend John likes Nike).” App. Br. 10.

The claims at issue are also distinguishable from those in *DDR*. In *DDR*, the Federal Circuit found that the challenged patent was valid because it “specif[ied] how interactions with the Internet are manipulated to yield a desired result—a result that overrides the routine and conventional” aspects of the technology. *DDR*, 773 F.3d at 1258–59. However, as the Federal Circuit also stated: “after *Alice*, there can remain no doubt: recitation of generic computer limitations does not make an otherwise ineligible claim patent-eligible.” *Id.* at 1256 (citing *Alice*, 134 S. Ct. at 2358). The bare fact that a computer exists in the physical rather than purely conceptual realm “is beside the point.” *Id.* Here, we do not discern that these claims “stand apart,” as those of *DDR* did, because they merely recite the performance of some business practice known from the pre-Internet world, along with the requirement to perform it on the Internet. *See DDR*, 773 F.3d at 1257. Nor are the instant claims “necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.” *Id.*

We, therefore, sustain the Examiner’s rejection of representative claim 1 under § 101.

SUMMARY

The rejection of claims 1–28 under 35 U.S.C. § 101 is affirmed.

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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