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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

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Appeal 2017-007426
Application 13/072,534[1]
Technology Center 3600

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

FRAHM, *Administrative Patent Judge*.

## DECISION ON APPEAL

## STATEMENT OF THE CASE

### *Introduction*

Appellants appeal under 35 U.S.C. § 134(a) from a final rejection of claims 1, 3, 5–8, 10, 12–15, 17, and 19–27. Claims 2, 4, 9, 11, 16, and 18 have been canceled. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm-in-part.

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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. 13/072,547 and Appeal No. 2017-006045; and (2) U.S. Patent Application No. 13/072,556, which is Appeal No. 2017-006049, which have the same inventive entity and assignee (Safeway, Inc.) (App. Br. 5).

*Exemplary Claims*

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 8); and (3) a non-transitory computer readable medium executing instructions on a processor of the individualized discount and reward server of the retailer (claim 15), each to cause the server to provide customized offers to customers at a point of sale device when purchasing items in response to receiving purchase notifications at the point of sale device. Exemplary independent claim 1 and dependent claim 25 under appeal, with emphasis and bracketed lettering added, read as follows:

> 1. An individualized discount and reward server of a retailer 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 to:
>
> allocate at least one customized offer to a retailer account using at least a purchase history associated with a customer, the at least one customized offer including a loyalty adjustment changing a general market price point of a retail product to a purchase price at or below a competitor price offered for a competing product by a competitor of the retailer, the competitor located within the geographic location specified in the at least one retailer account, wherein the loyalty adjustment is based on at least the purchase history;
>
> receive a purchase notification from a point of sale device, the purchase notification including the retailer account associated with the customer;
>
> upon reception of the purchase notification from the point of sale device,
>
> i) divert the purchase notification to a second server which is operated by the retailer and separate from the individualized discount and reward server, and
>
> ii) distribute 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:

instruct the point of sale device to display the at least one customized offer and an option for selection of the at least one customized offer while the customer is purchasing an item;

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

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.

25. The individualized discount and reward server according to claim 1, wherein the instructions processed by the processor further cause the individualized discount and reward server 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 the retail product at a reduced price*: and

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 the at least one customized offer for the retail product;

wherein the retail product is the consumer packaged good partner's product, wherein allocate at least one customized offer to the retailer account is based on the agreement.

*The Examiner's Rejections*

(1) The Examiner rejected claims 1, 6–8, 13–15, 20, and 21 as being unpatentable under 35 U.S.C. § 103(a) over the combination of Fujita (US 2006/0277103 A1; published Dec. 7, 2006), Cohagan (US 2004/0243468 A1; published Dec. 2, 2004), Ruckart (US 2006/0085270 A1; published Apr. 20, 2006), Stack (US 6,076,070; issued June 13, 2000), Moss (US

2005/0159974 A1; published July 21, 2005), and Nix (US 2008/0040261 A1; published Feb. 14, 2008). Final Act. 3–17.

(2) The Examiner rejected claims 5, 12, and 19 as being unpatentable under 35 U.S.C. § 103(a) over the combination of Fujita, Cohagan, Ruckart, Stack, Moss, Nix, and Official Notice that price changes and counter offers were well-known in the art at the time of Appellants' claimed invention ("Official Notice"). Final Act. 17–19.

(3) The Examiner rejected claims 3, 10, and 17 as being unpatentable under 35 U.S.C. § 103(a) over the combination of Fujita, Cohagan, Ruckart, Stack, Moss, Nix, and Laor (WO 2001/098998 A1; published Dec. 27, 2001). Final Act. 19–21.

(4) The Examiner rejected claims 22–24 as being unpatentable under 35 U.S.C. § 103(a) over the combination of Fujita, Cohagan, Ruckart, Stack, Moss, Nix, Official Notice, and Laor. Final Act. 21–23.

(5) The Examiner rejected claims 25–27 as being unpatentable under 35 U.S.C. § 103(a) over the combination of Fujita, Cohagan, Ruckart, Stack, Moss, Nix, and Sullivan (US 2001/0018665 A1; published Aug. 30, 2001). Final Act. 24–28.

*Issues on Appeal*

Based on Appellants' arguments in the Appeal Brief (App. Br. 12–24) and the Reply Brief (Reply Br. 1–6), the following issues are presented on appeal:

(1) Have Appellants shown the Examiner erred in determining that the base combination of Fujita, Cohagan, Ruckart, Stack, Moss, and Nix teaches or suggests the servers, point of sale device, processors, and database for providing customized offers to customers at a point of sale device when

purchasing items in response to receiving purchase notifications at the point of sale device, as recited in independent claim 1, as well as the commensurate limitations recited in each of independent claims 8 and 15?

(2) 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 claims 25–27 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 25–27?

## ANALYSIS

We have reviewed the Examiner's rejections in light of Appellants' contentions in the Appeal Brief (App. Br. 12–44) and the Reply Brief (Reply Br. 3–17) that the Examiner has erred.

As to claims 25–27, we agree with Appellants' contentions (App. Br. 24–38) 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 25–27 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 25–27.

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 Pharm., 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, 1582–84 (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 25–27, even if we agree with the Examiner that the recited information is printed matter, however, we agree with Appellants (*see* App. Br. 31–34) 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. 32). The Examiner's reasoning (*see* Final Act. 36–37; Ans. 13–16, 19–21), that the information is not used for processing, analysis, or other operations set forth in claims 25–27, but only as a matter of timing, is faulty. As seen from the clause following limitation [A] recited in claim 25, and as similarly recited in remaining dependent claims 26 and 27, 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 the 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 various obviousness rejections of claims 25–27 which all contain the disputed feature of "information that a customer is only willing to buy the retail product at a reduced price."

However, as to claims 1, 8, and 15, we disagree with Appellants' arguments relied on with respect to those claims (*see* App. Br. 16–24, 41–43; Reply Br. 3–6). We concur with the conclusions reached by the Examiner, and we adopt as our own (1) the findings and reasons set forth by the Examiner in the action from which this appeal is taken (Final Act. 3–15), and (2) the reasons set forth by the Examiner in the Examiner's Answer in response to the Appellants' Appeal Brief (Ans. 3–12). As a result, we sustain the Examiner's rejections of claims 1, 8, and 15, as well as claims 3, 5–7, 10, 12–14, 17, and 19–24 depending respectively therefrom.

## CONCLUSIONS

(1) Appellants have not shown the Examiner erred in determining that the base combination of Fujita, Cohagan, Ruckart, Stack, Moss, and Nix teaches or suggests the servers, point of sale device, processors, and database for providing customized offers to customers at a point of sale device when purchasing items in response to receiving purchase notifications at the point of sale device, as recited in independent claim 1, as well as the commensurate limitations recited in each of independent claims 8 and 15.

(2) 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 25–27 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 25–27.

## DECISION

(1) The Examiner's rejections of claims 1, 3, 5–8, 10, 12–15, 17, and 19–24 under 35 U.S.C. § 103(a) over the base combination of Fujita, Cohagan, Ruckart, Stack, Moss, and Nix are affirmed.

(2) The Examiner's rejection of claims 25–27 under 35 U.S.C. § 103(a) over Fujita, Cohagan, Ruckart, Stack, Moss, Nix, and Sullivan is reversed.

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-IN-PART