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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte KEVIN FLOOD, MICHAEL HARTY,
and MICHAEL DUMA

Appeal 2017-004600
Application 13/418,715¹
Technology Center 3600

Before ELENI MANTIS MERCADER, NORMAN H. BEAMER, and
ADAM J. PYONIN, *Administrative Patent Judges*.

BEAMER, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 1–22. We have jurisdiction over the pending rejected claims under 35 U.S.C. § 6(b).

We affirm and institute a NEW GROUND OF REJECTION within the provisions of 37 C.F.R. § 41.50(b) (2012).

¹ Appellants identify PowerLinks Media Limited as the real party in interest. (App. Br. 2.)

THE INVENTION

Appellants' disclosed and claimed invention is directed to an embedding of contextually-relevant advertisements in a webpage. (Spec.

¶ 1.)

Independent claims 1 and 16, reproduced below, are illustrative of the subject matter on appeal:

1. A method for displaying an advertisement, comprising:
 - receiving product data describing a plurality of products and services from at least one advertiser,
 - generating, using a processor in a processing unit, standardized product data from the received product data;
 - storing the standardized product data in a product data database of the processing unit;
 - generating, using the processor in the processor unit, keywords from the standardized product data;
 - assigning, using the processor in the processing unit, a priority value to each keyword in the plurality of keywords based on keyword contextual information, user information, and performance information;
 - analyzing, using the processor in the processing unit, a webpage to identify a plurality of words displayed by the webpage;
 - assigning, using the processor in the processing unit, a weight value to each word in the plurality of words based on word contextual information and user information;
 - selecting, using the processor in the processing unit, a word in the plurality of the words based on the assigned word weight value;
 - comparing, using the processor in the processing unit, the selected word to the plurality of keywords to obtain at least one matched keyword, wherein the at least one matched keyword is generated based on the selected word and is stored in the

keyword database when the selected word is not found in the keyword database;

selecting, using the processor in the processing unit, at least one keyword from the at least one matched keyword based on the assigned keyword priority value; and

modifying the webpage such that when a user of the webpage interacts with the selected word displayed by the webpage, an advertisement for the product or service corresponding to the at least one keyword is displayed.

16. A method for distributing advertisements, comprising:

receiving product data corresponding to a plurality of goods and services from a plurality of advertisers;

normalizing, using a computer including a processor, the received product data, such that the product data is formatted into a single layout;

storing the normalized product data in a database;

generating keywords from the normalized product data, the generated keywords being stored in the database;

assigning, using the processor of the computer, a priority value to each good and service of the plurality of goods and services;

corresponding, using the processor of the computer, each good and service of the plurality of goods and services to at least one keyword of the plurality of keywords;

associating, in the database, using the processor of the computer, the product data corresponding to each good and service of the plurality of goods and services to the corresponding at least one keyword;

receiving a request for an advertisement for a specified keyword of the plurality of keywords;

selecting, using the processor of the computer, at least one specified good or service based on the priority value of

each good or service corresponding to the specified keyword;
and

transmitting a reply to the request for an advertisement,
the reply including the product data corresponding to the at
least one specified good or service.

REJECTIONS

The Examiner rejected claims 1–22 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. (Final Act. 6.)

The Examiner rejected claims 1–15 under 35 U.S.C. § 103(a) as being unpatentable over Henkin et al. (US 2009/0012869 A1, pub. Jan. 8, 2009) (hereinafter “Henkin”) in view of Ramsay (US 2012/0254149 A1, pub. Oct. 4, 2012). (Final Act. 9.)

The Examiner rejected claims 16–22 under 35 U.S.C. § 103(a) as being unpatentable over Henkin in view of Wasserman et al. (US 2012/0310899 A1, pub. Dec. 6, 2012) (hereinafter “Wasserman”). (Final Act. 19.)

ISSUES ON APPEAL

Appellants’ arguments in the Appeal Brief present the following issues:²

Issue One: Whether the Examiner erred in finding claims 1–22 as directed to non-statutory subject matter. (App. Br. 4–10.)

² Rather than reiterate the arguments of Appellants and the positions of the Examiner, we refer to the Appeal Brief (filed Feb. 8, 2016); the Reply Brief (filed Jan. 23, 2017); the Final Office Action (mailed Sept. 8, 2015); and the Examiner’s Answer (mailed Nov. 21, 2016) for the respective details.

Issue Two: Whether the Examiner erred in finding the combination of Henkin and Ramsay teaches or suggests the independent claim 1 limitation of:

comparing, using the processor in the processing unit, the selected word to the plurality of keywords to obtain at least one matched keyword, wherein the at least one matched keyword is generated based on the selected word and is stored in the keyword database when the selected word is not found in the keyword database,

and the similar limitations recited in independent claims 8 and 15. (App. Br. 10–11.)

Issue Three: Whether the Examiner erred in finding the combination of Henkin and Wasserman teaches or suggests the independent claim 16 limitation of:

assigning, using the processor of the computer, a priority value to each good and service of the plurality of goods and services,

and the similar limitations recited in independent claims 19 and 22. (App. Br. 12.)

ANALYSIS

Issue One

The Examiner concludes the pending claims are patent-ineligible under 35 U.S.C. § 101 because the claims recite an abstract idea:

The claims recite *the method for displaying an advertisement, including receiving product data, generating product data, storing data, generating keywords, assigning a priority value, analyzing a webpage, assigning a weight value, selecting a word, comparing the selected word, selecting one keyword, and modifying the webpage.* In other words, the claims recite *receiving, storing, generating, analyzing, comparing, and*

selecting data in order to modify the data. This is simply *receiving, storing, generating, analyzing, comparing, and selecting data* which can be performed mentally or in a computer and is similar to the kind of [“]organizing human activity[”] and is an idea of itself. . . . Thus, the claims are directed to an abstract idea.

(Final Act. 6–7.)

Appellants argue, *inter alia*, that “[l]ike the problem being address[ed] by the claims in *DDR [Holdings, LLC v. Hotels.com L.P., 773 F.3d 1245 (Fed. Cir. 2014)]*, claims 1-15 here address a business problem unique to the online advertising marketplaces created by the Internet.” (App. Br. 7.) Regarding claims 1–15, Appellants contend “the user will see contextually-relevant advertisements based on the generated matched keyword so that the advertising opportunity presented by the user’s viewing of the web page is not missed.” (*Id.* at 6–7.)

Regarding claims 16–22, Appellants contend “[t]he wording of independent claims 16-22 [has] not been properly considered” (App. Br. 6) and “[t]he Examiner’s Answer again fails to even address this claim wording when discussing the rejection of the claims under 35 U.S.C. § 101.” (Reply Br. 2 (emphasis omitted).)

We are not persuaded by Appellants’ arguments regarding claims 1–15; however, we are persuaded by Appellants’ arguments regarding claims 16–22.

The Supreme Court has long held that “[l]aws 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 *Assoc. for Molecular Pathology v. Myriad Genetics, Inc.*, 596 U.S. 576, 598–99 (2013)). The

“abstract ideas” category embodies the longstanding rule that an idea, by itself, is not patentable. *Alice Corp.*, 134 S. Ct. at 2354–55 (quoting *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972)).

In *Alice*, the Supreme Court sets 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.” *Id.* at 2355. The first step in the analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts,” such as an abstract idea. *Id.* If the claims are directed to a patent-ineligible concept, the second step in the analysis is to consider the elements of the claims “individually and ‘as an ordered combination’” to determine whether there are additional elements that “‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 79, 78 (2012)). In other words, the second step is to “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.’” *Id.* (quoting *Mayo*, 566 U.S. at 73.) The prohibition against patenting an abstract idea “‘cannot be circumvented by attempting to limit the use of the formula to a particular technological environment’ or adding ‘insignificant postsolution activity.’” *Bilski v. Kappos*, 561 U.S. 593, 610–11 (2010) (internal citation omitted.)

Turning to the first step of the *Alice* inquiry, we agree with the Examiner’s finding that, unlike the claims in *DDR Holdings*, “the present claims ‘merely recite the performance of some business practice known from the pre-Internet world along with the requirement to perform it on the

Internet” (Ans. 24 (emphasis omitted)) and “do not overcome [a] problem arising in computer networks, nor provide improvement to the functioning of [the] computer/computer network itself.” (*Id.* at 25.)

There is no definitive rule to determine what constitutes an “abstract idea.” Rather, the Federal Circuit has explained that “both [it] and the Supreme Court have found it sufficient to compare claims at issue to those claims already found to be directed to an abstract idea in previous cases.” *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1334 (Fed. Cir. 2016); *see also Amdocs (Israel) Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288, 1294 (Fed. Cir. 2016) (explaining that, in determining whether claims are patent-eligible under § 101, “the decisional mechanism courts now apply is to examine earlier cases in which a similar or parallel descriptive nature can be seen—what prior cases were about, and which way they were decided”). The Federal Circuit also noted that “examiners are to continue to determine if the claim recites (i.e., sets forth or describes) a concept that is similar to concepts previously found abstract by the courts.” *Amdocs*, 841 F.3d at 1294 n.2 (internal citation omitted.)

Here, the claims are similar to the claims that the Federal Circuit determined are patent ineligible in *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1369–70 (Fed. Cir. 2015) (tailoring web page information presented to a user based on particular information). The Federal Circuit has also held similar data manipulation claims to be directed to patent-ineligible abstract ideas — *see Digitech Image Techs., LLC v. Elecs. For Imaging, Inc.*, 758 F.3d 1344, 1351 (Fed. Cir. 2014) (employing mathematical algorithms to manipulate existing information); *OIP Tech., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015) (offer-

based price optimization); *Accenture Global Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1346 (Fed. Cir. 2013) (generating tasks in an insurance organization); *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1333–34 (Fed. Cir. 2015) (price-determination method involving arranging organizational and product group hierarchies).

The data gathering and analyzing steps recited in claim 1 is an abstract mental process that can “be performed in the human mind, or by a human using a pen and paper.” *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1372 (Fed. Cir. 2011). The steps recited in claim 1 tailor information based on a keyword, akin to the “user’s personal characteristics” held as an abstract idea in *Intellectual Ventures*. *See Intellectual Ventures*, 792 F.3d at 1369.

Turning to the second step of the *Alice* inquiry, we find nothing in the claims that adds anything “significantly more” to transform the abstract idea of displaying an advertisement. *Alice*, 134 S. Ct. at 2357. Beyond an abstract idea, the claims merely recite “‘well-understood, routine, conventional activit[ies].’” *Id.* at 2359 (quoting *Mayo*, 566 U.S. at 73).

In particular, we agree with the Examiner that the “computer processor, a storage medium, a database, and software instructions” are “‘well understood, routine, conventional activities’ previously known to the industry” and claim 1 “do[es] not purport to improve the functioning of the computer itself, or to improve any other technology.” (Ans. 25.) Particularly, the disclosure places no limitations on the type of “processing server” as it “may be any type of server suitable for performing the functions as discussed herein.” (Spec. ¶ 24; *see also id.* ¶¶ 20–28.) Appellants’ argument that the claims “address the technological challenges associated

with displaying and distributing contextually-relevant advertisements to users visiting web pages” (Reply Br. 3) is unpersuasive attorney argument unsupported by the record. Considered individually or taken together as an ordered combination, the elements of claim 1 fail “to ‘transform’ the claimed abstract idea into a patent-eligible application.” *Alice*, 134 S. Ct. at 2357 (quoting *Mayo*, 566 U.S. at 72–73, 78).

Because claims 1–15 are directed to a patent-ineligible abstract concept and do not recite something “significantly more” under the second prong of the *Alice* analysis, we sustain the Examiner’s 35 U.S.C.

§ 101 rejection of claims 1–15.

Regarding claims 16–22, we agree with Appellants that the claim wording has not been considered in the rejection of these claims. The Examiner’s recitation of the actions performed in the claims (“*including receiving product data, generating product data, storing data, generating keywords, assigning a priority value*” (Final Act. 6)) principally cover claim 1; while there is some overlap in the actions performed when claim 1 is considered against claim 16, the rejection includes no analysis explaining how the findings of claim 1 transfer to claim 16. Accordingly, we reverse the Examiner’s 35 U.S.C. § 101 rejection of claims 16–22.

Issue Two

In finding the combination of Henkin and Ramsay teaches or suggests the claim 1 limitation at issue, the Examiner relies on the disclosure of Henkin of a match type portion that may be used to determine the type of match (e.g. exact or fuzzy) which is to be in effect for a particular display string record. (Final Act. 13; Henkin ¶ 219.) The Examiner further relies on the disclosure of Ramsay of (1) a web crawler keyword database having a

priority level used to determine the frequency of crawling, and containing keywords that are assigned a priority level, (2) the addition of brands that are identified in a search query but not in the web crawler keyword database to the database with a default priority level, and (3) the addition of new adjective-based keywords to the database via search. (Final Act. 15–16; Ans. 27–30; Ramsay ¶¶ 91–93.)

Appellants argue that “[i]nstead of generating a matched keyword based on the selected keyword as recited in the claims, Ramsay describes how *user input* is used to populate a database. Ramsay makes no disclosure tying the user input to another word, let alone the selected word recited in the claims.” (App. Br. 11.)

The Examiner finds, and we agree, that in Ramsay, when a brand identified in a search query (*the selected word*) is not in the web crawler keyword database, the brand is added (*generating and storing*) in the keyword database, then the brand is subsequently determined automatically based on its frequency of appearance in subsequent search queries (*matched keyword based on the selected word*). (Ans. 28–29 (citing Ramsay ¶¶ 91–93, Figs. 14–15).)

The Examiner further finds that one of ordinary skill in the art would combine the teachings of Henkin and Ramsay “for the purpose of providing more efficiency in identifying the matching keywords in the keyword database by adding new keywords based on the search queries to the keyword database.” (*Id.* at 29.) We agree, as the method outlined by Ramsay is similar to web crawlers updating their search indices, and is performed “so that the brand results are up-to-date.” (Ramsay ¶ 91.) Appellants do not address and challenge the Examiner’s findings in the Reply. (*See* Reply Br. 4.) Accordingly, we sustain the Examiner’s rejection

of independent claim 1, and independent claims 8 and 15 commensurate in scope, as well as dependent claims 2–7 and 9–14 not argued separately. (*See* App. Br. 10–11.)

Issue Three

In finding the combination of Henkin and Wasserman teaches or suggests the claim 16 limitation at issue, the Examiner relies on the disclosure of Henkin of (1) management of categories of an Ad Campaign to limit the number of times that keywords are highlighted on page so that not too many of the same category keywords will be highlighted, and (2) sorting of keywords in a category by priority in which a score of 100 is the highest priority and a score of 1 is the lowest priority. (Final Act. 20–21; Ans. 30; Henkin, Fig. 25D, ¶¶ 160–161.)

Appellants argue that “Henkin describes *highlighting priorities* of keywords of an advertisement campaign, not priority values of goods or services that correspond to a keyword as recited in claims 16-22.” (App. Br. 12 (citing Henkin ¶ 161).)

The Examiner finds, and we agree, that Henkin teaches that “the priority value of the current website (equivalent to claimed ‘good or service’) is set to 100 corresponding to the specified keyword” so that “Henkin[’s] highlighting priorities of keywords of an advertisement campaign is also the priority values of goods or service that correspond[] to a keyword.” (Ans. 30 (citing Henkin ¶¶ 160–161, Fig. 25D).)

Here, the Examiner has reasonably equated the priority value of a good as the priority value of its corresponding keyword, as taught by Henkin, because Appellants’ disclosure allows for instances of a keyword matching the good. For example, the disclosure identifies an “iPhone®” as

both a keyword and a good. (*See* Spec. ¶ 32.) Further, Appellants do not address and challenge the Examiner’s findings in the Reply. (*See* Reply Br. 4.) Accordingly, we sustain the Examiner’s rejection of independent claim 16 and independent claims 19 and 22 commensurate in scope, as well as dependent claims 17, 18, 20, and 21 not argued separately. (*See* App. Br. 12.)

NEW GROUND OF REJECTION PURSUANT TO 37 C.F.R. § 41.50(B)

Pursuant to our authority under 37 CFR § 41.50(b), we enter a new grounds of rejection of claims 16–22 under 35 U.S.C. § 101.

Turning to the first step of the *Alice* inquiry, we find the claims directed to the abstract idea of distributing advertisements. The recited steps of claim 16 include “receiving product data” and “receiving a request for an advertisement,” and correspond to data gathering. The recited steps of claim 16 further include “normalizing . . . the received product data,” “generating keywords,” “assigning . . . a priority value,” “corresponding,” “associating,” and “selecting . . . at least one specified good or service,” and correspond to analyzing. The data gathering and analyzing steps recited in the claims are an abstract mental process that can “be performed in the human mind, or by a human using a pen and paper.” *CyberSource Corp.*, 654 F.3d at 1372.

Turning to the second step of the *Alice* inquiry, we find nothing in the claims that adds anything “significantly more” to transform the abstract idea of transmitting an advertisement. *Alice*, 134 S. Ct. at 2357. Beyond an abstract idea, the claims merely recite “‘well-understood, routine, conventional activit[ies].’” *Id.* at 2359 (quoting *Mayo*, 566 U.S. at 73). For example, the final step of claim 16 of “transmitting a reply” is postsolution

activity. Our findings above with respect to claim 1 regarding *Alice* step two are equally applicable to claim 16.

Because claims 16–22 are directed to a patent-ineligible abstract concept and do not recite something “significantly more” under the second prong of the *Alice* analysis, we reject claims 16–22 under 35 U.S.C. § 101.

CONCLUSION

For the reasons stated above, we

1. affirm the Examiner’s non-statutory subject matter rejection of claims 1–15;
2. reverse the Examiner’s non-statutory subject matter rejection of claims 16–22;
3. affirm the Examiner’s obviousness rejections of claims 1–22; and
4. add a new ground of rejection and reject claims 16–22 as directed to non-statutory subject matter.

DECISION

The Examiner’s decision rejecting claims 1–15 under 35 U.S.C. § 101 is affirmed.

The Examiner’s decision rejecting claims 16–22 under 35 U.S.C. § 101 is reversed.

The Examiner’s decision rejecting claims 1–22 under 35 U.S.C. § 103(a) is affirmed.

We enter new grounds of rejection of claims 16–22 under 35 U.S.C. § 101.

This decision contains a new ground of rejection pursuant to

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37 C.F.R. § 41.50(b). 37 C.F.R. § 41.50(b) provides “[a] new ground of rejection pursuant to this paragraph shall not be considered final for judicial review.”

37 CFR § 41.50(b) also provides that the Appellants, WITHIN TWO MONTHS FROM THE DATE OF THE DECISION, must exercise one of the following two options with respect to the new ground of rejection to avoid termination of the appeal as to the rejected claims:

(1) *Reopen prosecution.* Submit an appropriate amendment of the claims so rejected or new Evidence relating to the claims so rejected, or both, and have the matter reconsidered by the examiner, in which event the prosecution will be remanded to the examiner. . . .

(2) *Request rehearing.* Request that the proceeding be reheard under § 41.52 by the Board upon the same Record. . . .

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
37 C.F.R. § 41.50(b)