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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte MICHAL JONATHAN GELLER and
GREGORY R. SPILS

Appeal 2018-005015
Application 13/399,619
Technology Center 3600

Before JENNIFER L. MCKEOWN, CARL L. SILVERMAN, and
JOYCE CRAIG, *Administrative Patent Judges*.

CRAIG, *Administrative Patent Judge*.

DECISION ON APPEAL

Pursuant to 35 U.S.C. § 134(a), Appellant¹ appeals from the Examiner's decision to reject claims 1–5, 7, 10, 11, 13–16, 18–21, 23, 25, 26, and 28–33. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

¹ 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 Amazon Technologies, Inc. Appeal Br. 2.

STATEMENT OF THE CASE

The Invention

Appellant's disclosed embodiments and claimed invention relate to processing physical coupons through an electronic commerce system.

Abstract.

Exemplary Claim

Claim 1, reproduced below, is illustrative of the subject matter on appeal (*emphasis* added to contested prior-art limitations):

1. A non-transitory computer-readable medium storing a plurality of computer instructions executable in a computing device, the plurality of computer instructions, when executed, causing the computing device to:

receive, in an electronic commerce system, an image of a physical coupon for an item from a client device;

identify a coupon identifier by processing the image of the physical coupon;

identify an electronic coupon that corresponds to the coupon identifier, the electronic coupon being stored in a coupon catalog associated with the electronic commerce system;

identify a promotional benefit for the item, the promotional benefit being based at least in part on the electronic coupon;

determine that a user account has not exceeded a predefined limit of using the electronic coupon based on the coupon identifier and authentication data associated with the client device, the predefined limit being associated with the user account;

determine that a geographical area associated with the user account is eligible for the electronic coupon; and

automatically associate the item with an electronic shopping cart that facilitates a purchase of the item through the electronic commerce system using the electronic coupon.

Rejections on Appeal

Claims 5 and 16 stand rejected under 35 U.S.C. § 112, first paragraph, as lacking written description support. Final Act. 3–5.

Claims 1–5, 7, 10, 11, 13–16, 18–21, 23, 25, 26, and 28–33 stand rejected under 35 U.S.C. § 101 as directed to patent-ineligible subject matter. Final Act. 5–10.

Claims 1, 7, 15, 25, 26, and 31 stand rejected under 35 U.S.C. § 103(a) as unpatentable over the combination of Griffith et al. (US 2009/0276307 A1; published Nov. 5, 2009) (“Griffith”), SnipSnap (<https://web.archive.org/web/20120103083845/http://snipsnap.it/>; Jan. 2012), Hawkins et al. (US 2007/0162337 A1; published July 12, 2007) (“Hawkins”), and Barnett et al. (US 2001/0001145 A1; published May 10, 2001) (“Barnett”). Final Act. 11–20.

Claims 2, 3, 5, 10, 11, 13, 14, 16, 18–21, 29, 30, 32, and 33 stand rejected under 35 U.S.C. § 103(a) as unpatentable over the combination of Griffith, SnipSnap, and Hawkins. Final Act. 20–36.

Claims 4 and 28² stand rejected under 35 U.S.C. § 103(a) as unpatentable over the combination of Griffith, SnipSnap, Hawkins, and

² Appellant notes that claims 6 and 17 have been cancelled and that this rejection appears to refer instead to claims 4 and 28. Appeal Br. 82. Although the heading of the rejection refers to claims 6 and 17, the body of the rejection addresses claims 4 and 28. Final Act. 36. For clarity, we refer to claims 4 and 28 in the claim listing here.

Thibedeau et al. (US 2010/0131342 A1; published May 27, 2010)
("Thibedeau"). Final Act. 36–38.

CLAIM GROUPING

In reaching this decision, we consider all evidence presented and all arguments actually made by Appellant. To the extent Appellant has not advanced separate, substantive arguments for particular claims, or other issues, such arguments are waived. 37 C.F.R. § 41.37(c)(1)(iv).

Regarding the § 101 rejection, Appellant argues four groups of claims separately (claims 1, 25, 26, and 31; claims 2–5, 7, 10, 11, 13, and 32; claims 14, 16, 18–20, and 33; claims 21, 23, and 28–30). *See* Appeal Br. 9–64. Because the Examiner made a single § 101 rejection for all claims and because Appellant's arguments for each set of claims are virtually identical and not substantively separate, given our discretion under 37 C.F.R. § 41.37(c)(1)(iv), we decide the § 101 rejection of claims 1–5, 7, 10, 11, 13–16, 18–21, 23, 25, 26, and 28–33 based on representative claim 1.

Regarding the § 103(a) rejections, Appellant divides the claims into six groups and argues them separately (claims 1, 25, 26, and 31; claims 2, 3, 5, 10, 11, 13, and 32; claims 14, 16, 18–20, and 33; claims 21, 29, and 30; claims 7 and 15; claims 4 and 28). *See* Appeal Br. 64–83. Because we have discretion under 37 C.F.R. § 41.37(c)(1)(iv), we decide the appeal of the § 103(a) rejection of claims 1, 7, 15, 25, 26, and 31–35 on the basis of independent claim 1 and the § 103(a) rejections of claims 2–5, 10, 11, 13, 14, 16, 18–21, 28–30, 32, 33 on the basis of independent claim 2. An issue particular to dependent claim 31 is argued separately and will be addressed separately. *See* Appeal Br. 68.

ANALYSIS

Rejection of Claims 5 and 16 Under 35 U.S.C. § 112, First Paragraph

Claim 5 recites, in part:

determine that another physical coupon does not correspond to one of a plurality of electronic coupons associated with the electronic commerce system based at least in part on another coupon identifier in an image of the other physical coupon;

generate an additional electronic coupon corresponding to the other coupon identifier based at least in part on the other physical coupon.

Appeal Br. 87.

Claim 16 recites in part:

generating, in the computing device, an additional electronic coupon upon determining that another physical coupon does not correspond to a plurality of electronic coupons based at least in part on another coupon identifier in an image of the other physical coupon.

Appeal Br. 89.

The Examiner rejected claims 5 and 16 as failing to comply with the written-description requirement of § 112 because the originally filed Specification lacks support for the limitation “determine that another physical coupon does not correspond to one of a plurality of electronic coupons associated with the electronic commerce system based at least in part on another coupon identifier in an image of the other physical coupon,” as recited in claim 5, and the “generating” limitation shown above, as recited in claim 16. Final Act. 3–4. According to the Examiner, paragraph 26 of the Specification describes that the physical coupon may include one or

more coupon identifiers, but does not appear to specify a second or additional coupon. *Id.* at 4; Ans. 4.

Appellant argues that “[t]he Specification describes in sufficient detail the subject matter of claim 5” (Appeal Br. 5) and “the subject matter of claim 16” (*id.* at 7). According to Appellant, “[o]nce the coupon processing engine 129 has obtained or extracted one or more coupon identifiers 183, the coupon processing engine 129 may attempt to identify one or more electronic coupons 153 that correspond to the coupon identifier 183.” Appeal Br. 6, 8 (citing Spec. ¶ 37). Appellant further argues that paragraph 9³ of the Specification describes that “if the electronic commerce system determines that the physical coupon does not correspond to an electronic coupon, the electronic commerce system may generate a new electronic coupon that may be applied.” Appeal Br. 7, 8 (citing FIGS 4A, 4B, ¶¶ 9 and 70–77).

“The test for the sufficiency of the written description ‘is whether the disclosure of the application relied upon reasonably conveys to those skilled in the art that the inventor had possession of the claimed subject matter as of the filing date.’” *Vasudevan Software, Inc. v. MicroStrategy, Inc.*, 782 F.3d 671, 682 (Fed. Cir. 2015) (citing *Ariad Pharms., Inc. v. Eli Lilly & Co.*, 598 F.3d 1336, 1351 (Fed. Cir. 2010) (en banc)).

Appellant has persuaded us of Examiner error. In the Answer, the Examiner stated that “Appellant’s arguments were not persuasive,” without addressing paragraph 9 or the other sections of the Specification cited by

³ Appellant refers to this section of the Specification as paragraph 10 in the Appeal Brief. The citation should have been to paragraph 9, which Appellant cited correctly in the Reply Brief.

Appellant. *See* Ans. 4, 5. Thus, the Examiner has not provided sufficient explanation or reasoning as to why the cited portions of the Specification fail to support the recited subject matter in dispute.

For these reasons, on the record before us, we are persuaded the Examiner erred, and we reverse the written description rejection under 35 U.S.C. § 112, first paragraph, of claims 5 and 16.

Rejection of Claims Under 35 U.S.C. § 101

Legal Standard

“Whether a claim is drawn to patent-eligible subject matter is an issue of law that we review de novo.” *SiRF Tech., Inc. v. Int’l Trade Comm’n*, 601 F.3d 1319, 1331 (Fed. Cir. 2010).

An invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101.⁴ However, the Supreme Court has long interpreted 35 U.S.C. § 101 to include implicit exceptions: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 70 (2012) (brackets in original) (citing *Diamond v. Diehr*, 450 U.S. 175, 185 (1981)).

In determining whether a claim falls within an excluded category, we are guided by the Supreme Court’s two-step framework, described in *Mayo* and *Alice*. *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 217–18 (2014) (citing *Mayo*, 566 U.S. at 75–77). In accordance with that framework, we first determine what concept the claim is “directed to.” *See Alice*, 573 U.S.

⁴ This threshold analysis of whether a claim is directed to one of the four statutory categories of invention, i.e., a process, machine, manufacture, or composition of matter, is referred to as “*Step 1*” in the patent-eligibility inquiry under § 101.

at 219 (“On their face, the claims before us are drawn to the concept of intermediated settlement, *i.e.*, the use of a third party to mitigate settlement risk.”); *see also Bilski v. Kappos*, 561 U.S. 593, 611 (2010) (“Claims 1 and 4 in petitioners’ application explain the basic concept of hedging, or protecting against risk . . .”).

Concepts determined to be abstract ideas, and thus patent ineligible, include certain methods of organizing human activity, such as fundamental economic practices (*Alice*, 573 U.S. at 219–20; *Bilski*, 561 U.S. at 611); mathematical formulas (*Parker v. Flook*, 437 U.S. 584, 594–95 (1978)); and mental processes (*Gottschalk v. Benson*, 409 U.S. 63, 69 (1972)). Concepts determined to be patent eligible include physical and chemical processes, such as “molding rubber products” (*Diehr*, 450 U.S. at 191); “tanning, dyeing, making water-proof cloth, vulcanizing India rubber, smelting ores” (*id.* at 182 n.7 (quoting *Corning v. Burden*, 56 U.S. (15 How.) 252, 267–68 (1854))); and manufacturing flour (*Benson*, 409 U.S. at 69 (citing *Cochrane v. Deener*, 94 U.S. 780, 785 (1876))).

In *Diehr*, the claim at issue recited a mathematical formula, but the Supreme Court held “[a] claim drawn to subject matter otherwise statutory does not become nonstatutory simply because it uses a mathematical formula.” *Diehr*, 450 U.S. at 187; *see also id.* at 191 (“We view respondents’ claims as nothing more than a process for molding rubber products and not as an attempt to patent a mathematical formula.”). Having said that, the Supreme Court also indicated that a claim “seeking patent protection for that formula in the abstract . . . is not accorded the protection of our patent laws, and this principle cannot be circumvented by attempting to limit the use of the formula to a particular technological environment.”

Id. (citation omitted) (citing *Benson* and *Flook*); *see, e.g., id.* at 187 (“It is now commonplace that an *application* of a law of nature or mathematical formula to a known structure or process may well be deserving of patent protection.”).

Abstract ideas may include, but are not limited to, fundamental economic practices, methods of organizing human activities, and mathematical formulas or relationships. *Alice*, 573 U.S. at 217–21. Under this guidance, we must therefore ensure at step one that we articulate what the claims are directed to with enough specificity to ensure the step one inquiry is meaningful. *Id.* at 217 (“[W]e tread carefully in construing this exclusionary principle lest it swallow all of patent law.”).

If the claim is “directed to” an abstract idea, we turn to the second step of the *Alice* and *Mayo* framework, where “we must examine the elements of the claim to determine whether it contains an “inventive concept”” sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application.” *Alice*, 573 U.S. at 221 (citation omitted). “A claim that recites an abstract idea must include ‘additional features’ to ensure ‘that the [claim] is more than a drafting effort designed to monopolize the [abstract idea].’” *Id.* (alterations in original) (quoting *Mayo*, 566 U.S. at 77). “[M]erely requir[ing] generic computer implementation[] fail[s] to transform that abstract idea into a patent-eligible invention.” *Id.*

The PTO recently published revised guidance in the Federal Register concerning the application of § 101. *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50 (January 7, 2019) (hereinafter “Revised Guidance”) (<https://www.govinfo.gov/content/pkg/FR-2019-01-07/pdf/2018-28282.pdf>).

Under the Revised Guidance, we first look to whether the claim recites:

(1) any judicial exceptions, including certain groupings of abstract ideas (i.e., mathematical concepts, certain methods of organizing human activity such as a fundamental economic practice, or mental processes);⁵ and

(2) additional elements that integrate the judicial exception into a practical application (*see* Manual for Patent Examining Procedure (“MPEP”) §§ 2106.05(a)–(c), (e)–(h)).⁶

Only if a claim (1) recites a judicial exception and (2) does not integrate that exception into a practical application, do we then look to whether the claim:

(3) adds a specific limitation beyond the judicial exception that are not “well-understood, routine, conventional” in the field (*see* MPEP § 2106.05(d)); or

(4) simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception.⁷

See Revised Guidance.

⁵ Referred to as “*Revised Step 2A, Prong 1*” in the Revised Guidance (hereinafter “*Step 2A(i)*”).

⁶ Referred to as “*Revised Step 2A, Prong 2*” in the Revised Guidance (hereinafter “*Step 2A(ii)*”).

⁷ Items (3) and (4) continue to be collectively referred to as “*Step 2B*” of the Supreme Court’s two-step framework, described in *Mayo* and *Alice*.

Prima Facie Case

Appellant first argues that the Examiner failed to make a prima facie case of subject matter ineligibility by overgeneralizing and ignoring certain claim elements. Appeal Br. 9.

We disagree. The procedural burden of establishing a prima facie case is carried when the rejection satisfies the requirements of 35 U.S.C. § 132. *In re Jung*, 637 F.3d 1356, 1363 (Fed. Cir. 2011). “Section 132 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). That is, the Examiner must set forth the rejection's statutory basis “in a sufficiently articulate and informative manner as to meet the notice requirement of § 132.” *Jung*, 637 F.3d at 1363.

This is not a case where the “rejection is so uninformative that it prevents the applicant from recognizing and seeking to counter the grounds for rejection.” *Id.* at 1362. Rather, the Examiner has provided a rationale that identifies the abstract idea recited in the claim and why it is considered an exception. *See* Final Act. 5–8. And Appellant clearly identifies the abstract idea identified by the Examiner. *See, e.g.*, Appeal Br. 9.

Accordingly, we are not persuaded that the Examiner has failed to set forth a prima facie case of patent ineligibility for representative claim 1.

Step 1

Claim 1, as a manufacture, recites one of the enumerated categories of eligible subject matter in 35 U.S.C. § 101. Therefore, the issue before us is whether it is directed to a judicial exception without significantly more.

Step 2A(i): Does the Claim Recite a Judicial Exception?

The Examiner determined that claim 1 is directed to “making a targeted offer to an audience (targeted advertising),” which is a certain method of organizing human activity, and thus an abstract idea. Final Act. 6–7. The Examiner identified the following steps as part of the recited abstract idea:

identify an electronic coupon that corresponds to the coupon identifier, the electronic coupon being stored in a coupon catalog associated with the electronic commerce system;

identify a promotional benefit for the item, the promotional benefit being based at least in part on the electronic coupon;

determine that a user account has not exceeded a predefined limit of using the electronic coupon based on the coupon identifier and authentication data associated with the client device, the predefined limit being associated with the user account;

determine that a geographical area associated with the user account is eligible for the electronic coupon; and

automatically associate the item with an electronic shopping cart . . .

Final Act. 6.

Consistent with Appellant’s description of the claims, we find that the limitations we summarize above describe a particular method for promoting or distributing deals that is fairly characterized as “targeted advertising,” which falls into the “certain methods of organizing human activity” category of abstract ideas. *See* 84 Fed. Reg. at 52.

Appellant argues that the Examiner erred because the subject matter of the claims is not similar to the concepts that the courts identified as an

abstract idea in *Classen Immunotherapies Inc. v. Biogen IDEC*, 659 F.3d 1057 (Fed. Cir. 2011) or *Electric Power Group, LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016). Appeal Br. 20.

We are not persuaded that the Examiner erred. Under the Revised Guidance, the Board continues to treat analyzing information by steps people go through in their minds, or by mathematical algorithms, without more, as essentially mental processes within the abstract idea category. *See Elec. Power Grp.*, 830 F.3d at 1354. Also, the present claims collect and compare known information, which has been determined to be an abstract idea. *Classen*, 659 F.3d at 1067. (“Claim 1 of the ’283 patent states the idea of collecting and comparing known information”).

Because we agree with the Examiner that the claim recites an abstract idea, we proceed to Prong Two of Step 2A to determine if the idea is integrated into a practical application, in which case the claim as a whole would not be “directed to” merely an abstract idea.

Step 2A(ii): Judicial Exception Integrated into a Practical Application?

If the claims are directed to a patent-ineligible concept, as we conclude above, we proceed to the “practical application” *Step 2A(ii)* in which we determine whether the recited judicial exception is integrated into a practical application of that exception by: (a) identifying whether there are any additional elements recited in the claim beyond the judicial exception(s); and (b) evaluating those additional elements individually and in combination to determine whether they integrate the exception into a practical application.

We use the term “additional elements” for claim features, limitations, or steps that the claim recites beyond the identified judicial exception. *See*

Revised Guidance at 55 n.24. In claim 1, the additional elements include the limitations “receive in an electronic commerce system, an image of a physical coupon for an item from a client device” and “. . . that facilitates a purchase of the item through the electronic commerce system,” “a non-transitory computer readable medium embodying a program executable in a computing device,” “at least one computing device,” and “a computing device,” which are merely performing or applying the abstract ideas. *See* Final Act. at 7–8. We consider these elements individually and in combination in the sections that follow.

The Examiner determined that none of the additional limitations is sufficient to amount to significantly more than the judicial exception because “the additional computer elements, which are recited at a high level of generality, provide conventional computer functions that do not add meaningful limits to practicing the abstract idea.” *Id.* at 7. We agree with the Examiner.

Additionally, the limitation “receive in an electronic commerce system, an image of a physical coupon for an item from a client device” amounts to mere data gathering, which is insignificant pre-solution activity. *See Mayo*, 566 U.S. at 79 (quoting *Flook*, 437 U.S. at 590) (“Purely ‘conventional or obvious’ ‘[pre]-solution activity’ is normally not sufficient to transform an unpatentable law of nature into a patent-eligible application of such a law”); *see also* Revised Guidance, 55, n.31. Similarly, the limitation “that facilitates a purchase of the item through the electronic commerce system” amounts to insignificant post-solution activity. The Supreme Court guides that the “prohibition against patenting abstract ideas

‘cannot be circumvented’ [by] adding ‘insignificant postsolution activity.’” *Bilski*, 561 U.S. at 610–11 (quoting *Diehr*, 450 U.S. at 191–92).

Appellant argues that claim 1 provides improvement over existing technologies like the patent-eligible claims in *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016). Appeal Br. 10–14. Specifically, Appellant argues that claim 1, when viewed in light of the Specification, is directed toward “an improved technological process for securely processing and applying physical coupons in electronic commerce while preventing fraudulent use of the coupons.” Appeal Br. 11 (citing Spec. ¶¶ 9, 40, and 72–73).

The problem being solved relates to the processing of physical coupons presented to retailers. See Spec. ¶ 1. The Specification states that the invention solves the problem because it processes physical coupons in conjunction with purchases made through an electronic commerce system. See, e.g., Spec. ¶ 9. This is not an improvement to computers. Instead, claim 1 uses the computer as a tool to receive, identify, and determine information, and to associate an item with an electronic shopping cart. Appellant does not identify how claim 1 improves an existing technological process.

Appellant’s claim 1 is unlike the technology-based integrations cited by Appellant. See Appeal Br. 10–20. For example in *Enfish*, the patent-eligible claim was directed to a self-referential table to improve computer databases. *Enfish*, 822 F.3d at 1330. The disclosed technique enabled faster searching and more effective storage of data than previous methods. *Id.* at 1333. The court found the claims directed to “a specific improvement to the way computers operate, embodied in the self-referential table” (*id.* at 1336),

and explained that the claims are “not simply directed to *any* form of storing tabular data, but instead are specifically directed to a *self-referential* table for a computer database” that functions differently than conventional databases. *Id.* at 1337.

Likewise, in *McRO*, the patent-eligible claim focused on a specific asserted improvement in computer animation. *McRO, Inc. v. Bandai Namco Games Am.*, 837 F.3d 1299 (Fed. Cir. 2016). The claims in *McRO* recited a “specific . . . improvement in computer animation” using “unconventional rules that relate[d] sub sequences of phonemes, timings, and morph weight sets.” *McRO*, 837 F.3d at 1302–03, 1307–08, 1314–15. In *McRO*, “the incorporation of the claimed rules, not the use of the computer,” improved an existing technological process. *Id.* at 1314. Appellant does not direct us to any evidence that the claimed steps correspond to unconventional rules.

Rather, Appellant alleges claim 1 is patent-eligible because its practice does not preempt practice by others. Appeal Br. 15. While preemption may signal patent ineligible subject matter, the absence of complete preemption “does not demonstrate patent eligibility, where 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); *see also OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015) (“that 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”).

Appellant's arguments based on *Bascom Global Internet Services, Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1349 (Fed. Cir. 2016) are similarly unavailing. In *Bascom*, the claims were directed to the inventive concept of providing customizable Internet-content filtering which was found to transform the abstract idea of filtering content into a patent-eligible invention. Although the underlying idea of filtering Internet content was deemed abstract, the claims carved out a specific location for the filtering system, namely a remote Internet service provider (ISP) server, and required the filtering system to give users the ability to customize filtering for their individual network accounts. We find no analogy between Appellant's claimed physical coupon processing claims and the claims in *Bascom*.

For the first time in the Reply Brief, Appellant argues that claim 1 is analogous to the claims in *DDR Holdings v. Hotels.com*, 773 F.3d 1245, 1258-59 (Fed. Cir. 2014). Reply Br. 10. Appellants, however, have waived this argument because they presented it for the first time in the Reply Brief, without a showing of good cause. See 37 C.F.R. § 41.41(b)(2) (2012); accord *Ex parte Borden*, 93 USPQ2d 1473, 1473-74 (BPAI 2010 (informative opinion)) (“[T]he reply brief [is not] an opportunity to make arguments that could have been made in the principal brief on appeal to rebut the Examiner's rejections, but were not.”).

Even if Appellant's argument were timely, however, it is not persuasive. We note that, although the Federal Circuit in *DDR Holdings* held claims “necessarily rooted in computer technology” to be patent eligible, the court issued a relevant warning:

[W]e caution, however, that not all claims purporting to address Internet-centric challenges are eligible for patent. For example, in our recently-decided *Ultramercial* opinion, the patentee

argued that its claims were “directed to a specific method of advertising and content distribution that was previously unknown and never employed on the Internet before.” But this alone could not render its claims patent-eligible. In particular, we found the claims to merely recite 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.”

DDR Holdings, 773 F.3d at 1258 (citations omitted).

Also in the Reply Brief, Appellant argues that claim 1 improves the efficiency of using an electronic device, as in the intervening case *Core Wireless Licensing S.A.R.L. v. LG Elecs., Inc.*, 880 F.3d 1356, 1362 (Fed. Cir. 2018). Reply Br. 11–13.

We are not persuaded. In *Core Wireless*, the court stated that “[t]he disclosed invention improves the efficiency of using the electronic devices.” *Core Wireless*, 880 F.3d at 1363. However, the court also explained that “[w]e also ask whether the claims are directed to a specific improvement in the capabilities of computing devices” (*id.* at 1361), and then determine that “the claims are directed to an improvement in the functioning of computers” (*id.* at 1363). Thus, in *Core Wireless*, the improved efficiency of using the electronic devices was related to an identified improvement in the functioning of computers.

The claims here, however, do not recite an improvement for electronic devices. Determining which information to associate with an electronic shopping cart, as in claim 1, “does not improve the functioning of the computer, make it operate more efficiently, or solve any technological problem.” *Trading Techs. II*, 921 F.3d at 1384–85. Rather, the claim

simply “includes instructions to implement an abstract idea on a computer” and “does no more than generally link the use of a judicial exception to a particular technological environment or field of use.” 2019 Revised Guidance, 84 Fed. Reg. at 55.

Appellant also argues in the Reply Brief that the claims recite specific steps rather than mere results, as in the intervening case *Finjan, Inc. v. Blue Coat Sys., Inc.*, 879 F.3d 1299, 1305 (Fed. Cir. 2018). Reply Br. 13. Specifically, Appellant argues that the claimed process involves “an inventive arrangement for accomplishing the result.” *Id.* at 14.

Appellant’s reliance on *Finjan* is misplaced. In *Finjan*, the claims were directed to an improvement in computer functionality. The *Finjan* claims employed “a new kind of file that enables a computer security system to do things it could not do before,” namely, tailoring access for different users and identifying threats before a file reaches a user’s computer. *Finjan*, 879 F.3d at 1305. Claim 1 before us, on the other hand, uses generic computer components and generic computer functionality to analyze electronic content (i.e., data) to draw conclusions about that content, and to automatically associate it with an electronic shopping cart.

Considering claim 1 as a whole, then, Appellant’s invention lacks a technical solution to a technical problem like the claims in these cases.

Thus, claim 1 recites an abstract ideas as identified in *Step 2A(i)*, *supra*, and none of the limitations integrates the judicial exception into a practical application. Claim 1 as a whole merely uses instructions to implement the abstract idea on a computer or, alternatively, merely uses a computer as a tool to perform the abstract idea. Thus, on this record, Appellant has not shown that the abstract idea is integrated into a practical

application under the guidance of Manual of Patent Examining Procedure section 2106.05(a) (“Improvements to the Functioning of a Computer or to Any Other Technology or Technical Field”) or section 2106.05(e) (“Other Meaningful Limitations”).

Therefore, we conclude the abstract idea is not integrated into a practical application, and thus the claim is directed to the judicial exception.

Step 2B – “Inventive Concept”

If the claims are directed to a patent-ineligible concept, as we conclude above, we proceed to the “inventive concept” step. In *Step 2B* we “look with more specificity at what the claim elements add, in order to determine ‘whether they identify an “inventive concept” in the application of the ineligible subject matter’ to which the claim is directed.” *Affinity Labs of Texas, LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1258 (Fed. Cir. 2016) (quoting *Elec. Power Grp.*, 830 F.3d at 1353). Here, we look to see whether there are any “additional features” in the claims that constitute an “inventive concept,” thereby rendering the claims eligible for patenting even if they are directed to an abstract idea. *Alice*, 573 U.S. at 221. Those “additional features” must be more than “well-understood, routine, conventional activity.” *Mayo*, 566 U.S. at 79.

The Examiner found that the recited steps of “receive, in an electronic commerce system, an image of a physical coupon for an item from a client device,” and “that facilitates a purchase of the item through the electronic commerce system” are functions the courts have recognized to be well-understood, routine, conventional, and normal computer operation. Final Act. 7. The Examiner further determined that the additional computer elements, which are recited at a high level of generality, provide

conventional computer functions that do not add meaningful limits to practicing the abstract idea. *Id.* at 7–8.

In particular, the Examiner determined that the recited “non-transitory computer-readable medium embodying a program executable in a computing device,” “at least one computing device,” and “a computing device” merely perform or apply the abstract ideas. *Id.* at 8. We agree with the Examiner that the additional elements do not add a meaningful limitation to the abstract idea because they are described generally in the Specification and would be routine in any computer implementation. *See, e.g.,* Spec. ¶¶ 10–24.

Appellant does not present any arguments with respect to this step of the § 101 analysis.

For these reasons, we conclude claim 1 lacks an inventive concept that transforms the abstract idea of targeted advertising into a patent-eligible application of that abstract idea. Because claim 1 fails to satisfy both the *Step 2A* and *Step 2B* analyses, we sustain the Examiner’s § 101 rejection of independent claim 1 and grouped claims 2–5, 7, 10, 11, 13–16, 18–21, 23, 25, 26, and 28–33, which fall therewith. *See* Claim Grouping, *supra*.

*Rejection of Claims Under 35 U.S.C. § 103(a)*⁸

We disagree with Appellant’s arguments with respect to the § 103(a) rejections of independent claims 1, 2, 14, and 21 and, unless otherwise

⁸ In rejecting 1–5, 7, 10, 11, 13–16, 18–21, 23, 25, 26, and 28–33 under 35 U.S.C. § 103(a), the Examiner noted that the claims recite limitations that occur if a conditional statement is met. *See, e.g.,* Final Act. 16–17; *see also* Appeal Br. 69–70. During prosecution, the Examiner did not broaden the claims due to the conditional nature of the limitations, thus giving no effect to the conditional limitations in rejecting the claims. *See id.* Under these circumstances, we decline to decide the merits of the Examiner’s notation.

noted, we incorporate by reference herein and adopt as our own: (1) the findings and reasons set forth by the Examiner in the action from which this appeal is taken, and (2) the reasons and rebuttals set forth in the Examiner's Answer in response to Appellant's arguments. We highlight and address specific findings and arguments regarding the claims for emphasis as follows.

Claims 1, 7, 15, 25, 26, and 31–35

Appellant contends the Examiner erred because the cited prior art references do not teach or suggest the limitation “identify a coupon identifier by processing the image of the physical coupon,” as recited in representative claim 1. Appeal Br. 65. Appellant argues that Griffith does not teach processing an image. *Id.* Appellant states that the Examiner “does not cite additional references or further address these elements.” *Id.* The Examiner, however combined the teachings of Griffith with those of SnipSnap. Final Act. 13–15. The Examiner found that “Griffith teaches getting coupon data of a physical coupon to create an electronic/digital coupon in at least paragraphs 0030 and 0051, but Griffith does not appear to specify taking an image of the coupon to create the electronic/digital coupon.” Final Act. 13. The Examiner further found “SnipSnap teaches taking a photo of a coupon and creating an electronic/digital version to be used in the following screenshot.” *Id.* About SnipSnap, Appellant argues “the reference does not disclose or suggest “receiv[ing], in an electronic commerce system, an image of a physical coupon for an item from a client device,” and “identify[ing] a coupon identifier by processing the image of the physical coupon,” as recited in claim 1.

We are not persuaded that the Examiner erred. Nonobviousness cannot be established by attacking the references individually when the rejection is predicated upon a combination of prior art disclosures. *See In re Merck & Co.*, 800 F.2d 1091, 1097 (Fed. Cir. 1986). The test for obviousness is not whether the claimed invention is expressly suggested in any one or all of the references, but whether the claimed subject matter would have been obvious to those of ordinary skill in the art in light of the combined teachings of those references. *See In re Keller*, 642 F.2d 413, 425 (CCPA 1981). Nowhere has Appellant addressed the combined teachings of Griffith and SnipSnap, as cited by the Examiner.

For these reasons, we are not persuaded that the Examiner erred in finding that the combination of Griffith, SnipSnap, Hawkins, and Barnett teaches or suggests the limitation “identify a coupon identifier by processing the image of the physical coupon,” as recited in claim 1.

Appellant next contends the cited references do not teach or suggest at least the following limitation of claim 1:

determine that a user account has not exceeded a predefined limit of using the electronic coupon based on the coupon identifier and authentication data associated with the client device, the predefined limit being associated with the user account.

Appeal Br. 66. Appellant argues that in Hawkins, “authentication data” does not appear to be “associated with the client device,” as claim 1 requires, because Hawkins teaches that its authentication is “capable of authorizing a customer biometrically.” *Id.* (citing Hawkins ¶ 24).⁹

⁹ Appellant cited Hawkins ¶ 23, but the teaching of authorizing a customer biometrically appears in Hawkins ¶ 24.

We are not persuaded that the Examiner erred. The Examiner found Hawkins teaches that personal incentives (coupons) may have certain rules and restrictions, including a limit per customer. Final Act. 15 (citing Hawkins ¶ 20). The Examiner further found that Hawkins teaches authenticating a user’s account and the client device. *Id.* (citing Hawkins ¶¶ 20–27). For example, Hawkins teaches that

mobile identifying information such as the mobile device’s phone number is stored in the device registration database **260** and is associated with a customer identifier such as the customer’s merchant loyalty identification number, so that customer’s targeted offers may be identified in the customer targeted offers database **250** and transmitted to the mobile device.

Hawkins ¶ 26. That the system in Hawkins may also be capable of authorizing a customer biometrically is not sufficient to persuasively rebut the Examiner’s findings.

For these reasons, we are not persuaded that the Examiner erred in finding that the combination of Griffith, SnipSnap, Hawkins, and Barnett teaches or suggests the disputed limitation.

Appellant next contends that the cited references do not teach or suggest “automatically associate the item with an electronic shopping cart that facilitates a purchase of the item through the electronic commerce system using the electronic coupon,” as recited in claim 1. Appellant argues that the shopping list taught in Barnett “does not appear to disclose or suggest, ‘an electronic shopping cart that facilitates a purchase of the item through the electronic commerce system,’ as recited in claim 1.” Appeal Br. 67 (citing Barnett ¶ 69).

We are not persuaded that the Examiner erred. The Examiner relied on the combined teachings of at least Griffith and Barnett for the disputed limitation. *See* Ans. 15 (citing Griffith ¶¶ 15, 17; Barnett ¶¶ 26 and 68–69). Appellant, however, argues Barnett separately. Nonobviousness cannot be established by attacking the references individually when the rejection is predicated upon a combination of prior art disclosures. *See Merck*, 800 F.2d at 1097. Appellant also has not persuasively rebutted the Examiner’s interpretation of “shopping cart” as “a list of things you want to buy.” Ans. 15.

For these reasons, we are not persuaded that the Examiner erred in finding that the combination of Griffith, SnipSnap, Hawkins, and Barnett teaches or suggests the disputed limitation.

Appellant further contends that the Examiner erred in rejecting dependent claim 31 because the cited references do not teach or suggest the limitation “flag the user account in response to the item being purchased through the electronic commerce system using the electronic coupon,” as recited in claim 31. Appeal Br. 68. Appellant argues that the reports taught in paragraph 32 of Hawkins, relied on by the Examiner (Final Act. 19–20), do not indicate whether any electronic coupon is used. *Id.*

We are not persuaded that the Examiner erred. The Examiner found that Barnett teaches flagging coupons, and Hawkins teaches “noting/flagging coupon usage by tabulating usage with consumer (their account) purchase history.” Ans. 15–16 (citing Barnett ¶ 77, Hawkins ¶ 32). Appellant has not persuasively rebutted the Examiner’s findings, as the Reply Brief does not address the combined teachings of Barnett and Hawkins relied on by the Examiner.

In addition, Appellant attacks Hawkins individually, while the Examiner relied on the combination of Griffith, SnipSnap, Hawkins, and Barnett in rejecting claim 31. *See* Final Act. 11–12. Nonobviousness cannot be established by attacking the references individually when the rejection is predicated upon a combination of prior art disclosures. *See Merck*, 800 F.2d at 1097. In particular, Appellant has not persuasively rebutted the Examiner’s findings that Griffith teaches or suggests an electronic/digital coupon. *See* Final Act. (citing Griffith ¶¶ 30, 51).

For these reasons, we are not persuaded that the Examiner erred in finding the combination of Griffith, SnipSnap, Hawkins, and Barnett teaches or suggests the disputed limitation of claim 31.

Accordingly, we sustain the Examiner’s § 103(a) rejections of independent claim 1 and grouped claims 7, 15, 25, 26, and 31–35, which fall therewith. *See* Claim Grouping, *supra*.

Claims 2–5, 10, 11, 13, 14, 16, 18–21, 28–30, 32, 33

With regard to representative claim 2, Appellant’s arguments are substantively similar to those Appellant made for claim 1, discussed above. *See* Appeal Br. 71–74. In addition, arguments made for dependent claim 30 are similar to those made for dependent claim 31, discussed above.

For the reasons stated above for claims 1 and 31, we sustain the Examiner’s § 103(a) rejection of independent claim 2 and grouped claims 3–5, 10, 11, 13, 14, 16, 18–21, 28–30, 32, 33, which fall therewith. *See* Claim Grouping, *supra*.

CONCLUSIONS

Claims Rejected	Basis	Affirmed	Reversed
5, 16	§ 112, first paragraph		5, 16
1–5, 7, 10, 11, 13–16, 18–21, 23, 25, 26, 28–33	§ 101	1–5, 7, 10, 11, 13–16, 18–21, 23, 25, 26, 28–33	
1, 7, 15, 25, 26, 31	§ 103(a) Griffith, SnipSnap, Hawkins, Barnett	1, 7, 15, 25, 26, 31	
2, 3, 5, 10, 11, 13, 14, 16, 18–21, 29, 30, 32, 33	§ 103(a) Griffith, SnipSnap, Hawkins	2, 3, 5, 10, 11, 13, 14, 16, 18–21, 29, 30, 32, 33	
4, 28	§ 103(a) Griffith, SnipSnap, Hawkins, Thibedeau	4, 28	
Overall Outcome		1–5, 7, 10, 11, 13–16, 18–21, 23, 25, 26, 28–33	

DECISION

We affirm the Examiner’s decision rejecting claims 1–5, 7, 10, 11, 13–16, 18–21, 23, 25, 26, and 28–33.

Because we affirm at least one ground of rejection with respect to each claim on appeal, the Examiner’s decision rejecting claims 1–5, 7, 10, 11, 13–16, 18–21, 23, 25, 26, and 28–33 is affirmed. *See* 37 C.F.R. § 41.50(a)(1).

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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)(1)(iv). *See* 37 C.F.R. § 41.50(f).

AFFIRMED