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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
13/545.627	07/10/2012	Scott M. Guminy	CA920120013US1	1049
75532	7590	03/21/2018	EXAMINER	
LEE LAW, PLLC IBM SVL IP P.O. BOX 189 PITTSBORO, NC 27312			ELCHANTI, TAREK	
			ART UNIT	PAPER NUMBER
			3621	
			NOTIFICATION DATE	DELIVERY MODE
			03/21/2018	ELECTRONIC

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte SCOTT M. GUMINY and LEHO NIGUL

Appeal 2016-003795¹
Application 13/545,627²
Technology Center 3600

Before ANTON W. FETTING, KENNETH G. SCHOPFER, and
TARA L. HUTCHINGS, *Administrative Patent Judges*.

HUTCHINGS, *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 1–20. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Our decision references Appellants’ Specification (“Spec.,” filed Jul. 10, 2012), Appeal Brief (“App. Br.,” filed Aug. 8, 2015), Reply Brief (“Reply Br.,” filed March 2, 2016), the Examiner’s Answer (“Ans.,” mailed Jan. 4, 2016) and the Final Office Action (“Final Act.,” mailed Mar. 11, 2015).

² Appellants identify International Business Machines Corporation as the real party in interest. App. Br. 3.

CLAIMED INVENTION

Appellants' claimed invention "relates to advertising and marketing incentive generation" and, more particularly, to "multi-channel, self-learning, social influence-based incentive generation." Spec. ¶ 1.

Claims 1, 8, and 14 are the independent claims on appeal. Claim 1, reproduced below, is illustrative of the claimed subject matter:

1. A method comprising:
 - detecting, via a processor, a social networking action by a user within a social networking website that positively references a marketplace offering of an entity; and
 - determining, in response to detecting the social networking action by the user, a social networking influence of the user based upon entity interactions by social network connections of the user with the entity via a plurality of entity access channels of the entity.

(App. Br., Claims Appendix, 69).

REJECTIONS

Claims 1–20 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter. Final Act. 2–4.

Claims 1–5, 8–11, and 14–18 are rejected under 35 U.S.C. § 102(b) as anticipated by Atazky et al. (US 2013/0304585 A1, pub. Nov. 14, 2013; hereinafter "Atazky"). Final Act. 4–11.

Claims 6, 7, 12, 13, 19, and 20 are rejected under 35 U.S.C. § 103(a) as unpatentable over Atazky and Okerlund (US 2013/0080239, pub. Jan. 10, 2012). Final Act. 11–16.

ANALYSIS

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).

The Supreme Court, in *Alice*, reiterated the two-step framework previously set forth in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66 (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*, 566 U.S. at 79, 78).

“The ‘abstract idea’ step of the inquiry calls upon us to look at the ‘focus of the claimed advance over the prior art’ to determine if the claim’s ‘character as a whole’ is directed to excluded subject matter.” *Affinity Labs of Tex., LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1257 (Fed. Cir. 2016) (citations omitted). Here, claim 1 recites a method having two steps:

(1) detecting a social networking action by a user that positively references a marketplace offering of an entity; and (2) determining a social networking influence of the user based upon entity interactions by social network connections of the user with the entity. Further, the Specification describes that the invention “relates to advertising and marketing incentive generation.” Spec. ¶ 1. Specifically, the Specification provides that

conception of the present subject matter resulted from recognition of certain limitations associated with advertising and advertising incentives. For example, it was observed that, while advertisers desire to increase sales, brand recognition, and market share, previous advertisement approaches are limited with respect to the information provided to advertisers and problematic because different consumers often respond differently to the same incentives. Further it was observed that advertisers are limited with respect to learning how different consumers respond to incentives that are provided. Additionally, it was observed that while people often “tweet” about experiences with retailers and other organizations (e.g., in-store, online shopping experiences, call center experiences, etc.) and share this information on social media websites, there is no way within the previous/existing systems to correlate influence with respect to purchasing decisions for different types of users (e.g., celebrities with lots of followers versus users with small circles of friends) among their friends/followers.

Spec. ¶ 29. To address these observed shortcomings, Appellants’ invention “improves advertising and marketing by providing for influence-based incentive generation that is performed in response to programmatic determinations of user influence within social media circles and social networks.” *Id.* Users are further incentivized to influence friends based

upon their determined influence. *Id.* In this way, the invention “enables businesses to offer the most desired and comprehensive incentives to different segments of their customers based upon higher determined influence,” resulting in “improved advertising and marketing.” *Id.*

Therefore, it is clear from a fair reading of the claims in light of the Specification that the focus of the claimed advance over the prior art is an improvement to advertising, which is achieved by detecting and determining. As such, we see no legal difficulty with the Examiner’s determination that the claims as a whole are directed to targeted marketing, which is a fundamental economic concept, i.e., an abstract idea. Ans. 6. *See Morsa v. Facebook, Inc.*, 77 F. Supp. 3d 1007, 1013 (C.D. Cal. 2014), *aff’d*, 622 F. App’x 915 (Fed. Cir. 2015) (quoting *Tuxis Techs., LLC v. Amazon.com, Inc.*, No. CV 13-1771-RGA, 2014 WL 4382446, at *5 (D. Del. Sept. 3, 2014) (targeted advertising “has been practiced as long as markets have been in operation.”)).

Appellants argue that the claims are directed to “determining a social networking influence of the user based upon entity interactions by social network connections with the entity via a plurality of entity access channels of the entity” in response to detecting a social networking action by the user. Reply Br. 12. Therefore, Appellants contend that the claimed invention “at its core is a complex Internet-centric detection.” *Id.*; *see also* App. Br. 62. Specifically, Appellants charge that prior to the claimed invention, different entity access channels could not be collectively used to determine the influence of a social network user within a separate and distinct social network. Reply Br. 12. Appellants assert that the claimed solution integrates disparate technologies to form a new technological capability that

did not previously exist, which is not abstract, and is significantly more than the alleged abstractions. *Id.* 12–13 (citing Spec., Fig. 1); *see also id.* at 14 (asserting that the claimed “technology [] operates across disparate technological domains”), 15 (“It is the technological determination of the social networking influence of the user across the multiple different entity access channels that represents the core of the claimed technology, and is what the claims are directed to as a whole”); App. Br. 62–63.

Yet, Appellants do not identify, and we do not find, any support in the Specification indicating that the invention is directed to an improvement that enables technology to operate across disparate technological domains. Nor do Appellants indicate how the claimed steps of detecting and determining achieve such integration. For example, Appellants do not point us to, and we do not find, anything in the claims or Specification to indicate that any specialized computer hardware, inventive computer components, or programming is required.

Instead, the Specification broadly describes that a user can interact with an entity via different access channels, such as a web server, call center, and kiosk. Spec. ¶¶ 31, 64, Fig. 1. Without providing any implementation details, the Specification describes that the invention monitors these channels to detect interactions by social network connections of the user (e.g., friends and followers) with the entity. *Id.* ¶ 64. The Specification further describes that the process increments an entity interaction counter after determining that the detected interaction was performed by a social network connection of the user (*id.* ¶ 68), and determines a quantified influence rating based on the number of entity interactions formed by friends and followers of the user (*id.* ¶ 70). In other words, the claims recite desired

results (i.e., detecting and determining) without meaningfully specifying how the claimed method achieves that result. *See Finjan, Inc. v. Blue Coat Systems, Inc.*, 879 F.3d 1299, 1305 (“a result, even an innovative result, is not itself patentable”) (citations omitted).

Appellants argue that the “claimed subject matter is [a] concrete technological innovation that is claimed in a technological manner.” Reply Br. 13. Specifically, Appellants assert that the claims recite detecting a social networking action by a user with a first platform, and then determining the social networking influence of the user “based upon the entity interactions by social network connections of the user with the entity via the disparate technologies of the different plurality of entity access channels of the entity.” *Id.* at 13–14; *see also* Appeal Br. 65–66. Yet, limiting the use of an abstract idea to a particular technological environment does not impart patent eligibility. *See Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2358.

We are not persuaded by Appellants’ argument regarding preemption. App. Br. 63. There is no dispute that the Supreme Court has described “the concern that drives [the exclusion of abstract ideas from patent eligible subject matter] as one of pre-emption.” *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*, 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.*

We are not persuaded by Appellants’ argument that the claims are not abstract because they are directed to novel and non-obvious technological improvements. App. Br. 13, 65. A novel and non-obvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 566 U.S. at 90. *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 the § 101 categories of possibly patentable subject matter.”).

Turning to the second step of the analysis, we are not persuaded that the Examiner erred in determining that there is no inventive concept that would support patent eligibility. *See Ans. 7*. Here, the only elements of the claim that are not part of the abstract idea are generic computer elements, e.g., a processor, a website, access channels. Instructing a practitioner to apply an abstract idea using generic computer elements to perform generic computer functions does not make an abstract idea patent-eligible. *See Alice*, 134 S. Ct. at 2359–60.

Appellants’ claimed invention is not directed to the solution of a “technological problem,” *Alice*, 134 S. Ct. at 2358, nor is it directed to an improvement in computer or network functionality. Instead, the claims recite an improvement to a process that itself is an abstract idea (i.e., advertising) via the steps of detecting and determining, using technology as a tool. The claims, thus, amount to nothing significantly more than instructions for detecting a social networking action by a user and determining a social networking influence based upon entity interactions by

social network connections of the user. But the steps of detecting and determining are well-understood, conventional computer functions. *See, e.g., Alice*, 134 S. Ct. at 2359 (“[U]se of a computer to obtain data, adjust account balances, and issue automated instructions; all of these computer functions are ‘well-understood, routine, conventional activit[ies]’ previously known to the industry.”) (quoting *Mayo*, 132 S. Ct. at 1294); *Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat. Ass’n*, 776 F.3d 1343, 1347 (Fed. Cir. 2014) (“The concept of data collection, recognition, and storage is undisputedly well-known. Indeed, humans have always performed these functions.”).

To the extent Appellants maintain that the claimed invention amounts to “significantly more” than an abstract idea because the claims are allegedly novel and/or non-obvious in view of the prior art (*see* App. Br. 63), Appellants misapprehend the controlling precedent. 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 [ineligible concept] itself.’” *Alice Corp.*, 134 S. Ct. at 2355 (citation omitted).

We have carefully considered the Appellants’ arguments (*see* Appeal Br. 59–66; Reply Br. 12–18), but we are not persuaded that the Examiner erred in rejecting claims 1–20 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 claims 1, 8, and 14 under 35 U.S.C. § 102(b) because Atazky does not disclose "detecting a social networking action by a user within a social networking website that positively references a marketplace offering of an entity," and "determining . . . a social networking influence of the user based upon entity interactions by social network connections of the user with the entity via a plurality of entity access channels of the entity," as recited in claim 1 and similarly recited in claims 8 and 14. App. Br. 26–34. The Examiner relies on paragraph 15 of Atazky for disclosing the claimed detecting, and paragraphs 13–15, 65, and 106–110 for disclosing the claimed determining. Final Act. 4; Ans. 2–3. We have reviewed the cited portions of Atazky. Yet, we find nothing that teaches the argued limitations.

By way of background, Atazky relates to marketing, advertising, and offering incentives over a social network implemented over the Internet. Atazky ¶ 3. An object of Atazky is to "identify key members of a social network" and provide these members "with incentives to review and then spread by word-of-mouth the product or service in question. *Id.* ¶ 13. A marketer or advertiser selects a target audience during a marketing or advertising campaign. *Id.* ¶ 15. Interpersonal relationships can be "generated by data mining past interactions, including extraneous collaborative systems, such as email databases." *Id.* ¶ 106. Once users are defined within the context of a social network and selected, the method of Atazky stores information relevant to the users, and uses the information to deliver the messages to the users. *Id.* ¶ 15. In this way, an advertiser delivers relatively small scale, but highly focused, advertising to key people

in targeted social networks, thereby providing free dissemination through social interaction. *Id.* ¶¶ 64–65. The message “benefit[s] from the level of trust in which members of the social network hold each other.” *Id.* ¶ 65.

The Examiner finds that Atazky’s disclosure of selecting targeted users of a social network, and sending messages to the targeted message to the selected user, teaches the claimed detecting. Final Act. 4. We agree that Atazky defines users within the context of a social media, and delivers messages to select ones of the defined users. *See* Atazky ¶ 15. But instead of detecting a social networking action by a user that positively references a marketplace offering of an entity, Atazky describes defining users in a social network, selecting defined users, and delivering an advertisement to the selected user. The Examiner does not identify, and we do not find, where Atazky teaches, that the user is selected by detecting a social networking action by a user that positively references a marketplace offering of an entity, such as “liking” a marketplace offering or commenting on the marketplace offering. *See* Spec. ¶ 17.

In the Answer, the Examiner finds that paragraph 15 of Atazky describes “collecting information about a user such as clicks or likes and then providing an advertisement based on utilizing information based on user’s actions.” Ans. 2. However, as correctly pointed out by Appellants (*see* Reply Br. 5), nothing in paragraph 15 of Atazky teaches collecting clicks or likes from a user. Instead, the cited paragraph describes defining users and selecting defined users to target. Moreover, even if the record adequately supported the Examiner’s finding that Atazky teaches collecting clicks or likes, the Examiner acknowledges that this information, in turn, is used to provide an advertisement to the user, not to positively reference an

existing marketplace offering. Stated differently, the Examiner does not account for how the alleged clicks and likes “positively reference[] a marketplace offering of an entity,” as required by claim 1, and similarly required by claims 8 and 14.

The Examiner ostensibly finds that Atazky’s disclosure of an message (e.g., advertisement) sent to the selected user that benefits from a level of trust that members of the social network share with the user teaches the claimed step of determining a social networking influence of the user. *See* Ans. 2–3 (quoting Atazky ¶ 65). But we find nothing in this portion, or any other portion of Atazky cited by the Examiner (*see* Final Act. 4; *see also* Ans. 2–3), that teaches determining the influence of the user based upon entity interactions by “social network connections of the user” “with the entity,” much less by connections with the entity “via a plurality of entity access channels of the entity,” as recited in claim 1, and similarly recited in claims 8 and 14. Access channels include, for example, websites, call centers, kiosks, and point of sale terminals. *See* Spec. ¶ 13.

Therefore, we do not sustain the Examiner’s rejection of independent claims 1, 8, and 14, and claims 2–5, 9–11, and 15–18, which depend therefrom, under 35 U.S.C. § 102(b).

Obviousness

The Examiner’s rejection of dependent claims 6, 7, 12, 13, 19, and 20 under 35 U.S.C. § 103(a) does not cure the deficiencies in the Examiner’s rejection of the independent claims under 35 U.S.C. § 102(b). Therefore, we do not sustain the Examiner’s rejections of claims 6, 7, 12, 13, and 19 under 35 U.S.C. § 103(a) for the same reasons set forth above with respect to the independent claims.

DECISION

The Examiner's rejection of claims 1–20 under 35 U.S.C. § 101 is affirmed.

The Examiner's rejection of claims 1–5, 8–11, and 14–18 under 35 U.S.C. § 102(b) is reversed.

The Examiner's rejection of claims 6, 7, 12, 13, 19, and 20 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