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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte TAMER E. ABUELSAAD, JASON L. ANDERSON,
GREGORY J. BOSS, and RICK A. HAMILTON II

Appeal 2017-000407¹
Application 13/276,929²
Technology Center 3600

Before NINA L. MEDLOCK, BRADLEY B. BAYAT, and
MATTHEW S. MEYERS, *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 1–11, 16, 17, 26–30, and 32. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Our decision references Appellants’ Appeal Brief (“App. Br.,” filed March 7, 2016) and Reply Brief (“Reply Br.,” filed October 6, 2016), and the Examiner’s Answer (“Ans.,” mailed August 10, 2016) and Final Office Action (“Final Act.,” mailed October 7, 2015).

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

CLAIMED INVENTION

Appellants' claimed invention "generally relates to gift giving, and more particularly, to an approach for providing personalized results for gift giving utilizing a database" (Spec. ¶ 1).

Claims 1 and 16 are the independent claims on appeal. Claim 1, reproduced below, is illustrative of the claimed subject matter:

1. A method, comprising:
 - generating, by a processor, an item list of a recipient by at least a third party server which detects items in a location using sensors to read radio-frequency identification (RFID) tags associated with each of the items;
 - reviewing, by the processor, the item list of the recipient;
 - determining, by the processor, an item to provide to the recipient that is not on the item list of the recipient;
 - sending, by the processor, the item to the recipient;
 - providing, by the processor, a last gift alternative based on the recipient rejecting the item sent to the recipient,
 - generating a giver list of one or more potential gifts when a recipient's library is unavailable for direct query,
 - receiving the giver list through input from a giver device by a giver, and
 - prioritizing the giver list of one or more potential gifts by using at least one of a textual interface, a graphical interface, and a gesture interface of the giver device,
 - wherein the last gift alternative is based on prioritized gifts on the giver list, and further comprising:
 - comparing the giver list to the recipient's library and extracting a highest priority item from the giver list;
 - determining whether the recipient has the highest priority item based on the recipient's library;
 - gifting the highest priority item to the recipient when the recipient does not own the highest priority item; and
 - gifting a next highest priority item to the recipient when the recipient owns the highest priority item and does not own the next highest priority item.

REJECTION³

Claims 1–11, 16, 17, and 26–30, and 32 are rejected under 35 U.S.C. § 101 as directed to judicially-excepted 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.*, 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

³ The rejections of the claims under 35 U.S.C. § 112, first paragraph; § 112, second paragraph; and § 103(a) have been withdrawn. *See* Adv. Act. 2; *see also* Ans. 6

“transform the nature of the claim’ into a patent-eligible application.” *Id.* (quoting *Mayo*, 566 U.S. at 79, 78).

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*, 566 U.S. at 71. Therefore, the Federal Circuit has instructed that claims are to be considered in their entirety to determine “whether their character as a whole is directed to excluded subject matter.” *McRO, Inc. v. Bandai Namco Games Am., Inc.*, 837 F.3d 1299, 1312 (Fed. Cir. 2016) (quoting *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015)).

Here, in rejecting the pending claims under 35 U.S.C. § 101, the Examiner determined that the claims are directed to “suggesting and shopping for gifts,” i.e., to a fundamental economic principle and a method of organizing human activities, and, therefore, to an abstract idea; and that the claims do not include additional elements or a combination of elements that is sufficient to amount to significantly more than the judicial exception (Final Act. 2–4).

Independent Claim 1 and Dependent Claims 2–11, 26–30, and 32

Focusing first on claim 1, Appellants argue that claim 1 is not directed to an abstract idea because the claim includes “technological features that cannot be considered abstract ideas” (App. Br. 6; *see also id.* at 8–9 (arguing that claim 1 cannot be considered a method of organizing human activity and, therefore, an abstract idea because claim 1 requires certain technology)). That argument is not persuasive at least because “not every claim that recites concrete, tangible components escapes the reach of the abstract-idea inquiry.” *In re TLI Commc’ns LLC Patent Litig.*, 823 F.3d

607, 611 (Fed. Cir. 2016). Although claim 1 recites physical components, e.g., a processor, sensors, and RFID tags, the focus of claim 1 is not on the improvement of any technology or technical field, but rather on implementation of the abstract idea, i.e., “suggesting and shopping for gifts.” The recited physical components merely provide the generic environment in which to implement this abstract idea (*see, e.g.*, Spec. ¶ 21 (disclosing that the claimed invention can be implemented on a general purpose computer); ¶ 29 (disclosing that the recipient device and giver device may include any type of computing device). The Specification plainly supports this view, disclosing that the object of the claimed invention is to provide a tool that allows gift givers to avoid giving redundant gifts to their gift recipients, i.e., items the recipients already own or have purchased (*see, e.g.*, Spec. ¶ 1 (“The present invention generally relates to gift giving, and more particularly, to an approach for providing personalized results for gift giving utilizing a database”); ¶ 12 (“More specifically, aspects of the present invention provide a gift tool which allows for electronic querying of item libraries of gift recipients so that uniqueness and originality (e.g., personalized results) of gifts for the recipients may be ascertained.”); ¶ 13 (“The gift tool may use the recipient’s library so that a gift giver may avoid giving redundant gifts to the recipient.”)).

We also are not persuaded of Examiner error by Appellants’ argument that the claimed invention cannot be considered a fundamental economic practice, and, therefore, an abstract idea because the claimed invention “provides several advantages over traditional economic practices” (App. Br. 7; *see also* Reply Br. 3–4, 6, 12–13, 15). Appellants assert that, in contrast to a fundamental economic practice long prevalent in our system of

commerce, the claimed invention “allow[s] a giver to avoid giving a recipient redundant gifts that the recipient already owns or purchased when the recipient is not willing to share his or her library of personal inventory of items” and also “allows a giver to select personalized gifts for the recipient based on recipient preferences and a recipient’s library when the recipient is not willing to share his or her library of personal inventory of items to allow the granted gift to be special” (App. Br. 7 (citing Spec. ¶ 15)). But, these advantages merely constitute an improvement in the fundamental economic practice of “suggesting and shopping for gifts.” And an improved abstract idea, e.g., an innovative improvement on the abstract idea of suggesting and shopping for gifts, is still an abstract idea. *See Mayo*, 566 U.S. at 90 (holding that a novel and nonobvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible).

Appellants point to the Federal Circuit’s decision in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014), and argue that claim 1, like the claims in *DDR Holdings*, is “necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks” (App. Br. 9–10; *see also* Reply Br. 8–10, 14–18). Yet, to the extent Appellants maintain that the claimed invention is “necessarily rooted in computer technology” because claim 1 recites the use of computer components, RFID tags, and sensors (*see id.*), we note that a similar argument was expressly rejected by the Court in *Alice*. *See Alice Corp.*, 134 S. Ct. at 2358 (“the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention”).

The problem to which claim 1 is directed (i.e., selecting a personalized gift for a recipient based on the recipient’s preferences while

avoiding giving redundant gifts) existed before, and still exists outside of computer technology and computer networks. We are not persuaded that this is a technical problem or one rooted in technology. And, unlike the situation in *DDR Holdings*, there is no indication here that a computer network, or the Internet, in particular, is used other than in its normal, expected, and routine manner, e.g., for receiving and transmitting information.

Turning to the second step of the *Mayo/Alice* framework, Appellants argue that even if claim 1 is directed to an abstract idea, the claim is nonetheless patent-eligible because it recites significantly more than the abstract idea itself (App. Br. 10–12). Appellants assert that “the claimed invention requires certain technology including a processor and sensors to read radio-frequency (RFID) tags for the method of providing personalized results for gift giving” and that “[t]his amounts to significantly more than the Examiner’s alleged abstract idea” (*id.* at 12). But, there is no indication in the record, short of attorney argument (*see id.* at 11), that the operations recited in claim 1 require any specialized computer hardware or other inventive computer components, invoke any assertedly inventive programming, or that the claimed invention is implemented using other than generic computer components to perform the claimed method steps, which is not enough for patent-eligibility. *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.”).

There also is a fundamental difference between computer functionality improvements, on the one hand, and uses of existing computers as tools to perform a particular task, on the other. Indeed, the Federal

Circuit applied this distinction in *Enfish, LLC v. Microsoft Corp.*, 822 F.3d. 1327 (Fed. Cir. 2016) in rejecting a § 101 challenge at the step one stage in the *Alice* analysis because the claims at issue focused on a specific type of data structure, i.e., a self-referential table for a computer database, designed to improve the way a computer carries out its basic functions of storing and retrieving data, and not on asserted advances in uses to which existing computer capabilities could be put. *Id.* at 1335–36.

Appellants argue here that “allow[ing] a giver to avoid giving a recipient redundant gifts that the recipient already owns or [has] purchased when the recipient is not willing to share his or her library of personal inventory of items” and “allow[ing] a giver to select personalized gifts for the recipient based on recipient preferences and a recipient’s library when the recipient is not willing to share his or her library of personal inventory of items to allow the granted gift to be special” are “improvements in the area of computer technology itself” (*See* App. Br. 9–11; *see also* Reply Br. 5–7, 9–10, 18–19). But, this alleged improvement is not an improvement in computer capabilities or computer technology; instead, it is an alleged improvement in selecting and shopping for gifts, for which a computer is used as a tool in its ordinary capacity.

Responding to the Examiner’s Answer in the Reply Brief, Appellants ostensibly maintain that the Examiner has failed to comply with USPTO guidance, specifically, the Office’s May 4, 2016 Memorandum to the Patent Examining Corps regarding “Formulating a Subject Matter Eligibility Rejection and Evaluating the Applicant’s Response to a Subject Matter Eligibility Rejection,” and has not set forth a proper rejection under § 101 (Reply Br. 3). In fact, the Examiner, provided a reasoned analysis that

identifies the judicial exception recited in the claims, i.e., an abstract idea, and explains why it is considered a judicial exception, and also explains why the additional elements in the claim do not amount to significantly more than the judicial exception. As described above, the Examiner notified Appellants that the claims are directed to “suggesting and shopping for gifts,” i.e., to a fundamental economic principle and a method of organizing human activities, and, therefore, to an abstract idea; and that the claims do not include additional elements or a combination of elements that is sufficient to amount to significantly more than the judicial exception (Final Act. 2–4). The Examiner, thus, set forth the statutory basis of the rejection in a sufficiently articulate and informative manner as to meet the notice requirement of 35 U.S.C. § 132. And we find that, in doing so, the Examiner set forth a proper rejection under § 101. *See In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011) (holding that the USPTO carries its procedural burden of establishing a prima facie case when its rejection satisfies the requirements of 35 U.S.C. § 132).

Appellants cannot reasonably maintain that the rejection was not understood or that the rejection otherwise fails to satisfy the notice requirement of § 132. Indeed, Appellants’ understanding of the rejection is clearly manifested by Appellants’ response as set forth in the briefs.

Appellants further assert in the Reply Brief that the § 101 rejection should be withdrawn because the claims includes features that are not well-known, routine, and conventional, e.g., known gifting systems do not use a processor, a third party server, sensors, and RFID tags and do not generate a giver list when a recipient’s library is unavailable for direct query (Reply Br. 10–11; *see also id.* at 19–20). Yet, to the extent Appellants maintain that

the recited features are not “well-understood, routine, and conventional” because the claims are allegedly novel and/or non-obvious in view of prior gifting systems, Appellants misapprehend the controlling precedent.

A finding of novelty or non-obviousness does not automatically lead to the conclusion that the claimed subject matter is patent-eligible. 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. “Groundbreaking, innovative, or even brilliant discovery does not by itself satisfy the § 101 inquiry.” *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 591 (2013). 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.”).

We are not persuaded, on the present record, that the Examiner erred in rejecting independent claim 1 under 35 U.S.C. § 101. Therefore, we sustain the Examiner’s rejection of claim 1. We also sustain the rejection of dependent claims 2–11, 26–30, and 32, which are not argued separately except based on their dependence from independent claim 1 (App. Br. 20).

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Independent Claim 16 and Dependent Claim 17

Appellants' arguments with respect to claim 16 are substantially similar to Appellants' arguments with respect to claim 1, and are similarly unpersuasive. Therefore, we sustain the Examiner's rejection of claim 16 for substantially the same reasons set forth above with respect to claim 1. We also sustain the rejection of dependent claim 17, which is not argued separately except based on its dependence from independent claim 16.

DECISION

The Examiner's rejection of claims 1–11, 16, 17, 26–30, and 32 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