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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte* WAYNE GARY JAMES SCHOLES,  
JON FRANKLYN BUTLER, and DAVID ALAN HUBBARD

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Appeal 2017-010501<sup>1</sup>  
Application 13/733,104<sup>2</sup>  
Technology Center 3600

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Before HUBERT C. LORIN, MICHAEL C. ASTORINO, and  
NINA L. MEDLOCK, *Administrative Patent Judges*.

MEDLOCK, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's rejection of claims 7–13. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

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<sup>1</sup> Our decision references Appellants' Appeal Brief ("App. Br.," filed March 23, 2017) and Reply Brief ("Reply Br.," filed August 2, 2017), and the Examiner's Answer ("Ans.," mailed June 2, 2017) and Non-Final Office Action ("Non-Final Act.," mailed September 22, 2016).

<sup>2</sup> Appellants identify Really Epic Dog, Ltd. as the real party in interest. App. Br. 2.

### CLAIMED INVENTION

Appellants' claimed invention "relates generally to systems and methods for advertising, advertising related activities, and promoting products or services between multiple sources and multiple recipients" and in particular to "providing a participant with an adaptive advertising experience through interactive feedback of the participant" (Spec. ¶ 2).

Claim 7, reproduced below with bracketed notations added, is the sole independent claim, and representative of the claimed subject matter:

7. A method for adapting advertising material, the method comprising:

[(a)] collecting information about a participant from a data acquisition device configured as a visual recognition device associated with a participant access point;

[(b)] analyzing the collected information;

[(c)] selecting advertising material based on the analysis of the collected information;

[(d)] gathering additional information about the participant;

[(e)] identifying one or more patterns from the collected information and the gathered additional information; and

[(f)] adapting advertising content presented to a participant according to the identified patterns.

### REJECTIONS

Claims 7–13 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

Claims 7–13 are rejected under 35 U.S.C. § 103(a) as unpatentable over Kasargod et al. (US 2012/0041825 A1, pub. Feb. 16, 2012) ("Kasargod") and Mori et al. (US 2012/0046857 A1, pub. Feb. 23, 2012) ("Mori").

## ANALYSIS

### *Patent-Ineligible Subject Matter*

Appellants argue the pending claims as a group (App. Br. 4–6). We select independent claim 7 as representative. The remaining claims stand or fall with claim 7. *See* 37 C.F.R. §41.37(c)(1)(iv).

Under 35 U.S.C. § 101, an invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101. The Supreme Court, however, has long interpreted § 101 to include an implicit exception: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014).

The Supreme Court, in *Alice*, reiterated the two-step framework previously set forth in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66 (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 Corp.*, 573 U.S. at 217. The first step in that analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts.” *Id.* If the claims are not directed to a patent-ineligible concept, e.g., an abstract idea, the inquiry ends. Otherwise, the inquiry proceeds to the second step where the elements of the claims are considered “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.” *Id.* (quoting *Mayo*, 566 U.S. at 79, 78).

The Court acknowledged in *Mayo*, 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. Therefore, the Federal Circuit has instructed that claims are to be considered in their entirety to determine “whether their character as a whole is directed to excluded subject matter.” *McRO, Inc. v. Bandai Namco Games Am., Inc.*, 837 F.3d 1299, 1312 (Fed. Cir. 2016) (quoting *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015)).

Here, in rejecting the pending claims under 35 U.S.C. § 101, the Examiner determined, and we agree, that the claims are directed to “adaptive marketing [i.e., advertising] using interactive feedback,” i.e., to a method of organizing human activity and, therefore, to an abstract idea (Non-Final Act. 3). The Examiner also determined that the claims do not include limitations that are “significantly more” than the abstract idea because the claims do not include improvements to another technology or technical field; improvements to the functioning of the computer itself; apply the judicial exception with, or by use of a particular machine; effect a transformation or reduction of a particular article to a different state or thing; add a specific limitation other than what is well-understood, routine, and conventional in the field; add unconventional steps that confine the claim to a particular useful application; or contain other meaningful limitations beyond generally linking the use of the judicial exception to a particular technological environment (*id.* at 3–6).

Appellants do not provide any substantive challenge to the Examiner’s determination that claim 7 is directed to an abstract idea. Instead, Appellants assert that “even if the Examiner properly concludes that the claims are directed to an abstract idea, which Appellant [sic] *does not concede*, the claims are directed to significantly more than an abstract idea”

(App. Br. 5 (emphasis added)). In this regard, Appellants note that claim 7 recites, *inter alia*, “collecting information about a participant from a data acquisition device configured as a *visual recognition device* associated with a participant access point,” and assert that a visual recognition device collects more than simply “interactive feedback”; “[i]nstead, the visual recognition device enables collection of information relating to passive data that the participant may not even be aware is being collected” (*id.*). Pointing to paragraphs 18, 24, and 25 of the Specification, Appellants, thus, observe that the Specification discloses that the visual recognition device “monitors the actions of a consumer as [he or she] move[s] through a store,” e.g., capturing images of the consumer browsing a particular magazine in a magazine display, and that the device also “provides information about how a participant is dressed” and “gathers information about the consumer’s age and gender — features that Appellants maintain “are significantly more than any alleged understood, routine, and conventional use of interactive feedback” and “add unconventional steps that confine the claim to a particular useful application” (*id.*). Appellants argue that “such features were not realistically attainable prior to the present application” (i.e., employing sales people to watch and follow customers throughout a store to collect information was not feasible, e.g., because it risks creating a uncomfortable situation where a customer would feel as if he or she were being stalked), and that these features “facilitate a system that was previously not possible in a real-world environment, and accordingly was not conventional in the field” (*id.* at 6).

Appellants’ arguments are not persuasive at least because we find no indication in the Specification, nor do Appellants point us to any indication,

that “collecting information about a participant,” as recited in claim 7, requires any specialized or inventive computer components, invokes any allegedly inventive programming, or that the claimed step is performed using other than a generic component operating in its normal, expected, and routine manner. In fact, in paragraph 18, to which Appellants refer, the Specification describes that the data acquisition device, i.e., the visual recognition device, may be a camera having image recognition software, e.g., a security camera, located in a retail store (Spec. ¶ 18). Collecting information using a generic visual recognition device, e.g., a camera, is not the type of unconventional feature that *Alice* envisioned as imparting patent eligibility. *Cf. Alice Corp.*, 573 U.S. at 223 (“[T]he mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention. Stating an abstract idea while adding the words ‘apply it’ is not enough for patent eligibility.”) (quoting *Mayo*, 566 U.S. at 72 (internal quotation marks omitted)).

“Collecting information about a participant from a data acquisition device configured as a visual recognition device associated with a participant access point” is, moreover, part of the abstract idea itself; it is not an additional element to be considered when determining whether claim 7 includes additional elements or a combination of elements that is sufficient to amount to significantly more than the judicial exception.

Addressing step two of the *Mayo/Alice* framework in *Berkheimer*, the Federal Circuit held that the question of whether a claim element or combination of elements is well-understood, routine, and conventional to a skilled artisan in the relevant field is a question of fact. *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1368 (Fed. Cir. 2018). Yet, it could not be clearer from

*Alice*, that under step two of the *Mayo/Alice* framework, the elements of each claim are considered both individually and “as an ordered combination” to determine whether the additional elements, i.e., the elements *other* than the abstract idea itself, “transform the nature of the claim” into a patent-eligible application. *Alice Corp.*, 573 U.S. at 217. *See Mayo*, 566 U.S. at 72–73 (requiring that “a process that focuses upon the use of a natural law also contain *other* elements or a combination of elements, sometimes referred to as an ‘inventive concept,’ sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the natural law itself” (emphasis added)). In other words, the inventive concept under step two of the *Mayo/Alice* test cannot be the abstract idea itself:

It is clear from *Mayo* that the “inventive concept” cannot be the abstract idea itself, and *Berkheimer* . . . leave[s] untouched the numerous cases from this court which have held claims ineligible because the only alleged “inventive concept” is the abstract idea. *Berkheimer v. HP Inc.*, 890 F.3d 1369, 1374 (Fed. Cir. 2018) (Moore, J., concurring). *See also BSG Tech LLC v. BuySeasons, Inc.*, 899 F.3d 1281, 1290–91 (Fed. Cir. 2018) (“Our precedent has consistently employed this same approach. If a claim’s only ‘inventive concept’ is the application of an abstract idea using conventional and well-understood techniques, the claim has not been transformed into a patent-eligible application of an abstract idea.”).

The only claim element in claim 7 beyond the abstract idea is the claimed “data acquisition device configured as a visual recognition device,” i.e., a generic component, e.g., a camera having image recognition software (*see, e.g.*, Spec. ¶ 18). Appellants cannot reasonably contend, nor do they, that there is a genuine issue of material fact regarding whether operation of

the claimed data acquisition device is well-understood, routine, or conventional, where, as described above, there is nothing in the Specification to indicate that the operations recited in claim 7 require any specialized hardware or inventive computer components or that the claimed invention is implemented using other than generic components operating in their routine and ordinary capacity.

Appellants also misapprehend the controlling precedent to the extent that Appellants maintain that the claims are patent-eligible because a visual recognition device has not previously been used to monitor the actions of a consumer moving through a store, i.e., that the claims allegedly are novel and/or non-obvious (*see, e.g.*, Reply Br. 3 (“These features are not simply being automated or computerized, but are being made possible for the first time by the present invention. These are unconventional features that are unique and useful and valuable in the art, and are a credit to the inventors for their valuable contributions.”)). Neither a finding of novelty nor a non-obviousness determination automatically leads to the conclusion that the claimed subject matter is patent-eligible. Although the second step in the *Mayo/Alice* framework is termed a search for an “inventive concept,” the analysis is not an evaluation of novelty or non-obviousness, but rather, a search for “an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Alice Corp.*, 573 U.S. at 217–18 (citation omitted). “Groundbreaking, innovative, or even brilliant discovery does not by itself satisfy the § 101 inquiry.” *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 591 (2013). A novel and non-obvious claim directed to a purely abstract idea is, nonetheless, patent-

ineligible. *See Mayo*, 566 U.S. at 90; *see also Diamond v. Diehr*, 450 U.S. 175, 188–89 (1981) (“The ‘novelty’ of any element or steps in a process, or even of the process itself, is of no relevance in determining whether the subject matter of a claim falls within the § 101 categories of possibly patentable subject matter.”).

The Examiner determined here, as described above, that the claims do not include improvements to another technology or technical field, improvements to the functioning of the computer itself, or contain other meaningful limitations beyond generally linking the use of the judicial exception to a particular technological environment (Non-Final Act. 3–6). We find nothing in the Specification, nor do Appellants direct us to anything in the Specification, to indicate otherwise.

We are not persuaded, on the present record, that the Examiner erred in rejecting independent claim 7 under 35 U.S.C. § 101. Therefore, we sustain the Examiner’s rejection of claim 7, and claims 8–13, which fall with claim 7.

#### *Obviousness*

By way of background, Kasargod is directed to a method and apparatus for triggering the delivery of interactive advertisements to users’ devices, e.g., wireless mobile devices, based on the users’ exposure to a non-interactive advertisement, e.g., an advertisement on a publicly displayed billboard, a video advertisement, etc. (Kasargod Abstract). Kasargod discloses that rather than merely using contextual information limited to user location or user profile information, the apparatus and methods correlate one or more behavioral context parameters to exposure, including exposure duration, to assess the user’s interest in the non-interactive advertisement

and, thus, the user's suitability for receiving a corresponding interactive advertisement (*id.*).

Mori is directed to a visual recognition area estimation device and driving support device (Mori ¶ 1), and describes that in the related art, a warning device warns a driver about obstacles existing around a vehicle; the device determines whether the driver recognizes the obstacles by comparing the position of the detected obstacles with the direction of the driver's eyes and warns the driver about any obstacles, which are determined not to be recognized by the driver (*id.* ¶ 2). Mori discloses that because the prior device correlates the positions of the obstacles with the direction of the driver's eyes, when a plurality of obstacles exists around a vehicle, the throughput of the decision processing becomes large and processing in real time becomes difficult. Mori purportedly solves this problem using a visual recognition area estimation device that calculates the visual recognition area recognized by the driver based on the driver's eyes, and estimates a time series visual recognition area as the area currently recognized by the driver based on histories of a plurality of visual recognition areas calculated from the past to the present for a predetermined time (*id.* at Abstract). Mori discloses that by estimating the time series visual recognition area, also including the past visual recognition area, the area currently recognized by the driver can be accurately estimated (*id.*).

In rejecting claim 7 under § 103(a), the Examiner cites Kasargod as disclosing substantially all of the limitations of claim 7, including collecting information about a participant and analyzing the collected information (Non-Final Act. 6–7). The Examiner, however, acknowledges that Kasargod does not disclose “a data acquisition device configured as a visual

recognition device associated with [a] participant access point,” and the Examiner cites Mori to cure the deficiency of Kasargod (*id.* at 7 (citing Mori Abstract, ¶ 48)).

The Examiner explains, “[i]n the instant case, Kasargod evidently discloses collecting, analyzing information and adapting content. Mori is merely relied upon to illustrate the functionality of a visual recognition device in the same or similar context” (*id.* at 8). The Examiner then concludes, “since the elements disclosed by Kasargod and Mori would function in the same manner in combination as they do in their separate embodiments, it would be reasonable to conclude that their resulting combination would be predictable. Accordingly, the claimed subject matter is obvious over Kasargod/Mori” (*id.*).

Addressing the rejection in the Appeal Brief, Appellants assert that Kasargod is “limited to teaching that exposure determination to a non-interactive advertisement is determined based on the user’s distance from the advertisement according to GPS data, and the duration the user remains within a predefined distance,” i.e., that Kasargod, as the Examiner acknowledges, does not disclose or suggest “collecting information about a participant from a data acquisition device configured as a visual recognition device associated with a participant access point” and “analyzing the collected information,” as recited in claim 7 (App. Br. 9). And Appellants argue that Mori does not cure the deficiency of Kasargod because Mori “simply discloses imaging a face of a driver, particularly the range including both eyes, and utilizing that information to calculate a visual recognition area recognized by the driver in a certain time” (*id.* at 10 (citing Mori ¶¶ 43 and 48)).

Responding to Appellants' arguments, the Examiner takes the position in the Answer that exposure determiner 306 in Kasargod "reds [sic] on [the claimed] data acquisition device with visual capability" (Ans. 6 (citing Kasargod ¶ 54, Fig. 4 (element 401))). The Examiner also references Figure 14 (element 814)<sup>3</sup> and paragraph 110 of Kasargod, asserting Kasargod discloses that "a surveillance camera system 814 with face recognition capability recognizes the user 802,' which reads on collecting information based on visual recognition" (*id.* at 12).

We have reviewed the cited portions of Kasargod, on which the Examiner relies, and we agree with Appellants that there is nothing there that discloses or suggests that exposure determiner 306 is a "data acquisition device with visual capability," as called for in claim 7 (Reply Br. 4). Kasargod merely discloses that "determiner 306 . . . is able to determine exposure to a non-interactive advertisement 308" (Kasargod ¶ 48), and that the determiner may get location information from a satellite-based or terrestrial network-based position-location system, and correlate the location with the known locations of the advertisements within a certain range of the location in order to determine exposure duration (*id.*).

Kasargod discloses, in paragraph 110, that a surveillance camera system 814 with face recognition capability recognizes a user 802, e.g., by accessing an employee biometric database 816. But, we agree with Appellants that Kasargod does not disclose or suggest that this surveillance camera system is connected in any way to the exposure determiner; nor is any such connection shown in Figure 14 (Reply Br. 4).

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<sup>3</sup> We understand the Examiner to be referencing Figure 14 rather than Figure 12 inasmuch as element 814 does not appear in Figure 12.

The Examiner has not established that a person of ordinary skill at the time of Appellants' invention would have had an apparent reason to modify Kasargod, which is concerned with determining a user's interest in an advertisement based on the user's distance from the advertisement and the duration the user remains within a predefined distance, to use Mori's visual recognition device to collect information about the user — a device that, as Appellants observe, Mori merely discloses is used to image “a face of a driver to estimate an area recognized by the driver based on the eyes of the driver, and to estimate the caution state of the driver” (App. Br. 8 (citing Mori ¶ 8)). As such, the Examiner has not established a prima facie case of obviousness. *See KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007) (holding that a prima facie case of obviousness requires showing that one of ordinary skill in the art would have had both an apparent reason to modify the prior art and predictability or a reasonable expectation of success in doing so).

In view of the foregoing, we do not sustain the Examiner's rejection of independent claim 7 under 35 U.S.C. § 103(a). For the same reasons, we also do not sustain the rejection of dependent claims 8–13.

#### DECISION

The Examiner's rejection of claims 7–13 under 35 U.S.C. § 101 is affirmed.

The Examiner's rejection of claims 7–13 under 35 U.S.C. § 103(a) is reversed.

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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