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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte THOMAS A. SIMONIAN[1]

Appeal 2017-001334
Application 13/796,587
Technology Center 3684

Before CARLA M. KRIVAK, JOSEPH P. LENTIVECH, and AARON W. MOORE, *Administrative Patent Judges*.

KRIVAK, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant appeals under 35 U.S.C. § 134(a) from a final rejection of claims 1–11 and 13–17. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

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[1] The real party in interest is identified as ARRAY CARD, INC., West Chicago, IL.

STATEMENT OF THE CASE

Appellant's invention is directed to "gift cards and, in particular, to an information sharing system and methods to enhance the utility and effectiveness of such cards" (Spec. ¶ 2).

Independent claim 1, reproduced below, is exemplary of the subject matter on appeal.

1. A method of enhancing the effectiveness of gift card transactions, comprising the steps of:

establishing a website enabling a user to access the website through an electronic device to purchase a multi-digit code for a gift card having a stored monetary value;

transferring the code to a recipient;

entering the code at a website through an electronic device by a recipient, enabling the recipient to receive a store-branded gift card having the stored value to be used only for the purchase of the brand-specific goods or services;

collecting and storing in a computer database information about the recipient when the recipient enters the code at the website;

delivering the store-branded gift card to the recipient;

purchasing the brand-specific goods or services with the card;

collecting and storing information about the brand-specific goods or services purchased by the recipient; and

delivering targeted advertising to the recipient based upon the information collected and stored about the recipient or the brand-specific goods or services purchased by the recipient.

REJECTION

The Examiner rejected claims 1–11 and 13–17 under 35 U.S.C. §101 as directed to non-statutory subject matter.

ANALYSIS

Patent eligibility is a question of law that is reviewable *de novo*. *Dealertrack, Inc. v. Huber*, 674 F.3d 1315, 1333 (Fed. Cir. 2012). Patentable subject matter is defined by 35 U.S.C. § 101, as follows:

> [w]hoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

In interpreting this statute, the Supreme Court emphasizes that patent protection should not preempt "the basic tools of scientific and technological work." *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972); *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 71 (2012); *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347, 2354 (2014). The rationale is that patents directed to basic building blocks of technology would not "promote the progress of science" under the U.S. Constitution, Article I, Section 8, Clause 8, but instead would impede it. Accordingly, laws of nature, natural phenomena, and abstract ideas are not patent-eligible subject matter. *Thales Visionix Inc. v. U.S.*, 850 F.3d 1343, 1346 (Fed. Cir. 2017) (citing *Alice,* 134 S. Ct. at 2354).

The Supreme Court set forth a two-part test for subject matter eligibility in *Alice*. 134 S. Ct. at 2355. The first step is to determine whether the claim is directed to a patent-ineligible concept. *Id.* (citing *Mayo*, 566 U.S. at 76–77). If so, then the eligibility analysis proceeds to the second step of the test in which we "examine the elements of the claim to determine whether it contains an 'inventive concept' sufficient to 'transform' the claimed abstract idea into a patent-eligible application." *Alice*, 134 S. Ct. at 2357 (quoting *Mayo*, 566 U.S. at 72, 79). The "inventive

concept" may be embodied in one or more of the individual claim limitations or in the ordered combination of the limitations. *Alice*, 134 S. Ct. at 2355. The "inventive concept" must be significantly more than the abstract idea itself, and cannot be simply an instruction to implement or apply the abstract idea on a computer. *Alice*, 134 S. Ct. at 2358. "'[W]ell-understood, routine, [and] conventional activit[ies]' previously known to the industry" are insufficient to transform an abstract idea into patent-eligible subject matter. *Alice*, 134 S. Ct. at 2359 (citing *Mayo*, 566 U.S. at 73).

The Examiner finds Appellant's invention is directed to a "series of steps instructing how to purchase brand specific goods or services" using a purchased gift card, "which is a fundamental economic practice, and thus an abstract idea" (Final Act. 3). The Examiner also finds the claims do not include additional elements that "amount to significantly more . . . because the additional elements are generic computer elements or routine steps in any computer implementation the abstract idea" (*id.*).

Appellant disagrees with the Examiner's findings that the "claims are limited to a series of steps instructing how to purchase brand specific goods/services with a gift card" and no more than a "fundamental economic practice" (App. Br. 2). Appellant asserts the "claims are directed to a method of enhancing the effectiveness of gift card transaction [sic]" (*id.*). That is, Appellant contends, claim 1 "includes limitations involving a website; gift cards; purchase/activation of a multi-digit code; and converting activation to a stored-value gift card," which do "not fall within the definition of 'abstract' under *Alice*" (*id.*). Appellant further argues the claims are not directed to a fundamental economic practice and they include improvements to another technology and provide "meaningful limitations

beyond generally linking the use of an abstract idea to a particular technological environment" (App. Br. 3). Appellant also asserts the meaningful activities/steps set forth in their claims transcend abstract ideas because they "were *not practiced* prior to" their invention, thus the claim "limitations cannot possibly be well-understood, routine, or conventional" (*id.*). Lastly, Appellant states their claimed system "for the first time, enables the identity and spending habits of gift card recipients to be known by both stores and suppliers to the stores" (App. Br. 4). That is, Appellant's claims allow analysis of spending habits of "networks of individuals tethered together by gift giving" (*id.*). We do not find these limitations in the claims, and we do not agree with Appellant's contentions.

Under the first step of the *Alice/Mayo* test, we agree with the Examiner the claims are directed to an abstract idea (*see Identifying Abstract Ideas* (Part 2), "An Idea 'Of Itself'"—MPEP 2106.04(a)(2), Part (III), B. Concepts Relating to Advertising, Marketing, & Sales Activities or Behaviors (available at https://www.uspto.gov/sites/default/files/documents/ieg-qrs.pdf)). Appellant's claims are directed to collecting, analyzing, and using the collected data, which is an abstract idea (*see, e.g.*, *Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1146 (Fed. Cir. 2016) ("we continue to treat analyzing information by steps people go through in their minds, or by mathematical algorithms, without more, as essentially mental processes within the abstract-idea category") (quotation omitted); *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1355 (Fed. Cir. 2016) ("Merely requiring the selection and manipulation of information—to provide a 'humanly comprehensible' amount of information useful for users—by itself

does not transform the otherwise-abstract processes of information collection and analysis.")) (citation omitted).

Further, the court in *Affinity Labs of Texas, LLC v. Amazon.com Inc.*, 838 F.3d 1266, 1271 (Fed. Cir. 2016) reiterated that "'customizing information based on . . . information known about the user' is an abstract idea." Additionally, "tailoring of content based on information about the user—such as where the user lives or what time of day the user views the content—is an abstract idea that is as old as providing different newspaper inserts for different neighborhoods" (*Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1371 (Fed. Cir. 2015)).

Appellant's claims recite a website, entering information at a website, collecting and storing information about the recipient, delivering a gift card, using the gift card to make a brand-specific purchase, collecting information about the purchase, and delivering targeted advertising to the recipient/purchaser based on the collected information. The fact that gift cards are involved does not negate the fact that the invention is directed to the abstract idea of improving the effectiveness of advertising/delivering targeted advertising.

Turning to the second step of the *Alice/Mayo* inquiry, we conclude there is nothing in Appellant's claims or Specification that constitute a concrete implementation of the abstract idea in the form of an "inventive concept" (*Alice*, 134 S. Ct. at 2355; *Mayo*, 132 S. Ct. at 1294). Appellant's claims do not go beyond generic functions, and there are no technical means for performing the steps that are arguably an advance over conventional computer and network technology (*see Elec. Power Grp.*at 1351). Features such as a website or an electronic device do not convert the

abstract idea of delivering targeted advertising/media content to the recipient of the purchase into a patent eligible solution to a problem. The features set forth in the claims are described and claimed generically, rather than with the specificity necessary to show how those components provide a concrete solution to the problem addressed by the patent. Appellant's Specification also does not state how anything other than generic devices are used to perform the abstract steps of the claimed targeted marketing.

Therefore, we conclude Appellant's application is not directed to the solution of a "technological problem," *Alice*, 134 S. Ct. at 2358, nor is it directed to an improvement in computer or network functionality, *see In re TLI Commc'ns LLC Patent Litig.*, 823 F.3d 607, 612 (Fed. Cir. 2017). Delivering targeted advertising based on a gift card user's purchase does not add an inventive component that renders the claims patentable.

We therefore sustain the Examiner's rejection of independent claim 1 and dependent claims 2–11 and 13–17 not separately argued (App. Br. 2).

DECISION

The Examiner's decision rejecting claims 1–11 and 13–17 as directed to an abstract idea 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