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BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte CHARLES STUBBS, LAURIE SCHOLL,
DEREK TALBOT, MATTHEW MULQUEEN, BILL LOTT,
W. B. CASWELL JR., and NEIL SALVAGE

Appeal 2018-004411¹
Application 10/931,138
Technology Center 3600

Before MURRIEL E. CRAWFORD, ANTON W. FETTING, and
MATTHEW S. MEYERS, *Administrative Patent Judges*.

FETTING, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE²

Charles Stubbs, Laurie Scholl, Derek Talbot, Matthew Mulqueen, Bill Lott, W. B. Caswell JR., and Neil Salvage (Appellant³) seeks review under

¹ Oral arguments were presented April 27, 2020.

² Our decision will make reference to the Appellant's Appeal Brief ("App. Br.," filed September 29, 2017) and Reply Brief ("Reply Br.," filed March 23, 2018), and the Examiner's Answer ("Ans.," mailed January 25, 2018), and Final Action ("Final Act.," mailed May 3, 2017).

35 U.S.C. § 134 of a final rejection of claims 1–7, 12–16, and 20–23, the only claims pending in the application on appeal. We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b).

The Appellant invented an internet pricing system. Specification 3:15–16.

An understanding of the invention can be derived from a reading of exemplary claim 12, which is reproduced below (bracketed matter and some paragraphing added).

12. A method, comprising:

[1] monitoring, by a server, selections of uniform resource locators that link as Internet traffic to a customer website, the Internet traffic resulting from Internet searches during a period of time;

[2] authorizing, by the server, a number of search terms associated with the customer website during an online auction conducted by a provider associated with an Internet search engine;

[3] defining, by the server, a target level associated with the Internet traffic to the customer website during the period of time;

[4] comparing, by the server, the target level to the Internet traffic;

[5] submitting, by the server, an increased number of the search terms associated with the customer website to the Internet search engine,

the increased number of the search terms in response to the Internet traffic being less than the target level;

³ We use the word “Appellant” to refer to “applicant” as defined in 37 C.F.R. § 1.42. Appellant identifies the real party in interest as AT&T Intellectual Property I, L.P. (Appeal Br. 3).

and

[6] submitting, by the server, a decreased number of the search terms associated with the customer website to the Internet search engine,

the decreased number of the search terms in response to the Internet traffic being greater than the target level.

Claims 1–7, 12–16, and 20–23 stand rejected under 35 U.S.C. § 101 as directed to a judicial exception without significantly more.

ISSUES

The issues of eligible subject matter turn primarily on whether the claims recite more than abstract conceptual advice of results desired.

ANALYSIS

STEP 1⁴

Claim 12, as a method claim, nominally recites one of the enumerated categories of eligible subject matter in 35 U.S.C. § 101. The issue before us is whether it is directed to a judicial exception without significantly more.

STEP 2

The Supreme Court

set forth a framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts. First, . . . determine whether the claims at issue are directed to one of those patent-ineligible concepts. If so, we then ask, “[w]hat else is there in the claims before us? To answer that question, . . . consider the elements of each claim both individually and “as an ordered combination” to determine whether the additional

⁴ For continuity of analysis, we adopt the steps nomenclature from 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50 (Jan. 7, 2019) (“Revised Guidance”).

elements “transform the nature of the claim” into a patent-eligible application. [The Court] described step two of this analysis 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 Corp. v. CLS Bank Int’l, 573 U.S. 208, 217–18 (2014) (citations omitted) (citing *Mayo Collaborative Servs. v. Prometheus Labs, Inc.*, 566 U.S. 66 (2012)). To perform this test, we must first determine what the claims are directed to. This begins by determining whether the claims recite one of the judicial exceptions (a law of nature, a natural phenomenon, or an abstract idea). Then, if the claims recite a judicial exception, determining whether the claims at issue are directed to the recited judicial exception, or whether the recited judicial exception is integrated into a practical application of that exception, i.e., that the claims “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.” Revised Guidance, 84 Fed. Reg. at 54. If the claims are directed to a judicial exception, then finally determining whether the claims provide an inventive concept because the additional elements recited in the claims provide significantly more than the recited judicial exception.

STEP 2A Prong 1

At a high level, and for our preliminary analysis, we note that method claim 12 recites monitoring selection data, authorizing a number of search term data, defining target level data, comparing target level and traffic data, and submitting increased or decreased numbers of search term data in response to the comparison result. Monitoring data is receiving data.

Authorizing data is updating data to represent the authorization. Defining data is updating data to represent the definition. Comparing data is rudimentary analysis. Submitting search terms data is data transmission. Thus, claim 12 recites receiving, updating, analyzing, and transmitting data. None of the limitations recites technological implementation details for any of these steps, but instead recite only results desired by any and all possible means.

From this we see that claim 12 does not recite the judicial exceptions of either natural phenomena or laws of nature.

Under Supreme Court precedent, claims directed purely to an abstract idea are patent in-eligible. As set forth in the Revised Guidance, which extracts and synthesizes key concepts identified by the courts, abstract ideas include (1) mathematical concepts⁵, (2) certain methods of organizing human activity⁶, and (3) mental processes⁷. Among those certain methods of organizing human activity listed in the Revised Guidance are commercial or legal interactions. Like those concepts, claim 12 recites the concept of managing advertising activity. Specifically, claim 12 recites operations that

⁵ See, e.g., *Gottschalk v. Benson*, 409 U.S. 63, 71–72 (1972); *Bilski v. Kappos*, 561 U.S. 593, 611 (2010); *Mackay Radio & Telegraph Co. v. Radio Corp. of Am.*, 306 U.S. 86, 94 (1939); *SAP America, Inc. v. InvestPic, LLC*, 898 F.3d 1161, 1163 (Fed. Cir. 2018).

⁶ See, e.g., *Bilski*, 561 U.S. at 628; *Alice*, 573 U.S. at 219-20; *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed Cir. 2014); *Smart Sys. Innovations, LLC v. Chicago Transit Auth.*, 873 F.3d 1364, 1383 (Fed. Cir. 2017); *In re Marco Guldenaar Holding B.V.*, 911 F.3d 1157, 1160–61 (Fed. Cir. 2018).

⁷ See, e.g., *Benson*, 409 U.S. at 67; *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1371–72 (Fed. Cir. 2011); *Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1318 (Fed. Cir. 2016).

would ordinarily take place in advising one to manipulate advertising query levels to achieve approximate numeric targets. The advice to manipulate advertising query levels to achieve approximate numeric targets involves monitoring such advertising query levels, which is an advertising management act, and sending advertising queries in for response, which is an act ordinarily performed in the stream of commerce. For example, claim 12 recites “monitoring . . . Internet traffic to a customer website, . . . resulting from Internet searches,” which is an activity that would take place whenever one is monitoring advertising search queries. Similarly, claim 1 recites “submitting . . . the search terms associated with the customer website to the Internet search engine,” which is also characteristic of managing advertising queries to a search.

The Examiner determines the claims to be directed to managing relationships or transactions between people and sales activities. Final Act. 3. The preamble to claim 12 does not recite what it is to achieve, but the steps in claim 12 result in managing advertising activity by manipulating advertising query levels to achieve approximate numeric targets absent any technological mechanism other than a conventional computer for doing so.

As to the specific limitations, limitation 1 recites receiving data. Limitations 2–6 recite generic and conventional updating, analyzing, and transmitting of advertising query data, which advise one to apply generic functions to get to these results. The limitations thus recite advice for manipulating advertising query levels to achieve approximate numeric targets. To advocate manipulating advertising query levels to achieve approximate numeric targets is conceptual advice for results desired and not technological operations.

The Specification at 3:15–16 describes the invention as relating to an internet pricing system. Thus, all this intrinsic evidence shows that claim 12 recites managing advertising activity. This is consistent with the Examiner’s determination.

This in turn is an example of commercial or legal interactions as a certain method of organizing human activity because managing advertising activity is a way of inducing customer commerce. The concept of managing advertising activity by manipulating advertising query levels to achieve approximate numeric targets is one idea for distributing advertising as a commodity. The steps recited in claim 12 are part of how this might conceptually be premised.

Our reviewing court has found claims to be directed to abstract ideas when they recited similar subject matter. *Ultramerical, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014)(advertising).

From this we conclude that at least to this degree, claim 12 recites managing advertising activity by manipulating advertising query levels to achieve approximate numeric targets, which is a commercial and legal interaction, one of certain methods of organizing human activity identified in the Revised Guidance, and, thus, an abstract idea.

STEP 2A Prong 2

The next issue is whether claim 12 not only recites, but is more precisely directed to this concept itself or whether it is instead directed to some technological implementation or application of, or improvement to, this concept i.e. integrated into a practical application.⁸

⁸ See, e.g., *Alice*, 573 U.S. at 223, discussing *Diamond v. Diehr*, 450 U.S. 175 (1981).

At the same time, we tread carefully in construing this exclusionary principle lest it swallow all of patent law. At some level, “all inventions ... embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas.” Thus, an invention is not rendered ineligible for patent simply because it involves an abstract concept. “[A]pplication[s]” of such concepts “ ‘to a new and useful end,’ ” we have said, remain eligible for patent protection. Accordingly, in applying the § 101 exception, we must distinguish between patents that claim the “ ‘buildin[g] block[s]’ ” of human ingenuity and those that integrate the building blocks into something more.

Alice, 573 U.S. at 217 (citations omitted).

Taking the claim elements separately, the operation performed by the computer at each step of the process is expressed purely in terms of results, devoid of implementation details. Step 1 is a pure data gathering step. Limitations describing the nature of the data do not alter this. Steps 2 and 3 recite basic conventional data operations such as generating, updating, and storing data. Steps 5 and 6 are insignificant post solution activity, such as storing, transmitting, or displaying the results. Step 4 recites generic computer processing expressed in terms of results desired by any and all possible means and so present no more than conceptual advice. All purported inventive aspects reside in how the data is interpreted and the results desired, and not in how the process physically enforces such a data interpretation or in how the processing technologically achieves those results.

Viewed as a whole, Appellant’s claim 12 simply recites the concept of managing advertising activity by manipulating advertising query levels to achieve approximate numeric targets as performed by a generic computer. This is no more than conceptual advice on the parameters for this concept

and the generic computer processes necessary to process those parameters, and do not recite any particular implementation.

Claim 12 does not, for example, purport to improve the functioning of the computer itself. Nor does it effect an improvement in any other technology or technical field. The 21+ pages of specification⁹ do not bulge with disclosure, but only spell out different generic equipment¹⁰ and parameters that might be applied using this concept and the particular steps such conventional processing would entail based on the concept of managing advertising activity by manipulating advertising query levels to achieve approximate numeric targets under different scenarios. They do not describe any particular improvement in the manner a computer functions. Instead, claim 12 at issue amounts to nothing significantly more than an instruction to apply managing advertising activity by manipulating advertising query levels to achieve approximate numeric targets using some unspecified, generic computer. Under our precedents, that is not enough to transform an abstract idea into a patent-eligible invention. *See Alice*, 573 U.S. at 225–26.

None of the limitations reflects an improvement in the functioning of a computer, or an improvement to other technology or technical field, applies or uses a judicial exception to effect a particular treatment or prophylaxis for a disease or medical condition, implements a judicial exception with, or uses a judicial exception in conjunction with, a particular machine or manufacture that is integral to the claim, effects a transformation

⁹ Page 1 is just a title page and the last page is only two thirds full.

¹⁰ The Specification describes a computer-based system, processor-containing system, or other system that can fetch the instructions from the instruction execution system. Spec. 23:2–4.

or reduction of a particular article to a different state or thing, or applies or uses the judicial exception in some other meaningful way beyond generally linking the use of the judicial exception to a particular technological environment, such that the claim as a whole is more than a drafting effort designed to monopolize the exception.

We conclude that claim 12 is directed to achieving the result of managing advertising activity by advising one to manipulate advertising query levels to achieve approximate numeric targets, as distinguished from a technological improvement for achieving or applying that result. This amounts to commercial or legal interactions, which fall within certain methods of organizing human activity that constitute abstract ideas. The claim does not integrate the judicial exception into a practical application.

STEP 2B

The next issue is whether claim 12 provides an inventive concept because the additional elements recited in the claim provide significantly more than the recited judicial exception.

The introduction of a computer into the claims does not generally alter the analysis at *Mayo* step two.

the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention. Stating an abstract idea “while adding the words ‘apply it’” is not enough for patent eligibility. Nor is limiting the use of an abstract idea “to a particular technological environment.” Stating an abstract idea while adding the words “apply it with a computer” simply combines those two steps, with the same deficient result. Thus, if a patent’s recitation of a computer amounts to a mere instruction to “implement[t]” an abstract idea “on . . . a computer,” that addition cannot impart patent eligibility. This conclusion accords with the preemption concern that undergirds our § 101 jurisprudence. Given the

ubiquity of computers, wholly generic computer implementation is not generally the sort of “additional feature[e]” that provides any “practical assurance that the process is more than a drafting effort designed to monopolize the [abstract idea] itself.”

Alice, 573 U.S. at 223–24 (citations omitted).

“[T]he relevant question is whether the claims here do more than simply instruct the practitioner to implement the abstract idea [] on a generic computer.” *Alice*, 573 U.S. at 225. They do not.

Taking the claim elements separately, the function performed by the computer at each step of the process is purely conventional. Using a computer for receiving, updating, analyzing, and transmitting data amounts to electronic data query and retrieval—one of the most basic functions of a computer. All of these computer functions are generic, routine, conventional computer activities that are performed only for their conventional uses. *See Elec. Power Grp. LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016). *See also In re Katz Interactive Call Processing Patent Litig.*, 639 F.3d 1303, 1316 (Fed. Cir. 2011) (“Absent a possible narrower construction of the terms ‘processing,’ ‘receiving,’ and ‘storing,’ . . . those functions can be achieved by any general purpose computer without special programming”). None of these activities is used in some unconventional manner nor does any produce some unexpected result. Appellant does not contend it invented any of these activities. In short, each step does no more than require a generic computer to perform generic computer functions. As to the data operated upon, “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.” *SAP America, Inc. v. InvestPic LLC*, 898 F.3d 1161, 1168 (Fed. Cir. 2018).

Considered as an ordered combination, the computer components of Appellant’s claim 12 add nothing that is not already present when the steps are considered separately. The sequence of data reception-update-analysis-transmission is equally generic and conventional. *See Ultramercial*, 772 F.3d at 715 (sequence of receiving, selecting, offering for exchange, display, allowing access, and receiving payment recited an abstraction), *Inventor Holdings, LLC v. Bed Bath & Beyond, Inc.*, 876 F.3d 1372, 1378 (Fed. Cir. 2017) (sequence of data retrieval, analysis, modification, generation, display, and transmission), *Two-Way Media Ltd. v. Comcast Cable Communications, LLC*, 874 F.3d 1329, 1339 (Fed. Cir. 2017) (sequence of processing, routing, controlling, and monitoring). The ordering of the steps is therefore ordinary and conventional.

We conclude that claim 12 does not provide an inventive concept because the additional elements recited in the claim do not provide significantly more than the recited judicial exception.

REMAINING CLAIMS

Claim 12 is representative. The remaining method claims merely describe process parameters. We conclude that the method claims at issue are directed to a patent-ineligible concept itself, and not to the practical application of that concept.

As to the structural claims, they

are no different from the method claims in substance. The method claims recite the abstract idea implemented on a generic computer; the system claims recite a handful of generic computer components configured to implement the same idea. This Court has long “warn[ed] ... against” interpreting § 101 “in

ways that make patent eligibility ‘depend simply on the draftsman’s art.’

Alice, 573 U.S. at 226. As a corollary, the claims are not directed to any particular machine.

LEGAL CONCLUSION

From these determinations we further determine that the claims do not recite an improvement to the functioning of the computer itself or to any other technology or technical field, a particular machine, a particular transformation, or other meaningful limitations. From this we conclude the claims are directed to the judicial exception of the abstract idea of certain methods of organizing human activity as exemplified by the commercial and legal interaction of managing advertising activity by advising one to manipulate advertising query levels to achieve approximate numeric targets, without significantly more.

APPELLANT’S ARGUMENTS

We are not persuaded by Appellant's argument that the Examiner mischaracterized the claims. Appellant contends that the Examiner’s characterization fails to mention various features. App. Br. 7–8. The Examiner explicitly considered and treated each of the steps. Final Act. 2–3. Presumably, Appellant quarrels with the Examiner’s lack of reference to the nature of the data the steps operate upon. But “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.” *SAP*, 898 F.3d at 1168.

We are not persuaded by Appellant's argument that independent claim 1 addresses a "business challenge" that is "particular to the internet,"

as in *DDR*. App. Br. 9–11. Similarly, we are not persuaded by Appellant's argument that independent claim 1 is "rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks," as in *DDR*. App. Br. 11–13. In both these arguments, Appellant contends that the asserted claims are akin to the claims found patent-eligible in *DDR Holdings, LLC v. Hotels.com, L.P.* 773 F.3d 1245 (Fed. Cir. 2014). In *DDR Holdings*, the Court evaluated the eligibility of claims “address[ing] the problem of retaining website visitors that, if adhering to the routine, conventional functioning of Internet hyperlink protocol, would be instantly transported away from a host’s website after ‘clicking’ on an advertisement and activating a hyperlink.” *Id.* at 1257. There, the Court found that the claims were patent eligible because they transformed the manner in which a hyperlink typically functions to resolve a problem that had no “pre-Internet analog.” *Id.* at 1258. The Court cautioned, however, “that not all claims purporting to address Internet-centric challenges are eligible for patent.” *Id.* For example, in *DDR Holdings* the Court distinguished the patent-eligible claims at issue from claims found patent-ineligible in *Ultramercial*. *See id.* at 1258–59 (citing *Ultramercial*, 772 F.3d at 715–16). As noted there, the *Ultramercial* claims were “directed to a specific method of advertising and content distribution that was previously unknown and never employed on the Internet before.” *Id.* at 1258 (quoting *Ultramercial*, 772 F.3d at 715–16). Nevertheless, those claims were patent ineligible because they “merely recite[d] the abstract idea of ‘offering media content in exchange for viewing an advertisement,’ along with ‘routine additional steps such as

updating an activity log, requiring a request from the consumer to view the ad, restrictions on public access, and use of the Internet.” *Id.*

Appellant’s asserted claims are analogous to claims found ineligible in *Ultramerical* and distinct from claims found eligible in *DDR Holdings*. The ineligible claims in *Ultramerical* recited “providing [a] media product for sale at an Internet website;” “restricting general public access to said media product;” “receiving from the consumer a request to view [a] sponsor message;” and “if the sponsor message is an interactive message, presenting at least one query to the consumer and allowing said consumer access to said media product after receiving a response to said at least one query.” 772 F.3d at 712. Similarly, Appellant’s asserted claims recite receiving, updating, analyzing, and transmitting data. This is precisely the type of Internet activity found ineligible in *Ultramerical*.

Appellant specifically refers to how the

Specification expressly explains how "web searches" are of a "particular interest to businesses." Indeed, it is "imperative for businesses (especially small businesses) to be included in search engines' databases of web pages." However, "most search engines have turned their search engine database into a profit center," in which fees are charged for "buying entry into a search engine's database, or pay-per-click by buying the right to appear when particular search terms are used."

App. Br. 9 (citations omitted). This describes a business and marketing problem, not a technological problem. Web searches are the product being sold. There is no discussion of difficulty and solution to the technological mechanisms of web searches. Instead, the difficulty is in managing the production levels of a product for sale, in this case such searches. This is a classic production management issue having nothing to do with technological issues.

We are not persuaded by Appellant's argument that independent claim 1 is analogous to *McRO*. App. Br. 13–14. In this, Appellant also attempts to analogize the claims to those involved in *McRO, Inc. v. Bandai Namco Games America Inc.*, 837 F.3d 1299 (Fed. Cir. 2016). In *McRO*, the court held that, although the processes were previously performed by humans, “the traditional process and newly claimed method . . . produced . . . results in fundamentally different ways.” *FairWarning IP, LLC v. Iatric Systems*, 839 F.3d 1089, 1094 (Fed. Cir. 2016) (differentiating the claims at issue from those in *McRO*). In *McRO*, “it was the incorporation of the claimed rules not the use of the computer, that improved the existing technology process,” because the prior process performed by humans “was driven by subjective determinations rather than specific, limited mathematical rules.” 837 F.3d at 1314 (internal quotation marks, citation, and alterations omitted). In contrast, the claims of the instant application merely implement an old practice of using decision criteria in making delivery decisions in a new environment. Appellant has not argued that the claimed processes of selecting delivery levels apply rules of selection in a manner technologically different from those which humans used, albeit with less efficiency, before the invention was claimed. Merely pigeon holing the objects of decision making in tiers to aid decision making is both old and itself abstract.

The claims in *McRO* were not directed to an abstract idea, but instead were directed to “a specific asserted improvement in computer animation, i.e., the automatic use of rules of a particular type.” We explained that “the claimed improvement [was] allowing computers to produce ‘accurate and realistic lip synchronization and facial expressions in animated characters’ that previously could only be produced by human animators.” The claimed rules in *McRO* transformed a traditionally

subjective process performed by human artists into a mathematically automated process executed on computers.

FairWarning, 839 F.3d at 1094 (differentiating the claims at issue from those in *McRO*).

We are not persuaded by Appellant's argument that dependent claims 2–7 recite "significantly more" under DDR. App. Br. 14–15. Appellant only refers to the arguments made in the parent claim rejection as support, and they are no more persuasive here.

We are not persuaded by Appellant's argument that dependent claims 2–7 satisfy *McRO*. App. Br. 15. Appellant only refers to the arguments made in the parent claim rejection as support, and they are no more persuasive here.

We are not persuaded by Appellant's argument that independent claim 12 addresses a "business challenge" that is "particular to the internet," as in *DDR*. App. Br. 15–16. Appellant repeats the argument made as to claim 1, which is similar in substance. That argument is no more persuasive here.

We are not persuaded by Appellant's argument that independent claim 12 is "rooted in computer technology to overcome a problem specifically arising in the realm of computer networks," as in *DDR*. App. Br. 16–18. Appellant repeats the argument made as to claim 1, which is similar in substance. That argument is no more persuasive here.

We are not persuaded by Appellant's argument that independent claim 12 is analogous to *McRO*. App. Br. 18–19. Appellant repeats the argument made as to claim 1, which is similar in substance. That argument is no more persuasive here.

We are not persuaded by Appellant's argument that dependent claims 13–16 recite "significantly more" under DDR. App. Br. 19–20. Appellant

only refers to the arguments made in the parent claim rejection as support, and they are no more persuasive here.

We are not persuaded by Appellant's argument that dependent claims 13–16 satisfy *McRO*. App. Br. 20. Appellant only refers to the arguments made in the parent claim rejection as support, and they are no more persuasive here.

We are not persuaded by Appellant's argument that independent claim 20 addresses a "business challenge" that is "particular to the internet," as in *DDR*. App. Br. 20–21. Appellant repeats the argument made as to claim 1, which is similar in substance. That argument is no more persuasive here.

We are not persuaded by Appellant's argument that independent claim 20 is "rooted in computer technology to overcome a problem specifically arising in the realm of computer networks," as in *DDR*. App. Br. 21–23. Appellant repeats the argument made as to claim 1, which is similar in substance. That argument is no more persuasive here.

We are not persuaded by Appellant's argument that independent claim 20 is analogous to *McRO*. App. Br. 23–24. Appellant repeats the argument made as to claim 1, which is similar in substance. That argument is no more persuasive here.

We are not persuaded by Appellant's argument that dependent claims 21–23 recite "significantly more" under *DDR*. App. Br. 24–25. Appellant only refers to the arguments made in the parent claim rejection as support, and they are no more persuasive here.

We are not persuaded by Appellant's argument that dependent claims 21–23 satisfy *McRO*. App. Br. 25. Appellant only refers to the arguments

made in the parent claim rejection as support, and they are no more persuasive here.

We are not persuaded by Appellant's argument that the claim elements must recite an improvement that goes beyond "well-understood, routine, and conventional activity." **Indeed, if no prior art is cited against the pending claims, the pending claims must logically transform any alleged abstract idea into patent eligible subject matter.** The pending claims, in plain words, must satisfy Step 2 of the *Mayo/Alice* inquiry.

App. Br. 25–26. Appellant's attempt at a logic syllogism is actually a non-sequitur. Novelty and obviousness differ from eligibility. "A claim for a new abstract idea is still an abstract idea. The search for a § 101 inventive concept is thus distinct from demonstrating § 102 novelty." *Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1151 (Fed. Cir. 2016).

Appellant further argues that the asserted claims are akin to the claims found patent-eligible in *Diamond v. Diehr*, 450 U.S. 175 (1981).

App. Br. 26–27. But,

we must read *Diehr* in light of *Alice*, which emphasized that *Diehr* does not stand for the general proposition that a claim implemented on a computer elevates an otherwise ineligible claim into a patent-eligible improvement. *Alice*. Rather, *Diehr* involved "a 'well-known' mathematical equation ... used ... in a process designed to solve a technological problem in 'conventional industry practice.'"

OIP Techs., Inc. v. Amazon.com, Inc., 788 F.3d 1359, 1363 (Fed. Cir. 2015).

Diehr solved a technological problem in the conventional industry practice of molding tires. Here Appellant argues only that the invention directs content for search results based on request levels. Modifying content is not

a technological industry practice, but instead it is only making content available as desired.

Appellant argues that the asserted claims are akin to the claims found patent-eligible in *Finjan, Inc. v. Blue Coat System, Inc.*, 879 F.3d 1299 (Fed. Cir. 2018). Reply Br. 18–19. In *Finjan*, the Court held that claims to a “behavior-based virus scan” were a specific improvement in computer functionality and hence not directed to an abstract idea. 879 F.3d at 1304. The claimed technique of scanning enabled “more flexible and nuanced virus filtering” and detection of potentially dangerous code. *Id.* This was done by “scanning a downloadable and attaching the results of that scan to the downloadable itself in the form of a ‘security profile.’” *Id.* at 1303. The security profile included the information about potentially hostile operations produced by a “behavior-based” virus scan, as distinguished from traditional, “code-matching” virus scans that are limited to recognizing the presence of previously-identified viruses, typically by comparing the code in a downloadable to a database of known suspicious code. *Id.* at 1304. This behavior-based scan was a new type of file that when attached to a downloadable allowed the computer to do more to protect itself than in the past.

The instant claims present no such new type of processing to create a file that improves computer performance. Instead, the claims are conventional data processing of search and advertising related data. They may improve achieving management target levels of commerce, but this is not an improvement to the computer.

Appellant refers to a newer case at oral arguments and argues that the asserted claims are akin to the claims found patent-eligible in *SRI Int’l*,

Inc. v. Cisco Sys. Inc., 930 F.3d 1295, 1304 (Fed. Cir. 2019). Oral Hearing Transcript mailed May 6, 2020, 3:1–2. There the Court held patent eligible claims directed to an improved method of network security “using network monitors to detect suspicious network activity generating reports of that suspicious activity, and integrating those reports using hierarchical monitors.” 930 F.3d at 1303. The Court concluded that the “focus of the claims was on the specific asserted improvement in computer capabilities,” namely “providing a network defense system that monitors network traffic in real-time to automatically detect large-scale attacks.” *Id.* at 1303–04. Significantly, the Court construed “network traffic data” as data obtained from direct examination of network packets. *Id.* at 1306.

Appellant cites our prior Decision (*Ex Parte Stubbs*, 2012-007541 (PTAB 8/5/2014)) at page 10 for its use of the term “traffic.” Appellant contends that our description that “the customer purchases an additional number of search terms to increase traffic to the customer website,” *id.*, is analogous to *SRI*’s detecting network traffic data in its claim 1. Appellant concludes that the claims are therefore patent eligible because basing action on reacting to network traffic is a technological improvement. Appellant draws the wrong implication from *SRI*. The mere fact that the instant claims use the same word “traffic” is insufficient to make this leap. The Court in *SRI* held that the claims provided a network defense system that monitored network traffic in real-time to automatically detect large-scale attacks. The instant claims instead enforce the terms of an advertising contract.

Appellant also refers to *SRI* describing how “the claims actually prevent the normal, expected operation of a conventional computer network,” and analogize that to our description of how the art cited by the

Examiner did “the opposite of what is claimed.” *Ex Parte Stubbs* at 10. But that was not the opposite of conventional computing, but instead, the opposite of a different contractual arrangement. Finally, the term “traffic” is a collective noun. Much as a mob of thieves is very different from a mob of kangaroos¹¹, the characteristics of a collective noun depend largely on the content of what it collects. The Court in *SRI* construed its traffic to contain data obtained from direct examination of network packets. The traffic in the instant claims contain search terms. The difference is that while *SRI* examined packet data, which contains data relating the packet content to nodes in the physical network that could be exploited to discover potential threats, the instant claims examine search term data and simply count the number of searches against a contractual target level. Instead of protecting a physical, technological network, the instant claims enforce the terms of a conceptual contractual agreement. As the Court in *Customedia* stated,

In sum, “software can make non-abstract improvements to computer technology just as hardware improvements can.” *Enfish*, 822 F.3d at 1335. But to be directed to a patent-eligible improvement to computer functionality, the claims must be directed to an improvement to the functionality of the computer or network platform itself. *See, e.g., id.* 1336–39; *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257–59 (Fed. Cir. 2014). Thus, this inquiry “often turns on whether the claims focus on ‘the specific asserted improvement in computer capabilities . . . or, instead, on a process that qualifies as an “abstract idea” for which computers are invoked merely as a tool.’” *Finjan*, 879 F.3d at 1303 (quoting *Enfish*, 822 F.3d at 1335–36).

Against this background, we agree with the Board that the claims here are not directed to a patent-eligible improvement to

¹¹ “Mob” is the proper collective noun in each instance.

computer functionality. The claims of the '090 and '494 patents do not enable computers to operate more quickly or efficiently, nor do they solve any technological problem. They merely recite reserving memory to ensure storage space is available for at least some advertising data. The specification is silent as to any specific structural or inventive improvements in computer functionality related to this claimed system. *See, e.g.*, '090 patent at 30:57–67, 3:47–50. The only improvements identified in the specification are generic speed and efficiency improvements inherent in applying the use of a computer to any task. Therefore, the claimed invention is at most an improvement to the abstract concept of targeted advertising wherein a computer is merely used as a tool. This is not an improvement in the functioning of the computer itself.

Customedia Techs., LLC v. Dish Network Corp., 951 F.3d 1359, 1364 (Fed. Cir. 2020). Similarly, here the claimed invention is at most an improvement to the abstract concept of targeted advertising wherein a computer is merely used as a tool. This is not an improvement in the functioning of the computer itself.

CONCLUSIONS OF LAW

The rejection of claims 1–7, 12–16, and 20–23 under 35 U.S.C. § 101 as directed to a judicial exception without significantly more is proper.

CONCLUSION

The rejection of claims 1–7, 12–16, and 20–23 is affirmed.

In summary:

Claims Rejected	35 U.S.C. §	Basis	Affirmed	Reversed
1–7, 12–16, 20–23	101	Eligibility	1–7, 12–16, 20–23	

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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) (2011).

AFFIRMED