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EXAMINER
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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte* SCOTT DRESDEN and DAVID BOGART DORT

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Appeal 2017-011108  
Application 11/425,234  
Technology Center 3600

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Before DENISE M. POTHIER, JUSTIN BUSCH, and  
NORMAN H. BEAMER, *Administrative Patent Judges*.

BUSCH, *Administrative Patent Judge*.

DECISION ON APPEAL

Pursuant to 35 U.S.C. § 134(a), Appellants appeal from the Examiner's decision to reject claims 1, 23–27, 29–31 and 33–35, which constitute all the claims pending in this application. We have jurisdiction over the pending claims under 35 U.S.C. § 6(b). We affirm.

CLAIMED SUBJECT MATTER

Appellants' claimed invention is generally related to a "wireless procurement [method] in which the telecommunications provider may generate appropriate revenue from advertising purchasers for both exposures." Spec. ¶ 113. Appellants' claimed invention presents an option for a consumer to accept an advertisement on their wireless device in

exchange for an incentive (e.g., a credit on their wireless bill or a coupon to a restaurant). Spec. ¶ 113, Fig. 36. If the consumer accepts the offer, the method places the advertisement on the wireless device, provides the consumer with the offered incentive, and charges the advertiser for placing the advertisement. Spec. ¶ 114, Fig. 36. Claim 1 is the only pending independent claims and is reproduced below:

1. A method of providing advertising on a wireless device, the method which comprises:

sending, to a wireless device, and displaying on the wireless device, a message that offers a consumer an incentive that can be obtained by accepting an individual advertisement to be subsequently placed on the wireless device, wherein the advertisement is from a first vendor and the incentive is from a second vendor that is different from the first vendor;

after sending the message offering the incentive to the wireless device and displaying the message with the incentive on the wireless device, determining whether or not the consumer has pressed a button on the wireless device to indicate that the individual advertisement will be accepted;

only if it has been determined in the determining step that the consumer has pressed the button on the wireless device to indicate that the individual advertisement will be accepted, placing the advertisement on the wireless device, providing the consumer with the incentive from the second vendor being a different vendor than the first vendor providing the advertisement, and charging the advertiser for placing the individual advertisement.

#### REJECTIONS

Claims 1, 23–27, 29–31, and 33–35 stand rejected under 35 U.S.C. § 101 as being directed to ineligible subject matter. Final Act. 2–3.

Claims 1, 23–27, 29–31, and 33–35 stand rejected under 35 U.S.C. § 103 as obvious in view of Lang (US 2006/0178932 A1; Aug. 10, 2006),

Glassman (US 2008/0086356 A1; Apr. 10, 2008), and Official Notice. Final Act. 3–5.

#### ANALYSIS

We have reviewed the Examiner’s rejections in light of Appellants’ arguments that the Examiner erred. In reaching this decision, we have considered all evidence presented and all arguments Appellants made. Arguments Appellants could have made, but chose not to make in the Briefs, have not been considered and are deemed waived. *See* 37 C.F.R. § 41.37(c)(i)(iv).

#### THE § 101 REJECTION

In step one of the *Alice* analysis, we “determine whether the claims at issue are directed to” a patent-ineligible concept, such as an abstract idea. *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354–55 (2014). In step two of our *Alice* analysis, we determine whether the *additional* limitations, when considered both “individually and ‘as an ordered combination’” contain an “inventive concept” sufficient to transform the claimed “abstract idea” into a patent-eligible application. *Alice*, 134 S. Ct. at 2355–58. We note, “[w]hether a claim is drawn to patent-eligible subject matter is an issue of law that we review de novo.” *SiRF Tech., Inc. v. Int’l Trade Comm’n*, 601 F.3d 1319, 1331 (Fed. Cir. 2010).

The Examiner concludes the claims are directed to judicially excepted subject matter. Final Act. 2–3; Ans. 2. In particular, the Examiner finds the claims are similar to the claims in *Ultramercial*, which the Federal Circuit determined were directed to the abstract idea of displaying advertisements in exchange for access to copyrighted media. Ans. 2 (citing *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715–16 (Fed. Cir. 2014)); *see also* Final Act. 3.

The Examiner determines the claims “are drawn to automating the abstract idea of presenting advertisements and do not go beyond conventional computer operations or improve electronic advertisement technology.”

Ans. 2. The Examiner concludes the claims simply implement the abstract idea on a generic wireless device and, therefore, do not recite an inventive concept that adds significantly more to the abstract idea. Ans. 2.

Appellants argue the claims are directed to “a method of providing advertising on a wireless device.” Appeal Br. 4. Appellants argue the claims are not directed to an abstract idea because the claims require a wireless device, which is “definite and concrete,” and the claims provide a “new way for telecommunications provider[s] to generate additional revenue by charging advertisers for placing advertisements on wireless devices and by providing the users of these wireless devices with incentives for accepting the advertisements.” Appeal Br. 4–5. Appellants argue that, to the extent the claims are directed to an abstract idea, the claims add significantly more to the abstract idea because the invention is an “improvement in the technical fields of telecommunication services and in advertising.” Appeal Br. 5–6. Appellants argue the claims improve the ability to generate additional revenue and provide incentives to consumers, which increases the probability of an advertisement being placed on a consumer device through increased exposure due to the offered incentive. Appeal Br. 6. Appellants do not address the Examiner’s explanation in the Answer that the claims are similar to those found ineligible in *Ultramercial*. See Reply Br. 2–7.

We agree with Appellants that the claims, at a high level, are directed to a method of providing advertising on a wireless device. See Appeal Br. 4.

A slightly narrower characterization of the claims is that they are directed to a method of providing advertising on a customer's wireless device in exchange for the customer receiving an offered incentive. Contrary to Appellants' conclusion, however, we determine these claims are broader than, but similar to, the claims found ineligible under § 101 in *Ultramercial*. More specifically, we determine Appellants' claims are directed to a similar concept to which the Federal Circuit determined the claims in *Ultramercial* were directed—namely, “showing an advertisement before delivering free content.” *Ultramercial*, 772 F.3d at 715.

The claims in *Ultramercial* recited eleven steps for “distributi[ng] products over the Internet via a facilitator.” *Ultramercial*, 772 F.3d at 712. The products were copyright-protected media content and the steps included receiving the products (similar to Appellants' incentive), selecting a sponsor message (i.e., an advertisement), providing the product for sale at an Internet website, restricting access to the product, offering the product to a consumer without monetary charge in exchange for viewing an advertisement, receiving a request from the consumer to view the advertisement in response to being offered the product, displaying the advertisement to the consumer, providing the offered content after displaying the advertisement (or after receiving a response from the consumer to a query), recording the transaction, and receiving payment from the advertiser for displaying the advertisement. *Ultramercial*, 772 F.3d at 712.

As can be seen from the above recited steps in *Ultramercial*, Appellants' claims are very similar to the claims found ineligible by the Federal Circuit. Although not exactly the same, Appellants' recited incentive is comparable to *Ultramercial's* product because both are items the

consumer elects to receive in exchange for viewing an advertisement. Appellants' recited use of a wireless device for displaying the advertisements and receiving the offered incentive are similar to *Ultramercial's* use of an Internet website (and implied device, wireless or otherwise) to access the product and the advertisement. Appellants' claims also recite charging the advertiser for the placing the advertisement, whereas *Ultramercial's* claims recite receiving payment from the advertiser for displaying the advertisement. Although these steps are not exactly the same, they cover the same concept of resolving payment from the advertiser to the entity placing the advertisement. Finally, Appellants' claims recite that the advertisement and the incentive come from different vendors. The *Ultramercial* claims do not specify the source of the advertisement and the product and, therefore, are broad enough to encompass the different sources. Thus, the concept to which both *Ultramercial's* and Appellants' claims are directed is a consumer viewing advertisements instead of being charged for an item in which the consumer is interested (either an incentive or media content).

Additionally, we agree with the Examiner that Appellants' claims do not recite an incentive concept. The Federal Circuit determined that *Ultramercial's* claims did not recite an inventive concept because neither the steps that were in addition to the abstract idea (i.e., updating an activity log, requiring a request from the consumer to view the ad, and restricting public access) nor the use of the Internet "transform[ed] an otherwise abstract idea into patent-eligible subject matter." *Ultramercial*, 772 F.3d at 716. This is because "the claimed sequence of steps comprises only 'conventional steps, specified at a high level of generality,' which is insufficient to supply an

‘inventive concept.’” *Ultramercial*, 772 F.3d at 716. Appellants’ claimed step of determining whether a consumer pressed a button to accept the advertisement is similar to *Ultramercial*’s step of requiring a request from the consumer to view the ad. Appellants’ recited wireless device also is insufficient to add an inventive concept because the wireless device is recited at a high level of generality and is merely used to receive and display information (offers, advertisements, incentives) and to receive an input from the user—i.e., in a conventional, well-understood, and routine manner.

For the above reasons, the Examiner has not erred in concluding that the claims are directed to merely an abstract idea without adding significantly more.

#### THE § 103 REJECTION

The Examiner finds Lang discloses nearly every limitation recited in independent claim 1, but relies on Glassman for the general teaching of techniques for charging an advertiser for placing advertisements and Official Notice for the general teaching that cross-marketing or cross-selling is well-known. Final Act. 3–5 (citing Lang ¶¶ 50–54, 65–70, 72–77, Fig. 1; Glassman ¶ 134); Ans. 3–5. The Examiner cites Brown (US 2004/0249712 A1; Dec. 9, 2004) in support of the Official Notice’s teachings. Ans. 4–5 (citing Brown ¶¶ 53, 84, 87–88).

Lang discloses an exemplary scenario in which a potential customer using Lang’s service is interested in eating lunch at a nearby restaurant. Lang ¶ 65. The customer may use her phone to activate a service application having linked menus, which provides a service allowing the customer to eventually navigate to Thai restaurants, select the area in which the customer is interested in searching, and receive a list of business

accompanied by information about the coupon offers from those businesses and the distance to the business. Lang ¶¶ 65–67. The customer may select a coupon offer, receive further information regarding restrictions on the coupon offer, and download the offer. Lang ¶¶ 67–68. The user may activate the coupon offer by navigating other menus and present the coupon to the business representative to receive the discount. Lang ¶¶ 68–70.

Lang also discloses various optional ways for a customer to obtain coupons (e.g., receiving notifications of new coupons for a certain area, automatically receiving coupons to the customer’s device that match the customer’s interest, searching a web site, or sharing personal information in exchange for an offer). Lang ¶¶ 72–77. Lang discloses additional details regarding other optional information or features that may be included with the coupon, such as driving instructions and affiliated information (e.g., congestion information, distance to the business, ETA, etc.) and an automatic dialing page to contact the business. Lang ¶¶ 50–52. Lang also describes how a user may view their downloaded coupons, search for new coupons, and redeem their coupons. Lang ¶¶ 53–54.

Among other arguments, Appellants argue the Examiner has not identified an element in Lang that teaches or suggests the recited advertisement. Appeal Br. 8–10. Appellants argue Lang discloses providing a customer with a list of potential offers and allowing a user to select and download a particular coupon for a business, but there is nothing in Lang that teaches or suggests the advertisement as claimed. Reply Br. 2–4. Appellants further argue that modifying Lang to provide an incentive or coupon for an item or business that the customer did not select would render Lang unsatisfactory for its intended purpose of allowing a customer to

identify and select a particular offer. Appeal Br. 9–10. In addition to contesting the appropriateness of the Examiner’s taking of Official Notice (and reliance on Brown as support for that Official Notice in the Answer), Appellants argue, to the extent the Official Notice is proper, the Examiner provided no rationale for modifying Lang with the teaching from the Official notice. Appeal Br. 10–12.

The Examiner finds Lang’s coupon offer teaches both the recited advertisement and the recited incentive. *See* Ans. 3. Specifically, the Examiner states the claim recites “sending a message (offering incentive which is also advertisement); displaying the message with the incentive on the wireless device (advertisement); determining whether or not the consumer has pressed a button; and placing the advertisement (could be the discount or coupon that was offered in the message).” Ans. 3.

We agree that there are certain types of publications that may serve as both an advertisement and an incentive. For example, Lang’s coupon offer 20 depicted in Figure 1 is a coupon for Top Tim Thai, which serves both as a discount (i.e., an incentive) at the restaurant as well as an advertisement for the restaurant, particularly in a situation where the coupon may include an address, phone number, or other information describing the products or services offered by the business. One definition of an “advertisement” is a “notice, such as a poster or a paid announcement in the print, broadcast, or electronic media, designed to attract public attention or patronage.” *See The Am. Heritage Dictionary Online* (noun def. 2), available at <https://www.ahdictionary.com/word/search.html?q=advertisement> (last visited December 14, 2018). In fact, one definition of a “coupon” is a “code or detachable part of a ticket, card, or advertisement that entitles the holder

to a certain benefit, such as a cash refund or a gift.” *See The Am. Heritage Dictionary Online* (noun def. 1), *available at* <https://www.ahdictionary.com/word/search.html?q=coupon> (last visited December 14, 2018).

However, Appellants’ Specification and claim 1 distinguish between an offered incentive and an advertisement. *See Spec.* ¶ 113. More importantly, claim 1 recites specific relationships between the advertisement, incentive, and vendors that render the Examiner’s findings problematic. In particular, claim 1 recites that the “advertisement is from a first vendor and the incentive is from a second vendor that is different from the first vendor.” The Examiner has not sufficiently explained how Lang’s coupon offer can be both the recited advertisement and the recited incentive that are from different vendors. Nor is there sufficient evidence on record to support a finding that Lang teaches an advertisement and an incentive from different vendors.

To the extent the Examiner relies on Official Notice (as supported by Brown) to teach that the advertisement and incentive can come from different vendors, the Examiner provides insufficient explanation of how and why a person of ordinary skill in the art would have combined the Official Notice with Lang to arrive at the claimed arrangement. More specifically, the Examiner takes Official Notice “that it is old and well known in the art of marketing for a merchant to provide a discount or coupon to be used at a different merchant (cross-marketing)” and, therefore, it would have been obvious to an ordinarily skilled artisan “to provide a cross-marketing agreement among the merchants of Lang in order to benefit each other.” Final Act. 4.

Such an explanation fails to find the particularly recited limitation of sending and displaying a message that offers a customer an incentive from one in exchange for accepting an advertisement from a different vendor. Even accepting that cross-marketing is well-known, the Examiner has not found the particular implementation of cross-marketing recited in the claims was well-known. Nor has the Examiner provided a rationale with a reasonable underpinning for making the proposed modification. Instead, the Examiner merely concludes that, because cross-marketing is well-known, it would have been obvious to modify Lang to have the advertisement be from one vendor and the incentive from another vendor. This conclusion does not explain how the Examiner's finding that a single coupon teaches both the advertisement and the incentive would be modified to teach an incentive from one vendor and an advertisement from a different vendor.

Because our decision is dispositive with respect to the Examiner's rejection under 35 U.S.C. § 103, we need not address Appellants' other arguments. For the reasons discussed above, we are persuaded the Examiner erred in rejecting claims independent claims 1 as obvious in view of Lang, Glassman, and Official Notice. Claims 23–27, 29–31, and 33–35 depend from and incorporate the limitations of claim 1. Therefore, we also are persuaded the Examiner erred in rejecting claims 23–27, 29–31, and 33–35 as obvious in view of Lang, Glassman, and Official Notice. Accordingly, we do not sustain the Examiner's rejection of claims 1, 23–27, 29–31, and 33–35 under 35 U.S.C. § 103.

DECISION

We affirm the Examiner's decision to rejection claims 1, 23–27, 29–31, and 33–35 as directed to non-statutory subject matter under 35 U.S.C. § 101.

We reverse the Examiner's decision to reject claims 1, 23–27, 29–31, and 33–35 under 35 U.S.C. § 103.

Because we affirm at least one ground of rejection with respect to each claim on appeal, the Examiner's decision is affirmed. *See* 37 C.F.R. § 41.50(a)(1).

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