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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte ANDREA CHRISTINE GILMAN,
CHRISTOPHER ANDREW GUINEY, and LISA YATES

Appeal 2017-000795
Application 13/793,616¹
Technology Center 3600

Before ST. JOHN COURTENAY III, LARRY J. HUME, and
JOYCE CRAIG, *Administrative Patent Judges*.

CRAIG, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 1–3, 5–11, and 13–16, which are all of the claims pending in this application.² We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

¹ According to Appellants, MasterCard International Inc. is the real party in interest. App. Br. 2.

² Claims 4 and 12 have been canceled. App. Br. 39, 43 (Claims App'x).

INVENTION

Appellants' application relates "to the distribution of offers to consumers based on redemption history, specifically analyzing consumer behaviors based on previous offer redemption history to identify new offers to be distributed to the consumer." Spec. 1. Claim 1 reads as follows:

1. A method for distributing an offer to a consumer based on redemption history, comprising:

storing, in a consumer database, a plurality of consumer profiles, wherein each consumer profile is associated with a consumer and includes at least a consumer identifier and offer redemption data;

receiving, by a receiving device, a plurality of redeemed offers associated with a consumer identification, wherein each redeemed offer of the plurality of redeemed offers corresponds to an offer redeemed by a consumer associated with the consumer identification and is associated with at least one offer category of a plurality of offer categories;

identifying, by a processing device, a specified consumer profile, wherein the consumer identifier of the specified consumer profile corresponds to the consumer identification;

storing, in the offer redemption data of the specified consumer profile, the received plurality of redeemed offers;

generating, by the processing device, a behavioral profile for the specified consumer profile based on the corresponding offer redemption data, wherein the behavioral profile includes at least a propensity to redeem an offer for each offer category of the plurality of offer categories based on at least redeemed offers of the plurality of redeemed offers associated with the respective offer category; and

transmitting, by a transmitting device, an offer to a consumer associated with the specified consumer profile, based on a specific offer category associated with the offer and the propensity to redeem an offer for the specific offer category of the consumer associated with the specified consumer profile,

wherein the offer transmitted to the consumer is associated with a propensity to redeem threshold, and wherein the propensity to redeem an offer for the specific offer category of the consumer exceeds the propensity to redeem threshold.

REJECTIONS

Claims 1–3, 5–11, and 13–16³ stand rejected under 35 U.S.C. § 101 because the claimed subject matter is judicially-excepted from patent eligibility under § 101. Final Act. 6.

Claims 1, 2, 5, 6, 9, 10, 13, and 14 stand rejected under pre-AIA 35 U.S.C. § 103(a) as unpatentable over the combination of Main et al. (US 2013/0024261 A1; published Jan. 24, 2013) (“Main”), Beatty et al. (US 2012/0166267 A1; published June 28, 2012) (“Beatty”), and Wang et al. (US 2012/0116875 A1; published May 10, 2012) (“Wang”).⁴ Final Act. 7, 25.

Claims 7 and 15 stand rejected under pre-AIA 35 U.S.C. § 103(a) as unpatentable over the combination of Main and Wang. Final Act. 18.

Claims 3 and 11 stand rejected under pre-AIA 35 U.S.C. § 103(a) as unpatentable over the combination of Main, Beatty and Toennis et al. (US 2010/0191598 A1; published July 29, 2010) (“Toennis”). Final Act. 23.

³ The Final Office Action, mailed July 16, 2015, rejected then-pending claims 1–16. An amendment after final was entered for purposes of appeal by the Examiner in the Advisory Action dated October 30, 2015, which incorporated dependent claims 4 and 12 into independent claims 1 and 9, respectively. For clarity, we do not identify canceled claims 4 and 12 above.

⁴ Due to an amendment after final, which incorporated dependent claims 4 and 12 into independent claims 1 and 9, respectively, Appellants and the Examiner are proceeding as if Wang, which was used to reject cancelled claims 4 and 12, is part of the rejection of amended claims 1 and 9. *See* App. Br. 2, 26 (citing Final Act. 25). We proceed accordingly and identify Wang in the rejection above for clarity.

Claims 8 and 16 stand rejected under pre-AIA 35 U.S.C. § 103(a) as unpatentable over the combination of Main, Wang, and Beatty. Final Act. 26–27.

ANALYSIS

We have reviewed the rejections of claims 1–3, 5–11, and 13–16 in light of Appellants’ arguments that the Examiner erred. We have considered in this decision only those arguments Appellants actually raised in the Briefs. Any other arguments Appellants could have made, but chose not to make, in the Briefs are deemed waived. *See* 37 C.F.R. § 41.37(c)(1)(iv).

Appellants’ arguments are not persuasive of Examiner error. We agree with and adopt as our own the Examiner’s findings of facts and conclusions as set forth in the Answer (Ans. 2–7) and in the Action from which this appeal was taken (Final Act. 6–28). We provide the following explanation for emphasis.

Rejection of Claims 1–3, 5–11, and 13–16 under 35 U.S.C. § 101

Appellants first contend the Examiner failed to establish a prima facie case of patent ineligibility under § 101. App. Br. 10. We disagree. The Federal Circuit has repeatedly explained that “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)). The Examiner carries the burden of establishing a prima facie case when its rejection satisfies 35 U.S.C. § 132 by setting forth a rejection in a sufficiently articulate and informative manner. *In re Jung*, 637 F.3d 1356, 1363 (Fed. Cir. 2011). If the Examiner “adequately explain[s] the shortcomings . . . the burden shifts

to the applicant to rebut the prima facie case with evidence and/or argument.” *Hyatt*, 492 F.3d at 1370.

The Final Office Action adequately explains the § 101 rejection. *See* Final Act. 4–6. The Examiner’s statements satisfy § 132 because they apply the *Mayo/Alice* analytical framework and apprise Appellants of the reasons for the § 101 rejection under that framework. Appellants have recognized the Examiner’s *Mayo/Alice* analysis and have presented arguments regarding each step. *See* App. Br. 10–24. Appellants have not responded by alleging a failure to understand the rejection. *Id.*

Appellants next contend the Examiner erred in rejecting the pending claims as directed to a judicial exception (i.e., an abstract idea) without significantly more. *See* App. Br. 11. Appellants argue claims 1–3, 5–11, and 13–16 as a group (App. Br. 8), and we choose claim 1 as representative of the group. *See* 37 C.F.R. § 41.37(c)(1)(iv).

In *Alice*, the Supreme Court sets forth an analytical “framework 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. Pty, Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014) (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66 (2012)). The first step in the analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts,” such as an abstract idea. *Id.* (citing *Mayo*, 566 U.S. at 77–78). If the claims are directed to a patent-ineligible concept, the second step in the analysis is to consider the elements of the claims “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). In other words, the second step is to “search for an ‘inventive concept’—*i.e.*, 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.’” *Id.* (brackets in original) (quoting *Mayo*, 566 U.S. at 72–73). The prohibition against patenting an abstract idea “‘cannot be circumvented by attempting to limit the use of the formula to a particular technological environment’ or adding ‘insignificant postsolution activity.’” *Bilski v. Kappos*, 561 U.S. 593, 610–11 (2010) (citation omitted).

Turning to the first step of the *Alice* inquiry, we agree with the Examiner that limitations of the claims are directed to the abstract idea of distributing offers to a consumer, which is a method of organizing human activity. Final Act. 2–3. We also agree that customer profiling is essentially a method that involves “the use of customer data to stay informed about customer preferences” and, thus, is a method that can be performed mentally or on paper. Ans. 4. The claims here are akin to ones our reviewing court deemed abstract in *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1369–70 (Fed. Cir. 2015) (customizing and tailoring web page content based on navigation history and known user information), *Elec. Power Grp. LLC v. Alstom S.A.*, 830 F.3d 1350, 1353–54 (Fed. Cir. 2016) (collecting information and “analyzing information by steps people go through in their minds, or by mathematical algorithms, without more, . . . [are] essentially mental processes within the abstract-idea category”), and *Affinity Labs of Tex., LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1271 (Fed. Cir. 2016) (customizing a user interface to have targeted advertising based on user information). Here, claim 1 involves nothing more than obtaining,

constructing, and analyzing data of a specific content and/or from a specific source, and presenting content based on the analysis, without any particular inventive technology—an abstract idea. *See Elec. Power*, 830 F.3d at 1354.

Appellants' claims are also similar to the concepts of collecting and comparing known information; intangible data; using categories to organize, store and transmit information; and data recognition and storage that the courts have previously found abstract. *See CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366 (Fed. Cir. 2011); *Content Extraction & Transmission v. Wells Fargo Bank*, 776 F.3d 1343 (Fed. Cir. 2014), *SmartGene, Inc. v. Advanced Biological Labs., SA*, 555 F. App'x. 950, 955 (Fed. Cir. 2014), and *Classen Immunotherapies Inc. v. Biogen IDEC*, 659 F.3d 1057, 1067 (Fed. Cir. 2011)). The Examiner concluded the claims recite storing, receiving, and transmitting offers to a consumer based on offer redemption data, which is simply the organization and manipulation of data that can be performed mentally and is an idea of itself. Ans. 3.

We are not persuaded by Appellants' argument that the present claims "cover subject matter that can be analogized to that presented in" *DDR Holdings*. App. Br. 13 (citing *DDR Holdings, LLC v. Hotels.com, LP*, 773 F.3d 1245, 1257 (Fed. Cir. 2014)). Appellants do not persuasively explain how claim 1 is "necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks." *See id.*; App. Br. 18–21. The claimed steps do not rely on an inventive device or technique for distributing offers to consumers, but rather constitute a generic recitation of steps for mathematically manipulating historical redemption data to obtain modified data. No technological advance is evident in the present invention, and Appellants do not persuasively identify

any problem particular to computer networks and/or the Internet that claim 1 allegedly overcomes. *See* App. Br. 11–16.

For these reasons, we are not persuaded of error in the Examiner’s conclusion that the claims are directed to the abstract idea of distributing an offer, which involves the organization and manipulation of data that can be performed mentally and is an idea of itself. *See* Ans. 3.

Turning to the second step of the *Alice* inquiry, we find nothing in claim 1 that adds anything “significantly more” to transform the abstract concept of distributing an offer into patentable subject matter. *Alice*, 134 S. Ct. at 2357.

Appellants’ argument that the recited computers are special-purpose computers (App. Br. 21–22) is not persuasive in light of the description in the Specification that “[p]rocessor device 1004 may be a special purpose or a general purpose processor device,” and “[t]he processing server 104 ... may be any type of server configured to perform the functions as disclosed herein.” Spec. ¶¶ 28, 79 (emphasis added). Simply programming a computer to perform what would otherwise be an abstract idea is not sufficient to impart patent eligibility. *See Alice*, 134 S. Ct. at 2359; App. Br. 22.

We also are not persuaded by Appellants’ arguments that the claims recite technological improvements because Appellants have not identified which elements recited in the claims are directed to any such specific technical aspects. *See* App. Br. 11–24, Reply Br. 8.

For these reasons, we are not persuaded the Examiner erred in concluding nothing in claim 1 adds “significantly more” to transform the abstract idea into patentable subject matter.

Additionally, Appellants contend claim 1 poses no risk of preempting the abstract idea. *See* App. Br. 16–18. Appellants’ argument is not persuasive because, “[w]hile preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *FairWarning IP, LLC, v. Iatric Sys., Inc.*, 839 F.3d 1089, 1098 (Fed. Cir. 2016) (quoting *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015)). Further, “[w]here a patent’s claims are deemed only to disclose patent ineligible subject matter under the *Mayo* framework, as they are in this case, preemption concerns are fully addressed and made moot.” *Ariosa*, 788 F.3d at 1379.

For these reasons, we are not persuaded the Examiner erred in concluding the subject matter of claim 1 is judicially-excepted from patentability.

Accordingly, we sustain the Examiner’s § 101 rejection of representative, independent claim 1, as well as the Examiner’s § 101 rejection of claims 2, 3, 5–11, and 13–16, not argued separately.

Rejection of Claims 1, 2, 5, 6, 9, 10, 13, and 14 under 35 U.S.C. § 103(a)

Claims 1 and 9

In rejecting the claims for obviousness, the Examiner relied on the combination of Main and Beatty as teaching or suggesting the recited “generating” step recited in claim 1. Final Act. 8. The Examiner relied on Main as teaching or suggesting the limitation “generating, by the processing device, a behavioral profile for the specified consumer profile based on the corresponding offer redemption data, wherein the behavioral profile includes at least a propensity to redeem an offer” and relied on Beatty for the limitation “for each offer category of the plurality of offer categories based

on at least redeemed offers of the plurality of redeemed offers associated with the respective offer category,” as recited in claim 1. Final Act. 8.

Appellants contend *Beatty* fails to teach or suggest the generating of a behavioral profile, as claim 1 requires. App. Br. 26. The Examiner, however, relied on *Main* as teaching “generating, by the processing device, a behavioral profile for the specified consumer profile based on the corresponding offer redemption data, wherein the behavioral profile includes at least a propensity to redeem an offer.” Final Act. 8 (citing *Main* ¶ 43). Thus, Appellants’ arguments are not persuasive at least because they are not commensurate in scope with the Examiner’s rejection.

Moreover, Appellants attack *Beatty* individually, even though the Examiner relied on the *combination* of *Main* and *Beatty* in rejecting claim 1. *See* Final Act. 8–9; *In re Mouttet*, 686 F.3d 1322, 1332 (Fed. Cir. 2012) (citing *In re Keller*, 642 F.2d 413, 425 (CCPA 1981)) (“The test [for obviousness] is what the combined teachings of the references would have suggested to those having ordinary skill in the art.”). Nonobviousness cannot be established by attacking the references individually when the rejection is predicated upon a combination of prior art disclosures. *See In re Merck & Co.*, 800 F.2d 1091, 1097 (Fed. Cir. 1986).

Furthermore, the Examiner concluded the phrase “redeemed offers” is broad enough to encompass the “purchases” taught in *Beatty*. Ans. 6. Appellants do not persuasively rebut the Examiner’s conclusion by showing the Examiner’s claim interpretation is overly broad, unreasonable or inconsistent with the Specification. It is well settled that mere attorney arguments and conclusory statements, which are unsupported by factual evidence, are entitled to little probative value. *In re Geisler*, 116 F.3d 1465,

1470 (Fed. Cir. 1997); *see also In re Pearson*, 494 F.2d 1399, 1405 (CCPA 1974) (attorney argument is not evidence).

Appellants next contend Wang does not teach or suggest the claim limitations “propensity to redeem threshold” and “wherein the propensity to redeem an offer for the specific offer category of the consumer exceeds the propensity to redeem threshold,” as recited in claim 1. App. Br. 27–28. Appellants argue Wang measures a threshold amount of time browsing a website and not a “propensity to redeem threshold.” *Id.* at 27. Appellants further argue Wang does not compare two different values (e.g., propensity to redeem threshold and propensity to redeem an offer for the specific offer category) to make a determination of whether to transmit an offer to a consumer. *Id.* at 28.

We are not persuaded by Appellants’ arguments. The Examiner found Wang’s determination of a specified likelihood of becoming a customer teaches the disputed limitation. Ans. 6 (citing Wang ¶ 20). In particular, the Examiner interpreted the claim term “propensity” as broad enough to encompass the “likelihood” taught in Wang. *Id.* The Examiner found Wang’s providing advertisements based on its determination of a specified likelihood of becoming a customer teaches or at least suggests the disputed limitations because a “specified likelihood” requires a comparison of two values. *Id.* (citing Wang ¶¶ 19, 60).

Appellants have not persuasively rebutted the Examiner’s factual findings and conclusions. Appellants argue only that “becoming customers by purchase is only one way for offer redemption and, thus, the specified likelihood of becoming customers is not a same concept as a propensity to redeem an offer.” Reply Br. 10. The test for obviousness, however, is not

whether the claimed invention is expressly suggested in any one or all of the references, but whether the claimed subject matter would have been obvious to those of ordinary skill in the art in light of the combined teachings of those references. *See In re Keller*, 642 F.2d 413, 425 (CCPA 1981). In light of Appellants' acknowledgement that Wang's teaching of becoming a customer by purchase "is merely one of multiple ways to redeem an offer," (Reply Br. 9), we are not persuaded the Examiner erred.

For these reasons, we are not persuaded the Examiner erred in finding the combination of Main, Beatty, and Wang teaches or suggests the disputed limitations of claim 1.

Accordingly, we sustain the Examiner's § 103(a) rejection of independent claim 1, as well as the Examiner's § 103(a) rejection of independent claim 9, which Appellants contend is patentable for similar reasons. *See App. Br. 28.*

Dependent claims 2, 6, 10, and 14

Claim 2 recites:

The method of claim 1, wherein the plurality of offer categories includes at least one of: a particular merchant, a particular manufacturer, a transaction amount, an offer amount, a particular industry, an offer type, an offer quantity, and a length of availability.

Appellants argue the Examiner erred because Beatty does not teach that the plurality of offer categories recited in claim 2 are based on at least one offer category corresponding to an offer redeemed by a consumer, as claim 2 requires based on its dependency from claim 1. *App. Br. 29.*

Appellants argue the cited passages of Beatty relate to determining an

attribute score and to types of categories of ads the consumer would like to see as a result of stored preferences of the user. *Id.* at 28–29.

We agree with the Examiner that Beatty’s purchases teach offer redemptions. Ans. 6. The Examiner found that, if a consumer has purchased a product belonging to a category, a consumer has necessarily redeemed an offer for a product in that category. *Id.* at 6–7. Moreover, Beatty’s categories of ads, based on variables such as the percentage of discount, the price (Beatty ¶ 117), and Beatty’s attribute scores, including merchant category type, merchant distance, day of the week (*id.* ¶ 10), teach or at least suggest the categories recited in claim 2.

For these reasons, we sustain the Examiner's 35 U.S.C. § 103(a) rejection of dependent claims 2 and 10, which Appellants argue are patentable for similar reasons. App. Br. 29. We also sustain the rejection of dependent claims 6 and 14, which recite commensurate limitations and for which Appellants present similar arguments. App. Br. 32–33.

Claims 5, 7, 13, and 15

Regarding independent claim 5, Appellants rely on the same argument made for claim 1 regarding the Examiner’s reliance on Beatty’s purchasing behavior and not the consumer’s offer redemption history. App. Br. 30. Appellants also argue Main does not create a “behavioral profile,” as recited in claim 5. App. Br. 31.

The Examiner construed the claim term “behavioral profile” as broadly but reasonably encompassing any data about a customer. Ans. 7. Appellants have not persuasively rebutted the Examiner’s conclusion by showing the Examiner’s interpretation of the disputed term is overly broad, unreasonable or inconsistent with the Specification. *See* Reply Br. 9–10.

For these reasons, we sustain the Examiner's 35 U.S.C. § 103(a) rejection of independent claim 5, as well as the § 103(a) rejection of independent claims 7, 13, and 15, which Appellants contend are patentable for similar reasons. *See* App. Br. 31.

Claims 8 and 16

Regarding dependent claims 8 and 16, rejected under a separate § 103 rejection, Appellants present arguments similar to those presented for claims 2 and 10, above. App. Br. 35–36. For the same reasons we sustained the rejection of claims 2 and 10, we sustain the Examiner's § 103(a) rejection of dependent claims 8 and 16.

Claims 3 and 11

Regarding dependent claims 3 and 11, rejected under a separate § 103 rejection, Appellants do not present substantive arguments. App. Br. 36. Arguments not made are waived. Accordingly, we sustain the Examiner's § 103(a) rejection of dependent claims 3 and 11.

DECISION

We affirm the decision of the Examiner rejecting claims 1–3, 5–11, 13–16.

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). *See* 37 C.F.R. § 41.50(f).

AFFIRMED