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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte DIVYA GOPINATH, RAJESH RADHAKRISHNAN, and
JENNIFER A. WATSON

Appeal 2017-001963
Application 13/800,140
Technology Center 3600

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

COURTENAY, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants appeal under 35 U.S.C. § 134(a) from a final rejection of claims 1, 2, and 26–39, which are all the claims pending in this application. Claims 3–25 are cancelled. We have jurisdiction over the pending claims under 35 U.S.C. § 6(b).

We affirm.

STATEMENT OF THE CASE

Introduction

Appellants' invention is directed to “generat[ing] and execut[ing] an e-commerce gift offer for a social network contact as a function of integrating social network data into a web site offering goods or services for sale within a network computing environment.” Abstract.

Representative Claim

Claim 1 is representative of the invention and reads as follows:

1. A computer implemented method for automatically generating and executing an e-commerce gift offer for a social network contact as a function of integrating social network data, the method comprising executing on a processor the steps of:

in response to a selection of an item that is offered for sale on a first web site that offers goods or services for sale, determining a category of the item;

searching social network personal data of a first user that is associated with the selection of the item to identify a plurality of other, second users that are listed within the personal data of the first user and are indicated by individual social network profile data of the second users to at least one of like an item that is within the category and to have previously purchased an item within the category, wherein the personal data of the first user and the individual social network profile data of the second users are acquired from a social network web site that is different from the first web site, and wherein the second users are each indicated by the social network personal data of the first user to be at least one of a friend, a family member and a business associate of the first user;

using the individual social network profile data of the second users that is acquired from the social network web site to automatically determine a geographic location of a current residence of each of the second users;

presenting a rank-ordered listing of offers to the first user to select the item for additional gift purchase for each of the second users by ranking the offers to family members ahead of friends and to friends ahead of offers to business associates of the first user, and as a function of distance from geographic locations of current residences of each of the second users to a geographic location of the item; and

in response to acceptance of one of the rank order listed offers, identifying at least one online retailer that offers the item for sale and provides for delivery of the item to the determined geographic location of the current residence of the second user that is identified in the accepted offer, and automatically

selecting one of the at least one online retailers for execution of the additional gift purchase of the item for the second user that is identified in the accepted offer that has at least one of lowest transaction cost, a highest customer satisfaction rating, and a shortest estimated shipping time.

*Rejection*¹

Claims 1, 2, and 26–39 are rejected under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter. Final Act. 2.

Issue on Appeal

Did the Examiner err in rejecting claims 1, 2, and 26–39 under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter?

ANALYSIS

We have considered all of Appellants’ arguments and any evidence presented. To the extent Appellants have not advanced separate, substantive arguments for particular claims, or other issues, such arguments are waived. *See* 37 C.F.R. § 41.37(c)(1)(iv). We highlight and address specific findings and arguments for emphasis in our analysis below.

Mayo/Alice Analysis under 35 U.S.C. § 101

Under 35 U.S.C. § 101, a patent may be obtained for “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.” The Supreme Court has “long held that this provision contains an important implicit exception: Laws of nature, natural phenomena, and abstract ideas are not patentable.” *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014) (quoting *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 589 (2013)).

¹ The Examiner withdrew the rejections under 35 U.S.C. § 102. Final Act. 4.

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, 82–84 (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*, 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, such as an *abstract idea*. Abstract ideas may include, but are not limited to, fundamental economic practices, methods of organizing human activities, an idea of itself, and mathematical formulas or relationships. *Id.* at 2355–57.

If the claims are *not directed* to a patent-ineligible concept, *the inquiry ends*. See *Visual Memory LLC v. NVIDIA Corp.*, 867 F.3d 1253, 1262 (Fed. Cir. 2017).

Otherwise, the inquiry proceeds to the second step in which the elements of the claims are considered “individually and ‘as an ordered combination’ to determine whether the additional elements ‘transform the nature of the claim’ into a patent-eligible application.” *Alice*, 134 S. Ct. at 2355 (quoting *Mayo*, 566 U.S. at 79, 78). We consider the question of whether the claims are directed to a *specific improvement* in the capabilities of the computing devices, or, instead, “a process that qualifies as an ‘abstract idea’ for which computers are invoked merely as a tool.” *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1336 (Fed. Cir. 2016).

We, therefore, decide under step two whether the claims: (a) set forth an *inventive concept* that provides a specific means or method that *improves* the relevant technology, or (b) are directed to a result or effect that itself is

the abstract idea, in which the claims merely invoke generic processes and machinery. *See Enfish*, 822 F.3d at 1336.

The Examiner's Rejection under 35 U.S.C. § 101

Regarding the first part of the *Alice/Mayo* analysis, the Examiner concludes claims 1, 2, and 26–39 are directed to the abstract idea of:

the series of steps instructing how to generate and execute e-commerce gift offers for social network contracts, which is a fundamental economic practice, and hence, an abstract idea.

(Final Act. 2).²

Regarding the second step of the *Mayo/Alice* analysis, the Examiner finds the claims do not:

include additional elements that are sufficient to amount to significantly more than the judicial exception.

Final Act. 4. ³

The Examiner further finds: “The present claims are directed to creating contractual relationships relating to the purchase and gifting of goods, which is analogous to the creation of other contractual relationships.

The other elements in the present claims include: a “web site”; “social network”; and “online”.

² “Patent eligibility under § 101 presents an issue of law.” *Accenture Glob. Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1340 (Fed. Cir. 2013).

³ The patent eligibility inquiry may contain underlying issues of fact. *Mortg. Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1325 (Fed. Cir. 2016). In particular, “[t]he question of whether a claim element or combination of elements is well-understood, routine and conventional to a skilled artisan in the relevant field is a question of fact.” *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1368 (Fed. Cir. 2018).

Such elements are generic computer elements and all provide communication and interface functions. Each has been long used in the art and is not being used in a novel manner.” Final Act. 4.

Thus, the Examiner concludes that all claims 1, 2, and 26–39 on appeal are not patent-eligible under 35 U.S.C. § 101.

Mayo/Alice Analysis — Step 1

Regarding *Alice* Step 1, Appellants contend, *inter alia*, that

It is clear that the analysis of the examiner at pages 2-4 of the Examiner’s Answer fails to consider whether their character of the claim limitations as a whole is directed to a patent ineligible concept, improperly describes the claims at a high level of abstraction untethered from the language of the claim in determining the focus of the claimed invention, and ignores the admonishment that an invention’s ability to run on a general purpose computer does not doom the claim (*Memorandum on Enfish and TLI Communications*).

Reply Br. 4.

Appellants specifically contend the Examiner’s decision is erroneous in view of the following intervening cases: “*Enfish, LLC v. Microsoft Corp. and TLI Communications LLC v. A.V Automotive, LLC*,” “*Bascom Global Internet, Inc. v. AT&T Mobility LLC*,” and “*McRO, Inc. v. Bandai Namco Games America Inc.*” (Reply Br. 1–2.)

We note Appellants’ independent claim 1 is directed to, *inter alia*: generating and executing an e-commerce gift offer for a social network contact as a function of integrating social network data, and executing a series of steps, including searching personal data, determining the geographic location of users, presenting a listing of offers to a user, and in response to acceptance of an offer, selecting online retailers based on certain

recited variables. Remaining independent claims 28, 32, and 36 recite similar language of commensurate scope.⁴

Our reviewing court guides that claimed fundamental economic and conventional business practices are often abstract ideas, even if performed on a computer. *See, e.g., OIP Techs. Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015); *Credit Acceptance Corp. v. Westlake Servs.*, 859 F.3d 1044, 1054 (Fed. Cir. 2017) (“Each of the claims is directed to the abstract idea of processing an application for financing a purchase.”).

Thus, under a broad but reasonable interpretation, we conclude each of Appellants’ claims on appeal is directed to an economic or business practice, i.e., to the *result* of “generating and executing an e-commerce gift offers for a social network contact as a function of integrating social network data.” Claim 1. However, our reviewing court guides “[t]he abstract idea exception prevents patenting a *result* where ‘it matters not by what process or machinery the result is accomplished.’” *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1312 (Fed. Cir. 2016) (quoting *O’Reilly v. Morse*, 56 U.S. 62, 113 (1854)) (emphasis added).

This guidance is applicable here. Therefore, on this record, we are not persuaded of error regarding the Examiner’s legal conclusion that all claims on appeal are directed to the abstract idea of a “fundamental economic practice.” (Final Act. 2).

⁴ We give the contested claim limitations the broadest reasonable interpretation (BRI) consistent with the Specification. *See In re Morris*, 127 F.3d 1048, 1054 (Fed. Cir. 1997).

Mayo/Alice Analysis – Step 2

Because the claims are directed to an abstract idea, we turn to the second part of the *Alice/Mayo* analysis. We analyze the claims to determine if there are additional limitations that individually, or as an ordered combination, ensure the claims amount to “significantly more” than the abstract idea. *Alice*, 134 S. Ct. at 2357.

Regarding *Alice* Step 2, Appellants urge: “The inventions defined by amended independent claims 1, 28, 32 and 36 are not ‘well-understood,’ ‘routine’ or ‘conventional’ in the field of optimizing information technology systems in response to environmental data inputs.” (App. Br. 7).

Appellants specifically argue the limitations of claim 1:

“[A]dd a specific limitation other than what is well-understood, routine and conventional in the field”, or “add unconventional steps that confine the claim to a particular useful application” within the field of project management. This is indicated by the examiner’s express findings that the claimed subject matter is *allowable* under 35 USC 103 over the prior art of record. Thus, that the unique and specifically defined system and process steps as described above, and their interdependent relationships as used to revise task lengths, are not “well-understood,” “routine” or “conventional” in the field of project management. Accordingly, consideration (5) of the Step 2B analysis establishes and supports a finding that the claimed inventions at issue are statutory subject matter under 35 USC 101. Additionally, pursuant to consideration (1) of the Step 2B analysis “Significantly More” considerations listed above, the claimed device aspects provide an *improvement* to the technical field of retail e-commerce. The improvements provide automated devices that transfer friends’ names, addresses and preferences directly from social network data domains on a continual, periodic or as-needed basis to e-commerce gift giving platforms, thereby providing for improved efficiencies in

finding, purchasing and shipping an appropriate gift for a particular person identified in an end-user's social network.
(App. Br. 8–9).

Appellants' arguments do not persuade us the Examiner erred, because the withdrawal of a rejection over prior art does not provide a basis for a “significantly more” consideration. We emphasize that our review for patent-eligible subject matter under 35 U.S.C. § 101 is independent of any review of another rejection. The Supreme Court emphasizes: “[t]he ‘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.” *Diamond v. Diehr*, 450 U.S. 175, 188–89 (1981). Our reviewing court further guides that “[e]ligibility and novelty are separate inquiries.” *Two-Way Media Ltd. v. Comcast Cable Commc'ns., LLC*, 874 F.3d 1329, 1340 (Fed. Cir. 2017); *see also Affinity Labs of Tex., LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1263 (Fed. Cir. 2016) (holding that “[e]ven assuming” that a particular claimed feature was novel does not “avoid the problem of abstractness”).

Moreover, Appellants essentially recite the claim limitations without any persuasive explanation of how the limitations either individually, or as an ordered combination, amount to an inventive concept that converts the abstract idea (i.e., the fundamental economic practice of presenting offers and making gift delivery arrangements) into patent-eligible subject matter.

Appellants further contend:

The claimed device aspects provide an *improvement* to the technical field of retail ecommerce: by executing the precedential series of “rules” or steps, they autonomously transfer friends' names, addresses and preferences directly from social network data domains, suggest gift purchases for friends

as a function of identifying specific preferences from the transferred social network data (inclusive of purchase history), and drive the purchase of gifts via e-commerce gift giving platforms as a function of the transferred geographic residence data of the friends, and as a function of pricing and shipping data from the respective e-commerce platforms, *all without the need for the user to spend time and effort on manually initiating or directing the process*, or to populate each e-commerce site with purchasing information.

Reply Br. 5–6, emphasis added.

However, to the extent that Appellants’ recited steps or acts (or functions) may be performed faster or more efficiently using a computer (App. Br. 8), our reviewing court provides applicable guidance:

While the claimed system and method certainly purport to accelerate the process of analyzing audit log data, **the speed increase comes from the capabilities of a general-purpose computer, rather than the patented method itself.** *See Bancorp Servs., L.L.C. v. Sun Life Assurance Co. of Can. (U.S.)*, 687 F.3d 1266, 1278 (Fed. Cir. 2012) (“[T]he fact that the required calculations could be performed **more efficiently** via a computer does not materially alter the patent eligibility of the claimed subject matter.”).

FairWarning IP, LLC v. Iatric Sys., Inc., 839 F.3d 1089, 1095 (Fed. Cir. 2016) (emphases added).

Further, regarding the use of a generic processor, *see Alice*, 134 S. Ct. at 2358, holding that “the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention;” *Bascom Glob. Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1348 (Fed. Cir. 2016) (“An abstract idea on ‘an Internet computer network’ or on a generic computer is still an abstract idea.”); *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1355 (Fed. Cir. 2016) (quotation omitted);

(“We have repeatedly held that such invocations of computers and networks that are not even arguably inventive are ‘insufficient to pass the test of an inventive concept in the application’ of an abstract idea.”) (quotations omitted).

Regarding Appellants’ contention the Examiner’s decision is erroneous in view of the intervening case “*McRo, Inc. v. Bandai Namco Games America Inc.*” (Reply Br. 2–6), we conclude the claims here are directed to the abstract idea of a *fundamental economic practice* (generating gift offers), and are thus distinguished from the *McRo* claims that *automate lip synchronization using rules*. In *McRo*, the court emphasized that the claimed automated lip synchronization was patent-eligible because “the automation goes beyond merely ‘organizing [existing] information into a new form’ or carrying out a *fundamental economic practice*.” *McRo*, 837 F.3d at 1314 (internal citation omitted) (emphasis added).

Appellants further contend the absence of preemption confirms an inventive step. Reply Br. 6.

Our reviewing court provides applicable guidance: “[w]hile preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015). Therefore, we are not persuaded by Appellants’ argument regarding the absence of complete preemption.

In summation, the category of abstract ideas embraces “fundamental economic practice[s] long prevalent in our system of commerce.” *Alice*, 134 S. Ct. at 2356. Here, it is our view that merchants have long determined offering products using various modeling algorithms that take into account

customer data with respect to selecting offerings. This practice is a common fundamental economic and business practice. Furthermore, “simply appending conventional steps, specified at a high level of generality, to laws of nature, natural phenomena, and abstract ideas cannot make those laws, phenomena, and ideas patentable.” *Mayo*, 566 U.S. at 82.

Nor do we find Appellants’ claims similar to the claimed solution the court held to be patent-eligible in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014). Here, we conclude Appellants’ claimed solution is not rooted in computer technology, such that the invention on appeal overcomes a problem specifically arising in the realm of computers, including computer networks, as was the case with the type of claim the court concluded was patent-eligible in *DDR Holdings*. (*Id.* at 1257).

We further conclude that independent claims 1, 28, 32, and 36 are not related to the type of patent-eligible database claim considered by the court in *Enfish*. We note all claims on appeal are silent regarding any mention of a database. Therefore, none of Appellants’ claims is directed to a “self-referential table for a computer database” of the type considered in *Enfish*, 822 F.3d at 1336.

Appellants additionally cite to *Bascom* as an intervening case. Reply Br. 2. However, the court guides in *Bascom*, 827 F.3d at 1348, that implementing “[a]n abstract idea on ‘an Internet computer network’ or on a generic computer is still an abstract idea.”

We find nothing in the claims on appeal that focuses on a specific means or method that *improves* the recited “processor” or “computer system.” (Independent claims 1, 28, 32, and 36). In particular, we find the

claims on appeal are silent regarding specific limitations directed to an *improved* computer system, processor, memory, database, or Internet.

Our reviewing court provides further guidance regarding the use of such *generic computers* and/or computer/network components. *Intellectual Ventures I*, 850 F.3d at 1341 (“Rather, the claims recite both a generic computer element—a processor—and a series of generic computer ‘components’ that merely restate their individual functions That is to say, they merely describe the functions of the abstract idea itself, without particularity. This is simply not enough under step two.”).

Because none of Appellants’ claims on appeal is directed to an *improvement* in a processor, database, or other computer component, we conclude that none of the claim limitations, viewed “both individually and as an ordered combination,” amounts to significantly more than the judicial exception in order to sufficiently transform the nature of the claims into patent-eligible subject matter. *See Alice*, 134 S. Ct. at 2355 (internal quotations omitted) (quoting *Mayo*, 566 U.S. at 79).

Applying the aforementioned guidance from our reviewing courts to the claims before us on appeal, we conclude, in our *Mayo/Alice* analysis, that each of Appellants’ claims 1, 2, and 26–39, considered as a whole, is directed to (under *step one*), a *patent-ineligible abstract idea*, and under *step two*, does not recite something “*significantly more*” to transform the nature of the claim into a patent-eligible application.

Accordingly, for at least the reasons discussed above, we sustain the Examiner’s rejection under 35 U.S.C. § 101 of claims 1, 2, and 26–39, as being directed to patent-ineligible subject matter in light of *Alice* and its progeny.

CONCLUSION

The Examiner did not err in rejecting claims 1, 2, and 26–39, under 35 U.S.C. § 101, as being directed to patent-ineligible subject matter.

DECISION

We affirm the Examiner’s decision rejecting claims 1, 2, and 26–39 under 35 U.S.C. § 101.

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