UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
12/151,734	05/07/2008	Jared S. Morgenstern	26295-14453	2152

87851   7590   09/11/2019

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ART UNIT	PAPER NUMBER
3697	

NOTIFICATION DATE	DELIVERY MODE
09/11/2019	ELECTRONIC

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UNITED STATES PATENT AND TRADEMARK OFFICE
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BEFORE THE PATENT TRIAL AND APPEAL BOARD
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Ex parte JARED S. MORGENSTERN and JOSHUA PRITCHARD
_____

Appeal 2018-007475
Application 12/151,734[1]
Technology Center 3600
_____

Before JOSEPH L. DIXON, HUNG H. BUI, and
JON M. JURGOVAN, *Administrative Patent Judges*.

JURGOVAN, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants seek review under 35 U.S.C. § 134(a) from a Final
Rejection of claims 1, 3, 8–13, 18, 20, 21, and 23–26, which are all the
claims pending in the application. We have jurisdiction under 35 U.S.C.
§ 6(b).

We affirm.[2]

_____

[1] Appellants identify Facebook, Inc., as the real party in interest. (App.
Br. 2.)

[2] Our Decision refers to the Specification ("Spec.") filed May 7, 2008, the
Final Office Action ("Final Act.") mailed May 18, 2017, the Appeal Brief
("App. Br.") filed January 18, 2018, the Examiner's Answer ("Ans.") mailed
May 17, 2018, and the Reply Brief ("Reply Br.") filed July 17, 2018.

CLAIMED INVENTION

The claims are directed to a method and system "for [classified] advertising in an authenticated web-based social network," including "displaying [a] classified advertisement on a user network in the authenticated web-based social network with information about a relationship between the advertising member [that provided the classified advertisement] and a member of the authenticated web-based social network viewing the classified advertisement," and "[i]f a certain number of [flag listing] reports are received for a particular classified advertisement and/or a particular advertising member, the classified advertisement may be removed from some or all of the user networks." (Spec. ¶¶ 5, 39; Title (capitalization altered).)

Claims 1, 8, and 18 are independent claims. Claim 1, reproduced below, is illustrative of the claimed subject matter:

1.   A method comprising:

maintaining in a social networking system a plurality of connections among a plurality of users of the social networking system, each user of the plurality of users associated with one or more networks specifying an affiliation of the user;

receiving, from a posting user, an advertisement to display to other users of the social networking system, the advertisement including designated networks associated with the posting user to which the advertisement is eligible to be presented;

identifying, by the social networking system, a first viewing user associated with a first network of the designated networks as eligible to view the advertisement;

sending the advertisement from the social networking system for display to the first viewing user;

receiving, at the social networking system, a question about the advertisement from the first viewing user;

updating a questions page associated with the advertisement to display the question;

modifying the advertisement to display the updated questions page;

selecting, by the social networking system, a second viewing user of the social networking system who is connected to the first viewing user and associated with the first network;

sending the modified advertisement from the social networking system for display to the second viewing user in a newsfeed;

receiving, from a subset of the plurality of users, flag listing reports identifying the advertisement as questionable, the subset of users being associated with a second network of the designated networks; and

responsive to a number of flag listing reports exceeding a threshold, removing the second network from the designated networks and preventing display of the advertisement to users associated with the second network.

(App. Br. 15–21 (Claims App.).)

REJECTIONS

(1) Claims 1, 3, 8–13, 18, 20, 21, and 23–26 stand rejected under 35 U.S.C. § 101 as directed to non-eligible subject matter. (Final Act. 2–6.)

(2) The Examiner rejected claims 8–13 and 25 under 35 U.S.C. § 101 as directed to software *per se*. (Final Act. 6.)

ANALYSIS

Rejection of claims 8–13 and 25 under 35 U.S.C. § 101
as directed to software per se

Claims 8–13 and 25 stand rejected under 35 U.S.C. § 101 as containing software *per se*. (Final Act. 6.) However, Appellants have not presented arguments directed to this rejection, and thus, have not identified

an error in this rejection for us to review. Accordingly, there is no issue

before us and we sustain this rejection *pro forma*.

*Rejection of claims 1, 3, 8–13, 18, 20, 21, and 23–26
under 35 U.S.C. § 101*

Patent eligibility is a question of law that is reviewable *de novo*.

Dealertrack, Inc. v. Huber, 674 F.3d 1315, 1333 (Fed. Cir. 2012).

Accordingly, we review the Examiner's § 101 determinations concerning

patent eligibility under this standard.

Patentable subject matter is defined by 35 U.S.C. § 101, as follows:

> [w]hoever invents or discovers any new and useful process,
> machine, manufacture, or composition of matter, or any new
> and useful improvement thereof, may obtain a patent therefor,
> subject to the conditions and requirements of this title.

In interpreting this statute, the Supreme Court emphasizes that patent

protection should not preempt "the basic tools of scientific and technological

work." *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972) ("*Benson*"); *Mayo

Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 71 (2012)

("*Mayo*"); *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 573 U.S. 208, 217–18

(2014) ("*Alice*"). The rationale is that patents directed to basic building

blocks of technology would not "promote the [p]rogress of [s]cience" under

the U.S. Constitution, Article I, Section 8, Clause 8, but instead would

impede it. Accordingly, laws of nature, natural phenomena, and abstract

ideas, are not patent-eligible subject matter. *Thales Visionix Inc. v. U.S.*, 850

F.3d 1343, 1346 (Fed. Cir. 2017) (citing *Alice*, 134 S.Ct. 2347, 2354

(2014)).

The Supreme Court set forth a two-part test for subject matter

eligibility in *Alice* (573 U.S. at 217–19). The first step is to determine

whether the claim is directed to a patent-ineligible concept. *Id.* (citing

Mayo, 566 U.S. at 76–77). If so, then the eligibility analysis proceeds to the second step of the *Alice*/*Mayo* test in which we "examine the elements of the claim to determine whether it contains an 'inventive concept' sufficient to 'transform' the claimed abstract idea into a patent-eligible application." *Alice*, 573 U.S. at 221 (quoting *Mayo*, 566 U.S. at 72, 79). There is no need to proceed to the second step, however, if the first step of the *Alice/Mayo* test yields a determination that the claim is directed to patent eligible subject matter.

The Patent Office has recently revised its guidance for how to apply the *Alice/Mayo* test in the *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50–57 (January 7, 2019) ("the Revised Guidance"). Under the Revised Guidance, we first look to whether the claim recites:

> (1) any judicial exceptions, including certain groupings of abstract ideas (i.e., mathematical concepts, mental processes, or certain methods of organizing human activity such as a fundamental economic practice or managing personal behavior or relationships or interactions between people); and

> (2) additional elements that integrate the judicial exception into a practical application (*see* Manual of Patent Examining Procedure ("MPEP") § 2106.05(a)–(c), (e)–(h)). 84 Fed. Reg. at 51–52, 55.

A claim that integrates a judicial exception into a practical application applies, relies on, or uses 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. 84 Fed. Reg. at 54. When the judicial exception is so integrated, then the claim is not directed to a judicial exception and is patent-eligible under § 101. 84 Fed. Reg. at 54. Only if a claim (1) recites a judicial exception and (2) does not integrate that exception into a practical application, do we then evaluate

whether the claim provides an inventive concept. 84 Fed. Reg. at 56; *Alice*, 573 U.S. at 217–19, 221.

Alice/Mayo—Step 1 (Abstract Idea)
Step 2A–Prongs 1 and 2 identified in the Revised Guidance

Step 2A—Prong 1 (Does the Claim Recite a Judicial Exception?)

Turning to the first step of the *Alice* inquiry (*Step 2A, Prong 1 of the Revised Guidance*), the Examiner finds independent claim 1 (and similarly, claims 8 and 18) is "directed to the abstract idea of providing targeted advertising to members of a social network, fielding questions about the advertisement, and removing the advertisement from locations receiving complaints about it from targeted members," which is an example of "methods of organizing human activity." (Final Act. 2 (citing *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709 (Fed. Cir. 2014)).)

The Examiner then determines the claim elements, when analyzed individually and as an ordered combination, do not amount to "significantly more" than the abstract idea. (Final Act. 2, 4–6; Ans. 5.)

Appellants argue claims 1, 3, 8–13, 18, 20, 21, and 23–26 together, presenting arguments directed to independent claim 1. (App. Br. 7, 10–13; Reply Br. 2, 5–8.) As a result, we select independent claim 1 as the representative claim for the group and address Appellants' arguments thereto. *See* 37 C.F.R. § 41.37(c)(1)(iv) (2017). Independent claims 8 and 18 stand or fall with claim 1. *See* 37 C.F.R. § 41.37(c)(1)(iv) (2017).

Appellants contend the Examiner erred in rejecting the claims under 35 U.S.C. § 101 as directed to non-statutory subject matter because the claims are not directed to an abstract idea. (App. Br. 7–12; Reply Br. 2–6.) Particularly, Appellants contend "the examiner does not properly identify an

abstract idea towards which the claims are directed" because the Examiner's "proposed abstract idea is significantly more specific than other ideas identified as abstract by the courts." (App. Br. 7–10; Reply Br. 3–4.) Appellants also argue the claims are not directed to an abstract idea because "the claims recite specific improvements to online advertising" including "a specific improvement to the process of flagging advertisements as questionable and preventing the advertisement from being presented within a social networking system," which "allows the social networking system to customize the automatic delivery of content to different users based on whether the user would find the content questionable." (App. Br. 10–12; Reply Br. 5–6.)

Appellants' arguments are not persuasive. Here, representative claim 1 recites a method that results in presenting advertisements to potential consumers (users in a social networking system) based on information about the consumers. (*See* Spec. ¶¶ 3, 5–6, 19, 23, and 43.) More specifically, representative claim 1 recites the following limitations: (1) "maintaining in a social networking system a plurality of connections among a plurality of users of the social networking system, each user of the plurality of users associated with one or more networks specifying an affiliation of the user"; (2) "receiving, from a posting user, an advertisement to display to other users," "the advertisement including designated networks associated with the posting user to which the advertisement is eligible to be presented"; (3) identifying "a first viewing user associated with a first network of the designated networks as eligible to view the advertisement," "sending the advertisement from the social networking system for display to the first viewing user," selecting "a second viewing user of the social networking system who is connected to the first viewing user and associated with the

first network," and "sending the modified advertisement from the social networking system for display to the second viewing user"; (4) receiving "a question about the advertisement from the first viewing user," updating content (a questions page) "associated with the advertisement to display the question," and "modifying the advertisement to display the updated questions page"; and (5) "receiving, from a subset of the plurality of users, flag listing reports identifying the advertisement as questionable, the subset of users being associated with a second network of the designated networks" and "responsive to a number of flag listing reports exceeding a threshold, removing the second network from the designated networks and preventing display of the advertisement to users associated with the second network." (App. Br. 15–16 (Claims App.).) These limitations, under their broadest reasonable interpretation, recite preparing advertisements and presenting the advertisements to users (potential consumers) based on the users' behavior and preferences, thereby describing operations that would ordinarily take place when targeting advertisements to promote products and services to potential consumers.

For example, limitation (1) in claim 1 describes data collection activities for collecting information about users (such as the users' networks of friends and acquaintances and the users' affiliations), which are activities ordinarily performed by social networking sites and other entities, such as advertising companies, when cumulating data about and analyzing potential consumers. (*See* Spec. ¶¶ 24 ("User networks may include members of the web-based social network with an affiliation such as a particular school, employer, and/or geographic region and the like. Relationship information may include friends, colleagues, and/or classmates, etc. in common among the various members of the authenticated web-based social network."), 29

(describing "networks for which a member of a web-based social network has an authenticated affiliation, such as a school, a geographic region, and/or a particular workplace," so that "[b]y activating a particular network selection, a member may view items or services being offered by other members of that particular network" and "within an authenticated social network, members may interact with a high level of confidence about the nature of the product or service, as well as the party offering that product or service").) Limitation (2) in claim 1 describes preparing an ad, including tailoring the ad for particular user groups (networks associated with a user)—an activity ordinarily performed by entities (e.g., individuals and companies) when preparing targeted ads for particular groups or population sectors. (*See* Spec. ¶¶ 42–43.) Limitation (3) in claim 1 describes presenting the ads to targeted users—users in a particular online group (users associated with a first network)—an activity ordinarily performed during targeted advertising and ad monetization by promoting advertised products or services to potentially interested consumers. Limitation (4) in claim 1 describes updating an ad's content or ad's associated data based on user questions—an activity ordinarily performed by ad-posting entities seeking to provide more information about products or services being advertised. (*See* Spec. ¶¶ 33–37.) Limitation (5) in claim 1 describes refining an ad's targeting conditions based on input from users, to stop the ad's presentation to particular user groups, which is an activity ordinarily performed by ad-posting entities that tailor ads to customers' known preferences.

Thus, limitations (1)–(5) in claim 1 recite preparing advertisements and presenting the advertisements to potential consumers based on information known about the consumers, thereby performing targeted advertising, which is a known business activity and a fundamental economic

practice in our system of commerce, similar to other concepts identified by the courts as abstract ideas. For example, like the risk hedging in *Bilski*, the intermediated settlement in *Alice*, and the delivery of free content in exchange for viewing ads in *Ultramercial*, the concept of targeting ads based on information known about potential consumers is a fundamental business practice long prevalent in our system of commerce. *See Bilski v. Kappos*, 561 U.S. 593, 599, 611–12 (2010) (risk hedging); *Alice*, 573 U.S. at 215–19 (intermediated settlement of traded or exchanged financial obligations to mitigate the risk that one party will not perform); *Ultramercial*, 772 F.3d at 715–16; *Affinity Labs of Texas, LLC v. Amazon.com*, 838 F.3d 1266, 1269, 1271 (Fed. Cir. 2016) ("the concept of delivering user-selected media content to portable devices [(in a method for targeted advertising in which an advertisement is selected for delivery to the user of a portable device based on at least one piece of demographic information about the user)] is an abstract idea," and "'customizing information based on . . . information known about the user' is an abstract idea" (citing *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1369 (Fed. Cir. 2015))); *Morsa v. Facebook, Inc.*, 77 F. Supp. 3d 1007, 1013 (C.D. Cal. 2014), *aff'd*, 622 F. App'x 915 (Fed. Cir. 2015) ("[t]he concept of gathering information about one's intended market and attempting to customize the information then provided is as old as the saying, 'know your audience.'" (quoting *OpenTV, Inc. v. Netflix Inc.*, 76 F. Supp. 3d 886, 893 (N.D. Cal. 2014))).

We therefore disagree with Appellants' argument that "the examiner does not properly identify an abstract idea towards which the claims are directed," and we agree with the Examiner that claim 1 is directed to the abstract idea of providing targeted advertising to members of a social network. (*See* Reply Br. 4; Final Act. 2, 4.)

Advertising products or services to customers based on information known about the consumers is also a building block of a market economy and, like risk hedging and intermediated settlement, is an "abstract idea" beyond the scope of § 101. *See Alice*, 573 U.S. at 219. Thus, similar to the concept of intermediated settlement in *Alice*, the concept of hedging in *Bilski*, and targeted advertising in *Affinity Labs*, the concept of advertising to potential customers based on information known about the consumers (as in Appellants' claim 1) "[is] a fundamental economic practice long prevalent in our system of commerce." *See Alice*, 573 U.S. at 219; *Bilski*, 561 U.S. at 611–12 ("Claims 1 and 4 in petitioners' application explain the basic concept of hedging, or protecting against risk.").

We therefore conclude limitations (1)–(5) in representative claim 1, and similar limitations in grouped claims 8 and 18, recite targeting advertisements to particular consumers to promote products and/or services, which is a fundamental economic practice and one of the methods of organizing human activity identified in the Revised Guidance, and therefore an abstract idea. *See* Revised Guidance (*Revised Step 2A, Prong One*), 84 Fed. Reg. at 52 (describing an abstract idea category of "[c]ertain methods of organizing human activity—fundamental economic principles or practices . . . commercial or legal interactions (including . . . advertising, marketing or sales activities or behaviors; business relations)"), 54. In conclusion, representative claim 1, and grouped independent claims 8 and 18, recite an abstract idea comprising a fundamental economic practice.

Step 2A—Prong 2 (Integration into Practical Application)

Under *Step 2A, Prong 2 of the Revised Guidance*, we discern no additional element (or combination of elements) recited in Appellants'

representative claim 1 that integrates the judicial exception into a practical application. *See* Revised Guidance, 84 Fed. Reg. at 54–55 ("Prong Two"). For example, Appellants' claimed additional elements in claims 1, 8, and 18 (e.g., "a social networking system," "advertising engine," "distributed database," "communications module," "display module," and "computer readable medium") do not: (1) improve the functioning of a computer or other technology; (2) are not applied with any particular machine (except for a generic computer); (3) do not effect a transformation of a particular article to a different state; and (4) are not applied in any meaningful way beyond generally linking the use of the judicial exception to a particular technological environment, such that the claim as a whole is more than a drafting effort designed to monopolize the exception. *See* MPEP §§ 2106.05(a)–(c), (e)–(h). Rather, Appellants' claimed hardware components and social networking system are configured to perform numerous real-world functions and operations that automate targeting and tailoring of ads to users/consumers, adding nothing of substance to the underlying abstract idea. (Ans. 4; Final Act. 4.) It is clear from the claims and the Specification (discussing the use of "server(s) 102 [that] may be associated with some other entity, in addition to or in place of the social network," the servers 102 holding a communications module, advertising engine, distributed database for an authenticated social network, and a display module as shown in Figure 1, a "network 110 [that] may comprise any electronic network, including the Internet," "examples of storage medium [which] are memory devices, tape, disks, integrated circuits, and servers," and "instructions [that] can be retrieved and executed by a processor"), the claimed hardware components require no improved computing elements that Appellants claim to have invented. (*See* Spec.

¶¶ 21, 26, Fig. 1; and Ans. 4.) Claim 1 does not recite a specific improvement to the way computers operate or exchange data. For example, although claim 1 recites "sending the modified advertisement from the social networking system for display to the second viewing user in a newsfeed," the claim merely uses the generic data exchange technology of a newsfeed. Thus, the claim's limitations are **not** indicative of "integration into a practical application." *See* Revised Guidance, 84 Fed. Reg. at 54–55. Rather, the engines, modules, and other claimed hardware components are readily available computing elements using their already available basic functions as tools in executing the claimed targeted advertising. *See SAP Am., Inc. v. InvestPic LLC*, 898 F. 3d 1161 (Fed. Cir. 2018).

Appellants contend the claims are not directed to an abstract idea because: (i) "[t]he claims . . . take advantage of the subnetwork architecture of the social network to refine the users to whom advertisements are presented," the invention thereby "automat[ing] selection and distribution of content" and "allow[ing] the social networking system to continue to display the advertisement to users of other user networks who may still be interested in viewing the advertisement"; (ii) similar to *Enfish* and *McRO*, the claims recite "specific improvements to conventional online advertising" and "describe a specific improvement to the process of flagging advertisements as questionable and preventing the advertisement from being presented within a social networking system," thereby "refin[ing] which users are prevented from viewing the advertisement based on whether the users from the same user network flag the advertisement as questionable" and "allow[ing] the social networking system to customize the automatic delivery of content to different users based on whether the user would find the content questionable"; and (iii) the claims' limitations "provide the

tangible ways in which the claimed invention provides an improvement in presented content on displays" as "the claimed invention results in differently selecting content across different networks by removing advertisements from the second network." (App. Br. 11–12 (citing *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299 (Fed. Cir. 2016)); Reply Br. 3–6 (citing *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016)).)

      Appellants' arguments are not persuasive. For example, Appellants' arguments—that "the invention automates selection and distribution of content," "improves the [social networking] system's ability to automatically distribute content and account for user objections to the content," and "allows the social networking system to continue to display the advertisement to users of other user networks who may still be interested in viewing the advertisement"—are not commensurate with the scope of claim 1. (App. Br. 12; Reply Br. 6.) Claim 1 does not require *continuing to display a questionable advertisement to users of other user networks* (as Appellants argue) after the claimed "preventing display of the advertisement to users associated with the second network," because claim 1 does not specify the size of the "second network." That is, the claimed "second network" (in which ad's display is blocked) could include *all users of the social networking system*, such as in a case where display of spam in the social network system is blocked. (*See* Spec. ¶¶ 39 ("[i]f a certain number of members report a particular classified advertisement," "the social network may remove the classified advertisement from some or all of the user networks that form the web-based social network"), 40 ("certain authentication, verification, and/or karma-based technologies. . . . may be employed to reduce or eliminate spam within a social network").)

Additionally, claim 1 does not require "*automatic* delivery of content to different users based on whether the user would find the content questionable" and an "*automated* way of managing [content] distribution," as Appellants argue. (*See* Reply Br. 5–6 (emphases added).) Rather, as Appellants' Specification explains, a questionable ad *may also be manually detected and manually removed* from the social networking system by a system administrator. (*See* Spec. ¶¶ 39, 43.) For example, paragraph 39 in Appellants' Specification provides that:

> [a] member [of the web-based social network] may use the send flag listing selection 820 to *send the report to* the web-based social network and/or *an administrator of the social network*. If a certain number of members report a particular classified advertisement, *it may be removed* from their own viewing pages on the social network, and/or *the social network may remove the classified advertisement* from some or all of the user networks that form the web-based social network. *The removal of a classified advertisement* from some or all of the user networks *may be accomplished in a number of ways, including manually by a system administrator*, or automatically by a reporting algorithm. For example, the *number of times a particular classified advertisement* and/or an advertising member *is reported* by members of the social network *may be manually* and/or automatically *tracked*.

(Spec. ¶ 39 (emphases added); *see also* Spec. ¶ 43 (after an advertising member "select[s] the create listing command 1180 to send the classified advertisement to the selected user networks on the web-based social network," "[t]he classified advertisement may or may not be manually and/or automatically screened by the social network or an administrator for the social network").)

We also note Appellants' reliance on *McRO* and *Enfish* is misplaced. For example, *McRO's* '576 patent (U.S. Patent No. 6,307,576) describes

computer software for matching audio to a 3D animated mouth movement to provide lip-synched animation. *McRO's* claims contain (i) specific limitations regarding a set of rules that "define[] a morph weight set stream as a function of phoneme sequence and times associated with said phoneme sequence" to enable computers to produce "accurate and realistic lip synchronization and facial expressions in animated characters" (*McRO*, 837 F.3d at 1313) and, when viewed as a whole, are directed to (ii) a "technological improvement over the existing, manual 3–D animation techniques" that uses "limited rules in a process specifically designed to achieve an improved technological result in conventional industry practice." *Id.* at 1316. *Enfish's* data storage and retrieval method and system recites a "self-referential table . . . [for a computer database] [which] is a specific type of data structure designed to improve the way a computer stores and retrieves data in memory." *Enfish*, 822 F.3d at 1336, 1339.

In contrast to *Enfish* and *McRO*, Appellants' Specification and claims do not describe technological improvements or a specific improvement to the way computers operate or to the way computers store and retrieve data in memory. *See Enfish*, 822 F.3d at 1336, 1339. Rather, Appellants' Specification and claims describe "systems and methods for advertising in an authenticated web-based social network" and "facilitat[ing] the sharing and display of information about an advertised product or service over a social network," to provide "[c]lassified advertisements [that] may be for products and/or services. . . . [and] may also include postings, listings, announcements, polls, pools, surveys, and/or news items of a commercial or non-commercial nature." (*See* Spec. ¶¶ 3, 19, and 31.) Appellants argue, like *McRO*, "the claims describe a specific improvement to the process of flagging advertisements as questionable and preventing the advertisement

from being presented within a social networking system" and "allow[] the social networking system to customize the automatic delivery of content to different users based on whether the user would find the content questionable"; however, as discussed *supra*, Appellants' Specification provides that questionable ads may be *manually screened* by an administrator of the networking system, which does not indicate an improvement in computer capabilities or other technology. (Spec. ¶¶ 39, 43; Ans. 4; *see* App. Br. 11–12.) Appellants do not explain why preventing ads' display based on flag listing reports exceeding a threshold would improve a computer's capabilities or other technology.

We are also unpersuaded by Appellants' argument that the claims are not directed to an abstract idea because the claims' limitations "provide the *tangible ways* in which the claimed invention provides *an improvement in presented content on displays*." (*See* Reply Br. 3 (emphases added).) Appellants' claim 1 does not evidence a technological improvement to display technology. Additionally, as the Supreme Court emphasized in *Bilski*, "although the machine-or-transformation test is not the only test for patentability, this by no means indicates that anything which produces a 'useful, concrete, and tangible result,' *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 149 F.3d 1368, 1373 (CA Fed. 1998), is patentable." *Bilski*, 561 U.S. at 658–660 (Breyer, J., concurring). Thus, "not every claim that recites concrete, tangible components escapes the reach of the abstract-idea inquiry." *In re TLI Commc'ns LLC Patent Litig.*, 823 F.3d 607, 611 (Fed. Cir. 2016).

Further, with respect to Appellants' preemption argument (*see* App. Br. 12), we note the *McRO* court explicitly "recognized that 'the absence of complete preemption does not demonstrate patent eligibility.'" *See McRO*,

837 F.3d at 1315 (quoting *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015)). Furthermore, "[w]here a patent's claims are deemed only to disclose patent ineligible subject matter" under the *Alice*/*Mayo* framework, "preemption concerns are fully addressed and made moot." *Ariosa*, 788 F.3d at 1379.

For these reasons, we determine claim 1, and grouped claims 8 and 18, are directed to a judicial exception, namely, the abstract idea of targeting advertisements to particular consumers to promote products or services, which is a fundamental economic practice and one of the certain methods of organizing human activity identified as an abstract idea in the Revised Guidance.

Alice/Mayo—Step 2 (Inventive Concept)
Step 2B identified in the Revised Guidance

In the second step of the *Alice* inquiry, Appellants argue claims 1, 8, and 18 recite significantly more than a judicial exception because the claims do not simply recite conventional methods for providing targeted advertising, rather, the claims "provide an unconventional approach for automatically managing content distribution to user networks" in a social networking system. (Reply Br. 7–8; App. Br. 13.) Particularly, Appellants argue "the claimed social networking system improves on conventional online advertising technology by preventing the display of an advertisement to specific user networks within the social networking system based on whether the users of the user networks have flagged the advertisement as questionable," and "allows an advertiser to more effectively provide new information about an advertisement by displaying the question [about the advertisement] to all viewers." (App. Br. 12–13; Reply Br. 6–7.)

Appellants also argue the Examiner has oversimplified claim limitations that specify when an ad's distribution is modified. (Reply Br. 8–9.)

Appellants' arguments are not persuasive. At the outset, we note Appellants' arguments are again not commensurate with the language of claim 1, which does not preclude "completely removing the [questionable] advertisement" (as Appellants argue, *see* Reply Br. 8).

As recognized by the Revised Guidance, an "inventive concept" under *Alice* step 2 can be evaluated based on whether an additional element or combination of elements:

(1)   "[a]dds a specific limitation or combination of limitations that are not well-understood, routine, conventional activity in the field, which is indicative that an inventive concept may be present;" or

(2)   "simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception, which is indicative that an inventive concept may not be present."

See Revised Guidance, 84 Fed. Reg. at 56.

In this case, however, we find no element or combination of elements recited in Appellants' claim 1 that contains any "inventive concept" or adds anything "significantly more" to transform the abstract concept into a patent-eligible application. *Alice*, 573 U.S. at 221.

We are not persuaded by Appellants' argument that the claims recite significantly more than a judicial exception because the claims "provide an unconventional approach for automatically managing content distribution to user networks" in a social networking system. (Ans. 5; *see* Reply Br. 7–8; App. Br. 13.) Appellants have not provided evidence that manual ad screening by a social networking system administrator (as encompassed by claim 1 and discussed *supra*) is unconventional. Although Appellants argue

"the claimed social networking system improves on conventional online advertising technology by preventing the display of an advertisement to specific user networks within the social networking system based on whether the users of the user networks have flagged the advertisement as questionable," Appellants have not provided evidence that content screening (e.g., spam screening) by a system administrator is not conventional. (*See* App. Br. 12–13.) Appellants also argue the claimed "social networking system allows an advertiser to more effectively provide new information about an advertisement by displaying the question [about the advertisement] to all viewers," however, claim 1 does not require displaying a question "to all viewers" as Appellants argue. (*See* App. Br. 13.) Appellants further argue "the claims ensure that questions from some users are seen by all viewers of the online advertisement by displaying the question on a questions page associated with the advertisement." (*Id.*) We remain unpersuaded that the claims recite significantly more, because listing questions about content can also be manually performed, e.g., by a system's administrator collecting and posting user questions. Appellants also have not explained why posting users' questions online (as in claim 1) would represent an "inventive concept" by providing a solution to a technical problem under the second step of the *Alice* analysis.

Additionally, Appellants' Specification describes generic computing elements and functions. (*See* Spec. ¶¶ 21, 26, and Fig. 1.) "[T]he use of generic computer elements like a microprocessor or user interface" to perform conventional computer functions "do not alone transform an otherwise abstract idea into patent-eligible subject matter." *FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1096 (Fed. Cir. 2016) (citing *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1256 (Fed. Cir. 2014)).

We are also unpersuaded by Appellants' reference to *Finjan*. (Reply Br. 8 (citing *Finjan, Inc. v. Blue Coat Sys., Inc.*, 879 F.3d 1299 (Fed. Cir. 2018)).) Appellants' claim 1 is not similar to the claims in *Finjan*, as Appellants' claim does not describe *improvements in computer functionality* similar to *Finjan*. In *Finjan*, the claims were directed to identifying and protecting a computer against malware, which the court found to constitute sufficient non-abstract improvement in computer functionality to render the claims patent eligible. *Finjan*, 879 F.3d at 1304–05. As indicated above, claim 1 merely recites generating and distributing advertisements to users in a social network. Tailoring and targeting advertisements to users does not evince an improvement in computer functionality or in some other technology as in *Finjan*.

Because Appellants' representative claim 1, and grouped claims 8 and 18 are directed to a patent-ineligible abstract concept and do not recite an "inventive concept" by providing a solution to a technical problem under the second step of the *Alice* analysis, we sustain the Examiner's § 101 rejection of independent claims 1, 8, and 18. No separate arguments are presented for dependent claims 3, 9–13, 20, 21, and 23–26, which fall with independent claims 1, 8, and 18. 37 C.F.R. § 41.37(c)(1)(iv). We, therefore, sustain the rejection under 35 U.S.C. § 101 of claims 3, 9–13, 20, 21, and 23–26.

DECISION

The Examiner's rejection of claims 1, 3, 8–13, 18, 20, 21, and 23–26 under 35 U.S.C. § 101 is affirmed.

The Examiner's rejection of claims 8–13 and 25 under 35 U.S.C. § 101 as directed to software *per se* is affirmed.

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

<u>AFFIRMED</u>