



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
13/540,523	07/02/2012	Bryan Schwab	45MP-214040	7326
159291	7590	09/30/2019	EXAMINER	
Esplin & Associates, PC 5411 Avenida Encinas Suite 100 Carlsbad, CA 92008			CROSS, MICHAEL J	
			ART UNIT	PAPER NUMBER
			3621	
			NOTIFICATION DATE	DELIVERY MODE
			09/30/2019	ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

Docketing@esplin.legal

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte BRYAN SCHWAB

Appeal 2017-010993¹
Application 13/540,523²
Technology Center 3600

Before BRADLEY B. BAYAT, TARA L. HUTCHINGS, and
ROBERT J. SILVERMAN, *Administrative Patent Judges*.

HUTCHINGS, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant appeals under 35 U.S.C. § 134(a) from the Examiner’s final rejection of claims 1, 3–12, and 14–24, which constitute all the claims pending in this application. Claims 2 and 13 have been cancelled. An oral hearing was held on July 12, 2019. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Our decision references Appellant’s Appeal Brief (“App. Br.,” filed Mar. 24, 2017) and Reply Brief (“Reply Br.,” filed Aug. 22, 2017), and the Examiner’s Answer (“Ans.,” mailed July 3, 2017) and Final Office Action (“Final Act.,” mailed Oct. 17, 2016).

² Appellant identifies Kabam, Inc. as the real party in interest. App. Br. 2.

CLAIMED INVENTION

Appellant's claimed invention "relates to providing dynamic offers for virtual goods based on static parameters." Spec. ¶ 1.

Claims 1 and 12 are the independent claims on appeal. Claim 1, reproduced below with bracketed notations added, is illustrative of the claimed subject matter:

1. A system configured to provide dynamic offers for virtual goods based on static parameters, the system comprising:

[(a)] one or more processors configured by machine-readable instructions to:

[(b)] execute an instance of an online game that takes place in a virtual space, and use the instance of the online game to generate game state information that is transmitted to client computing platforms over a network, the game state information facilitating presentation of views of the virtual space to the users via the client computing platforms, wherein execution of the instance further enables interaction of users with the online game by performing operations in the instance in response to commands received over the network from the client computing platforms, wherein the users include a first user and a second user;

[(c)] determine one or more parameter values of a static parameter associated with one or both of individual ones of the users or individual ones of the client computing platforms associated with the users, the static parameter including one or both of a date on which individual ones of the users engaged in the virtual space or a date on which the application was installed on individual ones of the client computing platforms, such that a first parameter value for the first user is determined, the first parameter value indicating a date on which the first user engaged in the virtual space and/or a date on which the application was installed on a first client computing platform associated with the first user, and a second parameter value for the second user is determined, the second parameter value indicating a date on which the second user engaged in the virtual space and/or a date

on which the application was installed on a second client computing platform associated with the second user;

[(d)] determine one or more offers to sell virtual goods for use in the online game available to individual ones of the users, wherein the virtual goods provide a functional benefit during play in the online game, a given offer being determined based on the one or more parameter values and having a user cost being an amount of virtual currency, such that a first offer is determined for the first user based on the first parameter value, and a second offer is determined for the second user based on the second parameter value; and

[(e)] provide an offer interface for presentation to the individual ones of the users, the offer interface including one or more of (1) an offer field conveying information associated with individual ones of the one or more offers to sell virtual goods available to the individual ones of the users, (2) a price field conveying information associated with a purchase price associated with individual ones of the one or more offers available to the individual ones of the users, or (3) a payment field conveying information associated with a payment method associated with individual ones of the one or more offers available to the individual ones of the users, wherein the first offer determined for the first user based on the first parameter value is different than the second offer determined for the second user based on the second parameter value.

REJECTIONS

Claims 1, 3–12, and 14–24 are rejected under 35 U.S.C. § 101 as directed to a judicial exception without significantly more.

Claims 1, 3–12, and 14–24 are rejected under 35 U.S.C. § 103(a) as unpatentable over Roeding (US 2011/0029364 A1, pub. Feb. 3, 2011), Lutnick (US 2011/0065490 A1, pub. Mar. 17, 2011), and Hirson (US 2011/0082772 A1, pub. Apr. 7, 2011).

ANALYSIS

Patent-Ineligible Subject Matter

Appellant argues the pending claims as a group. App. Br. 7–20; *see also* Reply Br. 3–9. We select independent claim 1 as representative. The remaining claims stand or fall with claim 1. *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.* (citation omitted). 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). This is “a search for an ‘inventive concept’ — *i.e.*, an element or combination of elements that is ‘sufficient to

ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.” *Id.* at 217–18 (alteration in original).

The USPTO recently published revised guidance on the application of § 101. 2019 REVISED PATENT SUBJECT MATTER ELIGIBILITY GUIDANCE, 84 Fed. Reg. 50 (Jan. 7, 2019) (“Revised Guidance”).³ That guidance revised the USPTO’s examination procedure with respect to the first step of the *Mayo/Alice* framework such that a claim will generally be considered directed to an abstract idea if (1) the claim recites subject matter falling within one of the following groupings of abstract ideas: (a) mathematical concepts; (b) certain methods of organizing human activity, e.g., a fundamental economic principle or practice, a commercial or legal interaction; and (c) mental processes (“Step 2A, Prong One”), and (2) the claim does not integrate the abstract idea into a practical application, i.e., apply, rely on, or use the judicial exception in a manner that imposes a meaningful limit on the judicial exception, such that the claim is more than a drafting effort designed to monopolize the judicial exception (“Step 2A, Prong Two”). *See* Revised Guidance 54–55. The Revised Guidance references MANUAL OF PATENT EXAMINING PROCEDURE (“MPEP”) §§ 2106.05(a)–(c) and (e)–(h) in describing the considerations that are indicative that an additional element or combination of elements integrates the judicial exception, e.g., the abstract idea, into a practical application. *Id.* at 55. If the recited judicial exception is integrated into a practical

³ The Revised Guidance is effective as of January 7, 2019, and applies to all applications, and to all patents resulting from applications, filed before, on, or after January 7, 2019.

application, as determined under one or more of these MPEP sections, the claim is not “directed to” the judicial exception.

Only if the 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 “[a]dds a specific limitation or combination of limitations” that is not “well-understood, routine, conventional activity in the field” or simply “appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception” (“Step 2B”). *Id.* at 56. With the legal principles outlined above, and the 2019 Revised Guidance in mind, we turn to the Examiner’s § 101 rejection.

In rejecting the pending claims under 35 U.S.C. § 101, the Examiner determined that the claims are directed to “collect[ing], stor[ing], display[ing], and compar[ing] data to optimize a firm’s marketing objective on a generic computer,” which the Examiner characterized as a method of organizing human activity and, thus, an abstract idea. Final Act. 4, 7. The Examiner further determined that the claims do not recite additional elements that are sufficient to amount to significantly more than the judicial exception. *Id.* at 4–5, 8.

In so doing, the Examiner notified Appellant of the reasons for the rejection under 35 U.S.C. § 101 in a sufficiently articulate and informative manner as to meet the notice requirement of 35 U.S.C. § 132, thereby establishing a prima facie case of patent ineligibility. *See In re Jung*, 637 F.3d 1356, 1363 (Fed. Cir. 2011) (holding that the USPTO carries its procedural burden of establishing a prima facie case when its rejection satisfies the notice requirements of 35 U.S.C. § 132 by notifying the

applicant of the reasons for the rejection, “together with such information and references as may be useful in judging the propriety of continuing prosecution”). Therefore, we are unpersuaded by Appellant’s argument (App. Br. 11–12, 16–17) that the Examiner has not met the burden of establishing a rejection under 35 U.S.C. § 101.

Judicial Exception: Step One of the Mayo/Alice Framework; Step 2A, Prong 1 of the 2019 Revised Guidance

Appellant’s Specification describes that known approaches for providing offers for virtual goods within virtual spaces typically present the same prices and offer packages to every user (i.e., static offers). Spec. ¶ 2. To overcome this shortcoming, the present invention provides dynamic offers for virtual goods based on static parameters. *Id.* ¶¶ 1, 3. “[O]ffers for virtual goods may be dynamic in that the offers themselves, offer prices, and/or payment methods for offers may be different for different users and/or at different times.” *Id.* ¶ 14. “By making offers dynamic, slow spenders may be enticed to make more frequent purchases.” *Id.* ¶¶ 3, 14.

Appellant’s claim 1 recites a system “configured to provide dynamic offers for virtual goods based on static parameters.” App. Br. 50, Claims Appendix. Limitation (c) recites “determin[ing] one or more parameter values,” limitation (d) recites “determin[ing] one or more offers,” and limitation (e) recites

provid[ing] . . . for presentation to the individual ones of the users . . . one or more of (1) an offer field conveying information associated with individual ones of the one or more offers to sell virtual goods available to the individual ones of the users, (2) a price field conveying information associated with a purchase price associated with individual ones of the one or more offers available to the individual ones of the users, or (3) a payment field conveying information associated with a payment method

associated with individual ones of the one or more offers available to the individual ones of the users, wherein the first offer determined for the first user based on the first parameter value is different than the second offer determined for the second user based on the second parameter value.

Id. at 50–51. These limitations recite the desired results without detailing how, technologically or by what algorithm, the results are achieved.

Appellant cites to paragraph 22 of the Specification in support of limitation (c), paragraphs 14 and 23–26 for limitation (d), and paragraphs 14, 30, and 31 for limitation (e). App. Br. 3–4. Paragraph 22 of the Specification describes exemplary static parameters, such as

a geo-location of the user, a geoIP of a client computing platform, a language spoken by the user, a virtual space engaged in by the user, a current date, a date on which the user first engaged in the virtual space, [and] a date on which an application was installed on a client computing platform associated with the user.

But paragraph 22 provides no further detail regarding how a parameter value is determined.

Paragraph 23 of the Specification describes that an offer determination module is configured to determine one or more offers for virtual goods available to a user, and provides exemplary offers.

Paragraph 24 describes that the offer determination module determines one or more offer windows that may be based on various factors. Paragraph 25 states that “offers may be determined based on one or more dynamic parameters” (citing US Patent Application Nos. 13/540,426 and 13/540,531). Paragraph 26 describes that an offer price determination module is configured to determine a purchase price associated with individual offers and/or packages of offers available to the user, which may

be based on static parameters. Paragraph 26 further describes examples of purchase price, such as “an amount of real-world money, an amount of virtual currency, one or more actions performed by the user, and/or other means of exchange” where exemplary “actions” include completing a survey and engaging in a virtual space for a span of time. Paragraphs 23–26 provide no technological details for how the offers are determined.

Paragraph 14 provides that offers for virtual goods may be dynamic in that the offers themselves, offer prices and/or payment methods for offers may be different for different users and/or at different times based on static parameters. “By making offers dynamic, slow spenders may be enticed to make more frequent purchases” and regular spenders may be charged “higher prices for similar offers.” Spec. ¶ 14. Paragraph 14, thus, identifies desired results, but provides no technological details regarding how a parameter value is determined, how an offer is determined, or how the offers are provided for presentation.

Paragraph 30 describes that the information presented to the user (e.g., offer field, price field, payment field) is determined by or in conjunction with various modules (e.g., an offer determination module, a price determination module, and a payment method determination module).

Paragraph 31 provides examples of the information conveyed changing over time relative. In one embodiment, the user is presented certain offers in the first seven days. If an offer in the first seven days is successful, no offer may be provided in the second seven days; whereas, if it is unsuccessful, the offer may be altered to entice a purchase during the second seven days. *Id.* ¶ 31. In another example, a sale is provided based on the current date, such

as the holidays or end of quarter. *Id.* These paragraphs identify exemplary desired results without technological details.

When given their broadest reasonable interpretation, limitations (c)–(e) recite steps for providing an offer to sell goods, i.e., a commercial interaction, which is a certain method of organizing human activity, and, therefore, an abstract idea. *See* 2019 Revised Guidance 52 (commercial interactions include “advertising, marketing or sales activities or behaviors”). The Federal Circuit has held similar concepts, such as tailoring information presented to a user and targeting advertisements to certain customers, to be abstract. *See, e.g., Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1370 (Fed. Cir. 2015) (tailoring information presented to a user based on particular information); *Affinity Labs of Texas, LLC v. Amazon.com, Inc.*, 838 F.3d 1266, 1271 (Fed. Cir. 2016) (customizing a user interface to have targeted advertising based on user information); *Morsa v. Facebook, Inc.*, 77 F. Supp. 3d 1007, 1013 (C.D. Cal. 2014) (concluding that targeting advertisements to certain consumers is no more than an abstract idea), *aff’d*, 622 F. App’x 915 (Fed. Cir. 2015).

Accordingly, we are not persuaded of Examiner error at Step 2A, Prong 1 of the 2019 Revised Guidance. *See* App. Br. 11–13 (asserting that the Examiner does not establish that claim 1 is similar to any concept held by the courts to be abstract, overgeneralizes the claim, and fails to consider its character as a whole).

Practical Application: Step One of the Mayo/Alice Framework; Step 2A, Prong 2 of the 2019 Revised Guidance

Having concluded that claim 1 recites a judicial exception, i.e., an abstract idea, we next consider whether the claim recites additional elements, considered individually and in combination, that integrate the

judicial exception into a practical application. *See* Revised Guidance 54–55. Here, the additional elements recited in claim 1, beyond the abstract idea, include the limitations (a) and (b). Limitation (a) recites “one or more processors configured by machine-readable instructions” for executing limitations (b) through (e). The Specification describes a “processor” at a high-level as being “configured to execute computer program modules.” Spec. ¶ 33. Limitation (a), thus, merely requires using a processor as a tool to perform the abstract idea.

Limitation (b) recites “execut[ing] an instance of an online game that takes place in a virtual space, and us[ing] the instance of the online game to generate game state information that is transmitted to client computer platforms over a network, the game state information facilitating presentation of views of the virtual space to the users via the client computing platforms, wherein execution of the instance further enables interaction of users with the online game by performing operations in the instance in response to commands received over the network from the client computing platforms, wherein the users include a first user and a second user.” Consequently, limitation (b) links use of the abstract idea to a particular technological environment or field of use, namely an online game that takes place in a virtual space and involves a first and second user.

Limitation (b) also recites components such as “client computing platforms” and a “network.” Limitation (e) additionally recites that an “offer interface” is used for interface. The Specification, however, describes these components broadly and at a high level of generality. *See, e.g.*, Spec. ¶¶ 14, 30, 32–39. At best, these elements call for the abstract idea to be

implemented using generic computers (e.g., client computing platforms⁴) as tools, and links the abstract idea to a particular technological environment via a network and online game. Evaluating claim 1 as a whole, we are not persuaded that limitations (a), (b), and (e), considered individually and as an ordered combination, integrate the abstract idea into a practical application.

Appellant argues that the character of the claims as a whole is not directed to an abstract idea because “the [S]pecification clearly indicates the claims require computer technology.” App. Br. 13. But the test for patent eligibility is not whether a claim requires computer technology. *See DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1256 (Fed. Cir. 2014) (“[A]fter *Alice*, there can remain no doubt: recitation of generic computer limitations does not make an otherwise ineligible claim patent-eligible.”). And, “not every claim that recites concrete, tangible components escapes the reach of the abstract-idea inquiry.” *In re TLI Commc’ns LLC Patent Litig.*, 823 F.3d 607, 611 (Fed. Cir. 2016).

Appellant argues that claim 1 is “directed to an improvement in computer-related technology and address[es] an online gaming challenge via a novel solution necessarily rooted in computer technology[,]” analogous to claim 1 of Example 23 of the USPTO’s “July 2015 Update Appendix 1: Examples.”⁵ App. Br. 14. Yet, claim 1 of Example 23 is a hypothetical

⁴ “By way of non-limiting example, the given client computing platform 104 may include one or more of a desktop computer, a laptop computer, a handheld computer, a NetBook, a Smartphone, a gaming console, and/or other computing platforms.” Spec. ¶ 33.

⁵ July 2015 Update Appendix 1: Examples, *available at* <https://www.uspto.gov/sites/default/files/documents/ieg-july-2015-app1.pdf> (hereinafter “July 2015 Examples”).

claim that addresses a problem with overlapping windows in a graphical user interface. *See* July 2015 Examples, 7–9. Example 23’s claim 1 recites reformatting and relocating textual information to an unobscured portion of an underlying window when windows overlap. *Id.* at 9. When the windows no longer overlap, the textual information is returned to its original format and location. *Id.* In this hypothetical, the claimed solution is rooted in computer technology to overcome a problem particular to graphical user interfaces. *Id.*

In contrast, here, Appellant describes a problem wherein players of a game are presented static offers, but these offers do not succeed in their mission to “encourage users to keep playing and/or make purchases.” App. Br. 14. Appellant elaborates that “early adopters of a game may be likely to respond to different offers than inexperienced players.” *Id.* To solve this problem, claim 1 determines a static parameter based on either the date a user engaged in the virtual space or a date on which the application was installed; determines offers based on that parameter; and presents the offers to the user such that different users are presented with different offers. *Id.* By presenting different offers to different users, the claimed solution may better incentivize users to purchase the users, resulting in increased revenue. *Id.*; *see also id.* at 20 (asserting that the claim 1 “address[es] a problem typical to online gaming in which static offers that are the same for all users may not be a successful way to encourage users to keep playing and/or make purchases”). However, we are not persuaded that successfully encouraging users to keep playing and/or to make purchases is a technological problem unique to online gaming, rather than a business challenge. Encouraging sales, reducing churn, and increasing revenue are business challenges

common to businesses across various fields. We also are not persuaded that determining a dynamic offer based on a static parameter (i.e., a particular date) is an improvement in computer-related technology or a solution necessarily rooted in computer technology, instead of an improvement to the abstract idea. Appellant has not persuaded us that claim 1 resembles the patent-eligible claim of Example 23.

Appellant argues that claim 1 is akin the claims at issue *McRO, Inc. v. Bandai Namco Games Am., Inc.*, 837 F.3d 1299 (Fed. Cir. 2016) because it recites “determining a purchase price associated with an offer based on a user-specific *date* having specific characteristics that does not preempt other approaches and/or methods of distinguishing users, determining offers, distributing advertising, and/or collecting[,] comparing, transmitting, and displaying data.” App. Br. 15. Appellant contends that claim 1 “allow[s] computer performance of a function that has not previously been performed,” thereby improving computer-related technology. *Id.*

However, *McRO* does not stand for the proposition that the specificity of the claim or novelty of a claim renders the claim patent eligible. After all, an abstract idea may be described in multiple ways that vary in breadth. *See Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1240 (Fed. Cir. 2016) (“An abstract idea can generally be described at different levels of abstraction.”). Further, “a claim for a *new* abstract idea is still an abstract idea.” *Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1151 (Fed. Cir. 2016).

Nor does *McRO* stand for the proposition that a lack of preemption renders the claims patent-eligible. There is no dispute that the Supreme Court has described “the concern that drives [the exclusion of abstract ideas from patent eligible subject matter] as one of pre-emption.” *Alice Corp.*,

134 S. Ct. at 2354. But, characterizing pre-emption as a driving concern for patent eligibility is not the same as characterizing pre-emption 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*, 134 S. Ct. at 2354). “[P]reemption may signal patent ineligible subject matter, [but] the absence of complete preemption does not demonstrate patent eligibility.” *Id.*

Instead, the Federal Circuit in *McRO* concluded that the claimed invention was directed to a “technological improvement over the existing, manual 3-D animation techniques” through the use of “limited rules in a process specifically designed to achieve an improved technological result in conventional industry practice.” *McRO*, 837 F.3d at 1316. Specifically, the Federal Circuit found that the claimed rules allow computers to produce accurate and realistic lip synchronization and facial expressions in animated characters that previously could only be produced by human animators; and the rules are limiting because they define morph weight sets as a function of phoneme sub-sequences. *Id.* at 1313 (citations omitted).

Here, Appellant contends that the step of determining a purchase price is analogous to the specific set of rules in *McRO*, because it requires a user-specific date. Yet, Appellant does not identify, and we do not find, any technological improvement analogous to the improved 3-D animation techniques in *McRO*. We also do not see any parallel between the limiting rules described in *McRO* and the result-based functional limitations recited in Appellant’s claim 1.

We conclude, for the reasons outlined above, that claim 1 recites a method of organizing human activity, i.e., an abstract idea, and we are not persuaded that the additional elements are more than generic computer components used to implement the abstract idea, and generally link the abstract idea to a particular technological environment or field of use. For example, we find no indication that one or more additional elements reflects an improvement in the functioning of a computer, or an improvement to other technology or technical field; requires any specialized computer hardware or other inventive computer components, i.e., a particular machine; or effects a transformation or reduction of a particular article to a different state or thing. Therefore, we are not persuaded that the Examiner erred at Step 2A, Prong 2 in determining that the additional elements do not integrate the recited abstract idea into a practical application (Step 2A, Prong Two of the 2019 Revised Guidance).

Inventive Concept: Step Two of the Mayo/Alice Framework (Step 2A, Prong 1 of the 2019 Revised Guidance)

Having determined under step one of the *Mayo/Alice* framework that claim 1 is directed to an abstract idea, we next consider under Step 2B of the 2019 Revised Guidance, the second step of the *Mayo/Alice* framework — whether claim 1 recites additional elements that provide an inventive concept (i.e., whether the additional elements amount to significantly more than the judicial exception itself).

Appellant asserts that claim 1 is similar to the claims at issue in *BASCOM Global Internet Services, Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016) because “the additionally limitations, considered collectively, describe a specific and discrete implementation of distributing advertising and/or collecting, comparing, transmitting, and displaying data.”

App. Br. 18. Appellant acknowledges that the limitations individually may be routine in the art. *Id.* However, Appellant contends that the ordered combination of limitations (c) through (e) of claim 1, i.e.,

(i) determining a static parameter based on the date a user engaged in the virtual space or a date on which the application was installed on the user's client computing platform, (ii) determining offers per user based on that static parameter, and/or (iii) providing those user-specific offers via an offer interface to users such that different users are presented with different offers, amounts to a technical improvement over priors ways of distributing advertising and/or collecting, comparing, transmitting, and displaying data (as further set forth in step 2A).

App. Br. 18. However, the relevant question at step two of the *Mayo/Alice* framework is whether the additional elements amount to significantly more than the abstract idea, not whether they improve upon the abstract idea itself. Here, the combination of limitations identified by Appellant are part of the abstract idea (i.e., a commercial interaction) itself.

Similarly, pointing to limitations (c) through (e) of claim 1, Appellant asserts that the Examiner does not adequately establish that these limitations would have been recognized by one of ordinary skill in the art as well-understood or routine. App. Br. 19 (disputing the Examiner's determination at page 4 of the Final Office Action that the individual limitations recite "some of the most basic functions of a computer," such as "[u]sing a computer to obtain data, using data to identify other data, and filtering data") Yet, as we describe above, 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 in denial of petition for rehearing en banc). “It has been clear since *Alice* that a claimed invention’s use of the ineligible concept to which it is directed cannot supply the inventive concept that renders the invention ‘significantly more’ than that ineligible concept.” *BSG Tech LLC v. BuySeasons, Inc.*, 899 F.3d 1281, 1290 (Fed. Cir. 2018).

We are not persuaded of error in the Examiner’s rejection of claim 1 under 35 U.S.C. § 101. Therefore, we sustain the Examiner’s rejection of claim 1, and claims 3–12, and 14–24, which fall with claim 1.

Obviousness

We are persuaded by Appellant’s argument that the Examiner erred in rejecting independent claims 1 and 12 under 35 U.S.C. § 103(a) because the combination of Roeding, Lutnick, and Hirson fails to teach or suggest limitations (c) and (d) as recited in claim 1, and similarly recited by claim 12. App. Br. 21–38. In particular, Appellant argues, and we agree, that the cited art does not disclose “determining an offer for a virtual good such that the offer is determined based on either *the date* a user engaged in the virtual space or *a date* on which the application was installed on the user's client computing platform.” *Id.* at 21.

In rejecting claim 1, the Examiner acknowledges that “Roeding does not disclose that the system and method uses purchase/install/play date information.” Final Act. 12. However, the Examiner finds that “Lutnick discloses a system and method of gaming that provides a virtual gaming environment and provides offers for use in the gaming environment[,] these offers being dependent on a variety of metrics that includes monitoring of

date information for the game's install/purchase/play (0347, 0701, 0854, 1254).” *Id.*

Lutnick relates generally to games of chance. Lutnick ¶ 2. Paragraph 347 of Lutnick provides that a sports and event betting system stores data structures having information relating to betting events and odds, including a date, time, and location. Paragraph 701 of Lutnick describes that a ticket printer can be used to print ticket vouchers, which can be used as at the casino, such as for extra game play. These vouchers may include the date and time of the voucher's issuance. Lutnick ¶ 701. Paragraph 854 describes date-stamping cards dealt at a casino so that the information can be used in an analytical search tool for security. Paragraph 1254 describes storing data generated during the game, including the date of the game, for auditing purposes. None of the cited portions of Lutnick describe or suggest determining a given offer based on one or both of a date on which individual ones of the users engaged in the virtual space or a date on which the application was installed on individual ones of the client computer platform, as recited in limitations (c) and (d) of claim 1, and similarly recited in claim 12.

The Examiner takes the position that

the inclusion of a date on which a user engages the virtual space or a date on which the user installed the application as a static parameter, with no other specific elements tied to it is inherently disclosed by the art. It would be impossible to initiate the sending of offers for goods through an application or virtual space that an individual has not installed, created, entered, and interacted with.

Final Act. 13. Yet, that a user would install and interact with a virtual space or application before providing an offer does not teach or suggest that an

offer to sell virtual goods would be determined based on the value of one or both of a user engaged with the virtual space or a date on which the application was installed.

In seeming contradiction to the earlier acknowledgement that Roeding does not teach the argued aspects of the claim language, the Examiner (at page 13 of the Final Action) further finds that Roeding teaches (at paragraph 72) that “the method may take into account dates and times for offer calculations.” Yet, this paragraph is part of a section of Roeding relating to incentivizing a customer to visit a physical retail store instead of an online retail store. *See* Roeding ¶¶ 61–76; *see also id.* ¶ 61 (explaining that “consumers are more likely to make purchases when they walk into a physical store (typically 20–50 times more likely than when they visit a retail website online)”). For example, Roeding provides offers at intervals while a consumer is in a physical retail store to entice the consumer to remain physically there. *See id.* ¶ 65. Similarly, Roeding describes offering games, such as scavenger hunts, to play within in the physical store. *Id.* ¶ 66. At paragraph 72, Roeding teaches optimizing the method by reviewing the rewards and purchases to determine a critical amount of rewards to change the consumer’s purchasing power. *Id.* ¶ 72. Roeding discloses that the times and dates that have the highest rates of changing the user’s purchasing patterns can be determined. *Id.* But we fail to see how, and the Examiner does not adequately explain how, determining the dates in which rewards are most effective teaches or suggests determining an offer to sell virtual goods based on at least one of a date that a user engaged with the virtual space and a date on which the application was installed, as required by limitations (c) and (d) of claim 1, and similarly required by claim 22, particularly where the

Appeal 2017-010993
Application 13/540,523

rewards of Roeding seek to entice a customer away from an online retail store and into a physical retail store.

In view of the foregoing, we do not sustain the Examiner's rejection of independent claims 1 and 12, and their dependent claims under 35 U.S.C. § 103(a).

DECISION

The Examiner's rejection of claims 1, 3–12, and 14–24 under 35 U.S.C. § 101 is affirmed.

The Examiner's rejection of claims 1, 3–12, and 14–24 under 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