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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte AYMAN FARAHAT and AMIR CORY

Appeal 2016-000881¹
Application 13/185,969²
Technology Center 3600

Before NINA L. MEDLOCK, CYNTHIA L. MURPHY, and
AMEE A. SHAH, *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 1–5 and 7–22. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Our decision references Appellants' Appeal Brief ("App. Br.," filed February 4, 2015) and Reply Br. ("Reply Br.," filed October 27, 2015), and the Examiner's Answer ("Ans.," mailed August 27, 2015) and Final Office Action ("Final Act.," mailed June 4, 2014).

² Appellants identify YAHOO! Inc. as the real party in interest. App. Br. 2.

CLAIMED INVENTION

Appellants' claimed invention relates to evaluating third party targeting data (Spec. Title).

Claims 1, 12, and 19 are the independent claims on appeal. Claim 1, reproduced below, is illustrative of the claimed subject matter:

1. A computerized method for compensating a third party based on third party targeting data, the method comprising:
 - receiving the third party targeting data and local targeting data;
 - identifying a variable to analyze, wherein the variable to analyze indicates one or more events;
 - identifying one or more independent variables that impact the presence of the one or more events;
 - generating, with at least one processor, a model for analyzing the third party targeting data and for analyzing the local targeting data that includes the variable to analyze and the independent variables as inputs to the generated model;
 - analyzing, with the at least one processor, the generated model to determine an impact of the third party targeting data on the variable to analyze and to determine an impact of the local targeting data on the variable to analyze;
 - comparing, based on the analyzing, the impact from the third party targeting data as compared with the impact from the local targeting data; and
 - determining a compensation amount for the third party based on the comparison, wherein a greater impact from the third party targeting data corresponds with a greater compensation to the third party.

REJECTIONS

Claims 1–5 and 7–22 are rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement.

Claims 1–5 and 7–22 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

Claims 19, 20, and 22 are rejected under 35 U.S.C. § 102(e) as anticipated by Ramer et al. (US 2011/0258049 A1, pub. Oct. 20, 2011) (hereinafter “Ramer”).

Claims 1–5, 7–18, and 21 are rejected under 35 U.S.C. § 103(a) as unpatentable over Ramer and Flake et al. (US 2009/0327150 A1, pub. Dec. 31, 2009) (hereinafter “Flake”).

ANALYSIS

Written Description

Whether a specification complies with the written description requirement of 35 U.S.C. § 112, first paragraph, is a question of fact and is assessed on a case-by-case basis. *See, e.g., Purdue Pharma L.P. v. Faulding, Inc.*, 230 F.3d 1320, 1323 (Fed. Cir. 2000) (citing *Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1561 (Fed. Cir. 1991)). The disclosure, as originally filed, need not literally describe the claimed subject matter (i.e., using the same terms or *in haec verba*) in order to satisfy the written description requirement. But the Specification must convey with reasonable clarity to those skilled in the art that, as of the filing date, Appellants were in possession of the claimed invention. *See id.*

The Examiner notes that independent claim 1 recites “comparing . . . the impact from the third party targeting data as compared with the impact from the local targeting data,” and that dependent claim 17 and independent claim 19 include substantially similar language (Final Act. 3). And the Examiner finds that the Specification, when examined as a whole, fails to disclose any comparison, let alone a comparison of the impact from external or third party targeting data with the impact from local or internal targeting data (*id.*).

Appellants maintain that the Specification provides the requisite written description support in paragraphs 41 and 42 (App. Br. 5–6). However, we agree with the Examiner that although the Specification discloses, in paragraph 41, that a generalized linear model (“GLM”) may be a function of several variables, including T_e and T_i , where T_e corresponds to the weight or impact of external targeting data on a conversion and T_i corresponds to the weight or impact of internal targeting data on a conversion, there is nothing in paragraph 41 that describes comparing the two impact values, as called for in the claims (Ans. 21).

We also find no such written description support in the highlighted portion of paragraph 42 to which Appellants refer (*see* App. Br. 5–6). Rather than disclosing a comparison, that portion of paragraph 42 merely defines β_{bk} as corresponding to the weight or impact of the third party data conversion and describes that the impact of third party data can be determined by identifying β_{bk} and determining whether it is significantly different from zero and whether the contribution is positive or negative (*see* Ans. 21).³

³ The Examiner also finds that the Specification lacks adequate written description support for (1) “wherein the impact comprises a probability that the data contributed to the click or the conversion, wherein a greater contribution to the click or the conversion corresponds to a greater impact,” as recited in dependent claim 5 (Final Act. 4); (2) “wherein the contribution attributed to the third party increases when the impact from the external targeting data on the conversion rate increases relative to the impact from the internal targeting data on the conversion rate,” as recited in independent claim 19 (*id.* at 5); and (3) “wherein the contribution comprises a quantization of whether the internal or external targeting data contributes to a conversion for increasing the conversion rate,” as recited in claim 20 (*id.*). Because we find that the Specification lacks the requisite written description

Because we find that the Specification lacks written description support for comparing the impact from external or third party targeting data with the impact from local or internal targeting data, we agree with the Examiner that the Specification also lacks written description support for “determining a compensation amount for the third party *based on the comparison*, wherein a greater impact from the third party targeting data corresponds with a greater compensation to the third party,” as recited in independent claim 1, and similarly recited in independent claim 12 (Final Act. 3–4).

We are not persuaded for the reasons set forth above that the Examiner erred in rejecting claims 1–5 and 7–22 under 35 U.S.C. § 112, first paragraph. Therefore, we sustain the Examiner’s rejection.

Non-Statutory Subject Matter

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).

support for “comparing . . . the impact from the third party targeting data as compared with the impact from the local targeting data” and also for “determining a compensation amount for the third party based on the comparison, wherein a greater impact from the third party targeting data corresponds with a greater compensation to the third party,” as recited in independent claim 1, and similarly recited in independent claims 12 and 19, we need not, and do not, consider the merits of these additional bases.

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., 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.” *Id.* (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).

Here, in rejecting the claims under 35 U.S.C. § 101, the Examiner finds that the claims are directed to “receiving targeting data, identifying a variable to analyze, identifying one or more independent variables, generating a model, analyzing the model, comparing the impact from data, and determining a compensation amount” i.e., to “a fundamental economic practice and mathematical relationships or formulations” and, therefore, to a

“patent ineligible abstract idea”; and that the claims do not include limitations that are significantly more than the abstract idea itself (Ans. 19–20). The Examiner also directs Appellants’ attention to a number of cases, noting that these cases include similar claims that were found by the courts to be directed to an abstract idea (*id.* at 20 (citing *SmartGene, Inc. v. Advanced Biological Labs, SA*, 555 F. App’x 950 (Fed. Cir. 2014); *Digitech Image Techs., LLC v. Elecs. for Imaging, Inc.*, 758 F.3d 1344 (Fed. Cir. 2014); *Cyberfone Sys., LLC v. CNN Interactive Grp., Inc.*, 558 F. App’x 988 (Fed. Cir. 2014); *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347 (2014); *Bilski v. Kappos*, 561 U.S. 593 (2010); *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350 (Fed. Cir. 2014); *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709 (Fed. Cir. 2014))).

Appellants charge that the Examiner’s reliance on these cases is “incorrect because the claims are significantly different” (Reply Br. 4). And Appellants summarily assert that Example 2 of the USPTO’s 2014 Interim Guidelines on Patent Subject Matter Eligibility (https://www.uspto.gov/sites/default/files/documents/abstract_idea_examples.pdf), which is described as patent-eligible, is closer to the current claims (*id.* at 4–5). Appellants also charge that the steps recited in independent claims 1, 12, and 19 are “‘significantly more’ than the alleged abstract idea” (*id.* at 5), and that the claims are “akin to the patent eligible claims” in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014). But Appellants offer no persuasive argument or technical reasoning to support these assertions or to otherwise demonstrate Examiner error. Indeed, although Appellants assert, “[t]he presently pending claims overcome technical problems related to electronic targeting analysis and compensation” (Reply Br. 5), Appellants

neither identify these “technical problems” nor explain how these problems are overcome by the pending claims.

Absent further explanation, we are not persuaded that the Examiner erred in rejecting claims 1–5 and 7–22 under 35 U.S.C. § 101. Therefore, we sustain the Examiner’s rejection.

Anticipation

We are persuaded by Appellants’ argument that the Examiner erred in rejecting independent claim 19 under 35 U.S.C. § 102(e) because Ramer does not disclose “generating a linear model for analyzing an impact of the internal targeting data and for analyzing an impact of the external targeting data on a conversion rate” and “comparing the impact from the external targeting data on the conversion rate with the impact from the internal targeting data to the conversion rate,” as recited in claim 19 (App. Br. 7–8). Appellants do not dispute that Ramer discloses modeling targeting data (*id.* at 7), and that Ramer also discloses that the targeting data include internal data and external data provided by a third party (*id.* at 8). However, we agree with Appellants that there is nothing in the cited portions of Ramer, on which the Examiner relies (*see* Final Act. 21–22 (citing Ramer ¶¶ 111, 1043, 1073, 1405–1412, 1425–1429, 1431–1439, 1499)), that discloses any analysis of the external targeting data *independent* of the internal targeting data or discloses that the linear regression analysis compares the impact of external and internal targeting data, as claimed (App. Br. 8).

Therefore, we do not sustain the Examiner’s rejection of claim 19 under 35 U.S.C. § 102(e). For the same reasons, we also do not sustain the Examiner’s rejection of claims 20 and 22, which depend from claim 19.

Obviousness

Independent claims 1 and 12 include language substantially similar to the language of claim 19. The rejection of claims 1 and 12 based on Flake, in combination with Ramer, does not cure the deficiency described above with respect to claim 19. Therefore, we do not sustain the rejection under 35 U.S.C. § 103(a) of independent claims 1 and 12, and claims 2–5, 7–11, and 13–18, which depend therefrom, for substantially the same reasons set forth above with respect to claim 19. For the same reasons, we also do not sustain the Examiner’s rejection under § 103(a) of claim 21, which ultimately depends from independent claim 19.

DECISION

The Examiner’s rejection of claims 1–5 and 7–22 under 35 U.S.C. § 112, first paragraph, is affirmed.

The Examiner’s rejection of claims 1–5 and 7–22 under 35 U.S.C. § 101 is affirmed.

The Examiner’s rejection of claims 19, 20, and 22 under 35 U.S.C. § 102(e) is reversed.

The Examiner’s rejection of claims 1–5, 7–18, and 21 under 35 U.S.C. § 103(a) is reversed.

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