



# 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. |
|--|-------------|----------------------|---------------------|------------------|
| 13/179,408   | 07/08/2011  | Arnaud Robert        | 0260294             | 1357             |
| 63649  | 7590        | 03/06/2019           | EXAMINER            |                  |
| DISNEY ENTERPRISES, INC.<br>C/O FARJAMI & FARJAMI LLP<br>26522 LA ALAMEDA AVENUE, SUITE 360<br>MISSION VIEJO, CA 92691 |             |                      | CROSS, MICHAEL J    |                  |
|  |             |                      | ART UNIT            | PAPER NUMBER     |
|  |             |                      | 3621                |                  |
|  |             |                      | NOTIFICATION DATE   | DELIVERY MODE    |
|  |             |                      | 03/06/2019          | 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):

docketing@farjami.com  
farjamidocketing@yahoo.com  
ffarjami@farjami.com

UNITED STATES PATENT AND TRADEMARK OFFICE

---

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

*Ex parte* ARNAUD ROBERT

---

Appeal 2017-005981  
Application 13/179,408<sup>1</sup>  
Technology Center 3600

---

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

HUME, *Administrative Patent Judge*.

DECISION ON APPEAL

This is a decision on appeal under 35 U.S.C. § 134(a) of the Final Rejection of claims 1–8, 12–21, 25, and 26 which are all claims pending in the application. Appellant has canceled claims 9–11 and 22–24. We have jurisdiction under 35 U.S.C. § 6(b).

We REVERSE.

---

<sup>1</sup> According to Appellant, the real party in interest is Disney Enterprises, Inc. App. Br. 2.

STATEMENT OF THE CASE<sup>2</sup>

*The Invention*

Appellant’s disclosed embodiments and claimed “invention relate[] generally to providing computer mediated consumer services. More particularly, the present invention relates to methods and systems for associating a product redemption code with a consumer of the product identified with the redemption code.” Spec. 1:10–13.

*Exemplary Claim*

Claim 1, reproduced below, is illustrative of the subject matter on appeal (*emphases* added to contested prior-art limitations):

1. A method comprising:

receiving, by a processor, a first product redemption data and an identity of a consumer, wherein, *prior to the receiving, the first product redemption data along with a first product are distributed without the first product redemption data having been associated with any consumer;*

associating, by the processor in a memory, the identity of the consumer with the first product redemption data in response to receiving the first product redemption data and the identity of the consumer;

receiving, after the associating, the first product redemption data from a playback device;

*using, after the receiving of the first product redemption data from the playback device, the first product redemption data as a substitute for the identity of the consumer by:*

---

<sup>2</sup> Our decision relies upon Appellant’s Appeal Brief (“App. Br.,” filed July, 25, 2016); Reply Brief (“Reply Br.,” filed Feb. 15, 2017); Examiner’s Answer (“Ans.,” mailed Dec. 19, 2016); Final Office Action (“Final Act.,” mailed Mar. 25, 2016); and the original Specification (“Spec.,” filed July 8, 2011) (claiming benefit of US 61/403,125, filed Sept. 9, 2010).

*searching the memory using the processor to  
find the first product redemption data; and*

*identifying, based on the searching, the  
consumer using the first product redemption data  
found in the memory and associated with the  
identity of the consumer in the memory;*

providing the consumer with updates to the first product,  
in response to the identifying the consumer using the first  
product redemption data.

*1–8, 12–21, 25, and 26 Prior Art*

The Examiner relies upon the following prior art as evidence in  
rejecting the claims on appeal:

|                              |                    |               |
|------------------------------|--------------------|---------------|
| Ovadia <sup>3</sup>          | US 5,612,527       | Mar. 18, 1997 |
| Peterson et al. (“Peterson”) | US 2010/0049603 A1 | Feb. 25, 2010 |
| Barnett et al. (“Barnett”)   | US 2005/0149405 A1 | July 7, 2005  |

Specification, p. 1, ll. 22 – p. 3, l. 9 (“Background Art”) (hereinafter  
“Appellant’s Admitted Prior Art” — “AAPA”).

*Rejection on Appeal*

R1. Claims 1–8, 12–21, 25, and 26 stand rejected under 35 U.S.C.  
§ 101 as being directed to patent-ineligible subject matter. Final Act. 6.

R2. Claims 1–8, 12–21, 25, and 26 stand rejected under 35 U.S.C.  
§ 103(a) as being unpatentable over the combination of Barnett, AAPA,  
Peterson, and Ovadia. Final Act. 11.

---

<sup>3</sup> Both the Examiner and Appellant improperly cited to US 5,623,527 as  
Ovadia, whereas, the proper patent number for Ovadia is US 5,612,527. *See,*  
*generally* Final Act., App. Br.

## CLAIM GROUPING

Based on Appellant's arguments (App. Br. 6–20) and our discretion under 37 C.F.R. § 41.37(c)(1)(iv), we decide the appeal of patent-ineligible subject matter Rejection R1 of claims 1–8, 12–21, 25, and 26 on the basis of representative claim 1; and we also decide the appeal of obviousness Rejection R2 of claims 1–8, 12–21, 25, and 26 on the basis of representative claim 1.

## ISSUES AND ANALYSIS

We review patent-eligibility Rejection R1 *de novo*. Based upon our review of the record, we find a preponderance of the evidence supports particular arguments advanced by Appellant with respect to obviousness Rejection R2 of claims 1–8, 12–21, 25, and 26 for the specific reasons discussed below. We highlight and address specific findings and arguments regarding claim 1 for emphasis as follows.

1. § 101 Rejection R1 of Claims 1–8, 12–21, 25, and 26

*Issue 1*

Appellant argues (App. Br. 6–14; Reply Br. 2–5) the Examiner's rejection of claim 1 under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter is in error. These contentions present us with the following issue:

Under our governing case law concerning 35 U.S.C. § 101, is claim 1 patent-ineligible under § 101?

PRINCIPLES OF LAW

A. 35 U.S.C. § 101

We first note “[w]hether a claim is drawn to patent-eligible subject matter is an issue of law that we review de novo.” *SiRF Tech., Inc. v. Int’l Trade Comm’n*, 601 F.3d 1319, 1331 (Fed. Cir. 2010).

An invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101.<sup>4</sup> 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.”).

---

<sup>4</sup> This threshold analysis of whether a claim is directed to one of the four statutory categories of invention, *i.e.*, a process, machine, manufacture, or composition of matter, is referred to as “*Step 1*” in the patent-eligibility inquiry under § 101.

Concepts determined to be abstract ideas, and thus patent ineligible, include certain methods of organizing human activity, such as fundamental 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 (1854))); 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 “[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.”).

However, the Federal Circuit has held claims ineligible as directed to an abstract idea when they merely collect electronic information, display information, or embody mental processes that could be performed by humans. *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1353–54 (Fed. Cir. 2016) (collecting cases). At the same time, “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. Abstract ideas may include, but are not limited to, fundamental economic practices, methods of organizing human activities, and mathematical formulas or relationships. *Alice* 573 U.S. 208 at 218–22. Under this guidance, we must therefore ensure at step one that we articulate what the claims are directed to with enough specificity to ensure the step one inquiry is meaningful. *Id.* at 217 (“[W]e tread carefully in construing this exclusionary principle lest it swallow all of patent law.”).

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-eligible application.” *Alice*, 573 U.S. at 221 (quotation marks 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 in the Federal Register concerning the application of § 101. *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50 (January 7, 2019) (hereinafter “Guidance”) (<https://www.govinfo.gov/content/pkg/FR-2019-01-07/pdf/2018-28282.pdf>).

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);<sup>5</sup> and

(2) additional elements that integrate the judicial exception into a practical application (*see* MPEP § 2106.05(a)–(c), (e)–(h)).<sup>6</sup>

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 are 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.<sup>7</sup>

---

<sup>5</sup> Referred to as “*Revised Step 2A, Prong 1*” in the Guidance (hereinafter “*Step 2A(i)*”).

<sup>6</sup> Referred to as “*Revised Step 2A, Prong 2*” in the Guidance (hereinafter “*Step 2A(ii)*”).

<sup>7</sup> Items (3) and (4) continue to be collectively referred to as “*Step 2B*” of the Supreme Court’s two-step framework, described in *Mayo* and *Alice*.

*Step 2A(i) – Abstract Idea*

Informed by our judicial precedent, the recent Guidance extracts and synthesizes key concepts identified by the courts as abstract ideas to explain that the abstract idea exception includes the following groupings of subject matter, when recited as such in a claim limitation:

(a) Mathematical concepts—mathematical relationships, mathematical formulas or equations, mathematical calculations;

(b) Certain methods of organizing human activity — fundamental economic principles or practices (including hedging, insurance, mitigating risk); commercial or legal interactions (including agreements in the form of contracts; legal obligations; advertising, marketing or sales activities or behaviors; business relations); managing personal behavior or relationships or interactions between people (including social activities, teaching, and following rules or instructions); and

(c) Mental processes—concepts performed in the human mind (including an observation, evaluation, judgment, opinion).

Under the Guidance, if the claim does not recite a judicial exception (a law of nature, natural phenomenon, or subject matter within the enumerated groupings of abstract ideas above), then the claim is patent-eligible at *Step 2A(i)*. This determination concludes the eligibility analysis, except in situations identified in the Guidance.<sup>8</sup>

---

<sup>8</sup> In the rare circumstance in which an examiner believes a claim limitation that does not fall within the enumerated groupings of abstract ideas should nonetheless be treated as reciting an abstract idea, the procedure described in the Guidance for analyzing the claim should be followed. *See Guidance, Section III.C.*

However, if the claim recites a judicial exception (i.e., an abstract idea enumerated above, a law of nature, or a natural phenomenon), the claim requires further analysis for a practical application of the judicial exception in *Step 2A(ii)*.

*Step 2A(ii) – Practical Application*

If a claim recites a judicial exception in *Step 2A(i)*, we determine whether the recited judicial exception is integrated into a practical application of that exception in *Step 2A(ii)* by: (a) identifying whether there are any additional elements recited in the claim beyond the judicial exception(s); and (b) evaluating those additional elements individually and in combination to determine whether they integrate the exception into a practical application.

The seven identified “practical application” sections of the MPEP,<sup>9</sup> cited in the Guidance under *Step 2A(ii)*, are:

- (1) MPEP § 2106.05(a) Improvements to the Functioning of a Computer or To Any Other Technology or Technical Field
- (2) MPEP § 2106.05(b) Particular Machine
- (3) MPEP § 2106.05(c) Particular Transformation
- (4) MPEP § 2106.05(e) Other Meaningful Limitations
- (5) MPEP § 2106.05(f) Mere Instructions To Apply An Exception
- (6) MPEP § 2106.05(g) Insignificant Extra-Solution Activity

---

<sup>9</sup> See MPEP § 2106.05(a)–(c), (e)–(h). Citations to the MPEP herein refer to revision [R-08.2017].

(7) MPEP § 2106.05(h) Field of Use and Technological Environment

If the recited judicial exception is integrated into a practical application as determined under one or more of the MPEP sections cited above, then the claim is not directed to the judicial exception, and the patent-eligibility inquiry ends. If not, then analysis proceeds to *Step 2B*.

*Step 2B – “Inventive Concept” or “Significantly More”*

Under our precedent, it is possible that a claim that does not “integrate” a recited judicial exception under *Step 2A(ii)* is nonetheless patent eligible. For example, the claim may recite additional elements that render the claim patent eligible even though a judicial exception is recited in a separate claim element.<sup>10</sup> The Federal Circuit has held claims eligible at the second step of the *Alice/Mayo* test (USPTO *Step 2B*) because the additional elements recited in the claims provided “significantly more” than the recited judicial exception (e.g., because the additional elements were unconventional in combination).<sup>11</sup> Therefore, if a claim has been determined to be directed to a judicial exception under *Revised Step 2A*, we must evaluate the additional elements individually and in combination under *Step 2B* to determine whether they provide an inventive concept (i.e.,

---

<sup>10</sup> See, e.g., *Diehr*, 450 U.S. at 187.

<sup>11</sup> See, e.g., *Amdocs (Israel), Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288, 1300, 1304 (Fed. Cir. 2016); *BASCOM Global Internet Services, Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1349–52 (Fed. Cir. 2016); *DDR Holdings v. Hotels.com*, 773 F.3d 1245, 1257–59 (Fed. Cir. 2014).

whether the additional elements amount to significantly more than the exception itself).<sup>12</sup>

Under the Guidance, we must consider in *Step 2B* whether an additional element or combination of elements: (1) “Adds a specific limitation or combination of limitations that are not well-understood, routine, conventional activity in the field, which is indicative that an inventive concept may be present;” or (2) “simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception, which is indicative that an inventive concept may not be present.” *See* Guidance, III.B.<sup>13</sup>

In the *Step 2B* analysis, an additional element (or combination of elements) is not well-understood, routine or conventional unless the examiner finds an evidentiary basis, and expressly supports a rejection in writing with, one or more of the following:

---

<sup>12</sup> The patent eligibility inquiry may contain underlying issues of fact. *Mortg. Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1325 (Fed. Cir. 2016). In particular, “[t]he question of whether a claim element or combination of elements is well-understood, routine and conventional to a skilled artisan in the relevant field is a question of fact.” *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1368 (Fed. Cir. 2018).

<sup>13</sup> In accordance with existing *Step 2B* guidance, an Examiner’s conclusion that an additional element (or combination of elements) is well understood, routine, conventional activity must be supported with a factual determination. For more information concerning evaluation of well-understood, routine, conventional activity, *see* MPEP § 2106.05(d), as modified by the USPTO *Berkheimer* Memorandum (USPTO Commissioner for Patents Memorandum dated Apr. 9, 2018, “Changes in Examination Procedure Pertaining to Subject Matter Eligibility, Recent Subject Matter Eligibility Decision (*Berkheimer v. HP, Inc.*)” (hereinafter “*Berkheimer Memo*”).

1. A citation to an express statement in the specification or to a statement made by an applicant during prosecution that demonstrates the well-understood, routine, conventional nature of the additional element(s).
2. A citation to one or more of the court decisions discussed in MPEP § 2106.05(d)(II) as noting the well-understood, routine, conventional nature of the additional element(s).
3. A citation to a publication that demonstrates the well-understood, routine, conventional nature of the additional element(s).
4. A statement that the examiner is taking official notice of the well-understood, routine, conventional nature of the additional element(s).

*See Berkheimer Memo.*

The analysis in *Step 2B* further determines whether an additional element or combination of elements:

- (a) Adds a specific limitation or combination of limitations that are not well-understood, routine, conventional activity in the field, which is indicative that an inventive concept may be present; or
- (b) simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception, which is indicative that an inventive concept may not be present.

Guidance, *and see Berkheimer Memo.*

If the Examiner or the Board determines under *Step 2B* that the element (or combination of elements) amounts to significantly more than the exception itself, the claim is eligible, thereby concluding the eligibility analysis.

However, if a determination is made that the element and combination of elements does not amount to significantly more than the exception itself, the claim is ineligible under *Step 2B*, and the claim should be rejected for lack of subject matter eligibility.

## ANALYSIS

### *Step 1*

Claim 1, as a method claim, recites one of the enumerated categories of eligible subject matter in 35 U.S.C. § 101. Therefore, the issue before us is whether it is directed to a judicial exception without significantly more.

#### *Step 2A(i): Does the Claim Recite a Judicial Exception?*

The Examiner determined “[t]he claim(s) is/are directed to the abstract idea of: (i) a fundamental economic practice, (ii) a method of organizing human activities, (iii) an idea of itself, or (iv) a mathematical relationship or formula.” Final Act. 6 (formatting removed). In particular, the Examiner concludes all but one limitation of claim 1 recites “an idea of itself,” and the last limitation of claim 1 recites both “an idea of itself” and “certain methods of organizing human activities.” Final Act. 7–8.<sup>14</sup>

“An idea of itself” is no longer a category included in the Guidance, and therefore we reevaluate whether an abstract idea is recited by claim 1 based upon the Guidance. We conduct our review for abstractness de novo.

We agree with the Examiner that claim 1 recites various mental processes that can be performed in the human mind and/or by pen and paper. *Id.* We find this type of activity, i.e., associating and comparing information

---

<sup>14</sup> However, from this pre-Guidance analysis, we see that claim 1 does not recite the judicial exceptions of either natural phenomena or laws of nature.

Appeal 2017-005981  
Application 13/179,408

and using rules to make a determination, includes longstanding conduct that existed well before the advent of computers and the Internet, and could be carried out by a human 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*.”).<sup>15</sup>

Our reviewing court has previously held other patent claims ineligible for being directed to similar abstract concepts. For example, while the Supreme Court has enhanced the § 101 analysis since *CyberSource* in cases like *Mayo* and *Alice*, the Federal Circuit continues to “treat[ ] analyzing information by steps people go through in their minds, . . . without more, as essentially mental processes within the abstract-idea category.” *Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1146–47 (Fed. Cir. 2016) (quoting *Elec. Power Grp. v. Alstom S.A.*, 830 F.3d 1350, 1354 (Fed. Cir. 2016)).

In addition, our reviewing court has concluded that abstract ideas include the concepts of collecting data, recognizing certain data within the collected data set, and storing the data in memory. *Content Extraction & Transmission LLC v. Wells Fargo Bank, N.A.*, 776 F.3d 1343, 1347 (Fed. Cir. 2014). Additionally, the collection of information and analysis of information (e.g., recognizing certain data within the dataset) are also abstract ideas. *Elec. Power*, 830 F.3d at 1353–54 (collecting information and “analyzing information by steps people go through in their minds, or by

---

<sup>15</sup> *CyberSource* further guides that “a method that can be performed by human thought alone is merely an abstract idea and is not patent-eligible under § 101.” *CyberSource*, 654 F.3d at 1373.

Appeal 2017-005981  
Application 13/179,408

mathematical algorithms, without more, [are] essentially mental processes within the abstract-idea category”). Similarly, “collecting, displaying, and manipulating data” is an abstract idea. *Intellectual Ventures I LLC v. Capital One Fin. Corp.*, 850 F.3d 1332, 1340 (Fed. Cir. 2017). Also, collecting and comparing known information has been determined to be an abstract idea. *Classen Immunotherapies, Inc. v. Biogen IDEC*, 659 F.3d 1057, 1067 (Fed. Cir. 2011) (“Claim 1 of the ’283 patent states the idea of collecting and comparing known information”). Also, more recently, our reviewing court has also concluded that acts of parsing, comparing, storing, and editing data are abstract ideas. *Berkheimer*, 881 F.3d at 1366.<sup>16</sup>

Moreover, the Specification provides evidence as to what the claimed invention is directed. In this case, the Specification discloses that “the present invention relates to methods and systems for associating a product redemption code with a consumer of the product identified with the redemption code.” Spec. 1: 10–13. Claim 1 provides additional evidence by reciting, in part, “associating . . . the identity of the consumer with the first product redemption data in response to receiving the first product redemption data and the identity of the consumer.” We conclude at least this limitation recites an abstract idea.<sup>17</sup>

---

<sup>16</sup> Our reviewing court recognizes that “[a]n abstract idea can generally be described at different levels of abstraction.” *Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1240 (Fed. Cir. 2016). That need not and, in this case does not, “impact the patentability analysis.” *Id.* at 1241.

<sup>17</sup> The Abstract describes the invention as:

There is presented a method and system for using a product redemption data associated with an identity of a consumer in a memory of a computer having a processor. The method comprises receiving the product redemption data,

Thus, under *Step 2A(i)*, we conclude claim 1 recites the abstract idea of “associating . . . the identity of the consumer with the first product redemption data in response to receiving the first product redemption data and the identity of the consumer,” which, under the Guidance, can be interpreted as a method of organizing human activity, i.e., advertising, marketing or sales activities.

*Step 2A(ii): Judicial Exception Integrated into a Practical Application?*

If the claims are directed to a patent-ineligible concept, as we conclude above, we proceed to the “practical application” *Step 2A(ii)* in which we determine whether the recited judicial exception is integrated into a practical application of that exception by: (a) identifying whether there are any additional elements recited in the claim beyond the judicial exception(s); and (b) evaluating those additional elements individually and in combination to determine whether they integrate the exception into a practical application.

In addition to the abstract “associating” limitation identified in *Step 2A(i)*, *supra*, claim 1 recites (1) “receiving . . . a first product redemption data and an identity of a consumer,” (2) “receiving, after the associating, the first product redemption data,” (3) “using . . . the first product redemption data as a substitute for the identity of the consumer,” and (4) “providing the

---

searching the memory using the processor to find the product redemption data, and identifying the consumer in response to finding the product redemption data associated with the identity of the consumer in the memory.

Spec. 26 (“Abstract”). This is consistent with the Examiner’s determination cited above.

consumer with updates to the first product, in response to the identifying the consumer using the first product redemption data.”

As to the specific limitations, we find limitations (1) and (2) recite insignificant data gathering. *See* MPEP § 2106.05(g). Data gathering, as performed by the steps or function in Appellant’s claims, is a classic example of insignificant extra-solution activity. *See, e.g., In re Bilski*, 545 F.3d 943, 963 (Fed. Cir. 2008) (en banc), *aff’d sub nom, Bilski v. Kappas*, 561 U.S. 593 (2010).

We also find limitation (4) recites insignificant post solution activity. The Supreme Court guides that the “prohibition against patenting abstract ideas ‘cannot be circumvented’ [by] adding ‘insignificant postsolution activity.’” *Bilski*, 561 U.S. at 610–11 (quoting *Diehr*, 450 U.S. at 191–92).

Appellant relies upon the Federal Circuit’s holding in *Enfish*<sup>18</sup> to contend “just as in *Enfish*, the claims of the present application are not directed to a patent ineligible concept, because the claims are directed to identifying a consumer using first product redemption data for a first product, so as to be able to provide the consumer with updates to the first product.” App. Br. 8. In particular, Appellant argues, “[t]he present application explains the disadvantages of conventional approaches, and provides example advantages of the claimed approach.” App. Br. 9–10 (quoting Spec. 8:19–9:4).

In *Enfish*, our reviewing court held claims directed to a self-referential logical model for a computer database patent-eligible under step one of *Alice*. *Enfish*, 822 F.3d at 1330. The disclosed technique enabled faster

---

<sup>18</sup> *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016).

Appeal 2017-005981  
Application 13/179,408

searching and more effective storage of data than previous methods. *Id.* at 1333. The court found the claims directed to “a specific improvement to the way computers operate, embodied in the self-referential table” (*id.* at 1336), and explained that the claims are “not simply directed to *any* form of storing tabular data, but instead are specifically directed to a *self-referential table* for a computer database” that functions differently than conventional databases. *Id.* at 1337.

We find Appellant’s reliance upon *Enfish* is misplaced, because the recited method does not improve the functioning of the computer itself. However, we do find the claimed invention does improve the underlying technology, i.e., “computer mediated consumer services.” *See* Spec. 1:10–13. “[T]he claims are directed to a specific implementation of a solution to a problem of identifying consumers for the purpose of providing updates to the consumers for their products.” App. Br. 10.

Notwithstanding Appellant’s particular arguments concerning *Enfish*, we conclude the recited “using . . . the first product redemption data as a substitute for the identity of the consumer” integrates the abstract idea of “associating the identity of the consumer with the first product redemption data in response to receiving the first product redemption data and the identity of the consumer” into a practical application of the abstract idea, thus improving the underlying technology of computer mediated consumer services.

Accordingly, we determine the recited judicial exception is integrated into a practical application as determined under at least MPEP Section 2106.05(a) cited above, such that the claim, as a whole, is not directed to the judicial exception.

Because we conclude claim 1 is not directed to a judicial exception, and thus is patent-eligible, this ends the patent-eligibility inquiry under the Guidance, and we need not proceed to the *Step 2B* analysis.

2. § 103 Rejection R2 of Claims 1–8, 12–21, 25, and 26

Issue 2

Appellant argues (App. Br. 14–20) the Examiner’s rejection of claim 1 under 35 U.S.C. § 103(a) as being obvious over the combination of Barnett, AAPA, Peterson, and Ovadia is in error. These contentions present us with the following issue:

Did the Examiner err in finding the cited prior art combination teaches or suggests a method that includes, *inter alia*, the steps of:

prior to the receiving, the first product redemption data along with a first product are distributed without the first product redemption data having been associated with any consumer . . . [and]

using, after the receiving of the first product redemption data from the playback device, the first product redemption data as a substitute for the identity of the consumer by . . . identifying, based on the searching, the consumer using the first product redemption data found in the memory and associated with the identity of the consumer in the memory,

as recited in claim 1? (Formatting removed).

Analysis

Appellant contends the cited combination of prior art, particularly, Barnett, does not teach or suggest using product redemption data as a substitute for the identity of the consumer, as recited in claim 1. App. Br. 14.

Appeal 2017-005981  
Application 13/179,408

Barnett is directed to distributing electronic coupons to remote personal computers located at the user's home to use at a retail store. . . . Additionally, Barnett discloses that the user is given a unique number assigned to the user, which is encoded as a bar code on the coupon. . . . This unique number is used to obtain demographic analysis and user-specific data, as well as preventing the duplicate use of a coupon. . . . In short, Barnett discloses that a user may obtain a coupon unique to the user, which can be tracked for marketing analysis and fraud prevention. However, Barnett does not disclose, teach, or suggest [using product redemption data as a substitute for the identity of the consumer].

App. Br. 15 (citations omitted).

The Examiner also finds “the method of Barnett allows the tracking of consumer purchases through the redemption of unique coupons issued to the consumer via a consumer profile.” Ans. 4. Further, “Ovadia discloses a discount offer redemption system that links identity with purchased items as a means to identify that user for future promotions using both the purchased item data and the direct identity of the user.” *Id.* (citations omitted).

The portion of Ovadia cited by the Examiner discloses:

Regardless of the type of indicia used, it should be understood that the purpose of providing POS machine readable redemption identification indicia relating to a specific advertising circular, is ultimately to address a file in the POS machine containing the products or services offered under a that circular *and to record the identity of each recipient of that circular who redeems at least one item offered in the circular* along with a listing of all items purchased during that transaction.

Ovadia col. 6:19–27 (emphasis added).

Appellant further argues, in contrast to the recitation in claim 1 of “prior to the receiving, the first product redemption data along with a first

product are distributed *without the first product redemption data having been associated with any consumer,*” Ovadia teaches “the identity of the person is known and is associated with the flyer.” App. Br. 18 (emphasis added).

We find Appellant’s argument persuasive regarding the deficiencies of the teachings and suggestions of the cited prior art combination, such that we do not sustain the Examiner’s rejection under § 103.

Therefore, for essentially the same reasons argued by Appellant (*id.*), we reverse the Examiner’s rejection of independent claim 1, and also the rejection of independent claim 14, which recites the disputed limitations in commensurate form. For the same reasons, we also reverse the rejections of all claims 2–8, 12, 13, 15–21, 25, and 26 that depend therefrom.<sup>19</sup>

#### CONCLUSIONS

(1) The Examiner erred with respect to patent-ineligible subject matter Rejection R1 of claims 1–8, 12–21, 25, and 26 under 35 U.S.C. § 101, and we do not sustain the rejection.

(2) The Examiner erred with respect to obviousness Rejection R2 of claims 1–8, 12–21, 25, and 26 under 35 U.S.C. § 103(a) over the cited prior art combination of record, and we do not sustain the rejection.

---

<sup>19</sup> Because we agree with at least one of the dispositive arguments advanced by Appellant, we need not reach the merits of Appellant’s other arguments. *See Beloit Corp. v. Valmet Oy*, 742 F.2d 1421, 1423 (Fed. Cir. 1984) (finding an administrative agency is at liberty to reach a decision based on “a single dispositive issue”).

Appeal 2017-005981  
Application 13/179,408

DECISION

We reverse the Examiner's decision rejecting claims 1–8, 12–21, 25,  
and 26.

REVERSED