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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte* NIKLAS KARLSSON

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Appeal 2016-004566  
Application 13/679,948<sup>1</sup>  
Patent 7,835,939 B1  
Technology Center 3900

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Before ALLEN R. MACDONALD, KEN B. BARRETT, and  
CYNTHIA L. MURPHY, *Administrative Patent Judges*.

MacDONALD, *Administrative Patent Judge*.

**DECISION ON APPEAL<sup>2</sup>**

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<sup>1</sup> Filed November 16, 2012, seeking to reissue U.S. Patent 7,835,939 B1, issued November 16, 2010, based on Application 11/979,098, filed October 31, 2007.

<sup>2</sup> The real party in interest is Facebook, Inc. App. Br. 2.

## STATEMENT OF THE CASE

### *Introduction*

Appellant appeals under 35 U.S.C. § 134 from a Final Rejection of claims 1–26. We have jurisdiction under 35 U.S.C. § 6(b).

### *Appellant's Invention*

This invention relates “to systems and methods used in concert with an online advertising campaign to determine an effectiveness of the online advertising campaign.” App. Br. 2.

### *Exemplary Claims*

Exemplary claims 1, 6, and 7 under appeal read as follows (emphasis and variable indicators added):

1. A computer-implemented method for predicting revenue of an advertising campaign using a revenue predictor in a campaign control computer while the campaign is ongoing, comprising:

receiving, by a controller of the campaign control computer, a starting point in time  $[t_1]$ , during the advertising campaign, when a starting revenue  $[r_s]$  and volume data  $[d_v]$  through the starting point in time  $[t_1]$  were known;

receiving, by the controller, a target point in time  $[t_3]$ , at which a cumulative predicted revenue  $[r_{CP}]$  is to be determined representing the cumulative revenue generated by the advertising campaign up to the target point in time  $[t_3]$ ;

dividing, by the controller, the time between the starting point in time  $[t_1]$  and the target point in time  $[t_3]$  into at least two intervals based on a selected point in time  $[t_2]$  at which less than all of the starting revenue  $[r_s]$  and the volume data  $[d_v]$  were known;

computing, by the controller, an estimated revenue  $[r_E]$  generated by the advertising campaign from a time just after the starting point in time  $[t_1]$  until the target point in time  $[t_3]$ ; <sup>3</sup>

computing, by the controller, a predicted revenue  $[r_P]$  generated by the advertising campaign from a time just after the selected point in time  $[t_2]$  until the target point in time  $[t_3]$ ; and

**determining**, by the controller, **the cumulative predicted revenue**  $[r_{CP}]$  for the advertising campaign through the target point in time  $[t_3]$  based on the starting revenue  $[r_S]$ , the estimated revenue  $[r_E]$ , and the predicted revenue  $[r_P]$ .

6. The computer-implemented method of claim 1, further comprising:

determining, by the controller, a control signal based on the cumulative predicted revenue  $[r_{CP}]$ ; and

applying the control signal, by the campaign control computer, **to adjust behavior of the advertising campaign.**

7. The computer-implemented method of claim 1, further comprising:

determining, by the controller, a control signal based on the cumulative predicted revenue  $[r_{CP}]$ ; and

applying the control signal, by the campaign control computer, **to alter placement of an advertisement during the advertising campaign.**

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<sup>3</sup> According to Appellant's Specification (col. 2, ll. 20–23), this limitation should read “until the selected point in time” rather than “until the target point in time.”

*Rejections*

1. The Examiner rejected claims 1–26 under 35 U.S.C. § 251 because the reissue oath/declaration is defective in that “the error which is relied upon to support the reissue application is not an error upon which a reissue can be based” (Final Act. 6; Ans. 2–3), i.e., “the correction of claim 8, is not a reissuable error.” *Id.*<sup>4</sup>

2. The Examiner rejected claims 1–26 under 35 U.S.C. § 101 as being directed to non-statutory subject matter (Final Act. 2–5, 7, and 8; Ans. 3–11).<sup>5</sup>

*Appellant’s Contentions*

*A. The Office Action fails to establish a prima facie case that claim 1 is directed to an abstract idea (and the Examiner’s Answer fails to provide evidence of a prima facie case of ineligible subject matter under § 101).*

1. Appellant contends that the Examiner erred in rejecting claim 1 under 35 U.S.C. § 101 because:

[T]he [July 2015 Update on the 2014 Interim Guidance on Subject Matter Eligibility] guidelines clearly state that for an examiner to establish a prima facie case, ***the examiner must:***

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<sup>4</sup> The Examiner correctly points out, “Applicant provides no reasoning why the only remaining correction represents correction of an error suitable to support a reissue.” Ans. 5. Because Appellant’s Appeal Brief does not present arguments for this rejection, we affirm this rejection *pro forma*. In the Reply Brief (Reply Br. 2–3), Appellant presents an untimely discussion of the § 251 rejection. 37 C.F.R. § 41.41(b)(2). We decline to consider this untimely discussion. Even if we were to consider the Appellant’s discussion, it merely requests suspension of action on the application rather than alleging any error in the rejection (*id.*).

<sup>5</sup> We select claim 1 as representative. Separate patentability, in compliance with 37 C.F.R. § 41.37(c)(iv), is not argued for claims 2–26.

(1) “clearly articulate the reason(s) why the claimed invention is not eligible” by “providing a reasoned rationale that identifies the judicial exception recited in the claim and why it is considered an exception;” and (2) identify the additional elements in the claims and explain why the additional elements do not amount to significantly more than the identified judicial exception. *July 2015 Update*, section IV, pg. 6. In the present case, the *Office Action* failed to satisfy ***the above-required burdens*** to establish a prima facie case of ineligibility under § 101, and therefore, the rejection of claims 1-26 under § 101 should be overturned.

App. Br. 13, emphasis added.

***First***, the *Office Action* does not clearly articulate the reasons why the claimed invention is ineligible because the *Office Action* fails to identify the judicial exception recited in the claims and *why* it is considered an exception. As an example, in *Ex parte Urban* [Appeal No. 2012-005678, PTAB, Apr. 3, 2015.] . . . [T]he *Office Action* in the present case fails to explain *why* or *how* the claims are directed to an abstract idea. In particular, the *Office Action* alleges that the claims “are directed to the abstract idea of predicting ad revenue,” which the *Office Action* appears to consider either a fundamental economic principle or a mathematical relationship/formula. *Office Action*, pg. 5. Beyond alleging the abstract idea of predicting ad revenue and simply identifying the two judicial exceptions, however, the *Office Action fails to articulate even a single reason why* or *how* “predicting ad revenue” is considered an abstract idea, as required to establish a prima facie case of ineligibility under § 101.

App. Br. 14, emphasis added.

2. Further, Appellant contends that the Examiner erred in rejecting claim 1 under 35 U.S.C. § 101 because:

***Second***, the *Office Action* fails to identify the additional elements in the claims and explain why the additional elements do not amount to significantly more than the identified judicial exception. . . . [A]s explained above, the *July 2015 Update* states that an examiner must identify the additional elements in the

claims and explain *why* the additional elements do not amount to significantly more than the identified judicial exception.

App. Br. 14–15, emphasis added.

In contrast to the clear requirements to establish a *prima facie* case of a rejection under § 101, the *Office Action* does not reference a single claim element in rejecting claims 1-28 under § 101. As such, the *Office Action* fails to tie specific claim language to the purported abstract idea of “predicting ad revenue.” Moreover, the *Office Action* fails to identify additional elements beyond any specific language tied to the abstract idea. In addition, the *Office Action* fails to identify even a single reason why any additional element does not amount to something more than the purported abstract idea. In essence, the *Office Action* merely recites a portion of the preamble, and ignores all other claim limitations. Merely reciting a portion of a preamble ***clearly does meet*** the required level of analysis clearly to establish a *prima facie* case for rejecting claims under § 101.

Therefore, the *Office Action* fails to clearly articulate the reasons why or provide a reasoned rationale that identifies why the claims are considered an exception. In addition, the *Office Action* fails to tie claim language to the purported abstract idea and identify and explain why additional elements in the claims do not amount to significantly more than the purported abstract idea.

App. Br. 15, emphasis added.<sup>6</sup>

3. Additionally, in response to the Examiner’s Answer, Appellant contends that the Examiner erred in rejecting claim 1 under 35 U.S.C. § 101 because:

***The Examiner’s Answer offers a single sentence in response to Appellant’s argument that the Office Action does not establish a prima facie case under § 101.*** Specifically, the *Examiner’s Answer* states the “Examiner has identified several concepts by the courts as examples of abstract ideas which are

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<sup>6</sup> We read “clearly does meet” as –clearly does not meet–.

similar to the claims here, namely: fundamental economic principles, certain methods of organizing human activities, an idea of itself and mathematical relationships/formulas.”  
*Examiner’s Answer* at 5-6.

As with the *Office Action*, the response in the *Examiner’s Answer* fails to address the ***necessary requirements*** to establish a *prima facie* case under § 101. Indeed, in attempting to establish a *prima facie* case to support a rejection of an abstract idea, the *Examiner’s Answer* does nothing more than simply “identify concepts by the courts as examples of abstract ideas” and then conclude, without any analysis or reasoning, that the identified concepts are “similar to the claims.” *Id.* at 5. This level of analysis and reasoning is not the standard to establish a *prima facie* case under § 101.

In contrast, ***federal law requires*** the Examiner to “articulate reasons” and “provide a reasoned rationale” that identifies “elements in the claims” and explains why the elements do not amount to something more than an abstract idea. ***Guidelines, section IV at 6; see also PNC Bank v. Secure Access, LLC***, CBM2014-00100, pg. 21, PTAB, Sept. 9, 2014 (explaining that the Examiner must tie claim language to the purported abstract idea). Despite the governing standard, the *Office Action* does not reference a single claim element in rejecting claims 1-28 [sic] under § 101. As such, the *Office Action* fails to tie specific claim language to the purported abstract idea.

Reply Br. 4–5, emphasis added.

*B. Claim 1 is not directed to an abstract idea  
under the first part of the § 101 analysis  
(and as with the Office Action, the Examiner’s*

*Answer fails to analyze the claim as a whole,  
and the claim is rooted in computer technology)*

4. Appellant contends that the Examiner erred in rejecting claim 1 under 35 U.S.C. § 101 because *the Office Action fails to consider claim 1 as a whole*:

The *Office Action* errs because the claims are not directed to an abstract idea ***under the first part of the § 101 analysis***. In particular, the *Office Action* errs because: 1) ***the Office Action fails to consider the claims as a whole***; and 2) the claims are not directed to a fundamental economic practice.

. . . As briefly explained above, the first part of a 35 U.S.C. § 101 analysis is to determine whether the claims are directed toward an abstract idea. *Alice Corp.*, 573 U.S., at\_ (slip op., at 7). ***In determining whether a method or process recites an abstract idea, the claim as a whole must be analyzed. Id.*** at 2361, n.3. Moreover, simply because one or more claim elements may recite an abstract idea does not mean that the claim, when viewed as a whole, is directed to the abstract idea recited in one or more elements. . . .

In the present case, the *Office Action* errs by failing to consider the claims as a whole, and thereby erroneously concluding under the first part of the § 101 analysis that the claims are directed to the abstract idea of “predicting ad revenue.”

App. Br. 16, emphasis added.

5. Additionally, in response to the Examiner’s Answer, Appellant contends *the Examiner’s Answer fails to analyze claim 1 as whole*:

[T]he *Examiner’s Answer*, like the *Office Action*, ***ignores case law that specifically requires each claim to be analyzed as a whole***. Rather, the *Examiner’s Answer* explains that the rejection of the claims under § 101 are supported because the Examiner “look[s] at the Appellant’s disclosure to determine what has been invented.” In particular, the Examiner explains the a review of the “Title, Abstract and Field of Invention” was conducted, and

based on that review, the *Examiner's Answer* concludes that “Appellant continually reiterates the desire to predict advertising revenue.” *Examiner's Answer* at 6. A review of the Title, Abstract, and Field of Invention sections of the disclosure, without addressing actual claim limitations, in no way meets the standard of analyzing the claims as a whole, as required by the Supreme Court in *Alice*.

Although it is true that the *Guidelines* instruct examiners to review the entire application disclosure, the *Guidelines* provide this instruction as part of a process to construe claim language and claim limitations so that the claim as a whole can be properly analyzed. *2015 Guidelines*. As the *Examiner's Answer* demonstrates, the Examiner's review of the disclosure in this case is not used to construe claim language (e.g., as no claim language is construed in the *Office Action* or the *Examiner's Answer*). Rather, the review of the disclosure in this case appears to be the basis for which the Examiner concludes that the claims are directed to the “basic core concept of predicting advertising revenue.” *Examiner's Answer* at 7. Reviewing the Title, Abstract, and Field of Invention of a patent application, and never addressing actual claim limitations and claim language, ***simply fails to analyze the claim as a whole*** and is clear error.

Reply Br. 6, emphasis added.

6. Particularly, Appellant contends that the Examiner erred in rejecting claim 1 under 35 U.S.C. § 101 because *the Office Action fails to consider claim 8 as a whole*:

[The] elements of determining or identifying different times segments based on known and/or unknown data limit claim 8 to something less abstract than merely “predicting ad revenue.” In particular, identifying the various points in time based on unknown and/or known data are not a fundamental economic practice or mathematical algorithms. Therefore, although claim 8 does include isolated limitations that may recite an abstract idea, when all its limitations are considered collectively, claim 8 is more than simply “predicting ad revenue.”

App. Br. 17.

7. Further, Appellant contends that the Examiner erred in rejecting claim 1 under 35 U.S.C. § 101 because *the claim is not directed to a fundamental economic practice*:

In applying the *Alice Corp.* framework, the Federal Circuit held that ***a claimed solution that is necessarily rooted in computer technology*** in order to overcome a problem arising in the realm of computer networks is not a fundamental economic practice, and therefore, is not directed at an abstract idea. *DDR Holdings*, No. 13-1505, at 20 (Fed. Cir. 2014). Specifically, a claim that addresses a business challenge that is a challenge particular to the Internet is not directed toward a fundamental economic or longstanding commercial practice, and therefore, such a claim is not directed to an abstract idea. *Id.* at 19.

In *DDR Holdings*, the Federal Circuit found that software patent claims in U.S. Patent No. 7,818,399 were patent eligible. The claims in the ‘399 patent address the problem of retaining website visitors. In applying *Alice Corp.*, the Federal Circuit found that the ‘399 patent was not directed towards an abstract idea because the claimed invention was necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks. *Id.* In other words, the problem of a host website losing a visitor is a problem that specifically “arose in the realm of computer networks.” Moreover, ***the solution of solving the lost visitor problem was “necessarily rooted in computer technology.”***

App. Br. 18–19, emphasis added.

As in *DDR Holdings*, ***the claims in the present case are not a fundamental economic practice because the claims recite a solution that is “necessarily rooted in computer technology”*** in order to over-come a problem “arising in the realm of computer networks.” In particular, the challenge of understanding the performance of an online advertising campaign is a problem that “arose in the realm of computer networks.” For example, the challenge of understanding ***the***

*relationship between impressions, clicks, comments, etc. and the performance of an advertising campaign is “a challenge particular to the Internet,”* and the present claims that address this challenge are not directed to an abstract idea. *See DDR Holdings* at 19.

In addition to the problem addressed by the present claims “arising in the realm of computer networks,” *the solution as presently claimed is a solution “necessarily rooted in computer technology.”* For example, among other limitations, the present claims include limitations directed toward receiving data related to an online advertising campaign, identifying various time periods based on unknown and known data, and using the various time periods to determine estimated revenues for the various time periods based on the unknown and known data.

App. Br. 19, emphasis added.

8. Additionally, in response to the Examiner’s Answer, Appellant contends *the claim is rooted in computer technology*:

The *Examiner’s Answer* argues that the claims are not rooted in computer technology. [Ans]. at 8. In particular, the *Examiner’s Answer* states “there is no mention of the Internet, no computer network, or any other technology at all.” *Id.* The *Examiner’s Answer* is incorrect. Appellant points out that claim 1, for example, recites a “computer-implemented method” that uses a “control computer.” In addition, the claims in this case recite limitations such as “click volume data” and “impression volume data,” which are specific to computer technology and the Internet. Furthermore, the claims recite a “controller” that is described in the specification as “computer components or software modules connected, for example, by a local area network, the Internet, or another communications network.” *Specification* at 5:26-31. Therefore, the claims are, in fact, rooted in computer technology.

In addition, the *Examiner’s Answer* cites to the background section of U.S. Pat. No. 5,227,874 that discusses the difficulty that market researchers have of measuring the effectiveness of advertising campaigns. *Examiner’s Answer* at 9.

The *Examiner's Answer* states that this background section shows that measuring the effectiveness of an advertising campaign “is not a new problem, specific to the Internet.” *Id.* Significantly, the background of patent ‘874 discusses the effect of “television and radio commercials, as well as print advertisements,” or in other words, pre-Internet forms of advertising. *Id.* The present application and the pending claims, however, consider and solve Internet specific problems. . . . In sum, because the problem of customer retention in *DDR Holdings* specifically addressed customer retention of a website, and moreover, ***the solution to the problem necessarily involved computer technology to retain the customer on the website***, the Federal Circuit held that the claims in *DDR Holdings* included significantly more than a known business practice.

Applying the Federal Circuit’s reasoning in *DDR Holdings* to this case, there is no possibility that, without the Internet, market researchers could, for example: receive data related to an online advertising campaign; receive “impression volume,” “click volume,” or “action volume,” for an online advertisement; or “apply a control signal . . . to adjust behavior” of the online advertising campaign.

Reply Br. 7–9, emphasis added.

*C. Claim 1 is not directed to an abstract idea under the second part of the § 101 analysis because it recites something significantly more than the purported abstract idea*

9. Further, Appellant contends that the Examiner erred in rejecting claim 1 under 35 U.S.C. § 101 because:

Even assuming, *arguendo*, that the claims are directed toward an abstract idea, the claims are still directed toward eligible subject matter because the claims include limitations that are significantly more than the alleged abstract idea. In particular, claims that “do not merely recite the performance of some business practice known from the pre-Internet world along with the requirement to perform it on the Internet” are distinguishable from software patent claims held to be directed

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toward patent ineligible subject matter. *DDR Holdings* at 20. Therefore, claims that recite something “significantly more” than the performance of some business practice known from the pre-Internet world with the requirement to perform it on the Internet are patent eligible under § 101. *Id.*

App. Br. 20.

Similar to the “kiosk” example in *DDR Holdings*, ***without the Internet, there is no possibility that a company could track consumer impressions of an advertisement***, the number of times a consumer reacted to an advertisement (e.g., clicks), or the number of times a consumer made a purchased based on the advertisement. Therefore, as in *DDR Holdings*, ***the present claims do more*** than merely recite the performance of some business practice known from the pre-Internet world along with the requirement to perform it on the Internet.

App. Br. 21, emphasis added.

10. Further, Appellant contends that the Examiner erred in rejecting claim 1 under 35 U.S.C. § 101 because:

[I]ndependent claim[s] 21 and] 25, and dependent claims 6, 7, 12 and 13 further include additional elements that include significantly more than an abstract idea. In particular, for example, claim 6 recites “determining, by the controller, a control signal based on the cumulative predicted revenue and applying the control signal, by the campaign control computer, to adjust behavior of the advertising campaign.” Similarly, for example, claim 7 recites “determining, by the controller, a control signal based on the cumulative predicted revenue and applying the control signal, by the campaign control computer, to alter placement of an advertisement during the advertising campaign.” Claims [21,] 25, 12 and 13 recite similar limitations. The limitations . . . included in ***these claims provide for the adjustment of the advertising campaign or the altering of a placement of an advertisement, which is clearly significantly more than the purported abstract idea of “predicting ad revenue.”***

App. Br. 21, emphasis added.

## ISSUES

1) Did the Examiner err in rejecting claims 1–26 under 35 U.S.C. § 251?

2) Did the Examiner err in rejecting claim 1 under 35 U.S.C. § 101 because the Examiner fails to establish a prima facie case that claim 1 is directed to ineligible subject matter (e.g., abstract idea)?

3) Did the Examiner err in rejecting claim 1 under 35 U.S.C. § 101 because the Examiner fails to analyze claim 1 as a whole under the first part of the *Alice* § 101 analysis?

4) Did the Examiner err in rejecting claim 1 under 35 U.S.C. § 101 because claim 1 is not directed to a fundamental economic practice because claim 1 is rooted in computer technology?

5) Did the Examiner err in rejecting claim 1 under 35 U.S.C. § 101 because, under the second part of the *Alice* § 101 analysis, claim 1 recites something significantly more than the purported abstract idea?

## PRINCIPLES OF LAW

*A) In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011)

As this court has repeatedly noted, “the prima facie case is merely a procedural device that enables an appropriate shift of the burden of production.” *Hyatt v. Dudas*, 492 F.3d 1365, 1369 (Fed.Cir.2007) (citing *In re Oetiker*, 977 F.2d 1443, 1445 (Fed.Cir.1992)). See also *In re Piasecki*, 745 F.2d 1468, 1472 (Fed.Cir.1984). The Patent and Trademark Office (“PTO”) satisfies its initial burden of production by “adequately explain[ing] the shortcomings it perceives so that the applicant is

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properly notified and able to respond.” *Hyatt*, 492 F.3d at 1370. In other words, the PTO carries its procedural burden of establishing a prima facie case when its rejection satisfies 35 U.S.C. § 132, in “notify[ing] the applicant . . . [by] stating the reasons for [its] rejection, or objection or requirement, 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. That section “is violated when a rejection is so uninformative that it prevents the applicant from recognizing and seeking to counter the grounds for rejection.” *Chester v. Miller*, 906 F.2d 1574, 1578 (Fed.Cir.1990).

*In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011).

Section 132 merely ensures that an applicant at least be informed of the broad statutory basis for the rejection of his claims, so that he may determine what the issues are on which he can or should produce evidence.” *Chester*, 906 F.2d at 1578 (internal citation omitted). As discussed above, all that is required of the office to meet its prima facie burden of production is to set forth the statutory basis of the rejection and the reference or references relied upon in a sufficiently articulate and informative manner as to meet the notice requirement of § 132. As the statute itself instructs, the examiner must “notify the applicant,” “stating the reasons for such rejection,” “together with such information and references as may be useful in judging the propriety of continuing prosecution of his application.” 35 U.S.C. § 132.

*In re Jung*, 637 F.3d at 1363.

It is well-established that the Board is free to affirm an examiner’s rejection so long as “appellants have had a fair opportunity to react to the thrust of the rejection.” *In re Kronig*, 539 F.2d 1300, 1302-03 (CCPA 1976).

*In re Jung*, 637 F.3d at 1365.

*B) Alice Corp. v. CLS Bank Int'l, 134 S. Ct. 2347, 2355 (2014).*

[T]he Supreme Court set forth an analytical framework under § 101 to distinguish patents that claim patent-ineligible laws of nature, natural phenomena, and abstract ideas—or add too little to such underlying ineligible subject matter—from those that claim patent-eligible applications of those concepts. First, given the nature of the invention in this case, we determine whether the claims at issue are directed to a patent-ineligible abstract idea. *Alice Corp. v. CLS Bank Int'l*, — U.S. —, 134 S.Ct. 2347, 2355, 189 L.Ed.2d 296 (2014). If so, we then consider the elements of each claim—both individually and as an ordered combination—to determine whether the additional elements transform the nature of the claim into a patent-eligible application of that abstract idea. *Id.* This second step is the search for an “inventive concept,” or some element or combination of elements sufficient to ensure that the claim in practice amounts to “significantly more” than a patent on an ineligible concept. *Id.*

*DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1255  
(Fed. Cir. 2014).

## ANALYSIS

We have reviewed the Examiner’s rejections in light of Appellant’s arguments that the Examiner has erred. We disagree with Appellant’s conclusions and concur with the conclusions reached by the Examiner.

### *1) § 251 Rejection*

We have affirmed this rejection *pro forma*. See footnote 4 *supra*.

Separately, we note both Appellant and the Examiner overlook that claim 1 on its face contains an error as noted in footnote 3 *supra*. This error was introduced by the April 27, 2010 Amendment during prosecution of the patent which is the subject of this reissue. Should Appellant wish to file

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such a reissue declaration, we deem the error noted at footnote 3 *supra* as an error which can be relied upon to support this reissue application, i.e., it is the type of error upon which a reissue can be based.

## 2) § 101 Rejection

Appellant acknowledges that an Examiner may establish a prima facie case that the claims are directed to patent-ineligible subject matter using the two-part analysis outlined in *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347 (2014). (App. Br. 12). However, Appellant follows this by citing only to numerous non-binding decisions of this Board (e.g., *Ex parte Urban*, Appeal No. 2012-005678, 2015 WL 1537875 (PTAB Apr. 3, 2015)) and a single decision of our reviewing court (i.e., *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014)), while overlooking numerous highly relevant Federal Circuit decisions that contradict Appellant's arguments (e.g., *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709 (Fed. Cir. 2014)). Further, in citing to *DDR Holdings*, Appellant also overlooks those relevant portions of *DDR Holdings* that contradict Appellant's arguments. Such an analysis of the case law is inherently unpersuasive.

*A) Did the Examiner err by failing to establish a prima facie case that claim 1 is directed to ineligible subject matter (e.g., abstract idea)?*

As to Appellant's above contentions 1–3, we disagree. First, Appellant argues that to establish a prima facie case, the examiner must perform particular required steps (i.e., articulate reasons and provide reasoned rationale) in specific ways as set forth in the *July 2015 Update on the 2014 Interim Guidance on Subject Matter Eligibility*. App. Br. 13.

Appellant goes on to state that “federal law requires” this result. Reply Br. 5. Contrary to Appellant’s position, the *July 2015 Update* sets forth no such requirement. Rather, the *Guidelines* set forth the argued steps as “the examiner’s burden is met . . . *for example* [by performing the argued steps].” Emphasis added. The essence of Appellant’s argument asks this panel to turn this *Guidelines* example into a requirement. We decline to do so. Second, though we disagree with Appellant’s argument that there is a rigid requirement set forth by the *Guidelines*, we recognize that 35 U.S.C. § 132 sets forth a more general prima facie notice requirement. We review Appellant’s prima facie arguments under the same standard we would any prima facie argument. We determine whether the Examiner notified the applicant, stating the reasons for the rejection together with such information as may be useful in judging the propriety of continuing prosecution of his application. 35 U.S.C. § 132.

As to Appellant’s above contention 1, Appellant acknowledges, “the *Office Action* alleges that the claims ‘are directed to the abstract idea of predicting ad revenue,’ which the *Office Action* appears to consider either a fundamental economic principle or a mathematical relationship/formula.”

App. Br. 14. Appellant then states:

Beyond alleging the abstract idea of predicting ad revenue and simply identifying the two judicial exceptions, however, the *Office Action* fails to articulate even a single reason *why* or *how* “predicting ad revenue” is considered an abstract idea, as required to establish a *prima facie* case of ineligibility under § 101.

App. Br. 14. We disagree. Regarding step 1 of *Alice*, we conclude that the Examiner’s statement, which Appellant acknowledges he has read, is

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sufficient to place Appellant on notice as to step 1 of *Alice* as required under 35 U.S.C. § 132. Further, Appellant's understanding of the Examiner's rejection on this point was manifested by his response to the Office Action. Appellant did not respond by asserting that he did not understand the Examiner's rejection. Instead, Appellant presented above contentions 7 and 8, which we address below. *See In re Jung*, 637 F.3d 1356 (Fed. Cir. 2011). On the issue of prima facie notice, particularly to anticipation but also generally, our reviewing court was clear in *Jung* that:

There has never been a requirement for an examiner to make an on-the-record claim construction of every term in every rejected claim and to explain every possible difference between the prior art and the claimed invention in order to make out a prima facie rejection.

637 F.3d at 1363. The Federal Circuit further stated:

“[Section 132] does not mandate that in order to establish prima facie anticipation, the PTO must explicitly preempt every possible response to a section 102 rejection. Section 132 merely ensures that an applicant at least be informed of the broad statutory basis for the rejection of his claims, so that he may determine what the issues are on which he can or should produce evidence.” *Chester*, 906 F.2d at 1578 (internal citation omitted). As discussed above, all that is required of the office to meet its prima facie burden of production is to set forth the statutory basis of the rejection and the reference or references relied upon in a sufficiently articulate and informative manner as to meet the notice requirement of § 132. As the statute itself instructs, the examiner must “notify the applicant,” “stating the reasons for such rejection,” “together with such information and references as may be useful in judging the propriety of continuing prosecution of his application.” 35 U.S.C. § 132.

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*Id.* Again, we conclude the Examiner’s discussion was more than sufficient to meet this burden as to *Alice* step 1. Additionally, we find unpersuasive Appellant’s statement:

The *Examiner’s Answer* offers a single sentence in response to Appellant’s argument that the *Office Action* does not establish a *prima facie* case under § 101. Specifically, the *Examiner’s Answer* states the “Examiner has identified several concepts by the courts as examples of abstract ideas which are similar to the claims here, namely: fundamental economic principles, certain methods of organizing human activities, an idea of itself and mathematical relationships/formulas.”

Reply Br. 4. Appellant overlooks the Examiner’s discussion at pages 6–7 of the Answer where the Examiner further sets forth why the claim is directed to an abstract idea. That this discussion is in response to Appellant’s above contention 4 does not reduce its relevance to Appellant’s contention 1.

As to Appellant’s above contention 2 (i.e., “the *Office Action* **does not reference a single claim element** in rejecting claim[ 1] under § 101” emphasis added), we disagree. The Examiner’s rejection explicitly references “the computer itself” (Final Act. 7) which is found in line 2 of Appellant’s claim 1. Regarding step 2 of *Alice*, we conclude that the Examiner’s statement is sufficient to place Appellant on notice as required under 35 U.S.C. § 132. Additionally, we deem the Examiner’s discussion at pages 7–11 of the Answer to also be directed to step 2 of the *Alice* analysis. Further, Appellant’s understanding of the Examiner’s rejection on this point was manifested by his response to the Office Action. Again, Appellant did not respond by asserting that he did not understand the Examiner’s rejection. Instead, Appellant presented above contentions 9 and 10 (i.e., that claim 1

recites something significantly more than the purported abstract idea) which we address below.

*B) Did the Examiner err by failing to analyze claim 1 as a whole under the first part of the Alice § 101 analysis?*

As to Appellant's above contentions 4–6 generally, we disagree. Overall, Appellant is mistaken in arguing “[i]n determining whether a method or process recites an abstract idea [in step 1 of *Alice*], the claim as a whole must be analyzed.” App. Br. 16. Appellant overlooks that in the two-step *Alice* analysis, determining whether a method or process recites an abstract idea is in step 1 of *Alice*, and analyzing the claim as a whole is in step 2. Appellant has conflated the two steps. There is no requirement in *Alice* step 1 that the claim be considered as a whole. Appellant cites to the relevant portion of *Alice* (573 U.S. at 2361, n.3). However, Appellant has misread the decision because note 3 refers to step 2, not step 1.

As to Appellant's above contentions 4–5, even if we treat the arguments as being directed to step 2, still we disagree. As we noted above in discussing Appellant's contention 2, we deem the Examiner's analysis to be sufficient for a prima facie showing (Final Act. 7, Ans. 7–11). In addition, given the very limited structure found in claim 1, we also deem the Examiner's discussion of claim 1 to be a sufficient analysis of claim 1 as a whole.

As to Appellant's above contention 6 (arguing claim 8 limitations), it is not relevant to the rejection of representative claim 1 as claim 1 does not recite the argued limitations (determining or identifying different time

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segments). More importantly, it is not clear that even claim 8 positively recites these argued limitations.

None-the-less we look to the essence of Appellant's argument that the use of real world business data renders claim 1 (or any other claim) statutory as being not directed to the abstract idea. We disagree. Appellant overlooks that our reviewing court cautioned against Appellant's position in its *DDR Holdings* decision.

We caution, however, that not all claims purporting to address Internet-centric challenges are eligible for patent. For example, in our recently-decided *Ultramercial* opinion, the patentee argued that its claims were "directed to a specific method of advertising and content distribution that was previously unknown and never employed on the Internet before." 772 F.3d at 1264. But this alone could not render its claims patent-eligible. In particular, we found the claims to merely recite the abstract idea of "offering media content in exchange for viewing an advertisement," along with "routine additional steps such as updating an activity log, requiring a request from the consumer to view the ad, restrictions on public access, and use of the Internet." *Id.* at 1265.

773 F.3d at 1258.

*C) Did the Examiner err in rejecting claim 1 under 35 U.S.C. § 101 because claim 1 is not directed to a fundamental economic practice because the solution is rooted in computer technology?*

As to Appellant's above contentions 7–8, we disagree. Appellant overlooks that our reviewing court in its *DDR Holdings* decision required more from a "solution" before finding it to be rooted in computer technology.

The '399 patent's claims are different enough in substance from those in *Ultramercial* because they do not broadly and

generically claim “use of the Internet” to perform an abstract business practice (with insignificant added activity). Unlike the claims in *Ultramercial*, the claims at issue here specify ***how interactions*** with the Internet ***are manipulated*** to yield a desired result—a result that ***overrides the routine and conventional sequence of events*** ordinarily triggered by the click of a hyperlink. Instead of the computer network operating in its normal, expected manner by sending the website visitor to the third-party website that appears to be connected with the clicked advertisement, the claimed system generates and directs the visitor to the above-described hybrid web page that presents product information from the third-party and visual “look and feel” elements from the host website. When the limitations of the '399 patent's asserted claims are taken together as an ordered combination, the claims recite ***an invention that is not merely the routine or conventional use of the Internet.***

773 F.3d at 1258–59, emphasis added. In other words, the claimed invention in *DDR Holdings* did not merely use the internet but rather changed how interactions on the internet operated. In the case before us, Appellant specifies that they address the challenge of understanding the relationship between impressions, clicks, comments, etc. (we construe as “input customer data”), and the performance of an advertising campaign (i.e., altering ad placement by accelerating or decelerating ad placement through control of revenue spent, or adjusting pricing in the ad campaign (Spec. 4:31–52)). App. Br. 19. However, unlike the decision in *DDR Holdings*, Appellant’s Specification states that the solution here is merely controlling the financial aspects of the advertising campaign. Spec. 4:31–52. In contrast to the solution in *DDR Holdings*, we deem the resulting solution here to be a routine and conventional activity. *See* Appellant’s discussion at the Background of the Invention. Spec. 1:35–44. Further, Appellant’s

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Background of the Invention also shows the input customer data used here (events (i.e., impressions, clicks, actions) and number of events (i.e., volume)) to be routine and conventional. Spec. 1:23–39. Contrary to Appellant’s argument, the solution here is not rooted in computer technology. Rather, the solution here is rooted in revenue calculations based on customer and advertising data.

*D) Did the Examiner err in rejecting claim 1 under 35 U.S.C. § 101 because, under the second part of the Alice § 101 analysis, claim 1 recites something significantly more than the purported abstract idea?*

As to Appellant’s above contention 9, we disagree. As we noted directly above, claim 1 recites steps related to revenue calculations. We do not deem this to be “significantly more” than the performance of a business practice as argued by Appellant. Rather, it is the epitome of the performance of a business practice. More particularly, we do not consider the steps recited in claim 1 – either individually or as an ordered combination – to transform the nature of claim 1 into a patent-eligible application of the abstract idea of predicting ad revenue.

As to Appellant’s above contention 10 (arguing limitations from claims 6, 7, 12, 13, 21, and 25), it is not relevant to the rejection of representative claim 1 as claim 1 does not recite the argued limitations (adjusting or altering the advertising campaign). More importantly, even if claim 1 were to recite these argued limitations, they would not alone or together amount to “significantly more” than the abstract idea of predicting ad revenue. . For the reasons we have previously stated, we deem these to be routine and conventional activity as shown by Appellant’s Background of the Invention.

### CONCLUSIONS

- (1) The Examiner has not erred in rejecting claims 1–26 under § 251.
- (2) The Examiner has not erred in rejecting claims 1–26 as being unpatentable under 35 U.S.C. § 101.
- (3) Claims 1–26 are not patentable.

### DECISION

The Examiner’s rejection of claims 1–26 under 35 U.S.C. § 251 is affirmed.

The Examiner’s rejection of claims 1–26 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