Paper No. 31

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte WILL H. GARDENSWARTZ, DAVID W. BANKER,
and MELISSA B. GOIDEL

Appeal No. 2003-0293
Application No. 09/472,197

HEARD: July 15, 2003

Before FLEMING, GROSS, and LEVY, Administrative Patent Judges.
LEVY, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on appeal under 35 U.S.C. § 134 from the examiner's final rejection of claims 85-90, which are all of the claims pending in this application.

BACKGROUND

Appellants' invention relates to communicating with a computer based on the offline purchase history of a particular consumer. An understanding of the invention can be derived from a reading of exemplary claim 85, which is reproduced as follows:

85. A computer readable medium for storing information for delivering a targeted advertisement, comprising a data structure including:

a first field for storing a first identifier identifying a first computer associated with a consumer; and

a second field linked to the first field for storing a second identifier associated with said first identifier and corresponding to an observed offline purchases history of the consumer, said purchase history including information of an offline purchase of the consumer collected at a point of sale when the offline purchase transpired, the first identifier and the second identifier being readable by at least one processor to automatically deliver the targeted advertisement to the first computer in response to receiving the first identifier from the first computer.

The prior art references of record relied upon by the examiner in rejecting the appealed claims are:

Csaszar et al. (Csaszar)	5,970,124	Oct. 19, 1999
Jermyn	6,026,370	Feb. 15, 2000 (filed August 28, 1997)
Laor	6,076,069	Jun. 13, 2000 (filed September 25, 1998)
Scroggie et al. (Scroggie)	WO 97/23838	July 3, 1997

Claims 85-90 stand rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

Claims 85 and 86 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Scroggie in view of Laor.

Claim 87 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over Scroggie in view of Jermyn.

Claims 89 and 90 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Scroggie in view of Csaszar.

Claim 88 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over Scroggie in view of Jermyn and further in view of Laor.

Rather than reiterate the conflicting viewpoints advanced by the examiner and appellants regarding the above-noted rejections, we make reference to the examiner's answer (Paper No. 24, mailed July 1, 2002) for the examiner's complete reasoning in support of the rejections, and to appellants' brief (Paper No. 23, filed May 7, 2002) and reply brief (Paper No. 27, filed September 8, 2002) for appellants' arguments thereagainst. Only those arguments actually made by appellants have been considered in this decision. Arguments which appellants could have made but chose not to make in the brief have not been considered. See 37 CFR 1.192(a).

OPINION

In reaching our decision in this appeal, we have carefully considered the subject matter on appeal, the rejections advanced by the examiner, and the evidence of obviousness relied upon by the examiner as support for the rejections. We have, likewise, reviewed and taken into consideration, in reaching our decision,

appellants' arguments set forth in the briefs along with the examiner's rationale in support of the rejections and arguments in rebuttal set forth in the examiner's answer.

Upon consideration of the record before us, we reverse the rejection of claims 85-90 under 35 U.S.C. § 101, and affirm the rejection of claims 85-90 under 35 U.S.C. § 103(a).

We begin with the rejection of claims 85-90 under 35 U.S.C. § 101 as being non-statutory. The examiner's position (answer, page 3) is that the stored information is deemed to be non-functional descriptive data that cannot exhibit any functional relationship with the way in which computing processes are performed and does not constitute a statutory process, machine, manufacture or composition of matter, i.e., that the claims do not recite functional, descriptive material, only stored data that represents identifier information. The examiner adds that when non-functional descriptive data is recorded on some computer readable medium, it is not structurally and functionally interrelated to the medium but is merely carried by the medium.

Appellants assert (brief, page 4) that claim 85 recites "the information stored in the first and second fields being readable by at least one processor to automatically deliver the targeted advertisement to the first computer." Appellants argue (id.)

that the recitation of causing a processor to automatically deliver a targeted advertisement is clearly statutory subject matter. It is further argued that the stored data is functional in and of itself, because the stored data is computer readable and therefore a functional relationship exists among the data and the processor reading the data. As set forth in MPEP § 2106(a), Eighth Edition, published August 2001, which was in effect as of the date the answer was written, "a claimed computer-readable medium encoded with a data structure defines structural and functional interrelationships between the data structure and the computer software and hardware components which permit the data structure's functionality to be realized, and is thus statutory."

Claim 85 is drawn to "A computer readable medium for storing information for delivering a targeted advertisement, comprising a data structure including. . ." The later claimed first and second linked fields which store the identifiers corresponding to a first computer and an offline purchase history, are claimed as being readable by at least one processor to automatically deliver the targeted advertisement. We find that the data structure of the computer readable medium defines structural and functional relationships between the data structure and the processor which permits the data structure's functionality to be realized.

Because the identifiers are used in determining the information to be delivered in a targeted advertisement, the claim recites statutory subject matter. Moreover, we find that the claimed data structure is more than descriptive material such as music, art, literature, photographs and mere arrangements of facts or data that are merely stored so as to be outputted without creating any functional relationship, either as part of the stored data or as part of the computing process performed by the computer. In sum, we find claim 85 to be statutory within the meaning of 35 U.S.C. § 101. The rejection of claim 85 under 35 U.S.C. § 101 is therefore reversed. We additionally reverse the rejection of claims 86-90 based upon our findings with respect to claim 85.

We turn next to the rejection of claims 85-90 under 35 U.S.C. § 103(a) as unpatentable over Scroggie in view of the secondary references. We begin with the rejection of claims 85 and 86 under 35 U.S.C. § 103(a) as unpatentable over Scroggie in view of Laor.

In rejecting claims under 35 U.S.C. § 103, it is incumbent upon the examiner to establish a factual basis to support the legal conclusion of obviousness. See In re Fine, 837 F.2d 1071, 1073, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988). In so

doing, the examiner is expected to make the factual determinations set forth in Graham v. John Deere Co., 383 U.S. 1, 17, 148 USPQ 459, 467 (1966), and to provide a reason why one having ordinary skill in the pertinent art would have been led to modify the prior art or to combine prior art references to arrive at the claimed invention. Such reason must stem from some teaching, suggestion or implication in the prior art as a whole or knowledge generally available to one having ordinary skill in the art. Uniroyal, Inc. v. Rudkin-Wiley Corp., 837 F.2d 1044, 1051, 5 USPQ2d 1434, 1438 (Fed. Cir. 1988); Ashland Oil, Inc. v. Delta Resins & Refractories, Inc., 776 F.2d 281, 293, 227 USPQ 657, 664 (Fed. Cir. 1985); ACS Hosp. Sys., Inc. v. Montefiore Hosp., 732 F.2d 1572, 1577, 221 USPQ 929, 933 (Fed. Cir. 1984). These showings by the examiner are an essential part of complying with the burden of presenting a prima facie case of obviousness. Note In re Oetiker, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992). If that burden is met, the burden then shifts to the applicant to overcome the prima facie case with argument and/or evidence. Obviousness is then determined on the basis of the evidence as a whole. See id.; In re Hedges, 783 F.2d 1038, 1039, 228 USPQ 685, 686 (Fed. Cir. 1986); In re Piasecki, 745

F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir. 1984); and In re Rinehart, 531 F.2d 1048, 1052, 189 USPQ 143, 147 (CCPA 1976).

The examiner's position (answer, page 4) is that although Scroggie teaches a first identifier corresponding to a first computer associated with a consumer in the form of an e-mail address, Scroggie fails to specifically disclose that the first identifier identifies a specific computer. To make up for this deficiency of Scroggie, the examiner turns to Laor for a teaching of using identifiers such as cookies as a means of identifying a computer. The examiner asserts (id.) that identifiers such as cookies and IP address were well known for use in identifying a computer at the time of appellants' invention, and that it would have been obvious to utilize cookies as a means to identify a computer associated with a consumer since cookies were well known for providing this type of information.

Appellants assert (brief, page 6) that there is no motivation to modify Scroggie, because Laor merely teaches the use of cookies to deliver coupons. Appellants question why it would have been obvious to associate a cookie with an offline purchase history of the consumer collected at a point-of-sale when the purchase transpired.

We find that in addition to teaching the providing of shopping aids and incentives to consumers, via e-mail, based upon a consumer purchase history, Scroggie discloses another embodiment of the invention where the purchase incentive is transmitted to the store instead of to the consumer (abstract). In this embodiment, the server 300 transmits the purchase incentive data to an in-store server 310 in the supermarket selected by the user 308, which gives the user an appropriate discount automatically when the consumer presents the item for checkout. The server 300 transmits the image of a token 316 to the user's computer 302, which defines the coupon offer (page 19).

From the disclosure of Scroggie that the server transmits the token to the user's computer, we find a suggestion that the user's computer be identified. In addition, although not brought to our attention by either the examiner or the appellants, we find that Scroggie discloses (page 10) that when first accessing the system of the invention, the consumer encounters a log-in page. After filling in and submitting an on-screen form, the user is required to enter his Zip code. The Zip code determines what offers are transmitted to the consumer, based upon the market areas he resides in. After the Zip code is found to be

valid, the internet address (IP address) of the user is checked, as indicated in box 106 in figure 3. If there is any doubt as the certainty of the IP address, a trace route is performed on the user's IP address, as indicated in box 112 (page 11). After verification of the IP address, the process returns to log-in. From the disclosure in Scroggie of checking and verifying the IP address of the user's computer, we find that Scroggie teaches identification of the user's computer.

From these teachings of Scroggie, we find that an artisan would have been taught to verify the user's computer during the log-in process, before transmitting incentives to the computer. Laor discloses that in ordinary commerce information providers such as newspapers and magazines attract or identify specific market segments of consumers in order to permit vendors to target consumers of those specific market segments with advertising. This includes the use of coupons which may be redeemed by consumers for discounts on product purchases or other benefits (col. 1, lines 41-47). With the advance of the internet, consumers can download and print out coupons , and can take these coupons to their local store to redeem them (col. 1, lines 56-59). However, Laor states that these methods are inconvenient and time consuming. The invention of Laor is directed to a system

and method for distributing and redeeming electronic coupons in a networked environment. The consumer can connect to a source of coupons which will transfer a book of electronic coupons to the client (col. 1, line 61 through col. 2, line 9). The vendor's server can recognize that the client bears a coupon which can modify the transaction and permit the client to redeem the coupon (col. 2, lines 16-18). The electronic book of coupons is transmitted to the user in the form of a Cookie, which recognizes the client, and which is stored in the memory of the client's computer (col. 4, lines 3-5).

From the disclosure of Laor, we find that Laor discloses the use of a book of electronic coupons that is transferred to the user or client in the form of a cookie. From Scroggie's suggestion of the need to identify the user's computer, we find that an artisan would have been motivated to look to how to identify computers, and would have been taught to use cookies to identify a user's computer, as taught by Laor. We are not persuaded by appellants' query as to why it would have been obvious to associate a cookie with an observed offline purchase history. We find that the motivation or suggestion to combine the teachings of Scroggie and Laor comes from the teaching of Scroggie to identify the user's computer before transmitting the

incentive, and from Laor's teaching of transmitting electronic coupons using cookies.

Nor are we persuaded by appellants' assertion (reply brief, page 4) that since Scroggie clearly does not disclose identifying a particular computer, but rather identifies a consumer by an e-mail address, and since Laor teaches the identification of a computer, Laor cannot be combined with Scroggie. For the reasons discussed, supra, we find that Scroggie also identifies both the user's Zip code and IP address. Thus, because we do not agree with appellants that Scroggie does not identify a particular computer, we do not agree with appellants' conclusion that the teaching of Scroggie and Laor cannot be combined.

From all of the above, we find that the examiner has established a prima facie case of obviousness of claims 85 and 86 which has not been successfully been rebutted by appellants. Accordingly, the rejection of claims 85 and 86 under 35 U.S.C. § 103(a) is affirmed.

We turn next to the rejection of claim 87 under 35 U.S.C. § 103(a) as unpatentable over Scroggie in view of Jermyn. The examiner's position (answer, page 5) is that Scroggie fails to disclose a field for specifically storing a purchase behavior classification based upon purchase history. To overcome this

deficiency of Scroggie, the examiner (id.) turns to Jermyn for a teaching of "customizing purchase incentives for selected consumer households based on the detailed purchasing history and the consumer profile or classification also based on the purchasing history." The examiner argues (id.) to the effect that it would have been obvious to provide the database of Scroggie with a consumer classification, as taught by Jermyn so that consumers could be targeted with specific incentives based upon their associated category, so that consumers would be presented with incentives they would most likely be interested in.

Appellants assert (brief, page 6) that "[t]here is simply no motivation in the cited references or in the body of knowledge generally available to one of ordinary skill in the art to use the observed offline purchase history of the consumer (said purchase history including information of a purchase of the consumer collected at a point of sale when the purchase transpired) in combination with the other claimed limitations to provide the desired result of the present invention, which is to automatically deliver targeted advertisements to consumers on the basis of their observed offline purchase histories." Appellants argue (reply brief, page 5) that Scroggie alone provides the

advantage of presenting customers incentives they would be interested in, and that therefore, the combination of Scroggie sand Jermyn would be redundant. It is further argued that there would have to be a showing that Jermyn's technique for customizing purchasing incentives somehow has an advantage over Scroggie for there to be a motivation to combine the teachings of Scroggie and Jermyn.

Scroggie maintains a database having a user's purchase history. The data base is developed as a result of consumers being uniquely identified on each visit to a store, by use of a frequent shopper card, a credit card, or some other form of identification (page 20). Jermyn is directed to a method and apparatus for generating a purchase incentive mailing based upon prior purchase history (col. 1, lines 1-4). Global consumer purchase database 32 contains a complete purchase history for each identifiable consumer for some relatively long period of time, such as one year. Jermyn additionally categorizes or profiles each consumer household in terms of its apparent loyalty to promoted brands of products. Three profile categories are shown in figure 3. They include: consumers loyal to competitive brands, consumers who are loyal to the promoted brand, and consumers who are new to the promoted product category. The

latter category applies, for example, to consumers who have bought low-fat foods, but do not fall within a more specific product category that is part of the promotion. For example, the promotion may deal only with frozen foods, but the consumer has purchased many other low-fat items, such as dairy products or beverages (col. 7, lines 21-40).

From the disclosure of Jermyn of using shopping behavior in addition to purchase history in generating incentives to users, we find that an artisan would have been motivated to use purchase behavior classification information in addition to purchase history as a complement to the purchase history information used by Scroggie. Thus, we agree with the examiner (answer, page 5) that an artisan would be motivated to combine the teachings of Scroggie and Jermyn in order to provide consumers with incentives that they would most likely be interested in.

We are not persuaded by appellants' assertion (reply brief, page 5) that Scroggie alone provides the advantage of presenting customers incentives they would be interested in, and that, therefore, the combination of Scroggie and Jermyn would be redundant. We find that providing purchase behavior classification information provides an additional advantage over just using purchase history because it permits closer tailoring

of the incentives to the demonstrated interests of the user.

From all of the above, we find that the examiner has established a prima facie case of obviousness of claim 87 that has not been successfully been rebutted by appellants. Accordingly, the rejection of claim 87 under 35 U.S.C. § 103(a) is affirmed.

We turn next to the rejection of claims 89 and 90 under 35 U.S.C. § 103(a) as unpatentable over Scroggie in view of Csaszar. The examiner's position (answer, page 6) is that Scroggie fails "to specifically disclose an identifier corresponding to the targeted interactive voice response message. *Csaszar et al* disclose a database containing attributes of a consumer and targeted messages that an interactive voice response system can deliver to a consumer based on the consumer attributes." The examiner asserts that it would have been obvious to provide the database of Scroggie with the capability to store identifiers for targeted messages and to deliver these messages via an interactive voice response system, as an alternative system to present targeted advertisements to consumers who may not have access to a computer.

Appellants assert (brief, page 6) that

> There is simply no motivation in the cited references or in the body of knowledge generally

> available to one of ordinary skill in the art to use the observed offline purchase history of the consumer (said purchase history including information of a purchase of the consumer collected at a point of sale when the purchase transpired) in combination with the other claimed limitations to provide the desired result of the present invention, which is to automatically deliver targeted advertisements to consumers on the basis of their observed offline purchase histories.

It is additionally argued (reply brief, page 6) that there is no teaching or suggestion that Scroggie fails to provide the ability to deliver information that consumers desire at any time and low cost, because Scroggie discloses delivering incentives through e-mail. It is further argued that there is no showing that the Csaszar technique for delivering information to the consumer has any advantage over Scroggie.

Csaszar discloses (col. 3, lines 21-36) an interactive voice responsive (IVR) system that provides targeted advertisements to students when they call the system to obtain their course grades (col. 1, lines 24-26 and 62-65). Student attributes are provided to the system by the school, and are stored in a database. Attributes include sex, age, year in school, major course of study, etc. (col. 3, lines 61-64). The database of consumer attributes is used in determining which advertisements are to be directed to a particular student, as well as the order in which

the advertisements are to be played (col. 5, lines 45-51). The ADs server is implemented on a computer system (col. 5, lines 57-65). After the advertisement and a purchase offer are made, the students' grades are provided to the students (col. 6, lines 1-9). After an ad is played to a student, it is removed from the list of ads to be played so that if the student calls back, the same ad will not be played again (col. 9, lines 10-17). An advantage of the system is that it can deliver information that students desire at any time and at low cost (col. 2, lines 35-37).

From the disclosure of Csaszar of using consumer attributes to target advertisements to the consumer using an IVR system, we agree with the examiner (answer, page 6) that "[I]t would have been obvious to modify the database of *Scroggie et al* and include the capability to store identifiers for targeted messages and deliver these messages via an interactive voice response system to the consumer as an alternate means to present targeted advertisements". We additionally agree with the examiner that the ability to target the advertisements to the consumer at any time and at low cost is ample motivation to provide Scroggie with IVR capability, as a complement to the system of Scroggie which sends the information to consumers via e-mail, after identifying

their computer. In addition, we find an IVR system to be advantageous because it provides a spoken word to the consumer, instead of the consumer having to read the advertisement. In sum, we find that the examiner has established a prima facie case of obviousness that has not been successfully rebutted by appellants. Accordingly, the rejection of claims 89 and 90 under 35 U.S.C. § 103(a) is affirmed.

We turn next to the rejection of claim 88 under 35 U.S.C. § 103(a) as unpatentable over Scroggie in view of Jermyn and Laor. Appellants present no separate arguments with respect to claim 88, and state (brief, page 3) that claim 88 stands or falls with claim 87. However, as claim 88 stands rejected under a separate ground of rejection than claim 87, we separately address the rejection of claim 88. The examiner's position is cogently set forth on pages 6 and 7 of the answer.

From our review of the prior art, we make reference to our findings, supra, with respect to Scroggie, Jermyn, and Csaszar and affirm the rejection of claim 88 for the same reasons we affirmed the rejection of claims 85 and 87. Accordingly, the rejection of claim 88 under 35 U.S.C. § 103(a) is affirmed.

CONCLUSION

To summarize, the decision of the examiner to reject claims 85-90 under 35 U.S.C. § 101 is reversed. The decision of the examiner to reject claims 85-90 under 35 U.S.C. § 103(a) is affirmed.

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

AFFIRMED

MICHAEL R. FLEMING Administrative Patent Judge	)	
ANITA PELLMAN GROSS Administrative Patent Judge	)	BOARD OF PATENT APPEALS AND INTERFERENCES
STUART S. LEVY Administrative Patent Judge	)	

SSL/gjh

OBLON, SPIVAK, MCCLELLAND, MAIER
& NEUSTADT, P.C.
1940 DUKE STREET
ALEXANDRIA, VA 22314