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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte RICHARD BERGER

Appeal 2017-009880
Application 13/336,472
Technology Center 3600

Before HUBERT C. LORIN, CYNTHIA L. MURPHY, and
AMEE A. SHAH, *Administrative Patent Judges*.

SHAH, *Administrative Patent Judge*.

DECISION ON APPEAL[1]

The Appellant[2] appeals under 35 U.S.C. § 134(a) from the Examiner's final decision rejecting claims 1–6, 9–11, and 30–33.[3] We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

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[1] Throughout this decision, we refer to the Appellant's Appeal Brief ("Br.," filed Feb. 21, 2017) and Specification ("Spec.," filed Dec. 23, 2011), and to the Examiner's Answer ("Ans.," mailed Apr. 11, 2017) and Final Office Action ("Final Act.," mailed July 21, 2016).
[2] According to the Appellant, the real parties in interest are "SONY CORPORATION and SONY PICTURES TECHNOLOGIES INC." Br. 2.
[3] Claim 34 has been withdrawn. Br. 2.

STATEMENT OF THE CASE

The Appellant's invention relates to a selling service that enables consumer promotion, sales, or gifting of content such as movies. Spec. ¶ 4, Title.

Claim 1 (Br. 18 (Claims App.)) is the only independent claim on appeal, is representative of the subject matter on appeal, and is reproduced below:

> 1. A method of operating an online marketplace for digital content items and facilitating a sale of a digital content item from a content item rights owner to a purchaser, comprising:
>
> a. on a computer system including a processor programmed to provide a selling service, configuring the selling service to allow registrations of one or more content items by content item rights owners, and registering at least one content item owned by a content item rights owner;
>
> b. configuring the selling service to allow registrations of one or more sellers, and receiving a registration of a seller with respect to one or more content items, the seller separate from the content item rights owner, and wherein rights to the content item are owned by the respective content item rights owner and not by the seller;
>
> c. associating the seller of step b) with a seller account, the seller account configured to promote, offer for sale, and initiate a transaction for a registered content item between a purchaser of the content item and the content item rights owner;
>
> d. causing a transmission of an audiovisual content item from the selling service or from the content item rights owner to the seller of step b), wherein the seller of step b) may promote the registered content item using the transmitted audiovisual content item;
>
> e. on the computer system of the selling service, receiving a request for purchase or license of the registered content item from a seller of step b), the request for purchase or license caused by the seller of step b) in response to a request for purchase or

license, respectively, made from a purchaser to the seller of step b); and

f. following fulfillment of the request for purchase or license, causing transmission of rights to the purchased or licensed registered content item to the purchaser from the content item rights owner,

g. such that the seller of step b) is enabled to promote, offer for sale, and initiate a transaction for the registered content item.

REJECTIONS

Claims 1–6, 9–11, and 30–33 stand rejected under 35 U.S.C. § 101 as being directed to a judicial exception without significantly more.

Claim 32 stands rejected under pre-AIA 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement.

Claims 1–6, 9–11, 30, 31, and 33 stand rejected under pre-AIA 35 U.S.C. § 102(e) as being anticipated by Johnston (US 2010/0114739 A1, pub. May 6, 2010).

Claim 32 stands rejected under pre-AIA 35 U.S.C. § 103(a) as being unpatentable over Johnston.

ANALYSIS

35 U.S.C. § 101 – Patent-Eligible Subject Matter

An invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101. It is undisputed that he subject matters of independent claim 1 and 11 (and the claims depending therefrom) fall within the “process” and “manufacture” statutory categories of patentable subject matter, respectively.

However, the Supreme Court has long interpreted 35 U.S.C. § 101 to include implicit exceptions: "[l]aws of nature, natural phenomena, and abstract ideas" are not patentable. *E.g.*, *Alice Corp. v. CLS Bank Int'l*, 573 U.S. 208, 216 (2014).

In determining whether the claimed subject matter set forth in the claims in this case falls within the judicially–excepted category of "abstract ideas," we are guided by the Supreme Court's two-step framework, described in *Mayo* and *Alice*. *Id.* at 217–18 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 75–77 (2012)). In accordance with that framework, we first determine what concept the claim is "directed to." *See Alice*, 573 U.S. at 217 ("First, we determine whether the claims at issue are directed to one of those patent-ineligible concepts. We conclude that they are: These claims are drawn to the abstract idea of intermediated settlement."). Concepts determined to be abstract ideas, and thus patent ineligible, include certain methods of organizing human activity, such as fundamental economic practices (*Alice*, 573 U.S. at 219–20; *Bilski*, 561 U.S. at 611); mathematical formulas (*Parker v. Flook*, 437 U.S. 584, 594–95 (1978)); and mental processes (*Gottschalk v. Benson*, 409 U.S. 63, 69 (1972)). Concepts determined to be patent eligible include physical and chemical processes, such as "molding rubber products" (*Diamond v. Diehr*, 450 U.S. 175, 191 (1981)); "tanning, dyeing, making waterproof cloth, vulcanizing India rubber, smelting ores" (*id.* at 184 n.7 (quoting *Corning v. Burden*, 56 U.S. 252, 267–68 (1854))); and manufacturing flour (*Benson*, 409 U.S. at 69 (citing *Cochrane v. Deener*, 94 U.S. 780, 785 (1876))).

In *Diehr*, the claim at issue recited a mathematical formula, but the Supreme Court held that "[a] claim drawn to subject matter otherwise statutory does not become nonstatutory simply because it uses a mathematical formula." *Diehr*, 450 U.S. at 176; *see also id.* at 191 ("We view respondents' claims as nothing more than a process for molding rubber products and not as an attempt to patent a mathematical formula."). Having said that, the Supreme Court also indicated that a claim "seeking patent protection for that formula in the abstract . . . is not accorded the protection of our patent laws, . . . and this principle cannot be circumvented by attempting to limit the use of the formula to a particular technological environment." *Id.* (internal citation omitted) (citing *Benson* and *Flook*); *see, e.g.*, *id*. at 187 ("It is now commonplace that an *application* of a law of nature or mathematical formula to a known structure or process may well be deserving of patent protection.").

If the claim is "directed to" an abstract idea, we turn to the second step of the *Alice* and *Mayo* framework, where "we must examine the elements of the claim to determine whether it contains an 'inventive concept' sufficient to 'transform' the claimed abstract idea into a patent-eligible application." *Alice*, 573 U.S. at 221 (citation omitted). "A claim that recites an abstract idea must include 'additional features' to ensure 'that the [claim] is more than a drafting effort designed to monopolize the [abstract idea].'" *Id.* (quoting *Mayo*, 566 U.S. at 77). "[M]erely requir[ing] generic computer implementation[] fail[s] to transform that abstract idea into a patent-eligible invention." *Id.*

The First Step

Under the first step of the *Mayo/Alice* framework, the Examiner first determines that "[c]laim 1 recites a method and is therefore directed towards one of the four categories of statutory subject matter." Final Act. 12. The Examiner then determines that

> claim 1 is directed towards the judicial exception regarding an abstract idea involving the configuring of a selling service to allow registrations of one or more content items by content item rights owners, and registering at least one content item owned by a content item rights owner, configuring the selling service to allow registrations of one or more sellers, and receiving a registration of a seller with respect to one or more content items, the seller separate from the content item rights owner, and wherein rights to the content item are owned by the respective content item rights owners and not by the seller, associating the seller with a seller account, causing a transmission of an audiovisual content item from the selling service or from the content item rights owner to the seller, receiving a request for purchase or license of the registered content item from a seller, causing transmission of rights to the purchased or licensed registered content item to the purchaser from the content item rights owner such that the seller is enabled to promote, offer for sale, and initiate a transaction for the registered content item.

Id. at 14–15. The Examiner also determines that the dependent claims are directed to the same judicial exception as they "merely add additional limitations regarding the abstract idea." *Id.* at 15.

Conversely, the Appellant contends that the claims recite a method for "allowing and enabling sellers to sell registered content (owned by others) along with providing them promotional material (audiovisual content items) with which to do so" (Br. 7) and argue that this is not an abstract idea "considered by the courts or postulated by the PTO" (*id.*).

We agree with the Appellant that the claims are more concisely characterized as reciting a method for allowing and enabling sellers to sell registered content and providing sellers promotional material. The Title of the Specification supports this characterization in providing for a "SYSTEM

AND METHOD FOR ENABLING CONSUMER PROMOTION, SALE, OR GIFTING OF CONTENT ITEMS SUCH AS MOVIES." Claim 1 further supports this characterization in providing for "[a] method of operating an online marketplace for digital content items and facilitating a sale of a digital content item from a content item rights owner to a purchaser, comprising:" a) configuring the service to allow and register content items by content rights owners, b) configuring the service to allow and receive registrations of sellers separate from owners, c) associating the seller with an account configured to promote, offer for sale, and initiate a transaction for the content between a purchaser and owner, d) causing transmission of an audiovisual content item from the service or owner, e) receiving a request for purchase or license from the seller in response to a request by a purchaser, f) causing transmission of rights following fulfillment of the request to purchase or license, and g) enabling a seller to promote, offer for sale, and initiate a transaction of the content.

These limitations, under the broadest reasonable interpretation of the claim, recite a method for allowing and enabling sellers to sell registered content and providing sellers promotional material. The limitations of (a) allowing and registering items, (b) allowing and receiving registrations of sellers, (c) associating a seller with an account, (e) receiving a request to purchase, and (g) enabling a seller to promote, offer for sale, and initiate a transaction are all activities that can be performed mentally and are ordinarily performed in purchasing an item. The limitations of (d) transmitting content and (f) transmitting rights as a purchase are simply the transmitting of data, an extra-solution activity, and also ordinarily performed in purchasing a content item.

Whether characterized as narrowly as the Examiner does or as concisely as the Appellant does,[4] the claimed method here of allowing and enabling of sellers to sell registered content after purchase rights or license to do so and to provide promotional material is similar to the claimed method deemed abstract in *Ultramercial, Inc, v. Hulu, LLC*, 772 F.3d 709, 712 (Fed. Cir. 2014) of distributing products over the Internet via a facilitator by receiving media products covered by rights protection, selecting a sponsor message associated with the media product, providing the media product for sale, restricting access to the media product, offering access to the media product without charge if the user views the sponsor message, receiving a request to view the message and in response thereto, facilitating display of the message, allowing access to the media product, recording the event, and receiving payment from the sponsor of the message. *See* Ans. 4. The claimed method here is also similar to the concept of third - party settlement in *Alice*, 573 U.S. at 219–20, of performing a sales transaction over the Internet in to selling products in *Priceplay.com, Inc. v. AOL Advert., Inc.*, 83 F. Supp. 3d 577, 581 (D. Del. 2015), *aff'd mem.*, 627 F. App'x 925 (Fed. Cir. 2016), and of coordinating loans in *LendingTree, LLC v. Zillow, Inc.*, 656 F. App'x 991, 996 (Fed. Cir. 2016). Accordingly, we conclude claim 1 recites a method of organizing human activity of commercial interactions including marketing and sales activities, as

[4] We note that although the description of the abstract idea may differ slightly between the Appellant and the Examiner, "[a]n abstract idea can generally be described at different levels of abstraction." *Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1240 (Fed. Cir. 2016). The Board's "slight revision of its abstract idea analysis does not impact the patentability analysis." *Id.* at 1241.

identified in the 2019 REVISED PATENT SUBJECT MATTER ELIGIBILITY GUIDANCE, 84 Fed. Reg. 50, 52 (Jan. 7, 2019) ("2019 Revised Guidance").

As such, we are not persuaded by the Appellant's argument that allowing and enabling sellers to sell registered products and providing them promotion material is not an abstract idea "considered by the courts or postulated by the PTO." Br. 7. We also determine that the claims do not "apply, rely on, or use the judicial exception in a manner that imposes a meaningful limit on the judicial exception, such that the claims are more than a drafting effort designed to monopolize the judicial exception," i.e., the claims do not integrate the abstract idea, i.e., judicial exception, into a practical application. *See* 2019 Revised Guidance, 84 Fed. Reg. at 54–55.[5] The computer system providing the service "may generally include a PC, tablet or laptop computer, mobile device or the like (e.g., devices associated with elements 12, 14, 16, 18, 28, or 118)" (Spec. ¶ 99), i.e., a generic computing device operating in its ordinary and conventional manner (*see id.* ¶¶ 99–108) to implement the abstract idea using the generic computing device. None of the elements of the claims reflect an improvement to the functioning of the generic computer or an improvement to a technology or technical field. *See* 2019 Revised Guidance, 84 Fed. Reg. at 55.

Regarding the Appellant's argument that "the claims clearly do not preempt all uses of the purportedly abstract concept and the claims are again submitted to be patent-eligible" (Br. 8), although the Supreme Court has

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[5] We acknowledge that some of these considerations may be properly evaluated under Step 2 of *Alice* (Step 2B of Office guidance). Solely for purposes of maintaining consistent treatment within the Office, we evaluate them under Step 1 of *Alice* (Step 2A of Office guidance). *See* 2019 Revised Guidance, 84 Fed. Reg. at 55.

described "the concern that drives this exclusionary principle [i.e., the exclusion of abstract ideas from patent eligible subject matter] as one of preemption" (*see Alice*, 573 U.S. at 216), characterizing preemption as a driving concern for patent eligibility is not the same as characterizing preemption as the sole test for patent eligibility. "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*, 573 U.S. at 216). Although "preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility." *Id.; see also Two-Way Media Ltd. v. Comcast Cable Commc'ns., LLC*, 874 F.3d 1329, 1339 (Fed. Cir. 2017) ("where a patent's claims are deemed only to disclose patent ineligible subject matter under the *Alice* framework, as they are in this case, preemption concerns are fully addressed and made moot.").

Thus, we are not persuaded of error in the Examiner's determination that the claims are directed to an abstract idea.

The Second Step

Under the second step in the *Mayo*/*Alice* framework, we find supported the Examiner's determination that the claims "provide no inventive concept sufficient to confer eligibility in light of the fact that the claims are directed towards the judicial exception regarding an abstract idea." Ans. 6–7. We are unpersuaded by the Appellant's arguments to the contrary. *See* Br. 8.

The Appellant argues that "there are numerous and significant claim elements drawn to significantly more than the purportedly abstract concept" and cites to the limitations requiring registering of a seller, causing transmission of content from the service or owner to the registered seller, "which can then be used in promotion, and so on." Br. 8. The Appellant also argues that the dependent claims "relate to more specific implementations that further cover more than any alleged abstract idea of claim 1." *Id.* at 9. The Appellant alleges "[t]hese aspects constitute specific technological steps of an Internet-centric method, and thus cause the claim to amount to significantly more than the judicial exception of the stated several abstract ideas." *Id.* at 8.

However, the Appellant does not provide support or reasoning as to how the registering and transmission steps, or any of the steps of the independent or dependent claims, cause a technological improvement or "[a]dd[] a specific limitation or combination of limitations that are not well-understood, routine, conventional activity in the field." 2019 Revised Guidance, 84 Fed. Reg. at 56. The claims simply recite configuring a computer to receive and transmit data, associating data, and enabling promotion of an item, and the functional results to be achieved. The claims "provide[] only a result-oriented solution with insufficient detail for how a computer accomplishes it. Our law demands more." *Intellectual Ventures I LLC v. Capital One Fin. Corp.*, 850 F.3d 1332, 1342 (Fed. Cir. 2017). That the method is "Internet-centric" (Br. 8) is not sufficient to add an inventive concept to otherwise abstract claims. *Ultramercial*, 772 F.3d at 716.

Thus, we are not persuaded of error in the Examiner's determination that the limitations of the claims do not transform the claims into significantly more than the abstract idea.

Based on the foregoing, we are not persuaded that the Examiner erred in rejecting the claims under 35 U.S.C. § 101, and we sustain the rejection of claims 1–6, 9–11, and 30–34.

35 U.S.C. § 112, first paragraph – Written Description[6]

The Examiner rejects claim 32 as failing to comply with the written description requirement, because the Specification "does not provide a disclosure of the computer and algorithm in sufficient detail to demonstrate to one of ordinary skill in the art that the inventor possessed the invention including how to program the disclosed computer to perform the claimed function" of "allowing the seller to inform the content item rights owner that a different price is to be used in the purchase of the rights such that it can be applied to the purchase transaction." Final Act. 16–17. Specifically, the Examiner finds that "the specification merely teaches an obtained result without any teaching of how that result is obtained. Clearly one of ordinary skill would not know what mechanism was being used to convey the 'arbitrary price' from the seller to the content item rights owner or even whether the inventor had realized that a problem existed." *Id.* at 17–18.

Conversely, the Appellant refers to paragraph 9 of the Specification as providing sufficient support and

> submits that the very fact that the specification contemplates that that the content item rights owner may set a 'fixed cost' or a

[6] The rejections are addressed in the order presented in the Final Action.

> 'floor price' implies that the content item rights owner is aware of the fact that other prices, including arbitrary prices set by the sellers, will be involved in transactions. A content item rights owner would not be able to compensate a seller after the transaction based on knowledge only of the floor price. Thus, . . . one of ordinary skill in the art would understand that this information about the price negotiated by the seller would be communicated to the content item rights owner, who indeed is responsible for consummating the transaction."

Br. 16–17.

Claim 32 depends from claim 1 and recites

> wherein pricing for the content item is set by the seller, and further comprising, upon the fulfillment, crediting a seller an amount based on how much pricing for the content item exceeds a floor price set by the content item rights owner, or debiting a seller an amount based on how much pricing for the content item is less than the floor price set by the content item rights owner.

Id. at 20 (Claims App.). Paragraph 9 of the Specification provides for examples of the pricing being managed by the seller, of the seller raising the price above the fixed cost set by the owner or service, and of the seller setting any price wished, but owing the owner for sales below a defined cost.

To satisfy the written description requirement, the patent disclosure must "reasonably convey[ ] to those skilled in the art that the inventor had possession of the claimed subject matter as of the filing date." *Ariad Pharms., Inc. v. Eli Lilly & Co.*, 598 F.3d 1336, 1351 (Fed. Cir. 2010) (en banc). The question is whether "the specification [ ] describe[s] the invention in sufficient detail so 'that one skilled in the art can clearly conclude that the inventor invented the claimed invention as of the filing date sought.' *Lockwood v. Am. Airlines, Inc.*, 107 F.3d 1565, 1572 (Fed. Cir. 1997) [ ]." *In re Alonso*, 545 F.3d 1015, 1019 (Fed. Cir. 2008). The Specification must describe the claimed subject matter, although it need not contain the exact wording used in the claim. *See Lockwood*, 107 F.3d at 1572.

The Examiner's rejection is premised on an interpretation of the claim that requires the functions of the claim be performed by a computer. *See* Ans. 12; Final Act. 16–17. We do not agree with this premise. Although independent claim 1 requires that the steps are implemented on a computer, the steps of configuring, associating, and causing are not claimed as being performed by a computer and can be performed manually using a computer. *See* Br. 18 (Claims App.). Similarly, dependent claim 32 does not require the setting of the price and crediting or debiting of an amount to be performed by a computer, but can be performed manually. We agree with the Appellant that the Specification provides sufficient support to convey to one of skill in the art that the inventor had possession of manually setting a price and crediting or debiting an amount based on a comparison of price and cost.

Based on the foregoing, we are persuaded that the Examiner erred in rejecting claim 32 under 35 U.S.C. § 112, first paragraph, and we do not sustain the rejection.

35 U.S.C. § 102(e) – Anticipation

Claims 1–11 and 30

After careful review of the record before us, we are not persuaded of error in the Examiner's rejection of independent claim 1.

The Appellant first contends that the Examiner's rejection of independent claim 1 is in error because Johnston does not disclose allowing and receiving registrations of sellers who are separate from the content rights owner and who do not own the content rights, as recited in limitation b. *See* Br. 9. The Appellant argues that Johnston discloses the content rights owners selling the items themselves through a hosted service, but does not disclose registering a separate seller as claimed. *See id.* at 10.

The Examiner finds, in relevant part, that Johnston's "seller" corresponds to the claimed contents right owner, and the "identification of 'one or more third party hosts to which to publish the portable widget of the storefront'" corresponds to the claimed allowing registration of a seller as defined by the Appellant's Specification as "permitting and configuring sellers to initiate transactions for content items between purchasers and content item rights owners." Final Act. 19 (citing Johnston ¶ 232, Spec. Fig. 2a "35"). Specifically, the "Examiner views the 'third-party hosts' of Johnston to read on the 'registered seller' of the claim and that these recitations from paragraphs 0250 and 0298-0301 read on the claimed 'seller accounts' and recited in the claim." Ans. 8–9. The Examiner further finds that "Johnston also discloses the ability to register content items in both the abstract and at paragraph 0045." *Id.* at 9.

Johnston discloses a hosted service that can receive from a seller of digital content, i.e., a content rights owner, items to be displayed for purchase via a portable widget on a storefront displayed on a third party host. Johnston ¶¶ 45, 46. The owner may establish a storefront at a hosted service across a plurality of third party hosts that are identified to the service. *Id.* ¶¶ 47, 232, 244. By using the portable widget, a purchase can be made without traversing away from the storefront displayed on the third party host. *Id.* ¶ 250. The service can determine shares of revenue from the sales between the service, owner, and hosts, such as by being based on the service provided and used in promotion of an item. *Id.* ¶¶ 250, 298–301. Each seller/owner and associated list of suppliers, i.e., third party hosts, are stored. *Id.* ¶ 300.

The Examiner interprets the term "registering" as "permitting and configuring sellers to initiate transactions for content items between purchasers and content item rights owners." Final Act. 19 (quoting Spec. Fig. 2a "35"). The Specification does not provide a specific definition for "registering," but states that "registration with respect to a given content item allows the seller to market the item on the Internet, initiate transactions to the extent of a handoff of the actual purchase transaction to the content owner or a fulfillment vendor, or the like." Spec. ¶ 50. We find that the ordinary and customary meaning of "register" as used here is to enroll or make an official entry in a system. *See* Merriam-Webster Online Dictionary, https://www.merriam-webster.com/dictionary/registering, last visited Mar. 7, 2019.

Here, although Johnston is silent as to whether the third party hosts are "registered," Johnston discloses storing an associated list of third party hosts identified by the seller/owner as enabled to sell the item via widget on their storefronts. As such, the third party hosts are registered, i.e., enrolled or made an entry in a system. Although the third party hosts are registered by the seller/owner, claim 1 merely requires that the service is allowed to register the sellers, i.e., third party hosts, and receive a registration of the seller, i.e., third party host, with respect to items; claim 1 does not require that the seller registers itself.

The Appellant's further arguments that Johnston does not disclose (1) the third party host selling "rights to the registered content item independently of the seller (content items rights owner)" (Br. 10), (2) "a seller obtain[ing] rights to promote the sale of content items" (*id.* at 11), and (3) "the seller [] driving the sale" (*id.* at 13), and (4) that "just because an ability is enabled by the system and provided to the seller does not mean that license rights to the content item are automatically implicated" (Br. 12) are unpersuasive at least because they are not commensurate with the scope of claim 1. Claim 1 also does not require the third-party host to sell rights independently of the seller/content items rights owner, but merely that the third party host is separate from the owner, does not own the rights, and can "promote, offer for sale, and initiate a transaction for a registered content item between a purchaser of the content item and the content item rights owner." Br. 18 (Claims App.). Claim 1 requires registration of a seller, associating the seller with an account configured to promote, offer for sale, and initiate a transaction between the purchaser and content owner, "receiv[ing] a request for purchase or license of the registered content item" (*id.*), and causing a transmission of right to the purchaser from the content owner (*id.*), but there is no limitation requiring a *seller* to obtain rights to promote or sell and item. Although claim 1 recites the selling service receiving a request for purchase *or* license of the item from the seller, claim 1 does not require a transfer or implication of rights *to* the seller. Johnston's owner-identification of third party hosts on which to display the widget enables the third party host to promote, offer for sale, and initiate a transaction for the item, and transferring rights from the seller/owner to the buyer. *See* Johnston ¶ 263. Further, the claim does not recite that a seller drives the sale; claim 1 requires merely that the seller is enabled to and *may* promote the item.

We also find unpersuasive of error the Appellant's argument that Johnston "does not disclose at least the step of receiving [an audiovisual content item] from the selling service or from the content item rights owner." Br. 12. The Examiner relies on Johnston at paragraphs 148 and 226–231 for teaching this limitation. Final Act. 20. These portions of Johnston provide that the platform can promote the artist and the content by providing web syndication feeds (Johnston ¶ 148), an artist can upload to the storefront a preview of a music track, video, image, podcast, or vodcast, the actual music track, video, image, podcast, or vodcast, and a thumbnail image (*id.* ¶¶ 226–230). These can also be uploaded to a storefront or networking site (*id.* ¶ 231) and published to the third party host via the widget having the same features as the storefront (*id.* ¶ 246). The Appellant's argument that Johnston does not teach this limitation "due to the different natures of" Johnston's system and the claimed invention (Br. 12) does not explain why Johnston's disclosure of uploading and publishing audiovisual content to the third party host via the widget does not meet limitation d) of causing a transmission of an audiovisual content from the service or owner to the third party host.

Based on the foregoing, we are not persuaded that the Examiner erred in rejecting claim 1 under 35 U.S.C. § 102(e), and we sustain the rejection of claim 1 and of dependent claims 2–11 and 30, for which separate argument is not presented. *See* Br. 13.

Claim 31

The Appellant contends that the Examiner's rejection of dependent claim 31 is in error because "Johnston fails to disclose notifying the registered seller upon the fulfillment, whereby the registered seller can provide a good to a purchaser as a promotion." Br. 13. The Appellant argues that "due to the different natures of the systems[,] . . . [t]he third-party host in Johnston is providing a service to the seller, and there is no disclosure of the third-party host driving the sale so as to provide additional goods or the like." *Id.*

Claim 31 depends from claim 1 and provides a further step of "notifying the seller of step b) upon the fulfillment, whereby the seller of step b) can provide a good to the purchaser as a promotion." Br. 20 (Claims App.). The Examiner cites to paragraphs 258 and 301 of Johnston as disclosing this limitation and further finds that "no patentable weight should be given to the whereby clause as this is not an actual method step and only suggests a particular result of the notification." Final Act. 22–23. The cited paragraphs of Johnston disclose that credits may be issued as a bonus, such as for loyalty programs and special promotion events, and used as currency (Johnston ¶ 258), and that after receiving payment for a purchase, the third party host would be credited an amount as agreed upon (*id.* ¶ 301).

The Appellant's argument is unpersuasive for the reasons discussed above with respect to claim 1. That is, the argument is not commensurate with the scope of the claim in that claim 31 does not require the third-party host to drive the sale. Moreover, the Appellant does not provide further argument or reasoning why Johnston's crediting of the host's account after payment does not meet the claimed notification, and the issuance of bonus credits does not meet the claimed ability to provide a good as a promotion.

Based on the foregoing, we are not persuaded that the Examiner erred in rejecting claim 31 under 35 U.S.C. § 102(e), and we sustain the rejection of claim 31.

Claim 33

The Appellant contends that the Examiner's rejection of dependent claim 33 is in error because Johnston does not disclose "receiving data from a social networking site about user preferences, and then transmitting the data to the seller, so that the seller can promote a content item based on user preferences, e.g., directing advertising of the item at particular users who may find such interesting." Br. 13.

Claim 33 depends from claim 1 and provides a further step of "receiving data from a social networking site about user preferences, and transmitting the data to a seller, whereby the seller may promote a content item based on user preferences." Br. 20 (Claims App.). We note that the claim recites that the seller *may* promote a content, but not does not positively recite that the seller *does* promote a content item based on the preferences. The Examiner cites to paragraphs 177 and 188 of Johnston as disclosing this limitation (Final Act. 23) and further finds that there is "no particular requirement is in the claim as what constitutes a 'social networking site' and Johnston clearly discloses the gathering of information from a 'personalization/recommendation service' in 0177 and the gathering of preferences in 0188" (Ans. 11).

Johnston disclose that the platform server may include a personalization/recommendation service (Johnston ¶ 177) and that the "Personalisation/Recommendation Engine" may receive statistics from the Client agent on user activity and may include a service that collects data to generate recommendations (*id.* ¶ 188). However, the Examiner has not adequately shown where or how Johnston discloses/anticipates transmitting the collected data or recommendation data to the third party host/seller.

Based on the foregoing, we are persuaded that the Examiner erred in rejecting claim 33 under 35 U.S.C. § 102(e), and we do not sustain the rejection of claim 33.

35 U.S.C. § 103(a) – Obviousness

The Appellant contends that the Examiner's rejection of dependent claim 32 is in error because Johnston does not disclose "a user setting the price, and then receiving a credit (debit) for the amount paid over (below) a fixed cost set by the content item rights owner" (Br. 13) and is "is silent on how such apportionment [to a third party] may occur, except to the extent that the term 'commission' and 'percentage' is [sic] used" (*id.* at 14).

The Examiner acknowledges that Johnston

> does not explicitly disclose wherein pricing for the content item is set by the seller, and further comprising, upon the fulfillment, crediting a seller an amount based on how much pricing for the content item exceeds a floor price set by the content item rights owner, or debiting a seller an amount based on how much pricing for the content item is less than a floor price set by the content item rights owner.

Final Act. 23. However, the Examiner finds that "Johnston teaches the payments of commissions to the participants (0301) based on revenue apportionment. As the claim merely is proportioning the revenue it is a sufficient teaching." *Id.*

Claim 32 requires that the seller, i.e., Johnston's third party host, set the price and, upon fulfillment, the third party host/seller being credited or debited an amount based on the pricing compared to a floor price set by the owner, i.e., Johnston's seller. Although Johnston teaches, at best, revenue sharing based on the sale price and/or profit (*see, e.g.*, Johnston ¶¶ 300, 301), the Examiner does not adequately explain where or how Johnston teaches or renders obvious the third party host setting the price and crediting or debiting the host based on a comparison of that price with the seller's/owner's bottom price.

Based on the foregoing, we are persuaded that the Examiner erred in rejecting claim 32 under 35 U.S.C. § 103(a), and we do not sustain the rejection of claim 32.

DECISION

The Examiner's rejection of claims 1–6, 9–11, and 30–33 under 35 U.S.C. § 101 is AFFIRMED.

The Examiner's rejection of claim 32 under pre-AIA 35 U.S.C. § 112, first paragraph, is REVERSED.

The Examiner's rejection of claims 1–6, 9–11, 30, and 31 under pre-AIA 35 U.S.C. § 102(e) is AFFIRMED.

The Examiner's rejection of claim 33 under pre-AIA 35 U.S.C. § 102(e) is REVERSED.

The Examiner's rejection of claim 32 under pre-AIA 35 U.S.C. § 103(a) 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