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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte EDWARD C. DRAKE and JEFFREY A. STEELE

Appeal 2017-007335
Application 14/301,237¹
Technology Center 3600

Before ELENI MANTIS-MERCADER, JASON J. CHUNG, and
BETH Z. SHAW, *Administrative Patent Judges*.

CHUNG, *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 1–20. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

INVENTION

The invention is directed to digital purchase transfers between separate retailers. Spec. 2:2–4. Claim 1 (emphasis added) is illustrative of the invention and is reproduced below:

1. A user device comprising:
a memory storing a receipt for a media content purchased from a first retailer; and
a processor configured to:

¹ According to Appellants, Disney Enterprises, Inc. is the real party in interest. App. Br. 2.

retrieve the receipt for the media content from the memory;

transmit the receipt to a redemption server, wherein the redemption server includes a plurality of media redemption tokens, and wherein each of the media redemption tokens is associated with an entitlement corresponding to one of a plurality of media contents including the media content;

receive one of the plurality of media redemption tokens from the redemption server in response to the transmitting of the receipt to the redemption server;

transmit the one of the plurality of media redemption tokens received from the redemption server to a second retailer;
and

receive the media content from the second retailer in response to the transmitting of the one of the plurality of media redemption tokens to the second retailer, wherein the one of the plurality of media redemption tokens is associated with the entitlement corresponding to the media content.

REJECTIONS AT ISSUE²

Claims 1–20 stand rejected under 35 U.S.C. § 101 as being directed to a judicial exception, without significantly more. Final Act. 5–6.

Claims 1, 3–8, 11–14, and 16–20 stand rejected under 35 U.S.C. § 103 as being unpatentable over the combination of Fomenko (US 8,639,630 B2; issued Jan. 28, 2014) and Lee (US 2013/0347044 A1; published Dec. 26, 2013). Final Act. 6–11.

² The Examiner rejected claims 8–20 under 35 U.S.C. § 112(b). Final Act. 4–5. However, in the Advisory Action mailed September 27, 2016, the Examiner states “[t]he after final amendments will be entered because they overcome the 112(b) rejection.” We, therefore, consider the rejection under 35 U.S.C. § 112(b) to be withdrawn.

Claims 2, 3,³ 9, 10, and 15 stand rejected under 35 U.S.C. § 103 as being unpatentable over the combination of Fomenko, Lee, and Jaini (US 2014/0372255 A1; filed June 12, 2013). Final Act. 12–13.

We have only considered those arguments that Appellants actually raised in the Briefs. Arguments Appellants could have made, but chose not to make, in the Briefs have not been considered and are deemed to be waived. *See* 37 C.F.R. § 41.37(c)(1)(iv).

ANALYSIS

Rejections of Claims 1–20 under 35 U.S.C. § 101

The Examiner concludes claims 1–20 are directed to an abstract idea such as using categories to organize, store, and transmit information similar to *Cyberfone Sys., LLC v. CNN Interactive Grp., Inc.* 558 Fed. Appx. 988 (2014). Final Act. 5. In addition, the Examiner concludes the present claims are directed to an abstract idea such as comparing new and stored information and using rules to identify options similar to *SmartGene, Inc. v. Advance Biological Laboratories, SA* 555 Fed. Appx. 950 (2014). *Id.* Additionally, the Examiner concludes the present claims are directed to an abstract idea such as displaying an advertisement in exchange for access to

³ Claim 3 depends from claim 2. App. Br. 20 (Claims Appendix). The Examiner rejects claim 2 under 35 U.S.C. § 103 as being unpatentable over the combination of Fomenko, Lee, and Jaini. Final Act. 12–13. However, the Examiner rejects claim 3 under 35 U.S.C. § 103 as being unpatentable over the combination of Fomenko and Lee. Final Act. 7–8. We consider the Examiner’s grouping in the rejection of claim 3 as an inadvertent typographical error. We, therefore, construe the rejection of claim 3 to be rejected under 35 U.S.C. § 103 as being unpatentable over the combination of Fomenko, Lee, and Jaini.

copyrighted media such as *Ultramercial, Inc. and Ultramercial, LLC v. Hulu, LLC and Wildtangent, Inc.* 772 F.3d 709 (2014). *Id.* And the Examiner concludes the present claims are directed to data retrieving, transmitting, and receiving similar to data collection and management concepts in *Content Extraction and Transmission L.L.C. v. Wells Fargo Bank, National Association*, 776 F.3d 1343 (Fed. Cir 2014), *TLI Communications LLC Patent Litigation v. AV Automotive, L.L.C.* 823 F.607 (2017), and *Elec. Power Gp., LLC v. Alstom*, 830 F.3d 1350 (Fed. Cir. 2016). Ans. 3. The Examiner concludes unlike *Enfish, LLC v. Microsoft Corporation*, 822 F.3d 1327 (2016), the present claims merely use the computer as a tool that performs the abstract concepts. *Id.*

The Examiner concludes the additional elements recited in the present claims do not amount to significantly more than the judicial exception because they are generic components that are well-understood, routine, and conventional. Final Act. 6; Ans. 3. Also, the Examiner concludes the claims do not purport to improve the functioning of the computer itself, any other technology, or another technical field to amount to significantly more than the abstract idea. Final Act. 6.

Appellants argue the present claims are not directed to an abstract idea because they are similar to the claims in *Enfish* in that the present claims overcome the problem of an inability of consumers who have purchased media content online to access the same media content through another retailed. App. Br. 7–11. Moreover, Appellants argue the present claims amount to significantly more than an abstract idea because there is no preemption. *Id.* at 11–12. Further, Appellants argue the present claims

are significantly more than an abstract idea because they are directed to a specific way of enabling a user device to purchase media content from one retailer, and obtain access to the same media content through another retailer. *Id.* at 12. We disagree with Appellants.

Following the decision in *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347 (2014) (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 82–84 (2012)), we analyze claims where the abstract idea judicial exception to the categories of statutory subject matter is at issue using the following two-part analysis set forth in *Mayo*: 1) determine whether the claim is directed to an abstract idea; and 2) if an abstract idea is present in the claim, determine whether any element, or combination of elements, in the claim is sufficient to ensure that the claim amounts to significantly more than the abstract idea itself. *See Alice*, 134 S. Ct. at 2350.

As to the first part of the analysis, examples of abstract ideas referenced in *Alice* include: fundamental economic practices;⁴ certain methods of organizing human activities;⁵ “[a]n idea of itself”;⁶ and, mathematical relationships or formulas.⁷ Claims that include abstract ideas

⁴ *Alice*, 134 S. Ct. at 2350: e.g., intermediated settlement, i.e., the use of a third party intermediary to mitigate settlement risk.

⁵ *Id.* at 2356: e.g., a series of steps instructing how to hedge risk (citing *Bilski v. Kappos*, 561 U.S. 593, 599 (2010)).

⁶ *Id.* at 2355: e.g., a principle, an original cause, a motive (citing *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972); *Le Roy v. Tatham*, 14 How. 156, 175 (1852)).

⁷ *Id.* at 2350: e.g., a mathematical formula for computing alarm limits in a catalytic conversion process (*Parker v. Flook*, 437 U.S. 584, 594–95 (1978)), or a formula for converting binary-coded decimal numerals into pure binary form (*Gottschalk*, 409 U.S. at 71–72).

like these are examined under the second part of the analysis to determine whether the abstract idea has been applied in an eligible manner.

As to the second part of the analysis, we consider the claim as a whole by considering all claim elements, both individually and in combination. *Id.* at 2355. Limitations referenced in *Alice* that may be enough to qualify as “significantly more” when recited in a claim with an abstract idea include, as non-limiting or non-exclusive examples: improvements to another technology or technical field;⁸ improvements to the functioning of the computer itself;⁹ and meaningful limitations beyond generally linking the use of an abstract idea to a particular technological environment.¹⁰ Limitations referenced in *Alice* that are not enough to qualify as “significantly more” when recited in a claim with an abstract idea include, as non-limiting or non-exclusive examples: adding the words “apply it” (or an equivalent) with an abstract idea;¹¹ mere instructions to implement an abstract idea on a computer;¹² or requiring no more than a generic computer to perform generic computer functions that are well-understood, routine and conventional activities previously known to the industry.¹³

⁸ *Id.* at 2358: e.g., a mathematical formula applied in a specific rubber molding process (citing *Diamond v. Diehr*, 450 U.S. 175, 177–78 (1981)).

⁹ *Id.* at 2359.

¹⁰ *Id.* at 2360: noting that none of the hardware recited “offers a meaningful limitation beyond generally linking ‘the use of the [method] to a particular technological environment,’ that is, implementation via computers” (citing *Bilski*, 561 U.S. at 610–11).

¹¹ *Id.* at 2357–58.

¹² *Id.*: e.g., simply implementing a mathematical principle on a physical machine, namely a computer (citing *Mayo*, 566 U.S. at 84–85).

¹³ *Id.* at 2359: e.g., using a computer to obtain data, adjust account balances, and issue automated instructions.

If there are no meaningful limitations in the claim that transform the abstract idea into a patent eligible application such that the claim amounts to significantly more than the abstract idea itself, the claim is directed to non-statutory subject matter under 35 U.S.C. § 101.

Alice Step 1

On this record, we see no error in the Examiner's analysis and conclusion that claims 1–20 are directed to an abstract idea, and we therefore agree with and adopt the Examiner's conclusions. Final Act. 5–6; Ans. 3. Additionally, we note the present claims are also directed to an abstract idea similar to the abstract idea in *Affinity Labs of Texas, LLC v. Amazon.com, Inc.*, 838 F.3d 1266, 1269. In *Affinity Labs*, the Federal Circuit held that delivering user-selected media content that a user has a right to access to the user's device from an appropriate network location is an abstract idea. *Id.* In this case, the present claims are directed to delivering user-selected media content that a user has a right to access to the user's device from an another network provider (i.e., another network location), which is an abstract idea.

Regarding Appellants' argument that the present claims are not directed to an abstract idea because they are directed to an improvement overcoming the problem of an inability of consumers who have purchased media content online to access the same media content through another retailed (App. Br. 7–11), we disagree. We disagree because the present claims are an abstraction similar to *Affinity Labs* that happen to use a computer as a tool that performs the abstract concepts, but does not improve the underlying technology. Stated differently, just because there may be an improvement to an abstraction does not mean that the abstract idea is an

improvement to the underlying technology. Because the present claims are directed to an abstract idea, we proceed to step (2) of the *Alice*, two-part test.

Alice Step 2

On this record, we see no error in the Examiner’s analysis and conclusion that claims 1–20 do not amount to significantly more than the abstract idea. Final Act. 5–6; Ans. 3. We also agree with the Examiner conclusion that the additional elements recited in the present claims are generic components that are well-understood, routine, and conventional. Final Act. 6; Ans. 3.

Appellants refer to Figure 2–4 and the corresponding disclosure in the Specification to provide subject matter support for the structural limitations. App. Br. 3–5. The Specification states “processor 212 refers to a general processor,” “processor 337 refers to a general processor,” and “flowchart 400 is described with respect to Figure 2.” Spec. 10:15–16, 16:17–18, 20:3–5. And the Specification states “[m]emory 215 may be . . . any sufficient memory capable of storing a set of commands,” “[m]emory 335 may be . . . any sufficient memory capable of storing a set of commands,” and “flowchart 400 is described with respect to Figure 2.” Spec. 10:17–19, 16:19–21, 20:3–5. We, therefore, conclude the components recited in the present claims are generic components. *Alice* at 2359.

Regarding Appellants argument that the present claims amount to significantly more than an abstract idea because there is no preemption (App. Br. 11–12), while preemption may denote patent ineligibility, its absence does not demonstrate patent eligibility. *See FairWarning, IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1098 (Fed. Cir. 2016). For claims covering a patent-ineligible concept, preemption concerns “are fully

addressed and made moot” by an analysis under the *Mayo/Alice* framework. *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015).

We also disagree with Appellants’ argument (App. Br. 12) that the present claims are significantly more than an abstract idea because they are directed to a specific way of enabling a user device to purchase media content from one retailer, and obtain access to the same media content through another retailer. We disagree because, as stated above, the components recited in the present claims are generic components implementing an abstract idea. *Alice*, 134 S. Ct. at 2359; Spec. 10:15–16, 16:17–18, 20:3–5.

Accordingly, for the reasons stated *supra*, we sustain the Examiner’s rejection of: (1) independent claims 1, 8, and 14; and (2) dependent claims 2–7, 9–13, and 15–20 under 35 U.S.C. § 101.

Rejections of Claims 1–7 and 14–20 under 35 U.S.C. § 103

The Examiner finds Lee teaches a first device transmits a token to a second retailer, which the Examiner maps to the limitation

transmit the one of the plurality of media redemption tokens received from the redemption server to a second retailer; and receive the media content from the second retailer in response to the transmitting of the one of the plurality of media redemption tokens to the second retailer as recited in claim 1 (and similarly recited in claim 14). Ans. 5 (citing Lee ¶¶ 127, 193, 197, Figs. 15, 18).

Appellants argue Lee fails to teach or suggest that a “user device” that “transmit[s] the one of the plurality of media redemption tokens received from the redemption server to a second retailer” is the same user device that

“receive[s] the media content from the second retailer in response to the transmitting of the one of the plurality of media redemption tokens to the second retailer” as recited in claim 1. App. Br. 16; Reply Br. 2–3.

Moreover, Appellants argue Lee’s second device D2 transmits a right token to a second retailer, but does not receive corresponding content in response to transmitting the right token. Reply Br. 2. According to Appellants, Lee teaches a handover transaction between first device D1 authorizing a retailer to provide content to second device D2. *Id.* at 2–3. We agree with Appellants.

The cited portions of Lee teach first device D1 authorizing a retailer to provide content to second device D2. Ans. 5 (citing Lee ¶¶ 127, 193, 197, Figs. 15, 18); Final Act. 7–8 (citing Lee ¶¶ 224, 226). However, the cited portions of Lee fail to teach or suggest a “user device” that “transmit[s] the one of the plurality of media redemption tokens received from the redemption server to a second retailer” is the same user device that “receive[s] the media content from the second retailer in response to the transmitting of the one of the plurality of media redemption tokens to the second retailer” as recited in claim 1. Lee ¶¶ 127, 193, 197, 224, 226, Figs. 15, 18.

Accordingly, we do not sustain the Examiner’s rejection of:
(1) independent claims 1 and 14; and (2) dependent claims 2–7 and 14–20¹⁴
under 35 U.S.C. § 103.

¹⁴ We do not sustain the Examiner’s rejection of claim 16 for an additional reason. That is, although the Examiner includes claim 16 in the heading of the rejection, the Examiner does not include a rejection of claim 16 in the body of the rejection. *Compare* Final Act. 7 (the heading includes claim 16) *with id.* at 7–11 (the body of the rejection omits a rejection of claim 16).

Rejections of Claims 8–13 under 35 U.S.C. § 103

Appellants argue Lee teaches first device D1 sends a request to a second retailer, but Lee’s token transmission from first device D1 to a second retailer does not include a right token. App. Br. 15 (citing Lee ¶¶ 224–226, Fig. 18). Moreover, Appellants argue independent claim 8 is allowable for at least the same reasons as claims 1 and 14 are allowable. App. Br. 16–17. We disagree with Appellants.

Appellants’ persuasive arguments pertaining to independent claims 1 and 14 do not apply to independent claim 8. Specifically, we note that claim 8 does not recite the user device transmitting a token to a second retailer. Therefore, “[A]ppellant’s arguments fail from the outset because . . . they are not based on limitations appearing in the claims.” *See In re Self*, 671 F.2d at 1348 (CCPA 1982).

Accordingly, we sustain the Examiner’s rejection of: (1) independent claim 8; and (2) dependent claims 9–13 under 35 U.S.C. § 103.

DECISION

We affirm the Examiner’s decision rejecting claims 1–20 under 35 U.S.C. § 101.

We reverse the Examiner’s decision rejecting claims 1–7 and 14–20 under 35 U.S.C. § 103.

We affirm the Examiner’s decision rejecting claims 8–13 under 35 U.S.C. § 103.

We, therefore, conclude the Examiner fails to establish a *prima facie* basis of obviousness pertaining to claim 16.

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Because we affirm at least one ground of rejection with respect to each claim on appeal, we affirm the Examiner's decision to reject all of the pending claims.

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