



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.
12/012,449	02/01/2008	David Selinger	800054.409	2817
157877	7590	11/23/2018	EXAMINER	
James A. D. White VLP Law Group 7683 SE 27th Street #145 Mercer Island, WA 98040			POUNCIL, DARNELL A	
			ART UNIT	PAPER NUMBER
			3621	
			NOTIFICATION DATE	DELIVERY MODE
			11/23/2018	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):

JWhite@vlplawgroup.com
patents@vlplawgroup.com
AWendel@vlplawgroup.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte DAVID SELINGER, TYLER KOHN,
MICHAEL DECOURCEY, SUNDEEP AHUJA,
JAMES OSIAL, and ALBERT SUNWOO

Appeal 2017-006455
Application 12/012,449
Technology Center 3600

Before ANTON W. FETTING, BIBHU R. MOHANTY, and
MICHAEL W. KIM, *Administrative Patent Judges*.
FETTING, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE¹²

David Selinger, Tyler Kohn, Michael DeCoursey, Sundeep Ahuja,
James Osial, and Albert Sunwoo (Appellants) seek review under
35 U.S.C. § 134 of a final rejection of claims 1–20, the only claims pending

¹ Our decision will make reference to the Appellants' Appeal Brief ("App. Br.," filed May 4, 2016) and Reply Brief ("Reply Br.," filed March 13, 2017), and the Examiner's Answer ("Ans.," mailed January 13, 2017), and Final Action ("Final Act.," mailed November 13, 2015).

² The real party in interest is RichRelevance, Inc. App. Br. 2.

in the application on appeal. We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b).

The Appellants invented a way of providing targeted content, and more specifically, providing targeted content, such as advertising, by analyzing the context in which the content is to be provided in light of known attributes of the content available to be provided and the one or more recipients of the content. Specification para. 1.

An understanding of the invention can be derived from a reading of exemplary claim 1, which is reproduced below (bracketed matter and some paragraphing added).

1. A computer-implemented process comprising:

[1] collecting,

by a configured computer system and via one or more first communications over one or more networks between the configured computer system and one or more first other computing systems implementing one or more originating retail websites operated by one or more originating retailers,

user behavior data including transactional data regarding multiple user transactions involving multiple users and the one or more originating retail websites,

wherein the configured computer system is operated by an operator distinct from the one or more originating retailers;

[2] collecting,

by the configured computer system and via one or more second communications over the one or more networks between the configured computer system and one or more second other computing systems implementing one or more advertising retail

websites operated by one or more advertising
retailers,
product data regarding multiple products
that are available for purchase from the one or
more advertising retail websites
and
that are available to be advertised on the one or
more originating retail websites,
wherein the one or more advertising retailers are distinct
from the one or more originating retailers and from the
operator of the configured computer system,
and
wherein the one or more advertising retail websites are
distinct from the one or more originating retail websites;
[3] generating,
by the configured computer system,
a selection model³ based on the product data and the
transactional data,
wherein the selection model includes a plurality of data
sets identifying similar and popular products;
[4] generating,
by the configured computer system,
personalized non-competitive advertisements for
presentation on the one or more originating retail
websites to at least one of the multiple users,
the generating of the personalized non-competitive
advertisements including using the selection model to
select from a plurality of competitive and non-

³ A selection model is a model used to analyze targeted content to be provided to a user. Spec. para. 105.

competitive advertisements corresponding to the multiple products and to other products,

wherein the generated personalized non-competitive advertisements are non-competitive with respect to the one or more originating retail websites and are personalized to the at least one user;

and

[5] sending,

by the configured computer system,

one or more third communications over the one or more networks

to cause the generated personalized non-competitive advertisements to be presented to the at least one user on the one or more originating retail websites.

App. Br. 37–38 (Claims Appendix).

The Examiner relies upon the following prior art:

Rotholtz US 2008/0046332 A1 Feb. 21, 2008

Badros US 2010/0094867 A1 Apr. 15, 2010

Claims 1–20 stand rejected under 35 U.S.C. § 101 as directed to a judicial exception without significantly more.

Claims 1–20 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Rotholtz and Badros.

ISSUES

The issues of eligible subject matter turn primarily on whether the claims recite more than abstract conceptual advice of what a computer is to provide without implementation details.

The issues of obviousness turn primarily on whether the prior art describes collecting data on multiple users.

FACTS PERTINENT TO THE ISSUES

The following enumerated Findings of Fact (FF) are believed to be supported by a preponderance of the evidence.

Facts Related to the Prior Art

Rotholtz

01. Rotholtz is directed to internet-based sales of products/services and, more particularly, to internet-based sales of complementary products/services. Rotholtz para. 2.
02. Rotholtz describes offering complementary products/services by generating a result set based, at least in part, upon one or more actions taken by a user while browsing a website. At least one item is selected from the result set. A complementary result set is generated that defines, at least in part, one or more products/services that complement the at least one item selected from the result set. Rotholtz para. 5.

Badros

03. Badros is directed to displaying a plurality of documents on a time-multiplexed basis according to specific criteria, such as a preference or relatedness. Badros para. 2.
04. Badros describes a plurality of different document types being selected and/or excluded from selection. For instance, Badros may select only one ad from each of several different product categories. In this way, Badros may select a plurality of ads from non-competing product types, wherein each ad advertises a product that does not compete with any other ad. For instance, on a camping webpage, a plurality of different ads may be selected,

each for a different item of camping gear such as a different ad for each of a tent, lantern, sleeping bag, and pocket knife. After each ad is selected, other ads for competing products may be excluded from selection. Badros para. 56.

ANALYSIS

Claims 1–20 rejected under 35 U.S.C. § 101 as directed to a judicial exception without significantly more

Method claim 1 recites collecting user and product data, generating a selection model (defined only by how it is used, and not by how it is constructed) and advertising data, and sending the advertising data. Thus, claim 1 recites receiving, analyzing, modifying, and transmitting data. None of the limitations recite implementation details for any of these steps, but instead recite functional results to be achieved by any and all possible means. Data reception, analysis, modification, and transmission are all generic, conventional data processing operations to the point they are themselves concepts awaiting implementation details. The sequence of data reception-analysis-modification-transmission is equally generic and conventional. The ordering of the steps is therefore ordinary and conventional. The remaining claims merely describe process parameters, with no implementation details.

The Supreme Court

set forth a framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts. First, [] determine whether the claims at issue are directed to one of those patent-ineligible concepts. [] If so, we then ask, “[w]hat else is there in the claims before us? [] To answer that question, [] consider the elements of each claim both individually and “as

an ordered combination” to determine whether the additional elements “transform the nature of the claim” into a patent-eligible application. [The Court] described step two of this analysis as a 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.”

Alice Corp., Pty. Ltd. v CLS Bank Intl, 134 S. Ct. 2347, 2355 (2014) (citing *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66 (2012)).

To perform this test, we must first determine whether the claims at issue are directed to a patent-ineligible concept. The Examiner determines the claims to be directed to providing targeted content. Final Act. 3.

Although the Court in *Alice* made a determination as to what the claims were directed to, we find that this case’s claims themselves and the Specification provide enough information to inform one as to what they are directed to.

The preamble to claim 1 does not recite what it is directed to, but the steps in claim 1 result in generating and sending advertisements absent any technological mechanism other than a conventional computer for doing so. The Specification at paragraph 1 recites that the invention relates to providing targeted content, and more specifically, providing targeted content, such as advertising, by analyzing the context in which the content is to be provided in light of known attributes of the content available to be provided and the one or more recipients of the content. Thus, all this evidence shows that claim 1 is directed to providing targeted content, i.e. publishing and advertising. This is consistent with the Examiner’s determination.

It follows from prior Supreme Court cases, and *Bilski* (*Bilski v Kappos*, 561 U.S. 593 (2010)) in particular, that the claims at issue here are directed to an abstract idea. Like the risk hedging in *Bilski*, the concept of publishing and advertising is a fundamental business practice long prevalent in our system of commerce. The use of publishing and advertising is also a building block of ingenuity in conveying ideas. Thus, publishing and advertising, like hedging, is an “abstract idea” beyond the scope of § 101. *See Alice Corp. Pty. Ltd.* at 2356.

As in *Alice Corp. Pty. Ltd.*, we need not labor to delimit the precise contours of the “abstract ideas” category in this case. It is enough to recognize that there is no meaningful distinction in the level of abstraction between the concept of risk hedging in *Bilski* and the concept of publishing and advertising at issue here. Both are squarely within the realm of “abstract ideas” as the Court has used that term. *See Alice Corp. Pty. Ltd.* at 2357.

Further, claims involving data collection, analysis, and display are directed to an abstract idea. *Elec. Power Grp. v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016) (holding that “collecting information, analyzing it, and displaying certain results of the collection and analysis” are “a familiar class of claims ‘directed to’ a patent ineligible concept”); *see also In re TLI Commc’ns LLC Patent Litig.*, 823 F.3d 607, 611 (Fed. Cir. 2016); *FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1093–94 (Fed. Cir. 2016). Claim 1, unlike the claims found non-abstract in prior cases, uses generic computer technology to perform data reception, analysis, modification, and transmission and does not recite an improvement to a particular computer technology. *See, e.g., McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1314–15 (Fed. Cir. 2016) (finding claims

not abstract because they “focused on a specific asserted improvement in computer animation”). As such, claim 1 is directed to the abstract idea of receiving, analyzing, modifying, and transmitting data.

The remaining claims merely describe process parameters. We conclude that the claims at issue are directed to a patent-ineligible concept.

The introduction of a computer into the claims does not alter the analysis at *Mayo* step two.

the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention. Stating an abstract idea “while adding the words ‘apply it’” is not enough for patent eligibility. Nor is limiting the use of an abstract idea “to a particular technological environment.” Stating an abstract idea while adding the words “apply it with a computer” simply combines those two steps, with the same deficient result. Thus, if a patent’s recitation of a computer amounts to a mere instruction to “implement[t]” an abstract idea “on . . . a computer,” that addition cannot impart patent eligibility. This conclusion accords with the preemption concern that undergirds our §101 jurisprudence. Given the ubiquity of computers, wholly generic computer implementation is not generally the sort of “additional feature[e]” that provides any “practical assurance that the process is more than a drafting effort designed to monopolize the [abstract idea] itself.”

Alice Corp. Pty. Ltd., 134 S. Ct. at 2358 (citations omitted).

“[T]he relevant question is whether the claims here do more than simply instruct the practitioner to implement the abstract idea [] on a generic computer.” *Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2359. They do not.

Taking the claim elements separately, the function performed by the computer at each step of the process is purely conventional. Using a computer for receiving, analyzing, modifying, and transmitting data amounts to electronic data query and retrieval—one of the most basic functions of a

computer. The limitation of generating a selection model is just that, generating a model. A model is by definition an abstraction. No particular implementation or structure for the model is disclosed. All of these computer functions are well-understood, routine, conventional activities previously known to the industry. *See Elec. Power Grp. v. Alstom S.A.*, *supra*. Also see *In re Katz Interactive Call Processing Patent Litigation*, 639 F.3d 1303, 1316 (Fed.Cir. 2011)(“Absent a possible narrower construction of the terms ‘processing,’ ‘receiving,’ and ‘storing,’ . . . those functions can be achieved by any general purpose computer without special programming”). In short, each step does no more than require a generic computer to perform generic computer functions. As to the data operated upon, “even if a process of collecting and analyzing information is ‘limited to particular content’ or a particular ‘source,’ that limitation does not make the collection and analysis other than abstract.” *SAP America Inc. v. InvestPic LLC*, 898 F.3d 1161, 1168 (Fed. Cir. 2018).

Considered as an ordered combination, the computer components of Appellants’ method add nothing that is not already present when the steps are considered separately. The sequence of data reception-analysis-modification-transmission is equally generic and conventional or otherwise held to be abstract. *See Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014) (sequence of receiving, selecting, offering for exchange, display, allowing access, and receiving payment recited an abstraction), *Inventor Holdings, LLC v. Bed Bath & Beyond, Inc.*, 876 F.3d 1372, 1378 (Fed. Cir. 2017) (sequence of data retrieval, analysis, modification, generation, display, and transmission), *Two-Way Media Ltd. v. Comcast Cable Communications, LLC*, 874 F.3d 1329, 1339 (Fed. Cir. 2017)

(sequence of processing, routing, controlling, and monitoring). The ordering of the steps is therefore ordinary and conventional.

Viewed as a whole, Appellants' method claims simply recite the concept of publishing and advertising as performed by a generic computer. To be sure, the claims recite doing so by advising one to collect user and product data and generate advertisements by generating selection models from the data. But this is no more than abstract conceptual advice on the parameters for such publishing and advertising, and the generic computer processes needed to process those parameters, and do not recite any particular implementation.

The method claims do not, for example, purport to improve the functioning of the computer itself. Nor do they effect an improvement in any other technology or technical field. The Specification spells out different generic equipment⁴ and parameters that might be applied using this concept and the particular steps such conventional processing would entail based on the concept of publishing and advertising under different scenarios. It does not describe any particular improvement in the manner a computer functions. Instead, the claims at issue amount to nothing significantly more than an instruction to apply the abstract idea of publishing and advertising using some unspecified, generic computer. Under our precedents, that is not enough to transform an abstract idea into a patent-eligible invention. *See Alice Corp. Pty. Ltd.* at 2360.

⁴ The Specification describes general purpose computer systems. Spec. para. 143.

As to the structural claims, they

are no different from the method claims in substance. The method claims recite the abstract idea implemented on a generic computer; the system claims recite a handful of generic computer components configured to implement the same idea. This Court has long “warn[ed] ... against” interpreting § 101 “in ways that make patent eligibility ‘depend simply on the draftsman’s art.’

Alice Corp. Pty. Ltd. at 2360.

As to Appellants’ Appeal Brief arguments, we adopt the Examiner’s determinations and analysis from Final Action 2–4 and Answer 6–7 and reach similar legal conclusions. We now turn to the Reply Brief.

We are not persuaded by Appellants’ argument that

the pending claims are generally directed to automated operations of computer systems for selecting and sending information for display to particular users that is appropriate for them and their current environment of other related information being displayed, by collecting and generating information from various types of websites, and then using that generated information to perform the selecting. As such, the actual recited claim language goes far beyond the alleged abstract idea involving generic “data gathering” and “generating” of information as part of “providing targeted content by performing the steps of computer-implemented approaches to interfacing advertisers that use computer systems to advertise”, and recites significantly more than any such alleged idea.

Reply Br. 13–14. Appellants get this right at the very beginning, in that the claims are directed to sending ads by selecting and sending information.

Claims directed only to such primitive operations as data selection and transmission are not patent eligible. *See Electric Power Group, supra.*

Beyond that, claims directed to advertising, as we determined *supra*, are

likewise patent ineligible. *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014).

We are not persuaded by Appellants' argument that the decision in *Trading Technologies International, Inc. v. CQG, Inc.*, 675 Fed. App'x 1001 (2017) held that

even if the underlying activities that are improved relate to human performance of financial-related transactions, such as buying and selling items as in *Trading Technologies*, the computer-implemented functionality for displaying information that allows the performance of those activities to be improved is directed to statutory subject matter, due to the improvement in functionality from the more useful display of information in a GUI (graphical user interface).

Reply Br. 14–15. First, *Trading Technologies* was non-precedential. Second, and more critically, the facts in *Trading Technologies* are those in which the invention did affect the underlying technology of the computer in the manner of dynamic user interface run time animation, and not simply using the computer for generic data reads, analysis, and transmission. No such underlying technology improvement is present in the instant claims.

Appellants also attempt to analogize the claims to those involved in *McRO, Inc. v. Bandai Namco Games America Inc.*, 837 F.3d 1299 (Fed. Cir. 2016). Reply Br. 15–17. In *McRO*, the court held that, although the processes were previously performed by humans, “the traditional process and newly claimed method . . . produced . . . results in fundamentally different ways.” *FairWarning v. Iatric Systems*, 839 F.3d at 1094 (differentiating the claims at issue from those in *McRO*). In *McRO*, “it was the incorporation of the claimed rules not the use of the computer, that improved the existing technology process,” because the prior process performed by humans “was driven by subjective determinations rather

than specific, limited mathematical rules.” 837 F.3d at 1314 (internal quotation marks, citation, and alterations omitted). In contrast, the claims of the instant application merely implement an old practice of using decision criteria in making advertising decisions in a new environment. Appellants have not argued that the claimed processes of selecting products apply rules of selection in a manner technologically different from those which humans used, albeit with less efficiency, before the invention was claimed. Merely pigeon holing the objects of decision making in groups to aid decision making is both old and itself abstract.

The claims in *McRO* were not directed to “a specific asserted improvement in computer animation, i.e., the automatic use of rules of a particular type.” We explained that “the claimed improvement [was] allowing computers to produce ‘accurate and realistic lip synchronization and facial expressions in animated characters’ that previously could only be produced by human animators.” The claimed rules in *McRO* transformed a traditionally subjective process performed by human artists into a mathematically automated process executed on computers.

FairWarning, 839 F.3d 1089, 1094 (Fed. Cir, 2016) (differentiating the claims at issue from those in *McRO*).

We are not persuaded by Appellants’ argument that the claims contain an inventive concept that is also found in the specific ordered combination of the limitations, similar to the Federal Circuit's findings in *BASCOM* (*Bascom Global Internet v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016)). Reply Br. 18–20. Initially, we remind Appellants that *Bascom* did not find claims eligible on the substance, but rather that the Appellees did not provide sufficient evidence to support a 12(b)(6) motion to dismiss in which facts are presumed in the non-movant’s favor.

The key fact in *Bascom* was the presence of a structural change in “installation of a filtering tool at a specific location, remote from the end-users, with customizable filtering features specific to each end user. This design gives the filtering tool both the benefits of a filter on a local computer and the benefits of a filter on the ISP server.” *Bascom*, 827 F.3d at 1350. The instant claims have no analogous structural benefit.

We are not persuaded by Appellants’ argument that the Examiner failed to consider preemption. Reply Br. 18. “Where a patent’s claims are deemed only to disclose patent ineligible subject matter under the *Mayo* [*Alice*] framework, as they are in this case, preemption concerns are fully addressed and made moot.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015).

We are not persuaded by Appellants’ argument that “the current Office Action also fails to cite any such case in which analogous subject matter for the additional elements discussed above has been found to be merely well-understood and routine activities of a generic computer.” Reply Br. 21 (emphasis omitted). See our discussion of *Elec. Power Grp. v. Alstom S.A.*, *supra*.

*Claims 1–20 rejected under 35 U.S.C. § 103(a) as unpatentable over
Rotholtz and Badros*

We are persuaded by Appellants’ argument that Rotholtz does not describe collecting user behavior data including transactional data regarding multiple user transactions involving multiple users and the one or more originating retail websites. App. Br. 15. The Examiner makes no findings as to the collection of multiple user data, as Rotholtz describes collecting

Appeal 2017-006455
Application 12/012,449

only for a single user, and the Examiner applies Badros only for the selection model limitation. Final Act. 5–7 and Ans. 2–4.

CONCLUSIONS OF LAW

The rejection of claims 1–20 under 35 U.S.C. § 101 as directed to a judicial exception without significantly more is proper.

The rejection of claims 1–20 under 35 U.S.C. § 103(a) as unpatentable over Rotholtz and Badros is improper.

DECISION

The rejection of claims 1–20 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). *See* 37 C.F.R. § 1.136(a)(1)(iv) (2011).

AFFIRMED