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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* MICHAEL SHING-CHUNG HSU and MICHAEL MURRAY

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Appeal 2018-001208  
Application 13/087,506<sup>1</sup>  
Technology Center 3600

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Before CARL L. SILVERMAN, MATTHEW J. McNEILL, and  
ALEX S. YAP, *Administrative Patent Judges*.

McNEILL, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's rejection of claims 21–25, 27, 30–36, 39–43, 45, 48, and 49, which are all the claims pending in this application. Claims 1–20, 26, 28, 29, 37, 38, 46, and 47 are canceled. App. Br. 21–34. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm-in-part.

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<sup>1</sup> Appellants identify Facebook, Inc. as the real party in interest. App. Br. 1.

## STATEMENT OF THE CASE

### *Introduction*

Appellants' application relates to electronic coupons that can be used at multiple retailers. Spec. 1:8–14. Claim 21 is illustrative of the appealed subject matter and reads as follows:

21. A computer-implemented method comprising:
- enabling, by at least one processor, a user to associate an account of the user with a first retail entity and a second retail entity selected from a plurality of retail entities;
  - accessing information indicating an association of an electronic coupon with the account of the user;
  - sending information indicating the association of the electronic coupon with the account of the user to a first computer system associated with the first retail entity and a second computer system associated with the second retail entity;
  - receiving, from the first computer system, information indicating that the user has redeemed the electronic coupon with the first retail entity; and
  - in response to receiving, from the first computer system, the information indicating that the user has redeemed the electronic coupon with the first retail entity, sending information to the second retail entity indicating the redemption of the electronic coupon.

### *The Examiner's Rejections*

Claims 21–25, 27, 30–36, 39–43, 45, 48, and 49 stand rejected under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter. Final Act. 5–9.

Claims 48 and 49 stand rejected under 35 U.S.C. § 112(a) as failing to comply with the written description requirement. Final Act. 5.

Claims 48 and 49 stand rejected under 35 U.S.C. § 112(b) as being indefinite. Final Act. 5.

Claims 21–25, 27, 30–36, 39–43, 45, 48, and 49 stand rejected under 35 U.S.C. § 103 as being unpatentable over Beach (US 2002/0107738 A1; Aug. 8, 2002), Register (US 2005/0234771 A1; Oct. 20, 2005), Redford (US 2013/0006744 A1; Jan. 3, 2013), and Fisher (US 2012/0150601 A1; June 14, 2012). Final Act. 9–16.

## ANALYSIS

### *Patent-Ineligible Subject Matter*

An invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101. 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. *E.g.*, *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014) (citation omitted).

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*. *Id.* at 217–18 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 75–77 (2012)). 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); 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” (*Diamond v. Diehr*, 450 U.S. 175, 191 (1981)); “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 that “[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.* (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.”).

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.*

The PTO recently published revised guidance on the application of § 101. USPTO’s 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50 (Jan. 7, 2019) (“Revised Guidance”). Under that 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); and
- (2) additional elements that integrate the judicial exception into a practical application (*see* MPEP<sup>2</sup> § 2106.05(a)–(c), (e)–(h)).

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 are not “well-understood, routine, conventional” in the field (*see* MPEP § 2106.05(d)); or

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<sup>2</sup> Manual of Patent Examining Procedure.

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

*See Revised Guidance.*

#### Revised Guidance Step 1

Step 1 of the Revised Guidance asks whether the claimed subject matter falls within the four statutory categories of patentable subject matter identified by 35 U.S.C. § 101: process, machine, manufacture, or composition of matter. Claim 21 recites a “computer-implemented method.” Appellants do not argue the Examiner erred in concluding claim 21 falls within the four statutory categories of patentable subject matter. We agree with the Examiner’s conclusion because claim 21 falls within the process category.

#### Revised Guidance Step 2A, Prong 1

Under Step 2A, Prong 1 of the Revised Guidance, we determine whether the claims recite 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). *See Revised Guidance.*

Claim 21 recites the following limitations: (1) “enabling . . . a user to associate an account of the user with a first retail entity and a second retail entity selected from a plurality of retail entities;” (2) “accessing information indicating an association of an electronic coupon with the account of the user;” (3) “sending information indicating the association of the electronic coupon with the account of the user to a first computer system associated with the first retail entity and a second computer system associated with the

second retail entity;” (4) “receiving . . . information indicating that the user has redeemed the electronic coupon with the first retail entity” and (5) “in response to receiving . . . the information indicating that the user has redeemed the electronic coupon with the first retail entity, sending information to the second retail entity indicating the redemption of the electronic coupon.”

The Examiner concludes claim 21 is directed to “electronic coupon redemption by a user at a retail location via use of a user identifier which associates the user with multiple retail entities including electronic transmission to [] retail entities computer system(s) for the purpose of increasing revenue.” Final Act. 8.

Appellants argue the Examiner erred in concluding claim 21 is directed to an abstract idea. *See* App. Br. 5–13. In particular, Appellants argue the Examiner failed to analyze the correct claims, focusing on canceled independent claim 1, instead of pending independent claims 21, 30, and 39. App. Br. 10. Appellants argue the Examiner repeatedly referenced claim 1 in the rejection. *Id.* Appellants argue the Examiner’s characterization of the abstract idea focuses on limitations that are not recited in the pending independent claims. *Id.*

We agree with Appellants. The Examiner concludes the independent claims are directed to “electronic coupons redemption by a user at a retail location *via use of a user identifier*[,] which associates the user with multiple retail entities including electronic transmission to [] retail entities computer system(s) *for the purpose of increasing revenue.*” Final Act. 8 (emphases added). However, none of the pending independent claims recite a “user identifier” or redeeming electronic coupons “for the purpose of increasing

revenue.” Accordingly, the Examiner’s rejection focuses on concepts that are untethered to the language of the claims.

Accordingly, we agree with Appellants that the Examiner erred in rejecting claim 21 as being directed to an abstract idea that focuses on limitations not present in the claim. Because we conclude the Examiner erred with respect to Step 2A, prong 1, we need not proceed to Step 2A, prong 2 of the analysis.

For these reasons, we do not sustain the Examiner’s rejection of independent claim 21 as being directed to patent-ineligible subject matter. We also do not sustain the rejection of independent claims 30 and 39, which recite commensurate limitations, or dependent claims 22–24, 27, 31–36, 40–43, 45, 48, and 49.

#### *Written Description*

Appellants argue the Examiner erred in rejecting claims 48 and 49 as failing to comply with the written description requirement. App. Br. 18–19.

Claim 48 recites “[t]he computer-implemented method as recited in claim 21, wherein enabling a user to associate an account of the user with a first retail entity and a second retail entity comprises enabling the user to concurrently associate the account of the user with the first retail entity and the second retail entity.” Claim 49 recites a commensurate limitation.

Appellants argue the Specification provides written description support for the limitations recited in claims 48 and 49 because the Specification discloses that the messaging hub can transmit information indicating association of the electronic coupon with the user’s account to the first retailer’s computer system and the second retailer’s computer system. App. Br. 19. Appellants argue the Specification further discloses the user

may select a coupon, which indicates the user wishes to add the selected coupon to the user's account and associate the coupon with first and second retail entities. *Id.*

Appellants have not persuaded us of Examiner error. Claims 48 and 49 recite “enabling the user to *concurrently* associate the account of the user with the first retail entity and the second retail entity” (emphasis added). The Specification discloses associating an account of the user with first and second retail entities, but the Specification is silent as to the timing of such association—concurrent or otherwise. Accordingly, we agree with the Examiner that the Specification fails to provide written description support for claims 48 and 49. We, therefore, sustain the written description rejection of claims 48 and 49.

#### *Indefiniteness*

The Examiner rejected claims 48 and 49 under 35 U.S.C. § 112(b) as indefinite because “[i]t is unclear what Applicant is referring to by wherein enabling a user to associate an account of the user with a retail entity and a second retail entity comprises enabling the user to concurrently associate the account of the user with the first retail entity and the second retail entity.” Final Act. 5.

Appellants argue the Examiner erred because the claim language is clear that the association of the user account with the two retail entities occurs at the same time. App. Br. 18–19. We agree. The plain language of the claim indicates that the association of the user account with each retail entity must occur concurrently, or at the same time. The Examiner's rejection is conclusory, asserting the claim is indefinite without any

explanation. *See* Final Act. 5. Accordingly, we do not sustain the indefiniteness rejection of claims 48 and 49.

*Obviousness*

We have reviewed the Examiner's obviousness rejections in consideration of Appellants' contentions and the evidence of record. Appellants persuade us the Examiner fails to establish that the claims are unpatentable over the cited references.

Appellants argue the Examiner erred in rejecting claim 21 as unpatentable over Beach, Register, Redford, and Fisher because the Examiner's rejection simply ignores the limitation "sending [or transmitting] information to the second retail entity indicating the redemption of the electronic coupon." App. Br. 17–18. We agree with Appellants.

The Examiner's obviousness rejection of claim 21 focuses on language that is not present in the claim. Specifically, the Examiner finds Beach teaches "in response to receiving the redemption information, preventing the user from redeeming the coupon at a second (or any additional) merchant." Final Act. 11. However, the rejection does not address actual language of claim 21: "in response to receiving, from the first computer system, the information indicating that the user has redeemed the electronic coupon with the first retail entity, sending information to the second retail entity indicating the redemption of the electronic coupon." The Examiner does not address this deficiency in the Answer. *See* Ans. 6. Accordingly, the Examiner has failed to find the combination of Beach, Register, Redford, and Fisher teaches each limitation of claim 21.

Thus, we are constrained by the record to agree with Appellants that the Examiner has not sufficiently established that claim 21 is unpatentable

over the combination of Beach, Register, Redford, and Fisher. We, therefore, do not sustain the obviousness rejection of independent claim 21.<sup>3</sup> We also do not sustain the rejection of independent claims 30 and 39, which recite commensurate limitations, and claims 22–25, 27, 31–36, 40–43, 45, 48, and 49, dependent therefrom.

#### DECISION

As explained above, we do not sustain the rejection of claims 21–25, 27, 30–36, 39–43, 45, 48, and 49 under 35 U.S.C. § 101.

As explained above, we sustain the rejection of claims 48 and 49 under 35 U.S.C. § 112(a).

As explained above, we do not sustain the rejection of claims 48 and 49 under 35 U.S.C. § 112(b).

As explained above, we do not sustain the rejection of claims 21–25, 27, 30–36, 39–43, 45, 48, and 49 under 35 U.S.C. § 103.

We reverse the Examiner's decision rejecting claims 21–25, 27, 30–36, 39–43, and 45.

However, because we have affirmed at least one ground of rejection with respect to claims 48 and 49, we affirm the Examiner's decision rejecting claims 48 and 49. *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).

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<sup>3</sup> Because we agree with at least one of the dispositive arguments advanced by Appellants with respect to the obviousness rejections, we need not reach the merits of Appellants' other arguments.

Appeal 2018-001208  
Application 13/087,506

AFFIRMED-IN-PART