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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte VERNON REDWOOD

Appeal 2017-007712
Application 13/586,092
Technology Center 3600

Before MICHAEL J. STRAUSS, IRVIN E. BRANCH, and
MICHAEL M. BARRY, *Administrative Patent Judges*.

BARRY, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant¹ appeals under 35 U.S.C. § 134(a) from a non-final rejection of claims 1, 4, 6, 7, 10, and 12. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

¹ “The name of the real party in interest is marketPeek Inc.” Br. 3.

Introduction

Appellant’s invention “relates generally to data management, and specifically to . . . processing product and service data.” Spec. ¶ 1. In Appellant’s Figure 1, a promoter server (104) communicates over a network with devices operated by consumers (140), product managers (144) (which may be manufacturers (Spec. ¶ 34)), and merchants (148). The promoter server has a database of product information that includes merchant restriction information, and the promoter server uses the product information to provide relevant information in response to search requests from consumer devices. *See* Spec. ¶¶ 36, 52–53, 61–69; Figs. 4–6, 10.

Claim 1 is illustrative of the claims on appeal:

1. A method in a system including a promoter server interconnected via a network with a manufacturer computing device, a plurality of merchant computing devices each having a merchant identifier, and a consumer computing device, the method comprising:

sending, from the manufacturer computing device to the promoter server, product data defining a plurality of products and including a merchant restriction associated with at least one of the plurality of products;

responsive to receiving the product data from the manufacturer computing device, storing the product data at the promoter server;

sending, from the merchant computing devices to the promoter server, respective requests to associate respective selected subsets of the product data with respective ones of the merchant identifiers[;]

responsive to receiving the requests, determining at the promoter server whether each request is permissible, based on a comparison of the selected subset of the product data with the merchant restriction;

for each request determined to be permissible, storing an association of the selected subset of the product data with the merchant identifier at the promoter server;

sending, from the consumer computing device to the promoter server, a search request for a portion of the product data;

responsive to receiving the search request, at the promoter server, selecting response data including the portion of the product data and at least one of the merchant identifiers associated with the portion of the product data, based on the search request; and

transmitting the response data from the promoter server to the consumer computing device.

Br. 19 (Claims App'x).

Rejections & References

Claims 1, 4, 6, 7, 10, and 12 stand rejected under 35 U.S.C. § 101 as directed to a judicial exception (i.e., an abstract idea), without reciting significantly more. Non-Final Act. 8–11.

Claims 1, 6, 7, and 12 stand rejected under pre-AIA 35 U.S.C. § 103(a) over Allsop (US 5,970,472; iss. Oct. 19, 1999) and Bellamy (US 8,346,669 B2; iss. Jan. 1, 2013). Non-Final Act. 11–15.

ANALYSIS

The Board “reviews the obviousness rejection[s] for error based upon the issues identified by appellant, and in light of the arguments and evidence produced thereon,” and treats arguments not made as waived. *Ex parte Frye*, 94 USPQ2d 1072, 1075 (BPAI 2010) (precedential) (cited with approval in *In re Jung*, 637 F.3d 1356, 1365 (Fed. Cir. 2011)).

1. *The § 101 Rejection*

For the § 101 rejection, Appellant argues all pending claims together as a group. Br. 9–11. We select claim 1 as representative. 37 C.F.R. 41.37(c)(1)(iv).

In *Alice Corp. Pty. Ltd. v. CLS Bank International*, 134 S. Ct. 2347 (2014), the Supreme Court reiterated the analytical two-step framework previously set forth in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66, 79 (2012), “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice*, 134 S. Ct. at 2355. The first step in the analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts,” such as an abstract idea. *Id.* If the claims are directed to eligible subject matter, the inquiry ends. *Thales Visionix Inc. v. U.S.*, 850 F.3d 1343, 1346 (Fed. Cir. 2017).

“An abstract idea can generally be described at different levels of abstraction.” *Apple, Inc. v. Ameranth Inc.*, 842 F.3d 1229, 1240 (Fed. Cir. 2016). In considering whether a claim is directed to an abstract idea, we keep in mind that “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. Accordingly, we look to whether the claim focuses on a specific means or method that improves the relevant technology or is instead directed to a result or effect that itself is the abstract idea and, otherwise, merely invokes generic processes and machinery. *See Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1336 (Fed. Cir. 2016).

If the claims are directed to a patent-ineligible concept, the second step in the analysis is to consider the elements of the claims “individually and ‘as an ordered combination’” to determine whether there are additional elements that “‘transform the nature of the claim’ into a patent-eligible application.” *Alice*, 134 S. Ct. at 2355 (quoting *Mayo*, 566 U.S. at 79, 78). In other words, the second step is to “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.’” *Id.* (quoting *Mayo*, 566 U.S. at 72–73).

We note the two steps of the *Alice* analysis “involve overlapping scrutiny of the content of the claims,” and the Federal Circuit has described “the first-stage inquiry” as “looking at the ‘focus’ of the claims, their ‘character as a whole,’” and “the second-stage inquiry (where reached)” as “looking more precisely at what the claim elements add—specifically, whether, in the Supreme Court’s terms, they identify an ‘inventive concept’ in the application of the ineligible matter to which (by assumption at stage two) the claim is directed.” *Electric Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016) (internal citations omitted).

Under current Federal Circuit precedent, an “inventive concept” under *Alice* step two can be established by showing, for example, that the patent claims:

- (1) provide a technical solution to a technical problem unique to the Internet, e.g., a “solution . . . necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks” (see *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257 (Fed. Cir. 2014));

- (2) transform the abstract idea into “a particular, practical application of that abstract idea,” e.g., “installation of a filtering tool at a specific location, remote from the end-users, with customizable filtering features specific to each end user” (*see BASCOM Global Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1352, 1350 (Fed. Cir. 2016)); or
- (3) “entail[] an unconventional technological solution ([e.g.,] enhancing data in a distributed fashion) to a technological problem ([e.g.,] massive record flows [that] previously required massive databases)” and “improve the performance of the system itself” (*see Amdocs (Israel) Ltd. v. Openet Telecom, Inc.* 841 F.3d 1288, 1300 (Fed. Cir. 2016)).

A. Alice/Mayo Analysis, Step One

The Examiner determines in the first step that claim 1 is directed to “[a]ssigning merchants and products for promotion together in a shopping environment and preventing restricted distributors from marketing a product that they are not permitted to market,” which “is a fundamental economic practice.” Non-Final Act. 9. Appellant does not argue the Examiner errs in this determination. *See* Br. 9–11. We also discern no error and, therefore, we proceed to step two.

B. Alice/Mayo Analysis, Step Two

Appellant contends the Examiner errs in determining claim 1 does not recite significantly more than the abstract idea because the rejection does not consider “the centralized location of the claimed promoter server.” Br. 10.

The effect of the specific claimed arrangement of the promoter server, manufacturer computing device, merchant computing devices and consumer computing devices, along with the specific claimed division of the computing activities alleged to be individually conventional, is to provide a technically improved implementation of the above-mentioned abstract idea.

By communicating directly with the centralized promoter server to obtain data identifying merchants authorized to carry various products, the consumer computing device need not query multiple merchant or manufacturer devices to obtain the same information.

Br. 10 (*citing BASCOM Global Internet Services, Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016)).

This argument is unpersuasive. While “an inventive concept can be found in the non-conventional and non-generic arrangement of known, conventional pieces” (*BASCOM*, 827 F.3d at 1350), we agree with the Examiner that such is not the case here. *See* Ans. 10–11. The court in *BASCOM* determined in step two of the *Alice/Mayo* analysis² that the inventive concept was “the installation of a filtering tool at a specific location, remote from the end-users, with customizable filtering features specific to each end user.” 827 F.3d at 1350. Thus, the combined limitations in the claims at issue in *BASCOM* recited a specific technological improvement. Here, on the other hand, the combined limitations of claim 1 do not recite a specific technological improvement.

We agree with Appellant that claim 1 recites a method that uses a “centralized” promoter server. Br. 10. We disagree with Appellant, however, that this “centralized server” architecture is “an inventive step” that transforms claim 1 into a patent-eligible application. The technological elements recited in the individual steps of claim 1 are a server for the

² In step one, the court stated it was a close call as to whether claims directed to “filtering content on the Internet” were directed to an abstract idea, but determined that “filtering content” was abstract and that “[a]n abstract idea on ‘an Internet computer network’ or a generic computer is still an abstract idea.” 827 F.3d at 1348–49.

“promoter” entity and the use of “computing devices” for the manufacturer, merchant, and consumer entities.³ Limiting the implementation of an abstract idea to the use of networked computers, as recited, does not add significantly more to the abstract idea(s) to which a claim is directed. *See, e.g., buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1355 (Fed. Cir. 2014) (“That a computer receives and sends the information over a network—with no further specification—is not even arguably inventive.”).

Appellant contends that the centralized server architecture of claim 1 constitutes an inventive step because it provides “a technically improved implementation” for the abstract idea, and results in advantages over prior art implementations directed to the same abstract idea. *See* Br. 10–11. This argument is unpersuasive. Rather than improving anything technological, the server and computer device limitations only serve to limit the abstract idea(s) to a particular technological environment. *Affinity Labs of Texas, LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1259 (Fed. Cir. 2016) (“limiting the field of use of the abstract idea to a particular existing technological environment does not render the claims any less abstract”); *see also Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1366 (Fed. Cir. 2016) (“An abstract idea does not become nonabstract by limiting the invention to a particular field of use or technological environment, such as the Internet.”).

We agree with the Examiner that these type of computer architecture limitations (alone and in combination, as recited) are well-understood, routine, and conventional (WURC) and insufficient “to transform the

³ Also, the preamble of claim 1 recites “a network” that interconnects the promoter server with the computing devices of the other three entities.

abstract idea into a patent eligible application.” Non-Final Act. 10. The advantages of a centralized server architecture have long been well known to those of ordinary skill in the art. *See, e.g.*, Spec. ¶ 87 (discussing WURC advantages of a centralized architecture and that that ordinarily skilled artisans understand the benefits of such an architecture).

Furthermore, the question in the second step of the patent-eligibility analysis is not whether a claimed element is novel or non-obvious, but rather whether the implementation of the abstract idea involves “more than performance of ‘[WURC] . . . activities previously known to the industry.’” *Content Extraction & Transmission LLC v. Wells Fargo Bank, N.A.*, 776 F.3d 1343, 1347–48 (Fed. Cir. 2014) (quoting *Alice*, 134 S. Ct. at 2359). Here, there is no indication that implementation of the claimed steps requires something apart from generic computing components performing WURC computer functions, such as sending, receiving, and processing data. Paragraphs 18–33 of the Specification explain that the claimed invention may be implemented using a variety of WURC computer-related hardware. In other words, although using a central promoter server architecture with distributed merchant, manufacturer, and consumer devices may be a unique way to implement merchant and product promotion when compared to prior art methods, the central server architecture is, nonetheless, a WURC architecture. As such, even if the claims recite a novel method, we fail to see how the claimed invention is something significantly more than the use of WURC technology to carry out the abstract idea of a method for assigning merchants and products for promotion together in a shopping environment and preventing restricted distributors from marketing a product that they are not permitted to market using generic computer technology. A WURC

computer implementation of an abstract idea is insufficient for patent-eligibility because the claim limitations do not, alone or in combination, provide a technological improvement. *See Enfish*, 822 F.3d at 1335.

Appellant further argues claim 1 does not preempt all ways of implementing the abstract idea. Br. 11. This argument is unpersuasive. As our reviewing court has explained: “The Supreme Court has made clear that the principle of preemption is the basis for the judicial exceptions to patentability” and “[f]or this reason, questions on preemption are inherent in and resolved by the § 101 analysis.” *Ariosa Diagnostics, Inc., v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (citing *Alice*, 134 S. Ct. at 2354). Thus, although “preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *Id.*; *cf. OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015) (“[T]hat the claims do not preempt all price optimization or may be limited to price optimization in the e-commerce setting do not make them any less abstract.”).

As Appellant identifies, “[t]he court in *BASCOM* noted that a lack of preemption along with technical advantages of the claimed subject matter in support of a finding that the claims recited significantly more than the abstract idea.” Br. 11. Appellant contends that “[a]s in *BASCOM*, the instant claims are directed to a specific, discrete implementation that provides technical advantages over other implementations.” *Id.* This is unpersuasive because, as discussed above, unlike the claim in *BASCOM*, which recited a technological improvement, claim 1 does not.

Thus, we find no element or combination of elements recited in Appellant’s claim 1 that contains an “inventive concept” or adds something “significantly more” to transform the abstract concept into a patent-eligible application. *Alice*, 134 S. Ct. at 2357. Claim 1’s solution to the problems of “[a]ssigning merchants and products for promotion together in a shopping environment and preventing restricted distributors from marketing a product that they are not permitted to market” (Non-Final Act. 9) is not rooted in computer technology—as discussed above, claim 1 involves only routine uses of conventional technology. Claim 1 does not (1) provide a technical solution to a technical problem unique to the Internet, as was the case in *DDR Holdings*; (2) provide any particular practical application that transforms the idea, as in *BASCOM*; or (3) entail an unconventional technological solution to a technological problem, as in *Amdocs*.

Accordingly, we sustain the § 101 rejection of claim 1. We also, therefore, sustain the § 101 rejection of claims 4, 6, 7, 10, and 12, for which Appellant offers no separate arguments. *See* Br. 16–17; 37 C.F.R. § 41.37(c)(1)(iv).

The § 103(a) Rejection

Appellant argues the Examiner errs in the § 103(a) rejection of claim 1 as obvious over Allsop and Bellamy because “neither Allsop nor Bellamy disclose,” *inter alia*, the disputed limitation of “sending, from the merchant computing devices to the promoter server, respective requests to associate respective selected subsets of the product data with respective ones of the merchant identifiers,” as recited. Br. 12. As an initial matter, we note the test is not whether either cited reference “discloses” the recited features. “[T]he question . . . is not merely what the references expressly teach but

what they would have *suggested* to one of ordinary skill in the art at the time the invention was made.” *Merck & Co., Inc. v. Biocraft Labs., Inc.*, 874 F.2d 804, 807 (Fed. Cir. 1989) (emphasis added) (internal quotation marks and citation omitted). Further, each reference cited by the Examiner must be read, not in isolation, but for what it fairly teaches in combination with the prior art as a whole. *See In re Merck & Co., Inc.*, 800 F.2d 1091, 1097 (Fed. Cir. 1986). Under the correct § 103(a) standard, Appellant’s argument is persuasive.

The Examiner finds Allsop teaches the disputed limitation. Non-Final Act. 12 (citing Allsop 2:20–52, 5:37–67, Abstract, Fig. 4); *see also* Allsop 1:35–2:61, 3:50–65, 7:45–60, 8:31–50, 10:4–15, Fig. 8, claims 11–13 (cited for teaching other limitations of claim 1 (*see* Non-Final Act. 11–15)). Appellant contends, and we agree, that Allsop’s “dealer website 21” maps to the disputed limitation’s “merchant computing device” and Allsop’s “server 22” maps to the recited “promoter server.” Br. 13.

Appellant contends the Examiner errs because Allsop does not teach that its dealer website sends the server a request to associate “selected subsets of the product data” with merchant identifiers, as recited. Br. 15–16 (“Allsop does not mention any . . . part of the dealer’s website 21 in creating associations between dealers and manufacturers in the database 26 at the server 22.”). The Examiner responds that “creating associations,” as argued by Appellant, is not commensurate with the scope of the claim, which recites “associating,” and that “Appellant’s disclosure describes the same associating as the prior art, that is associating the merchant/dealer with the product data for manufacturer products they are permitted to sell.” Ans. 14.

We agree with the Examiner that Allsop's disclosure related to its shopping baskets teaches associating merchants with selected subsets of product data. We agree with Appellant, however, that there is no finding in the record to explain how or why Allsop's disclosure teaches or suggests that, consistent with claim 1, a request to associate a selected subset of products with merchant identifiers is sent from a dealer website 21 (a "merchant computing device") to the server 22 (the "promoter server"). Br. 15–16. Instead, as illustrated, in Allsop Figure 3, Allsop teaches that the merchant computing device (i.e., shopping basket application 25 of dealer's website 21) sends requests to the user's computer 20—it is the browser 24 from the user's computer 20 that sends any requests to the server 22. The plain meaning of the disputed limitation does not read on a user's computer 20 sending requests to associate product data with merchants in response to accessing information on a Web page on the dealer's website 21 information. Thus, Allsop does not teach or disclose the disputed limitation. Because there is no explanation in the record for how or why the disclosures of Allsop and/or Bellamy suggest the disputed limitation (*see* Non-Final Act. 11–15; Ans. 6–10, 12–15), we do not sustain the Examiner's § 103(a) rejection.

We also do not sustain the rejection of independent claim 7, which recites requirements similar to the disputed limitation (*see* Br. 20–21 (Claims App'x)), stands rejected on the same basis (*see* Non-Final Act. 11–15), and which Appellant argues together with claim 1 (*see* Br. 12, 17). We likewise do not sustain the rejection of dependent claims 6 and 12.

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DECISION

We affirm the Examiner's rejection of claims 1, 4, 6, 7, 10, and 12 under 35 U.S.C. § 101.

We reverse the Examiner's rejection of claims 1, 6, 7, and 12 under 35 U.S.C. § 103(a).

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