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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JOHN HEGEMAN, HONG GE, MAXIM GUBIN,
and ALON AMIT

Appeal 2016-004317
Application 13/545,266
Technology Center 3600

Before PHILIP J. HOFFMANN, CYNTHIA L. MURPHY, and
BRADLEY B. BAYAT, *Administrative Patent Judges*.

MURPHY, *Administrative Patent Judge*.

DECISION ON REQUEST FOR REHEARING

In this Request for Rehearing (“Request”), the Appellants ask us to reconsider our opinion of September 25, 2017 (“Opinion”) in which we affirmed the Examiner’s rejection of claims 1–32 under 35 U.S.C. § 101 as failing to recite patent-eligible subject matter.

The Appellants’ Request appears to be premised primarily upon two relatively recent cases (*McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299 (Fed. Cir. 2016) and *Electric Power Group, LLC v. Alstom S.A.*, 830 F.3d 1350 (Fed. Cir. 2016)) that apparently were decided “after the Appeal Brief and the Reply Brief were both filed” and/or that purportedly were not “raised” by us during the Oral Hearing. (*See* Request 2.) We have carefully reconsidered these more recent cases, and the Appellants ensuing

arguments, but stand by our conclusion that the claims on appeal do not do not pass muster under 35 U.S.C. § 101.

As an initial matter, the Appellants’ reliance upon *McRO* is misplaced. (See Request 3–4.) In *McRO*, the Federal Circuit held that “claim 1 is directed to a patentable, technological improvement over existing, manual **3-D animation techniques**” and “therefore, is not directed to an abstract idea.” *McRO* at 1316, (emphasis added). In reaching this determination, the Federal Circuit expressly distinguished 3-D animation steps from those involved in “carrying out of a fundamental economic practice.” *Id.* at 1315.

Here, the claims on appeal are directed to carrying out the fundamental economic practice of targeting advertising (see Opinion 5), which immediately sets them apart from the claims considered by the Federal Circuit in *McRO*. In the Request, the Appellants do not point with particularity to, and we do not see, any feature recited in the claims on appeal that carries out a function unrelated to target advertising.

Rather, the Appellants’ concerns voiced in the Request appear to reside in our allegedly improper characterization of the claims’ “additional limitations.” (Request 2.) In other words, the Appellants contend that our analysis of the second step of the *Alice* test, and particularly “our analysis of the claims under *EPG*” is flawed. (*Id.*) However, the Federal Circuit’s holding in *Electric Power Group* does not make or break our analysis under the second step of the *Alice* test. As set forth in the Opinion:

As for the second step of the *Alice* test, we agree with the Examiner that the claims on appeal contain no inventive concept because they simply implement the above-identified abstract concept through the generic computer elements. The

claims on appeal call only for a “processor” that receives requests, performs score-related computations, selects stories based on these computations, and/or sends selected stories to the viewing user. (*See* Appeal Br., Claims App.) In other words, the processor functions solely as a tool to speed the selection of stories by, for example, collecting data and performing calculations.

(Opinion 7.) Just as in *Alice*, “all of these computer functions are ‘well-understood, routine, conventional activit[ies]’ previously known to the industry.” *Alice*, 134 S. Ct. at 2359 (quoting *Mayo*, 132 S. Ct. at 1294) (alterations in original); *see also buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1355 (Fed. Cir. 2014). Indeed, the Specification states that “[a]ny computer-based system that provides social networking functionality can be used in accordance with the present invention” and “[t]he invention is thus not limited to any particular type of communication system, network, protocol, format or application.” (Spec. ¶ 87.)¹

In any event, the crux of the Appellants’ arguments continues to be that the claimed process “requires that a score for a matching candidate organic story be generated in a specific way by computing an organic score, a revenue contribution, combining the organic score and the revenue contribution, and applying a conversion factor to the combination of the organic score and the revenue contribution.” (Request 5.) This same line of argument was advanced in the Appeal Brief and the Reply Brief. (*See, e.g.*, Appeal Br. 4; Reply Br. 4.) As we explained then (*see, e.g.*, Opinion 7), and as we explain again now, this “score,” and the specific way this “score” is derived,

¹ As for *McRO*, as indicated above, the Federal Circuit held the claims in that case were not directed to an abstract idea, and, therefore, they did “not reach *Alice* step two.” *McRO* at 1316.

corresponds, at most, to an improvement in the fundamental economic practice of targeted advertising. And an improved abstract idea (e.g., “an innovative improvement on the abstract idea of targeted advertising”) is still an abstract idea. (*Id.*)

On a more general note, the Appellants seem to urge us to view “preemption” as a dispositive beacon of patent eligibility. (*See, e.g.*, Request 4–5.) However, “[w]hile preemption may signal patent ineligible matter, the absence of complete preemption does not demonstrate patent eligibility.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015). Preemption concerns are fully addressed and made moot where, as here, the claims are deemed to recite only patent-ineligible subject matter under the two-step *Alice* test.

Lastly, the Appellants draw our attention to “the reversal of the prior art rejections” as a recognition that the claims recite a “novel generation of values.” (Request 5–6.) This is just another way of saying that the claims recite an undocumented version of the merely abstract idea of targeted advertising. And a novel and nonobvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *Mayo Collaborative Services v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1304 (2012).

REHEARING DENIED