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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte RUSSELL GOTTESMAN and
KATHERINE GOTTESMAN

Appeal 2018-008657
Application 12/259,092
Technology Center 3600

BEFORE DENISE M. POTHIER, CARL L. SILVERMAN, and
MELISSA A. HAAPALA, *Administrative Patent Judges*.

SILVERMAN, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant¹ appeals under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 1–3, 6–8, and 11–20.² We have jurisdiction under 35 U.S.C. § 6(b).

We affirm-in-part.

¹ Throughout this Decision, we use the word “Appellant” to refer to “applicant” as defined in 37 C.F.R. § 1.42 (2018). Appellant identifies Commuter Advertising, Inc., as the real party in interest. Appeal. Br. 2.

² Although there is confusion in the record, it is our understanding that claims 30 and 31 are also pending. These claims were added by the amendment dated Oct. 20, 2016 prior to the Final Rejection of Mar. 7, 2017. Although the Final Action does not list claims 30 and 31 in the summary page, it does identify these claims as rejected under 35 U.S.C. § 112(a). *See* Final Act. 1, 3. As the Examiner withdrew the § 112 rejection (Ans. 3) and these claims are not rejected under any other ground, they are not before us on appeal.

STATEMENT OF THE CASE

The invention relates to targeted advertising in a moving vehicle to increase advertising revenue. Abstract; Spec. 1 (Field of the Invention), 3–4 (Summary of the Invention), Figs. 1a, 4. Claim 12 reproduced below, is exemplary of the subject matter on appeal (emphasis added):

12. A method of more advantageously assigning advertising space in a moving public transit vehicle and thereby *securing increased advertising revenue*, including the steps of:

providing a public transit vehicle having a public address system, comprising at least a speaker and a means to cause sounds to be heard by passengers throughout the vehicle, with message storage and playback devices, the playback devices addressing the entire passenger portion of the transit vehicle;

providing a microprocessor, a global positioning system (GPS), an electronic storing device for storing advertising messages comprising data including location and business hour data, software and a communication device all traveling with the public transit vehicle, the microprocessor programmed to continuously reviewing one or more advertising messages in the electronic storing device and compare data from the advertising message against GPS information continuously received;

providing storage and public playback of advertising messages on the public address system on the public transit vehicle;

creating the advertisement and producing an audio message, comprising advertisement information and at least location and time data;

storing the audio message and data in the message storage device of a public transit vehicle for continuous review by the microprocessor and playback through the transit vehicle public address system;

determining with the microprocessor, the GPS and the location and business hour data in the advertising message, the

one or more geographic locations on the route of the public transit vehicle at which the advertising message can be played and mapping those one or more geographic locations on a public transit system map in the electronic storing device for review by the microprocessor and playback at desired times and geographic locations;

playing, with no added impetus from the vehicle passengers, the advertising message at the one or more of the predetermined geographic locations, and

charging an increased fee to an advertiser promulgating the advertising message for the dissemination of the advertising message at the targeted geographic location.

Appeal Br. 15³. (Claims Appendix).

REFERENCES

Prior art relied upon by the Examiner:

Name	Reference	Date
Hamilton et al	US 2002/0057212 A1	May 16, 2002
Murray.	US 2002/0068583 A1	June 6, 2002
Schmier et al.	US 2002/0069017	June 6, 2002
Chandra et al.	US 2007/0242643 A1	Oct. 18, 2007

³ Our cites to the Claims Appendix continue the numbering from the Appeal Brief.

THE REJECTIONS⁴

Claims 8 and 12 are rejected under pre-AIA 35 U.S.C. § 102(b) as being anticipated by Schmier. Final Act. 4–9.

Claims 1–3, 6, 7, 11, 13–15, 17, 18, and 20 are rejected under pre-AIA 35 U.S.C. § 103(a) as being unpatentable over Schmier and Hamilton. Final Act. 10–18.

Claim 16 is rejected under pre-AIA 35 U.S.C. § 103(a) as being unpatentable over Schmier and Chandra. Final Act. 19.

Claim 19 is rejected under pre-AIA 35 U.S.C. § 103(a) as being unpatentable over Schmier and Murray. Final Act. 19–20.

ANALYSIS

The § 102 rejection of independent claims 8 and 12

Appellant argues the Examiner errs in finding Schmier disclosed the invention of independent claims 8 and 12. Appeal Br. 4–9; Reply Br. 7–10. Appellant argues:

Schmier discloses a public transit vehicle arrival information system. Schmier does not disclose a method for increasing the revenue of a transit system. *The inclusion of advertising messages in Schmier does tend to cause revenue to be generated, but Schmier does not teach that the users of the method create advertisements and thereby further increase the revenue of the system.* This is because the invention of Schmier is for use by the transit vehicle company in running a transit system. The invention is *designed to notify persons waiting at bus stops* that a bus is coming, letting the persons know the amount of time before the bus arrives, letting the persons know if there are seats available in the bus. The system includes some information about providing advertisements relevant to the

⁴ The 35 U.S.C § 112 rejection of claims 1–3, 6, 7, 30, and 31 is withdrawn. See Ans. 3.

location of the bus, its next position and retailers near by, but this is seen as mere advertising by Schmier and not an opportunity for increased revenues. *In addition, the system is only directed to buses*, as the focus of the invention includes signage outside of the vehicle for use by persons at bus stops.

Appeal. Br. 7–8 (emphasis added).

Appellant concedes Schmier “shows one embodiment wherein the elements of claim 8 are substantially shown, with the exception of the showing of a method for increasing revenue.” *Id.* at 8. Appellant then refers to independent claim 12,⁵ which includes the following limitations (also referred to as “disputed limitations”):

- (1) *creating the advertisement and producing an audio message, comprising advertisement information and at least location and time data;*
- (2) *charging an increased fee to an advertiser promulgating the advertising message for the dissemination of the advertising message at the targeted geographic location.*

Id. at 8 (emphasis added by Appellant) (“(1)” and “(2)” added and also referred to herein as “disputed limitations (1) and (2)”). According to Appellant, these limitations are “seminal to the present invention” and are shown in the Specification “where invoicing for advertising and the splitting the revenue between the user of the invention and the transit agency is shown.” *Id.* (citing Schmier, Figure 1a, at 14, Figure 1b at 34).

Appellant argues the Examiner errs in finding Schmier’s offer of a sale that could be shown or broadcast in proximity to an advertiser’s store discloses ad creation because Schmier does not disclose *who created* that

⁵ Appellant notes that, in an amendment after final, Appellant cancelled all independent claims (claims 1 and 8), except claim 12; but the amendment was not entered. Appeal Br. 8–9; *see* Advisory Act. 2.

advertisement or that the advertisement could be sold at an *increased rate*. *Id.* at 9 (citing Schmier ¶ 92; emphasis added). Appellant argues “[u]sers of the present invention, in contrast, are persons or companies desirous of making money by advertisement in transit systems, including splitting such revenues with the transit company (Figure 1b at 36) so as to secure a contract to do such services.” *Id.* According to Appellant, “[n]othing in Schmier discloses a method of increasing revenues nor is there any disclosure that the user of Schmier would create advertisements in order to increase revenues of a transit system.” *Id.* at 9–10.

In the Answer, the Examiner notes that “who has created” the advertisement and “selling for an increased rate” are not recited in the claims. Ans. 3–4. The Examiner refers to Schmier and finds:

Paragraph [0090] states that advertisement such as “how about a scoop of pralines and cream?” can be a *real boon* to neighborhood business. The Examiner further interprets that “such a boon” can indeed cause longer and more frequent advertisement by vendors such as the ice cream vendor, which results in increase fees being charged for longer and more frequent running of the ads (selling of ad time [0089]). Additionally it was a typographical error that paragraph 0095 was cited. It should have been paragraph 94 which states, “Advertising opportunities on the cases of public display units can also be licensed for revenue. Since *all transit riders are likely to regularly observe such displays (hints at advertising time longevity and hence increased fees)*, and since advertising can be made so *site specific*, advertising as a part of this system should be of significant value and affordable to a variety of national, local and neighborhood businesses.”. See also paragraph [0089] which discusses that the advertising system provides needed revenue, and sells advertising time. Additionally the Appellant's Specification is silent of “advertisement sold at an increased rate or fee”.

Id. at 4.

In the Reply Brief, regarding claim 12, Appellant argues the Examiner's arguments are unclear. Reply Br. 2. According to Appellant:

As in most method claims, the actor is the person or entity following the steps of the method. As explained in the application (as noted in the Appeal Brief) a person or company would create a transit system or forge agreements with an existing system to use or provide the listed elements that allow the method to run, create the advertisements, store the advertisements in the system, play the advertisements at advantageous places and times and charge increased fees to advertisers for those advertisements and their play. In most cases, municipalities already have transit systems, which often offer general advertisements in and without their vehicles to create revenue (which allows the systems to run more economically and at less expense to the riders), the user of the present invention would then utilize such transit systems to increase the revenue from advertisement by targeting advertisements to desirable locations at desirable time and charging advertisers more because their advertisements would be more effective and thereby increase the advertiser's revenues.

Id. at 2–3.

Appellant argues that an increased advertising fee will increase advertising revenue and the Examiner's interpretation of Schmier resulting in an increase misunderstands the invention in which increased fees are for targeted advertisements, not the length or frequency of advertisements. *Id.* at 3. Appellant argues Schmier's teaching of a bus stop ad is not a transit vehicle and is in contrast to the invention method of targeting advertisement in a moving vehicle. *Id.* at 3 (citing Schmier ¶ 90).

We are persuaded by Appellant's arguments that the Examiner has not presented sufficient evidence as required for anticipation. A claim is anticipated only if each and every element as set forth in the claims is found, either expressly or inherently described in a single prior art reference, and

arranged as required by the claim. *Verdegaal Bros., Inc. v. Union Oil Co. of Cal.*, 814 F.2d 628, 631 (Fed. Cir. 1987).

Regarding disputed limitation (1), Schmier discloses creating advertisements that include audio advertisement with location and time data. Schmier, paragraph 92, description of “Roses \$4.95 a dozen.” Appellant’s argument as to who created the advertisement is unpersuasive because the limitation broadly recites “creating the advertisement” and the advertisements of Schmier are certainly created, e.g., the Roses advertisement. Although Appellant argues the significance of *creating* the advertisement and describes details, such as creating the advertisement by parties outside the transit system and splitting revenue, the claim does not recite such limitations, but merely recites “creating the advertisement.”

However, on the record before us, the Examiner has not sufficiently shown that Schmier discloses claim 12 disputed limitation (2) “*charging an increased fee to an advertiser promulgating the advertising message for the dissemination of the advertising message at the targeted geographic location*” (emphasis added). Schmier does not disclose “charging an increased fee . . . for the dissemination of the advertising message at the targeted geographic location,” but instead refers to the “power of the message” and describes generally that advertising “can be licensed for value” and “should be of significant value and affordable.” See Schmier ¶¶ 90–95. The Examiner’s reliance on longer or more frequent advertising is not disclosed in Schmier and this finding does not meet the requirement for anticipation.

Independent claim 8 includes a similar limitation to claim 12 disputed limitation (2) regarding advertising that recites “wherein *revenue is increased by charging an increased fee to an advertiser* promulgating the advertising message for the dissemination of the advertising message at the targeted specific geographic locations (emphasis added; also referred to as “disputed limitation”).” For the same reasons as discussed *supra* regarding the anticipation rejection of claim 12, the Examiner’s finding is insufficient to support anticipation of claim 8..”

In view of the above, we do not sustain the anticipation rejection of claims 8 and 12.

The § 103 rejections of claims 1–3, 6, 7, 11, and 13–20

In addition to the arguments discussed above in the analysis of the anticipation rejection, Appellant also argues the combination of Hamilton and Schmier “fails to disclose a system for increasing revenues and does not disclose a system where the user creates and sells advertisements to increase the revenue of a transit system.” Appeal Br. 10. Appellant further argues the claims of the present invention indicate that advertisement messages are played “with no added impetus from the vehicle passengers” and that Hamilton requires a passenger make some effort to hear an advertisement. *Id.*

We are not persuaded by Appellant’s arguments and agree, instead, that the findings and conclusion of the Examiner support obviousness. As stated by the Supreme Court, an obviousness “analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ.”

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KSR Int'l Co. v. Teleflex Inc., 550 U.S. 398, 418 (2007) (quoting *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006)).

Much of Appellant's arguments are directed to an unreasonably narrow interpretation of the disputed limitations, and an unreasonably narrow interpretation of the teachings of Schmier and Hamilton. For example, contrary to Appellant's assertion, Schmier is not limited to a bus stop and, instead, is generally concerned with transit vehicles and advertising revenue. Schmier ¶¶ 90–95. Appellant's reference to specific aspects involved in creating the advertising and splitting revenue are not recited in claim 1 (or claims 8 and 12 discussed *supra*).

Further to our discussion of claims 8 and 12, *supra*, the Examiner finds that site specific advertising, as disclosed by Schmier, is of significant value. Ans. 4. Schmier further discloses advertising revenue can be obtained by selling advertising time associated with the display panels. Schmier ¶ 89. We determine that, one of ordinary skill in the art would understand that Schmier's targeted advertising would have higher value than non targeted advertising and this teaching suggests its fee would be increased relative to non targeted advertising. *See* Schmier ¶¶ 89–95; Final Act. 12. For example, Schmier, paragraph 92 reproduced below (emphasis added), describes the “power” of targeted advertising in transit vehicles:

Similarly, advertising messages can appear in transit vehicles that are relevant to the location of the transit vehicle and the time of day. Consider the *power* of the message ‘Roses \$4.95 a dozen, next stop, next bus ten minutes behind’ for the flower retailer and for romance in general!

One of ordinary skill in the art would understand, under an obviousness analysis, that this targeted advertising for the Roses would have suggested

higher value than non targeted advertising, and its fee would be increased, resulting in “charging increased fees to the advertisers . . .”

Regarding no additional input (“no added impetus from the vehicle passengers”), we are not persuaded the combination of Schmier and Hamilton fails to teach this limitation. In particular, Schmier broadly teaches broadcast of visual and audio messages without any input from passengers, and Hamilton teaches both situations without input, and situations with input (button). *See* Schmier ¶¶ 90–95; Hamilton ¶ 61.

In view of the above, we sustain the obviousness rejection of claim 1. We also sustain the rejection of dependent claims 2, 3, 6, 7, 11, and 13–20 over Schmier and Hamilton, and the additional cited references (for claims 16 and 19) as the Examiner’s findings and conclusions are reasonable, and these claims are not argued separately. *See* 37 C.F.R. § 41.37(c)(1)(iv).

CONCLUSION

In summary:

Claims Rejected	35 U.S.C. §	Reference(s)/Basis	Affirmed	Reversed
8, 12	102(b)	Schmier		8, 12
1–3, 6, 7, 11, 13–15, 17, 18, 20	103(a)	Schmier, Hamilton	1–3, 6, 7, 11, 13–15, 17, 18, 20	
16	103(a)	Schmier, Chandra	16	
19	103(a)	Schmier, Murray	19	
Overall Outcome			1–3, 6, 7, 11, 13–20	8, 12

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

AFFIRMED-IN-PART