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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* LAWRENCE F. GLASER<sup>1</sup>

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Appeal 2017-002256  
Application 13/275,108  
Technology Center 3600

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Before CARL W. WHITEHEAD JR., BRADLEY W. BAUMEISTER, and  
PHILLIP A. BENNETT, *Administrative Patent Judges*.

BAUMEISTER, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant appeals under 35 U.S.C. § 134(a) from the Examiner's  
Final Rejection of claims 31–79, which constitute all the claims pending in  
this application. App. Br. 9.<sup>2</sup> We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

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<sup>1</sup> Appellant lists Xenogenic Development Limited Liability Company as the  
real party in interest. Appeal Brief 3 (filed March 29, 2016) (“App. Br.”).

<sup>2</sup> Appellant notes that a prior Final Action incorrectly listed which claims  
stand rejected under 35 U.S.C. § 101, but Appellant interprets the Action as  
intending to recite claims 31–79. App. Br. 9. The Examiner confirms this  
interpretation on page three of the Final Action mailed February 22, 2016  
 (“Final Act”).

## THE INVENTION

Appellant describes the present invention as follows:

A system and method for advertising wherein a communication from a sending party to a receiving party includes one or more advertisements. Such communication could include one or more of an email, a voice mail, a voice communication (i.e. a telephone call or internet based telephony communication), a facsimile message, a pager message, or any other suitable electronic communication. In a preferred embodiment, the communication is an email sent from a sending party to a receiving party, wherein the email includes an advertisement for a product or service used by the sending party. Such advertisement could include a “testimonial” from the sending party, [whose] credibility is established with the receiving party. In another preferred embodiment, the advertisement could be for a software program installed and operated on a computer system used by the sending party. The advertisement is included in the email message of the sending party as a result of an election made by the sending party during installation of the software program. The advertisements can be structured in a multi-level marketing type organization including trusted and credible reporting systems to account for each participant’s advertising efforts.

Abstract.

Independent claim 31 illustrates the claimed invention:<sup>3</sup>

31. A method, comprising:
- installing a product on a first processing device;
  - receiving an indication of an agreement at the first processing device during installation of the product;
  - automatically embedding, using the first processing device, an advertisement about the product in a communication

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<sup>3</sup> Appellant argues all of claims 31–79 together as a group. *See* App. Br. 9–12. Accordingly, we select independent claim 31 as representative. *See* 37 C.F.R. § 41.37(c)(1)(iv).

transmitted from the first processing device in response to the receiving the indication of the agreement during the installation of the product that allows the first processing device to embed the advertisement about the product in the communication;

transmitting, using the first processing device, the communication with the advertisement about the product embedded therein to a second processing device distinct from the first processing device; and

determining, using the first processing device, a compensation due for embedding the advertisement in the communication.

#### THE REJECTION AND CONTENTIONS

Claims 31–79 stand rejected under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter. Final Act. 2–5.<sup>4</sup> The Examiner has withdrawn a previously issued double patenting rejection as a result of Appellant’s filing of a terminal disclaimer. *Id.* at 4.

The Examiner determines that the claims are directed to an abstract idea because they relate to a fundamental economic practice and also to organizing human activity. Ans. 2. The Examiner further concludes that the claim elements that recite performing steps with processor elements do not add significantly more to the abstract idea because, *inter alia*, the claims do not include an improvement to another technology. *Id.* at 3. According to the Examiner “[t]he limitations are merely instructions to implement the abstract idea on a computer and require no more than a generic computer to

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<sup>4</sup> Rather than repeat the Examiner’s positions and Appellant’s arguments in their entirety, we refer to the above mentioned Appeal Brief and Final Action, as well as the following documents for their respective details: the Examiner’s Answer mailed September 22, 2016 (“Ans.”) and the Reply Brief filed November 22, 2016 (“Reply Br.”).

perform generic computer functions that are well-understood, routine and conventional activities previously known to the industry.” *Id.*

Appellant argues the claims are not directed to activities such as hedging, intermediated settlement, or any other fundamental economic practice that is long prevalent and extensively used in our system of commerce. App. Br. 10. Appellant similarly asserts that the record is devoid of any evidence that the recited method is anything like the fundamental economic practices involved in the inventions of *Alice*<sup>5</sup> or *Bilski*.<sup>6</sup> *Id.* at 11.

Appellant also argues that even if the claims are directed to a fundamental economic practice or other judicial exception, the claims amount to significantly more than the judicial exception, thus, rendering the claims patent eligible. *Id.* According to Appellant, the claimed processing device transforms the communication into a communication that includes an advertisement only under certain circumstances. *Id.* Appellant argues that the invention embeds the advertisement in a particular manner and time, such that the claims recite more than a judicial exception and adding the words “apply it.” *Id.* at 11–12. Appellant also argues “[t]he recited claim language is fairly detailed and specific and not just ‘conventional steps, specified at a high level of generality.’” *Id.* at 12.

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<sup>5</sup> *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347 (2014).

<sup>6</sup> *Bilski v. Kappos*, 130 S. Ct. 3218 (2010).

## PRINCIPLES OF LAW

We review the appealed rejections for error based upon the issues identified by Appellant, and in light of the arguments and evidence produced thereon. *Ex parte Frye*, 94 USPQ2d 1072, 1075 (BPAI 2010) (precedential).

Regarding the question patent eligibility under 35 U.S.C. § 101, the Supreme Court has set 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*, 134 S. Ct. at 2355 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 71–73 (2012)). In the first step of the analysis, we determine whether the claims at issue are “directed to” a judicial exception, such as an abstract idea. *Id.* at 2355. If not, the inquiry ends. *Thales Visionix Inc. v. U.S.*, 850 F.3d 1343, 1346 (Fed. Cir. 2017); *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1339 (Fed. Cir. 2016). If the claims are determined to be directed to an abstract idea, then we consider under step two whether the claims contain an “inventive concept” sufficient to “transform the nature of the claim into a patent-eligible application.” *Alice*, 134 S. Ct. at 2355 (quotations and citation omitted).

In considering whether a claim is directed to an abstract idea, we acknowledge, as did the Supreme Court, 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. We, therefore, look to whether the claims focus on a specific means or method that improves the relevant technology or are instead directed to a result or effect that itself is the abstract idea and merely invoke generic processes and machinery. *See Enfish*, 822 F.3d at 1336.

If the claims are directed to an abstract idea, we then must consider whether the claim contains an element or a combination of elements that is sufficient to transform the nature of the claim into a patent-eligible application. *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 714 (Fed. Cir. 2014); *Alice*, 134 S. Ct. at 2355.

In applying step two of the Alice analysis, we must “determine whether the claims do significantly more than simply describe [the] abstract method” and thus transform the abstract idea into patentable subject matter. . . . We look to see whether there are any “additional features” in the claims that constitute an “inventive concept,” thereby rendering the claims eligible for patenting even if they are directed to an abstract idea. . . . Those “additional features” must be more than “well-understood, routine, conventional activity.”

*Intellectual Ventures I LLC v. Erie Indemnity Company*, 850 F.3d 1315, 1328 (Fed. Cir. 2017) (citations omitted).

Claims that “merely require generic computer implementation[] fail to transform [an] abstract idea into a patent-eligible invention.” *Id. Alice*, 134 S. Ct. at 2357.

## ANALYSIS

### *Step 1*

We need not decide whether the claims reasonably can be characterized as being related to a fundamental economic practice or organizing human activity. It is sufficient that the claims reasonably can be characterized as being directed to concepts relating to advertising, marketing, and sales activities or behaviors. *See* MPEP § 2106.04(a)(2) Part (II). More specifically, Appellant’s invention is analogous to the pre-Internet business practice of a roofer, remodeler, or other construction

worker giving a customer a discount on their services in return for the homeowner allowing the worker to temporarily place an advertising sign in the homeowner's front yard. The only substantive difference between that pre-Internet method of advertising and the present invention is that the present invention entails carrying out the advertising on the Internet and automating the compensation.

The courts have found such automated advertising, marketing, and sales activities to constitute patent-ineligible abstract ideas. For example, in *Ultramercial*, our reviewing court determined

The process of receiving copyrighted media, selecting an ad, offering the media in exchange for watching the selected ad, displaying the ad, allowing the consumer access to the media, and receiving payment from the sponsor of the ad all describe an abstract idea, devoid of a concrete or tangible application. Although certain additional limitations, such as consulting an activity log, add a degree of particularity, the concept embodied by the majority of the limitations describes only the abstract idea of showing an advertisement before delivering free content.

*Ultramercial*, 772 F.3d at 715.

#### *Step Two*

We, likewise, are unpersuaded that the Examiner erred in concluding that the claim elements fail to add significantly more to the abstract idea of claim 31. *See* App. 11–12 (wherein Appellant argues that the claims amount to significantly more than the abstract idea).

Appellant does not point to any technological problem that the invention solves. *See generally* App. Br.; *see generally* Reply Br. Rather, Appellant's invention instead appears to entail merely employing the abstract marketing idea in a particular technological environment. For example, Appellant's Specification indicates that the communication in

which the advertisement is embedded can be associated with any of various generically recited devices, such as email, voice mail, voice communication, facsimile message, pager message, video message, or any other suitable electronic communication. Spec. 9:18–21. Moreover, the process of the present invention is described at a very high, generic level. *See id.* at 13:3–14:27; FIG. 2.

As our reviewing court explained, “[n]arrowing the abstract idea of using advertising as a currency to the Internet is an ‘attempt[ ] to limit the use’ of the abstract idea ‘to a particular technological environment,’ which is insufficient to save a claim.” *Ulramercial*, 772 F.3d at 716.

#### DECISION

Appellant has not persuaded us of error in the Examiner’s determination that the appealed claims are directed to patent-ineligible subject matter. Accordingly, the Examiner’s decision rejecting claims 31–79 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). *See* 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED