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EXAMINER

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte STEVE MORSA

Appeal 2018-004483
Application 13/694,192
Technology Center 3600

Before BIBHU R. MOHANTY, MICHAEL W. KIM, and AMEE A. SHAH,
Administrative Patent Judges.

MOHANTY, *Administrative Patent Judge.*

DECISION ON APPEAL

STATEMENT OF THE CASE

The Appellant seeks our review under 35 U.S.C. § 134(a) of the final rejection of claims 2–74 and 83–89, which are all the claims pending in the application. We have jurisdiction under 35 U.S.C. § 6(b).

SUMMARY OF THE DECISION

We AFFIRM.

THE INVENTION

The Appellant's claimed invention is directed to match engine marketing (Spec, Title). Claim 2, reproduced below, is representative of the subject matter on appeal.

2. A technical field improving technological process comprising:

transmitting by a computer system over a network for display to a user a request for demographic and/or psychographic user information;

receiving at the computer system over the network from the user the user information;

saving by the computer system the user information;

receiving at the computer system over the network from a first advertiser an association between (i) one or more first criteria comprising demographic and / or psychographic criteria and a first ad and (ii) a first bid, the bid being the highest amount the advertiser is willing to, but may not have to, pay, and the first ad;

receiving at the computer system over the network from a second advertiser an association between (i) one or more second criteria comprising demographic and/or psychographic criteria and a second ad and (ii) a second bid, the bid being the highest amount the advertiser is willing, but may not have, to pay, and the second ad;

determining by the computer system that a first match exists between the first criteria and the user information;

determining by the computer system that a second match exists between the second criteria and the user information;

in the event of both a first match and a second match, determining by the computer system placement of at least one of the first and second ads based on one or more ad placement factors comprising the first and second bids;

transmitting by the computer system at least one of the first and second ads over the network to the user.

THE REJECTION¹

Claims 2–74 and 83–89 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

FINDINGS OF FACT

We have determined that the findings of fact in the Analysis section below are supported at least by a preponderance of the evidence².

ANALYSIS

Rejection under 35 U.S.C. § 101

The Appellant argues that the rejection of claim 2 is improper because the Appellant’s claim is directed to a patent eligible concept (App. Br. 15–25). The Appellant argues that the rejection has been improperly applied and fails to properly identify the claim as being directed to an abstract concept (App. Br. 15–25). The Appellant argues that that the claim is directed to patent eligible subject matter (App. Br. 15–25).

In contrast, the Examiner has determined that rejection of record is proper (Ans. 3–8; Final Act. 4).

We agree with the Examiner. 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

¹ The Answer indicates that the rejections of the claims 2–74 and 83–89 under 35 U.S.C. § 102(b) and double patenting are withdrawn (Ans. 3).

² See *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Patent Office).

nature, natural phenomena, and abstract ideas” are not patentable. *See, e.g., Alice Corp. Pty Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014).

In judging whether claim 2 falls within the excluded category of abstract ideas, we are guided in our analysis by the Supreme Court’s two-step framework, described in *Mayo* and *Alice*. *Id.* at 2355 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 77, 78 (2012)). In accordance with that framework, we first determine whether the claim is “directed to” a patent-ineligible abstract idea. If so, we then consider the elements of the claim both individually and as “an ordered combination” to determine whether the additional elements “transform the nature of the claim” into a patent-eligible application of the abstract idea. *Id.* This is a search for an “inventive concept” an element or combination of elements sufficient to ensure that the claim amounts to “significantly more” than the abstract idea itself. *Id.* The Court also stated that “the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention.” *Id.* at 2358.

Here, we agree with the Examiner that the claim is directed to the concepts of targeting advertisements for a user, and using a bidding system to determine how the advertisements will be displayed (Ans. 5). We also agree with the Examiner that these concepts are a fundamental economic practices long prevalent in our system of commerce and, thus, the claim is directed to an abstract idea (Ans. 5). Furthermore, as noted by the Examiner, the claims at issue are similar to claims in *Morsa v. Facebook, Inc.* 77 F.Supp.3d 1007, C.D. California, Dec. 23, 2014 (*aff’d* in *Morsa v. Facebook, Inc.* 622 Fed. Appx. 915, Nov. 13, 2015) where claims directed to targeting advertisements to certain consumers, and using a bidding system to

determine when and how advertisements will be displayed were held to be directed toward an abstract concept (Ans. 5–6). We have reviewed the claim and determine it is directed to the abstract concept identified above.

We next consider whether additional elements of the claim, both individually and as an ordered combination, transform the nature of the claim into a patent-eligible application of the abstract idea, e.g., whether the claim does more than simply instruct the practitioner to implement the abstract idea using generic computer components. We conclude that it does not. The Specification at pages 20–37 for example describes using generic computer components such as network PC’s, minicomputers, mainframe computers, cell phones, servers, match, engines, local area networks and wide area networks in a conventional manner for the known functions.

Considering each of the claim elements in turn, the function performed by the computer system at each step of the process is purely conventional. Each step of the claimed method does no more than require a generic computer to perform a generic computer function.

We note the point about pre-emption (App. Br. 25–28). While pre-emption “might tend to impede innovation more than it would tend to promote it, ‘thereby thwarting the primary object of the patent laws’” (*Alice*, 134 S. Ct. at 2354 (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66 at 70 (2012))), “the absence of complete preemption does not demonstrate patent eligibility” (*Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015)). See also *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015), *cert. denied*, 136 S. Ct. 701, 193 (2015)(“[T]hat the claims do not preempt all price

optimization or may be limited to price optimization in the e-commerce setting do not make them any less abstract.”).

The Appellant argues that the claims have been shown to be novel and non-obvious and, thus, not directed to an abstract concept (App. Br. 33, 34). However, neither a finding of novelty nor a non-obviousness determination automatically leads to the conclusion that the claimed subject matter is patent-eligible. Although the second step of the *Mayo/Alice* framework is termed a search for an “inventive concept,” the analysis is not an evaluation of novelty or non-obviousness, but rather, a search for “an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Alice Corp.*, 134 S. Ct. at 2355 (citation omitted). “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). *See 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.”).

The Appellant also argues in the Appeal Brief at page 29 that advertising is real, tangible, and concrete. We have considered this argument but determine here that the claim at issue is instead directed to the abstract concept identified above.

The Appellant argues the claims are directed to improved technology and improved computer technology (App. Br. 34–39), but for the reasons above we disagree. Here, the claims are not rooted in technology, but in the

abstract concept identified above, and the claims fail to transform the abstract nature of the claim into patent eligible subject matter for the reasons provided. For example, there is no indication that the generic computer system is technologically improved; any alleged improvement appears to reside in the claimed process, and the Appellant has not persuaded us otherwise. For these reasons, the rejection of claim 2 is sustained.

The Appellant states at pages 3–13 that the remaining claims 3–74 and 83–89 are separately contested, but presents no specific arguments for the substance of these claims. We have reviewed each of these claims and determined that they are directed to the same basic abstract concept identified above, and also each fail to transform the abstract nature of each respective claim and the rejection of these claims is sustained as well. For example, claim 36 is broader in scope, but directed to the same abstract concept as claim 2 discussed above. Independent claims 68 and 83 are more specific in claiming the particular number of devices in the network, but also are drawn to the same abstract concept identified above. Similarly, while the dependent claims are each more specific, they are drawn to the same or a similar abstract concept as well, and fail to transform the respective abstract nature of each respective claim.

The Appellant's arguments have been fully considered but are not deemed persuasive and, therefore, the rejection is sustained.

CONCLUSIONS OF LAW

We conclude that Appellant has not shown that the Examiner erred in rejecting claims 2–74 and 83–89 under 35 U.S.C. § 101.

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DECISION

The Examiner's rejection of claims 2–74 and 83–89 is sustained.

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