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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte MARK NAKADA and JON BUTLER

Appeal 2018-002503
Application 11/397,292
Technology Center 3600

Before MICHAEL C. ASTORINO, NINA L. MEDLOCK, and
KENNETH G. SCHOPFER, *Administrative Patent Judges*.

MEDLOCK, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant¹ appeals under 35 U.S.C. § 134(a) from the Examiner’s final rejection of claims 1, 2, 4–10, and 20–36. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ We use the term “Appellant” to refer to “applicant” as defined in 37 C.F.R. § 1.42. Our decision references Appellant’s Appeal Brief (“Appeal Br.,” filed August 28, 2017) and Reply Brief (“Reply Br.,” filed January 8, 2018), and the Examiner’s Answer (“Ans.,” mailed November 8, 2017) and Final Office Action (“Final Act.,” mailed March 27, 2017). Appellant identifies the real party in interest as Mediaport Entertainment, Inc. Appeal Br. 2.

CLAIMED INVENTION

Appellant's claimed invention "relates generally to systems and methods for collecting and reporting of data" and, in particular to "systems and methods for collecting and reporting real-time or substantial real-time, data from remotely located devices to third parties" (Spec. ¶ 2).

Claims 1, 20, and 28 are the independent claims on appeal. Claim 1, reproduced below with bracketed notations added, is illustrative of the claimed subject matter:

1. A method for real-time reporting, comprising:
 - [(a)] receiving digital content from content providers at a server;
 - [(b)] transferring the digital content from the server to a plurality of kiosks, each configured to distribute digital content to an end-user and having a physical interface configured to interact with the end-user, wherein the server and the plurality of kiosks are each located at separate locations;
 - [(c)] collecting information from each of the plurality of kiosks about one or more of, use of each of the plurality of kiosks, transfer of digital content, and content distribution to end users;
 - [(d)] reporting to a third party on a substantially real-time basis one or more elements of the collected information, wherein the third party is outside a network of the server and at least one kiosk of the plurality of kiosks, and wherein the one or more elements are reported to the third party by either a kiosk of the plurality of kiosks or the server without the third-party accessing either of the kiosk or the server;
 - [(e)] customizing the digital content including bundled advertising at the server based upon the reported information;
 - [(f)] delivering the customized digital content from the server to each of the plurality of kiosks; and
 - [(g)] distributing the customized digital content to an end-user.

REJECTIONS

Claims 1, 2, 4–10, and 20–36 are rejected under 35 U.S.C. § 101 as directed to a judicial exception without significantly more.

Claim 2 is rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement.

Claims 1, 2, 4–10, and 20–36 are rejected under 35 U.S.C. § 112, second paragraph, as indefinite for failing to particularly point out and distinctly claim the subject matter that Appellant regards as the invention.

Claims 1, 2, 4–10, and 20–36 are rejected under 35 U.S.C. § 103(a) as unpatentable over Jacobson (US 2004/0158871 A1, published Aug. 12, 2004) and Ginter et al. (US 5,892,900, issued Apr. 6, 1999) (“Ginter”).

ANALYSIS

Patent-Ineligible Subject Matter

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.* 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).

In rejecting claims 1, 2, 4–10, and 34 under 35 U.S.C. § 101, the Examiner determined that independent claim 1 is directed to “receiving content, transferring content, collecting information, reporting to a third party, customizing content including advertising, delivering the customized content and distributing the customized content,” *i.e.*, to an abstract idea similar to other concepts that courts have held abstract (Final Act. 7), and that dependent claims 2, 4–10, and 34 simply add additional layers of abstraction to the abstract idea of claim 1 (*id.* at 7–8). The Examiner also determined that no inventive concept is present in these claims (*id.* at 8). The Examiner applied substantially similar reasoning in rejecting independent claims 20 and 28 and dependent claims 21–27, 29–33, 35, and 36 (*id.* at 8–13).

After Appellant’s briefs were filed in this appeal, and the Examiner’s Answer mailed, the U.S. Patent and Trademark Office (the “USPTO”) published revised guidance for use by USPTO personnel in evaluating subject matter eligibility under 35 U.S.C. § 101. 2019 REVISED PATENT SUBJECT MATTER ELIGIBILITY GUIDANCE, 84 Fed. Reg. 50, 57 (Jan. 7, 2019)

(the “2019 Revised Guidance”). That guidance revised the USPTO’s examination procedure with respect to the first step of the *Mayo/Alice* framework by (1) “[p]roviding groupings of subject matter that [are] . . . considered an abstract idea”; and (2) clarifying that a claim is not “directed to” a judicial exception if the judicial exception is integrated into a practical application of that exception. *Id.* at 50. The 2019 Revised Guidance, by its terms, applies to all applications, and to all patents resulting from applications, filed before, on, or after January 7, 2019. *Id.*

Independent Claims 1 and 20 and Dependent Claims 2, 4–10, and 21–27

Appellant argues claims 1, 2, 4–10, and 20–27 as a group (Appeal Br. 7–9). 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).

Step One of the Mayo/Alice Framework (2019 Revised Guidance, Step 2A)

The first step in the *Mayo/Alice* framework, as mentioned above, is to determine whether the claims at issue are “directed to” a patent-ineligible concept, e.g., an abstract idea. *Alice Corp.*, 573 U.S. at 217. This first step, as set forth in the 2019 Revised Guidance (i.e., Step 2A), is a two-prong test; in Step 2A, Prong One, we look to whether the claim recites a judicial exception, e.g., one of the following three groupings of abstract ideas: (1) mathematical concepts; (2) certain methods of organizing human activity, e.g., fundamental economic principles or practices, commercial or legal interactions; and (3) mental processes. 2019 Revised Guidance, 84 Fed. Reg. at 54. If so, we next consider whether the claim includes additional elements, beyond the judicial exception, that “integrate the [judicial] exception into a practical application,” i.e., that 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”). *Id.* at 54–55. Only if the claim (1) recites a judicial exception and (2) does not integrate that exception into a practical application do we conclude that the claim is “directed to” the judicial exception, e.g., an abstract idea.

We are not persuaded that the Examiner erred in determining that claim 1 is directed to an abstract idea. The Federal Circuit has explained that “the ‘directed to’ inquiry applies a stage-one filter to claims, considered in light of the specification, based on whether ‘their character as a whole is directed to excluded subject matter.’” *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016) (quoting *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015)). It asks whether the focus of the claims is on a specific improvement in relevant technology or on a process that itself qualifies as an “abstract idea” for which computers are invoked merely as a tool. *See id.* at 1335–36. Here, it is clear from the Specification, including the claim language, that the claims focus on an abstract idea, and not on any improvement to technology and/or a technical field.

The Specification is entitled “Systems and Methods for Providing Near Real-Time Collection and Reporting of Data to Third Parties at Remote Locations,” and states that the disclosure relates, in particular, to “systems and methods for collecting and reporting real-time or substantial real-time, data from remotely located devices to third parties” (Spec. ¶ 2). The Specification describes, in the Background section, that most sales of digital content, e.g., books, music, movies, etc., have been to users of computers

that are connected to each other via networks of various types, e.g., the Internet, and that it has become common, in these instances, to collect data about the user and/or her activities for various purposes, including advertising or sales (*id.* ¶¶ 3–5). Because users are not always located at a computer when they desire to purchase digital content, sales of digital content have begun using devices in remote locations, including stand-alone devices (e.g., kiosks) in retail or other high-traffic areas (*id.* ¶ 6). In addition to delivering digital content, these remote devices also can be used to advertise to the user, as well as to collect and report data about the user and her activities (*id.* ¶ 7). However, according to the Specification, the ability to collect and report such data has been limited for various reasons, e.g., remote devices are often limited in the content they provide and the information is often collected and reported to third parties in a slow and cumbersome manner (*id.*).

The claimed invention is ostensibly intended to address this issue by providing a system and method for collecting and reporting real-time or substantially real-time data from remotely located devices to third parties (*id.* ¶ 8). The Specification, thus, discloses that the system includes a centrally located device where the digital content is stored, a remotely-located device for delivering the digital content to an end-user, and means for transferring the digital content from the central location to the remote location. Information about the user and/or her activities, e.g., demographic data, sales transaction data, survey data, system performance data, and conversion tracking information, is collected at the remote location. The collected information can then be reported to third parties on a real-time or

substantially real-time basis and used for various purposes, including customizing advertising for an individual user or a group of users (*id.*).

Consistent with this disclosure, claim 1 recites a method for real-time reporting comprising: (1) receiving content at a server, i.e., “receiving digital content from content providers at a server” (step (a)); (2) transferring the content to a plurality of kiosks, i.e., “transferring the digital content from the server to a plurality of kiosks, each configured to distribute digital content to an end-user and having a physical interface configured to interact with the end-user, wherein the server and the plurality of kiosks are each located at separate locations” (step (b)); (3) collecting information from each of the plurality of kiosks and reporting the information to a third party, i.e.,

collecting information from each of the plurality of kiosks about one or more of, use of each of the plurality of kiosks, transfer of digital content, and content distribution to end users; [and]

reporting to a third party on a substantially real-time basis one or more elements of the collected information, wherein the third party is outside a network of the server and at least one kiosk of the plurality of kiosks, and wherein the one or more elements are reported to the third party by either a kiosk of the plurality of kiosks or the server without the third-party accessing either of the kiosk or the server

(steps (c) and (d)); (4) customizing the content to include advertisements based on the reported information, i.e., “customizing the digital content including bundled advertising at the server based upon the reported information” (step (e)); (5) delivering the customized content to the kiosks, i.e., “delivering the customized digital content from the server to each of the plurality of kiosks” (step (f)); and (6) distributing the customized content, including advertisements, to the end-user, i.e., “distributing the customized digital content to an end-user” (step (g)). These limitations, when given

their broadest reasonable interpretation, recite targeting advertising to an end-user, i.e., a commercial interaction, which is a method of organizing human activity and, therefore, an abstract idea. *See* 2019 Revised Guidance, 84 Fed. Reg. at 52 (describing “[c]ertain methods of organizing human activity” as including “commercial or legal interactions (including . . . advertising, marketing or sales activities or behaviors”)).

The Federal Circuit has consistently held that abstract ideas include the concepts of collecting data, analyzing the data, and displaying the results of the collection and analysis, including when limited to particular content. *See, e.g., Intellectual Ventures I LLC v. Capital One Fin. Corp.*, 850 F.3d 1332, 1340 (Fed. Cir. 2017) (identifying the abstract idea of collecting, displaying, and manipulating data); *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1354 (Fed. Cir. 2016) (characterizing collecting information, analyzing information by steps people go through in their minds, or by mathematical algorithms, and presenting the results of collecting and analyzing information, without more, as matters within the realm of abstract ideas); *see also SAP Am., Inc. v. InvestPic, LLC*, 898 F.3d 1161, 1168 (Fed. Cir. 2018) (“As many cases make clear, even if a process of collecting and analyzing information is ‘limited to particular content’ or a particular ‘source,’ that limitation does not make the collection and analysis other than abstract.”) (quoting *Elec. Power Grp.*, 830 F.3d at 1353, 1355 (citing cases))). Targeted advertising also is a longstanding marketing practice, and, as recited in claim 1, is substantially similar to other practices that courts have held abstract. *See, e.g., Morsa v. Facebook, Inc.*, 77 F. Supp. 3d 1007, 1013 (C.D. Cal. 2014), *aff’d*, 622 F. App’x 915 (Fed. Cir. 2015) (concluding that targeting advertisements to certain consumers was no more than an

abstract idea); *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 713 (Fed. Cir. 2014) (offering media content in exchange for viewing an advertisement); *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).

Having concluded that claim 1 recites a judicial exception, i.e., an abstract idea (Step 2A, Prong 1), we next consider whether the claim recites additional elements that integrate the judicial exception into a practical application (Step 2A, Prong 2).

The only additional elements recited in claim 1, beyond the abstract idea, are “a server”; “a plurality of kiosks,” including “a physical interface”; and “a network” — all of which are disclosed in the Specification at a high degree of generality, i.e., as generic computer components (*see, e.g.*, Spec. ¶¶ 21, 33–39). We find no indication in the Specification, nor does Appellant direct us to any indication, that the operations recited in claim 1 invoke any assertedly inventive programming, require any specialized computer hardware or other inventive computer components, i.e., a particular machine, or that the claimed invention is implemented using other than generic computer components to perform generic computer functions. *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.”).

We also find no indication in the Specification that the claimed invention effects a transformation or reduction of a particular article to a different state or thing. Nor do we find anything of record that attributes an improvement in technology and/or a technical field to the claimed invention or that otherwise indicates that the claimed invention integrates the abstract idea into a “practical application,” as that phrase is used in the 2019 Revised Guidance.²

Appellant argues that claim 1 recites “unique and specific sets of communications and operations by and between content providers, servers, kiosks, third parties, and end-users” and that “[t]he collection of all of these various communications and operations represent[s] new ideas that were not previously well known and were not routine activity” (Appeal Br. 7–8). Yet, Appellant misapprehends the controlling precedent to the extent Appellant maintains that claim 1 is not directed to an abstract idea, and is patent eligible because the claim is allegedly novel and/or non-obvious. Neither a novelty finding nor a non-obviousness determination automatically leads to the conclusion that the claimed subject matter is patent eligible.

“Groundbreaking, innovative, or even brilliant discovery does not by itself satisfy the § 101 inquiry.” *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 591 (2013). A novel and non-obvious claim

² The 2019 Revised Guidance references the MANUAL OF PATENT EXAMINING PROCEDURE (“MPEP”) § 2106.05(a)–(c) and (e) 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. 2019 Revised Guidance, 84 Fed. Reg. at 55. If the recited judicial exception is integrated into a practical application, as determined under one or more of these MPEP sections, the claim is not “directed to” the judicial exception.

directed to a purely abstract idea is, nonetheless, patent ineligible. *See Mayo*, 566 U.S. at 90; *see also Diamond v. Diehr*, 450 U.S. 175, 188–89 (1981) (“The ‘novelty’ of any element or steps in a process, or even of the process itself, is of no relevance in determining whether the subject matter of a claim falls within the § 101 categories of possibly patentable subject matter.”).

We also are not persuaded of Examiner error by Appellant’s argument that various features recited in the claim are not readily performed by humans (Appeal Br. 8). Indeed, a substantially similar argument was expressly rejected by the Court in *Alice*. *See Alice Corp.*, 573 U.S. at 223 (“[T]he mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention.”). Although “a method that can be performed by human thought alone is merely an abstract idea and is not patent-eligible under § 101,” *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1373 (Fed. Cir. 2011), it does not automatically follow that methods that arguably cannot be performed entirely in the human mind or manually, using pen and paper are, therefore, not directed to abstract ideas.

Responding to the Examiner’s Answer, Appellant argues in the Reply Brief that the collection of the various communications and operations recited in claims 1 and 20 represents a technological improvement (Reply Br. 2–3). Quoting limitation (d) of claim 1, Appellant, thus, notes that the claimed features “enable reporting directly to a third party on a real-time basis, without the third-party needing to request the information” (*id.* at 2). Appellant argues that “[t]his enables the third party to obtain the information almost immediately when it is available, and to then more efficiently

customize digital content for future distribution” (*id.* at 2–3). But, we are not persuaded that this is a technological improvement as opposed to an improvement to the abstract idea of targeted advertising. As described above, we find no indication in the Specification, nor does Appellant direct us to any indication, that the operations recited in claim 1 invoke any assertedly inventive programming, require any specialized computer hardware or other inventive computer components, or that the claimed invention is implemented using other than generic computer components operating in their normal, routine, and ordinary capacity.

The Specification describes, as mentioned above, that in addition to delivering digital content, devices in remote locations also can be used to advertise to a user, and collect and report data regarding the user and her activities. Yet, according to the Specification, the ability to collect and report this data has been limited for various reasons. It, thus, clearly appears from the Specification that the focus of the claimed invention is on addressing a business objective (i.e., collecting information regarding users and their activities for use in advertising to these users), and not on any claimed means for accomplishing that goal that improves technology.

We also are not persuaded by Appellant’s argument that “transferring the digital content from one of the one or more servers to one or more kiosks *on a semi-dynamic basis*,” as recited in claim 20, amounts to a technological improvement (Reply Br. 3). Appellant argues that “[r]eceiving the data on a semi-dynamic basis[, i.e., at ‘regular intervals’ (Spec. ¶ 42),] enables the server to transfer content based on patterns of access that are determined to make the most efficient use of the kiosk” (*id.*) — a process that Appellant maintains is beneficial compared to real-time transfers that can result in

delays for the end-user and inefficient use of network connectivity resources and static transfers that leave a kiosk with a fixed set of content (*id.*). But, again we are not persuaded that this is a technological improvement as opposed to an improvement in a business practice, i.e., digital content sales, where, as here, there is no indication in the Specification that any inventive computer components are required, that any allegedly inventive programming is invoked, or that data are transferred to the kiosks using other than generic components operating in their normal, routine, and ordinary capacity.

We conclude, for the reasons outlined above, that claim 1 recites a method of organizing human activity, i.e., an abstract idea, and that the additional elements recited in the claim are no more than generic components used as tools to perform the recited abstract idea. As such, they do not integrate the abstract idea into a practical application. *See Alice Corp.*, 573 U.S. at 223–24 (“[W]holly generic computer implementation is not generally the sort of ‘additional feature[e]’ that provides a ‘practical assurance that the process is more than a drafting effort designed to monopolize the [abstract idea] itself.’” (quoting *Mayo*, 566 U.S. at 77)). Accordingly, we agree with the Examiner that claim 1 is directed to an abstract idea.

Step Two of the Mayo/Alice Framework (2019 Revised Guidance, Step 2B)

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 adds specific limitations beyond the judicial exception that

are 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.

The Examiner determined here, and we agree, that the only claim elements beyond the abstract idea are “a server”; “a plurality of kiosks,” including “a physical interface”; and “a network,” i.e., generic computer components used to perform generic computer functions (Final Act. 8) — a determination amply supported by, and fully consistent with the Specification (*see, e.g.*, Spec. ¶¶ 21, 33–39).³

Appellant cannot reasonably contend, nor does Appellant, that there is a genuine issue of material fact regarding whether operation of these components is well-understood, routine, or conventional, where, as here, there is nothing in the Specification to indicate that the operations recited in claim 1 require any specialized hardware or inventive computer components or that the claimed invention is implemented using other than generic computer components to perform generic computer functions, e.g., receiving, storing, processing, and transmitting information. Indeed, the

³ The Office’s April 19, 2018 Memorandum to the Examining Corps from Deputy Commissioner for Patent Examination Policy, Robert W. Bahr, entitled, “Changes in Examination Procedure Pertaining to Subject Matter Eligibility, Recent Subject Matter Eligibility Decision (*Berkheimer v. HP, Inc.*),” available at <https://www.uspto.gov/sites/default/files/documents/memo-berkheimer-20180419.PDF>, expressly directs that an examiner may support the position that an additional element (or combination of elements) is not well-understood, routine or conventional with “[a] citation to an express statement in the specification . . . that demonstrates the well-understood, routine, conventional nature of the additional element(s)” (*id.* at 3).

Federal Circuit, in accordance with *Alice*, has “repeatedly recognized the absence of a genuine dispute as to eligibility” where claims have been defended as involving an inventive concept based “merely on the idea of using existing computers or the Internet to carry out conventional processes, with no alteration of computer functionality.” *Berkheimer v. HP, Inc.*, 890 F.3d 1369, 1373 (Fed. Cir. 2018) (Moore, J., concurring) (citations omitted); *see also BSG Tech LLC v. BuySeasons, Inc.*, 899 F.3d 1281, 1291 (Fed. Cir. 2018) (“BSG Tech does not argue that other, non-abstract features of the claimed inventions, alone or in combination, are not well-understood, routine and conventional database structures and activities. Accordingly, the district court did not err in determining that the asserted claims lack an inventive concept.”).

We are not persuaded, on the present record, that the Examiner erred in rejecting claim 1 under 35 U.S.C. § 101. Therefore, we sustain the Examiner’s rejection of claim 1, and claims 2, 4–10, and 20–27, which fall with claim 1.

Independent Claim 28 and Dependent Claims 29–33

Appellant’s arguments with respect to claim 28 (Appeal Br. 9–11) are substantially similar to Appellant’s arguments with respect to claim 1, and are similarly unpersuasive of Examiner error. As with claim 1, Appellant argues in the Reply Brief that claim 28 “represents a technological improvement realized through an ordered combination of elements” (Reply Br. 4). Substantially quoting the claim language, Appellant maintains that by providing a network of remote kiosk devices, the claimed steps reduce the burden on the server, i.e., by receiving end-user orders from other remote devices, compiling each of the end-user orders, and distributing each order

to each respective end-user (*id.*), and that the burden on other remote devices also is reduced by the claimed remote device, which reports information either to the other remote devices or to a third party, and distributes each order to each respective end-user (*id.* at 4–5).

Appellant argues that “[t]hese features represent[] a technological improvement unique to digital media distribution through a plurality of networked kiosks, which technological improvement is realized through the ordered combination of elements” (*id.* at 5). But, as with claim 1, we are not persuaded that providing a network of remote kiosk devices, as recited in claim 28, is a technological improvement as opposed to an improvement in a business practice, i.e., digital content sales, where, as here, there is no indication in the Specification that any inventive computer components or unconventional arrangement of components is required, that any allegedly inventive programming is invoked, or that the operations recited in claim 28 are performed using other than generic components operating in their normal, routine, and ordinary capacity.

We are not persuaded, on the present record, that the Examiner erred in rejecting claim 28 under 35 U.S.C. § 101. Therefore, we sustain the Examiner’s rejection of claim 28, and claims 29–33, which are not argued separately.

Dependent Claims 34–36

Claims 34–36 depend from independent claims 1, 20, and 28, respectively. Appellant asserts that claims 34–36 are not directed to an abstract idea, i.e., that dependent claims 34–36 do not recite any known fundamental economic practice, nor any method of organizing human activity (Appeal Br. 11). Appellant notes that claim 34 recites “reporting

from the server to at least one kiosk . . . at least one of the locations of specific content at other kiosks of the plurality of kiosks, aggregated data derived from the collected information associated with one or more other kiosks . . . or statistical data associated with one or more other kiosks,” and that claims 35 and 36 include similar features (*id.* at 11–12 (emphasis omitted)). And Appellant ostensibly maintains that claims 34–36 are patent eligible because these features “represent new ideas, not previously well known, and not routine activity” (*id.* at 12).

Appellant’s argument is not persuasive of Examiner error because, as described above, neither a novelty finding nor a non-obviousness determination automatically leads to the conclusion that the claimed subject matter is patent eligible. A novel and non-obvious claim directed to a purely abstract idea is, nonetheless, patent ineligible. *See Mayo*, 566 U.S. at 90.

Written Description

Whether a specification complies with the written description requirement of 35 U.S.C. § 112, first paragraph, is a question of fact and is assessed on a case-by-case basis. *See, e.g., Purdue Pharma L.P. v. Faulding, Inc.*, 230 F.3d 1320, 1323 (Fed. Cir. 2000) (citing *Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1561 (Fed. Cir. 1991)). The disclosure, as originally filed, need not literally describe the claimed subject matter (i.e., using the same terms or *in haec verba*) in order to satisfy the written description requirement. But, the specification must convey with reasonable clarity to those skilled in the art that, as of the filing date, the inventors were in possession of the claimed invention. *See id.*

Independent claim 1, as described above, recites a method for real-time reporting comprising, *inter alia*, “transferring the digital content from

the server to a plurality of kiosks . . . wherein the server and the plurality of kiosks are each located at separate locations.” Claim 2 depends from independent claim 1, and recites that “transferring the digital content from the server to a plurality of kiosks comprises transferring digital content to a wireless networked kiosk, a cabled networked kiosk, and a stand-alone non-networked kiosk.”

The Examiner maintains here that the Specification lacks written description support for “transferring digital content to a wireless networked kiosk,” as recited in claim 2, because “no particular implementation of a wireless network is disclosed in the Specification” (Final Act. 14–15). The Examiner, thus, takes the position that because claim 1 recites that the server and the plurality of kiosks are each located at separate locations, some teaching regarding the particular wireless network is required within the four corners of the written disclosure “as many types of wireless networks such as 802.11, Bluetooth, IRDA, etc. would not be viable wireless networks when used between devices that are ‘each located at separate locations’ as the transmission range is limited to ten meters or less” (*id.* at 15).

Appellant argues, and we agree, that the Specification includes the requisite written description support at least in paragraph 39, which “expressly discloses wireless communications of various networking technologies” (Reply Br. 5). Paragraph 39 states that “[t]he various components of the system can be electronically connected to each other using any means known in the art,” and explains that examples of these connections include “Ethernet, frame relay, DSL, satellite uplink, cable modem, analog modem, fibre channel, infrared and microwave transmissions, wireless communications of various types, and other

networking technologies known in the art.” The paragraph further explains that such connections may be constructed through a publicly accessible network, e.g., the Internet, and that a private network connection may also be used to ensure the integrity of the content transferred via this connection.

Further written description support also is provided, as Appellant observes (Reply Br. 5), in provisional application 60/667,638, which the present application incorporates in its entirety by reference (*see* Spec. ¶ 1). The provisional application discloses at page 6, with reference to Figure 1, that “LAN/WAN 102 connects to multiple . . . distributed content kiosks represented by wireless kiosk 160, cabled kiosk 165, stand-alone kiosk 170 . . . , or kiosk group 175 by way of WAN via Internet 155, using convention[al] network and Internet technology, well known by those of ordinary skill in the art,” and further discloses, at page 10 with reference to Figure 2, a distributed digital content kiosk system 100, including, *inter alia*, LAN/WAN 102, Content Server 125, and WAN via Internet 155. *See also* Provisional Application, 7–9, 11–13.

We agree with Appellant that the Specification provides adequate written description support such that a person skilled in the art would understand that the inventors were in possession of the claimed invention, including “transferring digital content to a wireless networked kiosk,” as recited in claim 2, at the time the application was filed. Specifically, we find that the Specification provides sufficient evidence that the inventors were in possession of the claimed functionality at the time of filing, i.e., the Specification shows possession by the inventors of how “transferring digital content [by a server] to a wireless networked kiosk [located at a separate location]” is achieved. *See Vasudevan Software, Inc. v. MicroStrategy, Inc.*,

782 F.3d 671, 683 (Fed. Cir. 2015) (“The more telling question is whether the specification shows possession by the inventor of how [the claimed function] is achieved.”). In particular, a person of ordinary skill in the art, on reviewing the Specification, would understand that the inventors were in possession of a wireless network for transferring digital content from a server to a wireless networked kiosk, based on the capabilities and limitations of the network, including, e.g., its transmission range and the distance between the kiosk and the server.

Therefore, we do not sustain the Examiner’s rejection of claim 2 under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement.

Indefiniteness

In rejecting claims 1, 2, 4–10, and 20–36 under 35 U.S.C. § 112, second paragraph, the Examiner takes the position that the terms “substantially real-time basis” and “semi-dynamic basis,” as used in independent claims 1, 20, and 28, are relative terms and render the claims indefinite because “the [S]pecification does not provide a standard for ascertaining the requisite degree, and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention” (Final Act. 15).

Appellant maintains, and we agree, that a person of ordinary skill in the art would understand what is claimed when the claims are read in light of the Specification (Appeal Br. 14–15 (citing Spec. ¶¶ 40, 42–44, 57; Figs. 3a, 3b, 3c)), namely, that the term “substantial real-time basis” refers to the transfer of data at a rate slightly less immediate than “real-time,” typically due to electronic processing delay, and that “semi-dynamic” means that the sever downloads content to the storage media at a kiosk at regular intervals.

Therefore, we do not sustain the Examiner's rejection of claims 1, 2, 4–10, and 20–36 under 35 U.S.C. § 112, second paragraph. *See Orthokinetics, Inc. v. Safety Travel Chairs, Inc.*, 806 F.2d 1565, 1576 (Fed. Cir. 1986) (The test for definiteness under 35 U.S.C. § 112, second paragraph, is whether “those skilled in the art would understand what is claimed when the claim is read in light of the specification.”).

Obviousness

Independent Claims 1 and 20 and Dependent Claims 2, 4–10, and 21–27

We are persuaded by Appellant’s argument that the Examiner erred in rejecting independent claims 1 and 20 under 35 U.S.C. § 103(a) because Jacobson, on which the Examiner relies, fails to disclose or suggest “reporting to a third party on a substantially real-time basis one or more elements of the collected information,” as recited in claim 1, and similarly recited in claim 20 (Appeal Br. 18–20).

Jacobson is directed to an apparatus for dispensing music, video games, movies, and other multimedia onto blank digital media, e.g., CDs or DVDs), for sale or rental (*see, e.g.*, Jacobson, Abstract), and discloses that in a preferred embodiment, each apparatus is connected, as part of a larger network of apparatuses, to a central operating unit (*id.* ¶ 47). Jacobson discloses in paragraphs 93 and 94, cited by the Examiner (Final Act. 18), that rental and purchase activity is reported to the central operating unit’s remote server, and that electronic and physical marking of each disk is used to enable copyright owners to audit each apparatus to verify that royalties were properly calculated for every disk that was dispensed by the machine. However, we agree with Appellant that there is nothing in the cited paragraphs that discloses or suggests that the remote server reports the rental

and purchase activity to a third party, e.g., the copyright owner, on a substantially real-time basis, as called for in claims 1 and 20 (Appeal Br. 18–19). Instead, Jacobson discloses that the remote server collects and maintains the information so that a copyright owner can later access the system to verify that royalties were correctly paid (*id.*).

In view of the foregoing, we do not sustain the Examiner’s rejection of independent claims 1 and 20 under 35 U.S.C. § 103(a). For the same reasons, we also do not sustain the rejection of dependent claims 2, 4–19, and 21–27. *Cf. In re Fritch*, 972 F.2d 1260, 1266 (Fed. Cir. 1992) (“dependent claims are nonobvious if the independent claims from which they depend are nonobvious”).

Independent Claim 28 and Dependent Claims 29–36

Independent claim 28 includes language substantially similar to the language of claim 1, and stands rejected based on the same rationale with respect to Jacobson applied with respect to claim 1 (Final Act. 23–24). Therefore, we do not sustain the Examiner’s rejection under 35 U.S.C. § 103(a) of independent claim 28, and claims 29–36, which depend therefrom, for the same reasons set forth above with respect to claim 1.

CONCLUSION

In summary:

Claims Rejected	35 U.S.C. §	Reference(s)/Basis	Affirmed	Reversed
1, 2, 4–10, 20–36	101	Eligibility	1, 2, 4–10, 20–36	
2	112, first paragraph	Written Description		2

Appeal 2018-002503
Application 11/397,292

Claims Rejected	35 U.S.C. §	Reference(s)/Basis	Affirmed	Reversed
1, 2, 4-10, 20-36	112, second paragraph	Indefiniteness		1, 2, 4-10, 20-36
1, 2, 4-10, 20-36	103	Jacobson, Ginter		1, 2, 4-10, 20-36
Overall Outcome			1, 2, 4-10, 20-36	

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. § 1.136(a)(1)(iv).

AFFIRMED