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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* EBBE ALTBERG, SCOTT FABER,  
RON HIRSON, and SEAN VAN DER LINDEN

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Appeal 2018-001594  
Application 12/128,449<sup>1</sup>  
Technology Center 3600

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Before JASON V. MORGAN, DAVID J. CUTITTA II, and  
PHILLIP A. BENNETT, *Administrative Patent Judges*.

MORGAN, *Administrative Patent Judge*.

DECISION ON APPEAL  
STATEMENT OF THE CASE

*Introduction*

This is an appeal under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 1, 2, 4, 10, 11, 15, 17, 18, and 21–27. Claims 3, 5–9, 12–14, 16, and 19–20 are canceled or withdrawn. Appeal Br. 23–25. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

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<sup>1</sup> Appellants identify Ingenio Acquisition, LLC, as the real party in interest. Appeal Br. 2.

*Summary of disclosure*

Appellants disclose converting “a free connection for real time communications between people into a dynamically priced communication session to facilitate the delivery of services over the established connection.”

Abstract.

*Representative claim*

1. A method, comprising:

assigning, by a computing device, a first reference for a first user and a second reference for a second user, the first reference representing contact information associated with the first user and the second reference representing contact information associated with the second user, wherein the second reference is selected from a pool of reference types;

receiving a request for communication with the second user from the first user, the request for communication including the second reference;

selecting a communication medium for establishing a connection based on a communication medium identified in the second reference;

establishing, by the computing device via the identified communication medium, a connection for real time communications between the first user and the second user for the second user to provide a service to the first user over the connection, wherein the connection is established without charge to the first user for a predetermined period of time;

prior to establishing the connection, providing the first user with a plurality of proposed prices for the service provided by the second user beyond the predetermined period of time;

receiving, by the computing device after the connection is established, a selection by the first user of a price from the plurality of proposed prices for the service to be provided by the second user;

monitoring the connection for a termination event; and

charging the first user on behalf of the second user according to the selected price for the service provided by the second user beyond the predetermined period of time in response to identifying that a termination event has occurred.

*Rejections*

The Examiner rejects claims 26 and 27 under 35 U.S.C. § 112, second paragraph, as being indefinite. Final Act. 20.

The Examiner rejects claims 1, 2, 4, 10, 11, 15, 17, 18, and 21–27 under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter. Final Act. 2–19.

35 U.S.C. § 112, SECOND PARAGRAPH

Appellants do not dispute the Examiner’s 35 U.S.C. § 112, second paragraph, rejection of claims 26 and 27 based on insufficient antecedent basis for the preamble recitation of “the network device” in each claim. Final Act. 20; Ans. 2. Accordingly, we summarily affirm this rejection.

35 U.S.C. § 101

*Principles of law*

To be statutorily patentable, the subject matter of an invention must be a “new and useful process, machine, manufacture, or composition of matter, or [a] new and useful improvement thereof.” 35 U.S.C. § 101. There are implicit exceptions to the categories of patentable subject matter identified in § 101, including: (1) laws of nature; (2) natural phenomena; and (3) abstract ideas. *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014). The Supreme Court has set forth a framework for distinguishing patents with claims directed to these implicit exceptions “from those that claim patent-eligible applications of those concepts.” *Id.* at 217 (*citing Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66 (2012)). The

evaluation follows a two-part analysis: (1) determine whether the claim is *directed to* a patent-ineligible concept, e.g., an abstract idea; and (2) if so, then determine whether any element, or combination of elements, in the claim is sufficient to ensure that the claim amounts to *significantly more* than the patent-ineligible concept itself. *See id.* at 217–18.

“[A]ll inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas.” *Mayo*, 566 U.S. at 71. We “‘must be careful to avoid oversimplifying the claims’ by looking at them generally and failing to account for the specific requirements of the claims.” *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1313 (Fed. Cir. 2016) (quoting *TLI Commc’ns LLC Patent Litig.*, 823 F.3d 607, 611 (Fed. Cir. 2016)). We, therefore, look to whether: (1) the claims focus on a specific means or method that improves the relevant technology or (2) the claims are instead directed to a result or effect that itself is the abstract idea and merely invoke generic processes and machinery. *See Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335–36 (Fed. Cir. 2016). That is, we look to whether the claims are “specifically designed to achieve an improved *technological* result in conventional industry practice.” *McRO*, 837 F.3d at 1316 (emphasis added) (citing *Alice*, 573 U.S. at 222–24).

If a claim proves to be unpatentable as a result of the two-part analysis, no additional determination regarding preemption is necessary. “While preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility,” as “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).

The U.S. Patent and Trademark Office (USPTO) recently published revised guidance on the application of the two-part analysis. USPTO Memorandum of January 7, 2019, *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50 (“Memorandum”). 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) (*see id.* at 54 (step 2A – prong one)); and
- (2) additional elements that integrate the judicial exception into a practical application (*see id.* at 54–55 (step 2A – prong two); MPEP § 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
- (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* Memorandum, 84 Fed. Reg. at 56 (step 2B).

*Memorandum step 2A – prong one*

In rejecting claim 1 under 35 U.S.C. § 101, the Examiner determines the claim is “directed to the abstract idea of charging based on connecting people via the identified communication.” Final Act. 2. The Examiner

determines that “[c]harging the user according to the selected price for the service in response to identifying that a termination event has occurred is as fundamental to business as the economic concepts that were identified as abstract ideas by the Supreme Court [or the Federal Circuit], such as mitigating intermediated settlement (Alice Corp.), [c]reating a contractual relationship (BuySAFE<sup>[2]</sup>) and [o]ffer-based optimization (OIP Tech<sup>[3]</sup>).”  
Final Act. 4.

We agree with the Examiner’s determination that claim 1 recites a patent-ineligible abstract idea. Claim 1 recites: (1) “providing the first user with a plurality of proposed prices for the service provided by the second user beyond the predetermined period of time”; (2) “establishing . . . a connection for real time communications between the first user and the second user for the second user to provide a service to the first user over the connection, wherein the connection is established without charge to the first user for a predetermined period of time”; (3) “receiving . . . a selection by the first user of a price from the plurality of proposed prices for the service to be provided by the second user”; and (4) “charging the first user on behalf of the second user according to the selected price for the service provided by the second user beyond the predetermined period of time in response to identifying that a termination event has occurred.” More succinctly, claim 1 recites providing a customer a price list for a service, facilitating a free trial period for the service, receiving a price selection from the customer, and charging the customer for service time exceeding the free trial period.

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<sup>2</sup> *BuySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350 (Fed. Cir. 2014).

<sup>3</sup> *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359 (Fed. Cir. 2015).

Allowing a customer to select a service price (e.g., to provide an incentive to purchase more of the service in advance), giving the customer a trial period for the service, and charging the customer for use of the service, represent “advertising, marketing or sales activities or behaviors” and “agreements in the form of contracts.” Memorandum, 84 Fed. Reg. at 52; *see also* Ans. 3–4. Thus, claim 1 recites an abstract idea in the form of certain methods of organizing human activity (commercial or legal interactions<sup>4</sup>). *See* Memorandum, 84 Fed. Reg. at 52; *see also buySafe*, 765 F.3d at 1355 (narrowing of long-familiar commercial transactions to particular relationships does not make an abstract idea patent-eligible); Ans. 5–6.

For these reasons, we agree with the Examiner that claim 1 recites an abstract idea.

*Memorandum step 2A – prong two*

Appellants concede “that ‘charging a user’ is an economic element,” but argue the Examiner’s analysis is deficient because the question under *Alice* step one “is not whether a claim ‘includes’ an economic practice, but rather if a claim is *directed* to that practice.” Appeal Br. 11. In particular, Appellants contend the Examiner erroneously ignores “the specific limitations regarding the connection setup procedure regarding references used in lieu of fixed connection identifiers.” *Id.* at 13; *see also id.* at 15;

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<sup>4</sup> The Examiner determines that claim 1 is directed to a fundamental economic practice. *See, e.g.*, Final Act. 4; Ans. 3–4. Although claim 1 is better characterized as being directed to commercial or legal interactions, both are recognized as abstract ideas in the form of certain methods of organizing human activity. *See* Memorandum 84 Fed. Reg. at 52.

Reply Br. 2 (“the Examiner has completely ignored the technical limitations of the claim”).

The Examiner determines that the disputed recitations should be analyzed under *Alice* step two rather than as part of the *Alice* step one analysis of whether the claim is directed to patent-ineligible subject matter such as an abstract idea. *See* Ans. 4. Nonetheless, it is appropriate for us to review Appellants’ arguments, and the record before us, to ascertain whether these recitations represent additional elements that integrate the underlying abstract idea into a practical application (i.e., as part of the *Alice* step one analysis). *See* Memorandum, 84 Fed. Reg. at 54. Based on such review, we determine that the additional recitations of claim 1 do not integrate the underlying abstract idea into a practical application.

Claim 1 recites:

assigning, by a computing device, a first reference for a first user and a second reference for a second user, the first reference representing contact information associated with the first user and the second reference representing contact information associated with the second user, wherein the second reference is selected from a pool of reference types;

Appellants contend the claimed “use of references allow for multiple types of connections and enables the management and monitoring of the connections.” Appeal Br. 13. Although this argument is consistent with the claimed selection of “a communication medium for establishing a connection based on a communication medium identified in the second reference” (and thus the establishing and monitoring recitations that relate to such selection), the use of such references does not reflect an improvement in the functioning of a computer or an improvement in another technology or technical field. *See* Memorandum, 84 Fed. Reg. at 55. Nor does such

selection require “a particular machine or manufacture that is integral” to claim 1. *Id.* Rather, the claimed use of references generally links the use of the underlying abstract idea to a broad set of technological environments (i.e., communication mediums).

Appellants argue the claimed references are “used in lieu of fixed connection identifiers.” Appeal Br. 13. The Specification, however, discloses that a reference can be as simple as a telephone number, which may or may not be displayed. *See, e.g.*, Spec. ¶¶ 218, 240, Figs. 12, 13. Appellants do not show where the Specification distinguishes references such as telephone numbers from “fixed connection identifiers.” Because Appellants’ argument is not commensurate with the scope of claim 1, we are unpersuaded that the use of references as claimed is sufficient to integrate the underlying abstract idea into a practical application.

The remaining recitations merely relate to the automation or partial automation of processes that human customers and services providers would typically follow in marketing service offers (e.g., through listings that include contact information and prices), accepting an offer (e.g., by calling a service provider), selecting a price point (something that could be done, for example, by providing credit card information and informing the service provider how many minutes of services the customer would like to purchase), and charging for services used beyond a trial period. Thus, the recitations of claim 1 lack limited rules structured to reflect a specific implementation that differs from what human customers and services providers would likely have used. *See McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1316 (Fed. Cir. 2016). Therefore, we are unable to

identify any other additional recitations that integrate the underlying abstract idea into a practical application.

*Memorandum step 2B*

Appellants contend that, even if claim 1 is directed to an abstract idea, claim 1 also recites a “specific implementation of a connection setup procedure [that] clearly adds ‘significantly more’ to the general idea of charging users.” Appeal Br. 17.

Appellants argue the claimed “solution is unconventional as evidenced by the fact that the claims are not found in the prior art.” *Id.* at 19; *see also* Reply Br. 4 (the Examiner failed to consider “the combination of how [the claim] components are connected”). The search for an “inventive concept” analysis, however, is not an evaluation of novelty or non-obviousness, but rather a search for “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.’” *Alice*, 573 U.S. at 217–18 (citation omitted, alteration in original). A novel and nonobvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 566 U.S. at 90; *see also Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 591 (2013) (“Groundbreaking, innovative, or even brilliant discovery does not by itself satisfy the § 101 inquiry”). Therefore, the purported novelty of the claimed invention does not show that the claim 1 is directed to patent-eligible subject matter.

Appellants cite to *BASCOM* for the holding that “an inventive concept can be found in the non-conventional and non-generic arrangement of known, conventional pieces.” Appeal Br. 18 (citing *BASCOM Glob.*

*Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1350 (Fed. Cir. 2016)). In *BASCOM*, the Federal Circuit distinguished between merely reciting “the abstract idea of filtering content along with the requirement to perform it on the Internet, or to perform it on a set of generic computer components” and claims that recite “a specific, discrete implementation of the abstract idea of filtering content” in determining a claim was patent-eligible when it recited a design that provided “a technical improvement over prior art ways of filtering such content . . . [that] were either susceptible to hacking and dependent on local hardware and software, or confined to an inflexible one-size-fits-all scheme.” *BASCOM*, 827 F.3d at 1350. Appellants do not show, and we cannot find, any comparable *technical improvement* in claim 1, even when the additional recitations are considered in combination.

Appellants also argue that, like with *Amdocs (Isr.) Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288 (Fed. Cir. 2016), claim 1 includes “an unconventional technological solution, namely, the use of independent references in establishing a connection between users over the Internet and the specific architecture utilized to track and monitor these connections which has no pre-Internet analog.” Appeal Br. 19. The patent-eligible claims in *Amdocs* included recitations for achieving “a technological solution to a technological problem specific to computer networks.” *Amdocs*, 841 F.3d at 1301; *see also id.* at 1303, 1306.

Appellants argues claim 1 uses technology to solve technological “problems such as the inability for Internet-based advertisers to provide information in a limited medium.” Appeal Br. 19 (citing Spec. ¶¶ 7–8). The cited portions of the Specification, however, merely relate to the use of

telephone systems to conduct business and the use of the Internet to advertise. Spec. ¶¶ 7–8. Rather than supporting Appellants’ contentions that the claimed invention solves a technological problem, the cited portions of the Specification instead show that the claimed invention at best represents an implementation of the underlying abstract idea in a particular technological environment, a narrowing insufficient to make the claimed invention patent-eligible. *See Alice*, 573 U.S. at 222–23.

We further note that the Specification broadly discloses a variety of generic technologies suitable for the additional elements, i.e., the “computing device” and the “communication medium.” For example, the Specification discloses that the communication medium can be a “telephonic apparatus” such as “a softphone, a cellular phone, or a smart phone.” Spec. ¶¶ 41, 44; *see also id.* Fig. 10. The Specification also discloses that a “user may be connected to the advisor via a peer to peer network, using a softphone, or an instant messaging application, which may be a standalone application or a built-in or plug-in module or an applet of a web browser.” *Id.* ¶ 223; *see also id.* Fig. 9. The Specification further discloses that the claimed “computing device” is merely generic hardware. *See* ¶¶ 192–198, Fig. 10. These broad, generic descriptions illustrate that the technologies recited in claim 1 do not indicate an inventive concept is present in claim 1, but instead represent an addition to the underlying abstract idea of well-understood, routine, conventional technologies previously known and specified at a high level of generality. *See* Memorandum, 84 Fed. Reg. at 56.

For these reasons, we determine the additional elements do not make claim 1 significantly more than the underlying abstract idea. Accordingly,

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we sustain the Examiner's 35 U.S.C. § 101 rejection of claim 1, and claims 2, 4, 10, 11, 15, 17, 18, and 21–27, which Appellants do not argue separately.

#### DECISION

We affirm the Examiner's decision rejecting claims 1, 2, 4, 10, 11, 15, 17, 18, and 21–27.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 41.50(f).

AFFIRMED