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EXAMINER

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte TIM F. LEONHARDT,
CHAD T. COLEY, and JANE E. CRITES

Appeal 2017-005076¹
Application 13/803,705
Technology Center 3600

Before CARLA M. KRIVAK, ADAM PYONIN, and SHARON FENICK,
Administrative Patent Judges.

KRIVAK, *Administrative Patent Judge.*

DECISION ON APPEAL

Appellants appeal under 35 U.S.C. § 134(a) from a final rejection of claims 1–6, 8–19, and 21–28. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Appellants identify Schedulicity, Inc., as the real party in interest. App. Br. 1.

STATEMENT OF THE CASE

Appellants' invention is directed to "computer-based systems and methods for automatically generating specials or promotions for service providers, and allowing local and external advertising of the promotional specials." Spec. ¶ 8.

Independent claim 1, reproduced below, is exemplary of the subject matter on Appeal.

1. A computer-based system for generating an automated promotion for a service provider,

wherein the automated promotion is for a schedulable item that is defined by at least a type of service and a provider of the service, and wherein the schedulable item can be scheduled by a customer for an unbooked appointment time slot of the service provider within a promotion time period that lasts from a promotion start time to a promotion end time, the system comprising:

a computer-based service provider scheduling system for storing schedule data for the service provider, wherein the service provider scheduling system comprises a first computer database for storing:

service provider data that comprises schedule data about unbooked appointment time slots for the service provider within the promotion time period; and

historical appointment data that comprises data regarding services provided at past appointment time slots by the service provider over a historical time period;

an automatic promotion generation computer system that is in communication with the service provider scheduling system and that comprises:

a second computer database that stores historical appointment data for one or more of the following:

one or more other service providers in a same industry as the service provider; and

one or more other service providers in a same geographic region as the service provider; and

at least one processor that is programmed to:
provide a web site through which the service provider
inputs specifications for the promotion;
determine promotion parameters for the schedulable item
by determining a discount amount for one or more unbooked
appointment time slots of the service provider over a remaining
portion of the promotion time period,
wherein the discount amount is determined based on at
least:
the specifications input for the promotion by the service
provider through the web site;
a time remaining until the promotion end time;
a popularity of the type of service of the schedulable item
that is based on the historical appointment data stored in at least
one of the first and second computer databases; and
a popularity of the one or more unbooked appointment
time slots of the service provider over the remaining portion of
the promotion time period that is based on the historical
appointment data stored in at least one of the first and second
computer databases; and
distribute the promotion parameters to one or more third
party web sites connected to the automatic promotion
generation computer system via an electronic communication
network through which a customer can book the schedulable
item with the promotion, such that a customer can schedule the
schedulable item at the applicable discount rate through the one
or more third party web sites.

REFERENCE and REJECTIONS

The Examiner rejected claims 1–6, 8–19, and 21–28 under 35 U.S.C.
§ 101 as directed to non-statutory subject matter. Final 2–4.

The Examiner rejected claims 1–6, 8–19, and 21–28 under 35 U.S.C.
§ 103(a) based upon the teachings of Reichman (US 2011/0270643 A1; pub.
Nov. 3, 2011) and official notice. Final 4–15.

ANALYSIS

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.*, 133 S.Ct. 2107, 2116 (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, 82–84 (2012), “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of these 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. *Id.* The Court acknowledged in *Mayo* 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 is the abstract idea and merely invoke generic processes and machinery. *See Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1336 (Fed. Cir. 2016). If the claims are not directed to an abstract idea, the inquiry ends. Otherwise, the inquiry proceeds to the second step where 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).

Alice/Mayo—Step 1 (Abstract Idea)

Appellants do not contest this step in the Appeal Brief. Rather Appellants start their argument stating “the pending claims satisfy the second *Mayo* prong” (emphasis omitted). App. Br. 6.

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. 7–8 (citing *McRO Inc. v. Bandai Namco Games America, Inc.*, 837 F.3d 1299 (Fed. Cir. 2016)). 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.” *FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1094 (Fed. Cir. 2016) (differentiating the claims at issue from those in *McRO*). Thus, the claims in *McRO* recited a specific way of improving three-dimensional animation. *McRO*, 837 F.3d at 1315. In contrast, Appellants’ claims are unlike those in *McRO* because the claims before us are “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.

In light of the Examiner’s findings, we agree Appellants’ claims are directed to an abstract idea. *See* Final Act. 2–3, 15.

Alice/Mayo—Step 2 (Inventive Concept)

Appellants contend “the pending claims are patent eligible at least under the second *Mayo* prong because they recite ‘significantly more’ than

the alleged abstract idea.” App. Br. 6. Appellants also contend the “claimed inventions are necessarily rooted in computer technology because they solve problems created by Internet daily deal websites” and also recite “significantly more.” *Id.* Appellants assert, among other things, their claims are “patent eligible because they include limitations other than what is well-understood, routine and conventional in the field” (App. Br. 9), and “patent eligible because they add limitations that confine the claims to a particular useful application” (emphasis omitted) (App. Br. 10). We do not agree.

We agree with and adopt the Examiner’s findings as our own. *See* Ans. 2–8; *see also* Final Act. 2–3. The Examiner addresses Appellants’ contentions, providing current case law and findings. For example, we agree with the Examiner Appellants’ Specification, paragraph 38, supports the finding that the “instant application is not patent eligible because it is not necessarily rooted in computer technology, only employs well-understood, routine, and conventional computer technology, and does not apply to a particularly useful application,” contrary to Appellants’ contentions. Ans. 3. As our reviewing court has observed: “[A]fter *Alice*, there can remain no doubt: recitation of generic computer limitations does not make an otherwise ineligible claim patent-eligible.” *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257 (Fed. Cir. 2014) (citing *Alice*, 134 S.Ct. at 2358)).

We also agree with the Examiner Appellants’ claims use a computer for scheduling appointments, however, “this could be accomplished by other means, say a person calling a list of customers,” therefore, the claimed invention is not “rooted in computer technology” and is similar to calling on a telephone (human activity). Ans. 4. This is evidenced by Appellants’ Specification, Background of the Invention, paragraphs 1–7, particularly

paragraph 6 (“Using a combination of known approaches, one is easily able to manually create explicit promotions that apply universally for any service booking, combine the manual explicit promotions with additional metering and rules, and integrate promotions with existing scheduling options.”)). Further, Appellants’ contention that “[t]he claims of the Subject Application offer a solution to that problem by automatically generating promotions for daily deal websites and the like that are based on the ‘popularity of the type of service’ and the ‘popularity of the . . . unbooked appointment time slots,’” such that “the daily deal website promotions can be optimized for these two constraints,” is also without merit. App. Br. 8. Automating a process does not make an abstract idea less abstract. As the Federal Circuit has concluded, “a process defined simply as using a computer to perform a series of mental steps that people, aware of each step, can and regularly do perform in their heads” is considered an abstract idea. *SmartGene, Inc. v. Advanced Biological Laboratories, SA*, 555 F. App’x 950, 954 (Fed. Cir. 2014). That is, mental processes can be unpatentable even when automated to reduce the burden on the user of what once could have been done with pen and paper. *See CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1375 (Fed. Cir. 2011) (“That purely mental processes can be unpatentable, even when performed by a computer, was precisely the holding of the Supreme Court in *Gottschalk v. Benson*.”).

Appellants further contend “[t]he key according to *Enfish* is whether the computer is simply added to a well-known business practice. That is not the case here.” App. Br. 9. Appellants argue “[t]he claimed inventions improve online scheduling services by optimizing appointment scheduling without having the service provider overrun by deeply discounted Internet

daily deals.” *Id.* Thus, Appellants assert, their claimed invention “solve[s] this problem by localizing and automating the determination of the discount amount based on the ever-changing data.” *Id.* We do not agree. Rather, we agree with the Examiner that, similar to “*Electric Power Group*, the instant application does not improve the computer as a tool (as the claimed invention in *Enfish* did).” Ans. 5 (citing *Electric Power Group, LLC v. Alstom S.A.*, 830 F.3d 1350 (Fed. Cir. 2016)). Rather, Appellants’ claims simply use “a computer to implement an abstract idea similar to one previously identified by a Court. The scheduling of appointments is an abstract idea which uses a computer as a tool to implement it.” Ans. 5–6.

As to Appellants’ assertions in the Reply Brief that claim 1 is analogous to those involved in *Bascom*, wherein the Court “held the claims patent subject matter eligible under § 101 because it found an ‘inventive concept ... in the non-conventional and non-generic arrangement of known, conventional pieces,’” we are not persuaded. Reply Br. 5 (citing *Bascom Global Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1352, 1350 (Fed. Cir. 2016)). The claims in *Bascom* transformed an abstract idea into “a particular, practical application of that abstract idea,” e.g., the “installation of a filtering tool at a specific location, remote from the end-users, with customizable filtering features specific to each end user,” was an inventive step (*see Bascom* 827 F.3d at 1350) that constituted significantly more than the abstract idea. In contrast, Appellants’ claims are unlike those in *Bascom* because, as noted above, the claims before us merely automate an abstract idea, and can be performed using pen and paper.

As to Appellants’ additional assertions in the Reply Brief that the Examiner “takes inconsistent positions on several different issues throughout

the 35 U.S.C. § 101 rejection to the prejudice of applicant” and the “Examiner’s Answer supports the 35 U.S.C. § 101 with a different purported abstract idea than previously asserted by the Office,” we do not agree.

Reply Br. 1. The Examiner merely expands his explanation from the Final Action based on current case law and provides a more detailed explanation of the rejection in light of Appellants’ Appeal Brief. “An 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 find no prejudice to Appellants as they have had an opportunity to reply to the Examiner’s Answer. As to Appellants’ argument the Examiner is arguing outside the claim language, Appellants are misinterpreting the Examiner’s arguments and appear to not consider long held case law. Claim limitations are read (interpreted) in light of the Specification, but limitations found in the Specification cannot be read into the claims. *See In re Van Geuns*, 988 F.2d 1181, 1184 (Fed. Cir. 1993); *Phillips v. AWH Corp.*, 415 F.3d 1303, 1323 (Fed. Cir. 2005) (en banc); and *Renishaw PLC v. Marposs Societa’ per Azioni*, 158 F.3d 1243, 1248 (Fed. Cir. 1998). To the extent Appellants are arguing the Examiner’s Answer contained a new ground of rejection, Appellants’ failure to file a petition prior to filing the Reply Brief constitutes a waiver of the argument. *See* 37 C.F.R. § 41.40(a).

Accordingly, in light of the above, claims 1–6, 8–19, and 21–28 amount to an attempt to patent the abstract idea embodied in the steps of the claims. *See Alice*, 134 S.Ct. at 2355 (quoting *Mayo*, 566 U.S. at 78). We therefore agree with the Examiner’s analysis and find Appellants’ arguments

insufficient to show error. Therefore, we sustain the Examiner's 35 U.S.C. § 101 rejection of independent claims 1 and 15. We also sustain the Examiner's 35 U.S.C. § 101 rejection of claims 2–6, 8–14, 16–19, and 21–28, argued separately, but without substantive arguments. App. Br. 9–10.

Rejection under 35 U.S.C. § 103

Appellants contend the Examiner erred in finding independent claims 1 and 15 obvious over Reichman. App. Br. 11. Particularly, Appellants contend the Examiner did not find Reichman teaches “the automatic promotion generation computer determines the promotion parameters based on several factors, namely at least (i) the service provider's inputs about the promotion, (ii) the time remaining in the promotion, (iii) the historical popularity of the service of the schedulable item, and (iv) the historical popularity of the unbooked time slots.” App. Br. 11–12. That is, Appellants contend, “Reichman's online booking system does not determine the promotion parameters based on these factors, particularly the popularity factors.” App. Br. 12. We do not agree.

We agree with and adopt the Examiner's findings as our own. Ans. 8–10. Specifically, we agree that Reichman's paragraph 33 teaches the claimed promotion parameters based on popularity factors. Reichman's paragraph 33 recites

In one example embodiments, the booking application **110** can dynamically create specific discount offers on services from the services inventory based on users history of using different services, users reviews and other criteria. For example, the application **110** may identify what users have booked before, looked at, indicated as being interested in, the number of times they returned to a particular business, and other criteria to

determine what services should be advertised to the services users **125**.

The Examiner reasons, and we agree, a users’ “‘history of using different services’ shows the popularity of those services, and thus meets the claim language of ‘determin[ing] the promotion parameters based on several factors, namely at least . . . the historical popularity of the service of the schedulable item.’” Ans. 9. The Examiner also points to Reichman’s paragraph 29 which recites a

service provider may specify various business decision rules (or use template business rules provided by the booking application **110**) that gradually adjust the rate of discount based on lack or excess of bookings of a particular service or practitioner on a particular day or time.

Therefore, as the Examiner finds, adjusting a discount based on lack of or excess bookings on a particular day or time teaches popularity of that time slot. Ans. 11.

Appellants’ response to the Examiner’s reasonable findings is to misquote page 7 of the Examiner’s Answer, and give the claims a much broader reading than what is actually recited. *See* Reply Br. 9–11. Appellants’ response does not convince us of error in the findings.

For the above reasons, we are not persuaded of Examiner error. We find the weight of the evidence supports the Examiner’s ultimate legal conclusion of obviousness, and therefore sustain the Examiner’s rejection of independent claims 1 and 15.

Appellants separately argue claims 2 and 16. Claim 2 recites “‘wherein the at least one processor is programmed to determine the discount amount by optimizing the discount amount based on revenue yield for the

service provider.” Appellants contend “claims 2 and 16 recite that the automatic promotion generation system optimizes the discount amount of the promotion ‘based on revenue yield for the service provider.’ Paragraphs [50]-[51]” of Appellants’ Specification. App. Br. 14.

The Examiner finds “[i]t is within [] the capabilities of one having ordinary skill in the art at the time of the invention to understand that to maximize cash flow, the service provider needs to give the minimum discount necessary to engage a client.” Ans. 11. We agree with the Examiner’s reasonable findings, which Appellants do not substantively challenge.

Therefore, for the above reasons, we are not persuaded of Examiner error. We find the weight of the evidence supports the Examiner’s ultimate legal conclusion of obviousness, and sustain the Examiner’s rejection of claims 2 and 16.

Appellants separately argue claims 11 and 23. Claim 11 recites “wherein the business data that is used by the at least one processor to select the one or more types of services for the promotion.” Appellants contend “that the business data used by the automatic promotion generation system comprises price data, data about the duration time of the services (e.g., how long it takes to perform the service), and data about the popularity of the services provided by the service provider.” App. Br. 14. Appellants contend “Reichman’s ¶ 33, however, does not pertain to filling unbooked time slots in a promotion time period.” *Id.*

The Examiner finds Reichman’s paragraph 33 states “the booking application 110 can dynamically create specific **discount offers on services from the services inventory based on users history of using different**

services, users reviews and other criteria. For example, the application 110 may identify what users have booked before, looked at, indicated as being interested.” Ans. 11–12. We agree with the Examiner’s reasonable findings, which Appellants do not substantively challenge.

Therefore, for the above reasons, we are not persuaded of Examiner error. We find the weight of the evidence supports the Examiner’s ultimate legal conclusion of obviousness, and sustain the Examiner’s rejection of claims 11 and 23.

Appellants separately argue claims 27 and 28. Claim 27 recites a “processor determines the promotion parameters based on the popularity of the one or more unbooked appointment times using an appointment time slot popularity profile” and claim 28 recites “the appointment time slot popularity profile indicates an average lead time to fill weekly time slots of the service provider.” Appellants contend “Reichman’s online booking system does not determine the discount parameters based on time popularity at all, so it would not have been obvious to use ‘an appointment time slot popularity profile.” App. Br. 25. Thus, Appellants contend the Examiner’s rejection is based on hindsight. App. Br. 16.

The Examiner finds Reichman teaches “the popularity of the time slot at ¶ [0029]” for selecting types of services for the promotion. Ans. 12–13. “Adjusting the discount based on lack or excess bookings on a particular day or time is a teaching of concerning the popularity of the time slot.” Ans. 13. We agree with the Examiner’s reasonable findings, which Appellants do not substantively challenge.

Therefore, for the above reasons, we are not persuaded of Examiner error. We find the weight of the evidence supports the Examiner’s ultimate

legal conclusion of obviousness, and sustain the Examiner's rejection of claims 27 and 28.

Claims 3–6, 8–10, 12–15, 17–19, 21, 22, and 24–26, have been argued for their dependency on the above argued claims. As we sustain the Examiner's rejection of the argued claims, we therefore sustain the Examiner's rejection of claim 3–6, 8–10, 12–15, 17–19, 21, 22, and 24–26. App. Br. 16.

DECISION

The Examiner's decision rejecting claims 1–6, 8–19, and 21–28 under 35 U.S.C. § 101 is affirmed.

The Examiner's decision rejecting claims 1–6, 8–19, and 21–28 under 35 U.S.C. § 103 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)(iv).

AFFIRMED