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| APPLICATION NO.   | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|---|-------------|----------------------|---------------------|------------------|
| 13/344,483  | 01/05/2012  | Rod N. Averbuch      | Averbuch04          | 1311             |
| 93483   | 7590        | 05/02/2018           | EXAMINER            |                  |
| Rod Averbuch<br>1160 S. Michigan Avenue<br>Apt. 3904<br>Chicago, IL 60605 |             |                      | CROSS, MICHAEL J    |                  |
|   |             |                      | ART UNIT            | PAPER NUMBER     |
|   |             |                      | 3621                |                  |
|   |             |                      | NOTIFICATION DATE   | DELIVERY MODE    |
|   |             |                      | 05/02/2018          | ELECTRONIC       |

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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* ROD N. AVERBUCH

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Appeal 2018-003343  
Application 13/344,483<sup>1</sup>  
Technology Center 3600

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Before MICHAEL C. ASTORINO, BRUCE T. WIEDER, and  
TARA L. HUTCHINGS, *Administrative Patent Judges*.

WIEDER, *Administrative Patent Judge*.

DECISION ON APPEAL

This is a decision on appeal under 35 U.S.C. § 134 from the Examiner’s rejection of claims 39–42 and 51–60. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

CLAIMED SUBJECT MATTER

Appellant’s claimed invention relates to promotions presented on a display device for products that have a “remaining shelf life [that] matches [a] family’s typical consumption pattern.” (Spec., Abstract.)

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<sup>1</sup> According to Appellant, the real party in interest is Rod N. Averbuch. (Appeal Br. 1.)

Claims 39 and 51 are the independent claims on appeal. Claim 39 is illustrative. It recites (emphasis added):

39. A promotion method of a product from a specific lot, the method comprising:

querying a server by a processor based display device, for at least a promotion or a shelf-life information associated with a first product from at least a first lot;

*identifying by the display device a promotion information of the first product from the first lot that its remaining shelf life matches a first consumption pattern of the first product by a first consumer*, wherein the first consumption pattern indicates a first consumption time of the first product by the first consumer calculated by a processor by utilizing at least a first presence indication of the first product purchased by the first consumer;

displaying by the display device at least the promotion information of the first product from the first lot or the first lot indication or the remaining shelf-life of the first product from the first lot.

## REJECTIONS

Claims 39–42 and 51–60 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

Claims 39–41, 51, 54, and 57–60 are rejected under 35 U.S.C. § 103(a) as unpatentable in view of Borom (US 2009/0240518 A1, pub. Sept. 24, 2009) and Hipsher (US 2010/0049616 A1, pub. Feb. 25, 2010).

Claims 42 and 56 are rejected under 35 U.S.C. § 103(a) as unpatentable in view of Borom, Hipsher, Scrivano (US 2010/0274633 A1, pub. Oct. 28, 2010), and Altman (US 2012/0220314 A1, pub. Aug. 30, 2012).

Claim 52 is rejected under 35 U.S.C. § 103(a) as unpatentable in view of Borom, Hipsher, and Siegel (US 2002/0082931 A1, pub. June 27, 2002).

Claims 53 and 55 are rejected under 35 U.S.C. § 103(a) as unpatentable in view of Borom, Hipsher, and Scrivano.

## ANALYSIS

### The § 101 rejection

“Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.” 35 U.S.C. § 101. Section 101, however, “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 *Assoc. for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 589 (2013)).

*Alice* applies a two-step framework, earlier set out 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.

Under the two-step framework, it must first be determined if “the claims at issue are directed to a patent-ineligible concept.” *Id.* If the claims are determined to be directed to a patent-ineligible concept, then the second step of the framework is applied to determine if “the elements of the claim . . . contain[] an ‘inventive concept’ sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application.” *Id.* at 2357 (citing *Mayo*, 566 U.S. at 72–73, 79).

With regard to step one of the *Alice* framework, the Examiner determines that the claims “include an abstract idea,” specifically a “method of organizing human activity that falls under sales, advertising, and marketing activity[,] rather than a technical one.” (Non-Final Action 6.)

Appellant disagrees and “argues that the Examiner’s selective partial analyses of Claim 39, which is based only on one step of Claim 39 . . . distorts the actual idea” to which the claim is directed. (Appeal Br. 11, emphasis omitted.) Specifically, Appellant argues that “[t]he U.S. Supreme Court in ‘Alice’ and ‘Bilski’ unmistakably requires that an identified idea in a claim must be one idea, which the entire claim is directed to, not one or more ideas merely included, contained or involved in the claim.” (*Id.*, emphasis omitted.)

We do not find these arguments persuasive of error. Under step one of the *Alice* framework, we “look at the ‘focus of the claimed advance over the prior art’ to determine if the claim’s ‘character as a whole’ is directed to excluded subject matter.” *Affinity Labs of Texas, LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1257 (Fed. Cir. 2016) (quoting *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016)).

The Specification provides evidence as to what the claimed invention is directed. In this case, the Specification discloses that the invention relates to promotions presented on a display device for products that have a “remaining shelf life [that] matches [a] family’s typical consumption pattern.” (Spec., Abstract.) Claim 39 recites “[a] promotion method of a product . . . , the method comprising: querying a server . . . for at least a promotion . . . associated with a first product,” “identifying . . . a promotion

information of the first product,” and “displaying . . . at least the promotion information of the first product.”

Although we and the Examiner describe, at different levels of abstraction, to what the claims are directed, it is recognized that “[a]n abstract idea can generally be described at different levels of abstraction.” *Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1240 (Fed. Cir. 2016). That need not and, in this case does not, “impact the patentability analysis.” *See id.* at 1241. In short, we agree with the Examiner that the claims are directed to an abstract idea; in this case, a method of organizing human activity in the form of “sales, advertising, and marketing activity.” (*See Non-Final Action 6.*)

With regard to Appellant’s argument that the claims must be directed to one, “not one or more ideas,” (*see* Appeal Br. 11, emphasis omitted), we do not find this argument persuasive of error. The focus of the analysis is on the claim as a whole. *RecogniCorp, LLC v. Nintendo Co.*, 855 F.3d 1322, 1327 (Fed. Cir. 2017). A claim may incorporate multiple abstract ideas but that “does not render the claim non-abstract.” *Id.*

Appellant further argues that the Examiner has not presented a prima facie case of unpatentability under the first step of the *Alice* framework. (Appeal Br. 12–13.) We disagree.

[T]he PTO carries its procedural burden of establishing a prima facie case when its rejection satisfies 35 U.S.C. § 132, in “notify[ing] the applicant . . . [by] stating the reasons for [its] rejection, or objection or requirement, together with such information and references as may be useful in judging of the propriety of continuing the prosecution of [the] application.” 35 U.S.C. § 132. That section “is violated when a rejection is so uninformative that it prevents the applicant from recognizing and

seeking to counter the grounds for rejection.” *Chester v. Miller*, 906 F.2d 1574, 1578 (Fed.Cir.1990).

*In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011). Here, the Examiner analyzed the claims using the *Alice* framework and articulated why the claims are directed to an abstract idea. (See Non-Final Action 5–7; see also Answer 4.) Moreover, that Appellant was able to respond to the rejection is evidence that the rejection was sufficiently informative for the Appellant to recognize and provide counter-arguments to the grounds for rejection.

In view of the above, we are not persuaded that the Examiner erred in determining that the claims are directed to an abstract idea.

We now look to step two of the *Alice* framework. Step two of the *Alice* framework has been described “as 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.’” *Alice*, 134 S. Ct. at 2355 (citing *Mayo*, 566 U.S. at 72–73).

The Examiner finds that “the steps of claims 39 and 51 do not improve another technology or technical field, do not improve the functioning of the computer itself, and are not enough to qualify as ‘significantly more’.” (Non-Final Action 7.) The Examiner also finds that “the abstract idea claimed . . . requires no more than [a] conventional computer to perform generic computer functions.” (Answer 4.)

Appellant disagrees and argues that the claimed “method is directed to [a] much more meaningful and limited method” than that found by the Examiner. (Appeal Br. 13–14, emphasis omitted.) We understand this to be an argument that the claims are patent-eligible because they do not preempt

every application of the abstract idea. We do not find this argument persuasive of error. Preemption is not a separate test.

To be clear, the proper focus is not preemption *per se*, for some measure of preemption is intrinsic in the statutory right granted with every patent to exclude competitors, for a limited time, from practicing the claimed invention. *See* 35 U.S.C. § 154. Rather, the animating concern is that claims should not be coextensive with a natural law, natural phenomenon, or abstract idea; a patent-eligible claim must include one or more substantive limitations that, in the words of the Supreme Court, add “significantly more” to the basic principle, with the result that the claim covers significantly *less*. *See Mayo* 132 S. Ct. at 1294 [566 U.S. at 72–73].

*CLS Bank Int’l v. Alice Corp. Pty. Ltd.*, 717 F.3d 1269, 1281 (Fed. Cir. 2013) (Lourie, J., concurring), *aff’d*, 134 S. Ct. 2347 (2014). Moreover, “[w]here a patent’s claims are deemed only to disclose patent ineligible subject matter under the *Mayo* framework, as they are in this case, preemption concerns are fully addressed and made moot.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015). In other words, “preemption may signal patent ineligible subject matter, [but] the absence of complete preemption does not demonstrate patent eligibility.” *Id.*

Appellant further argues that the claimed invention provides “technology improvement . . . over the conventional lot-based product promotion method.” (Appeal Br. 14, emphasis omitted.) In particular, Appellant argues that it is “not the use of the computer” that provides the improved method but that “[t]he incorporation of the claimed steps enables the non-generic and unconventional method that identifies and displays a promotion information of a product . . . that its remaining shelf-life matches

the consumption pattern of this product by a ‘specific consumer.’” (*Id.* at 15, emphasis omitted.) In other words, Appellant argues that the claims are directed to a particular business practice.

We are not persuaded of reversible error. “These claims in substance [are] directed to nothing more than the performance of an abstract business practice . . . using a conventional computer. Such claims are not patent-eligible.” *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1256 (Fed. Cir. 2014).

Moreover, taking the claim elements separately, the function performed by the computer at each step is purely conventional. Querying, identifying, and displaying results are basic computer functions. Additionally, the Specification discloses that the invention can be implemented using generic computer components. (*See, e.g.*, Spec. 8–10.) In short, each step does no more than require a generic computer to perform routine computer functions.

Considered as an ordered combination, the computer components of Appellant’s method add nothing that is not already present when the steps are considered separately. The claims do not, for example, purport to improve the functioning of the display device or server. Nor do they effect an improvement in any other technology or technical field. Instead, the claims at issue amount to nothing significantly more than an instruction to apply the abstract idea. That is not enough to transform an abstract idea into a patent-eligible invention. *Alice*, 134 S. Ct. at 2360.

In view of the above, we are not persuaded that the Examiner erred in rejecting independent claims 39 and 51 under § 101. Dependent claims 40–

42 and 52–60 are not separately argued and fall with claims 39 and 51. *See* 37 C.F.R. § 41.37(c)(1)(iv).

*The § 103(a) rejection*

The Examiner finds that Borom discloses “provid[ing] incentive[s] to customers” and “utiliz[ing] a customer’s normal buying patterns and frequencies to establish a baseline pattern.” (Non-Final Action 9, citing Borom ¶¶ 17, 58, emphasis omitted.)

The Examiner acknowledges that “Borom does not explicitly disclose: that its remaining shelf life matches a first consumption pattern of the first product by a first consumer.” (*Id.* at 10.) The Examiner, however, finds that

Hipsher teaches: remaining shelf life of a product . . . matching the consumer consumption pattern . . . [where a point of sale] device function[s] to collect sales information regarding perishable goods of interest; in this case, prior sales information of the consumer is used as a proxy for consumption information (the store in this scenario is the consumer)).

(*Id.*, emphasis omitted) From this, the Examiner determines that

it would have been obvious to one of ordinary skill at the time of the invention for Borom to explicitly provide for identifying promotion information to customers whose consumption patterns match the remaining shelf life of a product thus providing incentive to consumers to buy products at discount, the motivation being avoiding waste of perishable goods. Rationale for combining in this manner is that while it is directed to adjusting/determining consumption patterns of a customer, Hipsher is directed at determining remaining shelf life of a product and offering incentives to customers based on the remaining shelf life of the product.

(*Id.* at 10–11.)

Appellant argues that the Examiner finds, inconsistently, that the consumer in Borom is a purchaser and consumer of a product, and that the consumer in Hipsher is a store. (Appeal Br. 17, citing Non-Final Action 10.) Thus, “Appellant respectfully disagrees with the rationale behind combining two different definitions of the same ‘consumer’ term during the same claim step analysis.” (*Id.* at 18, emphasis omitted.) And, Appellant argues, the Examiner failed to “identify a reason that would have prompted a person of ordinary skill in the relevant field to combine the elements in the way the claimed new invention does.” (*Id.*, emphasis omitted, citing *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007)).

We are persuaded of reversible error. Borom discloses “[a]n enhanced shopping system for facilitating grocery shopping and in-store advertising.” (Borom, Abstract.) In particular, Borom discloses a portable scanner such that, “[f]rom a shopper’s perspective, groceries to be purchased are scanned at home after the items are consumed to form a shopping list that facilitates shopping.” (*Id.* ¶ 17.) Additionally,

[s]ince each item on the consumer’s list is uniquely identified, the retailer can provide manufacturers with product specific “virtual merchandising” opportunities which may include (i) “protecting” a manufacturer’s product on the shopping list by displaying the specific brand . . . , (ii) allowing a manufacturer to provide substitutes and coupons . . . ; (iii) allowing a manufacturer to add suggested products (specific & branded) to a consumer’s list . . . , and/or (iv) tracking consumer purchasing patterns and suggesting when a product might have been left off of the list.

(*Id.*; see also *id.* ¶ 58.)

Hipsher discloses “[a] system and method for controlling the inventory of perishable goods.” (Hipsher, Abstract.) In particular, Hipsher

discloses using a point of sale device, typically “found in retail checkout areas,” to perform their “customary tasks” and “to collect sales information regarding perishable goods of interest.” (*Id.* ¶ 20.) This “sales information is shared with the inventory management software application . . . and price optimization software.” (*Id.*) Hipsher also discloses “the use of advanced weighing scales [that identify the product being weighed (*id.* ¶ 25)] as a portal for accessing and using perishable goods inventory management and price optimization information.” (*Id.* ¶ 12.) “[T]he inventory management software . . . and price optimization software . . . use the data received from the POS device(s) . . . and weighing scale(s) . . . to assist the retailer with planning and managing its inventory of perishable goods and to determine and recommend the optimum price for a given perishable good.” (*Id.* ¶ 27.)

In short, Hipsher discloses how a store can collect and use its sales and inventory information to optimize prices for a perishable good. And Borom discloses creating a consumer shopping list. Although the Examiner indicates that “avoiding waste of perishable goods” would have provided one of skill in the art with a motivation to combine Borom and Hipsher (Non-Final Action 10), the Examiner does not indicate *how* one would have combined Borom and Hipsher to achieve this goal. Specifically, the Examiner does not “identify a reason that would have prompted a person of ordinary skill in the relevant field to combine the elements *in the way the claimed new invention does.*” *See KSR Int’l*, 550 U.S. at 418 (emphasis added). Thus, the Examiner has not provided sufficient articulated reasoning with rational underpinning to support the conclusion of obviousness. *See id.* Therefore, we are persuaded that the Examiner erred in rejecting claim 39 under § 103(a). For the same reasons, we are

persuaded that the Examiner erred in rejecting dependent claims 40–42 and 59. The additional reference relied on in rejecting dependent claim 42 does not cure the above noted deficiencies.

Independent claim 51 contains language similar to that of claim 39, and is rejected for the same reason. For the reasons discussed above, we are persuaded that the Examiner erred in rejecting claim 51. For the same reasons, we are persuaded that the Examiner erred in rejecting dependent claims 52–58 and 60. The additional references relied on in rejecting dependent claims 52, 53, 55, and 56 do not cure the above noted deficiencies.

#### DECISION

The Examiner's rejection of claims 39–42 and 51–60 under 35 U.S.C. § 101 is affirmed.

The Examiner's rejections of claims 39–42 and 51–60 under 35 U.S.C. § 103(a) are reversed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED