



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE  
**United States Patent and Trademark Office**  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
13/585,228	08/14/2012	Jens Kjelsbak	2043.995US1	5091
49845	7590	08/26/2020	EXAMINER	
SCHWEGMAN LUNDBERG & WOESSNER/EBAY			SNIDER, SCOTT	
P.O. BOX 2938			ART UNIT	PAPER NUMBER
MINNEAPOLIS, MN 55402			3621	
			NOTIFICATION DATE	DELIVERY MODE
			08/26/2020	ELECTRONIC

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

SLW@blackhillsip.com  
USPTO@SLWIP.COM

UNITED STATES PATENT AND TRADEMARK OFFICE

---

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

*Ex parte* JENS KJELBAK, JESPER HART-HANSEN, and  
JOHN MCELLIGOTT

---

Appeal 2018-008796  
Application 13/585,228<sup>1</sup>  
Technology Center 3600

---

Before MARC S. HOFF, ERIC S. FRAHM, and SCOTT B. HOWARD,  
*Administrative Patent Judges.*

HOFF, *Administrative Patent Judge.*

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134 from a Final Rejection of claims 1–8, 10–15, and 17–20.<sup>2</sup> We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

Appellant’s invention is a system and method to create, distribute, and redeem offers on a mobile platform. A first set of information describing terms of an offer for a product or service, and a second set of information

---

<sup>1</sup> Appellant states that the real party in interest is eBay Inc. Appeal Br. 4.

<sup>2</sup> Claims 9 and 16 have been cancelled.

identifying a first zone and a second zone, may be received from a computing device corresponding to a merchant. An exclusion zone and an inclusion zone may be generated based, at least in part, on the information identifying the first zone and the second zone. The offer may be selectively distributed to a first plurality of mobile devices located outside the exclusion zone and within the inclusion zone. Abstract.

Claim 1 is reproduced below:

1. A system comprising:  
one or more processors and executable instructions accessible on a computer-readable medium that, when executed, cause the one or more processors to perform operations comprising:
  - receiving, over a network from a computing device corresponding to a merchant, a first set of information describing terms of an offer for a product or service provided by the merchant and a second set of information identifying a first zone and a second zone;
  - generating the offer for the product or service based, at least in part, on the first set of information;
  - generating an exclusion zone and an inclusion zone based, at least in part, on the information identifying the first zone and the second zone, respectively, the exclusion zone overlapping at least a portion of the inclusion zone;
  - assigning the exclusion zone a first color and the inclusion zone a second color for display on the computing device;
  - selectively distributing the offer to a first plurality of mobile devices located outside the exclusion zone and within the inclusion zone, the selectively distributing to the first plurality including transmitting, over the network, instructions to cause each of the first plurality of mobile devices to generate a user interface that is configured to display the offer;
  - selectively distributing the offer to a second plurality of mobile devices, the selectively distributing to the second plurality including transmitting, over the network, instructions to cause each of the second plurality of mobile devices to generate a user interface that is configured to display the offer, such that the offer remains deactivated and invisible to the second plurality of mobile devices at least for a period of time;

monitoring a number of the mobile devices from which the offer is purchased; and

adjusting a boundary of at least one of the exclusion zone or the inclusion zone based on at least the number of mobile devices from which the offer is purchased.

The prior art relied upon by the Examiner as evidence is:

<b>Name</b>	<b>Reference</b>	<b>Date</b>
Linlor	US 2005/0199709 A1	Sept. 15, 2005
Bucher	US 2007/0281692 A1	Dec. 6, 2007
Madhavan	US 2007/0255935 A1	Oct. 16, 2008
Jetha	US 2011/0137735 A1	June 9, 2011
Jain	US 2012/0066066 A1	Mar. 15, 2012

Claims 1, 8, 11, and 20 stand rejected under 35 U.S.C. § 112(a) as failing to comply with the written description requirement. Final Act. 5.

Claims 1–15 and 17–20 stand rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. Final Act. 7.

Claims 1–8, 11–15, 17, and 20 stand rejected under 35 U.S.C. § 103 as being unpatentable over Jain, Jetha, and Bucher. Final Act. 9.

Claim 10 stands rejected under 35 U.S.C. § 103 as being unpatentable over Jain, Jetha, Bucher, and Madhavan. Final Act. 24.

Claim 19 stands rejected under 35 U.S.C. § 103 as being unpatentable over Jain, Jetha, Bucher, and Linlor. Final Act. 24.

Throughout this decision, we make reference to the Appeal Brief (“Appeal Br.,” filed Jan. 29, 2018) and the Examiner’s Answer (“Ans.,” mailed July 13, 2018) for their respective details.

## ISSUES

1. Does the claimed invention recite an abstract idea?
2. Is the recited abstract idea integrated into a practical application?
3. Does the specification provide written description support for adjusting a boundary of at least one of the exclusion zone and the inclusion zone?
4. Does the combination of Jain, Jetha, and Bucher teach monitoring a number of the mobile devices from which the offer is purchased, and adjusting a boundary of at least the exclusion zone or the inclusion zone based on that number?

## PRINCIPLES OF LAW

An invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 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. *See, e.g., Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014).

In determining whether a claim falls within an excluded category, we are guided by the Supreme Court’s two-step framework, described in *Mayo* and *Alice*. *Id.* at 217–18 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 75–77 (2012)). In accordance with that framework, we first determine what concept the claim is “directed to.” *See Alice*, 573 U.S. at 219 (“On their face, the claims before us are drawn to the concept of intermediated settlement, *i.e.*, the use of a third party to mitigate settlement risk.”); *see also Bilski v. Kappos*, 561 U.S.

593, 611 (2010) (“Claims 1 and 4 in petitioners’ application explain the basic concept of hedging, or protecting against risk.”).

Concepts determined to be abstract ideas, and thus patent ineligible, include certain methods of organizing human activity, such as fundamental economic practices (*Alice*, 573 U.S. at 219–20; *Bilski*, 561 U.S. at 611); mathematical formulas (*Parker v. Flook*, 437 U.S. 584, 594–95 (1978)); and mental processes (*Gottschalk v. Benson*, 409 U.S. 63, 69 (1972)). Concepts determined to be patent eligible include physical and chemical processes, such as “molding rubber products” (*Diamond v. Diehr*, 450 U.S. 175, 192 (1981)); “tanning, dyeing, making waterproof cloth, vulcanizing India rubber, smelting ores” (*id.* at 184 n.7 (quoting *Corning v. Burden*, 56 U.S. 252, 267–68 (1854))); and manufacturing flour (*Benson*, 409 U.S. at 69 (citing *Cochrane v. Deener*, 94 U.S. 780, 785 (1876))).

In *Diehr*, the claim at issue recited a mathematical formula, but the Supreme Court held that “[a] claim drawn to subject matter otherwise statutory does not become nonstatutory simply because it uses a mathematical formula.” *Diehr*, 450 at 176; *see also id.* at 192 (“We view respondents’ claims as nothing more than a process for molding rubber products and not as an attempt to patent a mathematical formula.”). Having said that, the Supreme Court also indicated that a claim “seeking patent protection for that formula in the abstract . . . is not accorded the protection of our patent laws, . . . and this principle cannot be circumvented by attempting to limit the use of the formula to a particular technological environment.” *Id.* (citing *Benson* and *Flook*); *see, e.g., id.* at 187 (“It is now commonplace that an *application* of a law of nature or

mathematical formula to a known structure or process may well be deserving of patent protection.”).

If the claim is “directed to” an abstract idea, we turn to the second step of the *Alice* and *Mayo* framework, where “we must 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 (quotation marks omitted). “A claim that recites an abstract idea must include ‘additional features’ to ensure ‘that the [claim] is more than a drafting effort designed to monopolize the [abstract idea].’” *Id.* (quoting *Mayo*, 566 U.S. at 77). “[M]erely requir[ing] generic computer implementation[] fail[s] to transform that abstract idea into a patent-eligible invention.” *Id.*

The PTO recently published revised guidance on the application of § 101. USPTO’s January 7, 2019 Memorandum, *2019 Revised Patent Subject Matter Eligibility Guidance* (“Memorandum”). 84 Fed. Reg. 50. Under that guidance, we first look to whether the claim recites:

- (1) any judicial exceptions, including certain groupings of abstract ideas (i.e., mathematical concepts, certain methods of organizing human activity such as a fundamental economic practice, or mental processes); and
- (2) additional elements that integrate the judicial exception into a practical application (*see* MPEP § 2106.05(a)–(c), (e)–(h)).

Only if a claim (1) recites a judicial exception and (2) does not integrate that exception into a practical application, do we then look to whether the claim:

- (3) adds a specific limitation beyond the judicial exception that are not “well-understood, routine, conventional” in the field (*see* MPEP § 2106.05(d)); or
- (4) simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception.

*See* Memorandum.

Under the written description requirement of 35 U.S.C. § 112, the disclosure of the application relied upon must reasonably convey to one of ordinary skill in the art that, as of the filing date of the application, the inventor had possession of the later-claimed subject matter. *Vas-Cath Inc. v. Mahurkar*, 935 F.2d 1555, 1563 (Fed. Cir. 1991). “One shows that one is ‘in possession’ of *the invention* by describing *the invention*, with all its claimed limitations, not that which makes it obvious.” *Lockwood v. American Airlines, Inc.*, 107 F.3d 1565, 1572 (Fed. Cir. 1997) (emphasis in original).

Although “the meaning of terms, phrases, or diagrams in a disclosure is to be explained or interpreted from the vantage point of one skilled in the art, all the limitations must appear in the specification.” *Id.* The Specification need not describe the claimed subject matter in exactly the same terms as used in the claims, but it must contain an equivalent description of the claimed subject matter. *Id.*



## ANALYSIS

### SECTION 101 REJECTION

Representative claim 1 recites the following limitations. Aspects of the claimed abstract idea are indicated in italics. Additional non-abstract limitations are noted in bold:

1. A system comprising:

one or more **processors** and executable instructions accessible on a **computer-readable medium** that, when executed, cause the one or more processors to perform operations comprising:

(a) receiving, over a **network** from a **computing device** corresponding to a **merchant**, a first set of information describing terms of an offer for a product or service provided by the merchant and a second set of information identifying a first zone and a second zone;

*(b) generating the offer for the product or service based, at least in part, on the first set of information;*

*(c) generating an exclusion zone and an inclusion zone based, at least in part, on the information identifying the first zone and the second zone, respectively, the exclusion zone overlapping at least a portion of the inclusion zone;*

*(d) assigning the exclusion zone a first color and the inclusion zone a second color for display on the computing device;*

*(e) selectively distributing the offer to a first plurality of **mobile devices** located outside the exclusion zone and within the inclusion zone, the selectively distributing to the first plurality including *transmitting, over the network, instructions to cause each of the first plurality of mobile devices to generate a user interface that is configured to display the offer;**

(f) *selectively distributing the offer to a second plurality of mobile devices*, the selectively distributing to the second plurality including transmitting, over the network, instructions to cause each of the second plurality of mobile devices to generate a user interface that is configured to display the offer, such that the offer remains deactivated and invisible to the second plurality of mobile devices at least for a period of time;

(g) monitoring a number of the mobile devices from which the offer is purchased; and

(h) adjusting a boundary of at least one of the exclusion zone or the inclusion zone based on at least the number of mobile devices from which the offer is purchased.

These limitations, under the broadest reasonable interpretation, constitute steps to receive an offer for a product or service, receive information concerning where geographically that offer is to be distributed, and selectively distribute that offer to a plurality of mobile devices within the preferred geographical area. The method steps further comprise distributing the offer to a second plurality of mobile devices in a deactivated state, monitoring the number of mobile devices from which the offer is purchased, and adjusting the geographical boundary of the offer depending on the number of purchases made.

We determine that limitation (a), receiving information describing terms of an offer and describing a first and second zone, constitutes data gathering steps. We determine that limitation (d), assigning display colors to geographic zones, constitutes extra-solution activity.

The Memorandum recognizes that certain groupings of subject matter have been found by the courts to constitute judicially excepted abstract

ideas: (a) mathematical concepts, (b) certain methods of organizing human activity, and (c) mental processes. Memorandum, 84 FR at 52. We determine that the claim steps beyond those directed to extra-solution activity (i.e., data gathering or data storage) – limitation (b), generating the offer; limitation (c) generating the geographic zones; limitation (e), distributing the offer to mobile devices appropriately located; limitation (f), distributing the deactivated offer to further mobile devices; limitation (g) monitoring the number of purchasing mobile devices; and limitation (h), adjusting the geographic area within which the offer is made – constitute certain methods of organizing human activity, to wit, advertising. Specifically, in the invention under appeal, the limitations constitute determining which potential customers are to receive an advertisement conveying an offer to purchase particular goods or services.<sup>3</sup>

---

<sup>3</sup> See, e.g., *Alice*, 573 U.S. at 219–20 (concluding that use of a third party to mediate settlement risk is a “fundamental economic practice” and thus an abstract idea); *id.* (describing the concept of risk hedging identified as an abstract idea in *Bilski* as “a method of organizing human activity”); *Bilski*, 561 U.S. at 611–612 (concluding that hedging is a “fundamental economic practice” and therefore an abstract idea); *Bancorp*, 687 F.3d at 1280 (concluding that “managing a stable value protected life insurance policy by performing calculations and manipulating the results” is an abstract idea); *Inventor Holdings, LLC v. Bed Bath & Beyond, Inc.*, 876 F.3d 1372, 1378–79 (Fed. Cir. 2017) (holding that concept of “local processing of payments for remotely purchased goods” is a “fundamental economic practice, which *Alice* made clear is, without more, outside the patent system.”); *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015) (concluding that claimed concept of “offer-based price optimization” is an abstract idea “similar to other ‘fundamental economic concepts’ found to be abstract ideas by the Supreme Court and this court”).

We regard the claimed concept of distributing advertisements to be a method of organizing human activity found by the courts to constitute patent–ineligible subject matter. Advertising in published materials has been taking place for centuries, and for nearly as long, advertisers have been attempting to target their materials to the audience most likely to purchase their offerings. We determine that the claimed generation of an offer to purchase a good or service, followed by the distribution of that offer to mobile devices within certain boundaries, and the potential future adjustment of those boundaries, is analogous to commercial or legal interactions, including advertising, marketing or sales activities or behaviors, that the courts have found to be patent–ineligible. *See, e.g., Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed Cir. 2014) (holding that claim “describe[ing] only the abstract idea of showing an advertisement before delivering free content” is patent ineligible); *In re Ferguson*, 558 F.3d 1359, 1364 (Fed. Cir. 2009) (holding methods “directed to organizing business or legal relationships in the structuring of a sales force (or marketing company)” to be ineligible); *Credit Acceptance*, 859 F.3d 1044 at 1054 (“The Board determined that the claims are directed to the abstract idea of ‘processing an application for financing a purchase.’ . . . We agree.”).

Appellant argues that the Examiner has not articulated to what the claims are directed with enough specificity to ensure the Step One inquiry is meaningful. Appeal Br. 13. We are unpersuaded that the Examiner’s articulation is insufficient. We agree with the Examiner that

Claim 1 is directed to the abstract idea of presenting advertisements to users based upon geometric inclusion and exclusion zones that vary over time. The processes of generating offers based on received sets of information,

generating zones based on the received information, distributing offers to mobile devices outside the exclusion zone and within the inclusion zone, distributing the offers with a delayed availability period, monitoring the time left for the offers to remain active, and adjusting the boundary of the zones based on the period of time left all describe the abstract idea.

Final Act. 7.

We find that the Examiner fully considered the limitations of independent claim 1 and properly characterized the abstract idea recited therein.

Appellant contends that the Examiner did not identify any additional elements of the dependent claims and explain why they do not add significantly more to the alleged judicial exception. Appeal Br. 13. This argument is not persuasive for two reasons. First, the Examiner included a discussion of the limitations of the dependent claims in the Final Action. Final Act. 8. Second, Appellants present no argument directed to any dependent claim being patent-eligible separately from any independent claim. There being no separate argument, the Board selects independent claim 1 as a representative claim, and dependent claims stand or fall under § 101 with the independent claim.

Appellant refers to the self-referential table identified in *Enfish*<sup>4</sup> and argues that the focus of the claims under appeal is on an improvement to computer functionality itself. Appeal Br. 14. Appellant urges that the claims at issue are directed to information distribution over a network. *Id.* According to Appellant, example systems distribute the information to a second plurality of mobile devices but keep the offers deactivated and

---

<sup>4</sup> *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016).

invisible for a period of time. *Id.* This approach allows, for example, distribution of the information to more mobile devices rather than only selectively deploying to a small subset of mobile devices. *Id.* Appellant further points out that the system can automatically adjust the boundaries of a zone to adjust the distribution of the information. *Id.*

We are not persuaded by Appellants argument. Appellant argues that the inventive approach allows distribution “to more mobile devices rather than only selectively deploying to a small subset of mobile devices.” Appeal Br. 14. Distribution to more mobile devices, as a practical matter, means distribution to more potential customers. We determine that the invention is concerned with solving the *business* problem of reaching more customers, rather than improving the functioning of a computer. Appellant has not explained what “improvement to the functioning of a computer,” analogous to that identified in *Enfish*, is recited in the claims under appeal.

Appellants further contend that the invention allows adjustment of the distribution of the information through adjustment of the inclusion or exclusion zones. Appeal Br. 14. As stated *supra*, we determine that Appellants invention proposes a solution to the *business* problem of reaching customers within particular geographic boundaries, rather than proposing an improvement to the underlying technology.

Appellant asserts that the claimed elements “recite a specific solution for optimizing the distribution of information over a network to a plurality of mobile devices based on location.” Appeal Br. 15. Appellant then quotes the entirety of claim 11 and claims that “[c]learly these limitations are directed to improvement of a computer – a networked information distribution server/system.” Appeal Br. 16. Appellants argument is not persuasive.

Appellant has not cited evidence in support of the contention that there is improvement to a computer. We determine, rather, that Appellants invention is concerned with solving the *business* problem of providing an advertisement to purchase to an optimal number of customers.

Accordingly, we conclude that the claims recite a method of organizing human activity (specifically, advertising), which is one of the categories of abstract ideas recognized in the Memorandum. 84 Fed. Reg. at 52. We conclude that the claims recite an abstract idea.

#### INTEGRATED INTO A PRACTICAL APPLICATION

We next evaluate whether the claims integrate the identified abstract idea of the fundamental economic practice of processing a financial transaction between a user and a payment recipient, and of charging the appropriate user for the transaction, into a practical application. *See* Memorandum, 84 Fed. Reg. at 51. We consider whether there are any additional elements beyond the abstract ideas that, individually or in combination, “integrate the [abstract ideas] into a practical application, using one or more of the considerations laid out by the Supreme Court and the Federal Circuit.” *Id.* at 54–55.

The Memorandum provides exemplary considerations that are indicative that an additional element may have integrated the exception (i.e., the abstract idea recited in the claim) into a practical application:

- (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* Memorandum, 84 FR at 55; MPEP §§ 2106.05(a)–(c), (e)–(h).

As noted *supra*, we note that the claims recite the additional elements of a “processor,” “computing device,” “computer-readable medium,” “network,” “merchant,” and “mobile device.”

Appellant states that the methods of the invention “may be performed by processing logic that may comprise hardware . . . such as at least one processor.” Spec. ¶ 99. Appellants only define “computing device” as corresponding to “client machine 106, 108.” The client machines are not defined but are disclosed as being connected to a network. We determine that client machines, and therefore computing devices, are generic computer components.

Appellant defines a “computer system” 700 as including a “processor” 702, which may comprise a central processing unit, graphics processing unit, or both. Spec. ¶ 104. No further description of “processor” appears in the Specification. We determine, then, that Appellants’ disclosure of a “processor” is that of a generic component.

Appellant does not disclose a computer-readable medium but does disclose a machine-readable medium, “such as a storage device, where the methods 500 and 600 are adapted to be executed by one or more processors.” Spec. ¶ 102. Appellant discloses that the term “shall accordingly be taken to include, but not be limited to, solid-state memories, optical media, and magnetic media.” Spec. ¶ 106. We do not find disclosure



in Appellants Specification of a computer-readable medium that is not a generic component.

Appellants disclose that the method of the invention employs a network to distribute offer(s) for the product or service, but does not otherwise specify any details of said network. We determine that Appellants disclose a network as a generic element.

Appellant does not specifically define the term “merchant.” It is apparent from context that a “merchant” is an offeror of the product or service advertised in the offers distributed to mobile devices according to the invention.

Appellants disclose a “mobile device” only as “e.g., a smart phone.” We determine that Appellants Specification does not disclose a non-generic mobile device.

Appellant argues that the claims recite significantly more than an abstract idea. Appeal Br. 17–18. According to Appellants, the claimed ordered combination cannot reasonably be characterized as a ‘generic’ computer function or as a ‘well-understood, routine and conventional technological component’ at least for the reasons provided below with respect to the 35 U.S.C. § 103(a) rejection. Appeal Br. 18. Appellants argument is not persuasive. The question of eligibility under § 101 is distinct from the question of obviousness under § 103. *See Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1315 (Fed. Cir. 2016). The Examiner’s application of a reference teaching this element in a § 103 rejection is not evidence that the element is not well-understood, routine, and conventional.

Appellant contends that “the claims at issue are directed to a technical improvement to the technological environment of mobile devices and data centers/cell phone networks by distributing offers on mobile devices but keeping the offers invisible and deactivated as opposed to conventional systems that only distributes (sic) active offers.” Appeal Br. 18. According to Appellants, the invention allows “the distribution of the information to more mobile devices rather than only selectively deploying to a small subset of mobile devices.” *Id.* Appellants, analogizing to *DDR Holdings*,<sup>5</sup> argues that the claimed invention produces “a result that overrides the routine and conventional sequence of events ordinarily triggered by a click of a hyperlink.” Appeal Br. 19.

Appellants argument here is not persuasive. Appellants have not explained why the claimed “solution” is “necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.” *DDR Holdings*, 773 F.3d at 1257. Appellants invention seeks to solve a business problem, rather than a technological problem, of how to get an advertisement presented to an optimum number of potential customers. Appellants do not explain the relevance of distributing offers to certain mobile devices but keeping those offers invisible and deactivated. Appeal Br. 18.

Reviewing the Memorandum’s considerations, we do not find additional elements in the claims that improve the functioning of a computer, improve another technology, apply the abstract idea with a particular machine, or transform a particular article to a different state or

---

<sup>5</sup> *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014).

thing. By contrast, we determine that Applicant’s invention merely applies the abstract idea of distributing advertisements to potential customers through the use of generic computer components.

We conclude that the claimed invention does not integrate the identified judicial exception into a practical application.

#### INVENTIVE CONCEPT

Last, we consider whether the claims express an inventive concept, i.e., 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, and 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.” Memorandum, 84 Fed. Reg. at 50, 56.

As noted *supra*, we note that the claims recite the additional elements of “processor,” “computing device,” “computer-readable medium,” “network,” “merchant,” and “mobile device.” We determine, *supra*, that these additional elements are disclosed as generic components. We regard these additional elements, in the absence of further argument, as similarly well-understood, routine, and conventional.

Regarding the use of the recited generic computer components identified – i.e., “processor,” “computing device,” “computer-readable medium,” “network,” and “mobile device” – the Supreme Court has held that “the mere recitation of a generic computer cannot transform a patent-

ineligible abstract idea into a patent-eligible invention.” *Alice*, 573 U.S. at 223. Our reviewing court provides additional guidance: *See FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1096 (Fed. Cir. 2016) (“[T]he use of generic computer elements like a microprocessor or user interface do not alone transform an otherwise abstract idea into patent-eligible subject matter.”); *OIP Techs.*, 788 F.3d at 1363 (claims reciting, *inter alia*, sending messages over a network, gathering statistics, using a computerized system to automatically determine an estimated outcome, and presenting offers to potential customers found to merely recite “‘well-understood, routine conventional activit[ies],’ either by requiring conventional computer activities or routine data-gathering steps” (alteration in original)). We determine from Appellants’ bare disclosure of these elements that the claimed processor, computing device, computer-readable medium, network, and mobile device should be considered generic computer components. As such, they cannot transform the recited patent-ineligible abstract idea into a patent-eligible invention.

Appellants have presented no argument contesting the Examiner’s characterization of any additional claim element as well-understood, routine, and conventional. Appellants have not contended that the Examiner lacked factual support for any finding that a claim element is well-understood, routine, and conventional. As a result, we determine that none of the claim elements, additional to those limitations we determined to constitute a mental process, recite a limitation or combination of limitations that are not well-understood, routine, and conventional activity in the field of user authentication.

SUBJECT MATTER ELIGIBILITY - CONCLUSION

We conclude that the claims recite a process of generating an offer, distributing that offer to mobile devices within a certain area, and adjusting that distribution area based upon the number of purchases, which we determine to constitute a method of organizing human activity (i.e., advertising), one of the categories of invention found by the courts to constitute an abstract idea.

We further conclude that the claims do not integrate the identified abstract idea into a practical application.

We further conclude that the claimed invention does not recite additional claim elements that transform the nature of the claim into a patent-eligible application of an abstract idea.

Accordingly, we sustain the Examiner's 35 U.S.C. § 101 rejection of claims 1–8, 10–15, and 17–20.

35 U.S.C. § 112 rejection

The Examiner rejected claims 1, 11, and 20 as failing to comply with the written description requirement because the disclosure does not reveal the manner of performance of the step of “adjusting a boundary of at least one of the exclusion zone or the inclusion zone based on at least the number of mobile devices from which the offer is purchased.” Final Act. 5. The Examiner finds that the claim recites “zones are of arbitrary definition received from ‘the merchant’ (see claim 1) and are adjusted in an unspecified manner in an unspecified direction. The specification does not describe the manner in which the arbitrary boundaries are mathematically

adjusted according to the ‘number[’] of mobile devices from which the offer is purchased’ (see claim 1).” Ans. 3.

Appellant argues that the Specification provides support for this claim language at paragraphs 0044 and 0045. Appeal Br. 11. The Specification discloses that “[v]arious information may be monitored regarding status of a given deal, such as the number of mobile devices to which the deal has been distributed to, the number of mobile devices from which the deal has been purchased, . . . and so on.” Spec. ¶ 44. Based on the number of redemptions of the deal, or the ratio of redemptions to purchases of the deal, indicating either fewer sales than expected or more sales than desired, “at least one of the boundary line 320 of the exclusion zone or the boundary line 325 of the inclusion zone may be dynamically adjusted.” Spec. ¶ 45.

We agree with Appellants that the Specification describes adjusting a boundary of at least one zone “with reasonable clarity.” Appeal Br. 11. The Specification describes that, just as the claims recite, the number of sales is compared to a threshold, and based on the results of that comparison, at least one boundary line may be dynamically adjusted. We find that the Specification describes the invention, with all its claimed limitations. We therefore conclude that the inventor had possession of the claimed subject matter. *Vas-Cath Inc.*, 935 F.2d at 1563; *Lockwood*, 107 F.3d at 1572.

We conclude that the Examiner erred in rejecting claims 1–8, 10–15, and 17–20 under 35 U.S.C. § 112, and we do not sustain the rejection.

35 U.S.C. § 103 Rejection  
Claims 1–8, 11–15, 17, 18, and 20

Appellant argues that Jain does not teach “modifying the size of the exclusion region” because Jain teaches that “[o]ther entities, such as users. . . and advertisers . . ., can provide usage information to the system.” Appellant reasons that Jain does not perform any “monitoring a number of the mobile devices from which the offer is purchased,” itself, relying on other entities to report usage information. Appeal Br. 20; Jain ¶ 26.

We are not persuaded by Appellants argument. We agree with the Examiner’s finding that Jain teaches that the usage information provided to the system, cited by Appellants *supra*, “can include measured or observed user behavior related to ads that have been served.” Ans. 7. Jain ¶ 26. Like the Examiner, we find that “measured or observed user behavior” means that Jain teaches monitoring the mobile devices from which the offer is purchased, as the claims require. Ans. 7.

Appellant further argues that Jain does not teach “adjusting a boundary of at least one of the exclusion zone or the inclusion zone,” because Jain “merely sends a recommendation to an advertiser to reduce or increase the size of the exclusion regions” but “does not teach the system automatically adjusting the boundary, itself.” Appeal Br. 20 (citing Jain ¶ 58). We are not persuaded by Appellants argument. Exemplary claim 1 does not recite “automatically” adjusting the boundary of the exclusion zone. Jain teaches that “a determination is made as to whether a predicted rate of advertisements sent to users in the target region exceeds or is less than a threshold rate . . . . If the predicted rate is below a threshold rate, a recommendation can be sent (e.g., to an advertiser 102) to reduce the size of the exclusion region (in an effort to increase the rate). If the predicted rate is

above a threshold rate, a recommendation can be sent to increase the size of the exclusion region.” Jain ¶ 58; *see* Ans. 8.

Further, we agree with the Examiner that “[w]hile Jain does not appear to specify automating this change in zone size, it would have been obvious to a person of ordinary skill in the art . . . to automate the zone-size recommendation taught by Jain in order to remove the requirement for an advertiser to manually agree to a change.” Final Act. 12.

We are not persuaded that the Examiner erred in rejecting claims 1–8, 11–15, 17, 18, and 20 over Jain, Jetha, and Bucher. We sustain the Examiner’s § 103 rejection.

#### Claims 10 and 19

Appellant does not present argument directed to the Examiner’s § 103 rejection of claims 10 and 19.

We therefore sustain the Examiner’s rejection of claim 10 over Jain, Jetha, Bucher, and Madhavan, for the reasons given *supra* with respect to independent claim 1.

We therefore sustain the Examiner’s rejection of claim 19 over Jain, Jetha, Bucher, and Linlor, for the reasons given *supra* with respect to independent claim 11.

#### CONCLUSIONS

1. The claimed invention recites an abstract idea.
2. The recited abstract idea is not integrated into a practical application.
3. The specification provides written description support for adjusting a boundary of at least one of the exclusion zone and the inclusion zone.



4. The combination of Jain, Jetha, and Bucher teaches monitoring a number of the mobile devices from which the offer is purchased, and adjusting a boundary of at least the exclusion zone or the inclusion zone based on that number.

### DECISION SUMMARY

In summary:

<b>Claims Rejected</b>	<b>35 U.S.C. §</b>	<b>Reference(s)/ Basis</b>	<b>Affirmed</b>	<b>Reversed</b>
1–8, 10–15, 17–20	101	Subject Matter Eligibility	1–8, 10–15, 17–20	
1–8, 11–15, 17, 18, and 20	103	Jain, Jetha, Bucher	1–8, 11–15, 17, 18, 20	
10	103	Jain, Jetha, Bucher, Madhavan	10	
19	103	Jain, Jetha, Bucher, Linlor	19	
1–8, 10–15, 17–20	112	Written description		1–8, 10–15, 17–20
<b>Overall Outcome</b>			1–8, 10–15, 17–20	

### ORDER

The Examiner’s decision to reject claims 1–8, 10–15, and 17–20 under 35 U.S.C. § 101 is affirmed. The Examiner’s decision to reject claims 1–8, 11–15, 17, 18, and 20 under 35 U.S.C. § 103 as being unpatentable over Jain, Jetha, and Bucher is affirmed. The Examiner’s decision to reject claim 10 as being unpatentable under § 103 over Jain, Jetha, Bucher, and Madhavan is affirmed. The Examiner’s decision to reject claim 19 as being unpatentable under § 103 over Jain, Jetha, Bucher, and Linlor is affirmed.

Appeal 2018-008796  
Application 13/585,228

The Examiner's decision to reject claims 1–8, 10–15, and 17–20 under 35 U.S.C. § 112, first paragraph, is reversed.

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). *See* 37 C.F.R. § 41.50(f).

AFFIRMED