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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte SCOTT JOLLIFFE and DAVID LEWIS

Appeal 2018-007053
Application 13/898,662
Technology Center 3600

Before MURRIEL E. CRAWFORD, TARA L. HUTCHINGS, and
ROBERT J. SILVERMAN, *Administrative Patent Judges*.

SILVERMAN, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Pursuant to 35 U.S.C. § 134(a), Appellant¹ appeals from the Examiner’s decision rejecting claims 1–21. An oral hearing was held on March 4, 2020. 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 School Outfitters, LLC. Appeal Br. 2.

ILLUSTRATIVE CLAIM

1. A method of associating a transaction involving one or more products with a visitor to a web-site, the method comprising:

receiving first data at a computer, the first data relating to the transaction;

receiving second data at the computer, the second data relating to a plurality of web sessions, each web session being generated by a visitor to the web-site;

for each visitor, determining if any products in the transaction relate to a page viewed by the visitor during the visitor's web session based on the first and second data;

generating a visitor score based on a number of products in the transaction that were determined to relate to a viewed web page; and

associating one or more of the visitors with the transaction based on the visitor score.

REJECTIONS

I. Claims 1–21 are rejected under 35 U.S.C. § 101 as ineligible subject matter.

II. Claims 1–21 are rejected under 35 U.S.C. § 103(a) as unpatentable over Tietzen et al. (US 2011/0112897 A1, pub. May 12, 2011) (hereinafter “Tietzen”) and Official Notice.

FINDINGS OF FACT

The findings of fact relied upon, which are supported by a preponderance of the evidence, appear in the following Analysis.

ANALYSIS

Subject-Matter Eligibility

Under 35 U.S.C. § 101, an invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101. Yet, subject matter belonging to any of the statutory categories may, nevertheless, be ineligible for patenting. The Supreme Court has interpreted § 101 to exclude laws of nature, natural phenomena, and abstract ideas, because they are regarded as the basic tools of scientific and technological work, such that including them within the domain of patent protection would risk inhibiting future innovation premised upon them. *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 589 (2013).

Of course, “[a]t some level, ‘all inventions . . . embody, use, reflect, rest upon, or apply’” these basic tools of scientific and technological work. *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 217 (2014). Accordingly, evaluating ineligible subject matter, under these judicial exclusions, involves a two-step framework for “distinguish[ing] between patents that claim the buildin[g] block[s] of human ingenuity and those that integrate the building blocks into something more, thereby transform[ing] them into a patent-eligible invention.” *Id.* (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 88–89 (2012) (internal quotation marks omitted)). The first step determines whether the claim is directed to judicially excluded subject matter (such as a so-called “abstract idea”); the second step determines whether there are any “additional elements” recited in the claim that (either individually or as an “ordered combination”) amount to

“significantly more” than the identified judicially excepted subject matter itself. *Id.* at 217–18.

In 2019, the USPTO published revised guidance on the application of § 101, in accordance with judicial precedent. *See 2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50, 52 (Jan. 7, 2019) (“*2019 Revised Guidance*”). Under the *2019 Revised Guidance*, a claim is “directed to” an abstract idea, only if the claim recites any of (1) mathematical concepts, (2) certain methods of organizing human activity, and (3) mental processes — without integrating such abstract idea into a “practical application,” i.e., without “apply[ing], rely[ing] on, or us[ing] the judicial exception in a manner that imposes a meaningful limit on the judicial exception, such that the claim is more than a drafting effort designed to monopolize the judicial exception.” *Id.* at 52–55. The considerations articulated in MPEP § 2106.05(a)–(c) and (e)–(h) bear upon whether a claim element (or combination of elements) integrates an abstract idea into a practical application. *Id.* at 55. A claim that is “directed to” an abstract idea constitutes ineligible subject matter, unless the claim recites an additional element (or combination of elements) amounting to significantly more than the abstract idea. *Id.* at 56.

Although created “[i]n accordance with judicial precedent” (*id.* at 52), the *2019 Revised Guidance* enumerates the analytical steps differently than the Supreme Court’s *Alice* opinion. Step 1 of the *2019 Revised Guidance* addresses whether the claimed subject matter falls within any of the statutory categories of § 101. *Id.* at 53–54. Step 2A, Prong One, concerns whether the claim at issue recites ineligible subject matter and, if an abstract idea is recited; Step 2A, Prong Two, addresses whether the recited abstract idea is

integrated into a practical application. *Id.* at 54–55. Unless such integration exists, the analysis proceeds to Step 2B, in order to determine whether any additional element (or combination of elements) amounts to significantly more than the identified abstract idea. *Id.* at 56.

In the present Appeal, the Appellant argues claims 1–21 as a group. Appeal Br. 4–6. Claim 1 is selected for analysis herein. *See* 37 C.F.R. § 41.37(c)(1)(iv).

As to Step 1, there is no dispute that the claims are within delineated categories of § 101.

With regard to the analysis corresponding to Step 2A, Prong One, the Examiner determines that the claim limitations of “receiving” “first data” and “second data,” “generating a visitor score,” and “associating one or more of the visitors with the transaction” (although excepting the computer environment) recite the concept of “associating a user’s web activity with a product or service in a transaction.” Final Action 2. The Examiner regards this concept as a judicial exception — specifically, an “abstract idea” — because it is “fundamental economic practice and a method of organizing human activities (i.e., determining how and why a shopper purchased an item).” *Id.*

The Examiner’s determination corresponds to a category of “abstract idea” identified in the *2019 Revised Guidance*: “Certain methods of organizing human activity,” which includes “fundamental economic principles or practices (including hedging, insurance, mitigating risk),” as well as “commercial or legal interactions (including agreements in the form of contracts; legal obligations; advertising, marketing or sales activities or behaviors; business relations).” *2019 Revised Guidance*, 84 Fed. Reg. at 52.

Disputing the Examiner’s determination that the claims recite a judicial exception, the Appellant argues:

[T]he claims in this case are directed to a variety of very tangible components and methods needed to match transactions and browsing sessions. They are directed to a real-world problem of computing systems, namely that they don’t accurately track and relate the browsing activity and purchase activity of customers. The claims involve the handling and analysis of specific types of browsing data and is used to accomplish a practical solution to the real world problem, namely, identifying matching browsing sessions and product transactions. As such, the claims are different than the mere “business methods” that have been struck down in decisions before and since the Supreme Court decision in *Alice v. CLS Bank*.

Appeal Br. 4–5.

Yet, the presence of “very tangible components and methods” or “real-world problem[s]” (*id.*) does not persuade us of error, as to the inquiry of Step 2A, Prong One. Indeed, the Supreme Court has explained that such considerations do not resolve matters of patent eligibility:

The fact that a computer necessarily exist[s] in the physical, rather than purely conceptual, realm, is beside the point. There is no dispute that a computer is a tangible system (in § 101 terms, a “machine”), or that many computer-implemented claims are formally addressed to patent-eligible subject matter. But if that were the end of the § 101 inquiry, an applicant could claim any principle of the physical or social sciences by reciting a computer system configured to implement the relevant concept. Such a result would make the determination of patent eligibility depend simply on the draftsman’s art, thereby eviscerating the rule that [l]aws of nature, natural phenomena, and abstract ideas are not patentable.

Alice, 573 U.S. at 224 (citations and internal quotation marks omitted).

Therefore, the Appellant does not persuade us of error, as to the Examiner’s analysis corresponding to Step 2A, Prong One.

Turning to Step 2A, Prong Two, unless a claim that recites a judicial exception (such as an abstract idea) “integrates the recited judicial exception into a practical application of that exception,” the claim is “directed to” the judicial exception. *2019 Revised Guidance*, 84 Fed. Reg. at 53. The analysis of such an “integration into a practical application” involves “[i]dentifying . . . any additional elements recited in the claim beyond the judicial exception(s)” and “evaluating those additional elements individually and in combination to determine whether they integrate the exception into a practical application.” *Id.* at 54–55. Among the considerations “indicative that an additional element (or combination of elements) may have integrated the exception into a practical application” is whether “[a]n additional element reflects an improvement in the functioning of a computer, or an improvement to other technology or technical field.” *Id.* at 55 (footnote omitted). “[W]hether an additional element or combination of elements integrate[s] the exception into a practical application should be evaluated on the claim as a whole.” *Id.* at 55 n.24.

In regard to such considerations, the Appellant argues:

[T]he claims in this case include meaningful limitations that avoid the risk of preemption of any purported abstract idea, a primary concern of the Alice Court. They contain patentable subject matter because they provide a solution to a concrete, specific problem with an inventive technical solution. In that way, the claims are similar to those upheld by courts under §101.

Appeal Br. 5. According to the Appellant, the claims in the present Appeal are similar to those in *DDR Holdings, LLC v. Hotels.com, LP*, 1245, 1257

(Fed. Cir. 2014), “because they claim a solution ‘necessarily rooted in a computer technology in order to overcome a problem specifically arising in the realm of computer networks.’” *Id.* Likewise, the Appellant likens the claims under review, here, to those in *Messaging Gateway Solutions, LLC v. Amdocs, Inc.*, 2015 WL 1744343, at *5 (D. Del. April 15, 2015), wherein the court determined that the claimed solution “is tethered to the technology that created the problem.” *Id.* In addition, the Appellant cites *Motio, Inc. v. BSP Software LLC*, 154 F. Supp. 3d 434, 440 (E.D. Tex. 2016), to support the argument that avoiding preemption of an abstract idea should determine patent-eligibility. *Id.*

However, notwithstanding the Appellant’s allusion to “meaningful limitations” in the claims (*id.*), no “additional elements” (in the manner of the *2019 Revised Guidance*, discussed above) are identified.

Furthermore, the Examiner reasonably questions the aptness of *DDR Holdings*. Answer 4. As the Federal Circuit cautioned, “not all claims purporting to address Internet-centric challenges are eligible for patent.” *DDR Holdings*, 773 F.3d at 1258. Indeed, the Appellant does not adequately show how the claimed subject matter accomplishes a solution to a problem that was created by the technology employed, in the manner of *DDR Holdings* or *Messaging Gateway Solutions*. According to the Examiner, “[m]atching one set of data elements with another set of data elements in the general sense described in the claims does not provide any improvement to the functioning of the computer or constitute a novel solution to a technical problem.” Answer 4.

Nor does the Appellant’s non-preemption argument (*see* Appeal Br. 5) persuade us that the claims under review are patent-eligible. Although the

Supreme Court has described “the concern that drives [the exclusion of abstract ideas from patent-eligible subject matter] as one of pre-emption,” *Alice Corp.*, 573 U.S. at 216, characterizing preemption as a driving concern for patent eligibility is not the same as characterizing preemption as the sole test for patent eligibility. “The Supreme Court has made clear that the principle of preemption is the basis for the judicial exceptions to patentability” and “[f]or this reason, questions on preemption are inherent in and resolved by the § 101 analysis.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (citing *Alice Corp.*, 573 U.S. at 216). “[P]reemption may signal patent ineligible subject matter, [but] the absence of complete preemption does not demonstrate patent eligibility.” *Id.*

Therefore, we are not persuaded of error in the rejection, with regard to analyses corresponding to Step 2A, Prong Two.

Under Step 2B of the *2019 Revised Guidance* (84 Fed. Reg. at 56), a claim that recites a judicial exception (such as an abstract idea) might, nevertheless, be patent-eligible, if the claim contains “additional elements amount[ing] to significantly more than the exception itself” — i.e., “a specific limitation or combination of limitations that [is] not well-understood, routine, conventional activity in the field, which is indicative that an inventive concept may be present.” *See Alice*, 573 U.S. at 223 (“[T]he mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention.”)

The Examiner’s position is that the additional elements of claim 1, other than those limitations that describe the judicial exception, amount to no more than instructions to implement the identified ineligible concept in a generic computer environment. Final Action 2.

In line with the Examiner’s position, courts have regarded basic computer techniques as insufficient to establish significantly more than an abstract idea, per Step 2B. *See Interval Licensing, LLC v. AOL, Inc.*, 896 F.3d 1335, 1345 (Fed. Cir. 2018) (the claim elements “merely recite routine and conventional steps in carrying out the well-established practice of accessing data from an external source and displaying that data on a user’s device” that “offer ‘nothing more than generic, pre-existing computer functionality’”) (citation omitted); *Versata Dev. Group, Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1334, (Fed. Cir. 2015) (arranging, storing, and retrieving information “are well-understood, routine, conventional activities previously known to the industry.”)

As noted above, the Appellant does not identify any “additional elements,” beyond the limitations describing the judicial exception, which might constitute significantly more than the ineligible concept. As such, we are not persuaded of error in the rejection of claim 1, with regard to the inquiries corresponding to Step 2B.

Therefore, per 37 C.F.R. § 41.37(c)(1)(iv), we are not persuaded of error in the rejection of claim 1, such that we sustain the rejection of claims 1–21 under 35 U.S.C. § 101.

Obviousness

The Examiner rejects independent claims 1, 16, 20, and 21, based, in part, on determining that Tietzen teaches the recitation (found in claim 1) of associating a website “visitor” with a “transaction,” based on the “visitor score,” as well as Official Notice “that it is well-known to use a variety of quantities to calculate scores for transactions (e[.]g., total price, number of items purchased, time between purchases, etc.).” Final Action 4–5 (citing

Tietzen Abstract, ¶¶ 4, 5, 95–101). The Examiner’s Answer provides further clarification, as to the Official Notice: “Note that the official notice merely states that it is well-known to calculate a score using various quantities.”

Answer 4.

The Appellant contends that the Examiner’s findings do not reflect any relationship between number of products in the transaction and the corresponding website visitor activity, which might provide a basis for the Examiner’s conclusion of obviousness. Appeal Br. 6, Reply Br. 3.

According to the Appellant, “there is no suggestion in Tietzen and the other references to match transactions with prior customer behavior, and/or make a score from a transaction and/or prior customer behavior, and/or to relate the two.” Reply Br. 3.

Indeed, the Examiner characterizes the cited portions of Tietzen as teaching a “system [that] matches transactions with web activity of a member with a level of certainty.” Final Action 4. Accordingly, Tietzen refers to “utilizing a transaction linking utility to determine the likelihood that a match exists between the transaction details and activity by one of the one or more members.” Tietzen ¶ 5. Yet, the Examiner does not identify any disclosure in Tietzen that “bas[es]” any such match “on the visitor score,” as recited in claim 1. Consequently, the Examiner does not adequately articulate why Tietzen, together with the Official Notice, would amount to a teaching or suggestion, per claim 1, that “a visitor score based on a number of products in the transaction” might be the basis for associating a “transaction” with a website “visitor.”

In view of the foregoing, we are persuaded of error in the Examiner's rejection of independent claims 1, 16, 20, and 21, such that we do not sustain the rejection of claims 1–21 under 35 U.S.C. § 103(a).

CONCLUSION

In summary:

Claims Rejected	35 U.S.C. §	Reference(s)/Basis	Affirmed	Reversed
1–21	101	Eligibility	1–21	
1–21	103(a)	Tietzen, Official Notice		1–21
Overall Outcome			1–21	

TIME PERIOD FOR 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