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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte PEARCE AURIGEMMA

Appeal 2018-007050
Application 13/466,909
Technology Center 3600

Before JAMES R. HUGHES, JENNIFER L. McKEOWN, and
JOHN P. PINKERTON, *Administrative Patent Judges*.

PINKERTON, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant¹ appeals under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 21–38, which are all of the claims pending in the application. Claims 1–20 are canceled. 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 Adobe Systems Incorporated. Appeal Br. 1.

STATEMENT OF THE CASE

Introduction

Appellant's described and claimed invention is generally directed to methods and apparatus that use network analytics to evaluate the effectiveness of an advertisement. Spec. ¶¶ 5, 17.² The Specification explains that in the context of websites, marketing may include advertisements for a website and associated products to encourage people to visit the website and purchase products and services offered via the website. *Id.* at ¶ 2. The Specification also explains that “[i]n the context of internet advertising, tracking user interaction with a website is known as ‘web analytics,’ which provides information, among other things, about the number of visitors to a website and the behavior of users while using the site.” *Id.* at ¶ 4.

Claims 21, 28, and 34 are independent. Claim 21 is representative of the subject matter on appeal and is reproduced below (with paragraph notations added):

21. In an environment in which resources are allocated to various electronic marketing activities, a method for allocating data network resources for presenting online advertisements based on estimating a value of using a subscription advertisement to acquire new fan page subscribers, the method comprising:

² Our Decision refers to the Final Office Action mailed June 7, 2017 (“Final Act.”), Appellant’s Appeal Brief filed Nov. 9, 2017 (“Appeal Br.”), Response to Notification of Non-Compliant Appeal Brief filed Dec. 28, 2017 (“Response”), and Reply Brief filed June 28, 2018 (“Reply Br.”), the Examiner’s Answer mailed May 3, 2018 (“Ans.”), and the original Specification filed May 8, 2012 (“Spec.”).

(a) providing an interface for presenting a subscription advertisement and a product advertisement and for receiving user input;

(b) presenting, via the interface, the subscription advertisement to non-subscribers of a fan page, the subscription advertisement comprising a first selectable element embedded with a first tracking code to track a number of new fan page subscribers acquired from the subscription advertisement;

(c) determining the number of new fan page subscribers acquired from the subscription advertisement based on receiving a selection of the first selectable element;

(d) determining a cost per new fan page subscriber of using the subscription advertisement to acquire new fan page subscribers, the cost determined by computing a ratio of cost for implementing the subscription advertisement to the number of new fan page subscribers;

(e) presenting, via the interface, the product advertisement on the fan page for receipt by fan page subscribers, the product advertisement comprising a second selectable element embedded with a second tracking code to track conversion data for purchases resulting from selection, via user input provided via the interface, of the second selectable element by fan page subscribers;

(f) determining a value per fan page subscriber for the product advertisement by computing a ratio of the tracked conversion data to a number of the fan page subscribers receiving the product advertisement;

(g) determining a value of using the subscription advertisement to acquire new fan page subscribers by comparing the cost per new fan page subscriber with the value per fan page subscriber; and

(h) allocating data network resources to use the subscription advertisement to acquire new fan page subscribers based on the determined value of using the subscription advertisement to acquire new fan page subscribers, wherein allocating data network resources to use the subscription

advertisement includes causing a web content server to perform, based on the determined value of using the subscription advertisement to acquire new fan page subscribers, at least one of:

continuing to present the subscription advertisement,
stopping presentation of the subscription advertisement,
or
modifying the subscription advertisement.

Response 3–4 (Claims App.).

*Rejections on Appeal*³

Claims 21–38 stand rejected under 35 U.S.C. § 101 as being directed to an abstract idea without significantly more. Final Act. 7–12.

Claims 21–38 stand rejected under 35 U.S.C. §103(a) as being unpatentable over the combination of Latona et al. (US 2005/0028188 A1; published Feb. 3, 2005) (“Latona”), Johansson, L. *Measuring a Niche Website* (outfox.com, Dec. 4, 2007) (“Johansson”), Brooks, C. *How to Calculate Cost Per Fan in Facebook* (eHow.com, July 12, 2011) (“Brooks”). Final Act. 13–23.

ANALYSIS

I. SECTION 101 REJECTION

*A. Examiner’s Findings and Conclusions,
and Appellant’s Arguments*

The Examiner finds that claims 21–38 are directed to the abstract idea of “evaluating advertisements values and making a determination about continuing, stopping or modifying an advertisement based on the

³ Although the Examiner rejected claims 21–38 under 35 U.S.C. § 112, first paragraph, for failing to comply with the written description requirement (Final Act. 7), the Examiner withdrew that rejection after the filing of the Appeal Brief. Ans. 3.

advertisement values.” Final Act. 8. In particular, the Examiner finds that claim 21 is directed to the concept of presenting advertisements to users, tracking the users’ actions of subscribing and purchasing based on respective ads, calculating a cost and value per new subscriber for the respective ads, comparing the two calculations to estimate a value of the ad associated with subscribing, and determine whether to continue using, stop using, or modify the ad associated with subscribing based on that value. *Id.* at 9. The Examiner also finds this concept is directed toward “methods of organizing human activities related to advertising, marketing, and sales activities, which is an example identified by the courts as an abstract idea.” *Id.* at 9–10 (citing *Ultramercial*⁴ and *In re Ferguson*⁵).

The Examiner finds that in addition to the abstract idea, the claims recite the additional elements of an “interface,” “a first tracking code” in the subscription advertisement, “a second tracking code” in the product advertisement, “data network resources,” and “a web content server.” *Id.* at 10–11. The Examiner further finds that these elements, taken alone and as an ordered combination, do not amount to significantly more than the abstract idea because they perform well-understood, routine, and conventional functions in the field of online advertising. *Id.* at 11–12. The Examiner notes that claim 34 recites a processor at a high level of generality, and finds that “no more than a generic computer is required for performing the [claimed] functions and serves to generally link the abstract idea to a technological environment.” *Id.* at 11.

⁴ *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709 (Fed. Cir. 2014).

⁵ *In re Ferguson*, 558 F.3d 1359 (Fed. Cir. 2009).

Appellant contends the Examiner erred by rejecting claims 21–38 under 35 U.S.C. § 101 because (1) the claims are not directed to an abstract idea, (2) the claims recite significantly more than any abstract idea, and (3) the Examiner failed to establish *prima facie* ineligibility of the dependent claims. Appeal Br. 12–32; Reply Br. 1–12.⁶ In particular, Appellant argues that the Examiner failed to follow the May 19, 2016 Office guidance that “examiners are to continue to determine if the claim recites . . . a concept that is similar to concepts previously found abstract by the courts” (Appeal Br. 13 (emphasis omitted)) because “none of the decisions cited by the Examiner involved concepts sufficiently similar to the features recited in the pending claims” (Appeal Br. 14). *See* Appeal Br. 13–14 (citing Memorandum from Robert H. Bahr, Deputy Commissioner for Patent Examination Policy, U.S. Patent and Trademark Office, “Recent Subject Matter Eligibility Decisions” (May 19, 2016) (“May 19 Guidance”) at 2); *see also id.* 14–25; Reply Br. 8–12. According to Appellant, analyzing each of the independent claims as a whole, in view of the Specification, shows that “the claims are directed to a specific implementation of a software solution for allocating network resources using tracking code embedded in selectable features of online advertisements, rather than any abstract idea.” Appeal Br. 26; *see* Appeal Br. 25–28.

Appellant also argues that the claims recite significantly more than any abstract idea because the claims “solve the Internet-centric problem of allocating data network resources used for online communications (e.g.,

⁶ The pages of Appellant’s Reply Brief are not numbered. We consider the title or cover page to be page number 1 and each of the subsequent pages to be numbered sequentially thereafter.

online advertisements) in an electronic environment and do so using a solution that is necessarily rooted in computing technology.” *Id.* at 28–30 (citing *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257–59 (Fed. Cir. 2014)). In that regard, Appellant argues the claims solve this problem by using embedded tracking code to perform analysis based on interactions with selectable elements of online content, and allocating resources by configuring a web server to continue, stop, or modify an online advertisement, all of which require computing technology to implement. *Id.* at 29–30; Reply Br. 4–6. Moreover, Appellant argues that the claims are directed to, and the Specification shows, “a technical improvement (e.g., embedding tracking code in online content and controlling web servers using the tracking code) rather than organizing human activities.” Reply Br. 6–8.

According to Appellant, after the Appeal Brief was filed, and three months before the Answer was issued, the Federal Circuit explained in *Berkheimer*⁷ that a finding of ineligibility is improper without evidence as to whether a claim element (or combination of elements) is conventional. *Id.* at 2. Appellant argues that because the Examiner conceded there were additional elements in the claims in addition to the identified abstract idea, the Examiner was required to provide evidence that the additional claim limitations are well-understood, routine, or conventional, both individually and as an ordered combination. *Id.* at 2–3. Appellant also argues that the claims are patentable at least because the Examiner failed to meet this burden. *Id.* at 3.

Appellant further argues that the recited claim elements are not well-understood, routine, and conventional functions because the Examiner fails

⁷ *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1367–70 (Fed. Cir. 2018).

to identify a single prior art reference, or combination of references, that discloses the elements of the claims. *Id.* at 30–31. Additionally, Appellant argues that the claims are patent eligible under § 101 because they “do not preempt every application of any abstract idea.” *Id.* at 31. Lastly, Appellant argues that the Examiner “erred by failing to explain why dependent claims 22–27, 29–33, and 35–38 are directed to an abstract idea and lack features that are ‘significantly more’ than the abstract idea.” *Id.* at 32.

B. Applicable Law

“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).

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. 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.” *Alice*, 573 U.S. at 216 (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 [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.” *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 claim 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).

In January 2019, the Patent Office issued guidance about this framework. *See* 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50 (Jan. 7, 2019) (“Revised Guidance”).⁸ Under the Revised Guidance, to decide whether a claim is directed to an abstract idea, we evaluate whether the claim (1) recites one of the abstract ideas listed in the Revised Guidance (“Prong One”) and (2) fails to integrate the recited abstract idea into a practical application (“Prong Two”). *See* Revised Guidance, 84 Fed. Reg. at 51, 54. If the claim is directed to an abstract idea, as noted above, we then determine whether the claim has 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, specified at a high level of generality.” Revised Guidance, 84 Fed. Reg. at 56.

⁸ *See also* USPTO, *October 2019 Patent Eligibility Guidance Update* (Oct. 17, 2019), https://www.uspto.gov/sites/default/files/documents/peg_oct_2019_update.pdf.

With these principles in mind, we first analyze whether claim 21 is directed to an abstract idea.⁹

C. Abstract Idea

1. USPTO Step 2A, Prong One

Beginning with Step 2A, Prong One, of the Revised Guidance,¹⁰ we must determine “whether the claims at issue are directed to one of those patent-ineligible concepts,” including the abstract ideas enumerated in the Revised Guidance. *Alice*, 573 U.S. at 217. One of the subject matter groupings identified as an abstract idea in the Revised Guidance is “[c]ertain methods of organizing human activity— . . . commercial . . . interactions (including . . . advertising, marketing or sales activities or behaviors).” Revised Guidance, 84 Fed. Reg. at 52. The Revised Guidance identifies another category of abstract ideas as including “[m]ental processes— concepts performed in the human mind (including an observation, evaluation, judgment, opinion).” *Id.*

For our prong one analysis, we set aside, for consideration below, the technological elements recited in claim 21: an “interface” for presenting advertisements, as recited in limitations (a), (b), and (e); a “first selectable element embedded with a first tracking code” in the subscription advertisement, as recited in limitation (b); a “second selectable element embedded with a second tracking code” in the product advertisement, as

⁹ Appellant argues claims 21–38 as a group focusing on claim 21. *See* Appeal Br. 12–32; Reply Br. 1–13. Thus, we decide the appeal based on representative claim 21. *See* 37 C.F.R. § 41.37(c)(1)(iv).

¹⁰ The Guidance refers to “Step One” as determining whether the claimed subject matter falls within the four statutory categories identified by 35 U.S.C. § 101: process, machine, manufacture, or composition of matter. This step is not at issue in this case.

recited in limitation (e); and, “data network resources” and a “web content server,” as recited in limitation (h).

Thus, claim 21 recites “a method . . . for presenting online advertisements based on estimating a value of using a subscription advertisement to acquire new fan page subscribers,” including the steps of: (a) “. . . presenting a subscription advertisement and a product advertisement and . . . receiving user input”; (b) “presenting . . . the subscription advertisement to non-subscribers of a fan page, . . . [and] track a number of new fan page subscribers acquired from the subscription advertisement”; (c) “determining the number of new fan page subscribers acquired from the subscription advertisement based on receiving a selection of the first selectable element”; (d) “determining a cost per new fan page subscriber of using the subscription advertisement to acquire new fan page subscribers, the cost determined by computing a ratio of cost for implementing the subscription advertisement to the number of new fan page subscribers”; (e) “presenting . . . the product advertisement on the fan page for receipt by fan page subscribers. . . [and] track conversion data for purchases resulting from selection . . . of [the product advertisement]”; (f) “determining a value per fan page subscriber for the product advertisement by computing a ratio of the tracked conversion data to a number of the fan page subscribers receiving the product advertisement”; (g) “determining a value of using the subscription advertisement to acquire new fan page subscribers by comparing the cost per new fan page subscriber with the value per fan page subscriber”; and, (h) “. . . use the subscription advertisement to acquire new fan page subscribers based on the determined value of using the subscription advertisement to acquire new fan page subscribers, wherein . . . use the

subscription advertisement includes . . . at least one of: continuing to present the subscription advertisement, stopping presentation of the subscription advertisement, or modifying the subscription advertisement.”

The Examiner finds that the claims “describe a concept of determining the value or effectiveness of advertisements presented to users in terms of acquired conversions or subscriptions in order to decide whether to continue using, stop using, or modify an advertisement based on its determined effectiveness in comparison to another advertisement’s effectiveness.” Ans. 7. The Examiner also finds that “[t]his concept is clearly directed to advertising, marketing and sales activities which falls under the abstract idea category of certain methods of organizing human activities.” *Id.*

We agree with the Examiner’s findings and conclude that claim 21 focuses on the concept of evaluating the effectiveness of a subscription advertisement in comparison to a product advertisement and using that evaluation in regard to continuing to present, stopping presentation of, or modifying the subscription advertisement. In particular, in “presenting” step (b), a “subscription advertisement” is presented to “non-subscribers” of a fan page. In “determining” step (c), the “number” of new subscribers acquired from the subscription advertisement is determined; and in “determining” step (d), the “cost per new fan page subscriber” from using the subscription advertisement is determined.

In “presenting” step (e), a product advertisement is presented to fan page “subscribers,” and “conversion data for purchases” is tracked. In “determining” step (f), a “value per fan page subscriber” for the product advertisement is determined. In “determining” step (g), a “value of using the subscription advertisement” to acquire new subscribers is determined by

“comparing” the “cost per new fan page subscriber” (for the subscription advertisement) with the “value per fan page subscriber” (for the product advertisement). Then, in step (h) of claim 21, the “value of using the subscription advertisement” is used in regard to continuing to present, stopping presentation of, or modifying the subscription advertisement.

Thus, we also conclude, as does the Examiner, that this concept is directed to advertising, marketing, and sale activities, and is, therefore, a method of organizing human activity. *See Revised Guidance*, 84 Fed. Reg. at 52; Ans. 7.

In addition, the Examiner finds that the recited limitations “such as determining the number . . . , determining a cost . . . , determining a value [per fan page subscriber for the product advertisement] . . . , and determining a value [of using the subscription advertisement] . . . can be performed mentally or with pen and paper.” Ans. 9. In that regard, step (c) recites “determining the number of new fan page subscribers from the subscription advertisement based on receiving a selection of the first selectable element,” and step (d) recites “determining a cost per new fan page subscriber of using the subscription advertisement.” Step (e) recites “track conversion data for purchases resulting from selection via user input . . . of the second selectable element [of the product advertisement],” and step (f) recites “determining a value per fan page subscriber for the product advertisement.” We determine that steps (c), (d), (e), and (f) of claim 21 describe concepts that can be performed in the human mind or practicably with pen and paper, and, therefore, fall into the mental processes category of abstract ideas. *See 2019 Revised Guidance*, 84 Fed. Reg. at 52.

Although steps (c) and (e) recite determining the number of new subscribers and tracking conversion data based on receiving a “selection” of the first and second selectable element, we determine these steps are nevertheless in the mental processes category. The Revised Guidance explains that “[m]ental processes” include acts that people can perform in their minds or using pen and paper, even if the claim recites that a generic computer component performs the acts. *See Revised Guidance*, 84 Fed. Reg. at 52 n.14 (“If a claim, under its broadest reasonable interpretation, covers performance in the mind but for the recitation of generic computer components, then it is still in the mental processes category unless the claim cannot practically be performed in the mind.”) (emphasis omitted); *see also Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1318 (Fed. Cir. 2016) (“[W]ith the exception of generic computer-implemented steps, there is nothing in the claims themselves that foreclose them from being performed by a human, mentally or with pen and paper.”); *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1354 (Fed. Cir. 2016) (characterizing collecting information, analyzing information by steps people go through in their minds, or by mathematical algorithms, and presenting the results of collecting and analyzing information, without more, as matters within the realm of abstract ideas); *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1372, 1375–76 (Fed. Cir. 2011) (holding that the incidental use of “computer” or “computer readable medium” does not make a claim otherwise directed to process that “can be performed in the human mind, or by a human using a pen and paper” patent eligible, explaining that “purely mental processes can be unpatentable, even when performed by a computer”).

We further determine that step (d) of “determining a cost per new fan page subscriber” and step (f) of “determining a value per fan page subscriber” can be performed by a human using pen and paper to perform basic arithmetic operations. Moreover, the functions of “determining a value” of using the subscription advertisement by “comparing” the cost per new fan page subscriber with the value per fan page subscriber, as recited in step (g) of claim 21, can also be performed in the human mind, or by a human using a pen and paper.

We note that merely combining several abstract ideas does not render the combination any less abstract. *RecogniCorp, LLC v. Nintendo Co., Ltd.*, 855 F.3d 1322, 1327 (Fed. Cir. 2017) (“Adding one abstract idea . . . to another abstract idea . . . does not render the claim non-abstract.”); *see also FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1094 (Fed. Cir. 2016) (determining the pending claims were directed to a combination of abstract ideas).

Appellant argues extensively that none of the Federal Circuit decisions cited by the Examiner show that the claims are directed to an abstract idea because they did not involve concepts sufficiently similar to the features recited in the pending claims. *See* Appeal Br. 13–25; Reply Br. 8–12. These arguments are not persuasive. Under the Revised Guidance, the relevant inquiry is whether the claims recite an abstract idea as described in the identified groupings, including certain methods of organizing human activity and mental processes. It is not persuasive to show that the claimed subject matter is unrelated (e.g., in the field of art) to a specific case identifying a particular method of organizing human activity. *See* Revised Guidance, 84 Fed. Reg. at 51–53.

Accordingly, we conclude that claim 21 recites the abstract idea of organizing human activity by evaluating the effectiveness of a subscription advertisement in comparison to a product advertisement and using that evaluation in regard to continuing to present, stopping presentation of, or modifying the subscription advertisement.

2. *USPTO Step 2A, Prong Two*

Because we determine that claim 21 recites an abstract idea, we turn to prong two of the first step of the *Alice* analysis and consider whether claim 21 integrates this abstract idea into a practical application. *See* Revised Guidance, 84 Fed. Reg. at 51. In doing so, we consider whether there are any additional elements beyond the abstract idea that, individually or in combination, “integrate the [abstract idea] into a practical application, using one or more of the considerations laid out by the Supreme Court and the Federal Circuit.”¹¹ Revised Guidance, 84 Fed. Reg. at 54–55.

As discussed *supra*, Appellant argues that claim 21 is not directed to an abstract idea because it solves the Internet-centric problem of allocating data network resources used for online advertisements using a solution rooted in computing technology. Appeal Br. 28–30. In particular, Appellant argues claim 21 solves this problem by using embedded tracking code to perform analysis based on interactions with selectable elements of online content, and allocating resources by configuring a web server to continue, stop, or modify an online advertisement, all of which require computing

¹¹ We acknowledge that some of these considerations may be properly evaluated under step 2 of *Alice* (step 2B of the Revised Guidance). Solely for purposes of maintaining consistent treatment within the Office, we evaluate it under step 1 of *Alice* (step 2A, prong two, of the Revised Guidance). *See* Revised Guidance, 84 Fed. Reg. at 54–55.

technology to implement. *Id.* at 29–30; Reply Br. 4–6. Appellant also argues that the claims are directed to, and the Specification shows, “a technical improvement (e.g., embedding tracking code in online content and controlling web servers using the tracking code) rather than organizing human activities.” Reply Br. 6–8.

We are not persuaded by Appellant’s arguments. First, we are not persuaded that claim 21 is directed to an Internet-centric problem of allocating data network resources for online advertisements. Instead, we agree with the Examiner’s finding that claim 21 addresses the problem of determining the effectiveness of advertisements presented to users in terms of acquired conversions or subscriptions to decide whether to continue using, stop using, or modify an advertisement. Ans. 10.

Second, we are not persuaded by Appellant’s arguments that claim 21 recites a technological improvement. The Examiner finds, and we agree, that “there is no technical improvement described in the claims.” Ans. 10. Appellant’s arguments are conclusory and fail to specify how claim 21 allegedly provides any specific improvement to the technological elements recited in claim 21. In particular, Appellant has failed to demonstrate that claim 21 requires any specialized computer hardware or other inventive computer components, i.e., a particular machine, that the claimed invention is performed using other than generic computer components, or that the claim results in the improvement of a computer, computer software, or the functioning of a computer or its components. Although Appellant argues that claim 21 recites “using embedded tracking code to perform analysis based on interactions with selectable elements of online content, and allocating resources by configuring a web server to continue, stop, or modify

an online advertisement,” these elements are recited at a high level of generality without any particular or specialized features or modifications. Appellant has also not identified or described any technological improvement required by claim 21 to embedded tracking codes, interfaces for presenting advertisements, the Internet or network-related infrastructure, data network resources or web content servers. Nor has Appellant identified any disclosure in the Specification of any inventive techniques or specialized computer components or software required by claim 21.

Third, we also are not persuaded by Appellant’s argument that the Federal Circuit’s decision in *DDR* supports a conclusion that claim 21 is patent eligible. In *DDR*, instead of a computer network operating in its normal, expected manner by sending a website visitor to a third-party website apparently connected with a clicked advertisement, the claimed invention generated and directed the visitor to a hybrid page that presented (1) product information from the third party, and (2) visual “look and feel” elements from the host website. *DDR*, 773 F.3d at 1258–59. Given this particular Internet-based solution, the court held that the claimed invention did not merely use the Internet to perform a business practice known from the pre-Internet world, but rather was necessarily rooted in computer technology to overcome a problem specifically arising in computer networks. *Id.* at 1257. That is not the case here. As noted previously, claim 21 merely uses the existing Internet, without any recited technological improvements, to evaluate the effectiveness of an online advertisement to acquire new subscribers and use that evaluation to make any necessary adjustments to existing resources using a web server to continue using, stop using, or modify the advertisement. In short, this operation is not rooted in

computer technology to overcome a problem arising in computer networks, but is directed to organizing human activity by evaluating the effectiveness of advertisements presented to users and using that evaluation in regard to continuing to use, stop using, or modifying an advertisement—an abstract idea.

Thus, claim 21 does not recite a technological improvement to computers, computer components or software, tracking codes, interfaces, or network-related infrastructure (including data network resources and web servers). Rather, the computers, software, and network-related infrastructure are readily available computing and networking elements performing their available basic functions as tools in implementing the abstract idea of evaluating the effectiveness of advertisements. Accordingly, we determine that the additional elements recited in claim 21 do not integrate the recited abstract idea into a practical application. *See SAP Am., Inc. v. InvestPic, LLC*, 898 F.3d 1161, 1169–70 (Fed. Cir. 2018); *Affinity Labs of Tex., LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1262 (Fed. Cir. 2016) (“In this case, the claims are directed not to an improvement in cellular telephones but simply to the use of cellular telephones as tools in the aid of a process focused on an abstract idea. That is not enough to constitute patentable subject matter.”); Revised Guidance, 84 Fed. Reg. at 55 (explaining that courts have identified “merely us[ing] a computer as a tool to perform an abstract idea” as an example of when a judicial exception may not have been integrated into a practical application). Further, consistent with the Examiner’s findings (*see* Ans. 9–12), and in view of Appellant’s Specification (*see e.g.*, paragraphs 14, 17–18, 21–28, 36, 55, 59–69), we conclude that claim 21 does not integrate the judicial exception into a practical application, and thus is

directed to the judicial exception itself. In particular, we determine claim 21 does not recite:

- (i) an improvement to the functioning of a computer;
- (ii) an improvement to another technology or technical field;
- (iii) an application of the abstract idea with, or by use of, a particular machine;
- (iv) a transformation or reduction of a particular article to a different state or thing; or
- (v) other meaningful limitations beyond generally linking the use of the abstract idea to a particular technological environment.

See MPEP § 2106.05(a)–(c), (e)–(h).

3. USPTO Step 2B — Inventive Concept

Finally, we consider whether claim 21 has an inventive concept, that is, whether any additional claim elements “transform the nature of the claim’ into a patent-eligible application.” *Alice*, 573 U.S. at 217 (quoting *Mayo*, 566 U.S. at 78, 79). This requires us to evaluate 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, specified at a high level of generality.” Revised Guidance, 84 Fed. Reg. at 56.

The Examiner finds that the additional claim elements of an interface, tracking code, data network resources, and a web content server are not “significantly more” than the abstract idea because they are performing well-understood, routine, and conventional functions in the field of online advertising. Final Act. 11. The Examiner also finds that Appellant “has not described how the data network resources/web content server, interface and tracking codes are not well-understood, routine and conventional

computer/computing elements for performing well-understood, routine and conventional functions such as presenting advertisements and tracking online user activity.” Ans. 11. Appellant makes several arguments that the claims recite significantly more than any abstract idea. Appeal Br. 30–31; Reply Br. 1–6. We are not, however, persuaded by Appellant’s arguments for the reasons discussed below.

First, Appellant argues that claims “recite significantly more than any abstract idea because the ordered combination of elements in each claim is neither conventional nor routine.” Reply Br. 1. We are not persuaded by this argument because, as we understand it, Appellant is arguing nothing more than the abstract idea itself. The law is clear, however, that the claim elements to be considered under *Alice* step 2B cannot be the abstract idea itself. *Berkheimer v. HP Inc.*, 890 F.3d 1369, 1374 (Fed. Cir. 2018) (Moore, J., concurring) (“*Berkheimer* . . . leave[s] untouched the numerous cases from [the Federal Circuit] which have held claims ineligible because the only alleged ‘inventive concept’ is the abstract idea.”); *BSG Tech LLC v. BuySeasons, Inc.*, 899 F.3d 1281, 1290 (Fed. Cir. 2018) (“It has been clear since *Alice* that a claimed invention’s use of the ineligible concept to which it is directed cannot supply the inventive concept that renders the invention “significantly more” than that ineligible concept.”); *Aatrix Software, Inc. v. Green Shades Software, Inc.*, 890 F.3d 1354, 1359 (Fed. Cir. 2018) “[T]he ‘inventive concept’ cannot be the abstract idea itself.”).

Second, Appellant argues that in light of *Berkheimer*, which was decided three months before the Answer was issued, the claims are patentable because the Examiner was required to provide “evidence that the additional claim elements are well-understood, routine, or conventional, both

individually and as an ordered combination,” but the Examiner failed to meet this burden. Reply Br. 1–3. This argument is not persuasive in view of the Examiner’s findings and the Specification. Here, the Examiner finds that the use of tracking codes for online advertisements is conventional based on the disclosures of Horowitz¹² and Oldham.¹³ Ans. 11. Appellant’s argument that the Examiner’s “citation to a single piece of prior art” is insufficient (*see* Reply Br. 3) is not persuasive because both prior art references describe tracking codes in a general manner evidencing that they were well-understood, routine, and conventional. *See, e.g.*, Horowitz ¶ 79; Oldham ¶ 17. The Examiner also finds that the Specification describes the combination of the computer/computing elements as well-understood, routine, and conventional. Ans. 12. In particular, the Examiner finds that “the client device which presents advertisements to the user can be a personal computer or cellular phone which are known for displaying webpages including advertisements and using an interface” (*id.* (citing Spec. ¶¶ 24, 25, 36)) and “the content server is not described as anything other than a server hosted by a website and providing content to client devices which is also well-known in the art” (*id.* (citing Spec. ¶¶ 21, 25, 36)). The Examiner further finds, and we agree, that Appellant “has not described how the data network resources/web content server, interface and tracking codes are not well-understood, routine and conventional computer/computing elements for performing well-understood, routine and conventional

¹² Horowitz et al. (US 2005/0149396 A1; published July 7, 2005) (“Horowitz”).

¹³ Oldham et al. (US 2008/0103887 A1; published May 1, 2008) (“Oldham”).

functions such as presenting advertisements and tracking online user activity.” *Id.* at 11–12.

Moreover, we find that the Specification indisputably shows the additional elements of claim 21 were well-understood, routine, and conventional at the time of filing because they are described in a general manner without additional details that would distinguish them from conventional components. *See, e.g.*, Spec. ¶¶ 14, 17–18, 21–28, 36, 55, 59–69; *see also Berkheimer*, 890 F.3d at 1371 (“Relying on the specification alone may be appropriate where, as in *Mayo*, the specification *admits . . .*” [that the additional elements were well-understood, routine, and conventional]). And, as discussed *supra*, we have determined that claim 21 does not recite a technological improvement to computers, computer components or software, or network-related infrastructure (including interfaces and web servers). Accordingly, we agree with the Examiner’s findings that the additional elements of claim 21 were well-understood, routine, and conventional. *See, e.g., Alice*, 573 U.S. at 225–26 (holding that “implement[ing] the abstract idea . . . on a generic computer” was not sufficient “to transform an abstract idea into a patent-eligible invention”); *Mortg. Grader, Inc. v. First Choice Loan Servs., Inc.*, 811 F.3d 1314, 1324–25 (Fed. Cir. 2016) (noting that components such as “interface,” “network,” and “database” are generic computer components that do not satisfy the inventive concept requirement); *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1355 (Fed. Cir. 2014) (“That a computer receives and sends the information over a network—with no further specification—is not even arguably inventive.”).

Third, we are not persuaded by Appellant’s argument that the recited claim elements are not well-understood, routine, and conventional functions because the Examiner fails to identify a single prior art reference, or combination of references, that discloses the elements of the claims. *See* Appeal Br. 30–31. In that regard, Appellant improperly conflates the requirements for eligible subject matter (§ 101) with the independent requirements of novelty (§ 102) and non-obviousness (§ 103). “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.” *Diehr*, 450 U.S. at 188–89; *see also Genetic Techs. Ltd. v. Merial L.L.C.*, 818 F.3d 1369, 1376 (Fed. Cir. 2016) (stating that, “under the *Mayo/Alice* framework, a claim directed to a newly discovered law of nature (or natural phenomenon or abstract idea) cannot rely on the novelty of that discovery for the inventive concept necessary for patent eligibility”).

Fourth, we are not persuaded by Appellant’s argument that the claims are patent eligible under § 101 because they “do not preempt every application of any abstract idea.” Appeal Br. 31. 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”).

Accordingly, considering claim 21 as a whole, we determine that the additional elements recited in claim 21 are readily available computing and networking elements performing their available basic functions and do not provide “a specific limitation or combination of limitations that are not well-understood, routine, conventional activity in the field.” Revised Guidance, 84 Fed. Reg. at 56. Rather, these elements “simply append[] well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality.” *Id.* Accordingly, we find that claim 21 does not have an inventive concept.

4. Dependent Claims 22–27, 29–33, and 35–38

Appellant argues that the Examiner “erred by failing to explain why dependent claims 22–27, 29–33, and 35–38 are directed to an abstract idea and lack features that are ‘significantly more’ than the abstract idea.” Appeal Br. 32. The Examiner fully addressed this argument in the Answer. Ans. 12–14. We agree with the Examiner’s findings and conclusions as set forth in the Answer. Based on the Examiner’s findings and conclusions, which we adopt as our own, we are not persuaded by Appellant’s argument with respect to these dependent claims. In particular, our step 2A, prong one, and step 2A, prong two, analysis of claim 21 is equally applicable to these dependent claims because the recited limitations of these claims do not change our determination that the character of the claim, as a whole, is directed to an abstract idea. And, our step 2B analysis is equally applicable because “‘well-understood, routine, conventional activities’ previously

known to the industry” cannot provide an inventive concept. *Alice*, 573 at 221 (quoting *Mayo*, 566 U.S. at 79).

5. Conclusion

Because we determine that claim 21 is directed to an abstract idea and does not contain an inventive concept, we sustain the Examiner’s rejection of claim 21 under 35 U.S.C. § 101. For the same reasons, we sustain the Examiner’s rejection under 35 U.S.C. § 101 of independent claims 28 and 34. We also determine, for the reasons discussed above, that dependent claims 22–27, 29–33, and 35–38 are directed to an abstract idea and do not contain an inventive concept, and therefore we sustain the Examiner’s rejection of claims 22–27, 29–33, and 35–38 under § 101.

II. SECTION 103 REJECTION

The dispositive issue raised by Appellant’s arguments with respect to the rejection of claims 21–38 under § 103(a) is whether the combination of Latona, Johansson, and Brooks teaches or suggests “presenting . . . the subscription advertisement to non-subscribers of a fan page” and “presenting . . . the product advertisement on the fan page for receipt by fan page subscribers,” as recited in limitations (b) and (e), respectively, of claim 21, and commensurately recited in claims 28 and 34. *See* Appeal Br. 33–35; Reply Br. 12–13.

The Examiner relies on Latona as teaching these limitations. Final Act. 14, 16 (citing Latona ¶¶ 30–32); Ans. 14–15. In response to Appellant’s argument that Latona fails to teach these limitations because Latona “describes presenting first and second advertisements to *the same set of recipients*” (Appeal Br. 33), the Examiner finds that “nothing in the claim describes recognizing the type of user and presenting a particular

advertisement based on the type of user.” Ans. 14. The Examiner also finds that based on the Specification’s disclosure that an advertisement can be made available only to subscribers or to others as well, Latona does not have to teach “restricting certain users to viewing particular ads” and “[i]f both ads are presented to recipients, then the requirement of the recipients to view or be presented with one of those ads is satisfied.” *Id.* at 14–15 (citing Spec. ¶ 43).

We are persuaded by Appellant’s arguments that the Examiner erred. First, we agree with Appellant’s argument that the Examiner erred in interpreting claim 21. Contrary to the Examiner’s finding that nothing in the claim describes presenting a particular advertisement “based on the type of user,” the disputed limitations of claim 21 expressly recite presenting different advertisements to different types of users. Specifically, limitation (b) recites presenting the subscription advertisement to “non-subscribers of a fan page,” and limitation (e) recites presenting the product advertisement on the fan page “for receipt by fan page subscribers.” In addition, we agree with Appellant’s argument that the Examiner improperly broadens the scope of claim 21 based on the Specification. Ans. 12. Appellant argues that although the Specification describes some embodiments in which an advertisement can be made available only to subscribers and other embodiments in which the advertisement can be made available to others as well as to subscribers, the pending claims are directed to “a particular embodiment in which a first online advertisement (i.e., a subscription advertisement) is presented to a first set of recipients (i.e., non-subscribers of a fan page) and a second online advertisement (i.e., a product advertisement) is presented to a second set of recipients (i.e., fan page subscribers).” Reply

Br. 12. Under these circumstances, we agree with Appellant’s argument because “[a]lthough claim terms are interpreted in light of the specification, we do not read limitations from the specification into the claims.” *See Constant v. Advanced Micro-Devices, Inc.*, 848 F.2d 1560, 1571–72 (Fed. Cir. 1988), *cert. denied*, 488 U.S. 892 (1988) (various limitations on which appellant relied were not stated in the claims; the specification did not provide evidence indicating these limitations must be read into the claims to give meaning to the disputed terms); *see also In re Am. Acad. Of Sci. Tech Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004).

Second, we agree with Appellant’s argument that Latona does not teach the disputed limitations of claim 21 as properly interpreted. Appellant argues, and we agree, that Latona teaches determining the relative effectiveness of advertising content by presenting advertisements to the same user or set of recipients. Appeal Br. 33 (citing Latona ¶¶ 30–33, 46, 47, 80); Reply Br. 12–13; *see also* Latona ¶ 54. Thus, we also agree with Appellant’s argument that Latona does not teach or suggest the disputed limitations that specifically require presenting different advertisements to different recipients because Latona teaches presenting advertisements to the same user or set of recipients.

Accordingly, for these reasons, we do not sustain the Examiner’s rejection of claim 21 under § 103(a). For the same reasons, we do not sustain the Examiner’s rejection of claims 28 and 34, as well as dependent claims 22–27, 29–33, and 35–38.

DECISION

We affirm the Examiner’s rejection of claims 21–38 under 35 U.S.C. § 101.

We reverse the Examiner’s rejection of claims 21–38 under 35 U.S.C. § 103(a).

Because we affirm at least one ground of rejection with respect to each claim on appeal, the Examiner’s decision is affirmed. *See* 37 C.F.R. § 41.50(a)(1).

SUMMARY

Claims Rejected	35 U.S.C. §	Reference(s)/Basis	Affirmed	Reversed
21–38	101	Eligibility	21–38	
21–38	103(a)	Latona, Johansson, Brooks		21–38
Overall Outcome			21–38	

TIME PERIOD FOR RESPONSE

No 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