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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte ALISON PAGE, LAWRENCE MAX MOTOLA,
CHARLOTTA NORDIN, and ANDREAS ALBERT PEREZ ALBA

Appeal 2017-005667
Application 13/340,919¹
Technology Center 3600

Before JOHN A. EVANS, LARRY J. HUME, and
CATHERINE SHIANG, *Administrative Patent Judges*.

SHIANG, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's rejection of claims 1, 5, 7, 10–14, 16, 17, 33, and 36, which are all the claims pending and rejected in the application.² We have jurisdiction under 35 U.S.C. § 6(b).

We reverse.

¹ Appellants identify Adidas AG as the real party in interest. App. Br. 3.

² Appellants confirm claims 18–20 were withdrawn from consideration. App. Br. 33. Therefore, Appellants' list of claims on appeal (App. Br. 3) is incorrect, as it includes those claims.

STATEMENT OF THE CASE

Introduction

According to the Specification, the present invention relates to “customizing products over a network, and in particular to customizing a collection of products over the Internet.” Spec. ¶ 3. Claim 1 is exemplary:

1. A method for pre-customizing products, comprising:
 - transmitting, by a group customization server to an electronic computing device over a network, digital representations of a plurality of products available for selection by a first user operating the electronic computing device;
 - receiving, by the group customization server, a selection of a subset of the plurality of products from the electronic computing device, the subset including at least two of the plurality of products;
 - receiving, by the group customization server, a selection of a common feature of the subset of the plurality of products from the electronic computing device;
 - simultaneously customizing, by the group customization server, the subset of the plurality of products in response to an input from the electronic computing device by manipulating the common feature of the subset of the plurality of products;
 - storing, by the group customization server, a group identifier with the customized subset of plurality of products, the group identifier identifying the customized subset of the plurality of products;
 - receiving, by the group customization server, customization limits defining types of customizations available to a second user for further customization of the customized subset of plurality of products;
 - receiving additional selections from the electronic computing device for associating, at the group customization server, an individual identifier with the customized subset of plurality of products, wherein the individual identifier corresponds to an identity of the second user authorized to further customize the customized subset of the plurality of products, the second user different than the first user, and wherein the individual identifier is associated with the

customization limits defining the types of customizations available to the second user;

transmitting, by the group customization server to an individual customization server, digital representations of the customized subset of the plurality of products for further customization by the second user operating a second electronic computing device communicating with the individual customization server, products;

wherein the individual identifier associated with the customized subset of the plurality of products enables further customizations to the customized subset of the plurality of products by the second user, the types of customizations available to the second user limited as defined in the customization limits associated with the individual identifier.

*References and Rejections*³

Ritz	US 2008/0201603 A1	Aug. 21, 2008
McCarthy	US 2010/0121739 A1	May 13, 2010

Claims 1, 5, 7, 10–14, 16, 17, 33, and 36 are rejected under 35 U.S.C. § 101 because they are directed to patent-ineligible subject matter. Final Act. 10–13.

Claims 12–14, 16, and 17 are rejected under pre-AIA 35 U.S.C. § 103(a) as being unpatentable over McCarthy and Ritz. Final Act. 13–19.

³ Throughout this opinion, we refer to the (1) Final Rejection dated January 5, 2016 (“Final Act.”); (2) Appeal Brief dated April 5, 2016 (“App. Br.”); (3) Examiner’s Answer dated December 16, 2016 (“Ans.”); and (4) Reply Brief dated February 16, 2017 (“Reply Br.”).

ANALYSIS⁴
35 U.S.C. § 101

We have reviewed the Examiner’s rejection in light of Appellants’ contentions and the evidence of record. We concur with Appellants’ contention that the Examiner erred in this case.

Section 101 of the Patent Act provides “[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.” 35 U.S.C. § 101. However, the Supreme Court has long interpreted 35 U.S.C. § 101 to include implicit exceptions: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *E.g., Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014).

In determining whether a claim falls within an excluded category, we are guided by the Supreme Court’s two-step framework, described in *Mayo* and *Alice*. *Id.* at 217–18 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 75–77 (2012)). In accordance with that framework, we first determine what concept the claim is “directed to.” *See Alice*, 573 U.S. at 219 (“On their face, the claims before us are drawn to the concept of intermediated settlement, *i.e.*, the use of a third party to mitigate settlement risk.”); *see also Bilski v. Kappos*, 561 U.S. 593, 611 (2010) (“Claims 1 and 4 in petitioners’ application explain the basic concept of hedging, or protecting against risk.”).

Concepts determined to be abstract ideas, and thus patent ineligible, include certain methods of organizing human activity, such as fundamental

⁴ Appellants raise additional arguments. Because the identified issues are dispositive of the appeal, we do not need to reach the additional arguments.

Appeal 2017-005667
Application 13/340,919

economic practices (*Alice*, 573 U.S. at 219–20; *Bilski*, 561 U.S. at 611); mathematical formulas (*Parker v. Flook*, 437 U.S. 584, 594–95 (1978)); and mental processes (*Gottschalk v. Benson*, 409 U.S. 63, 69 (1972)). Concepts determined to be patent eligible include physical and chemical processes, such as “molding rubber products” (*Diamond v. Diehr*, 450 U.S. 175, 191 (1981)); “tanning, dyeing, making water-proof cloth, vulcanizing India rubber, smelting ores” (*id.* at 182 n.7 (quoting *Corning v. Burden*, 56 U.S. 252, 267–68 (1853))); and manufacturing flour (*Benson*, 409 U.S. at 69 (citing *Cochrane v. Deener*, 94 U.S. 780, 785 (1876))).

In *Diehr*, the claim at issue recited a mathematical formula, but the Supreme Court held that “[a] claim drawn to subject matter otherwise statutory does not become nonstatutory simply because it uses a mathematical formula.” *Diehr*, 450 U.S. at 176; *see also id.* at 191 (“We view respondents’ claims as nothing more than a process for molding rubber products and not as an attempt to patent a mathematical formula.”). Having said that, the Supreme Court also indicated that a claim “seeking patent protection for that formula in the abstract . . . is not accorded the protection of our patent laws, . . . and this principle cannot be circumvented by attempting to limit the use of the formula to a particular technological environment.” *Id.* (citing *Benson* and *Flook*); *see, e.g., id.* at 187 (“It is now commonplace that an *application* of a law of nature or mathematical formula to a known structure or process may well be deserving of patent protection.”).

If the claim is “directed to” an abstract idea, we turn to the second step of the *Alice* and *Mayo* framework, where “we must examine the elements of the claim to determine whether it contains an ‘inventive concept’ sufficient to ‘transform’ the claimed abstract idea into a patent-

Appeal 2017-005667
Application 13/340,919

eligible application.” *Alice*, 573 U.S. at 221 (citation omitted). “A claim that recites an abstract idea must include ‘additional features’ to ensure ‘that the [claim] is more than a drafting effort designed to monopolize the [abstract idea].’” *Id.* (quoting *Mayo*, 566 U.S. at 77). “[M]erely requir[ing] generic computer implementation[] fail[s] to transform that abstract idea into a patent-eligible invention.” *Id.*

The PTO recently published revised guidance on the application of § 101. USPTO’s 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50 (Jan. 7, 2019) (“Memorandum”). Under that guidance, we first look to whether the claim recites:

- (1) any judicial exceptions, including certain groupings of abstract ideas (i.e., mathematical concepts, certain methods of organizing human activity such as a fundamental economic practice, or mental processes) (Step 2A, Prong 1); and
- (2) additional elements that integrate the judicial exception into a practical application (*see* MPEP § 2106.05(a)–(c), (e)–(h)) (9th ed. 2018) (Step 2A, Prong 2).

Only if a claim (1) recites a judicial exception and (2) does not integrate that exception into a practical application, do we then look to whether the claim:

- (3) adds a specific limitation beyond the judicial exception that is not “well-understood, routine, conventional” in the field (*see* MPEP § 2106.05(d)); or
- (4) simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception. (Step 2B).

See Memorandum at 54–56.

Turning to *Alice* step one (Memorandum Step 2A, Prong 1), we agree with Appellants that the Examiner has failed to identify an ineligible abstract idea. *See* App. Br. 8–23; Reply Br. 2–12. Considering the claims as a whole, we determine the claims are directed to customizing products. *See*

Appeal 2017-005667
Application 13/340,919

claims 1, 5, 7, 10–14, 16, 17, 33, and 36. Our determination is supported by the Specification, which states “[t]he platform allows the organization to create customized merchandise by designing products for its members to purchase or by defining parameters that enable its members or other individuals to customize certain aspects of selected base merchandise.” Spec. ¶ 3.

In light of the Memorandum, because customizing products is not a mathematical concept, an identified method of organizing human activity, or a mental process, we conclude the claims are not directed to an abstract idea. *See* Memorandum at 52; *see also id.* at 53 (“Claims that do not recite matter that falls within these enumerated groupings of abstract ideas should not be treated as reciting abstract ideas, except” in rare circumstances.).

In particular, customizing products is not a mathematical concept, because it is not a mathematical relationship, mathematical formula or equation, or mathematical calculation. *See* Memorandum at 52. Further, customizing products is not an identified method of organizing human activity, as it is not (i) a fundamental economic principle or practice (including hedging, insurance, mitigating risk), (ii) a commercial or legal interaction (including agreements in the form of contracts; legal obligations; advertising, marketing or sales activities or behaviors; business relations), or (iii) managing personal behavior or relationships or interactions between people (including social activities, teaching, and following rules or instructions). *See* Memorandum at 52. In addition, customizing products is not a mental process, as it is not a concept performed in the human mind (including an observation, evaluation, judgment, opinion). *See* Memorandum at 52.

Accordingly, we do not sustain the Examiner's rejection of claims 1, 5, 7, 10–14, 16, 17, 33, and 36 under 35 U.S.C. § 101.

35 U.S.C. § 103

We have reviewed the Examiner's rejection in light of Appellants' contentions and the evidence of record. We concur with Appellants' contention that the Examiner erred in determining the cited portions of McCarthy teach "determining, from the group identifier, *a subset of a plurality of products previously customized by a first user*, the subset of the plurality of products determined from a larger set of products," as recited in independent claim 1 (emphases added). *See* App. Br. 24–28; Reply Br. 12–15.

The Examiner acknowledges McCarthy does not teach the italicized limitation. *See* Final Act. 17; Ans. 16. Then the Examiner determines—without adequate explanation—that the italicized limitation constitutes non-functional descriptive material and thus does not have patentable weight. *See* Final Act. 17; Ans. 16. Because the Examiner fails to assign the appropriate patentable weight to the italicized limitation, the Examiner erred in determining McCarthy teaches "determining, from the group identifier, a subset of a plurality of products previously customized by a first user, the subset of the plurality of products determined from a larger set of products," as required by claim 1.

Further, as applied by the Examiner, the teachings of Ritz do not remedy the deficiencies of McCarthy. *See* Final Act. 14.

Because the Examiner fails to provide sufficient evidence or explanation to support the rejection, we are constrained by the record to reverse the Examiner's rejection of claim 12.

Appeal 2017-005667
Application 13/340,919

We also reverse the Examiner's rejection of corresponding dependent claims 13, 14, 16, and 17.

DECISION

We reverse the Examiner's decision rejecting claims 1, 5, 7, 10–14, 16, 17, 33, and 36 under 35 U.S.C. § 101.

We reverse the Examiner's decision rejecting claims 12–14, 16, and 17 under 35 U.S.C. § 103.

REVERSED