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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte KEITH SMITH, DANIEL TODD, YORK BAUR,
TODD SAWICKI, WILLIAM K. MCGRAW, and KEN SMITH

Appeal 2016-000557¹
Application 11/743,103²
Technology Center 3600

Before BIBHU R. MOHANTY, MICHAEL W. KIM, and
NINA L. MEDLOCK, *Administrative Patent Judges*.

MEDLOCK, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner’s final rejection of claims 1, 3, 5–10, and 18–20. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Our decision references Appellants’ Appeal Brief (“App. Br.,” filed June 2, 2015) and Reply Brief (“Reply Br.,” filed October 6, 2015), and the Examiner’s Answer (“Ans.,” mailed August 6, 2015) and Final Office Action (“Final Act.,” mailed December 2, 2014).

² Appellants identify Blinkx UK Limited as the real party in interest. App. Br. 3.

CLAIMED INVENTION

Appellants' claimed invention relates generally to “[a] system for providing digital content and advertisements to users” (Spec. ¶ 25).

Claims 1 and 18, reproduced below, are the independent claims on appeal and representative of the claimed subject matter:

1. A system for providing digital content and advertisements to users, the system comprising:

an automated, self-service advertiser interface for advertisers, wherein the advertiser interface is used by the advertisers to provide digital advertisements, and wherein the advertisers provide compensation based on presenting the digital advertisements to one or more users on their client devices;

an automated, self-service content-provider interface for providers of digital content, wherein the content-provider interface is configured to present one or more of menus, windows, or fields to be used by the providers of digital content to provide content to the users on their client devices, wherein the digital content is visual content, audio content, audio-visual content, or an application, and wherein a first program module is configured to reference information stored in a content database to enable the providers of digital content to receive a first portion of the advertiser-provided compensation based on access of the digital content by the users on their client devices;

a publisher interface for publishers of the digital content, wherein the publisher interface is configured to present one or more of menus, windows, or fields to provide the publishers with access to the digital content or to links for accessing the digital content, wherein the publisher interface provides a separate user interface for the publishers to access the digital content than the advertisers to provide the digital advertisements, and wherein the first program module is configured to reference information stored in an advertisement database to enable the publishers to receive a second portion of the advertiser-provided compensation based on access of the provided digital content by the users;

an automated, self-service user interface for the users of the digital content, wherein the user interface is configured to present one or more of menus, windows, or fields to provide users with access to view or listen to the digital content;

at least one central server coupled among the advertiser, content-provider, publisher, and user interfaces, wherein the central server is configured to have the content database to store or access the digital content as well as content providers' account information, and have the advertisement database to store the advertisements that at least includes advertisers' account information, advertiser-provided compensation, the advertisements or links to the advertisements,

wherein one or more program modules are configured to cooperate with the central server to provide the digital content and the advertisements to the users through the user interface,

wherein the first program module is configured to cooperate with the central server to receive the advertiser-provided compensation from the advertisers, and

wherein the first program module is configured to cooperate with the central server to provide the first and second portions of the advertiser-provided compensation to the publishers and the content providers, respectively;

wherein the advertiser interface is configured to also present one or more of menus, windows, or fields to permit each of the advertisers to specify at least one category for each of its digital advertisements and at least one target associated with each of its digital advertisements, and each advertiser may specify one or more targeting criteria, including but not limited to keywords, to be associated with each of its advertisements; and

wherein the publisher interface is configured to also present one or more of menus, windows, or fields to allow publishers to browse or search for the digital content.

18. A system for receiving digital content and advertisements, the system comprising:

a central server coupled among 1) an advertiser interface, 2) a content-provider interface, 3) a publisher interface, and 4) a user interface;

wherein the content-provider interface is configured to present one or more of menus, windows, or fields for accessing selected digital content from a set of available digital content, wherein the set of available digital content is provided at a publisher website, and wherein the set of available digital content is provided or generated by multiple, different digital content providers;

wherein the central server has a content database to store or access the digital content as well as content providers' account information;

wherein the central server has an advertisement database to store the advertisements that at least includes advertisers' account information, advertiser-provided compensation, the advertisements or links to the advertisements;

wherein the user interface has a means for viewing or listening to more than a sampling of the selected digital content, for free, if at least one predetermined criterion is satisfied;

wherein the advertiser interface has a means for providing at least one time-shifted digital advertisement associated with an advertiser website; and

wherein a first program module is coded to enable the publisher and at least one content provider each automatically to receive a portion of advertiser-provided compensation based on the providing of the at least one time-shifted digital advertisement associated with the advertiser website.

REJECTION

Claims 1, 3, 5–10, and 18–20 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

ANALYSIS

Under 35 U.S.C. § 101, an invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101. The Supreme Court, however, has long interpreted § 101 to include an implicit exception: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *See, e.g., Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014).

The Supreme Court, in *Alice*, reiterated the two-step framework, previously set forth in *Mayo Collaborative Services v. Prometheus Laboratories., Inc.*, 132 S. Ct. 1289, 1300 (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 the claims are not directed to a patent-ineligible concept, e.g., to an abstract idea, the inquiry ends. Otherwise, the inquiry proceeds to the second step where the elements of the claims are considered “individually and ‘as an ordered combination’” to determine whether there are additional elements that “‘transform the nature of the claim’ into a patent-eligible application.” *Alice Corp.*, 134 S. Ct. at 2355 (quoting *Mayo*, 132 S. Ct. at 1297).

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*, 132 S. Ct. at 1293. 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).

We are not persuaded, as an initial matter, by Appellants' argument that the Examiner failed to properly apply the *Mayo/Alice* two-step analysis. Appellants assert that "[t]he examination has continually assumed that if either step 1 or step 2 of the Alice test is determined by the Examiner to be unsatisfactory, then the current claims fail to recite a statutorily eligible subject matter rather than both step 1 AND step 2 needed to be found unsatisfactory" (App. Br. 12; *see also id.* at 15). Yet, it is clear from the Final Office Action that the Examiner properly applied the *Mayo/Alice* two-part test in accordance with the guidance set forth in the Office's June 25, 2014 "Preliminary Examination Instructions in view of the Supreme Court Decision in *Alice Corporation Pty. Ltd. v. CLS Bank International, et al.*" (Final Act. 3–7). Thus, after first finding (in Part I) that the claim 1, for example, was directed to an abstract idea (*id.* at 5), the Examiner proceeded to Part II to determine whether the claim includes additional elements or a combination of elements that qualify as "significantly more" than the abstract idea itself (*id.* at 5–7).

Appellants also argue that the rejection cannot be sustained because the Examiner has presented no evidence to support a finding that the claims are directed to an abstract idea (*see, e.g.*, App. Br. 15 ("Only when both steps outlined in Alice Corp. are shown with evidence to be determined to be unsatisfactory is then the subject matter found to be ineligible subject matter under 35 USC 101"); *id.* at 23–24 ("[T]he office actions and Advisory Action fail to provide evidence to support a prima facie case under Alice Corp. to establish the current claims, considering all of the claim limitations

recite an Abstract Idea. There is insufficient evidence on the record to establish that all of the claim limitations were analyzed under step 1 of the Alice Corp test to determine that claim 1 or claim 18 are an abstract idea.”); *id.* at 24–25 (“No evidentiary support has been provided for the conclusory statement made by the Examiner that the claimed process is a mere abstract idea.”)). That argument is similarly unpersuasive.

We are aware of no controlling precedent that requires the Office to provide factual evidence to support a finding that a claim is directed to an abstract idea. Nor, contrary to Appellants’ assertion (App. Br. 24; *see also* Reply Br. 6), did this Board hold in *PNC Bank v. Secure Access, LLC*, CBM2014-00100, 2014 WL 453440 (PTAB Sept. 9, 2014) that there is any such requirement.³

In rejecting the pending claims under § 101, the Examiner notified Appellants that the claims are directed to “providing digital content and advertisements to users and providing compensation to the publishers and content providers,” i.e., to a fundamental economic practice and, therefore, to an abstract idea; and that the claims do not include limitations that are “significantly more” than the abstract idea because the additional elements involve no more than a generic computer performing generic computer functions (Final Act. 5–7). The Examiner, thus, notified Appellants of the reasons for the rejection “together with such information and references as may be useful in judging of the propriety of continuing the prosecution of [the] application.” 35 U.S.C. § 132. And, we find that, in doing so, the

³ We would not be bound, in any event, by a non-precedential decision of a different panel of the Board.

Examiner set forth a proper rejection under § 101 such that the burden then shifted to Appellants to demonstrate that the claims are patent-eligible.

Referencing the USPTO's "July 2015 Update: Subject Matter Eligibility," Appellants argue that the rejection under § 101 cannot be sustained because the Examiner has failed to show how the claims, as a whole, are similar to a concept that the courts have identified as a patent-ineligible abstract idea (Reply Br. 7–11). Yet, not only does the Examiner's December 2, 2014 Final Rejection predate issuance of the July 2015 Update, but an examiner's failure to follow the Director's guidance is appealable only to the extent that the examiner has failed to follow the relevant statutes or case law. To the extent the Director's guidance goes beyond the case law and is more restrictive on the Examiner than the case law, the failure of the Examiner to follow those added restrictions is a matter for petition to the Director. We are aware of no controlling precedent, nor do Appellants identify any controlling case law, that precludes an examiner from finding a claimed concept patent-ineligible unless it is similar to a concept that a court has identified as being patent-ineligible.

Appellants further argue that, in characterizing the claims as directed to "providing digital content and advertisements to users and compensation to the publishers and content providers," the Examiner did not provide an analysis of all the claim limitations to then distill the core concept of claims 1 and 18 (App. Br. 18; *see also id.* at 24 and Reply Br. 14), i.e., "using four different distinct interfaces in a server client/server architecture to upload digital content, view and/or hear digital content, and match advertisements to that digital content" (App. Br. 25; *see also* Reply Br. 14–15). Instead, according to Appellants, the Examiner "merely looked at the

isolated ‘compensation’ limitations . . . and looked at the introductory clause of merely claim 1’s preamble to determine that claim 1 and claim 18 recite an alleged abstract idea” (App. Br. 22; *see also id.* at 21).

Appellants argue that the basic core concept of uploading digital content, providing advertisements, searching for digital content, providing access to view and/or hear the digital content, storing this information, and providing advertisement targeting capabilities is “a specific technological process rather than a recitation of an abstract idea” (*id.* at 31). Yet, collecting, i.e., uploading, digital content and advertisements; providing access to the digital content; and matching advertisements to the digital content is precisely the kind data collection and analysis that the Federal Circuit has repeatedly held is a patent-ineligible abstract idea. *See, e.g., Elec. Power Grp. LLC v. Alstom, S.A.*, 830 F.3d 1350, 1354 (Fed. Cir. 2016) (explaining that the claims were directed to a patent-ineligible abstract idea because “[t]he advance they purport to make is a process of gathering and analyzing information of a specified content, then displaying the results, and not any particular assertedly inventive technology for performing those functions”); *Content Extraction & Transmission v. Wells Fargo Bank, N.A.*, 776 F.3d 1343 (Fed. Cir. 2014). Appellants also cannot reasonably deny that targeted advertising is a fundamental, long-standing, and well-known economic practice. *See Tuxis Technologies, LLC v. Amazon.com, Inc.*, No. CV 13–1771–RGA, 2014 WL 4382446, at *5 (D. Del. Sept. 3, 2014) (Matching consumers with a given product or service “has been practiced as long as markets have been in operation.”).

Appellants stress that the “central focus/essence” of independent claims 1 and 18 is the “core concept of using four different distinct

interfaces in a server client/server architecture to upload digital content, view and/or hear digital content, and match advertisements to that digital content (App. Br. 25; *see also id.* at 35–36 and 38–42). However, as the Examiner observes, graphical user interfaces (“GUIs”) are a standard and common method for users to enter and view information on a computer network (Ans. 8).

There is no indication in the Specification that any inventive or specialized graphical interface is required; instead, the claims merely recite the use of generic GUIs to implement the abstract idea of providing digital content and advertisements to users and compensation to the publishers and content providers on a generic computer. The recitation of a generic GUI merely limits the use of the abstract idea to a particular technological environment, which the Court made clear in *Alice* is insufficient to transform an otherwise patent-ineligible abstract idea into patent-eligible subject matter. *See Alice Corp.*, 134 S. Ct. at 2358. *See also Affinity Labs of Texas LLC v. DirecTV LLC*, 838 F.3d 1253, 1257–58 (A mere recitation of a GUI does not make a claim patent-eligible).

Citing the Board’s Decision to Institute in *U.S. Bancorp v. Solutran*, CBM2014-00076, 2014 WL 3943913 (PTAB Aug. 7, 2014), Appellants assert that if, as the Board concluded in that case, processing paper checks by scanning the checks with a digital scanner and using a computer to compare the digital images is a technical process rather than an abstract idea, then Appellants’ concept of “using four different distinct interfaces in a server client/server architecture to upload digital content, provide access to view and/or hear digital content, provide advertisements, search for digital content, store this information, and match advertisements to that digital

content” is also a technical process rather than a mere abstract idea (App. Br. 32; *see also id.* at 42–47). Yet, the difficulty with that argument is that Appellants do not account for the distinction between claims involving the processing of digital information and claims directed to a method of processing *paper checks* — a method the Board concluded is more akin to a physical process than an abstract idea. *U.S. Bancorp*, 2014 WL 3943913 at *8 (“[W]e find that the basic, core concept of independent claim 1 is a method of processing paper checks, which is more akin to a physical process than an abstract idea.”).

Appellants also attempt to draw an analogy here between the present claims and those at issue in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014) (App. Br. 32; *see also* Reply Br. 7, 15). But, we can find no parallel between the present claims and those in *DDR Holdings*.

In *DDR Holdings*, the Federal Circuit determined that, although the patent claims at issue involved conventional computers and the Internet, the claims addressed a challenge particular to the Internet, i.e., 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 court, thus, held that the claims were directed to patent-eligible 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,” and that the claimed invention did not simply use computers to serve a conventional business

purpose. *Id.* Rather, there was a change to the routine, conventional functioning of Internet hyperlink protocol. *Id.*

No such technological advance is evident in the present invention. Nor, unlike the situation in *DDR Holdings*, do Appellants identify any technical problem particular to computer networks and/or the Internet that claims 1 and 18 allegedly overcome. Instead, it is clear from the Specification that, rather than addressing a *technical problem*, the claimed system is intended to address the *business problem* of ensuring that content providers and publishers are properly compensated for the digital content that they make available on computer networks, e.g., the Internet; otherwise these parties may be discouraged from providing digital content (*see, e.g.*, Spec. ¶¶ 2–6 and 25). And, also unlike the situation in *DDR Holdings*, there is no indication that the claims require any more than generic computer components performing generic computer functions.

Turning to the second step of the *Mayo/Alice* analysis, Appellants argue that even if the Board determines that the claims are directed to an abstract idea, the claims are nonetheless patent-eligible because both independent claims 1 and 18 include meaningful limitations that would transform an abstract idea into patent-eligible subject matter (App. Br. 48–59). Appellants note, “[a]s a matter of record, the actual evidence shows that the patent office did not find any prior art system that disclosed these specific same structural limitations [i.e., the graphic user interfaces and other components recited in claims 1 and 18]” (*id.* at 49). And Appellants argue that these structural limitations, therefore, “should be enough to be found meaningful limitations beyond generally linking the use of an abstract idea

to a particular technological environment without any additional analysis needed” (*id.*; *see also id.* at 54–56).

A finding of novelty or non-obviousness, however, does not necessarily lead to the conclusion that the claimed subject matter is patent-eligible. “Groundbreaking, innovative, or even brilliant discovery does not by itself satisfy the § 101 inquiry.” *Ass’n. for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2117 (2013). Although the second step in the *Mayo/Alice* framework is termed a search for an “inventive concept,” the analysis is not an evaluation of novelty or non-obviousness, but rather, a search for “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 [patent-ineligible concept] itself.” *Alice Corp.*, 134 S. Ct. at 2355. A novel and nonobvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 132 S. Ct. at 1304. *See also Diamond v. Diehr*, 450 U.S. 175, 188–89 (1981) (“The ‘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 categories of possibly patentable subject matter.”).

Rather than reciting additional elements that amount to “significantly more” than the abstract idea, the pending claims, at best, “add” only a server, four graphical user interfaces, and two databases, i.e., generic components,⁴

⁴ *See, e.g.*, Spec. ¶¶ 28–32 (describing that the claimed invention may be implemented using “a general-purpose computer, e.g., a server or personal computer”; that the data storage devices may include any type of computer-readable media that can store data accessible by the computer; and that “any application program for providing a graphical user interface to users may be employed”).

which does not satisfy the inventive concept. *See, e.g., 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.”).

Appellants argue that the “[t]he structural claim limitations of the server, four interfaces, and two databases functionally and mechanically interact with each other squarely placing these claims into the patentable subject matter category of a new and useful machine under 35 USC§ 101” (App. Br. 51; *see also id.* at 52–53). Yet, although claims 1 and 18 recite physical components, the focus of the claims is not on the improvement of any technology or technical field, but instead on implementation of the abstract idea, i.e., “providing digital content and advertisements to users and providing compensation to the publishers and content providers.” The physical components, i.e., the server, user interfaces, and databases, merely provide the generic environment in which to implement this abstract idea. And, as the Supreme Court made clear in *Alice*, the recitation of generic computer limitations is not enough to transform an otherwise patent-ineligible abstract idea into a patentable invention. *See Alice Corp.*, 134 S. Ct. at 2358.

Pointing to the Dedrick reference, cited during the earlier patent prosecution, Appellants note that “[t]he prior prosecution history in this Patent Application has shown that multiple other ways exist to implement a similar concept with a fewer number of interfaces, such as the two interfaces in the Dedrick reference, or with different databases, or even with interfaces having different functionality built into that GUI” (App. Br. 53). Appellants,

thus, ostensibly argue that the claims are patent-eligible because they pose no risk of preemption.

There is no dispute that 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 Corp.*, 134 S. Ct. at 2354. But 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 Corp.*, 134 S. Ct. at 2354). “[P]reemption may signal patent ineligible subject matter, [but] the absence of complete preemption does not demonstrate patent eligibility.” *Id.*

Finally, we are not persuaded of Examiner error by Appellants’ argument that the claims recite an improvement to the functioning of the computer itself (App. Br. 56–59). Appellants assert that “[t]he current claims recite improvements to the efficiency of the functioning of the computer itself” by:

- #1) Working with an increased number of interface components to make things simpler and easier to work on the server and databases;
- #2) Configuring the publisher’s interface to allow publishers to browse or search for the digital content, allows a much improved use of the server system for a publisher working with the server and databases; [and]
- #3) Configuring the advertiser’s interface to specify i) at least one category for each of its digital advertisements and ii) at least one target associated with each of its digital advertisements, and then each advertiser

may also specify iii) one or more targeting criteria, including but not limited to keywords, to be associated with each of its advertisements will much improve the advertisers use of this server.

Id. at 56–57. However, we agree with the Examiner that none of these alleged improvements affects the functioning of the computer itself (Ans. 9). There is no indication in the Specification that the processing speed of the server is increased or that the claimed invention increases the efficiency of the network routers in passing data through the network, decreases the amount of heat emitted by the computer components, or otherwise improves the computer components (*id.* at 9–10). “At most, the invention improves the users’ experience in interacting with the system through the use of generic interfaces as is well known in the art” (*id.* at 10).

We are not persuaded for the foregoing reasons that the Examiner erred in rejecting claims 1, 3, 5–10, and 18–20 under 35 U.S.C. § 103(a). Therefore, we sustain the Examiner’s rejection.

DECISION

The Examiner’s rejection of claims 1, 3, 5–10, and 18–20 under 35 U.S.C. § 101 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