

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

YAHOO! INC.,
Petitioner,

v.

ALMONDNET, INC.,
Patent Owner.

Case CBM2017-00046
Patent 7,822,639 B2

Before MICHAEL W. KIM, JUSTIN T. ARBES, and
THOMAS L. GIANNETTI, *Administrative Patent Judges*.

KIM, *Administrative Patent Judge*.

DECISION ON REQUEST FOR REHEARING
37 C.F.R. § 42.71

I. INTRODUCTION

Yahoo! Inc. (“Petitioner”) filed a Corrected Petition to institute a covered business method patent review of claims 1–8, 10, 13–16, 24, 27–29, 31, 32, 36, 37, 39, and 41–47 of U.S. Patent No. 7,822,639 B2 (Ex. 1001, “the ’639 patent”) on a single ground of unpatentability under 35 U.S.C. § 101. Paper 6 (“Petition” or “Pet.”). AlmondNet, Inc. (“Patent Owner”) filed a Preliminary Response. Paper 7 (“Prelim. Resp.”). On October 16, 2017, we issued a Decision Denying Institution of Covered Business Method Patent Review. Paper 8 (“Decision”). On November 14, 2017, Petitioner filed a Request for Rehearing. Paper 9 (“Req.”). For the reasons given below, the Request for Rehearing is *denied*.

II. ANALYSIS

A request for rehearing must identify specifically all matters the requesting party believes the Board misapprehended or overlooked. 37 C.F.R. § 42.71(d). When rehearing a decision on institution, the Board will review the decision for an abuse of discretion. 37 C.F.R. § 42.71(c).

A. *Whether We Misapprehended Or Overlooked Petitioner’s Assertion As To What The Claims Are Directed To*

Petitioner contends we misapprehended Petitioner’s assertion that the claims of the ’639 patent are directed to “securing revenue from offsite targeted Internet advertising,” as opposed to just “securing revenue from advertising.” Req. 1. Petitioner specifically contends:

The Petition defined the abstract idea as “a method of securing revenue ***from offsite targeted Internet advertising***”:

Claims 1–8, 10, and 13–16 are all directed to a “method of securing revenue from offsite targeted Internet advertising.” Likewise, claims 24, 27–29, 31, 32, 36, 37,

39, and 41-47 are all directed to a “method of securing revenue from offsite targeted Internet advertising.” The ’639 Patent confirms that the invention is directed to this abstract idea.

Petition at 25–26 (citations omitted).

Req. 3 (emphasis original).

Petitioner argues the above-cited recitation unequivocally asserts that the claims of the ’639 patent are directed to “securing revenue from offsite ***targeted Internet advertising***,” and “[t]his definition was overlooked by the Board.” *Id.* (emphasis original).

We find no such assertion in the Petition. Rather, in describing the ground on which the claims are challenged, in the first sentence, under the heading “The Challenged Claims Are Directed To an ‘Abstract Idea,’” Petitioner expressly and unequivocally states: “The challenged claims are directed to the abstract idea of *securing revenue from advertising*.” Pet. 26 (emphasis added); *see also id.* (“Here, the patent claims are directed to the abstract idea of *securing revenue from advertising*.”) (emphasis added).

Having said that, we do acknowledge that, after the previous two sentences from the Petition we have just quoted, the Petition includes the three sentences cited above by Petitioner, beginning with “[c]laims 1–8, 10, and 13–16” And, of course, in considering the Petition, we considered these sentences as well. Those sentences, however, are of no assistance to Petitioner with respect to this issue, as when the sentences identified by Petitioner are read in context, it is clear that they do not convey the meaning that Petitioner asserts above was misapprehended or overlooked.

Specifically, the first sentence of the relevant paragraph reads “[t]he challenged claims are directed to the abstract idea of securing revenue from

advertising.” Pet. 26. As the topic sentence, the rest of the paragraph is presumed to be support for this topic sentence. The accuracy of this presumption is confirmed by the next sentence, which reads “[i]ndeed, this is expressly required by all the claims.” *Id.* When the two sentences are read in conjunction, the meaning conveyed is that all the claims expressly include the words “securing revenue from advertising.” This meaning is confirmed in the subsequent sentence, which, again, reads “[c]laims 1–8, 10, and 13–16 are all directed to a ‘method of securing revenue from offsite targeted Internet advertising.’” *Id.* In other words, when read in context, the last sentence merely provides evidentiary support for the meaning conveyed by the two preceding sentences that all the claims expressly include the words “securing revenue from advertising,” which itself is correct. The analysis is the same for the subsequent two sentences identified by Petitioner.

Essentially, what Petitioner asserts now is that we should have known that the topic sentence was really not Petitioner’s intended assertion as to what the claims are directed to, and that the middle sentences, which, by all accounts, appear merely to be citations to evidentiary support, were actually what Petitioner intended as its articulation of what the claims are directed to. At the very least, we are unpersuaded that such an assertion was set forth in the Petition in such a manner, with sufficient clarity, that it can be considered to have been misapprehended or overlooked.

Petitioner additionally argues that “Petitioner defined the abstract idea as the entire preamble” of claim 1, and “[t]he Board overlooked this express recitation of the abstract idea as well.” Req. 3–4. Specifically, Petitioner contends:

Petitioner expressly explained that “**the preamble**—‘[a] method of securing revenue from offsite targeted Internet advertising’—**merely restates the abstract idea** claimed by the [] patent.” Petition at 33 n.5 (emphasis added). This is entirely consistent with long-standing precedent, cited by the Board, that the preamble “often states a ‘purpose or intended use’ for the claim.” Decision at 12 (quoting *Pitney Bowes, Inc. v. Hewlett-Packard Co.*, 182 F.3d 1298, 1305 (Fed. Cir. 1999)). Recognizing the Federal Circuit’s guidance in *Pitney Bowes*, Petitioner defined the abstract idea as the entire preamble: “securing revenue from offsite targeted Internet advertising.” See Petition at 33 n.5. The Board overlooked this express recitation of the abstract idea as well.

Req. 3–4. Our above analysis is even more applicable here, as the above-cited portion of the Petition was a part of Petitioner’s arguments regarding the second step of the *Alice* analysis, i.e., the inventive concept, and not the first step, i.e., where the “directed to” analysis is relevant. See Pet. 31–34. Petitioner has not identified, nor are we able to ascertain independently, any portion of the Petition that instructs us to modify Petitioner’s articulation as to what the claims are directed to, for the first step of the *Alice* analysis, in view of the arguments presented by Petitioner with respect to the second step of its *Alice* analysis. Petitioner makes similar assertions concerning page 1 of the Petition, which are unpersuasive for similar reasons. See Req. 4.

Relatedly, Petitioner asserts that we misapprehended or overlooked the fact that the Federal Circuit has held that the Internet “need not be considered” when identifying an abstract idea, for purposes of assessing subject matter eligibility under 35 U.S.C. § 101. Req. 6–7. As an initial matter, resolution of this issue in Petitioner’s favor is not dispositive, as Petitioner still failed to account sufficiently for the terms “offsite” and

“targeted” (to say nothing of “first Internet site,” “second Internet site,” and directing off-site advertisements to visitors of the second Internet site as a consequence of determining visits to the first Internet site “using the tags and the records,” as also recited in claim 1). *See* Decision 11–14.

Moreover, Petitioner’s assertion is incorrect, as while certainly at times, an omission of “Internet” from an identification of what a claim is directed to is proper, our review of the case law cited by Petitioner does not support a blanket assertion that the term “Internet” should never be considered in this manner, under any circumstances. *See, e.g., DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1256–57 (Fed. Cir. 2014) (under *Alice* step one, the court held that “[a]lthough the claims address a business challenge (retaining website visitors), it is a challenge particular to the Internet”). We are unpersuaded that we could have misapprehended or overlooked that which is incorrect.

*B. Whether We Misapprehended Or Overlooked Petitioner’s
Cited Authority Establishing That Targeted Advertising Is
Ineligible Under 35 U.S.C. § 101*

Petitioner contends the Board misapprehended or overlooked Petitioner’s analysis (Pet. 26–28) of *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 716 (Fed. Cir. 2014), to show that claims directed to targeted advertising are ineligible under 35 U.S.C. § 101. Req. 4–6. Petitioner argues “[t]he Board’s decision mistakenly omitted an analysis of this case which, when fully considered, respectfully compels a finding that the claims are ineligible.” Req. 5. Petitioner’s assertions are misplaced, as our determination with respect to the case law, cited in support of Petitioner’s position that “securing revenue from advertising” is an abstract idea, was as follows:

Petitioner’s articulation of what claim 1 is “directed to” is deficient for at least the reason that it does not account for the concepts of “off-site,” “targeted,” and “Internet,” as described above. We now turn to Petitioner’s analysis as to whether this concept is an abstract idea. Pet. 27–31. Unsurprisingly, as Petitioner did not properly identify what independent claim 1 is “directed to,” the case law and analysis provided by Petitioner is inadequate to meet its burden of showing that claim 1 is directed to patent-ineligible subject matter.

Decision 16. In other words, even assuming that Petitioner is correct that *Ultramercial* stands for the proposition that claims directed to “targeted advertising” are patent ineligible, the Petition did not explain adequately how *Ultramercial* accounted for the entirety of what the claims of the ’639 patent are actually directed to, in particular, the italicized portions of “*securing revenue from offsite targeted Internet advertising.*” The same analysis is applicable to the other case law cited by Petitioner on the cited pages of the Petition. See Req. 4–6.

C. Whether We Misread *Smartflash*¹

Petitioner contends we misread *Smartflash* in several respects. Req. 7–8; see Decision 13. Petitioner asserts that *Smartflash* does not enumerate the test we applied in the Decision, as to whether the “Internet” is integral or ancillary in articulating what the claims of the ’639 patent are directed to, but, instead, “*Smartflash* states that the inquiry should ask whether the focus of the claims is ‘on a process that qualifies as an ‘abstract idea’ for which **computers** are invoked merely as a tool.’” Req. 8 (citing *Smartflash*). We are unclear as to the substantive difference between our purported “test” and the cited holding from *Smartflash*, as other than a

¹ *Smartflash LLC v. Apple Inc.*, 680 F. App’x 977, 982–83 (Fed. Cir. 2017)

replacement of “Internet” and “integral/ancillary” from our “test” with “computer” and “focus” from *Smartflash*, respectively, they are substantively indistinguishable.

Petitioner next asserts that “the *Smartflash* Court found the claims at issue to be patent ineligible, determining that the claims were analogous to claims found ineligible in *Ultramercial*, and covered ‘precisely the type of Internet activity that’ was found ineligible in *Ultramercial*. . . . The same is true here.” Req. 8. This assertion is misplaced for the same reasons set forth above with respect to Petitioner’s contentions concerning *Ultramercial*, which need not be repeated here.

III. CONCLUSION

Petitioner’s Request for Rehearing is ***denied***.

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