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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* SEBASTIAN GIL, ROUSSEAU KAZI, ROHIT DHAWAN, and  
JEFFREY ANDREW KANTER

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Appeal 2017–001694  
Application 13/326,336  
Technology Center 3600

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Before ANTON W. FETTING, TARA L. HUTCHINGS, and  
MATTHEW S. MEYERS, *Administrative Patent Judges*.

FETTING, *Administrative Patent Judge*.

DECISION ON APPEAL  
STATEMENT OF THE CASE<sup>1</sup>

Sebastian Gil, Rousseau Kazi, Rohit Dhawan, and Jeffrey Andrew  
Kanter (Appellants<sup>2</sup>) seek review under 35 U.S.C. § 134 of a final rejection

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<sup>1</sup> Our Decision will make reference to the Appellants’ Appeal Brief (“App. Br.,” filed February 17, 2016) and Reply Brief (“Reply Br.,” filed November 11, 2016), and the Examiner’s Answer (“Ans.,” mailed September 13, 2016), and Final Office Action (“Final Act.,” mailed June 12, 2015).

<sup>2</sup> According to Appellants, Facebook, Inc. is the real party in interest. *See* App. Br. 1.

of claims 1–26, the only claims pending in the application on appeal. We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b).

The Appellants invented a way of distributing electronic offers using a social networking system. Spec. para. 1.

An understanding of the invention can be derived from a reading of exemplary claim 1, which is reproduced below (bracketed matter and some paragraphing added).

1. A method comprising:

[1] receiving, by a social networking system, a post from an advertising user,

the post comprising a coupon for redemption at a merchant establishment associated with the advertising user;

[2] generating a coupon story comprising the post with the coupon,

the coupon story further comprising an option for claiming the coupon;

[3] sending a feed for display to the viewing user of the social networking system,

the feed comprising the coupon story and a plurality of news stories about one or more other users of the social networking system who are connected to the viewing user;

[4] receiving a selection from the viewing user of the option for claiming the coupon;

[5] responsive to receiving the selection from the viewing user for claiming the coupon,

sending information for redeeming the coupon to at least one of a device of the viewing user and a device associated with the merchant establishment,

the transmitted information suitable for redeeming the coupon by the viewing user at a point of sale terminal at the merchant establishment;

and

[6] responsive to the viewing user claiming the coupon from the feed:

[7] generating, by a processor of the social networking system, a news story about the viewing user claiming the coupon in a feed of news stories for display to one or more connected users,

the connected users comprising other users of the social networking system who are connected to the viewing user;

[8] generating, by the processor, an additional feed of news stories for display to each of the one or more connected users,

the additional feed of news stories comprising the news story about the viewing user claiming the coupon and a plurality of news stories about activities of the viewing user and activities of one or more other users of the social networking system who are connected to the one or more connected users;

and

[9] providing the additional feed of news stories from the social networking system to a user device for presentation to a connected user.

The Examiner relies upon the following prior art:

Rotbard	US 2012/0054002 A1	Mar. 1, 2012
Subramanian	US 2012/0109749 A1	May 3, 2012
Amaro	US 2012/0215610 A1	Aug. 23, 2012

Claims 1–26 stand rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

Claims 1–26 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Rotbard, Subramanian, and Amaro.

## ISSUES

The issues of eligible subject matter turn primarily on whether the claims recite more than abstract conceptual advice of what a computer is to provide without implementation details.

The issues of obviousness turn primarily on whether all of the limitations are described by the art or the Examiner, otherwise, shows to be obvious.

## FACTS PERTINENT TO THE ISSUES

The following enumerated Findings of Fact (FF) are believed to be supported by a preponderance of the evidence.

### *Facts Related to the Prior Art*

#### *Rotbard*

01. Rotbard is directed to a network system or platform for marketing by vendors of retail products and services to customers. Rotbard para. 3.
02. Rotbard describes marketing products or services to consumers, using a transaction source for processing a purchasing transaction between a given business and a customer, and producing corresponding transaction data including at least a unique identifier for the customer. Rotbard para. 9.
03. Rotbard describes a transaction within its Social Networking Appreciation Platform (SNAP) beginning with the submission of information containing a unique identifier to a SNAP server. The SNAP server is programmed and configured to process the

submitted information, match a unique identifier to the consumer's associated SNAP account, and communicate an appropriate message to selected friends on the consumer's enabled social networks while also providing businesses and consumers with web portal access for marketing campaign and account management. Rotbard para. 27.

04. Rotbard describes a SNAP Social Coupon service that uses the Social Announcement engine to allow a participating business to transmit a coupon to their customers. The Social Announcement service may be provided with a clickable link to the coupon service, which link allows the SNAP server to auto-generate a coupon with, for example, a 2-D bar code that can be viewed as a web page on a smart phone, or printed from a computer. A customer receiving the coupon can then redeem the coupon and receive a reward in the form of, e.g., additional bonus points, discounts, or other special coupons. Rotbard para. 60.
05. Rotbard describes a Social Sharing service that allows a customer to send messages to their friends. A customer can choose to resend a coupon, a social announcement from a business, or even copy and paste an article of information from a participating business's web site. A participating business may inject such code into their web site as to allow a quick plug-in to the Social Sharing service. Rotbard para. 70.

*Subramanian*

06. Subramanian is directed to processing of transaction data.  
Subramanian para. 2.
07. Subramanian describes the user specifying a location and a merchant category to request a list of recommended merchants, sorted according to the preference scores of the respective merchants. Subramanian para. 47.

*Amaro*

08. Amaro is directed to processing of transactions, such as payments made via credit cards, debit cards, prepaid cards, etc., and/or the distribution of offers based on and/or in connection with the processing of transaction data. Amaro para. 2.
09. Amaro describes being configured to monitor the transactions of the user and/or the friends of the user to detect a transaction that satisfies the redemption requirement of the offer and, thus, provide the benefit of the offer to the purchaser involved in the transaction, which may be the user or one of the friends of the user. Amaro Abstract.

ANALYSIS

*Claims 1–26 rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter*

Method claim 1 recites receiving a post, generating a story, sending a feed, receiving a selection, sending information, and responsive to claiming a coupon, generating news story feeds. Thus, claim 1 recites receiving,

analyzing, generating, and transmitting data. None of the limitations recite implementation details for any of these steps, but instead recite functional results to be achieved by any and all possible means. Data reception, analysis and modification, generation, and transmission are all generic, conventional data processing operations to the point they are themselves concepts awaiting implementation details. The sequence of data reception-analysis-generation-transmission is equally generic and conventional. The ordering of the steps is, therefore, ordinary and conventional. The remaining claims merely describe parameters for the news feeds or device locations, with no implementation details.

#### The Supreme Court

set forth a framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts. First, . . . determine whether the claims at issue are directed to one of those patent-ineligible concepts. . . . If so, we then ask, “[w]hat else is there in the claims before us? . . . To answer that question, . . . 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. . . . [The Court] described step two of this analysis as a 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.”

*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)).

To perform this test, we must first determine whether the claims at issue are directed to a patent-ineligible concept. The Examiner finds the

claims directed to enabling and facilitating product referrals and providing coupons. Final Act. 7.

Although the Court in *Alice* made a determination as to what the claims were directed to, we find that this case's claims themselves and the Specification provide enough information to inform one as to what they are directed to.

The preamble to claim 1 does not recite what it is directed to, but the steps in claim 1 result in generating news feeds about coupon redemption. The Specification at paragraph 1 recites that the invention relates to distributing electronic offers using a social networking system. Thus, all this evidence shows that claim 1 is directed to generating marketing promotion materials, i.e., marketing promotions. This is consistent with the Examiner's finding.

It follows from prior Supreme Court cases, and *Bilski* (*Bilski v. Kappos*, 561 U.S. 593 (2010)) in particular, that the claims at issue here are directed to an abstract idea. Like the risk hedging in *Bilski*, the concept of marketing promotions is a fundamental business practice long prevalent in our system of commerce. The use of marketing promotions is also a building block of ingenuity in marketing. Thus, marketing promotions, like hedging, is an "abstract idea" beyond the scope of § 101. *See Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2356.

As in *Alice Corp. Pty. Ltd.*, we need not labor to delimit the precise contours of the "abstract ideas" category in this case. It is enough to recognize that there is no meaningful distinction in the level of abstraction between the concept of risk hedging in *Bilski* and the concept of marketing promotions at issue here. Both are squarely within the realm of "abstract

ideas” as the Court has used that term. *See Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2357.

Further, claims involving data collection, analysis, and display are directed to an abstract idea. *Elec. Power Grp. v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016) (holding that “collecting information, analyzing it, and displaying certain results of the collection and analysis” are “a familiar class of claims ‘directed to’ a patent ineligible concept”); *see also In re TLI Commc’ns LLC Patent Litig.*, 823 F.3d 607, 611 (Fed. Cir. 2016); *FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1093–94 (Fed. Cir. 2016). Claim 1, unlike the claims found non-abstract in prior cases, uses generic computer technology to perform data retrieval, analysis, and transmission and does not recite an improvement to a particular computer technology. *See, e.g., McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1314–15 (Fed. Cir. 2016) (finding claims not abstract because they “focused on a specific asserted improvement in computer animation”). As such, claim 1 is directed to the abstract idea of receiving, analyzing, and transmitting data.

The remaining claims merely describe parameters for the news feeds or device locations. We conclude that the claims at issue are directed to a patent-ineligible concept.

The introduction of a computer into the claims does not alter the analysis at *Mayo* step two.

the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention. Stating an abstract idea “while adding the words ‘apply it’” is not enough for patent eligibility. Nor is limiting the use of an abstract idea “to a particular technological environment.” Stating an abstract idea while adding the words “apply it with a

computer” simply combines those two steps, with the same deficient result. Thus, if a patent’s recitation of a computer amounts to a mere instruction to “implemen[t]” an abstract idea “on . . . a computer,” that addition cannot impart patent eligibility. This conclusion accords with the preemption concern that undergirds our §101 jurisprudence. Given the ubiquity of computers, wholly generic computer implementation is not generally the sort of “additional featur[e]” that provides any “practical assurance that the process is more than a drafting effort designed to monopolize the [abstract idea] itself.”

*Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2358 (internal citations omitted).

“[T]he relevant question is whether the claims here do more than simply instruct the practitioner to implement the abstract idea . . . on a generic computer.” *Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2359. They do not.

Taking the claim elements separately, the function performed by the computer at each step of the process is purely conventional. Using a computer for receiving, analyzing, generating, and transmitting data amounts to electronic data query and retrieval—one of the most basic functions of a computer. All of these computer functions are well-understood, routine, conventional activities previously known to the industry. *See Elec. Power Grp. v. Alstom S.A.*, *supra*. *See also In re Katz*, 639 F.3d 1303, 1316 (Fed. Cir. 2011) (“Absent a possible narrower construction of the terms ‘processing,’ ‘receiving,’ and ‘storing,’ . . . those functions can be achieved by any general purpose computer without special programming”). In short, each step does no more than require a generic computer to perform generic computer functions. As to the data operated upon, “even if a process of collecting and analyzing information is ‘limited to particular content’ or a particular ‘source,’ that limitation does not make the collection and analysis

other than abstract.” *SAP Am. Inc. v. InvestPic LLC*, 890 F.3d 1016, 1022 (Fed. Cir. 2018) (internal citation omitted).

Considered as an ordered combination, the computer components of Appellants’ method add nothing that is not already present when the steps are considered separately. The sequence of data reception-analysis-generation-transmission is equally generic and conventional or, otherwise, held to be abstract. See *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014) (sequence of receiving, selecting, offering for exchange, display, allowing access, and receiving payment recited an abstraction), *Inventor Holdings, LLC v. Bed Bath & Beyond, Inc.*, 876 F.3d 1372, 1378 (Fed. Cir. 2017) (sequence of data retrieval, analysis, modification, generation, display, and transmission), *Two-Way Media Ltd. v. Comcast Cable Commc’ns, LLC*, 874 F.3d 1329, 1339 (Fed. Cir. 2017) (sequence of processing, routing, controlling, and monitoring). The ordering of the steps is, therefore, ordinary and conventional.

Viewed as a whole, Appellants’ method claims simply recite the concept of marketing promotions as performed by a generic computer. To be sure, the claims recite doing so by advising one to generate news feeds about one person’s use of promotional materials after offering some information about promotions and accepting a promotion selection. But this is no more than abstract conceptual advice on the parameters for such marketing promotions and the generic computer processes necessary to process those parameters, and do not recite any particular implementation.

The method claims do not, for example, purport to improve the functioning of the computer itself. Nor do they effect an improvement in any other technology or technical field. The 23 plus pages of Specification

spell out different generic equipment and parameters that might be applied using this concept and the particular steps such conventional processing would entail based on the concept of marketing promotions under different scenarios. They do not describe any particular improvement in the manner in which a computer functions. Instead, the claims at issue amount to nothing significantly more than an instruction to apply the abstract idea of marketing promotions using some unspecified, generic computer. Under our precedents, that is not enough to transform an abstract idea into a patent-eligible invention. *See Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2360.

As to the structural claims, they

are no different from the method claims in substance. The method claims recite the abstract idea implemented on a generic computer; the system claims recite a handful of generic computer components configured to implement the same idea. This Court has long “warn[ed] . . . against” interpreting § 101 “in ways that make patent eligibility ‘depend simply on the draftsman’s art.’”

*Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2360.

As to Appellants’ arguments in the Appeal Brief, we adopt the Examiner’s determinations and analysis from the Final Office Action at pages 7–8 and the Examiner’s Answer at pages 2–7 and reach similar legal conclusions. We now address the Reply Brief arguments.

We are not persuaded by Appellants’ argument that claim 1 is analogous to those involved in *McRO*, wherein the Court found claims of software patents were not directed to abstract ideas under *Alice* step one. Reply Br. 3–6.

The claims in *McRO* were not directed to an abstract idea, but instead were directed to “a specific asserted improvement in computer animation, i.e., the automatic use of rules of a

particular type.” . . . We explained that “the claimed improvement [was] allowing computers to produce ‘accurate and realistic lip synchronization and facial expressions in animated characters’ that previously could only be produced by human animators.” . . . The claimed rules in *McRO* transformed a traditionally subjective process performed by human artists into a mathematically automated process executed on computers. . . .

*FairWarning*, 839 F.3d at 1094 (differentiating the claims at issue from those in *McRO*).

In *McRO*, “it . . . [was] the incorporation of the claimed rules . . . [for the process of creating animation], not the use of the computer, that improved the existing technology process,” because the prior process performed by humans “was driven by subjective determinations rather than specific, limited mathematical rules.” *McRO*, 837 F.3d at 1314 (internal quotation marks, citation, and alterations omitted). In contrast, the claims of the instant application merely implement information transfers based on some user selection and are not directed to a technological operation such as animation for which another technological solution in the form of mathematical rules unobstructed by human intervention to interpolate the animation sequences. In particular, the claims recite nothing about how the newsfeeds are generated, and the newsfeeds are not computer animation.

We are not persuaded by Appellants’ argument that the claims do not preempt all means of operating the referral system. Reply Br. 7. “Where a patent’s claims are deemed only to disclose patent ineligible subject matter under the *Mayo* [*Alice*] framework, as they are in this case, preemption

concerns are fully addressed and made moot.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015).

We are not persuaded by Appellants’ argument that the claims contain an inventive concept that is also found in the specific ordered combination of the limitations, similar to the Federal Circuit’s findings in *BASCOM* (*Bascom Global Internet Servs. v. AT&T Mobility LLC*, 827 F.3d 1341, 1350 (Fed. Cir. 2016)). Reply Br. 7–8. Initially, we remind Appellants that *Bascom* did not find claims eligible, but rather that the Appellees did not provide sufficient evidence to support a 12(b)(6) motion to dismiss in which facts are presumed in the non-movant’s favor. The key fact in *Bascom* was the presence of a structural change in “installation of a filtering tool at a specific location, remote from the end-users, with customizable filtering features specific to each end user. This design gives the filtering tool both the benefits of a filter on a local computer and the benefits of a filter on the ISP server.” *Bascom*, 827 F.3d at 1350.

Appellants here repeat the claim limitations and conclude that their sequence provides some benefit. This is a conclusory argument and there is no structural change in the organization of data flow from the conventional flow of data reception-analysis-generation-transmission, as we find *supra*. Basically, Appellants depend on the meaning of the content that is distributed to achieve the benefits, but that meaning is discernable only in the human mind and afforded no patentable weight. *See In re Bernhart*, 417 F.2d 1395, 1399 (CCPA 1969).

We are not persuaded by Appellants’ argument that the claims contain an inventive concept that is also found in the specific ordered combination of the limitations, similar to the Federal Circuit’s findings in *Amdocs*

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(*Amdocs (Israel) Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288 (Fed. Cir. 2016)) for reasons similar to those supra relative to *Bascom*. Reply Br. 9–10.

*Claims 1–26 rejected under 35 U.S.C. § 103(a) as unpatentable over  
Rotbard, Subramanian, and Amaro*

We are persuaded by Appellants’ argument that the art applied fails to describe a news story about the viewing user claiming the coupon in a feed of news stories. App. Br. 13. The Examiner finds that Rotbard describes communicating an appropriate message. Ans. 10. Examples of such messages are resending a coupon, a social announcement from a business, or even an article of information from a participating business’s web site. Rotbard para. 70. The Examiner presents no evidence the message would describe a news story about the viewing user claiming the coupon.

#### CONCLUSIONS OF LAW

The rejection of claims 1–26 under 35 U.S.C. § 101 as directed to non-statutory subject matter is proper.

The rejection of claims 1–26 under 35 U.S.C. § 103(a) as unpatentable over Rotbard, Subramanian, and Amaro is improper.

#### DECISION

The rejection of claims 1–26 is affirmed.

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No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 1.136(a)(1)(iv) (2011).

AFFIRMED