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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte JORDAN WALKE*

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Appeal 2017-010607  
Application 13/748,484  
Technology Center 3600

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Before ROBERT E. NAPPI, ST. JOHN COURTENAY III, AND  
LARRY J. HUME, *Administrative Patent Judges*.

HUME, *Administrative Patent Judge*.

DECISION ON APPEAL

Pursuant to 35 U.S.C. § 134(a), Appellant,<sup>1</sup> Facebook, Inc., appeals from the Examiner's decision rejecting claims 1, 3–13, and 15–21, which are all claims pending in the application. Appellant has canceled claims 2 and 14. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

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<sup>1</sup> We use the word “Appellant” to refer to “Applicant” as defined in 37 C.F.R. § 1.42(a). Appellant identifies the real party in interest as Facebook, Inc. App. Br. 2.

## STATEMENT OF THE CASE<sup>2</sup>

### *The Invention*

The claims are directed to a simplified creation of advertisements for a social networking system. *See* Spec. 1 (Title). In particular, Appellant’s disclosed embodiments and claimed invention relate to “creating advertisements for users of a social networking system.” Spec. ¶ 1.

### *Exemplary Claim*

Claim 1, reproduced below, is representative of the subject matter on appeal (labeling, *emphasis*, and formatting added to contested prior-art limitations):

1. A method comprising:

receiving, from an advertiser via an advertisement creation interface of a social networking system, a destination address for a new advertisement, the destination address for the new advertisement being a network location for which the advertisement contains a link;

[L1] *determining whether (a) the destination address is an address in an Internet domain to a web page external to the social networking system or (b) the destination address is an object of the plurality of objects maintained by the social networking system;*

responsive to determining that the destination address is an address in an Internet domain to a web page external to the social networking system,

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<sup>2</sup> Our decision relies upon Appellant’s Appeal Brief (“App. Br.,” filed Mar. 22, 2017); Reply Brief (“Reply Br.,” filed Aug. 11, 2017); Examiner’s Answer (“Ans.,” mailed June 13, 2017); Final Office Action (“Final Act.,” mailed July 21, 2016); and the original Specification (“Spec.,” filed Jan. 23, 2013).

[L2] *displaying options for configuring an advertisement associated with a destination address external to the social networking system;*

responsive to determining that the destination address is an object of the plurality of objects maintained by the social networking system,

[L3] *displaying options for configuring an advertisement associated with an object maintained by the social networking system, the options for configuring an advertisement associated with an object being different from the options for configuring an advertisement associated with a destination address external to the social networking system;*

receiving, from the advertiser, options from the displayed options;

defining a new advertisement based on the received options from the advertising user, the new advertisement including a link to the destination address; and

sending the new advertisement for display to one or more users of the plurality of users of the social networking system other than the advertiser.

*Prior Art*

The Examiner relies upon the following prior art as evidence in rejecting the claims on appeal:

Wang et al. ("Wang")	US 2009/0144392 A1	June 4, 2009
Ormont et al. ("Ormont")	US 2013/0110641 A1	May 2, 2013
Tunguz-Zawislak ("Tunguz")	US 8,924,465 B1	Dec. 30, 2014

*Rejections on Appeal*

R1. Claims 1, 3–13, and 15–21 stand rejected under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter. Final Act. 2.

R2. Claims 1, 3–6, 8–13, 15–17, 19, and 21 stand rejected under 35 U.S.C. § 103 as being unpatentable over the combination of Tunguz and Ormont. Final Act. 3.

R3. Claims 7, 18, and 20 stand rejected under 35 U.S.C. § 103 as being unpatentable over the combination of Tunguz, Ormont, and Wang. Final Act. 9.

CLAIM GROUPING

Based on Appellant’s arguments (App. Br. 5–18) and our discretion under 37 C.F.R. § 41.37(c)(1)(iv), we decide the appeal of patent-ineligible subject matter Rejection R1 of claims 1, 3–13, and 15–21 on the basis of representative claim 1; and we also decide the appeal of obviousness Rejection R2 of claims 1, 3–6, 8–13, 15–17, 19, and 21 on the basis of representative claim 1.

Remaining claims 7, 18, and 20 in obviousness Rejection R3, not argued separately, stand or fall with the respective independent claim from which they depend.<sup>3</sup>

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<sup>3</sup> “Notwithstanding any other provision of this paragraph, the failure of appellant to separately argue claims which appellant has grouped together shall constitute a waiver of any argument that the Board must consider the patentability of any grouped claim separately.” 37 C.F.R. § 41.37(c)(1)(iv). In addition, when Appellant does not separately argue the patentability of dependent claims, the claims stand or fall with the claims from which they depend. *In re King*, 801 F.2d 1324, 1325 (Fed. Cir. 1986).

## ISSUES AND ANALYSIS

In reaching this decision, we consider all evidence presented and all arguments actually made by Appellant. To the extent Appellant has not advanced separate, substantive arguments for particular claims, or other issues, such arguments are waived. 37 C.F.R. § 41.37(c)(1)(iv).

We disagree with Appellant's arguments with respect to claim 1 and, unless otherwise noted, we incorporate by reference herein and adopt as our own: (1) the findings and reasons set forth by the Examiner in the action from which this appeal is taken, and (2) the reasons and rebuttals set forth in the Examiner's Answer in response to Appellant's arguments. We highlight and address specific findings and arguments regarding claim 1 for emphasis as follows.

1. § 101 Rejection R1 of Claims 1, 3–13, and 15–21

*Issue 1*

Appellant argues (App. Br. 5–14; Reply Br. 2–9) the Examiner's rejection of claim 1 under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter is in error. These contentions present us with the following issue:

Under the USPTO's Revised Guidance, informed by our governing case law concerning 35 U.S.C. § 101, is claim 1 patent-ineligible under § 101?

Principles of Law

A. 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.<sup>4</sup> However, the Supreme Court has long interpreted 35 U.S.C. § 101 to include implicit exceptions: “[I]aws of nature, natural phenomena, and abstract ideas” are not patentable. *See Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 70 (2012) (citing *Diamond v. Diehr*, 450 U.S. 175, 185 (1981)).

In determining whether a claim falls within an excluded category, we are guided by the Supreme Court’s two-step framework, described in *Mayo* and *Alice*. *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 573 U.S. 208, 217–18 (2014) (citing *Mayo*, 566 U.S. at 75–77). In accordance with that framework, we first determine what concept the claim is “directed to.” *See Alice*, 573 U.S. at 219 (“On their face, the claims before us are drawn to the concept of intermediated settlement, *i.e.*, the use of a third party to mitigate settlement risk.”); *see also Bilski v. Kappos*, 561 U.S. 593, 611 (2010) (“Claims 1 and 4 in petitioners’ application explain the basic concept of hedging, or protecting against risk . . .”).

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);

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<sup>4</sup> This threshold analysis of whether a claim is directed to one of the four statutory categories of invention, *i.e.*, a process, machine, manufacture, or composition of matter, is referred to as “*Step 1*” in the USPTO’s patent-eligibility analysis under § 101. *See* MPEP § 2106.

mathematical formulas (*Parker v. Flook*, 437 U.S. 584, 594–95 (1978)); and mental processes (*Gottschalk v. Benson*, 409 U.S. 63, 67 (1972)). Concepts determined to be patent eligible include physical and chemical processes, such as “molding rubber products” (*Diehr*, 450 U.S. at 191); “tanning, dyeing, making water-proof cloth, vulcanizing India rubber, smelting ores” (*id.* at 182 n.7 (quoting *Corning v. Burden*, 56 U.S. 252, 267–68 (1853))); 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 “[a] claim drawn to subject matter otherwise statutory does not become nonstatutory simply because it uses a mathematical formula.” *Diehr*, 450 U.S. at 187; *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.* (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.”).

Abstract ideas may include, but are not limited to, fundamental economic practices, methods of organizing human activities, and mathematical formulas or relationships. *Alice*, 573 U.S. at 217–21. Under this guidance, we must therefore ensure at step one that we articulate what

the claims are directed to with enough specificity to ensure the step one inquiry is meaningful. *Id.* at 217 (“[W]e tread carefully in construing this exclusionary principle lest it swallow all of patent law.”).

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.* (alterations in original) (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.*

#### B. USPTO Revised Guidance

The PTO recently published revised guidance in the Federal Register concerning the application of § 101. *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50 (January 7, 2019) (hereinafter “Revised Guidance”) (<https://www.govinfo.gov/content/pkg/FR-2019-01-07/pdf/2018-28282.pdf>).

Under the Revised Guidance, we first look to whether the claim recites:

- (1) any judicial exceptions, including certain groupings of abstract ideas (i.e., mathematical concepts, certain methods

of organizing human activity such as a fundamental economic practice, or mental processes);<sup>5</sup> and

(2) additional elements that integrate the judicial exception into a practical application (*see* Manual for Patent Examining Procedure (“MPEP”) §§ 2106.05(a)–(c), (e)–(h)).<sup>6</sup>

*See* Revised Guidance 52–53.

Only if a claim (1) recites a judicial exception and (2) does not integrate that exception into a practical application, do we then look to whether the claim:

(3) adds a specific limitation beyond the judicial exception that is not “well-understood, routine, conventional” in the field (*see* MPEP § 2106.05(d)); or

(4) simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception.<sup>7</sup>

*See* Revised Guidance 56.

#### *Step 2A(i) – Abstract Idea*

Informed by our judicial precedent, the Revised Guidance extracts and synthesizes key concepts identified by the courts as abstract ideas to explain that the abstract idea exception includes the following groupings of subject matter, when recited as such in a claim limitation:

(a) Mathematical concepts—mathematical relationships, mathematical formulas or equations, mathematical calculations;

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<sup>5</sup> Referred to as “*Revised Step 2A, Prong 1*” in the Revised Guidance (hereinafter “*Step 2A(i)*”).

<sup>6</sup> Referred to as “*Revised Step 2A, Prong 2*” in the Revised Guidance (hereinafter “*Step 2A(ii)*”).

<sup>7</sup> Items (3) and (4) continue to be collectively referred to as “*Step 2B*” of the Supreme Court’s two-step framework, described in *Mayo* and *Alice*.

(b) Certain methods of organizing human activity — fundamental economic principles or practices (including hedging, insurance, mitigating risk); commercial or legal interactions (including agreements in the form of contracts; legal obligations; advertising, marketing or sales activities or behaviors; business relations); managing personal behavior or relationships or interactions between people (including social activities, teaching, and following rules or instructions); and

(c) Mental processes—concepts performed in the human mind (including an observation, evaluation, judgment, opinion).

Under the Revised Guidance, if the claim does not recite a judicial exception (a law of nature, natural phenomenon, or subject matter within the enumerated groupings of abstract ideas above), then the claim is patent-eligible at *Step 2A(i)*. This determination concludes the eligibility analysis, except in situations identified in the Revised Guidance.<sup>8</sup>

However, if the claim recites a judicial exception (i.e., an abstract idea enumerated above, a law of nature, or a natural phenomenon), the claim requires further analysis for a practical application of the judicial exception in *Step 2A(ii)*.

#### *Step 2A(ii) – Practical Application*

If a claim recites a judicial exception in *Step 2A(i)*, we determine whether the recited judicial exception is integrated into a practical application of that exception in *Step 2A(ii)* by: (a) identifying whether there are any additional elements recited in the claim beyond the judicial

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<sup>8</sup> In the rare circumstance in which an examiner believes a claim limitation that does not fall within the enumerated groupings of abstract ideas should nonetheless be treated as reciting an abstract idea, the procedure described in of the Guidance for analyzing the claim should be followed. *See Revised Guidance, Section III.C.*

exception(s); and (b) evaluating those additional elements individually and in combination to determine whether they integrate the exception into a practical application.

The seven identified “practical application” sections of the MPEP,<sup>9</sup> cited in the Revised Guidance under *Step 2A(ii)*, are:

- (1) MPEP § 2106.05(a) Improvements to the Functioning of a Computer or To Any Other Technology or Technical Field
- (2) MPEP § 2106.05(b) Particular Machine
- (3) MPEP § 2106.05(c) Particular Transformation
- (4) MPEP § 2106.05(e) Other Meaningful Limitations
- (5) MPEP § 2106.05(f) Mere Instructions To Apply An Exception
- (6) MPEP § 2106.05(g) Insignificant Extra-Solution Activity
- (7) MPEP § 2106.05(h) Field of Use and Technological Environment

*See Revised Guidance 55.*

If the recited judicial exception is integrated into a practical application as determined under one or more of the MPEP sections cited above, then the claim is not directed to the judicial exception, and the patent-eligibility inquiry ends. *See Revised Guidance 54.* If not, then analysis proceeds to *Step 2B*.

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<sup>9</sup> *See* MPEP §§ 2106.05(a)–(c), (e)–(h). Citations to the MPEP herein refer to revision [R-08.2017]. Sections 2106.05(a), (b), (c), and (e) are indicative of integration into a practical application, while §§ 2106.05(f), (g), and (h) relate to limitations that are not indicative of integration into a practical application.

*Step 2B – “Inventive Concept” or “Significantly More”*

Under our reviewing courts’ precedent, it is possible that a claim that does not “integrate” a recited judicial exception under *Step 2A(ii)* is nonetheless patent eligible. For example, the claim may recite additional elements that render the claim patent eligible even though a judicial exception is recited in a separate claim element.<sup>10</sup> The Federal Circuit has held claims eligible at the second step of the *Alice/Mayo* test (USPTO *Step 2B*) because the additional elements recited in the claims provided “significantly more” than the recited judicial exception (e.g., because the additional elements were unconventional in combination).<sup>11</sup> Therefore, if a claim has been determined to be directed to a judicial exception under *Revised Step 2A*, we must also evaluate the additional elements individually and in combination under *Step 2B* to determine whether they provide an inventive concept (i.e., whether the additional elements amount to significantly more than the exception itself).<sup>12</sup>

Under the Revised Guidance, we must consider in *Step 2B* whether an additional element or combination of elements: (1) “Adds a specific

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<sup>10</sup> See, e.g., *Diehr*, 450 U.S. at 187.

<sup>11</sup> See, e.g., *Amdocs (Israel), Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288, 1300, 1304 (Fed. Cir. 2016); *BASCOM Global Internet Services, Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1349–52 (Fed. Cir. 2016); *DDR Holdings v. Hotels.com, L.P.*, 773 F.3d 1245, 1257–59 (Fed. Cir. 2014).

<sup>12</sup> The patent eligibility inquiry may contain underlying issues of fact. *Mortg. Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1325 (Fed. Cir. 2016). In particular, “[t]he 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).

limitation or combination of limitations that are not well-understood, routine, conventional activity in the field, which is indicative that an inventive concept may be present;” or (2) “simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception, which is indicative that an inventive concept may not be present.” *See Revised Guidance, III.B.*<sup>13</sup>

In the *Step 2B* analysis, an additional element (or combination of elements) is not well-understood, routine or conventional unless the examiner finds an evidentiary basis, and expressly supports a rejection in writing with, one or more of the following:

1. A citation to an express statement in the specification or to a statement made by an applicant during prosecution that demonstrates the well-understood, routine, conventional nature of the additional element(s). . . .
2. A citation to one or more of the court decisions discussed in MPEP § 2106.05(d)(II) as noting the well-understood, routine, conventional nature of the additional element(s).

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<sup>13</sup> In accordance with existing *Step 2B* guidance, an Examiner’s finding that an additional element (or combination of elements) is well understood, routine, conventional activity must be supported with at least one of the four specific types of evidence required by the USPTO *Berkheimer* Memorandum, as shown above. For more information concerning evaluation of well-understood, routine, conventional activity, *see* MPEP § 2106.05(d), as modified by the USPTO *Berkheimer* Memorandum (USPTO Commissioner for Patents Memorandum dated Apr. 19, 2018, “Changes in Examination Procedure Pertaining to Subject Matter Eligibility, Recent Subject Matter Eligibility Decision (*Berkheimer v. HP, Inc.*)” (hereinafter “*Berkheimer Memo*”).

3. A citation to a publication that demonstrates the well-understood, routine, conventional nature of the additional element(s). . . .

4. A statement that the examiner is taking official notice of the well-understood, routine, conventional nature of the additional element(s). . . .

*See Berkheimer Memo.*

The analysis in *Step 2B* further determines whether an additional element or combination of elements:

(a) Adds a specific limitation or combination of limitations that are not well-understood, routine, conventional activity in the field, which is indicative that an inventive concept may be present; or

(b) simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception, which is indicative that an inventive concept may not be present.

Revised Guidance, *and see Berkheimer Memo.*

If the Examiner or the Board determines under *Step 2B* that the element (or combination of elements) amounts to significantly more than the exception itself, the claim is eligible, thereby concluding the eligibility analysis.

However, if a determination is made that the element and combination of elements does not amount to significantly more than the exception itself, the claim is ineligible under *Step 2B*, and the claim should be rejected for lack of subject matter eligibility.

Analysis

*Step 1 – Statutory Category*

Claim 1, as a method (process) claim, recites one of the enumerated categories of eligible subject matter in 35 U.S.C. § 101. Therefore, the issue before us is whether it is directed to a judicial exception without significantly more.

*Step 2A(i): Does the Claim Recite a Judicial Exception?*

The Examiner determined claim 1 “is directed to receiving a destination address for a new advertisement, determining whether the destination is external or internal to a social networking system, configuring the advertisement based on the determination, and defining the new advertisement/sending it for display, which is considered to be an abstract idea.” Final Act. 2. The Examiner further determined “creating advertising represents a business practice/goal, and therefore improving the process pertains to optimizing a business practice.” Ans. 3.<sup>14</sup> Additionally, “[c]laims 1, 3–13, 15–21 are directed towards creating and distributing advertisements targeted to users within and outside of a social network” (*id.*), and “the instant claimed invention includes the abstract idea of monitoring and analyzing ad information — i.e. ad destination address, ad creation options.” *Id.*

We conclude claim 1 does not recite the judicial exceptions of either natural phenomena or laws of nature. We evaluate, *de novo*, whether claim 1 recites an abstract idea based upon the Revised Guidance.

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<sup>14</sup> We note the Examiner omitted pagination in the Answer. Page numbers in this Decision referencing the Answer are ours.

First, we look to the Specification to provide context as to what the claimed invention is directed to. In this case, the Specification discloses that the invention “relates generally to social networking systems, and in particular to creating advertisements for users of a social networking system.” Spec. ¶ 1.

Appellant’s Abstract describes the invention as:

An advertisement interface presents a single input field for creating advertisements using a social networking system. When input is received via the single input field, the social networking system determines whether the destination identified by the input is internal to or external to the social networking system. Based on the determination of identified destination, a set of options unique to the type of destination is presented. Based on the user's selection of options, an advertisement is created and presented to other users of the social networking system.

Spec. 27 (Abstract).

In TABLE ONE below, we identify in *italics* the specific claim limitations that we conclude recite an abstract idea. We additionally identify in **bold** the additional (non-abstract) claim limitations that are generic computer components and techniques:

TABLE ONE

<b>Independent Claim 1</b>	<b>Revised Guidance</b>
A method comprising:	A process (method) is a statutory subject matter class. <i>See</i> 35 U.S.C. § 101.
(1) receiving, from an advertiser via an advertisement creation interface of <b>a social networking system</b> , a	Receiving information, i.e., data gathering, is insignificant extra-solution activity. Revised Guidance 55, n.31; <i>see also</i> MPEP

Independent Claim 1	Revised Guidance
<p>destination address for a new advertisement, the destination address for the new advertisement being a network location for which the advertisement contains a link.</p>	<p>§ 2106.05(g); <i>but cf. Trading Tech. Int'l, Inc. v. CQG, INC.</i>, 675 Fed. Appx. 1001, 1004 (Fed Cir. 2017) (“The claims require a specific, structured graphical user interface paired with a prescribed functionality directly related to the graphical user interface’s structure that is addressed to and resolves a specifically identified problem in the prior state of the art.”).</p>
<p>(2) <i>determining</i> whether (a) the destination address is an address in an Internet domain to a web page external to the social networking system or (b) the destination address is an object of the plurality of objects maintained by the social networking system.</p>	<p>Abstract idea, i.e., “comparing” could be performed alternatively as a mental process. <i>See</i> Revised Guidance 52.</p>
<p>(3) <i>responsive to determining</i> that the destination address is an address in an Internet domain to a web page external to the social networking system, <i>displaying options</i> for configuring an advertisement associated with a destination address external to the social networking system.</p>	<p>Abstract idea, i.e., “an observation, evaluation judgment, opinion” could be performed alternatively as a mental process.” <i>See</i> Revised Guidance 52.   <i>See Intellectual Ventures I LLC v. Capital One Fin. Corp.</i>, 850 F.3d 1332, 1340 (Fed. Cir. 2017) (displaying data is an abstract idea); <i>see also Intellectual Ventures I LLC v. Capital One Bank (USA)</i>, 792 F.3d 1363, 1369 (Fed. Cir. 2015) (holding that “tailoring content based on the viewer’s location or address” was abstract).</p>
<p>(4) <i>responsive to determining</i> that the destination address is</p>	<p>Abstract idea, i.e., “an observation, evaluation judgment, opinion” could</p>

Independent Claim 1	Revised Guidance
<p>an object of the plurality of objects maintained by the social networking system, <i>displaying options</i> for configuring an advertisement associated with an object maintained by the social networking system, the options for configuring an advertisement associated with an object being different from the options for configuring an advertisement associated with a destination address external to the social networking system.</p>	<p>be performed alternatively as a mental process.” <i>See</i> Revised Guidance 52.  <i>See Intellectual Ventures I LLC v. Capital One Fin. Corp.</i>, 850 F.3d 1332, 1340 (Fed. Cir. 2017) (displaying data is an abstract idea.); <i>see also Intellectual Ventures I LLC v. Capital One Bank (USA)</i>, 792 F.3d 1363, 1369 (Fed. Cir. 2015) (holding that “tailoring content based on the viewer’s location or address” was abstract).</p>
<p>(5) receiving, from the advertiser, options from the displayed options.</p>	<p>Receiving information, i.e., data gathering, is insignificant extra-solution activity. Revised Guidance 55, n.31; <i>see also</i> MPEP § 2106.05(g).</p>
<p>(6) <i>defining a new advertisement</i> based on the received options from the advertising user, the new advertisement including a link to the destination address.</p>	<p>Abstract idea, i.e., “Certain methods of organizing human activity . . . including . . . commercial interactions . . . in the form of . . . advertising, marketing or sales activities”. <i>See</i> Revised Guidance 52.</p>
<p>(7) sending the new advertisement for display to one or more users of the plurality of users of the social networking system other than the advertiser.</p>	<p>Transmitting information for display is insignificant post-solution activity. Revised Guidance 55, n.31; <i>see also</i> MPEP § 2106.05(g); <i>and see buySAFE, Inc. v. Google, Inc.</i>, 765 F.3d 1350, 1355 (Fed. Cir. 2014) (computer receives and sends information over a network).</p>

Claims App’x.

The claimed invention recites certain method of organizing human activity, i.e., commercial interactions in the form of tailored advertising, which is an abstract idea. *See, e.g., Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014) (finding the claimed “idea of showing an advertisement before delivering free content” abstract); *see also Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1369 (Fed. Cir. 2015) (Finding that “tailoring content based on the viewer’s location or address” or navigation data was abstract and further noting that “[t]here is no dispute that newspaper inserts had often been tailored based on information known about the customer — for example, a newspaper might advertise based on the customer’s location. Providing this minimal tailoring — e.g., providing different newspaper inserts based upon the location of the individual — is an abstract idea.”); *and* Ans. 2 (Identifying the claimed invention as being “directed towards creating and distributing advertisements targeted to users within and outside of a social network.”).

This type of activity, i.e., tailoring advertising content based on the viewer’s location or address, as recited in limitations (1) through (7), for example, and aside from any computer-related aspects, e.g., the recited “social network,” includes longstanding conduct that existed well before the advent of computers and the Internet, and could be carried out by a human with pen and paper. *See CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1375 (Fed. Cir. 2011) (“That purely mental processes can be unpatentable, even when performed by a computer, was precisely the holding of the Supreme Court in *Gottschalk v. Benson*.”).<sup>15</sup>

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<sup>15</sup> Our reviewing court recognizes that “[a]n abstract idea can generally be described at different levels of abstraction.” *Apple, Inc. v. Ameranth, Inc.*,

Appellant cites to *Enfish*, and asserts “[t]hus, if anything, the examiner’s determination that the claims include multiple abstract ideas supports the conclusion that the claims are not directed to a judicial exception.” App. Br. 5 (emphasis omitted). We disagree. See *RecogniCorp*, 855 F.3d at 1327 (cited in n.15, *supra*).

Further, in *Enfish*, our reviewing court held claims directed to a self-referential logical model for a computer database patent-eligible under step one of *Alice*. *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1330 (Fed. Cir. 2016). The disclosed technique enabled faster searching and more effective storage of data than previous methods. *Enfish*, 822 F.3d at 1333. The court found the claims directed to “a specific improvement to the way computers operate, embodied in the self-referential table” (*id.* at 1336), and explained that the claims are “not simply directed to *any* form of storing tabular data, but instead are specifically directed to a *self-referential table* for a computer database” that functions differently than conventional databases. *Id.* at 1337.

We are not persuaded that the claims on appeal are sufficiently analogous to the non-abstract claims in *Enfish*.

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842 F.3d 1229, 1240 (Fed. Cir. 2016). That need not and, in this case does not, “impact the patentability analysis.” *Id.* at 1241. Further, “[t]he Board’s slight revision of its abstract idea analysis does not impact the patentability analysis.” *Id.* Moreover, merely combining several abstract ideas does not render the combination any less abstract. *RecogniCorp*, 855 F.3d at 1327 (“Adding one abstract idea (math) to another abstract idea . . . does not render the claim non-abstract.”); see also *FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1093–94 (Fed. Cir. 2016) (determining the pending claims were directed to a combination of abstract ideas).

Appellant also argues, “as explained in the Brief, the present claims similarly improve on the advertisement creation process by simplifying the process for an advertiser . . . . Therefore, like the claims in *McRO*, the present claims are not directed to an abstract idea.” App. Br. 6. (citing *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299 (Fed. Cir. 2016)).

Appellant’s argument that the claims are similar to those held patent-eligible in *McRO* are misplaced. We are not persuaded because the claims in *McRO* recited a “specific . . . improvement in computer animation” using “unconventional rules that relate[d] sub-sequences of phonemes, timings, and morph weight sets.” *McRO*, 837 F.3d at 1302–03, 1307–08, 1314–15. In *McRO*, “the incorporation of the claimed rules, not the use of the computer,” improved an existing technological process. *Id.* at 1314. Appellant does not, however, persuasively identify how claim 1 improves an existing technological process. *See Alice*, 573 U.S. at 223 (explaining that “the claims in *Diehr* were patent eligible because they improved an existing technological process”). Rather, claim 1 recites a method for tailoring advertising based on either an internal or external address. In addition, Appellant does not direct us to any evidence that the two claimed conditional “displaying options” limitations (3) and (4), *supra*, correspond to unconventional rules.

Thus, under *Step 2A(i)*, we agree with the Examiner that claim 1’s *method* recites a judicial exception, i.e., certain methods of organizing human activity. We conclude claim 1, under our Revised Guidance, recites a judicial exception of commercial interactions, i.e., advertising, and thus is an abstract idea.

*Step 2A(ii): Judicial Exception Integrated into a Practical Application?*

If the claims are directed to a patent-ineligible concept, as we conclude above, we proceed to the “practical application” *Step 2A(ii)* in which we determine whether the recited judicial exception is integrated into a practical application of that exception by: (a) identifying whether there are any additional elements recited in the claim beyond the judicial exception(s); and (b) evaluating those additional elements individually and in combination to determine whether they integrate the exception into a practical application.

With respect to this step of the analysis, Appellant argues:

The examiner’s proposed abstract idea only focuses on how an advertisement can be configured based on whether “a destination is internal or external,” but the claims do not merely describe defining an advertisement based on this determination. Instead, the claimed advertisement creation interface presents differing options for configuring a new advertisement based on whether a destination address for a new advertisement is for a social networking object or external to the social networking system. The dynamic nature of the advertisement creation interface is not simply a step inherent to the examiner’s proposed abstract idea, and thus *the claim limitations that different options are presented in the advertisement creation interface based on the destination address recite significantly more than the proposed abstract idea*. Furthermore, the claims do not merely recite the determination of whether the destination address is “internal or external” to the social networking system. Instead, the claimed social networking system determines whether the destination address is for “an object of the plurality of objects maintained by the social networking system” or is “an address in an Internet domain to a web page external to the social networking system.” *These limitations specify where the destination address may be pointing, and specifies what types of options may be presented*

*to the advertiser for configuring the new advertisement.* Thus, the claims recite significantly more than the examiner's proposed abstract idea, and therefore the claims are eligible under § 101.

App. Br. 12–13 (in effect, arguing limitations (2) through (4) represent “significantly more” than the abstract idea).

As to the specific limitations, we find limitations (1) and (5) recite insignificant data gathering. *See* MPEP § 2106.05(g). Data gathering, as performed by the steps or function in Appellant's claims, is a classic example of insignificant extra-solution activity. *See, e.g., In re Bilski*, 545 F.3d 943, 963 (Fed. Cir. 2008) (en banc); *aff'd sub nom, Bilski v. Kappas*, 561 U.S. 593 (2010).

We also find limitation (7) recites insignificant post solution activity. The Supreme Court guides that the “prohibition against patenting abstract ideas ‘cannot be circumvented’ [by] adding ‘insignificant postsolution activity.’” *Bilski*, 561 U.S. at 610–11 (quoting *Diehr*, 450 U.S. at 191–92).

We conclude each of the limitations of claim 1 either recite abstract ideas or extra-solution activity as identified in *Step 2A(i), supra*, and none of the limitations integrate the judicial exception of tailoring advertising based upon a user's address into a practical application. Appellant has not shown an improvement or practical application under the guidance of Manual of Patent Examining Procedure section 2106.05(a) (“Improvements to the Functioning of a Computer or to Any Other Technology or Technical Field”) or section 2106.05(e) (“Other Meaningful Limitations”). Nor does Appellant advance any arguments in the Brief(s) that are directed to the *Bilski* machine-or-transformation test, which would only be applicable to the

method (process) claims on appeal. *See* MPEP §§ 2106.05(b) (Particular Machine), and 2106.05(c) (Particular Transformation). The claim as a whole merely uses instructions to implement the abstract idea on a computer or, alternatively, merely uses a computer as a tool to perform the abstract idea.

Further, on this record, we are of the view that Appellant’s claims do not operate the recited generic computer components, e.g., social networking system, or interfaces thereof, in an unconventional manner to achieve an improvement in computer functionality. *See* MPEP § 2106.05(a); *but cf. Trading Tech.*, 675 Fed. Appx. at 1004 (“The claims require a specific, structured graphical user interface paired with a prescribed functionality directly related to the graphical user interface’s structure that is addressed to and resolves a specifically identified problem in the prior state of the art.”). Appellant has not demonstrated that the claimed interface improves the operation of the underlying, but unclaimed, computer system.

Under analogous circumstances, the Federal Circuit has held that “[t]his is a quintessential ‘do it on a computer’ patent: it acknowledges that [such] data . . . was previously collected, analyzed, manipulated, and displayed manually, and it simply proposes doing so with a computer. We have held such claims are directed to abstract ideas.” *Univ. of Fla. Research Found., Inc. v. General Electric Co.*, 916 F.3d 1363, 1367 (Fed. Cir. 2019); *see also Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1351 (Fed. Cir. 2016) (“Though lengthy and numerous, the claims do not go beyond requiring the collection, analysis, and display of available information in a particular field, stating those functions in general terms, without limiting

them to technical means for performing the functions that are arguably an advance over conventional computer and network technology.”).

Therefore, we conclude the abstract idea is not integrated into a practical application, and thus the claim is directed to the judicial exception.

*Step 2B – “Inventive Concept” or “Significantly More”*

Because we determine the claims are directed to an abstract idea or combination of abstract ideas, we analyze the claims under step two of *Alice* to determine if there are additional limitations that individually, or as an ordered combination, ensure the claims amount to “significantly more” than the abstract idea. *Alice*, 573 U.S. at 217–18 (citing *Mayo*, 566 U.S. at 77–79). As stated in the Revised Guidance, many of the considerations to determine whether the claims amount to “significantly more” under step two of the *Alice* framework are already considered as part of determining whether the judicial exception has been integrated into a practical application. Revised Guidance 56. Thus, at this point of our analysis under *Step 2B* we must “look with more specificity at what the claim elements add, in order to determine ‘whether they identify an “inventive concept” in the application of the ineligible subject matter’ to which the claim is directed.” *Affinity Labs of Texas, LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1258 (Fed. Cir. 2016) (quoting *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016)).

In applying this step of the analysis, our reviewing court guides we must “determine whether the claims do significantly more than simply describe [the] abstract method” and thus transform the abstract idea into patentable subject matter. *See Ultramercial*, 772 F.3d at 715. We look to

see whether there are any “additional features” in the claims that constitute an “inventive concept,” thereby rendering the claims eligible for patenting even if they are directed to an abstract idea. *Alice*, 573 U.S. at 221. Those “additional features” must be more than “well-understood, routine, conventional activity.” *Mayo*, 566 U.S. at 79.

Limitations referenced in *Alice* that are not enough to qualify as “significantly more” when recited in a claim with an abstract idea include, as non-limiting or non-exclusive examples: adding the words “apply it” (or an equivalent) with an abstract idea;<sup>16</sup> mere instructions to implement an abstract idea on a computer;<sup>17</sup> or requiring no more than a generic computer to perform generic computer functions that are well-understood, routine and conventional activities previously known to the industry.<sup>18</sup>

Evaluating representative claim 1 under step 2 of the *Alice* analysis, we conclude it lacks an inventive concept that transforms the abstract idea of tailored advertising based upon a user’s address into a patent-eligible application of that abstract idea.

The patent eligibility inquiry may contain underlying issues of fact. *Mortg. Grader*, 811 F.3d at 1325. In particular, “[t]he question of whether a claim element or combination of elements is well-understood, routine and

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<sup>16</sup> *Alice*, 573 U.S. at 221–23.

<sup>17</sup> *Alice*, 573 U.S. at 221, *e.g.*, simply implementing a mathematical principle on a physical machine, namely a computer (citing *Mayo*, 566 U.S. at 84–85).

<sup>18</sup> *Alice*, 573 U.S. at 225, *e.g.*, using a computer to obtain data, adjust account balances, and issue automated instructions.

conventional to a skilled artisan in the relevant field is a question of fact.”  
*Berkheimer*, 881 F.3d at 1368.

As evidence of the conventional nature of the recited “social networking system” in method claims 1; and method claim 12, the Specification discloses:

FIG. 2 is a block diagram of an example architecture of the social networking system 140. The social networking system 140 includes a user profile store 205, an action logger 210, an action store 215, an interface generator 220, an edge store 225, an object store 230, a query-processing module 235, and a web server 240. In other embodiments, the social networking system 140 may include additional, fewer, or different components for various applications. Conventional components such as network interfaces, security functions, load balancers, failover servers, management and network operations consoles, and the like are not shown so as to not obscure the details of the system architecture.

Spec. ¶19. *See also* Spec. ¶¶ 20–24; Figs. 1–2.

Thus, because the Specification describes the additional elements in general terms, without describing the particulars, we conclude the claim limitations may be broadly but reasonably construed as reciting conventional computer components and techniques, particularly in light of Appellants’ Specification, as quoted above.<sup>19</sup>

With respect to the analysis of “significantly more,” Appellant argues:

Similarly [to *DDR Holdings*], the present claims solve an Internet-centric problem that is rooted in technology.

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<sup>19</sup> Claim terms are to be given their broadest reasonable interpretation, as understood by those of ordinary skill in the art and taking into account whatever enlightenment may be had from the Specification. *In re Morris*, 127 F.3d 1048, 1054 (Fed. Cir. 1997).

Specifically, the claims solve the problem of the effective presentation of options to an advertiser for defining an advertisement based on a destination address. The claims herein address this Internet-centric problem by dynamically determining which options to present to the advertiser, thereby simplifying the process for generating an advertisement within a social networking system. As explained by the Federal Circuit, the ephemeral nature of the network location ensures means that there is no brick-and-mortar analog to a destination address of an advertisement, nor is there a brick-and-mortar analog for a destination address of an advertisement being directed to a social networking object or a web page external to the social networking system. Like the claims in *DDR Holdings*, since the claim is rooted in Internet and computer network technology, the claims recite significantly more than an abstract idea.

App. Br. 14. We are not persuaded.

We are not persuaded because Appellant's reliance on *DDR* cited above is misplaced because the recited claims do not improve the computer. In *DDR*, the claims at issue involved, *inter alia*, "web pages displays [with] at least one active link associated with a commerce object associated with a buying opportunity of a selected one of a plurality of merchants" (claim 1 of US 7,818,399). The Federal Circuit found the claims in *DDR* to be patent-eligible under step one of the *Alice* test because "the claimed solution is necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks." *DDR Holdings*, 773 F.3d at 1257. Specifically, the Federal Circuit found the claims addressed the "challenge of retaining control over the attention of the customer in the context of the Internet." *Id.* at 1258. We find the rejected claims are dissimilar to *DDR*'s web page with an active link, and the Specification does

not support the view that the computer related claim elements are unconventional. *See Spec.* ¶¶ 20–24.

The Manual of Patent Examining Procedure, based upon our precedential guidance, provides additional considerations with respect to analysis of the well-understood, routine, and conventional nature of the claimed computer-related components.

Another consideration when determining whether a claim recites significantly more than a judicial exception is whether the additional elements amount to more than a recitation of the words “apply it” (or an equivalent) or are more than mere instructions to implement an abstract idea or other exception on a computer. As explained by the Supreme Court, in order to transform a judicial exception into a patent-eligible application, the additional element or combination of elements must do “more than simply stat[e] the [judicial exception] while adding the words ‘apply it’”. *Alice Corp. v. CLS Bank*, 573 U.S. \_\_\_, 134 S. Ct. 2347, 2357, 110 USPQ2d 1976, 1982-83 (2014) (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 72, 101 USPQ2d 1961, 1965). Thus, for example, claims that amount to nothing more than an instruction to apply the abstract idea using a generic computer do not render an abstract idea eligible. *Alice Corp.*, 134 S. Ct. at 2358, 110 USPQ2d at 1983. *See also* 134 S. Ct. at 2389, 110 USPQ2d at 1984 (warning against a § 101 analysis that turns on “the draftsman’s art”) . . . .

In *Alice Corp.*, the claim recited the concept of intermediated settlement as performed by a generic computer. The Court found that the recitation of the computer in the claim amounted to mere instructions to apply the abstract idea on a generic computer. 134 S. Ct. at 2359-60, 110 USPQ2d at 1984. The Supreme Court also discussed this concept in an earlier case, *Gottschalk v. Benson*, 409 U.S. 63, 70, 175 USPQ 673, 676 (1972), where the claim recited a process for converting binary-coded decimal (BCD) numerals into pure binary numbers. The Court found that the claimed process had no

substantial practical application except in connection with a computer. *Benson*, 409 U.S. at 71-72, 175 USPQ at 676. The claim simply stated a judicial exception (e.g., law of nature or abstract idea) while effectively adding words that “apply it” in a computer. *Id.*

MPEP § 2106.05(f) (“Mere Instructions To Apply An Exception”).

With respect to the *Step 2B* analysis, we conclude, similar to *Alice*, the recitation of a method that includes a “social network” and “an advertisement creation interface” (claim 1), and similarly for claim 12, is simply not enough to transform the patent-ineligible abstract idea here into a patent-eligible invention under *Step 2B*. See *Alice*, 573 U.S. at 221 (“[C]laims, which merely require generic computer implementation, fail to transform [an] abstract idea into a patent-eligible invention.”).

We conclude the claims fail the *Step 2B* analysis because claim 1, in essence, merely recites generic computer-based elements along with no more than mere instructions to implement the identified abstract idea using the computer-based elements.

Therefore, in light of the foregoing, we conclude, under the Revised Guidance, that each of Appellant’s claims 1, 3–13, and 15–21, considered as a whole, is directed to a patent-ineligible abstract idea that is not integrated into a practical application and does not include an inventive concept. Accordingly, we sustain the Examiner’s § 101 rejection of independent claim 1, and grouped claims 3–13, and 15–21 which fall therewith. See Claim Grouping, *supra*.

2. § 103 Rejection R2 of Claims 1, 3–6, 8–13, 15–17, 19, and 21

Issue 2

Appellant argues (App. Br. 14–18; Reply Br. 9–12) the Examiner’s rejection of claim 1 under 35 U.S.C. § 103(a) as being obvious over the combination of Tunguz and Ormont is in error. These contentions present us with the following issue:

Did the Examiner err in finding the cited prior art combination teaches or suggests a method that includes, *inter alia*, the steps of [L1] “determining whether (a) the destination address is an address in an Internet domain to a web page external to the social networking system or (b) the destination address is an object of the plurality of objects maintained by the social networking system” and, responsive to this determination, either [L2] “displaying options for configuring an advertisement associated with a destination address external to the social networking system”, or [L3] “displaying options for configuring an advertisement associated with an object maintained by the social networking system”, as recited in claim 1?

Analysis

*L1 – “determining . . . destination address” step*

Appellant contends Tunguz “merely describes a system wherein content from the system may be displayed internally or externally to the system.” App. Br. 15. Appellant further argues, however, Tunguz “does not disclose the determination of whether a destination address for a **new advertisement** is an object maintained by the social networking system, or a webpage external to the social networking system . . . [but] simply describes a system where content may be **presented** on web pages

controlled by the system, or on third-party pages.” *Id.* By this, Appellant alleges the Examiner erred in finding that Tunguz teaches or suggests determining whether the destination address is external to the social networking system or whether the destination address is an object maintained by the social networking system. App. Br. 15–16.

The Examiner cites Tunguz for teaching or suggesting limitation L1:

In certain implementations, when the user B transmits the content 154, the user B also specifies that he or she wants to target his or her acquaintances but does not identify the acquaintances.

After receiving the content from user B 154, the external server 156 can use a social graph 162 to identify acquaintances of user B. As shown in the FIG. 1B, the user B is associated directly with a user A and a user C via a bidirectional edge, which indicates that users A and C are friends with user B as well as user B being friends with users A and C. The user D—as represented by a node D in the social graph 162—is not directly linked to a node representing user B. In this implementation, the user D is not specified as an acquaintance of the user B because user D is not directly linked to the user B.

Tunguz 4:60–5:6.

We reproduce Figures 1A and 1B of Tunguz below for reference and context.

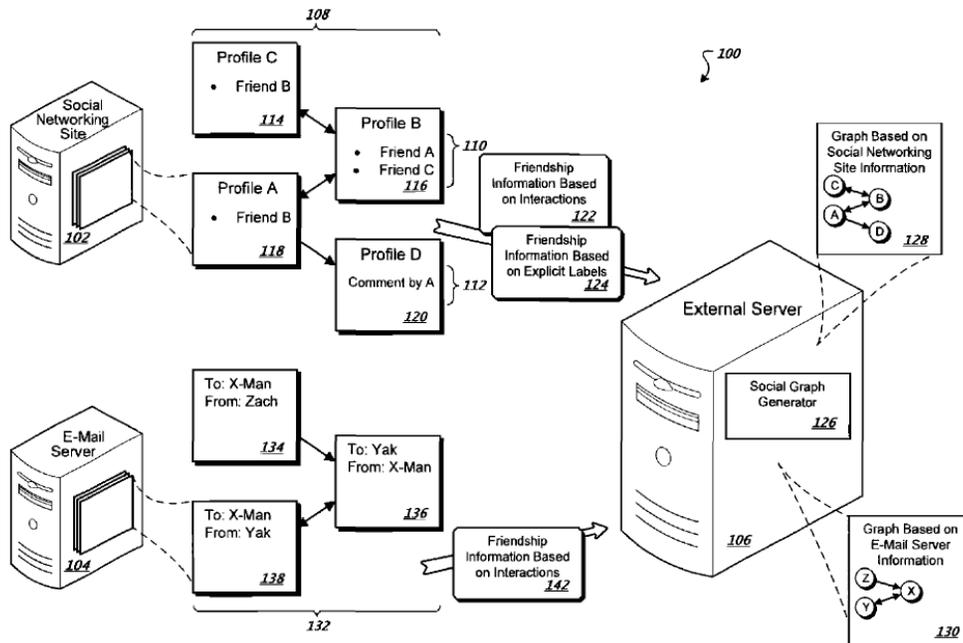


FIG. 1A

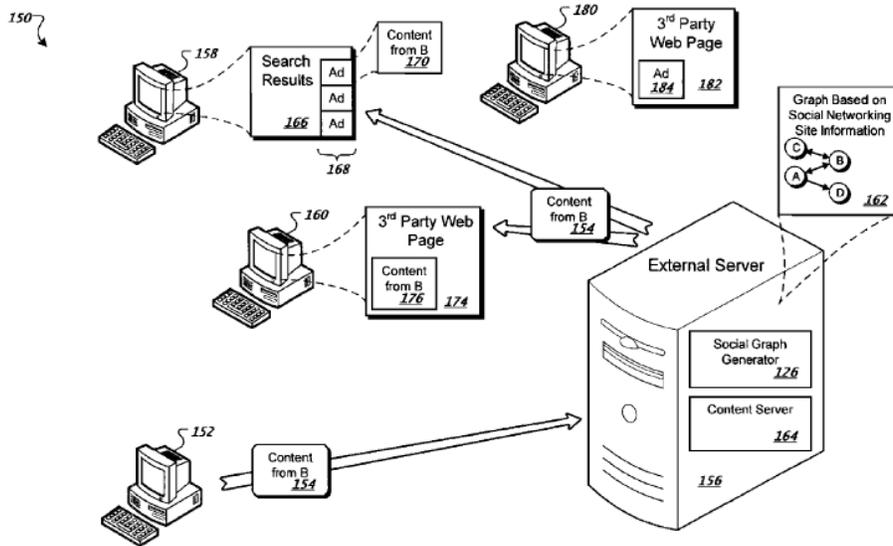


FIG. 1B

“FIGS. 1A and 1B are schematic diagrams that respectively show exemplary systems for generating social graphs and using the social graphs to distribute content from a user to the user's social acquaintances, or friends.”  
 Tunguz 2:27–30.

In agreement with the Examiner’s findings cited above, we note Tunguz teaches social graphs based upon E-mail server information (e.g., element 130 in Fig. 1B), which we find teaches or suggests the recited “determining whether (a) the destination address is an address in an Internet domain to a web page external to the social networking system,” as well as social graphs based upon social networking information (e.g., element 128 in Fig. 1A), which we find teaches or suggests the recited alternative, i.e., “determining whether . . . (b) the destination address is an object of the plurality of objects maintained by the social networking system.” Figure 1B of Tunguz provides further support for this interpretation, illustrating “3<sup>rd</sup> Party Web Page” information 174 and 182, which we determine teaches or at least suggests “an Internet domain to a web page external to the social networking system.”

*L2 – “displaying options for . . . external address” step and  
L3 – “displaying options for . . . social networking system” step*

Appellant contends, even if the reference combination teaches or suggests “determining” step L1, “[t]he cited references do not disclose the presentation of options for configuring an advertisement based on the destination address” (App. Br. 16 (underlining omitted)), because they “do not describe the display of different options to an advertiser based on this determination.” *Id.* Appellant further contends Tunguz “does not disclose an advertisement creation interface that includes options for configuring an advertisement based on the destination address of the advertisement,” and Ormont “does not disclose an advertisement creation interface wherein different options are presented based on whether the destination address is an external web page or a social networking object. In fact, Ormont

specifies that the actual advertisements are defined by a separate advertisement server from the server that stores the social information.”  
App. Br. 17.

In the Final Action, the Examiner relies upon Ormont as teaching or suggesting contested limitations L2 and L3.

The options for configuring an advertisement associated with an object being different from the options for configuring an advertisement associated with a destination address external to the social networking system (*Ormont* teaches creates ads that are targeted to very specific types of users – *Ormont*, **Abstract**–, directing ads to outside websites using social data – *Ormont*, **para 78**–, qualifying users according to analyzed social media information – *Ormont*, **para 97**–, as well as ads that can be delivered both internally within a social network and externally – *Ormont*, **para 74**–, which the Examiner considers to inherently include providing different options when generating an internal ad versus an external ad, since the distinction between the two audience/ad types is clearly made in the reference.)

Final Act. 4.

Further, with respect to the recitation of an “interface” in method claim 1, and Appellant’s allegation (App. Br. 17) that Ormont does not teach or suggest such an interface (i.e., “receiving, from an advertiser via an advertisement creation interface of a social networking system”), we note Tunguz teaches interface 236 (“[t]he system also includes an interface to receive a request to distribute content from a first member of the group”) (Tunguz 2:1–2). Also, Figure 5 of Tunguz “shows example user interfaces 500a-c for creating an advertisement or an announcement to be presented to a user’s friends.”). Tunguz 2:39–41.

We disagree with Appellant's arguments and agree with the Examiner because, "[t]he test for obviousness is what the combined teachings of the prior art would have suggested to the hypothetical person of ordinary skill in the art. *In re Keller*, 642 F.2d 413, 425 (CCPA 1981).

The Examiner has provided citations to the prior art of Tunguz and Ormont for each limitation of claim 1, and has further provided a rationale for combining the references in the manner suggested:

It would have been obvious for someone skilled in the art at the time of the invention to modify Tunguz's feature of presenting options to generate an external ad/determining the ad destination/presenting options to an advertiser when the destination is external /presenting options to generate an internal content ad, with Ormont's feature of providing different options to create internal/external content ads, since this would allow for targeting advertising, and social network advertising will allow for the ad to be "delivered to relatively few users compared to common online advertisements which are delivered to all visitors of a website regardless of any particular qualification of the user", which will lead to "highly valuable advertising".

Final Act. 4 (citing Ormont, para 97).

Therefore, based upon the findings above, on this record, we are not persuaded of error in the Examiner's reliance on the cited prior art combination to teach or suggest the disputed limitations of claim 1, nor do we find error in the Examiner's resulting legal conclusion of obviousness.

Accordingly, we sustain the Examiner's obviousness Rejection R2 of independent claim 1, and grouped claims 3-6, 8-13, 15-17, 19, and 21 which fall therewith. *See Claim Grouping, supra.*

3. Rejection R3 of Claims 7, 18, and 20

In view of the lack of *any* substantive or separate arguments directed to obviousness Rejection R3 of claims 7, 18, and 20 under § 103, we sustain the Examiner's rejection of these claims. Arguments not made are waived.

REPLY BRIEF

To the extent Appellant *may* advance new arguments in the Reply Brief (Reply Br. 2–12) not in response to a shift in the Examiner's position in the Answer, arguments raised in a Reply Brief that were not raised in the Appeal Brief or are not responsive to arguments raised in the Examiner's Answer will not be considered except for good cause (*see* 37 C.F.R. § 41.41(b)(2)), which Appellant has not shown.

CONCLUSIONS

(1) Under our Revised Guidance, governed by relevant case law, claims 1, 3–13, and 15–21 are patent-ineligible under 35 U.S.C. § 101, and we sustain the rejection.

(2) The Examiner did not err with respect to obviousness Rejections R2 and R3 of claims 1, 3–13, and 15–21 under 35 U.S.C. § 103(a) over the cited prior art combinations of record, and we sustain the rejections.

DECISION

We affirm the Examiner's decision rejecting claims 1, 3–13, 15–21.

DECISION SUMMARY

<b>Claims Rejected</b>	<b>Basis 35 U.S.C. §</b>	<b>Affirmed</b>	<b>Reversed</b>
1, 3–13, and 15–21	101	1, 3–13, and 15–21	
1, 3–6, 8–13, 15–17, 19, and 21	103 Tunguz-Zawislak, Ormont	1, 3–6, 8–13, 15–17, 19, and 21	
7, 18, 20	103 Tunguz-Zawislak, Ormont, Wang	7, 18, 20	
<b>Overall Result</b>		1, 3–13, and 15–21	

FINALITY AND RESPONSE

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). *See* 37 C.F.R. § 41.50(f).

AFFIRMED