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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JOSEPH L. SPEARS

Appeal 2018-006683
Application 12/697,004
Technology Center 2400

Before JENNIFER S. BISK, ALEX S. YAP, and JASON M. REPKO
Administrative Patent Judges.

BISK, *Administrative Patent Judge.*

DECISION ON APPEAL

Pursuant to 35 U.S.C. § 134(a) Appellant¹ appeals from the Examiner’s decision to reject claims 31–33, which are all claims pending in the application. *See* Advisory Action 7/10/2017 (entering, for purposes of

¹ We use the word “Appellant” to refer to “Applicant” as defined in 37 C.F.R. § 1.42(a). Appellant identifies the real party in interest as IPAR, LLC. Appeal Br. 3.

this appeal, Appellant’s amendment canceling all pending claims other than 31–33). We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

BACKGROUND²

Appellant’s disclosed embodiments and claimed invention relate to “empowering content creators to market and distribute their own content without entering into onerous one-sided agreements with content providers, such as distributors, subdistributors, assignees, or licensees.” Spec. 3. Claim 33, the only independent claim, reproduced below, is illustrative of the subject matter on appeal:

33. A processor-implemented method of providing a multi-content-provider platform for automating detection of user access permissions for content via customized access permission options defined for a plurality of regions, a customized option being provided to a user based on a region in the plurality of regions that is associated with the user, the method comprising:

[(1)] receiving at a platform for distributing content provided by a plurality of unrelated content providers, using one or more processors, an upload of a particular piece of content from a content provider for distribution and metadata describing the particular content, the received particular content and metadata being stored in a computer-readable memory;

[(2)] providing an item user interface for defining a purchase option for an individual content item that

² Throughout this Decision we have considered the Specification filed January 29, 2010 (“Spec.”), the Final Rejection mailed January 10, 2017 (“Final Act.”), the Appeal Brief filed January 4, 2018 (“Appeal Br.”), and the Examiner’s Answer mailed April 16, 2018 (“Ans.”). Appellant did not file a Reply Brief.

includes controls for selection, on an item by item basis: individual content items, one of a plurality of regions, an option type, and a price for defining selectable purchase options for the particular content and other content items;

wherein for each of a plurality of content items for each of a plurality of regions, a price and an option type are specifically selected using the item user interface;

[(3)] receiving at the platform a first selectable purchase option definition from the content provider via the item user interface defining first criteria for accessing the particular content in a first region in the plurality of regions, the first criteria including an option type, a first price, and a first region where the first option definition is valid;

[(4)] receiving at the platform a second selectable purchase option definition from the content provider via the item user interface defining second criteria for accessing the particular content in a second region in the plurality of regions, the second criteria including an option type, a second price that differs from the first price, and a second region where the second option definition is valid;

wherein the first and second selectable purchase options are provided on a per item basis by a plurality of different content providers associated with different pieces of content;

[(5)] automatically detecting the region associated with the user based on interaction of the user with a network, wherein automatically detecting comprises detecting a physical location of the network based on an IP address of the user;

[(6)] providing, via a graphical user interface menu via the network, a first subset of one or more options for the particular content from the platform to a remote user based on the region associated with the user, wherein a second user in a different region is provided a differing second subset of one or more options;

receiving at the platform via the network an identification of an option in the one or more options from the remote user; and

[(7)] providing access to the particular content from the platform to the remote user via the network according to a criterion of the option that the remote user has identified, wherein the particular content is transmitted from the platform to the physical location of the network for display on a graphical user interface of the user;

wherein different content is uploaded to the platform by a second content provider who assigns region-specific purchase options for that different content to provide mechanisms for access of the second content by remote users residing in different regions.

Appeal Br. 15–17 (Claims App.) (bracketed limitation numbering added).

REJECTIONS³

Claims 31–33 stand rejected under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter. Final Act. 5–9.

Claim 33 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over (1) Amazon VOD (Setting up and watching Amazon Video On Demand on your TV), Amazon.co.uk (2009) (“Amazon”), (2) Video Download Checklist (2008) and Video Download Overview (2008) (“CreateSpace”), and (3) R. K. Chellappa et al., Economic

³ The Final Office Action rejects claims 1–23 and 25–33. Final Act. 5, 10. After this action was issued, however, the Examiner entered amendments canceling claims 1–30, leaving only claims 31–33 for this appeal. *See* Amendment After Final filed July 7, 2017; Advisory Action entered July 19, 2017.

Implications of Variable Technology Standards for Movie Piracy in a Global Context (2003) (“Chellappa”). Final Act. 9–16, 20–22.

Claims 31 and 32 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Amazon, CreateSpace, Chellapa, and Beyabani, (US Patent No. 8,387,081 B2, issued Feb. 26, 2013) (“Beyabani”). Final Act. 20–21.

ANALYSIS

We review the appealed rejections for error based upon the issues identified by Appellant, and in light of the arguments and evidence produced thereon. *Ex parte Frye*, 94 USPQ2d 1072, 1075 (BPAI 2010) (precedential). 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).

We have considered all of Appellant’s arguments and any evidence presented. We highlight and address specific findings and arguments for emphasis in our analysis below.

Rejection of Claims 31–33 Under 35 U.S.C. § 103

Appellant argues that the Examiner has failed to show the references teach “criteria for accessing the particular content in the first/second regions.” Appeal Br. 12–13.

The Examiner disagrees with Appellant’s contention. Ans. 8–9. According to the Examiner, this limitation is “suggested by the combination of Amazon, CreateSpace, and Chellappa.” Ans. 8. The Examiner explains “[o]ne of ordinary skill in the art at the time of the invention would have both staggered the release dates of content and vertically segmented the

quality of the releases in different territories” based on “the varying regions ‘willingness-to pay’ (Chellappa p. 6) and the existence of piracy (Chellappa pp. 12–13)” and “in order to maximize profit.” *Id.* According to the Examiner, “[a]s Amazon and CreateSpace (para. Spanning p. 12–13 of the Office Action) teach that options can be selected on an item by item basis, one of ordinary skill would be motivated to provide or use a user interface that allows price and option type to be specifically selected for each region based on the teachings of Chellappa.” *Id.* at 8–9.

We agree with Appellant. Like Appellant, we are not persuaded that Amazon shows a restriction on access that is applied on an item by item basis based on the user’s region. *See* Appeal Br. 12–13. In fact, the only language in Amazon that the Examiner points to as teaching or suggesting this feature is the statement that “[d]ue to licensing restrictions, the Service is only available to customers located in the United States.” Final Act. 10 (quoting Amazon VOD 3). We agree with Appellant that this disclosure is not a restriction on access applied on an item by item basis, but instead discloses that the service is not available at all outside of the United States. *See* Appeal Br. 13. Moreover, we do not see any other disclosure in the references relied upon by the Examiner that discloses a restriction on access to content that is applied on an item by item basis based on the user’s region.

Because this determination resolves the § 103 rejection for all pending claims, we need not address Appellant’s other arguments regarding Examiner error. *See, e.g., Beloit Corp. v. Valmet Oy*, 742 F.2d 1421, 1423 (Fed. Cir. 1984) (explaining that an administrative agency may render a decision based on “a single dispositive issue”).

Accordingly, we cannot sustain the Examiner’s finding that claim 31 would have been obvious over a combination of Amazon, CreateSpace, Chellappa. The same is true for claims 31 and 32, which depend from claim 33.

Rejection of Claims 31–33 Under 35 U.S.C. § 101

Section 101 of the Patent Act provides that “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof” is patent eligible. 35 U.S.C. § 101. But the Supreme Court has long recognized an implicit exception to this section: “Laws of nature, natural phenomena, and abstract ideas are not patentable.” *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014) (quoting *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 589 (2013)). To determine whether a claim falls within one of these excluded categories, the Court has set out a two-part framework. The framework requires us first to consider whether the claim is “directed to one of those patent-ineligible concepts.” *Alice*, 573 U.S. at 217. If so, we then examine “the elements of each 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.” *Alice*, 573 U.S. at 217 (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 78, 79 (2012)). That is, we examine the claims for an “inventive concept,” “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*, 573 U.S. at 217–18 (alteration in original) (quoting *Mayo*, 566 U.S. at 72–73).

The Patent Office recently issued guidance regarding this framework. *See* USPTO, *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50 (Jan. 7, 2019) (“Revised Guidance”). Under the Revised Guidance, to decide whether a claim is “directed to” an abstract idea, we evaluate whether the claim (1) recites subject matter falling within an abstract idea grouping listed in the Revised Guidance and (2) fails to integrate the recited abstract idea into a practical application. *See* Revised Guidance, 84 Fed. Reg. at 51. If the claim is “directed to” an abstract idea, as noted above, we then determine whether the claim recites an inventive concept. The Revised Guidance explains that when making this determination, we should consider whether the additional claim elements add “a specific limitation or combination of limitations that are not well-understood, routine, conventional activity in the field” or “simply append[] well-understood, routine, conventional activities previously known to the industry.” Revised Guidance, 84 Fed. Reg. at 56.

With these principles in mind, we turn to the Examiner’s § 101 rejection.

The Judicial Exception—Abstract Idea

The Examiner determines claim 33 “is directed to the abstract idea of multiple content providers marketing content based on geographic area.” Final Act. 7. According to the Examiner, the limitations of claim 33 constitute “an idea of itself” and is “conceptually no different from a list of steps written down with pencil and paper for execution by a human being.” *Id.* at 8. For the reasons explained below, we agree that claim 33 recites an abstract idea.

Limitations (1)–(7) of claim 33, quoted above, under their broadest reasonable interpretation, recite a method for allowing content providers who wish to sell their works to set different prices and other terms for those works based on the geographical location of the customer.⁴ *See, e.g.*, Spec. 3 (“Thus, what is needed in the art are systems and methods for empowering content creators to market and distribute their own content without entering into onerous one-sided agreements with content providers, such as distributors, subdistributors, assignees, or licensees.”). Specifically, limitations (1), (3), and (4) involve receiving the content to be offered for sale (limitation (1)) and two different sets of prices and terms for the sale that content to customers in two different regions (limitations (3) and (4)). Limitations (2) and (6) involve providing the content provider a way to select the prices and terms for the offered content based on region (limitation (2)) and for a user to select content to purchase with available price and terms based on the region of the customer (limitation (6)). Limitation (5) involves detecting the region of the customer in order to determine which prices and terms to offer that customer. Limitation (7) involves actually providing the content to the user according to the identified criteria.

⁴ Our reviewing court recognizes that “[a]n abstract idea can generally be described at different levels of abstraction.” *Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1240 (Fed. Cir. 2016). That need not and, in this case does not, “impact the patentability analysis.” *Id.* at 1241. Moreover, merely combining several abstract ideas does not render the combination any less abstract. *RecogniCorp, LLC v. Nintendo Co.*, 855 F.3d 1322, 1327 (Fed. Cir. 2017) (“Adding one abstract idea (math) to another abstract idea . . . does not render the claim non-abstract.”); *see also FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1093–94 (Fed. Cir. 2016) (determining the pending claims were directed to a combination of abstract ideas).

All of these limitations are part of a method for allowing content providers to sell their works using different prices and other terms for those works based on the geographical location of the customer. This method can be categorized as a “commercial interaction,” similar to claims the Federal Circuit has found to be unpatentable abstract ideas. *See, e.g., buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1355 (Fed. Cir. 2014) (holding unpatentable claims “squarely about creating a contractual relationship—a ‘transaction performance guaranty’—that is beyond question of ancient lineage”); *Ultracomercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 712 (Fed. Cir. 2014) (holding unpatentable claims “directed to a method for distributing copyrighted media products over the Internet where the consumer receives a copyrighted media product at no cost, and the advertiser pays for the copyrighted content”); *OIP Techs, Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362 (Fed. Cir. 2015) (holding unpatentable claims directed to “offer-based price optimization”).

Accordingly, we conclude claim 33 recites a certain method of organizing human activity (commercial interaction) and, thus, an abstract idea. Revised Guidance, 84 Fed. Reg. at 52, 53 (listing “[c]ertain methods of organizing human activity . . . —“commercial or legal interactions” as one of the “enumerated groupings of abstract ideas”).

Integration of the Judicial Exception into a Practical Application

If a claim recites a judicial exception, 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. If the recited judicial exception is integrated into a practical application, the claim is not directed to the judicial exception.

Here, claim 33 recites the additional elements of “one or more processors,” “computer-readable memory,” “item user interface,” and “a network.” Appeal Br. 16 (Claims App’x). Considering claim 33 as a whole, the additional elements do not apply or use the abstract idea in a meaningful way such that the claim as a whole is more than a drafting effort designed to monopolize the exception. The Supreme Court guides that the “prohibition against patenting abstract ideas ‘cannot be circumvented by attempting to limit the use of the formula to a particular technological environment’ or [by] adding ‘insignificant postsolution activity.’” *Bilski v. Kappos*, 561 U.S. 593, 610–11 (2010) (quoting *Diamond v. Diehr*, 450 U.S. 175, 191–92 (1981)).

The Specification describes each of these computer device elements as generic components. For example, the Specification states

The processes and logic flows described in this specification can be performed by one or more programmable processors executing one or more computer programs to perform functions by operating on input data and generating output. The processes and logic flows can also be performed by, and apparatus can also be implemented as, special purpose logic circuitry, e.g., an FPGA (field programmable gate array) or an ASIC (application specific integrated circuit). Processors suitable for the execution of a computer program include, by way of example, both general and special purpose microprocessors, and any one or more processors of any kind of digital computer. Generally, a processor will receive instructions and data from a read only memory or a random access memory or both.

Spec. 24.

Appellant’s arguments have not persuaded us claim 1 is “directed to” a patent-eligible concept. For example, Appellant argues that, like *McRO*, the claims “recite specific rules and features that practically limit the scope of the claims, such that they do not preempt the entire alleged abstract idea of distributing content based on a geographic area.” Appeal Br. 8 (citing *McRO, Inc. v. Bandai Namco Games Am., Inc.*, 837 F.3d 1299 (Fed. Cir. 2016)).

We do not agree with Appellant’s analogy to *McRO*. The claims in *McRO* “focused on a specific asserted improvement in computer animation, i.e., the automatic use of rules of a particular type.” *McRO*, 837 F.3d at 1314. The rules were “limited” and had “specific characteristics,” and the claims incorporated “the specific features of the rules as claim limitations.” *McRO*, 837 F.3d at 1313, 1316. In contrast, claim 33 recites a series of broadly worded results without meaningfully describing how the results are achieved. For example, claim 33 recites “wherein for each of a plurality of content items for each of a plurality of regions, a price and an option type are specifically selected using the item user interface” and “providing access to the particular content from the platform to the remote user via the network according to a criterion of the option that the remote user has identified.” Appeal Br. 16–17 (Claims App.). These limitations recite *what* is selected by and provided to the remote user, but say little about *how* these functions are performed. Cf. *SAP Am., Inc. v. InvestPic, LLC*, 898 F.3d 1161, 1167 (Fed. Cir. 2018) (explaining that the claims in *McRO* “avoided being ‘abstract’ in another sense reflected repeatedly in our cases” because “they had the specificity required to transform a claim from one claiming only a result to one claiming a way of achieving it”). And claim 33 generally

concerns “empowering content creators to market and distribute their own content without entering into onerous one-sided agreements with content providers, such as distributors, subdistributors, assignees, or licensees” (Spec. 3) not improving a technological process such as computer animation like the claims in *McRO*. Claim 33 is thus distinguishable from the patent-eligible claims in *McRO*.

Moreover, even if the claims do not “preempt the entire alleged abstract idea of distributing content based on a geographic area,” (Appeal Br. 8) this fact alone would not alter our § 101 analysis. Rather than preemption, the Federal Circuit instructs that the Alice two-step analysis is the test for whether claims are statutory. “While preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015). “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.” *Id.*

Accordingly, even in combination with all the other recited elements, the addition of “one or more processors,” “computer-readable memory,” “item user interface,” and “a network” does not integrate the abstract idea into a practical application because it does not impose any meaningful limits on practicing the abstract idea. For these reasons, we determine that claim 33 does not integrate the recited abstract idea into a practical application.

Inventive Concept

Because we agree with the Examiner that claim 33 is “directed to” an abstract idea, we consider whether an additional element (or combination of

elements) adds a limitation that is not well-understood, routine, conventional (“WURC”) activity in the field or whether the additional elements simply append WURC activities previously known to the industry, specified at a high level of generality, to the judicial exception. Revised Guidance, 84 Fed. Reg. at 23. The Examiner’s finding that an additional element (or combination of elements) is WURC activity must be supported with a factual determination. *Id.* (citing MPEP § 2106.05(d), as modified by the *Berkheimer* Memorandum⁵).

Whether the additional elements (“one or more processors,” “computer-readable memory,” “item user interface,” and “a network”) are WURC activity is a question of fact. *See Berkheimer v. HP Inc.*, 881 F.3d 1360, 1369 (Fed. Cir. 2018) (“Whether something is well-understood, routine, and conventional to a skilled artisan . . . is a factual determination.”).

On the record before us, Appellant has not shown that the claims on appeal add a specific limitation beyond the judicial exception that is not “well-understood, routine, and conventional” in the field (*see* MPEP § 2106.05(d)). Other than asserting that the entirety of the claimed subject matter is unconventional, Appellant does not point to any particular claimed element that does not qualify as WURC. Appeal Br. 7 (“The independent claims recite a number of rules and limitations that limit the claims to a very specific and limited manner for distributing content, including providing real-time distribution data and distribution adjustment.”).

⁵ R. W. Bahr, *Changes in Examination Procedure Pertaining to Subject Matter Eligibility, Recent Subject Matter Eligibility Decision* (*Berkheimer v. HP, Inc.*) (2018) (hereinafter “*Berkheimer* Memorandum”).

In fact, Appellant’s Specification demonstrates the WURC nature of “one or more processors,” “computer-readable memory,” “item user interface,” and “a network” because it indicates they may be implemented with generic devices. Spec. 23–26. In addition, courts have recognized that receiving or transmitting data over a network, in a manner similar to that recited in the claims, is WURC. *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1363 (Fed. Cir. 2015) (sending messages over a network); *buySAFE*, 765 F.3d at 1355 (computer receives and sends information over a network).

For these reasons, we conclude that claim 33, considered as a whole, does not include an inventive concept.

Claims 31 and 32

Appellant argues that “Claims 31 and 32 provide additional automation features that further solidify the case for patent eligibility.” Appeal Br. 8 (providing no further analysis of how these features contribute to patent eligibility and quoting the limitations recited by claims 31 and 32). According to Appellant, “the Office has failed to proper case for patent ineligibility of claims 31 and 32, and because those claims recite patent eligible subject matter, it is respectfully submitted that those § 101 rejections should be overturned.” *Id.*

There is no dispute that the Office directs examiners to examine each claim individually. But the Examiner has considered each claim individually even though there is not a separate written analysis for each individual claim in some sections of the office action. We decline to find error here in the Examiner’s decision to not address the patent-eligibility of claims 31 and 32, individually, on pages 5 through 9 of the office action

because the claims all recite similar steps as part of the same abstract idea. *See Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat. Ass'n*, 776 F.3d 1343, 1348 (Fed. Cir. 2014) (explaining that when all claims are directed to the same abstract idea, “addressing each claim of the asserted patents [is] unnecessary”). We also note that, in the “Response to Arguments” section of the office action, the Examiner determines that claims 31 and 32 “simply recite the result of adjusting purchase options based on realtime data without human intervention, as opposed to reciting a technological improvement.” Final Act. 4. Yet Appellant does not squarely rebut this reasoning. *See App. Br. 8.*

DECISION

We affirm the Examiner’s rejection of claims 31–33 under 35 U.S.C. § 101.

We reverse the Examiner’s rejection of claims 31–33 under 35 U.S.C. § 103.

Because we affirm at least one ground of rejection with respect to each claim on appeal, we affirm the Examiner’s rejection of claims 31–33.

DECISION SUMMARY

| Claims Rejected | Basis | Affirmed | Reversed |
|------------------------|--------------|-----------------|-----------------|
| 31-33 | § 101 | 31-33 | |
| 31-33 | § 103 | | 31-33 |
| Overall Outcome | | 31-33 | |

FINALITY AND RESPONSE

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

AFFIRMED