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Christopher R. Humes
18 Pine Street
West Orange, 07052

EXAMINER

SHANG, ANNAN Q

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte CHRISTOPHER RAKESTRAW HUMES¹

Appeal 2017-011443
Application 14/318,694
Technology Center 2400

Before DENISE M. POTHIER, JOHN P. PINKERTON, and
MATTHEW J. McNEILL, *Administrative Patent Judges*.

McNEILL, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant appeals under 35 U.S.C. § 134(a) from the Examiner's rejection of claim 1, which is the only claim pending in the application. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

¹ According to Appellant, the real party in interest is the Christopher Rakestraw Humes. Br. 3.

STATEMENT OF THE CASE

Introduction

Appellant's application relates to creating custom discounts for participants that watch advertising independent of programming content.

Spec. 6. Claim 1 illustrates the appealed subject matter and reads as follows:

1. A method for creating and awarding discounts for media and multimedia services, and other items and services using a multimedia device, comprising:

(a) factor in the number of non participants who are subscribers,

(b) factor in the number of potential participants who are subscriber participants,

(c) factor in the cost of applicable item and service being discounted,

(d) factor in what is used for advertisement, marketing, and promotion meaning what must be viewed, used, and experienced to get the applicable discount, free item, and service,

(e) factor in the number of advertisements, marketing, and promotions utilized,

(f) sell advertising time based on upfront number of subscribers and the market value for television advertising, as if the number of subscribers and participants are the viewing audience and then sell ad time based on that number,

(g) offer and provide reprieve for participants who participate but fall short of requirements for any applicable discount, free items, and services,

(h) participants must view applicable commercials and content on a media platform and take part in applicable marketing and promotions,

(i) participant qualifies for and receives applicable discount, free item, and service, whereby discount is created and received.

The Examiner's Rejections²

Claim 1 stands rejected under 35 U.S.C. § 112(b) as indefinite. Final Act. 5.

Claim 1 stands rejected under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter. Final Act. 5–6.

Claim 1 stands rejected under 35 U.S.C. § 102(a)(2) as anticipated by Eklund, II et al. (US 8,832,760 B2; Sept. 9, 2014) (“Eklund”). Final Act. 6–8.

ANALYSIS

Indefiniteness

Appellant argues the Examiner erred in rejecting claim 1 as indefinite. Br. 7. In particular, Appellant argues claim 1 “could not be [more] clear.” Br. 7.

Appellant has not persuaded us of Examiner error. Claim 1 recites a method comprising, in relevant part, “factor in the *number* of non participants who are subscribers,” “factor in the *number* of potential participants who are subscriber participants,” “factor in the *number* of advertisements, marketing, and promotions utilized,” “sell advertising based on upfront *number* of subscribers . . . as if the *number* of subscribers and participants are the viewing audience,” and “then sell ad time based on *that number*” (emphases added). We agree with the Examiner (*see* Ans. 3) that it is unclear to which recited “number” the limitation “that number” refers.

² In the Final Rejection, the Examiner rejected claim 1 under 35 U.S.C. § 112(a) for lack of enablement. Final Act. 4–5. However, the Examiner withdrew this rejection in the Answer. Ans. 3. Accordingly, this rejection is not presently before the Board.

Specifically, “that number” could refer to any of the five previously recited numbers, or some combination thereof. Accordingly, Appellant has not persuaded us the Examiner erred in rejecting claim 1 as indefinite. We, therefore, sustain the rejection of claim 1 under 35 U.S.C. § 112(b) as indefinite.

Patent-Ineligible Subject Matter

Under 35 U.S.C. § 101, a patent may be obtained for “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.” The Supreme Court has “long held that this provision contains an important implicit exception: Laws of nature, natural phenomena, and abstract ideas are not patentable.” *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014) (quoting *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 589 (2013)).

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*, 134 S.Ct. at 2355. Assuming that a claim nominally falls within one of the statutory categories of machine, manufacture, process, or composition of matter, the first step in the analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts.” *Id.* For example, abstract ideas include, but are not limited to, fundamental economic practices, methods of organizing human activities, an idea of itself, and mathematical formulas or relationships. *Id.* at 2355–57. If the claim is directed to a judicial exception, such as an abstract idea, the second step is to determine whether additional

elements in the claim “‘transform the nature of the claim’ into a patent-eligible application.” *Id.* at 2355 (quoting *Mayo*, 566 U.S. at 78). This second step is described as “a search for an “‘inventive concept’”—*i.e.*, an element or combination of elements that is ‘. . . significantly more than . . . the [ineligible concept] itself.’” *Id.* (alteration in original) (quoting *Mayo*, 566 U.S. at 72–73).

Alice Step One

In the June 9, 2016 Final Rejection (“Final Action”), the Examiner rejected claim 1 under 35 U.S.C. § 101 as directed to patent-ineligible subject matter. In particular, the Examiner found “[c]laim(s) 1 is/are directed to Abstract idea.” Final Act. 5. The Examiner made no further findings regarding *Alice* step one in the Final Action. *Id.* In the Answer, the Examiner finds claim 1 is directed to a method for creating and awarding discounts for media and multimedia services. Ans. 4–5.

Alice Step Two

In the Final Action, the Examiner found claim 1 does not recite additional elements that “amount to significantly more than the judicial exception because: nothing is significantly more in the claim limitations as recited.” Final Act. 5–6. The Examiner made no further findings regarding *Alice* step two in the Final Action. In the Answer, the Examiner finds the additional elements include various types of subscribers and participants and none of these additional elements perform any functions that amount to significantly more than the judicial exception. Ans. 5–6.

Appellant argues the Examiner erred in rejecting claim 1 as being directed to patent-ineligible subject matter. Br. 8. Appellant argues the Examiner relies on the claimed step “factor in the number of non

participants who are subscribers” in concluding claim 1 is directed to an abstract idea. Br. 8. Appellant concedes this phenomenon is something that occurs in nature, but contends the claim covers the act of factoring in this phenomenon, not the phenomenon itself. *Id.*

We consider Appellant’s argument that the claim covers the act of factoring in the natural phenomenon, not the natural phenomenon itself, as an assertion that the claims recite something significantly more than the abstract idea itself and address this argument under *Alice* step two. However, we are not persuaded of Examiner error. Claim 1 is generally directed to a method comprising a series of steps that include factoring several numbers into the decision to sell advertising and offering reprieves to users who fall short of an applicable discount. Appellant’s argument is unpersuasive because the act of factoring the various criteria into a determination to sell advertising is merely one part of the abstract idea of creating and awarding discounts for media and multimedia services. Accordingly, we are not persuaded this act of factoring in the various criteria amounts to “significantly more” than the abstract idea itself.

We, therefore, sustain the rejection of claim 1 as being directed to patent-ineligible subject matter. To the extent that our decision could be interpreted as going beyond the thrust of the Examiner’s rejection in the Final Action, we designate this rejection as a new ground to afford Appellant an opportunity to respond.

Anticipation

Appellant argues the Examiner erred in rejecting claim 1 as anticipated by Eklund. Br. 8–9. In particular, Appellant argues Eklund discloses the general concept of people watching commercials to obtain free

television programming. *Id.* According to Appellant, Eklund further discloses a contest between participants competing for discounts. *Id.* Appellant argues claim 1 does not feature a competition or contestants, and Eklund is therefore different from the claimed invention. *Id.*

Appellant has not persuaded us of Examiner error. The Examiner finds, and we agree, Eklund discloses prearranged groups of users that accept an invitation to compete against other users to obtain a discount for multimedia services. Ans. 6. Eklund's teaching that the users compete for discounts does not preclude Eklund from teaching the subject matter of claim 1, which is silent regarding the presence or absence of competition in the decision to sell advertising. In other words, Appellant's argument that Eklund's teachings differ from claim 1 because the teachings incorporate a competition between the participants is not commensurate with the scope of the claims. Accordingly, Appellant has not persuasively rebutted the Examiner's finding that Eklund discloses the recited claim limitations.³ We, therefore, sustain the rejection of claim 1 as anticipated by Eklund.

DECISION

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

We affirm the decision of the Examiner rejecting claim 1 under §§ 112(b) and 102. Regarding the affirmed rejections, 37 C.F.R.

³ In the event of further prosecution, the Examiner may wish to provide pinpoint citations to Eklund for the limitation "offer and provide reprieve for participants who participate but fall short of requirements for any applicable discount, free items, and services" to clarify the record.

§ 41.52(a)(1) provides “Appellant may file a single request for rehearing within two months from the date of the original decision of the Board.”

In addition to affirming the above rejections of claim 1, this decision contains a new ground of rejection pursuant to 37 C.F.R. § 41.50(b) under 35 U.S.C. § 101. 37 C.F.R. § 41.50(b) provides “[a] new ground of rejection pursuant to this paragraph shall not be considered final for judicial review.”

Appellant, WITHIN TWO MONTHS FROM THE DATE OF THE DECISION, must exercise one of the following two options with respect to the new ground of rejection to avoid termination of the appeal as to the rejected claim:

(1) Reopen prosecution. Submit an appropriate amendment of the claims so rejected or new evidence relating to the claims so rejected, or both, and have the matter reconsidered by the Examiner, in which event the proceeding will be remanded to the Examiner. . . .

(2) Request rehearing. Request that the proceeding be reheard under § 41.52 by the Board upon the same record. . . .

37 C.F.R. § 41.50(b).

If Appellant elects to reopen prosecution before the Examiner pursuant to 37 C.F.R. § 41.50(b)(1) and the prosecution does not result in allowance of the application, abandonment, or a second appeal limited to the 37 C.F.R. § 41.50(b) rejection, this case should be returned to the Patent Trial and Appeal Board so a decision making the original affirmance final can be entered. See the Manual of Patent Examining Procedure (MPEP)⁴ § 1214.01(I).

⁴ MPEP (9th ed., Rev. 08.2017, 2018), *available at* <https://www.uspto.gov/web/offices/pac/mpep/index.html>.

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Should Appellant elect to prosecute further before the Examiner pursuant to 37 C.F.R. § 41.50(b)(1), in order to preserve the right to seek review under 35 U.S.C. §§ 141 or 145 with respect to the affirmed rejections, the time for filing a request for rehearing on the affirmance or seeking court review runs from the date of the decision by the Board making the original affirmance final. MPEP § 1214.01(I).

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)(2016).

AFFIRMED
37 C.F.R. 41.50(b)