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EXAMINER
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BUSCH, CHRISTOPHER CONRAD

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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* DANIEL R. SWANSON SR.

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Appeal 2016-006109  
Application 12/315,688  
Technology Center 3600

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Before ST. JOHN COURTENAY III, LARRY J. HUME,  
and NORMAN H. BEAMER, *Administrative Patent Judges*.

BEAMER, *Administrative Patent Judge*.

DECISION ON REQUEST FOR REHEARING

On February 14, 2018, Appellant filed a Request for Rehearing (“Request”) under 37 C.F.R. § 41.52 from the Decision on Appeal (“Decision”) of the Patent Trial and Appeal Board (“Board”), mailed December 21, 2017. In the Decision, we affirmed the Examiner’s rejection of claims 1–10, 17–19, and 22–29 as directed to patent-ineligible subject matter under 35 U.S.C. § 101.

In the Request, Appellant cites *Berkheimer v. HP Inc.*, No. 2017-1437 2018 WL 774096 (Fed. Cir. Feb. 8, 2018), for the proposition that the Board must meet “the clear and convincing standard required by the Federal Circuit.” (Request 3–4.) Not so — *Berkheimer* is a District Court summary judgement case, and the discussion therein of the burden of proof required to prove that a patent claim is invalid before the court is inapplicable to this

Appeal. On appeal to the Federal Circuit, the Board’s review of the Examiner’s factual findings underlying questions of law is subject to the deferential “substantial evidence” standard of review accorded to agency findings of fact. *In re Antor Media Corp.*, 689 F.3d 1282, 1287 (Fed. Cir. 2012); MPEP § 2144.03 (9th ed. Rev. 08.2017, Jan. 2018).

However, whether a patent claim is directed to patent-eligible subject matter is a question of law that is reviewed *de novo* by the Federal Circuit without deference. *See Prometheus Laboratories, Inc. v. Mayo Collaborative Services*, 628 F.3d 1347, 1353 (Fed. Cir. 2010)(citation omitted). “Patent eligibility under § 101 presents an issue of law.” *Accenture Glob. Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1340 (Fed. Cir. 2013).

For appeals before the Board from an Examiner’s adverse action, “[t]he default evidentiary standard is a preponderance of the evidence.” 37 C.F.R. § 42.1(d). Thus, “clear and convincing” and “substantial evidence” are standards of review applied by the Federal Circuit and are inapplicable with respect to our review of the record before the Examiner, which is based upon a preponderance of the evidence.

We are not persuaded the Examiner’s findings lack support, and certainly the attorney arguments offered by Appellant do not raise any legitimate factual issues. *In re Geisler*, 116 F.3d 1465, 1470 (Fed. Cir. 1997); *In re De Blauwe*, 736 F.2d 699, 705 (Fed. Cir. 1984).

Appellant also challenges the Board’s agreement with the Examiner’s characterization of the claims as directed to the abstract idea of “assigning values to ads based on customer response/feedback.” (Request 5.) Appellant would characterize the claims as “rifle shot targeting”:

The rifle shot targeting is a specific modification of content to include only ads for which a user has expressly indicated characteristic preferences. The modification of content includes the ads in the content in locations based on a valuation of the ads that is determined on an individual basis. That is, a same ad is valued differently for users with different expressly indicated characteristic preferences. Systems and methods provide same content, viewed by users with different expressly indicated characteristic preference with different modifications.

(Request 2.) This alternative characterization of the claims is itself an abstract idea, and is merely a more detailed description of the abstract idea reasonably summarized by the Examiner’s characterization. Appellant argues the various details underlying the abstract idea of the claims as summarized in the Decision — such as “distribution of content to individual customers,” “obtaining an indication when the content is being viewed,” “inserting advertisements into the media content,” “providing required valuation by a provider of the distributed content,” “inserting different advertisements when a different customer is viewing,” and “recording advertisement . . . placement decisions in a database” — have “a very tenuous relation to ‘assigning values to ads based on customer/response feedback’ at best.” (Request 6.) However, we are not persuaded that this is so. For example, “obtaining an indication when the content is being viewed,” is one conventional aspect of obtaining customer feedback. Therefore, we remain of the opinion that the first step of the *Alice* analysis leads here to a conclusion that the subject matter of the claims is directed to an abstract idea.

Appellant emphasizes that the claims have not been determined obvious over the prior art cited by the Examiner. (Request 8.) However, the

Supreme Court emphasizes: “[t]he ‘novelty’ of any element or steps in a process, or even of the process itself, is of **no relevance** in determining whether the subject matter of a claim falls within the § 101 categories of possibly patentable subject matter.” *Diamond v. Diehr*, 450 U.S. 175, 188–89 (1981) (emphasis added). Our reviewing court further guides that “[e]ligibility and novelty are separate inquiries.” *Two-Way Media Ltd. v. Comcast Cable Commc’ns, LLC*, 874 F.3d 1329, 1340 (Fed. Cir. 2017); see also *Affinity Labs of Tex., LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1263 (Fed. Cir. 2016) (holding that “[e]ven assuming” that a particular claimed feature was novel does not “avoid the problem of abstractness”).

Indeed, as pointed out in the Decision, the cited art provides evidence that the “rifle-shot” targeting idea that the claims purport to embody was a conventional business practice when the Application was filed. (*See* Decision 9.)

Appellant further challenges the Board’s affirmance of the Examiner’s findings as to the second step of the *Alice* analysis. (Request 9–11.) In particular, Appellant argues the “three separate entities” covered by the claims — “input apparatus,” “content provider device,” and “advertisement tailoring system” — adds significantly more to the claims than an abstract idea. (Request 9, 10.) But the Specification explains that the input apparatus includes “television or set-top TV box remote controls, satellite remote controls, cell phones, telephones, Personal Digital Assistants, or any other wireless or wired device that has the ability to make selections and link to a network”; the content provider device is simply a television or radio, and the advertisement tailoring system is a properly programmed general purpose computer. (Spec. Figs. 1, 3, 4, 19, ¶¶ 45, 59, 106.) We are not

persuaded of error in finding the use of these “entities” are “well-understood, routine, conventional activit[ies].” (Decision 11.)

Finally, Appellant argues our reliance on *Electric Power Group, LLC v. Alstom S.A.*, 830 F.3d 1350 (Fed. Cir. 2016) is misplaced. (Request 11–12.) However, we remain of the view that the data gathering, analyzing, and displaying of information recited in the claims here are analogous to the corresponding activities of *Electric Power*.

In sum, we find none of Appellant’s arguments are persuasive that our Decision was in error. We have reconsidered our Decision, but decline to grant the relief requested.

#### DECISION

In view of the foregoing discussion, we have granted Appellant’s Request to the extent that we have reconsidered the original Decision, but have denied it with respect to making any changes to the Decision.

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).

REHEARING DENIED