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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte DAVID EDWARD THOMAS, JONATHAN G. QUINN, MICHAEL ROBERT MINASI, MICHELLE MARIAN, MIR MOHAMMAD AAMIR, and TAMARA RUTH PATTISON

Appeal 2017-006045
Application 13/072,547[1]
Technology Center 3600

Before ERIC S. FRAHM, BETH Z. SHAW, and NORMAN H. BEAMER, *Administrative Patent Judges*.

FRAHM, *Administrative Patent Judge*.

DECISION ON APPEAL

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[1] According to Appellants, Safeway, Inc. is the real party in interest (App. Br. 4). This appeal is related to (1) U.S. Patent Application No. 13/072,556 and Appeal No. 2017-006049; and (2) U.S. Patent Application No. 13/072,534, which is Appeal No. 2017-007426, which have the same inventive entity and assignee (Safeway, Inc.) (App. Br. 5).

STATEMENT OF CASE

Introduction

Appellants appeal under 35 U.S.C. § 134(a) from a final rejection of claims 1–3, 5, 6, 10, 13–15, 17, 18, 22, 25–27, 29, 30, 34, 38, and 39. Claims 4, 7–9, 11, 12, 16, 19–21, 23, 24, 28, 31–33, 35–37, 40, and 41 have been canceled. We have jurisdiction under 35 U.S.C. § 6(b).

We REVERSE.

Disclosed Invention and Exemplary Claim

Appellants' disclosed invention pertains to customer loyalty programs tailored to individual customer needs, interests, and habits (Spec. ¶ 3, Title; Abstract), and "provide[s] a system that generates and notifies participating customers of offers and/or rewards tailored to a given customer profile" (Spec. ¶ 4). The independent claims pertain to (1) an individualized discount and reward server of a retailer (claim 1); (2) an individualized discount and reward system of a retailer (claim 13); and (3) a non-transitory computer readable medium executing instructions on a processor of the individualized discount and reward server of the retailer to cause the server (claim 25), each to cause the server to provide customized offers to customers at a point of sale device based on customer input. Exemplary independent claim 1 under appeal, with emphasis and bracketed lettering added, reads as follows:

> 1. An individualized discount and reward server of a retailer, the server comprising: a processor and instructions stored on a non-transitory computer readable medium which, when processed by the processor, causes the individualized discount and reward server of the retailer to:
>
> send to a computer system of a consumer packaged good partner, via a network, [A] *information that a customer is only*

willing to buy a consumer packaged good partner's product at a reduced price;

after the computer system of the consumer packaged good partner receives the information, receive from the computer system of the consumer packaged good partner an agreement to provide funding for at least one customized offer for the consumer packaged good partner's product;

allocate the at least one customized offer to a retailer account based on the agreement using at least a purchase history associated with the customer, the at least one customized offer including a loyalty adjustment changing a general market price point, of the product to a discount price point;

display to a point of sale device, via an interface, a display page including categorical display of a plurality of offers that includes the at least one customized offer and an offer selection option for individual selection of each offer included in the plurality of offers, wherein at least one of the plurality of offers comprises a comparison of an offer price to a competitor's price for a similar product;

receive a customer input indicating selection of the at least one customized offer from the point of sale device;

update, upon reception of the customer input indicating selection of the at least one customized offer, the retailer account associated with the customer to indicate selection of the at least one customized offer;

receiving a purchase notification from the point of sale device specifying the retailer account associated with the customer and the product; and

upon receiving the purchase notification from the point of sale device:

i) diverting the purchase notification to a second server which is operated by the retailer and separate from the individualized discount and reward server, and

ii) distributing one or more functions to the second server to prevent the individualized discount and reward

server from being slowed down, the one or more functions distributed to the second server including:

a. retrieving the retailer account specified in the purchase notification, and

b. redeeming the customized offer by associating the product with the loyalty adjustment independent of the general market price point associated with the product at a time of reception of the purchase notification.

The Examiner's Rejections

The Examiner rejected claims 1–3, 5, 6, 10, 13–15, 17, 18, 22, 25–27, 29, 30, 34, 38, and 39 as being unpatentable under 35 U.S.C. § 103(a) over the base combination of Fujita (US 2006/0277103 A1; published Dec. 7, 2006), Brunner (US 2009/0150218 A1; published June 11, 2009), Stack (US 6,076,070; issued June 13, 2000), Sullivan (US 2001/0018665 A1; published Aug. 30, 2001), Ruckart (US 2006/0085270 A1; published Apr. 20, 2006), and Nix (US 2008/0040261 A1; published Feb. 14, 2008). *See* Final Act. 3–26.

Issue on Appeal

Based on Appellants' arguments in the Appeal Brief (App. Br. 13–34) and the Reply Brief (Reply Br. 3–13), the following dispositive issue is presented on appeal:

Have Appellants shown the Examiner erred in determining that the "information that a customer is only willing to buy the retail product at a reduced price" (*see supra* claim 1, limitation [A]) recited in independent claims 1, 13, and 25 is non-functional descriptive material that is not to be given any patentable weight; and as a result erred in determining that the combination of applied references teaches or suggests limitation [A] as set

forth in each of claims 1–3, 5, 6, 10, 13–15, 17, 18, 22, 25–27, 29, 30, 34, 38, and 39?

ANALYSIS

We have reviewed the Examiner's rejections (Final Act. 3–26) in light of Appellants' contentions in the Appeal Brief (App. Br. 13–34) and the Reply Brief (Reply Br. 3–13) that the Examiner has erred, as well the Examiner's findings and reasoning in response to Appellants' arguments (Ans. 3–18).

As to claims 1–3, 5, 6, 10, 13–15, 17, 18, 22, 25–27, 29, 30, 34, 38, and 39, we agree with Appellants' contentions (App. Br. 22–25; Reply Br. 10–11) that the Examiner erred in determining that the "information that a customer is only willing to buy the retail product at a reduced price" (*see supra* claim 1, limitation [A]) recited in claims 1, 13, and 25 is non-functional descriptive material that is not to be given any patentable weight; and as a result erred in determining that the combination of applied references teaches or suggests limitation [A] as set forth in each of claims 1–3, 5, 6, 10, 13–15, 17, 18, 22, 25–27, 29, 30, 34, 38, and 39.

Our reviewing court has the following to say about printed matter: "[O]nce it is determined that the limitation is directed to printed matter, one must then determine if the matter is functionally or structurally related to the associated physical substrate, and only if the answer is "no" is the printed matter owed no patentable weight." *In re DiStefano, III,* 808 F.3d 845, 851 (Fed. Cir. 2015). As our reviewing court has held, printed matter may serve to distinguish an invention from the prior art only if there is a functional relationship between the printed matter and its substrate. *See AstraZeneca*

LP v. Apotex, Inc., 633 F.3d 1042, 1064–65 (Fed. Cir. 2010); *King Pharmaceuticals, Inc. v. Eon Labs, Inc.*, 616 F.3d 1267, 1279 (Fed. Cir. 2010) (the relevant inquiry here is whether the additional instructional limitation has a "new and unobvious functional relationship" with the method, that is, whether the limitation in no way depends on the method, and the method does not depend on the limitation); *see also Ex parte Nehls*, 88 USPQ2d 1883, 1889 (BPAI 2008) (precedential) (informational content of the data thus represents non-functional descriptive material, which "does not lend patentability to an otherwise unpatentable computer-implemented product or process."); *Ex parte Curry*, 84 USPQ2d 1272, 1274 (BPAI 2005) (informative) (Fed. Cir. Appeal No. 2006-1003), *aff'd*, (Rule 36) (June 12, 2006) ("wellness-related" data in databases and communicated on distributed network did not functionally change either the data storage system or the communication system used in the claimed method). *See also In re Ngai*, 367 F.3d 1336, 1339 (Fed. Cir. 2004); *In re Lowry*, 32 F.3d 1579, 1583–84 (Fed. Cir. 1994) (the Examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate).

In this light, in the instant case concerning the information limitation recited in claims 1, 13, and 25, even if we agree with the Examiner that the recited information is printed matter, we agree with Appellants (*see* App. Br. 22–25; Reply Br. 10–11) that the recited information acts as a *trigger*, therefore is functional in nature and related to the retailer's server, and cannot be read out of the claim. Specifically, the recited '"information' is functional with respect to the retailer's server because the 'information' functions to trigger when the retailer's server sends the communication to

the [consumer packaged good] CPG partner's computer system and when the retailer's server receives a communication from the CPG partner's computer system" (App. Br. 22–24). The Examiner's reasoning (*see* Final Act. 11–13; Ans. 8–10, 12–13) that the information is not used for processing, analysis, or other operations set forth in claims 1, 13, and 25, but only as a matter of timing, is faulty. As seen from the clause following limitation [A] recited in claim 1, and as similarly recited in remaining independent claims 13 and 25, the information that a customer is only willing to buy the selected retail product at a reduced price acts as a trigger to receive (i.e., thus send) "an agreement to provide funding for at least one customized offer for the selected retail product" from "the computer system of the consumer packaged good partner."

As a result, we are constrained by the record before us not to sustain the Examiner's obvious rejection of claims 1–3, 5, 6, 10, 13–15, 17, 18, 22, 25–27, 29, 30, 34, 38, and 39, which all contain the disputed feature of "information that a customer is only willing to buy the retail product at a reduced price."

CONCLUSION

Appellants have shown the Examiner erred in determining that the "information that a customer is only willing to buy the retail product at a reduced price" (*see supra* claim 1, limitation [A]) recited in claims 1, 13, and 25) is non-functional descriptive material that is not to be given any patentable weight; and as a result erred in determining that the combinations of applied references teach or suggest limitation [A] as set forth in each of

claims 1, 13, and 25, as well as corresponding dependent claims 2, 3, 5, 6, 10, 14, 15, 17, 18, 22, 26, 27, 29, 30, 34, 38, and 39.

DECISION

The Examiner's rejections of claims 1–3, 5, 6, 10, 13–15, 17, 18, 22, 25–27, 29, 30, 34, 38, and 39 under 35 U.S.C. § 103(a) over the base combination of Fujita, Brunner, Stack, Sullivan, Ruckart, and Nix is reversed.

REVERSED