



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
13/029,760	02/17/2011	Thomas Hochstatter	6857-27200	1302
27571	7590	07/05/2018	EXAMINER	
Ascenda Law Group, PC 333 W San Carlos St. Suite 200 San Jose, CA 95110			HOAR, COLLEEN A	
			ART UNIT	PAPER NUMBER
			3621	
			NOTIFICATION DATE	DELIVERY MODE
			07/05/2018	ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

patents@ascendalaw.com
tarek.fahmi@ascendalaw.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte THOMAS HOCHSTATTER, JOHN LEONARD, and
CHRISTOPHER MCKINZIE¹

Appeal 2017-004192
Application 13/029,760
Technology Center 3600

Before JAMES R. HUGHES, ERIC S. FRAHM, and
MATTHEW J. McNEILL, *Administrative Patent Judges*.

McNEILL, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants appeal under 35 U.S.C. § 134(a) from a rejection of claims 1, 2, 4–8, and 21–33, which are all the claims pending in this application.²

We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

¹ According to Appellants, the real party in interest is III Holdings 1, LLC.
App. Br. 2.

² Claims 3 and 9–20 were canceled by amendment on September 2, 2015.

STATEMENT OF THE CASE

Introduction

Appellants' application relates to automatically providing customized promotional offers to customers. Spec. ¶ 1. Claim 1 illustrates the appealed subject matter and reads as follows:

1. A computer based method, comprising:

assigning, by a computer based system, a first transaction account to a first population of a plurality of populations based on first transaction account data associated with the first transaction account, wherein each of the plurality of populations includes one or more transaction accounts associated with respective members and with respective transaction account data, and wherein the plurality of populations are stored in a database of the computer based system;

receiving, by the computer based system and from an offeror, an offer comprising one or more offer criteria, wherein the one or more offer criteria include a weather-based criterion;

obtaining, by the computer based system, respective weather conditions corresponding to real-time locations of one or more members of the plurality of populations;

selecting, by the computer based system, particular members of the one or more members based on the obtained respective weather conditions and the one or more offer criteria;
and

communicating, by the computer based system, the offer to the particular members.

The Examiner's Rejections

Claims 1, 2, 4–8, and 21–33 stand rejected under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter.

Claims 1, 2, 4–8, and 21–33 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Amaro (US 2011/0087547 A1; Apr. 14, 2011) and Ramer (US 8,156,128 B2; Apr. 10, 2012).

ANALYSIS

Patent-Ineligible Subject Matter

Appellants argue all of claims 1, 2, 4–8, and 21–33 together with respect to the Examiner's patent-ineligible subject matter rejection. *See* App. Br. 12. Accordingly, we select independent claim 1 as representative of all claims in addressing Appellants' arguments below. *See* 37 C.F.R. § 41.37(c)(1)(iv).

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)).

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 (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. Assuming that a claim nominally falls within one of the statutory categories of machine, manufacture, process, or composition of matter, the first step in the analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts.” *Id.* For example, abstract ideas 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 claim is directed to a judicial exception, such as an abstract idea, the second step is to determine whether additional elements in the claim “‘transform the nature of the claim’ into a patent-eligible application.” *Id.* at 2355 (quoting *Mayo*, 566 U.S. at 78). This second step is described as “a search for an “‘inventive concept’”—*i.e.*, an element or combination of elements that is ‘. . . significantly more than . . . the [ineligible concept] itself.’” *Id.* at 2355 (alteration in original) (quoting *Mayo*, 566 U.S. at 72–73).

A Prima Facie Case of Patent-Ineligibility

At the outset, we address Appellants’ contention that the Examiner did not carry the procedural burden of “making specific findings of fact and providing an explanation of the rationale for its decision,” particularly with respect to the dependent claims. App. Br. 8. We treat Appellants’ contention as asserting the Examiner failed to make a prima facie case of patent-ineligibility. 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 “PTO carries its procedural burden of establishing a prima facie case when its rejection satisfies 35 U.S.C. § 132, in ‘notify[ing] the applicant . . . [by] stating the reasons for [its] rejection, or objection or requirement, together with such information and references as may be useful in judging of the propriety of continuing the prosecution of [the] application.’” *In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011) (alterations in original) (quoting 35 U.S.C. § 132). The PTO violates § 132 “when a rejection is so uninformative that it prevents the applicant from recognizing and seeking to counter the grounds for rejection.” *Chester v. Miller*, 906 F.2d 1574, 1578 (Fed. Cir. 1990). But if the PTO “adequately explain[s] the shortcomings it perceives . . . the burden shifts to the applicant to rebut the prima facie case with evidence and/or argument.” *Hyatt*, 492 F.3d at 1370.

The Examiner’s rejection under § 101 satisfies § 132 because it reflects the *Alice* analytical framework by identifying an abstract idea and finding the claims do not amount to significantly more than the abstract idea itself (Final Act. 2–3; Ans. 3–11), thus apprising Appellants of the reasons for the § 101 rejection under that framework. Further, the fact that the Examiner groups the dependent claims together with the independent claims for the *Alice* analysis does not show the Examiner failed to establish a prima facie case. Rather, the grouping expresses the Examiner’s intent to reject all claims for similar reasons. *See* Final Act. 2–3; Ans. 8. As discussed in more detail below, Appellants recognize the Examiner’s *Alice* analysis and present arguments reflecting this analysis. *See* App. Br. 9–12. Appellants do not respond by alleging a failure to understand the rejection. *See id.*

Alice Step One

“The first step in the *Alice* inquiry . . . asks whether the focus of the claims is on the specific asserted improvement in computer capabilities . . . or, instead, on a process that qualifies as an ‘abstract idea’ for which computers are invoked merely as a tool.” *Enfish*, 822 F.3d at 1335–36.

“The 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 America Inc.*, 837 F.3d 1299, 1312 (Fed. Cir. 2016) (quoting *O’Reilly v. Morse*, 56 U.S. (15 How.) 62, 113 (1853)). “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.” *McRO*, 837 F.3d at 1314.

Appellants assert the claims focus on “the technology of effective computer-based identification and electronic communication of relevant offers to consumers” and “include various specific features that improve upon previous techniques for identification and electronic communication of relevant offers,” and contend the claims are analogous to the patent-eligible claims in *McRO*. Reply Br. 2–3. However, claim 1 broadly recites a “computer based system” for performing the claimed steps, without specifically defining the system or reciting limitations that distinguish the technology involved from other computer-based technology. The Specification provides support for broadly interpreting claim 1 as implementing non-specific computer-based technology by stating that “[u]seful machines for performing the operations in the present disclosure may include general-purpose digital computers or similar devices.” Spec.

¶ 77. Accordingly, claim 1 does not “focus on a specific means or method that improves the relevant technology.” *McRO*, 837 F.3d at 1314.

Appellants also contend the Examiner has oversimplified claim 1 by characterizing the claim as a series of five steps. Reply Br. 3. However, claim 1 is in fact comprised of five steps, and the Examiner takes note of each step (*see* Ans. 4) in determining that the claim as a whole is directed to an abstract idea, i.e., “generating rule-based tasks for presenting advertising,” or put differently, “selecting based on generating first data and second data using mathematical techniques and combining the first and second data into a matching offer.” *See* Ans. 6; Final Act. 2. We note that “[a]n abstract idea can generally be described at different levels of abstraction,” and a “slight revision of [the] abstract idea analysis does not impact the patentability analysis.” *Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1240–41 (Fed. Cir. 2016). We, therefore, are not persuaded the Examiner erred in finding claim 1 is directed to an abstract idea.

Alice Step Two

The second step in the Alice analysis requires a search for an “inventive concept” that “must be significantly more than the abstract idea itself, and cannot simply be an instruction to implement or apply the abstract idea on a computer.” *Bascom Global Internet Services, Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1349 (2016). There must be more than “computer functions [that] are ‘well-understood, routine, conventional activit[ies]’ previously known to the industry.” *Alice*, 134 S.Ct. at 2359 (second alteration in original) (quoting *Mayo*, 566 U.S. at 73).

Appellants contend that the ordered combination of limitations in the claims amounts to an inventive concept. *See* App. Br. 10–11. Specifically,

Appellants assert that “previous software and hardware technologies in the prior art lacked technological features that allowed for effective computer-based identification and electronic communication of relevant offers to consumers.” App. Br. 10. In contrast, Appellants argue, “the present system, similarly to the system in *BASCOM*, improves upon various aspects of prior art electronically implemented offer programs,” and “the specific combination of elements recited in the claims cannot be said to be conventional or generic when viewed in relation to the prior art.” App. Br. 11. We are not persuaded by Appellants’ arguments.

We note, with respect to Appellants’ highlighting of the alleged differences between the claims and the prior art (*see* App. Br. 10–11), that although the second step of the *Alice* framework is described as a search for an “inventive concept,” 134 S. Ct. at 2355, the analysis is not an evaluation of novelty or non-obviousness. A novel and non-obvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 566 U.S. at 90; *see also Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1151 (Fed. Cir. 2016) (“[A] claim for a *new* abstract idea is still an abstract idea. The search for a § 101 inventive concept is thus distinct from demonstrating § 102 novelty.”).

Turning to the inventive concept inquiry, we see claim 1 recites “a computer based system” for performing the various claimed steps, including “assigning” an account to a population, “receiving” an offer from an offeror, “obtaining” weather conditions of members’ locations, “selecting” members based on weather conditions, and “communicating” the offer to members. Claim 1 is unlike the claims in *Bascom*, where the claim limitations resulted in a non-conventional arrangement. 827 F.3d at 1349. Here, whether

considered individually or in combination, the computer-based steps of claim 1 are merely conventional. That is, the Specification provides that the system used for performing the claimed computer activities can include “general-purpose digital computers or similar devices,” i.e., conventional computers. Spec. ¶ 77. Further, the claimed computer activities essentially comprise receiving, manipulating, and sending data, which are functions the Specification provides can be implemented in conventional manners. For example, the Specification states “conventional data networking, application development and other functional aspects of the systems (and components of the consumer operating components of the systems) may not be described in detail herein” (Spec. ¶ 15), and “system 100 may employ any number of conventional techniques for data transmission, signaling, data processing, network control, and/or the like.” Spec. ¶ 46.

Moreover, the Federal Circuit has held that computer activities performed by generic computers that amount to no more than receiving, manipulating, and sending data fail to provide significantly more than an abstract idea. *See, e.g., Electric Power Group, LLC v. Alstom S.A.*, 830 F.3d 1350, 1356 (Fed. Cir. 2016) (finding the claims did not contain an inventive concept where they did not require “performing the claimed functions of gathering, analyzing, and displaying in real time by use of anything but entirely conventional, generic technology”); *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1370 (Fed. Cir. 2015) (finding that “merely adding computer functionality to increase the speed or efficiency of” presenting a “pre-designed ad more quickly than a newspaper could send the user a location-specific advertisement insert” was not an inventive concept); *OIP Technologies, Inc. v. Amazon.com*, 788 F.3d 1359, 1363–64

(Fed. Cir. 2015) (finding “present[ing] [offers] to potential customers” and “gathering . . . statistics generated during said testing about how the potential customers responded to the offers” to be “well-understood, routine, conventional data-gathering activities”).

Accordingly, claim 1 amounts to simply applying an abstract idea on a conventional computer-based system, and thus does not contain an inventive concept. *See Bascom*, 827 F.3d at 1349.

Preemption

Finally, we note that preemption is the concern that drives the exclusionary principle of judicial exceptions to patent-eligible subject matter. *Alice*, 134 S.Ct. at 2354. However, preemption is not a separate test of patent-eligibility, but is inherently addressed within the *Alice* framework. *See Ariosa Diagnostics, Inc., v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (“While preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.”). Accordingly, Appellants’ argument that claim 1 does not preempt “all systems and methods of ‘selecting based on generating first data and second data using mathematical techniques and combining the first and second data into a matching offer’” (App. Br. 12), is not, by itself, persuasive of patent-eligibility.

We, therefore, sustain the Examiner’s patent-ineligibility rejection of claim 1, and claims 2, 4–8, and 21–33 grouped therewith.

Obviousness

We have reviewed the Examiner's obviousness rejection in light of Appellants' contentions that the Examiner has erred. We disagree with Appellants' contentions. Except as noted below, we adopt as our own: (1) the findings and reasons set forth by the Examiner regarding the obviousness rejections in the Final Office Action from which this appeal is taken; and (2) the reasons set forth by the Examiner regarding the obviousness rejection in the Examiner's Answer in response to Appellants' Appeal Brief. We highlight the following additional points.

Appellants contend neither Amaro nor Ramer teaches "selecting, by the computer based system, particular members of the one or more members based on the obtained respective weather conditions and the one or more offer criteria." In particular, Appellants argue that although "Amaro teaches providing 'an advertising network . . . based on a transaction handler to present personalized or targeted advertisements/offers on behalf of advertisers,'" "Amaro is entirely silent regarding 'obtained respective weather conditions.'" App. Br. 13. Further, Appellants argue that while "Ramer teaches . . . 'using the parameters of geographic location and time, the automatically generated search query may return results containing the current day's weather conditions for that location,'" "Ramer fails to teach or suggest 'selecting . . . particular members . . . based on the obtained respective weather conditions' as recited by claim 1." App. Br. 13–14. In other words, Appellants argue, "Ramer fails to teach or suggest using weather as a criterion for selecting users or advertisements." Reply Br. 5.

Appellants have not persuaded us of Examiner error. We note that the Examiner relies on both Amaro and Ramer for collectively disclosing the

claim 1 limitation of “selecting, by the computer based system, particular members of the one or more members based on the obtained respective weather conditions and the one or more offer criteria.” *See* Final Act. 5. Amaro describes “an advertising network . . . to present personalized or targeted advertisements/offers on behalf of advertisers” that uses “intelligence information about individual customers, or certain types or groups of customers.” Amaro, ¶ 25. Accordingly, we find Amaro teaches “selecting . . . particular members . . . based on . . . the one or more offer criteria,” as recited in claim 1. Ramer teaches using criteria, such as user location, for delivering content, such as local restaurant information and local weather. Ramer, col. 24, ll. 28–31. Accordingly, we find Ramer teaches “obtained respective weather conditions,” as also recited in claim 1.

Further, Amaro suggests using obtained weather conditions as a criterion for selecting members to receive a particular offer. Specifically, Amaro describes correlating transactions with non-transactional data such as “news, conferences, shows, announcements, market changes, *natural disasters*, etc. to establish cause and effect relationships to predict future transactions or spending patterns.” Amaro, ¶ 57 (emphasis added). Amaro further describes that “when the cause and effect relationships between the transactions and non-transactional events [e.g., natural disasters] are known (e.g., based on prior research results, domain knowledge, expertise), the relationships can be used in predictive models to predict future transactions or spending patterns, based on events that occurred recently or are happening in real-time.” Amaro, ¶ 58. Moreover, “the non-transactional data relates to events that happened in a geographical area local to the user (101) that performed the respective transactions.” Amaro, ¶ 59. In other

words, Amaro describes determining what local customers buy when a natural disaster occurs, and we find one of ordinary skill in the art would have understood natural disasters to include weather events. Accordingly, in light of Amaro's teaching of selecting customers for targeted advertising (Amaro, ¶ 25), and Ramer's teaching of obtaining local weather based on a user's location (Ramer, col. 24, ll. 28–31), the combination teaches or suggests the claim 1 limitation of “selecting, by the computer based system, particular members of the one or more members based on the obtained respective weather conditions and the one or more offer criteria.”

We, therefore, sustain the rejection of claim 1 as unpatentable over Amaro and Ramer. We also sustain the obviousness rejection with respect to claims 2, 4–8, and 21–33, which are not specifically argued separately.

DECISION

We affirm the decision of the Examiner rejecting claims 1, 2, 4–8, and 21–33.

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. § 41.50(f).

AFFIRMED