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BEFORE THE PATENT TRIAL AND APPEAL BOARD

Application Number: 10/606,729
Filing Date: June 26, 2003
Appellant(s): DONIAN ET AL.

Carl A. Kukkonen, III
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 4/23/15 appealing from the Office action mailed 5/1/14.

(1) Grounds of Rejection to be Reviewed on Appeal

Every ground of rejection set forth in the Office action dated 5/1/14 from which the appeal is taken is being maintained by the examiner except for the grounds of rejection (if any) listed under the subheading "WITHDRAWN REJECTIONS." New grounds of rejection (if any) are provided under the subheading "NEW GROUNDS OF REJECTION."

The following ground(s) of rejection are applicable to the appealed claims.

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112(a):

> (a) IN GENERAL.—The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor or joint inventor of carrying out the invention.

The following is a quotation of the first paragraph of pre-AIA 35 U.S.C. 112:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 188, 191-193, 195-197, 199-238 are rejected under 35 U.S.C. 112(a) or 35 U.S.C. 112 (pre-AIA), first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor or a joint inventor, or for pre-AIA the inventor(s), at the time the application was filed, had possession of the claimed invention.

Claims 188, 195, 207, as amended, recite receiving, *at a client system* from a remote system, a plurality of at least one media files and a plurality of at least one advertisement files;

generating, at the client system using advertisement positioning rules, a first sequence comprising *at least a portion of the plurality of at least one media files and at least a portion of the at least one advertisement files*, the advertisement positioning rules defining where advertisement files are presented in relation to the at least one media files;

presenting, at the client system, *at least a portion of* the first sequence:

adaptively generating a second sequence comprising *at least a portion of* the media files and the advertisement files based on the user-generated input and the advertisement positioning rules, the second sequence differing from the first sequence such that at least one of the advertisement files is presented in a different position relative to the media files.

The specification teaches as follows:

Once the media request list is established, the list is then populated ... the program determines the ad requirements called for the item ... in step 510 the media item is transferred into local storage ... in step 514 the program selects appropriate ads to go with the media request list and prepares them for insertion in to the content play/view sequence (see fig. 5 and associated paragraphs).

The specification however does not teach once a plurality of media files and advertisement files were received at the client system a portion of the media files and a portion of advertisement files are generated at the client system. The specification also does not teach a second sequence comprising at least a portion of the media files and advertisement files are generated after the user-generated input and the portion presented at the client system.

In addition claim 195 also recites ***sending, by the remote system to the client system***, at least a portion of the **second sequence.**

The specification does not teach the remote system sending a second sequence.

Claim 212-238

Claim 212 recites receiving data comprising media content and advertising content which, when presented, form a content stream, the content stream having one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content:

adaptively modifying, using pre-defined rules and in response to the user-generated input, *a presentation position of at least a portion of the advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of the media content within the content stream.*

First the specification does not teach receiving data when presented, form a content stream, the content stream having one or more initial insertion points at which *at least a portion of the advertising content* is to be presented relative to at least a portion of the media content:

Second the specification does not teach *modifying the presentation* position of the a portion of the advertisement content *from one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the received advertising content from one or more initial insertion points …*

Claim 238 is rejected for the same reason stated in claim 212.

The specification also does not teach the one or more *alternate insertion points are specified using the pre-defined rules or are specified at a remote system ...* as claimed in claims 220-224.

Claim 228, recites wherein the user-generated input associated with presentation of the ***content stream results in a change of a sequence*** of two or more media files by ***subtracting an existing media file***, or by re-arranging the sequence of media files or results in a change of sequence ***by adding a new media file.***

The specification does not teach the change of sequence is by subtracting an existing media file or re-arranging the sequence of media files or by adding a media file.

Claim 236:

The specification does not teach sending, by a remote system to the client system, *additional advertising content during presenting of at least a portion of the content stream.*

Claim 237:

The specification does not teach wherein the adaptively modifying ***uses two or more of the pre-defined rules for determining*** the corresponding presentation position of at least a portion of the advertising content.

Regarding the media content, advertisement and sequencing, the specification teaches:

[0117] In this way, the invention has the ability to strictly enforce the insertion of advertisements into the content stream. Furthermore, whenever the player/viewer is running any ads, it has the power to ensure that the consumer 102 using it will experience the advertisements in their entirety. In this particular embodiment of the invention, the player/viewer accomplishes this end by disabling any user interface command that the consumer could possibly use to skip, back out of, or speed through the promotional material, including the ability to

lower the sound volume beneath a pre-determined threshold level. *The intersplicer also has the ability to adaptively regroup and re-sequence the insertion of ad blocks extemporaneously (i.e. "on the fly"), in response to the consumer's arbitrary direction of the playback within the requested content, by means of playback controls.*

[0145] Referring back to the figure, *play sequence 402 contains both segmented audio/video content, shown throughout FIG. 4A as wavy lines, and blocks of audio/video commercials, which are shown throughout as saw-toothed lines. Content segments 430, 432, 434, and 436 comprise the media title the user has requested for play, and each of advertisement blocks 408, 410, and 412 is a group of at least one or more ads and/or other promotional material that the player/viewer software has automatically assembled and inserted into the sequence.*

[0147] Play sequence 402 is typical for a segmented title/track, by the definition of segmented media given above. With segmented media, ***the*** *player/viewer* ***holds a sense of particular*** *ad* ***blocks retaining their own sense of place in the sequence, with the ads chosen to go along with a pre-determined portion of the content.*** *If the consumer elects to skip around during the course of playing a segmented title,* ***the same block of ads plays with a particular portion of the content*** *as the user skips back and forth through different parts of the title, over a predetermined period of time and/or number of viewings.* If the predetermined limit is exceeded, the player/viewer rotates in new ad blocks automatically.

[0148] Segmented titles are sequenced like television programs, in that ad breaks tend to occur at particular scheduled places in the content. The first time through viewing any particular segmented content with ads, each block is shown before or after its associated content, and the player/viewer requires the ads to be run in their entirety. After that, when ad blocks that have been seen already are encountered again through a user-directed repeat of a sequence in a single request session, the player/viewer may allow the user to navigate out of the ad, or possibly omit it altogether.

[0149] For example, *if the user of sequence 402 jumps right into segment 434 as segment 430 is just starting, the player/viewer will begin segment 434 at its point of entry, followed at its end by ad block 412. Wherever possible, the ad*

block chosen for play at the end of a segment will be the one most appropriate to the actual part of the content that has played since the latest preceding ad block.

[0155] Tracked titles are sequenced like radio programming, in that the ad breaks tend to occur after a certain number of songs are played, after a certain amount of playback time has elapsed, or at song breaks nearest to particular times of the hour. In the case of the player/viewer, the user can sequence any combination of tracks together, and the ads chosen may in part reflect the specific tracks used. This has a direct implication when the consumer jumps around haphazardly in a requested play-list, or chooses to repeat a small subset of the tracks in the requested sequence.

[0156] For example, *in sequence 404, consider a case where the program is using a track allowance method for ad placement, with an initial allowance of 5 tracks per ad block. If the user decides to play track 446 and then track 456, the program does not insert ad block 416 immediately after track 456. Instead, play goes directly into track 458, because the allowance is 5 tracks. If the user plays through most of track 458, then jumps to the beginning of track 442 and plays it, there is still allowance for one more track after that, since only four tracks (446, 456, 458, and 442) have played so far. If the user then jumps to track 452, an ad block will play immediately after track 452 completes, or if the user attempts to leave track 452 after hearing most of it but before it completes, because it is the fifth track.* This ad block will be assembled extemporaneously to go with the five tracks that were played, and there is no retained sense of recurring blocks falling at specific points when the user skips around between tracks in a play-list. Typically, ad blocks interspliced in this way require full play with each occurrence, and the player/viewer manages its adaptive ad selection to present new ads every time, to a certain extent.

There is no “second sequence" disclosed by Applicant’s disclosure. The second sequencing of the playlist, in light of the specification, is understood to mean that the user navigates within the media files in the playlist (e.g. by skipping a media file in the playlist (in the

first sequence) (the media list that was transferred to the client computer) or advances to another media in the playlist (the media list that was transferred to the client computer) .

There is also no generation of a second sequence by the remote system or transferred to the client system.

The second sequencing is interpreted to mean changing the sequence of the first list by skipping or forwarding)

Claim Rejections - 35 USC § 102

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 188, 191-193, 195-197, 199-201, 203-205, 207-209, 211-232, 234-238 are rejected under 35 U.S.C. 102(e) as being clearly anticipated by Knepper et al. (2001/0042249).

Regarding claims 188, 191, 207, 213, 231, 232, Knepper teaches receiving, at a client system from a remote system, a plurality of media files and a plurality of advertisement files (see [0038]-[0041]);

generating, at the client system using advertisement positioning rules, a first sequence comprising a least a portion of the plurality of media files and the at least a portion of the plurality advertisement files, the advertisement positioning rules defining where the at least one advertisement files are presented in relation to the at least one media files (see [0043]- [0046];

presenting, at the client system, at least a portion of the at least one media file and the at least one advertisement file according to the first sequence; (see fig. 8a and 8b, [0009]-[0014], [0051]-[0058], [0061]-[0062]);

receiving, via a user interface user-generated input (forwarding, skipping) and presenting at least a portion of the second sequence (see [0039]-[0042]).

Knepper teaches that an advertisement file is appended to a media file such that the entertainment and advertisement files are played to appear as a single clip ... <ADInsert> is a tag that is recognized by the client application as specific instructions regarding treatment of the advertising media files ... using this tags the server can direct the client to place an ad before, during or after a media file during playback of media files in the magazine page (see [0052] ... the client displays the entertainment media file before it plays the advertisement media file ... when the entertainment media file is finished playing, **the advertisement media file immediately proceeds without the appearance of a page turn** (see [0059]). Knepper teaches (Fig.7) plurality of clips, has its associated instruction set stored on the server 601; the instruction delivered to the client 603; according to the instructions advertisement media file 611 are selected to be shown according to the association (see [0062]). That means even if the user is skipping or forwarding to a different music, an advertisement associated with that media file, based on the <ADInsert> would be playing, i.e., the same block of ad plays with the particular portion of the content according to the instruction.

Regarding claim 192, Knepper teaches wherein there are two or more media files and the first sequence is modified by removing a media file from the first sequence (see [0059]-[0063])

Regarding claim 193, Knepper teaches wherein generating the first sequence comprises sub-dividing at least one of the media files into two or more segments, and wherein at least one of the advertising files is presented between two of the segments (see [0059].

Regarding claim 195, Knepper teaches generating, at a remote system using advertisement position rules, a first sequence of at least one media file and at least one advertisement file, the advertisement position rules defining how the at least one advertisement file is presented in relation to the at least one media file (fig. 3, [0031]-[0036]);

Sending, by the remote, at least a portion of the sequence to a client system (see [0029]-[0036]-[0040], [0057]-[0063]);

receiving, at the remote system user-generated input obtained via user interface on the client system modifying the first sequence; generating, at the remote system, in response to the user-generated input, a second sequence of the at least one media file and the at least one advertisement file based on the user-generated input and the advertisement positioning rules, the second sequence differing from the first sequence such that at least one advertisement file is positioned differently in relation to the at least one media file; and sending, by the remote system to the client system, at least a portion of the second sequence (see [0044]-[0054)). Knepper teaches that an advertisement file is appended to a media file such that the entertainment and advertisement files are played to appear as a single clip ... <ADInsert> is a tag that is recognized by the client application as specific instructions regarding treatment of the advertising media files ... using this tags the server can direct the client to place an ad before, during or after a media file during playback of media files in the magazine page (see [0052] ... the client displays

the entertainment media file before it plays the advertisement media file ... when the entertainment media file is finished playing, **the advertisement media file immediately proceeds without the appearance of a page turn** (see [0059]). Knepper teaches (Fig.7) plurality of clips, has its associated instruction set stored on the server 601; the instruction delivered to the client 603; according to the instructions advertisement media file 611 are selected to be shown according to the association (see [0062]). That means even if the user is skipping or forwarding to a different music, an advertisement associated with that media file, based on the <ADInsert> would be playing, i.e., the same block of ad plays with the particular portion of the content according to the instruction.

Regarding claims 196, Knepper teaches wherein there are two or more medial files and at least two of the media files comprise segments of a larger media file and wherein one or more advertisement files are placed between such segments (see [0050]-[0056]).

Regarding claim 197, Knepper teaches generating the first sequence by sub-dividing a media file into two or more segments, and wherein at least one of the advertising files is presented between two of the segments (see [0046], [0052]-0058],[0085]-[0092]).

Claim 199:

Knepper teaches sending, by an ad localizer at the remote system to the client system, at least one subsequent advertisement file during presenting of the at least a portion of the media files and at least a portion of the advertisement files according to the first sequence; wherein the second sequence comprises the at least one subsequent advertisement file ([0030]-[0038])

Claim 200:

Knepper teaches wherein modifying the first sequence comprises navigating the first sequence (see fig. 6, [0042]-[0046]).

Claim 201:

Knepper teaches wherein the advertisement position rules position the advertisement files in the second sequence so as to uphold an average content play time [0049]-[0056]).

Claim 203:

Knepper further comprising: receiving, at the client system from the remote system, at least one subsequent advertisement file during presenting of the at least a portion of the media files and at least a portion of the advertisement files according to the first sequence; wherein the second sequence comprises the at least one subsequent advertisement file (the system allow the user to request for addition media file the advertisement would be placed based on the insertion rules) (see [0046]-[0059])

Claims 204, 208:

Knepper teaches wherein modifying the first sequence comprises navigating the first sequence (see [0042]).

Claims 205, 209, 235;

Knepper teaches wherein the advertisement position roles position the advertisement files in the second sequence so as to uphold an average content play time [0049]-[0056]).

Claims 211:

Knepper teaches generating the first sequence by sub-dividing a media file into two or more segments, and wherein at least one of the advertising files is presented between two of the segments (see [0050]-[0056]).

Claim 212:

Knepper teaches receiving data comprising media content and advertising content which, when presented, form a content stream, the content stream having one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content (see [0046], [0052]-0058],[0085]-[0092]).

Claim 214:

Knepper teaches wherein presenting the content stream on the client system comprises displaying the content stream by way of a graphical user interface (see fig. 6).

Claims 215, 216, 217:

Knepper teaches wherein the user-generated input is received and the presentation position is adaptively modified during presentation of at least a portion of the content stream on the client system; wherein the user-generated input is received and the presentation position is adaptively modified prior to presentation of at least a portion of the content stream on the client system; wherein the user-generated input is received and the presentation position is adaptively modified subsequent to presentation of at least a portion of the content stream on the client system (see [0042]-[0046]).

Claim 218-225, 237:

Knepper teaches wherein the one or more initial insertion points are specified using the pre-defined rules; wherein the one or more initial insertion points are specified, at the client system, using the pre-defined rules; wherein the one or more alternate insertion points are specified, at the client system, using the pre-defined rules; wherein the one or more alternate

insertion points are specified, at a remote system, using the pre-defined rules.; wherein the one or more initial insertion points are specified, at a remote system, using the pre-defined rules; wherein the one or more alternate insertion points are specified, at the remote system, using the pre-defined rules; wherein the one or more alternate insertion points are specified, at the client system, using the pre-defined rules; wherein the media content comprises at least one media file (see [0046]-[0067], [0087], [0088].

Claims 226, 227:

Knepper teaches wherein the advertising content comprises at least one advertisement file; generating a sequence by sub-dividing a media file into two or more segments, and wherein at least a portion of at least one of the advertising files is presented between two of the segments ([0038]-[0046).

Claim 228-230:

Knepper teaches wherein the user-generated input associated with presentation of the content stream results in a change of a sequence of two or more media files by subtracting an existing media file, or by re-arranging the sequence of media files or results in a change of sequence by adding a new media file; wherein the user-generated input associated with presentation of the content stream results in a navigation command for the content stream; wherein the navigation command is selected from a group consisting of: play, stop, pause/continue, reverse, rewind, fast-forward, slow-motion, track advance, frame-by-frame advance, go direct to point or page in sequence, advance chapter, page turn, change track, change media selection, and shuttle knob (see fig. 6, [0042]-[0046]).

Claim 234:

Knepper teaches sending, by a remote system to the client system, additional advertising content during presenting of at least a portion of the content stream (see [0078]-[0084]).

Claim 236:

Knepper teaches wherein the pre-defined rules position the advertisement content based on an amount of media content played during presentation of the content stream (see [0051]-[0056], [0081-0088].

Claim 238:

Knepper teaches transmitting, by a remote system to a client system, data comprising media content and advertising content which, (when presented, form a content stream, the content stream having one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content); receiving data, by the remote system from the client system, data characterizing user- generated input associated with presentation of the content stream; and causing, by the remote system, the client system to adaptively modify, using pre-defined rules and in response to the user-generated input, a presentation position of at least a portion of the advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of the media content within the content stream. receiving, via a user interface user-generated input (forwarding, skipping) and presenting at least a portion of the second sequence (see [0036]-[0042]).

Knepper does not explicitly teach generating in response to the input a second sequence comprising the second sequence differing from the first sequence such that *at least one of the advertisement files is presented in a different position relative to the media files.*

Knepper teaches that an advertisement file is appended to a media file such that the entertainment and advertisement files are played to appear as a single clip ... <ADInsert> is a tag that is recognized by the client application as specific instructions regarding treatment of the advertising media files ... using this tags the server can direct the client to place an ad before, during or after a media file during playback of media files in the magazine page (see [0052] ... the client displays the entertainment media file before it plays the advertisement media file ... when the entertainment media file is finished playing, **the advertisement media file immediately proceeds without the appearance of a page turn** (see [0059]). Knepper teaches (Fig.7) plurality of clips, has its associated instruction set stored on the server 601; the instruction delivered to the client 603; according to the instructions advertisement media file 611 are selected to be shown according to the association (see [0062]). That means even if the user is skipping or forwarding to a different music an advertisement, associated with that media file, based on the <ADInsert> would be playing, i.e., the same block of ad plays with the particular portion of the content according to the instruction.

Claim Rejections - 35 USC § 103

The following is a quotation of pre-AIA 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the

> invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 202, 206, 210 are rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Knepper as applied to claim 188 above, and further in view of Strietzel (US 2002/0120564 A1).

Claims 202, 206, 210:

Knepper teaches advertisement inserted according to the advertisement position rules using <ADInsert> tag for placement location (before, during, or after a media file), however failed to explicitly teach wherein the advertisement position rules position the advertisement files based on a number of media files played during presentation of the first sequence (see [0041]-[0046]).

Strietzel teaches when downloading an entire play list or CD, an advertisement is preferably appended to the front or back of each song … potential for large quantities of advertising to be delivered with each download ... however advertisement may be appended in a large variety of ways depending on the number of songs or content items to be downloaded (see [0047]). It would have been obvious to one of ordinary skill in the art at the time of the invention to include Strietzel's appending of advertisement based on the number of songs, in Knepper's position rules, in order to allow less frequent advertisement with the playlist so that the user is not discouraged use the system.

Claims 233 is rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Knepper further in view of Official Notice.

Claim 233:

Knepper does not teach rotating new advertising content into the content stream in response to the user-generated input. However official notice is taken that it is old and well known in the art of marketing to rotate advertisements. It would have been obvious to one of ordinary skill in the art at the time of the invention to rotate the advertisements of Knepper in order to for the viewer not to lose interest on the advertisements.

NEW GROUNDS OF REJECTION

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 212-238 are rejected under 35 U.S.C. 101 because the claimed invention is directed to a judicial exception (i.e., a law of nature, a natural phenomenon, or an abstract idea) without significantly more. The claims are directed to "modifying presentation position of advertising content" in content stream, including the steps of: receiving media content and advertising content .. ; receiving user input ..; adaptively modifying presentation position of advertising content ....presenting content stream ...,. The courts have found that using categories to organize store and transmit information, organizing information through mathematical correlations, mathematical formulas, and a mathematical procedure for converting one form of numerical representation to another are all examples of judicial exceptions. Accordingly since

the claims are directed to the same or analogous features, the claims are directed to judicial exceptions. The claims do not include additional elements that are sufficient to amount to significantly more than the judicial exception because the only claim elements aside from the judicial exceptions include (i) a computer that serves only to implement the judicial exceptions and (2) descriptive information about the data and values that the judicial exceptions operate upon. The generically recited computer elements (client system) do not add a meaningful limitation to the abstract idea because they would be routine in any computer implementation and because the claim unequivocally states that the generic computer elements merely implement the claim. The claim therefore does not disclose any inventive elements in another technical field beyond the judicial exceptions. The descriptive information of the data and values that the claimed mathematical operations are performed upon/with do not comprise significantly more than the abstract idea. While they do provide limitations to the claimed mathematical operations, they do not change the nature of the judicial exceptions. The claims "amount[s] to 'nothing significantly more' than an instruction to apply the abstract idea of "modifying presentation position of advertisement in a media stream" by using a well-known device. SeeAlice, 134 S. Ct. at 2360. Under Alice, that is not sufficient "to transform an abstract idea into a patent-eligible invention" Id.

The courts have found that even very specific (narrowly claimed) formulas are nevertheless judicial exceptions. Accordingly, because the elements of the claims in addition to the judicial exceptions are insignificantly more than the judicial exceptions, the claims are not directed to statutory subject matter.

(2) Response to Argument

Regarding Appellant's statement about previously submitted argument, Examiner would like to point out that the Appellant amended the independent claims 188, 195 and added new independent claims 203, 207, 212 and 238. Further Appellant canceled claims 188-211. Only newly added claims (212-238) are pending in the application. Appellant's amended or added limitation has been addressed under the art rejection.

Appellant argues that the knepper reference describes a fixed reference describes a fixed relationship between content and advertisements and, as such, it fails to disclose, at least, the adaptive modification recited in each independent claim.

Knepper teaches that when a show is requested from a server an instruction set is delivered from the server to the client ... upon receipt of the instruction ... the various entertainment and advertisement media are accessed from the client-side storage (see [0032]-[0035] … after all the necessary media files are resident at the client site … the client application assembles the entertainment and advertisement media files and begins playback of the various media files in the order specified by the instruction set (pre-defined rules) (see [0037]) … in one embodiment, the media files play together sequentially, similar to a television show with commercial inserted at various points (per the instructions) (see [0041]) ... the advertisement media file and the entertainment media file contained in the show are clip are actually separate files ... the files are organized and arranged at client side to play sequentially with the appearance of a single, continuous clip … (see [0057]) … every time an AAM show is played it will have the same advertisement(s) within it for that particular association.

Knepper also teaches that the user may also move through different pages within magazine by using forward and reverse buttons (*if the user uses the forward and reverse buttons the order of the playlist would change and since the files are organized and arranged to play sequentially, the entertainment file and also the advertisement file would be played together in the changed order*).

Knepper also teaches that the instruction set used by the client to insert media files may be modified by the client at playback ... the client would modify the instructions et as it relates to future advertisement media files within the same show ... real-time amendment to the instruction set … ([0083]) … further during various playback of such a show, advertisement media files may be played with different entertainment files … during various playbacks of such a show, advertisement media files may be played with different entertainment media files ... the location of the advertisement media files within a show may be determined by various criteria at the time of playback (see [0084).

Therefore, Knepper teaches adaptively modifying presentation position of advertising content within content stream in response to a user's input (selection, playback or forward or reverse).

In response to Appellant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., forwarding and skipping at the level of media and advertising construction...) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

Regarding claim 227, Appellant argues that Knepper is silent as to sub-division of a media file into segments as part of generating a first sequence as recited. Appellant further argues that Knepper can provide individual segments that together comprise a show, but Knepper does not segment /divide or otherwise split a single file physically, heuristically, or otherwise for purposes of ad insertion based on user interaction with media content.

Claim 227 recites a method as in claim 226, further comprising: *generating a sequence by sub-dividing a media file into two or more segments, and wherein at least a portion of at least one of the advertising files is presented between two of the segments.* Knepper also teaches, for example a show with media files (sub-division or segments clip) divided according to the instruction file for insertion of ads (see fig. 3, 7, 8a and 8b).

Appellant argues that there is no suggestion in Knepper ... to uphold an average content play time and/or based on number of media files played during the presentation of the first sequence as claimed in 235 and 236.

Claim 235 recites a method as in claim 212, *wherein the pre-defined rules position the advertising content so as to* ***uphold an average content play time*** ... and claim 236 recites *wherein the pre-defined rules position the advertisement content based* ***on an amount of media content played during presentation of the content stream.***

Since Appellant's specification does not provide definition or rang of what would be considered an average content play time and/or an amount of media content, Knepper insertion of an ad on the specific location based on the instructions is considered to provide an average play time and an amount of media content (see also [0064], [0069], [0078] and [0079] for the example of the instruction set).

Regarding the Official Notice taken by examiner, Appellant's Bald statement such as "it would not have been burdensome for the examiner to identify relevant art (if available) and to prepare an argument ...." are not adequate and do not shift the burden to the examiner to provide evidence in support of the Official Notice. Allowing such statements to challenge Official Notice would effectively destroy any incentive on the part of the examiner to use it in the process of establishing a rejection of notoriously well known facts. Appellant has not provided adequate information or argument so that on its face creates a reasonable doubt regarding the circumstances justifying the Official Notice. To adequately traverse such a finding, an applicant must specifically point out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art. See 37CFR1.111 (b). See also Cheveanard, 139 F.2 d at 713,60 USPQ at 241. Therefore, the common knowledge or well-known in the art statement is taken to be admitted prior art because Appellant failed to traverse the examiner's assertion of official notice.

Regarding the rejection under 112, Examiner reviewed the Appellant's specification in its entirety but could not find a support for *a portion of the advertising content is presented relative to a portion of media content* as claimed in claim 212.

The specification discloses advertisement content (file) inserted between media content. However the specification does not teach receiving media content (file) and advertising content (file) and when presented a *portion* of the content (file) inserted between *portion* of media content (file).

The specification teaches:

[0116] No matter how it selects the ads, the invention provides a means to **sequence** these ads into appropriate blocks that are initially chosen and scheduled into the content stream by a novel "advertisement manager" module of the player/viewer software.

[0117] The intersplicer also has the ability to adaptively regroup and re **-sequence** the insertion of ad blocks extemporaneously (i.e. "on the fly"), in response to the consumer's arbitrary direction of the playback within the requested content, by means of playback controls.

[0145] Referring back to the figure, play sequence 402 contains both segmented audio/video content, shown throughout FIG. 4A as wavy lines, and blocks of audio/video commercials, which are shown throughout as saw-toothed lines. *Content segments 430, 432, 434, and 436 comprise the media title the user has requested for play, and each of advertisement blocks 408, 410, and 412 is a group of at least one or more ads and/or other promotional material that the player/viewer software has automatically assembled and inserted into the sequence.*

[0146] In the course of direct play, *without any user-directed skipping* from one point to another or performing other navigation throughout the content, sequence 402 begins with content segment 430. *Segment 430 immediately proceeds into advertisement block 408, which is followed by content* segment 432, ad block 410, content segment 434, ad block 412, and content segment 436.

[0147] Play sequence 402 is typical for a segmented title/track, by the definition of segmented media given above. With segmented media, the player/viewer holds a sense of particular ad blocks retaining their own sense of place in the sequence, with the ads chosen to go along with a pre-determined portion of the content. *If the consumer elects to skip around during the course of playing a segmented title, the same block of ads plays with a particular portion of the content as the user skips back and forth through different parts of the title, over a predetermined period of time and/or number of viewings.* If the predetermined limit is exceeded, the player/viewer rotates in new ad blocks automatically.

[0149] For example, *if the user of sequence 402 jumps right into segment 434 as segment 430 is just starting, the player/viewer will begin segment 434 at its point of entry, followed at its end by ad block 412.* Wherever possible, the ad block chosen for play at the end of a segment

will be the one most appropriate to the actual part of the content that has played since the latest preceding ad block.

[0156] For example, *in sequence 404,* consider a case where the program is using a track allowance method for ad placement, *with an initial allowance of 5 tracks per ad block. If the user decides to play track 446 and then track 456, the program does not insert ad block 416 immediately after track 456. Instead, play goes directly into track 458, because the allowance is 5 tracks. If the user plays through most of track 458, then jumps to the beginning of track 442 and plays it, there is still allowance for one more track after that, since only four tracks (446, 456, 458, and 442) have played so far.* If the user then jumps to track 452, an ad block will play immediately after track 452 completes, or if the user attempts to leave track 452 after hearing most of it but before it completes, *because it is the fifth track*. This ad block will be assembled extemporaneously to go with the five tracks that were played, and there is no retained sense of recurring blocks falling at specific points when the user skips around between tracks in a play-list. Typically, ad blocks interspliced in this way require full play with each occurrence, and the player/viewer manages its adaptive ad selection to present new ads every time, to a certain extent.

Regarding claim 228, as indicated above, the specification does not disclose ... results in a change of a sequence of two or more media files *by subtracting an existing media file, or by re-arranging the sequence of media files or results in a change of sequence by adding a new media file.*

The specification also does not disclose …sending by a remote system …additional content during presentation of at least a portion of the content stream and modifying using two or more of the pre-defined rules for determining the corresponding presentation position …

For the above reasons, it is believed that the rejections should be sustained.

This examiner's answer contains a new ground of rejection set forth in section (1) above. Accordingly, appellant must within TWO MONTHS from the date of this answer exercise one of the following two options to avoid *sua sponte* dismissal of the appeal as to the claims subject to the new ground of rejection:

(1) **Reopen prosecution.** Request that prosecution be reopened before the primary examiner by filing a reply under 37 CFR 1.111 with or without amendment, affidavit or other evidence. Any amendment, affidavit or other evidence must be relevant to the new grounds of rejection. A request that complies with 37 CFR 41.39(b)(1) will be entered and considered. Any request that prosecution be reopened will be treated as a request to withdraw the appeal.

(2) **Maintain appeal.** Request that the appeal be maintained by filing a reply brief as set forth in 37 CFR 41.41. Such a reply brief must address each new ground of rejection in an arguments section as set forth in 37 CFR 41.37(c)(1) and should be in compliance with the other requirements of 37 CFR 41.37(c). If a reply brief filed pursuant to 37 CFR 41.39(b)(2) is accompanied by any amendment, affidavit or other evidence, it shall be treated as a request that prosecution be reopened before the primary examiner under 37 CFR 41.39(b)(1).

Extensions of time under 37 CFR 1.136(a) are not applicable to the TWO MONTH time period set forth above. See 37 CFR 1.136(b) for extensions of time to reply for patent applications and 37 CFR 1.550(c) for extensions of time to reply for ex parte reexamination proceedings.

Respectfully submitted,

/YEHDEGA RETTA/
Primary Examiner, Art Unit 3622

A Technology Center Director or designee must personally approve the new ground(s) of rejection set forth in section (1) above by signing below:

/GREG VIDOVICH/

Director, Technology Center 3600

Conferees:

Eric Stamber/E. W. S./
Supervisory Patent Examiner, Art Unit 3622

John Van Bramer
/J. V./
Primary Examiner, Art Unit 3622

Requirement to pay appeal forwarding fee. In order to avoid dismissal of the instant appeal in any application or ex parte reexamination proceeding, 37 CFR 41.45 requires payment of an appeal forwarding fee within the time permitted by 37 CFR 41.45(a), unless appellant had timely paid the fee for filing a brief required by 37 CFR 41.20(b) in effect on March 18, 2013.

To: IPDocketingBOS@mintz.com,IPFileroombos@mintz.com,
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Cc: PAIR_eOfficeAction@uspto.gov
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Application	Document	Mailroom Date	Attorney Docket No.
10606729	APEA	08/28/2015	42327-501001US

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Thank you for prompt attention to this notice,

UNITED STATES PATENT AND TRADEMARK OFFICE

PATENT APPLICATION INFORMATION RETRIEVAL SYSTEM

Via EFS
Date of Submission: October 28, 2015

Docket No.: 42327-501001US
(PATENT)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of:
Philip M. Donian

Application No.: 10/606,729 | Confirmation No.: 5831

Filed: June 26, 2003 | Art Unit: 3622

For: Method and Apparatus For the Free Licensing of Digital Media Content | Examiner: Retta, Yehdega

REPLY UNDER 37 CFR 1.111

Mail Stop AF
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Madam:

This reply is responsive to the Examiner's Answer mailed August 28, 2015 (hereinafter the "Examiner's Answer") and the Final Office Action mailed May 1, 2014 (the "Final Office Action") and constitutes a Request to Reopen Prosecution in compliance with 37 C.F.R. §41.39(b)(1). Please amend the above-identified U.S. patent application and reconsider the currently pending grounds for rejection in light of the amendments and arguments that follow.

A **Listing of Claims** begins on page 2 of this paper.

Remarks begin on page 9 of this paper.

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Via EFS
Date of Submission: October 28, 2015

LISTING OF CLAIMS

Please amend the claims of this application in accordance with this listing of claims.

1–211. (Canceled).

212. (Currently Amended) A method comprising:

receiving, on a client system, data comprising digital media content and digital advertising content ~~which, when presented,~~ combinable to form at least part of a content stream comprising user-perceptible content, the content stream having one or more initial insertion points at which ~~at least a portion of~~ the digital advertising content is to be presented relative to ~~at least a portion of~~ the digital media content;

~~receiving, on a client system, user-generated input associated with presentation of the content stream; and~~

adaptively modifying, using pre-defined rules and in response to [[the]] a user-generated input, a presentation position of ~~at least a portion of~~ the digital advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to ~~at least a portion of~~ the digital media content within the content stream, the user-generated input representing one or more navigational choices associated with presentation of the content stream;

keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress;

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disallowing a navigation choice of the one or more navigational choices that alter a course of playback of the content stream while presentation of the required part of the digital advertising content is in progress; and

storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented.

213. (Currently Amended) A method as in claim 212 further comprising: presenting the at least ~~a portion~~ the part of the content stream on the client system.

214. (Currently Amended) A method as in claim 213, wherein presenting the at least the part of the content stream on the client system comprises displaying the content stream by way of a graphical user interface.

215. (Currently Amended) A method as in claim 213, wherein the user-generated input is received and the presentation position is adaptively modified during presentation of the at least ~~a portion~~ the part of the content stream on the client system.

216. (Currently Amended) A method as in claim 213, wherein the user-generated input is received and the presentation position is adaptively modified prior to presentation of the at least ~~a portion~~ the part of the content stream on the client system.

217. (Currently Amended) A method as in claim 213, wherein the user-generated input is received and the presentation position is adaptively modified subsequent to presentation of the at least ~~a portion~~ the part of the content stream on the client system.

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218. (Previously Presented) A method as in claim 212, wherein the one or more initial insertion points are specified using the pre-defined rules.

219. (Currently Amended) A method as in claim ~~218~~ 212, wherein the one or more initial insertion points are specified, at the client system, using the pre-defined rules.

220. (Previously Presented) A method as in claim 219, wherein the one or more alternate insertion points are specified, at the client system, using the pre-defined rules.

221. (Previously Presented) A method as in claim 219, wherein the one or more alternate insertion points are specified, at a remote system, using the pre-defined rules.

222. (Currently Amended) A method as in claim ~~218~~ 212, wherein the one or more initial insertion points are specified, at a remote system, using the pre-defined rules.

223. (Previously Presented) A method as in claim 222, wherein the one or more alternate insertion points are specified, at the remote system, using the pre-defined rules.

224. (Previously Presented) A method as in claim 222, wherein the one or more alternate insertion points are specified, at the client system, using the pre-defined rules.

225. (Currently Amended) A method as in claim 212, wherein the digital media content comprises at least one media file.

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226. (Currently Amended) A method as in claim 212, wherein the digital advertising content comprises at least one advertisement file.

227. (Currently Amended) A method as in claim 226, further comprising: generating a sequence by sub-dividing a media file into two or more segments, and wherein at least a ~~portion~~ part of the at least one of the advertising file ~~files~~ is presented between two of the segments.

228. (Previously Presented) A method as in claim 225, wherein the user-generated input associated with presentation of the content stream results in a change of a sequence of two or more media files by subtracting an existing media file, or by re-arranging the sequence of media files or results in a change of sequence by adding a new media file.

229. (Currently Amended) A method as in claim 212, wherein the user-generated input associated with presentation of the content stream results in ~~a navigation command~~ the one or more navigational choices for the content stream.

230. (Currently Amended) A method as in claim 229, wherein the ~~navigation command~~ one or more navigational choices are selected ~~is selected~~ from a group consisting of: play, stop, pause/continue, reverse, rewind, fast-forward, slow-motion, track advance, frame-by-frame advance, go direct to point or page in sequence, advance chapter, page turn, change track, change media selection, ~~and~~ shuttle knob, and one or more sound controls.

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231. (Previously Presented) A method as in claim 212, wherein the data is received by the client system from a remote system.

232. (Previously Presented) A method as in claim 212, wherein the data is received by accessing a local data source.

233. (Previously Presented) A method as in claim 212, further comprising:

rotating new advertising content into the content stream in response to the user-generated input.

234. (Currently Amended) A method as in claim 212, further comprising:

sending, by a remote system to the client system, additional advertising content during presenting of at least ~~a portion~~ the part of the content stream.

235. (Previously Presented) A method as in claim 212, wherein the pre-defined rules position the advertising content so as to uphold an average content play time.

236. (Previously Presented) A method as in claim 212, wherein the pre-defined rules position the advertisement content based on an amount of media content played during presentation of the content stream.

237. (Currently Amended) A method as in claim 212, wherein the adaptively modifying uses two or more of the pre-defined rules for determining the corresponding presentation position of at least a ~~portion~~ part of the digital advertising content.

238. (Currently Amended) A method comprising:

transmitting, by a remote system to a client system, data comprising digital media content and digital advertising content ~~which, when presented,~~ combinable to form at least part of a content stream comprising user-perceptible content, the content stream having one or more initial insertion points at which ~~at least a portion of~~ the digital advertising content is to be presented relative to ~~at least a portion of~~ the digital media content;

~~receiving, on a client system, user-generated input associated with presentation of the content stream; and~~

~~causing, by the remote system, the client system to adaptively modify, using pre-defined rules and in response to the user-generated input, a presentation position of at least a portion of the advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of the media content within the content stream~~

adaptively modifying, by the remote system, using pre-defined rules and in response to a user-generated input, a presentation position of the digital advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to the digital media content within the content stream, the user-generated input representing one or more navigational choices associated with presentation of the content stream;

keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress;

disallowing a navigation choice of the one or more navigational choices that alter a course of playback of the content stream while presentation of the required part of the digital advertising content is in progress; and

storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented.

239. (New) A method as in claim 212, wherein the first memory and the second memory are part of the client system.

240. (New) A method as in claim 212, wherein the first memory is part of the client system and the second memory is part of a remote system.

241 (New) A method as in claim 212, wherein the first memory is part of a remote system and the second memory is part of the client system.

242 (New) A method as in claim 212, wherein the first memory and the second memory are part of a remote system.

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REMARKS

By this amendment, independent claims 212 and 238 and dependent claims 214-217, 219, 222, 225-227, 229-230, and 234 have been amended to more clearly define the features of those claims and/or to conform the claim language to the other claims. New claims 239-242 have also been added. Support for the amendments and new claims can be found in the original specification, for example at least at page 33, lines 29-31 and page 34, lines 6-20. No new matter has been added by this amendment. Claims 212-240 are pending after entry of this paper.

In the Examiner's Answer, the Office presented new grounds for rejection of claims 212-238 under 35 U.S.C. §101, alleging that these claims are directed to a judicial exception (i.e., a law of nature, a natural phenomenon, or an abstract idea) while failing to recite the necessary "significantly more" to render them patent eligible. Applicants respectfully traverse these rejections, at least in view of the arguments presented below and the claim amendments shown above.

Rejections under 35 U.S.C §101

Claims 212-238 stand rejected under 35 U.S.C. §101, because the Office alleges that the claims are drawn to unpatentable subject matter. This rejection is respectfully traversed.

The new grounds for rejection begins by alleging that claims 212 and 238 are "directed to 'modifying presentation position of advertising content' in content stream, including the steps of receiving media content and advertising content..; receiving user input..; adaptively modifying presentation position of advertising content… presenting content stream …" and continue with assertions that the claims are drawn to abstract ideas amounting to "using categories to organize store and transmit information, organizing information through mathematical correlations, mathematical formulas, and a mathematical procedure for converting one form of numerical representation to another" and perhaps more specifically to the abstract idea of "modifying presentation position of advertisement in a media stream." Examiner's Answer, page 18-19. Applicants disagree based on the amendments presented above as well as the reasons stated below.

In *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347 (2014), the Court applied a two-step analytical framework for analyzing subject matter eligibility under 35 U.S.C. §101 that it set

forth in *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. ___, 132 S. Ct. 1289 (2012). *See Alice*, 134 S. Ct. at 2353. The *Alice* Court stated:

> In *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. ___ (2012), we set forth a framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that **claim patent-eligible applications of those concepts**. First, we determine whether the claims at issue are directed to one of those patent-ineligible concepts. *Id.*, at ___ (slip op., at 8). If so, we then ask, "[w]hat else is there in the claims before us?" *Id.,* at ___ (slip op., at 9). To answer that question, we consider the elements of each claim both individually and "as an ordered combination" to determine whether the additional elements "transform the nature of the claim" into a patent-eligible application. *Id.,* at ___ (slip op., at 10, 9). We have described step two of this analysis as a search for an "'inventive concept'"—*i.e.,* **an element or combination of elements** that is "sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself." *Id.*, at ___ (slip op., at 3).

(*emphasis added*).

In response to the Supreme Court *Alice* decision, the United States Patent and Trademark Office issued the 2014 Interim Guidance on Patent Subject Matter Eligibility (the "Interim Guidance") and the July 2015 Update: Subject Matter Eligibility (the "July 2015 Update"). The Interim Guidance provides a subject matter eligibility test for products and processes. *See, e.g.*, Interim Guidance, p. 9. The Interim Guidance includes two steps, with the second step having two parts. Step 1 requires a determination of whether the claim is directed to a process, machine, or composition of matter. In response to step 1 being decided in the affirmative, step 2A (part 1 of the *Mayo* test) requires a determination of whether the claims are directed to a law of nature, a natural phenomenon, or an abstract idea (judicial exceptions). In response to step 2A being decided in the affirmative, step 2B (part 2 of the *Mayo* test) requires a determination of whether the claim recites additional elements that amount to significantly more than the judicial exception. The July 2015 Update provides clarification regarding the Examiner's role in establishing a *prima facie* case of patent eligibility and additional examples illustrating the principles in the Interim Guidance.

As applied to the instant application, the present claims are directed toward new and useful processes, machines, and/or improvements thereof. *See, e.g.*, 35 U.S.C §101. Consequently, the

claims comply with step 1 of the *Mayo* test. The rejection of the claims relates to steps 2A and 2B of the Interim Guidance. The claims here do not recite an abstract idea (step 2A), and, even if the claims do recite an abstract idea (which Applicants do not acknowledge), the claims amount to significantly more than the abstract idea itself (step 2B).

I. INDEPENDENT CLAIMS 212 AND 238 AND THOSE CLAIMS DEPENDING THEREFROM DO NOT RECITE AN ABSTRACT IDEA (STEP 2A).

The Office's allegation that the claims are directed to the abstract idea of "modifying presentation position of advertisement in a media stream," is incorrect.

A. The Claims as Presented herein Are Distinct from the Types of Concepts Found by the Courts to Be Abstract and Are Inextricably Tied to Computer Technology.

The July 2015 Update clarifies the requirements for a *prima facie* case for patent ineligibility and states that "the initial burden is on the examiner to explain why a claim or claims are unpatentable **clearly and specifically**, so that applicant has sufficient notice and is able to effectively respond." *See* July 2015 Update, p. 6 (emphasis added). In rejecting claims 212-238, the Office relies on conclusory statements without providing any explanation, let alone clear and specific statements, as to why the claims are directed to an abstract idea. In fact, the Examiner's Answer merely characterizes the claims as abstract at a very high level without consideration for how one of ordinary skill in the art might apply or implement these allegedly abstract ideas. Furthermore, the new grounds for rejection also lack any articulated rationale or explanation to support the allegation that the claimed subject matter is in any way related to one of the judicially provided examples of abstract ideas (as required by the July 2015 Update). The Examiner's burden of providing a *prima facie* case of ineligibility has therefore not been met either with regard to the claims as previously presented or the claims as amended herein.

The subject matter of claim 212 relates to: (1) a client system receives data comprising digital media content and digital advertising content combinable to form at least part of a content stream comprising user-perceptible content, where the content stream has one or more initial insertion points at which the digital advertising content is to be presented relative to the digital media content; (2) adaptively modifying a presentation position of the digital advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to the digital media content within the content

stream using pre-defined rules and in response to a user-generated input, where the user-generated input represents one or more navigational choices associated with presentation of the content stream; (3) keeping a setting in a memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress; (4) disallowing a navigation choice of the one or more navigational choices that alter a course of playback of the content stream while presentation of the required part of the digital advertising content is in progress; and (5) storing presentation data comprising an indication of the digital advertising content that has been presented in a memory (which can be the same memory as that used for keeping a setting or a different memory optionally on a different computing system than the client system). The claimed subject matter provides many advantages including, for example, being able to provide free digital media content to a user of the client system while also policing a requirement that the user experiences defined digital advertising content during/before/after the experiencing of the free media content.

The subject matter of claim 212 has parallels to the claimed invention in Example 1 of the USPTO's Abstract Ideas Examples. Example 1 includes a claim directed towards physically isolating a received communication on a memory sector and extracting malicious code from that communication to create a sanitized communication in a new data file. The USPTO states that this concept is inextricably tied to computer technology and distinct from the types of concepts found by the courts to be abstract. *See, e.g.*, USPTO Abstract Idea Examples, p. 3. The presently claimed subject matter is inextricably tied to a computer system that facilitates the delivery of the content stream into which digital media content and digital advertising content are combined and which further controls access of a user to the digital media content depending on presentation of the digital advertising content. Such operations cannot be performed mentally and/or with pen or paper, and are not implemented on a generic computing system as a matter of convenience or to simply speed up a previously known approach. Rather, claim 212 includes technological advances that are inextricably tied to a specific computing environment, namely a client system and/or a remote system implementing the operations recited to control presentation of digital media content at the client system in association with required digital advertising content.

Further evidence that claim 212 is not directed to an abstract idea flows from its similarity to Example 23 provided in the July 2015 Update, which generally relates to monitoring two windows displayed on a computer screen for existence of an overlap condition that obscures text

on one of the windows. Specifically, the claim in Example 23 identified as not directed to an abstract idea reads as follows:

> 1. A computer-implemented method for dynamically relocating textual information within an underlying window displayed in a graphical user interface, the method comprising:
>
> displaying a first window containing textual information in a first format within a graphical user interface on a computer screen;
>
> displaying a second window within the graphical user interface;
>
> constantly monitoring the boundaries of the first window and the second window to detect an overlap condition where the second window overlaps the first window such that the textual information in the first window is obscured from a user's view;
>
> automatically relocating the textual information, by a processor, to an unobscured portion of the first window in a second format during an overlap condition so that the textual information is viewable on the computer screen by the user; and
>
> automatically returning the relocated textual information, by the processor, to the first format within the first window when the overlap condition no longer exists.

In response to the overlap condition, text that would have been obscured is moved to a new portion of the window to remain visible. The "constantly monitoring,,,," "automatically relocating…," and "automatically returning…" operations of this claim 1 are analogous to the claim 212 features of (1) adaptively modifying… a presentation position of digital advertising content from (an) initial insertion point(s) to (an) alternate insertion point(s) located at (a) different position(s) relative to the digital media content within the content stream using pre-defined rules and in response to a user-generated input; (2) keeping in memory a setting indicating a current state of play and including a value to indicate whether presentation of a required part of the digital advertising content is in progress; and (3) disallowing a navigation choice of the one or more navigational choices that alter a course of playback of the content stream while presentation of the required part of the digital advertisement content is in progress. In both claim 212 and the example claim 1, the generated output(s) of computing operations of a computing system is/are modified in response to received data or user-generated input. Given this similarity, an assertion that claim 212 is directed to an abstract idea would be improper.

B. The Examiner's Answer Incorrectly Asserts that the Claims Are Directed to Mathematical Formulae or Mathematical Operations.

In the stated grounds for rejection of claim 212, the Examiner's Answer makes repeated reference to claim 212 containing mathematical formulae or mathematical operations, and therefore reciting an abstract idea. For example, the Examiner's Answer states that "[t]he descriptive information of the data and values that the claimed mathematical operations are performed upon/with do not comprise significantly more than the abstract idea" and "[t]he courts have found that even very specific (narrowly claimed) formulas are nevertheless judicial exceptions. Accordingly, because the elements of the claims in addition to the judicial exceptions are insignificantly more than the judicial exceptions, the claims are not directed to statutory subject matter." Examiner's Answer, page 19. A straightforward reading of claim 212 shows that no such mathematical operations or formulae are referenced.

As best as can be determined, it appears that the Office is interpreting operations on a computer as being mathematical operations that are unpatentable subject matter. Example 27 in the July 2015 Update provides an instructive explanation of how this line of reasoning is flawed. Example 27 generally relates to a method for uploading a Basic Input/Output System (BIOS) onto a computer when the computer is first turned on. It is useful to consider the third paragraph in the analysis of Example 27 in its entirety:

> It is important to point out as well that there is no apparent exception recited in the claim, which alone would be sufficient for eligibility. While computers operate on mathematical theory, that underlying operation should not trigger an eligibility analysis – computers and computer operations are not automatically subjected to an eligibility analysis. The cases in which courts find mathematical relationships to represent abstract ideas (thus raising eligibility issues) are those in which the mathematical relationship is recited in the claim as part of the invention, such as a method of performing a mathematical calculation to obtain a result. Courts have found computers and computer implemented processes to be ineligible when generic computer functions are merely used to implement an abstract idea, such as an idea that could be done by human analog (*i.e.*, by hand or by merely thinking).

Here, it is clearly stated that the mere fact that operations are performed on a computer should not trigger an eligibility analysis simply on the basis that computers have an underlying mathematical foundation. Instead, were actual formulae explicitly recited or described in claim 212, such an analysis may have merit. However, claim 212 does not recite a mathematical formula nor describe the evaluation of something that could be reduced to a mathematical formula.

Therefore, by similar reasoning to that described above with regard to Example 27, executing the features of claim 212 with a computer does not place the claim within one of the judicial exceptions to patent eligibility under 35 U.S.C §101.

Claim 212 is therefore not directed to an abstract idea and is patent eligible for at least the reasons discussed above. Withdrawal of the rejections under 35 U.S.C. §101 of claims 212-237 is requested. While claim 238 is directed to subject matter of a different scope than claim 212, it nonetheless includes several analogous features, which likewise contradict a finding that the claim is directed to an abstract idea. As such, the rejection of claim 238 under 35 U.S.C. §101 should also be withdrawn.

II. INDEPENDENT CLAIMS 212 AND 238 AMOUNT TO SIGNIFICANTLY MORE THAN ANY ALLEGED ABSTRACT IDEA

The Examiner's Answer further alleges that the claims do not include "'significantly more' than the [alleged] abstract idea." *See, e.g.*, Examiner's Answer at page 19. This assertion is respectfully rebutted in light of the claim amendments shown above.

A. The Additional Limitations of the Claims Amount to "Significantly More" Than Simply Stating "Implement the Idea on a Computer."

The limitations of claims 212 and 238 amount to more than simply stating "implement the idea on a computer." *See, e.g.*, USPTO Abstract Idea Examples, p. 6. The July 2015 Update requires examiners to "consider all additional elements both individually **and** in combination to determine whether the claim as a whole amounts to significantly more than an exception." *See* July 2015 Update, pp. 1-2 (emphasis in original). Requiring consideration of the **combination** of claim elements is important because "even if an element does not amount to significantly more on its own …, it can still amount to significantly more when considered in combination with the other elements of the claim." *See id.* at p. 2. In *DDR*, the court discussed the claim limitations at issue with respect to Step 2B of the *Mayo* framework. In *DDR* the court found that, among other things, the claims included: (1) storing visually perceptible elements corresponding to numerous host websites with associated links; (2) automatically identified the host website upon activation of the link by a website visitor; and, (3) instructing an Internet server of an out-source provider to construct and serve to the website visitor a presentation of a new website. Based on this combination of features, the court concluded that the claims amounted to significantly more than an abstract idea. *See DDR* 113 USOQ2d 1097 (Fed. Cir. 2014).

As explained above, claims 212 and 238 recite a combination of features including: (1) receiving, on a client system or transmitting from a remote system to a client system, data comprising digital media content and digital advertising content combinable to form at least part of a content stream comprising user-perceptible content, the content stream having one or more initial insertion points at which the digital advertising content is to be presented relative to the digital media content; (2) adaptively modifying, using pre-defined rules and in response to a user-generated input, a presentation position of the digital advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to the digital media content within the content stream, the user-generated input representing one or more navigational choices associated with presentation of the content stream; (3) keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress; (4) disallowing a navigation choice of the one or more navigational choices that alter a course of playback of the content stream while presentation of the required part of the digital advertising content is in progress; and (5) storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented.

The combination of claimed features amounts to "significantly more" than just implementing an idea on a general purpose computer. Rather, the claimed features provide a **specific order** of processes for implementing an approach to controlling access to digital media content such that a user of a client system must experience one or more parts of required digital advertising in exchange for being able to experience, and modify the presentation of, the digital media content. This sequence of processes is similar to claim 4 in Example 23 of the July 2015 Update.

Furthermore, the features of claims 212 and 238 are analogous to the features of claim 4 from Example 23 of the July 2015 Update, which was found to contain significantly more than an abstract idea. Claim 4 from Example 23 recites,

> 4. A computer-implemented method for dynamically relocating textual information within an underlying window displayed in a graphical user interface, the method comprising:
>
> displaying a first window containing textual information in a first format within a graphical user interface on a computer screen;
>
> displaying a second window within the graphical user interface;

> constantly monitoring the boundaries of the first window and the second window to detect an overlap condition where the second window overlaps the first window such that the textual information in the first window is obscured from a user's view;
>
> determining the textual information would not be completely viewable if relocated to an unobstructed portion of the first window;
>
> calculating a first measure of the area of the first window and a second measure of the area of the unobstructed portion of the first window;
>
> calculating a scaling factor which is proportional to the difference between the first measure and the second measure;
>
> scaling the textual information based upon the scaling factor;
>
> automatically relocating the scaled textual information, by a processor, to the unobscured portion of the first window in a second format during an overlap condition so that the entire scaled textual information is viewable on the computer screen by the user; and
>
> automatically returning the relocated scaled textual information, by the processor, to the first format within the first window when the overlap condition no longer exists.

Claim 4 of Example 23 includes two "calculating" steps. These features in the example claim 4 are identified as triggering further analysis under step 2B of the *Mayo* test described in the Interim Guidance. This analysis as applied to claim 4 from Example 23 considers the other limitations in claim 4 as an ordered sequence of operations that result in the claim being "significantly more" than the abstract idea. Similarly, claim 212 includes (1) receiving data comprising digital media content and digital advertising content followed by (2) adaptively modifying, using pre-defined rules and in response to a user-generated input, a presentation position of the digital advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to the digital media content within the content stream, the user-generated input representing one or more navigational choices associated with presentation of the content stream. Next, a setting is (3) kept in a first memory to indicate a current state of play, and a navigation choice (or choices) that alters a course of playback is (4) disallowed while presentation of a required part of the digital advertising content is in progress. Presentation data comprising an indication of the digital advertising content that has been presented are (5) stored in a second memory. Claim 238 includes a slightly different but analogous set of operations. As such, claims 212 and 238 are directed to processes that contain a sequence of events that are ordered in a manner similar to those recited in claim 4 of Example 23 and therefore recite "significantly more" than any alleged abstract idea.

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The limitations of claims 212 and 238 also have parallels to Exemplary claim 2 of example 21 of the July 2015 Update, which recites a combination of features generally directed to distributing stock quotes. In explaining that this example claim 2 amounts to "significantly more than the abstract idea" of comparing and organizing data for transmission, the July 2015 Update states that "when looking at the additional limitations as an **ordered combination**, the invention as a whole amounts to significantly more than simply organizing and comparing data. The claimed invention addresses the Internet-centric challenge of alerting a subscriber with time sensitive information when the subscriber's computer is offline." *See id.* at p. 4 (emphasis added).

Claims 212 and 238 also recite an **ordered combination** of features as noted above, and this claimed sequence of operations facilitates control of the viewing experience of digital media content available to be presented in a content stream at a client system. This combination of features amounts to "significantly more" than merely "modifying presentation position of advertisement in a media stream" as asserted in the Examiner's answer.

For at least these reasons, it is respectfully submitted that the claims are eligible and withdrawal of the rejection under 35 U.S.C. §101 is requested.

B. The Claims Do Not Preempt an Abstract Idea.

The claims do not preempt any abstract idea. It is only when there is such preemption that a rejection under 35 U.S.C. §101 is proper. Here, the rejection fails to show this. Even if the Office were correct in its allegation that the claimed subject matter is abstract, the claims clearly do not preempt all modifications of the presentation position of advertisements in a media stream.

In *Alice*, the Court stated:

> "We have long held that [Section 101] contains an important implicit exception: Laws of nature, natural phenomena, and abstract ideas are not patentable." *Association for Molecular Pathology* v. *Myriad Genetics, Inc.*, 569 U. S. ___, ___ (2013) (slip op., at 11) (internal quotation marks and brackets omitted). We have described the concern that drives this exclusionary principle as one of ***pre-emption***. See, *e.g., Bilski*, *supra,* at 611–612 (upholding the patent "would pre-empt use of this approach in all fields, and would effectively grant a monopoly over an abstract idea"). Laws of nature, natural phenomena, and abstract ideas are " '"the basic tools of scientific and technological work."' " *Myriad*, *supra,* at ___ (slip op., at 11). "[M]onopolization of those tools through the grant of a patent

> might tend to impede innovation more than it would tend to promote it," thereby thwarting the primary object of the patent laws. *Mayo*, *supra*, at ___ (slip op., at 2); see U. S. Const., Art. I, §8, cl. 8 (Congress "shall have Power . . . To promote the Progress of Science and useful Arts"). We have "repeatedly emphasized this . . . concern that patent law not inhibit further discovery by improperly tying up the future use of " these building blocks of human ingenuity. *Mayo*, *supra,* at ___ (slip op., at 16) (citing *Morse, supra*, at 113).
>
> At the same time, ***we tread carefully in construing this exclusionary principle lest it swallow all of patent law.*** *Mayo*, 566 U. S., at ___ (slip op., at 2). At some level, "all inventions . . . embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas." *Id.,* at ___ (slip op., at 2). Thus, an invention is not rendered ineligible for patent simply because it involves an abstract concept. See *Diamond* v. *Diehr*, 450 U. S. 175, 187 (1981). "[A]pplication[s]" of such concepts "'to a new and useful end,'" we have said, remain eligible for patent protection. *Gottschalk* v. *Benson*, 409 U. S. 63, 67 (1972). Accordingly, in applying the §101 exception, we must distinguish between patents that claim the "'buildin[g] block[s]'" of human ingenuity and those that integrate the building blocks into something more, *Mayo*, 566 U. S., at ___ (slip op., at 20), thereby "transform[ing]" them into a patent-eligible invention, *id.,* at ___ (slip op., at 3).

Id. at 2351, 2352. The Interim Guidance uses the term "tie up" instead of "pre-empt," ("Such a claim requires closer scrutiny for eligibility because of the risk that it will "tie up" the excepted subject matter and pre-empt others from using the law of nature, natural phenomenon, or abstract idea" (*see,* Interim Guidance, p. 11) and states:

> a claim directed to a complex manufactured industrial product or process ***that recites meaningful limitations along with a judicial exception may sufficiently limit its practical application so that a full eligibility analysis is not needed***. As an example, ***a robotic arm assembly having a control system that operates using certain mathematical relationships is clearly not an attempt to tie up use of the mathematical relationships and would not require a full analysis to determine eligibility***.

Interim Guidance, p. 25 (***emphasis added***). Consequently, if the claims fail to "tie up" or preempt the alleged abstract idea, then no further eligibility analysis is needed. *See, id.*.

In the present application, the statement of rejection provided in the Examiner's Answer fails to establish that there is a preemption of any abstract idea, even by the claims as previously presented. The Court made clear that it is only when the claim would preempt a claimed abstract

idea that it is patent ineligible. An invention is not rendered ineligible for patent simply because it involves an abstract concept.

In contrast to the concerns raised in *Alice*, the claims here do not preempt any "building blocks of human ingenuity." To the contrary, assuming, *arguendo,* that the claims recite merely "modifying presentation position of advertising content" (which is **not** conceded), nothing in the claims preempt all methods for doing so. The specific combination of claim elements recited in claims 212 and 238 relate to particular techniques for controlling access to digital media content in exchange for a user experiencing required digital advertising content and would not preempt, for example, all ways of "modifying presentation position of advertisement in a media stream" as implicitly asserted by the Office. Consequently, the claims do not preempt or "tie up" the alleged abstract idea.

For at least these reasons, withdrawal of the pending rejection under 35 U.S.C. §101 is respectfully requested.

Rejections under 35 U.S.C §112, First Paragraph

In the Final Office Action, claims 188, 191-193, 195-197, and 199-238 were rejected under 35 U.S.C. §112, first paragraph, as allegedly failing to comply with the written description requirement. Claims 188, 191-193, 195-197, 199-211 were previously cancelled, rendering the rejections of those claims moot. The rejections of the remaining claims are respectfully traversed, at least because the Office has not properly applied the criteria for a proper rejection under 35 U.S.C. §112, first paragraph. As stated in MPEP §2163.02: the objective standard for determining compliance with the written description requirement is, "does the description clearly allow persons of ordinary skill in the art to recognize that he or she [the inventor] invented what is claimed." *In re Gosteli*, 872 F.2d 1008, 1012, 10 USPQ2d 1614, 1618 (Fed. Cir. 1989). Under *Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1563-64, 19 USPQ2d 1111, 1117 (Fed. Cir. 1991), to satisfy the written description requirement, an applicant must convey with reasonable clarity to those skilled in the art that, as of the filing date sought, he or she was in possession of the invention, and that the invention, in that context, is whatever is now claimed. If a skilled artisan would have understood the inventor to be in possession of the claimed invention at the time of filing, even if every nuance of the claims is not explicitly described in the specification, then the adequate description requirement is met. See, e.g., *Vas-Cath*, 935 F.2d at 1563, 19 USPQ2d at 1116; and *Martin v.*

Johnson, 454 F.2d 746, 751, 172 USPQ 391, 395 (CCPA 1972) (stating "the description need not be *in ipsis verbis* [i.e., "in the same words"] to be sufficient"). Furthermore, as stated in MPEP §2163.07, "mere rephrasing of a passage does not constitute new matter," and "a rewording of a passage where the same meaning remains intact is permissible." *In re Anderson*, 471 F.2d 1237, 176 USPQ 331 (CCPA 1973).

The Office rejected claim 212, alleging that the original specification fails to teach "receiving data comprising media content and advertising content [which,] when presented, form a content stream, the content stream having one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content." Final Office Action and Examiner's Answer, page 4.

Claim 212, now amended, recites, among other things,

> receiving, on a client system, data comprising digital media content and digital advertising content comprising at least a part of a content stream comprising user-perceptible content, the content stream having one or more initial insertion points at which the digital advertising content is to be presented relative to the digital media content.

With this amendment, the language relating to "at least a portion" of the advertising and/or media content has been removed in an effort to further prosecution of this matter. The rejection appears to express the Office's concern with a lack of verbatim discussion of parts or portions of media content and/or advertising content in the specification. However, at least at FIG. 4A, page 20, lines 30-31, and page 21, lines 1-5, the originally filed description and figures do describe providing media content with advertising content inserted into the content stream. One of ordinary skill in the art would readily understand that if some amount of digital media content were received, and if there were insertion points for placing digital advertising content interspliced with the digital media content within a content stream, clearly some portion of the advertising and media content would need to be placed at various presentation positions in the content stream. Page 29, lines 11-16 of the specification further describe automatic insertion of advertisement blocks into the play sequence, and page 40, lines 31-32 states in relevant part that "playback starts from an initial section sequence table indicating how content is to be interspliced with ads…"

Claim 212 has been amended to remove the references to portions, not because of acquiescence to the Office's position, but rather for clarity in claiming. The data received by the client machine in 212 or transmitted to the client machine in claim 238 includes both digital media

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content and digital advertising content. One of ordinary skill in the art would readily understand that received/transmitted media and advertising content can each include one or multiple parts, portions, etc. and that the respective content can be combined to form at least part of the recited content stream according to positions within the content stream where the respective content is to be inserted.

The Office also alleges that the claim 212 "modifying a presentation position of the portion of the advertising content is to be presented relative to at least a portion of the received advertising content from one or more initial insertion points…" is not taught by the specification. Final Office Action, page 4 and Examiner's Answer, page 4. As noted above, whether the specification "teaches" a claim element is not the correct test. Rather, the proper inquiry is whether one of ordinary skill in the art would understand that the inventor was in possession of the claimed subject matter as of the time of filing. On this issue, as with the issue discussed above, this is clearly the case.

Claim 212, now amended, also recites, among other things,

> adaptively modifying, using pre-defined rules and in response to a user-generated input, a presentation position of the digital advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to the digital media content within the content stream, the user-generated input representing one or more navigational choices associated with presentation of the content stream.

Support for these features of claim 212 can be found in at least page 21, lines 12-21. Here, the specification describes adaptively re-grouping and resequencing the insertion of ad blocks in response to the consumer's arbitrary direction of the playback. These features are also shown and described in relation to FIG. 4A and on page 29, lines 1-4 and specifically on page 40, line 31, and page 41, line 1, which describes modifying "in response to intersplicer control commands 522 that the user issues with actions from user interface 500."

In view of the foregoing, all of the features of claim 212 are properly supported by the application as filed. Therefore, the rejection of claim 212 under 35 U.S.C. §112, (pre-AIA) first paragraph, should be withdrawn.

The Office also rejected claim 238 for the same reasons stated with regard to claim 212. Final Office Action, page 4. As claim 212 is fully supported by the specification, so too is claim

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238, which contains features similar to those noted above with regard to claim 212. Therefore, the rejection of claim 238 under 35 U.S.C. §112, first paragraph, should be withdrawn.

Claims 220-224 also find support in the specification and the figures and are directed to the use of pre-defined rules for specifying the recited insertion points. See, for example, specification pg. 15, lines 21-31, pg. 16, lines 1-19; pg. 18, lines 29-31, pg. 19, lines 1-; pg. 29, lines 17-22; pg. 31, lines 28-31, pg. 32, lines 1-31, pg. 33, lines 1-21; pg. 35, lines 28-31, pg. 36, lines 1-6; pg. 36, lines 14-23; pg. 38, lines 10-16; pg. 39, lines 9-14; pg. 40, lines 1-27; pg. 41, lines 20-31, pg. 42, lines 1-2, lines 7-16, lines 22-31, pg. 43, lines 1-30, pg. 44, lines 1-2; pg. 45, lines 17-26; pg. 46, lines 3-9, lines 24-28; pg. 47, lines 7-16; pg. 49, lines 1-6, lines 19-27; and pg. 50, lines 10-15.

The Office also rejected claim 228 as allegedly not teaching "the change of sequence is by subtracting an existing media file or re-arranging the sequence of media files or by adding a media file." Final Office Action, page 5. As with the rejections for alleged lack of written description support discussed above, this rejection appears to indicate the application of an improper standard for patentability under 35 U.S.C. §112, first paragraph.

Support for claim 228 can be found at, for example, at page 10, lines 17-18 ("The player/viewer software has the means to assemble a new, ***customized sequence of requested content***, interspliced material every time it runs"); page 12, line 10 ("The consumer is free to ***select and program any desired sequence of content***"); page 26, lines 3-5 ("the user can have the player/viewer run ***any combination of available titles and tracks in any possible order…***"); page 28, lines 27-28 ("For example, if the user of sequence 402 ***jumps right into segment 434 as segment 430 is just starting, the player/viewer will begin segment 434 at its point of entry***"); page 29, lines 29-30 ("In the case of the player/viewer, the user can sequence ***any combination*** of tracks together"); page 30, lines 4-7 ("If the user decides to play track 446 and then track 456, the program does not insert ad block 416 immediately after track 456. ***Instead, play goes directly into track 458, because the allowance is 5 tracks***."); page 31, lines 30-31 ("Request 502 may arise from, among other things, a direct file open operation, a selection from a remote media catalog or local media database, ***a selection of a user-defined…***"); page 32, lines 1-3 ("…***play-list***, a result of a media search engine or other web-based service, or some other user-driven command in the player/viewer. For example, in order to compile a user defined play-list from which a request 502 can be initiated"); and page 50, line 20 ("through a ***self-selected series*** of media content"). Emphases added.

In view of the foregoing, all of the features of claim 228 find support in the specification. Therefore, the rejection of claim 228 under 35 U.S.C. § 112, (pre-AIA) first paragraph, should be withdrawn.

The Office also rejected claim 236 as allegedly not teaching "sending, by a remote system to the client system, additional advertising content during presentation of at least a portion of the content stream." Final Office Action, page 5. While this rejection is directed to claim 236, the objected to language is from claim 234. As such, claim 234 is addressed below. Support for claim 234 can be found at, for example, page 40, lines 19-25 of the specification ("Ad rotator 516 handles requests for new ads from an intersplicer 518 by selecting and localizing appropriate ads, grouping them into blocks if so requested, and sending the result back to requesting intersplicer 518. The ad rotator 516 is equipped to handle requests to replace individual ads, entire ad blocks, or the entire set of ads and blocks associated with intersplicer 518, ***without having to interrupt playback***. Just like ad manager 514, ***it may use the logic of the media transfer component 580 for this purpose***. Ad rotator 516 may also need to ***consult media catalog 566 to locate new ads***…") Emphasis added. Further support can also be found at Page 47, lines 11-14 ("Ad preference tables 676 and parameters 678 are rules by which the intersplicer can perform adaptive ad selection and sequencing extemporaneously, determining and running new ad combinations in response to user navigation actions ***throughout the session***.")

In view of the foregoing, all of the features of claim 234 find support in the specification. Therefore, the rejection of claim 234 under 35 U.S.C. § 112, (pre-AIA) first paragraph, should be withdrawn.

The Office also rejected claim 237 as allegedly not teaching "wherein the adaptively modifying uses two or more of the pre-defined rules for determining the corresponding presentation position of at least a portion of the advertising content." Final Office Action, page 5.

Support for claim 237, specifically support for "two or more of the pre-defined rules" can be found at, for example page 29, lines 17-19 ("***the location of advertising blocks*** is determined by the player/viewer's program logic, ***which upholds an average content play time, an allowance based on the number of tracks, or possibly some combination of these or other approaches***"); page 39, lines 9-11 ("the service level may include one or more advertising requirement parameters, such as the relative ratio of content material to promotional material, the frequency of interruptions, or some other metric."); page 42, lines 28-30 ("The resulting ad requirement is an

arbitrary function that can depend on, without limitation, one or more of the following: the item's running time; the number of segments it contains; and/or its advertising requirement parameters"); page 47, lines 11-14 ("Ad preference tables 676 and parameters 678 are rules by which the intersplicer can perform adaptive ad selection and sequencing extemporaneously, determining and running new ad combinations in response to user navigation actions throughout the session."); page 49, lines 22-25 ("***the intersplicer will apply some combination of track count-based and elapsed time-based logic (or any other desirable criteria) to decide when to call for a commercial break***. When it decides to insert a break, it uses the data in the ad preference parameters 678 and the ad preference tables 676"). Emphasis added.

In view of the foregoing, all of the features of claim 237 find support in the specification. Therefore, the rejection of claim 237 under 35 U.S.C. § 112, (pre-AIA) first paragraph, should be withdrawn.

Rejections under 35 U.S.C §102

In the Final Office Action, the Office rejected claims 188, 191-193, 195-197, 199-201, 203-205, 207-209, 211-232, 234-238 under section 35 U.S.C. § 102(e) as allegedly being anticipated by (US Publication No. 2001/0042249) to Knepper et al. (Knepper). This rejection is respectfully traversed.

Claims 188, 191-193, 195-197, 199-201, 203-205, 207-209 and 211 were previously canceled, rendering the rejections of those claims moot.

A proper rejection under 35 U.S.C. §102 requires that the Office present a single prior art reference in which "each and every element as set forth in the claim is found, either expressly or inherently described."[1] Furthermore, "[e]very element of the claimed invention must be literally present, arranged as in the claim," and "[t]he identical invention must be shown in as complete detail as is contained in the patent claim."[2] While *ipsissimis verbis* disclosure (in other words, identity of terminology) is not required, the elements in an allegedly anticipatory prior art

[1] See MPEP §2131 quoting *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987).
[2] See MPEP §2131 quoting *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1236, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989).

reference must be arranged as required by the claim.[3] Additionally, the Court of Appeals for the Federal Circuit has recently held that the PTO's practice of giving a claim the broadest, reasonable construction "does not give the PTO an unfettered license to interpret claims to embrace anything remotely related to the claimed invention. Rather, claims should always be read in light of the specification and teachings in the underlying patent."[4]

As previously argued and as discussed during various interviews with the Examiner, Knepper describes an arrangement in which there is a fixed relationship between media files and advertisements. For example, Knepper [0052] describes a digital magazine having ads at fixed positions in relation to the content. A user can traverse the magazine, for example by "paging forward", but will always be presented with the advertisements at fixed pre-determined locations. With Knepper, and with particular reference to paragraphs [0052], [0059], [0063], and [0084], entertainment files can have associated advertisement files (i.e., the same advertisement is always played with such entertainment file) or they can have unassociated advertisement files (i.e., an advertisement file is always played with the entertainment file – but it can be one of several advertisement files).

Claim 212 recites, among other things,

> **adaptively modifying, using pre-defined rules and in response to a user-generated input**, a **presentation position** of **the digital advertising content** from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to the digital media content within the content stream, **the user-generated input representing one or more navigational choices associated with presentation of the content stream**;

Emphasis added.

As noted above, Knepper differs explicitly from at least this feature of claim 212 in describing a fixed relationship between content and advertisements, which would preclude any kind of adaptive modification of a presentation position of digital adverting content from an initial insertion point to an alternate insertion point. While Knepper states that advertisement files can be played with different entertainment files during playback, there is no suggestion that the relative placement of such advertisement files and the entertainment files can be changed as part of user-

[3] See, for example, MPEP §2131 quoting *In re Bond*, 910 F.2d 831, 15 USPQ2d 1566 (Fed. Cir. 1990).
[4] See, for example, *In re Suitco Surface, Inc.* 603 F.3d 1255 (Fed. Cir. 2010).

generated input such as navigational choices. Knepper [0052], [0059], [0063], and [0084]. Stated differently, the positions of the advertisement and entertainment files are always the same and traversing the entertainment files does not change this relationship.

Furthermore, this interpretation of Knepper is fully consistent with the Office's admission in the Final Office Action at page 15 in regard to claim 238: "Knepper does not explicitly teach generating in response to the input a second sequence comprising the second sequence differing from the first sequence such that at least one of the advertisement files is presented in a different position relative to the media files." Final Office Action, page 15. While the foregoing is not an accurate restatement of the claim language as previously presented, it clearly indicates that the Office agrees that Knepper does not describe the changing of relative positions among content and advertisements. Accordingly, Knepper simply cannot form the basis for a proper rejection under 35 U.S.C. §102.

In addition, while the paragraphs [0026]-[0036] of Knepper relate to playback of a show / entertainment object, there is no description of modification of advertisement locations in a media file sequence as recited in claim 212. Knepper, in particular, describes an instruction set being delivered from a server to the client and such instruction set including a listing of the order of the entertainment and advertisement media files that will make up a show. Knepper [0034]. Knepper is directed to advancing through a defined sequence of media files that do not change (i.e., such sequence cannot be adaptively modified in response to user-generated input as recited in claims 212 and 238). Knepper [0042]-[0048]. Such advancement through a pre-specified instruction set of media and advertisement files is different than modifying the sequence (or otherwise modifying a relationship among advertising content and media content). Stated differently, Knepper is directed to the seamless display of an assembled clip of media and advertisement files (see, inter alia, Knepper [0038]) having a fixed relational order that does not change (and as such cannot be adaptively modified).

Furthermore, as previously noted, with Knepper, media file content and advertisement file content is presented to a user according to a text file delivered from a server. Knepper [0046]. Also, as shown in FIG. 4 of Knepper "NO USER INTERVENTION" is allowed when the video and ad clips are being presented. The subject matter recited in claim 212 does not have such a prohibition (and in fact provides for user-generated input which in turn causes the adaptive modification). Contrary to the Office's overly broad interpretation, Knepper does not teach

forwarding or skipping at the level of media and advertising construction. Knepper [0046]. With Knepper there are no changes of the ordering of content and advertising as a result of user interaction. The sequence of content and advertising is always fixed by the instruction set sent from the server. Knepper [0041]. Specifically, Knepper states "The server also sends a text file containing a set of instructions indicating which advertisement media files from among the pre-cashed advertisement media files to interest into the entertainment media file at run time, how many advertisement media files to insert, **and where to insert them**." Knepper, [0041], emphasis added.

In view of the foregoing, Knepper fails to anticipate the claim 212 "adaptively modifying, using pre-defined rules and in response to a user-generated input, a presentation position of the digital advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to the digital media content within the content stream, the user-generated input representing one or more navigational choices associated with presentation of the content stream."

Claim 238 contains the same or similar features noted above with respect to claim 212. For at least the reasons noted above with respect to claim 212, claim 238 is allowable over Knepper. Therefore the rejection under 35 U.S.C. § 102(e) of claim 238 should be withdrawn.

In addition, with regard to claim 227, Knepper is silent as to sub-division of a media file into segments as part of generating a first sequence as recited. The cited paragraphs, including paragraph [0059] of Knepper, simply state that a user perceives entertainment media files and advertisement files as being a single, continuous clip, not that the entertainment media file is sub-divided in any fashion as taught by the current claims. Stated differently, Knepper can provide individual segments that together comprise a show, but Knepper does not segment / divide or otherwise split a single file physically, heuristically, or otherwise for purposes of ad insertion based on user interaction with media content. As such, the rejection under 35 U.S.C. § 102(e) of claim 227 should be withdrawn.

Claim 236 stands rejected based on paragraphs in Knepper that are not pertinent to the claimed subject matter, and as such, these rejections are improper. There is no suggestion in Knepper (whether in cited paragraphs [0051] – [0056] or otherwise) that the pre-defined rules position the advertisement content based on an amount of media content played during presentation of the content stream. For example, Knepper [0051] relates to how media is

downloaded and Knepper [0052]-[0056] relate to how advertisement and entertainment files are sequenced (without any reference to maintaining a number of played media files as recited). As such, the rejection under 35 U.S.C. §102(e) of claim 236 should be withdrawn.

In the Response to Argument section of the Examiner's Answer (see page 21), the Office presented additional rationale in support of the rejections based on Knepper. The following remarks are addressed to this section. Any issues raised in the Response to Argument not addressed below or elsewhere herein are not conceded by the Applicants.

The Office alleges, that "Knepper also teaches that the user may also move through different pages within magazine by using forward and reverse buttons (*if the user uses the forward and reverse buttons the order of the playlist would change and since the files are organized and arranged to play sequentially, the entertainment file and also the advertisement file would be played together in the changed order*)." Examiner's Answer, page 21.

As noted in previous responses, and further described herein, Knepper does not teach changing the fixed relationship of media and advertising as defined by the instruction set. Specifically, Knepper describes that "[w]hen a show is requested (block 262) from the server 207, an instruction set is delivered from the server to the client 203, as shown by block 268 in FIG. 3. The instruction set may be an HTML file or a text file that includes tags or other specific instructions to the client. The file is a listing of the order of the entertainment and advertisement media files that will make up the show that was requested by the user. It is created on the server side, in some instances at the time of the user's request, and may be specific to each user." Knepper, [0034]. Sequentially moving through pages using forward and reverse buttons does not change "the initial insertion points to one or more alternate insertion points located at one or more different positions relative to the digital media content within the content stream" as described in claim 212.

The Office also alleges that "Knepper also teaches that the instruction set used by the client to insert media files may be modified by the client at playback … real-time amendment to the instruction set … ([0083])" Examiner's Answer, page 21. However, as noted above, Knepper describes advertisements placed at fixed advertising insertion locations and can arguably be interpreted to describe moving advertisements to different fixed advertising locations. However, this movement is explicitly not done **in response to user-generated input** and furthermore not in

Hulu, LLC - Ex. 1002, Page 000558

response to user-generated input **representing one or more navigational choices associated with presentation of the content stream**.

The Office also quotes Knepper "… the location of the advertisement media files within a show may be determined by various criteria at the time of playback (see [0084). Examiner's Answer, page 21. However, this section of Knepper clearly relates to playing advertisement media files with different media files. Specifically, Knepper describes that "[a]lso, a show may contain a combination of associated advertisement media files and unassociated advertisement media files. For example, a show may have a certain advertisement that is always associated with it, and the same show may also accept a number of unassociated advertisement media files. Another possibility is that a show may have a certain number of entertainment media files marked to accept unassociated advertisement media files, and only a portion of those entertainment media files may actually be played with advertisement media files. Further, during various playbacks of such a show, advertisement media files may be played with different entertainment media files. That is, the location of advertisement media files within a show may be determined by various criteria at the time of playback. These criteria may include, but would not be limited to, randomness such that a user would not experience identical advertisement placement during repeated viewing of a single show, or incentive systems whereby, for example, the number of advertisement media files may be determined by the occurrence or level of a fee paid by the user. In any case, while each show appears to the user as a single, continuous show, it is in reality a series of separate clips, comprising individual media files selected, organized and played sequentially on the client-side." Knepper, [0084]. Again, none of the criteria described in Knepper relate to the claim 212 "adaptively modifying, using pre-defined rules and **in response to a user-generated input**, a presentation position of the digital advertising content," let alone "in response to a user-generated input **representing one or more navigational choices associated with presentation of the content stream**." Emphasis added.

The Office also states that "[i]n response to Appellant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e. forwarding and skipping at the level of media and advertising construction…) are not recited in the rejected claim(s)." Examiner's Answer, page 21. The Applicants are not attempting to add limitations to the claims, but rather are demonstrating that the functions described in

Knepper, for example using forward and reverse buttons to move through different pages, are not the same as the claimed features.

As such, claims 212 and claims 213-232 and 234-237, at least by reason of their dependency from claim 212, are allowable over Knepper. Therefore, the rejection under 35 U.S.C. §102(e) of claims 212-232 and 234-237 should be withdrawn.

Rejections under 35 U.S.C §103

Claims 202, 206, 210 stand rejected under 35 U.S.C. §103(a) as allegedly being unpatentably obvious over Knepper as applied to claim 188 above, and further in view of Strietzel (US Publication 2002/0120564) hereinafter "Strietzel". Claim 233 stands rejected under under 35 U.S.C. §103(a) as allegedly being unpatentably obvious over Knepper further in view of Official Notice. This rejection is respectfully traversed.

Claims 202, 206, and 210 have been canceled making the rejection of such claims moot.

With regard to claim 233, the Final Office Action fails to comply with the requirements of an Official Notice rejection as required by MPEP §2144.03(A) which states "Official notice unsupported by documentary evidence should only be taken by the examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known." Furthermore, "assertions of technical facts in the areas of esoteric technology or specific knowledge of the prior art must always be supported by citation to some reference work recognized as standard in the pertinent art." *In re Ahlert*, 424 F.2d at 1091, 165 USPQ at 420-21 as quoted in MPEP §2144.03(A). MPEP §2144.03(a) further cautions that "[o]fficial notice without documentary evidence to support an examiner's conclusion is permissible only in some circumstances," and "while 'official notice' may be relied on, these circumstances should be rare when an application is under final rejection or action under 37 CFR 1.113."

The Office, in connection with the rejection of claim 233, simply alleges that it would have been old and well known to rotate ads in response to user-generated input. If that were indeed true, it is respectfully submitted that it would not have been burdensome for the Office to identify relevant art (if available) and to prepare an argument that takes into account how advertising content can be rotated into a content stream as part of the recited adaptive modification as a result of user interaction with the media content as described in claim 212. In the Examiner's Answer,

the Office failed to provide a citation to some reference work recognized as standard in the pertinent art. Of particular concern is the Office's apparent concentration on the "rotating" part of the claim element at issue with no evident weight given to the additional limitation relating to "in response to the user-generated input." It is far from clear how this aspect of the claim is considered to be well known or otherwise part of what would readily be considered to be "common knowledge." As such, the Office is again respectfully requested to either a) provide documentary evidence that the Applicants can properly consider and possibly rebut in the context of a properly presented rejection under 35 U.S.C. §103(a) or b) withdraw the rejection of claim 233.

In view of the foregoing, Knepper in view of properly applied Official Notice does not describe or suggest at least the features of claim 233 relating to "rotating new advertising content into the content stream in response to the user-generated input." Therefore, the rejection under pre-AIA section 103(a) of claim 233 should be withdrawn.

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CONCLUSION

On the basis of the foregoing amendments, the pending claims are in condition for allowance. It is believed that all of the pending claims have been addressed in this paper. However, failure to address a specific rejection, issue or comment, does not signify agreement with or concession of that rejection, issue or comment. In addition, because the arguments made above are not intended to be exhaustive, there may be reasons for patentability of any or all pending claims (or other claims) that have not been expressed. Finally, nothing in this paper should be construed as an intent to concede any issue with regard to any claim, except as specifically stated in this paper.

No additional fees are believed to be due at this time, however, the Commissioner is hereby authorized to charge any fees that may be due, or credit any overpayment of same, to Deposit Account No. 50-0311, Reference No. 42327-501001US. If there are any questions regarding this reply, the Examiner is encouraged to contact the undersigned at the telephone number provided below.

Dated: October 28, 2015

Respectfully submitted,

By____/Ben Hudson/_____
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Electronic Acknowledgement Receipt

EFS ID:	23924123
Application Number:	10606729
International Application Number:	
Confirmation Number:	5831
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Customer Number:	64046
Filer:	Benjamin F. Hudson/Cecilia Tobin
Filer Authorized By:	Benjamin F. Hudson
Attorney Docket Number:	42327-501001US
Receipt Date:	28-OCT-2015
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Time Stamp:	23:35:19
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	no

File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Request to Withdraw Appeal by Appellant	42327-501001USReply.pdf	290519 dd5ebdd0e8367dc79a67eb0fcc089d352838a05d	no	33
Warnings:					
Information:					

Total Files Size (in bytes):	290519

This Acknowledgement Receipt evidences receipt on the noted date by the USPTO of the indicated documents, characterized by the applicant, and including page counts, where applicable. It serves as evidence of receipt similar to a Post Card, as described in MPEP 503.

New Applications Under 35 U.S.C. 111
If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

National Stage of an International Application under 35 U.S.C. 371
If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

New International Application Filed with the USPTO as a Receiving Office
If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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Mintz Levin/San Diego Office
One Financial Center
Boston, MA 02111

EXAMINER
RETTA, YEHDEGA

ART UNIT	PAPER NUMBER
3622	

NOTIFICATION DATE	DELIVERY MODE
02/01/2016	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):

IPDocketingBOS@mintz.com
IPFileroombos@mintz.com

Office Action Summary	Application No. 10/606,729	Applicant(s) DONIAN ET AL.	
	Examiner YEHDEGA RETTA	Art Unit 3622	AIA (First Inventor to File) Status No

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTHS FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☐ Responsive to communication(s) filed on *10/28/15*.

☐ A declaration(s)/affidavit(s) under **37 CFR 1.130(b)** was/were filed on _____.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ An election was made by the applicant in response to a restriction requirement set forth during the interview on _____; the restriction requirement and election have been incorporated into this action.

4)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims*

5)☒ Claim(s) *212-242* is/are pending in the application.

5a) Of the above claim(s) _____ is/are withdrawn from consideration.

6)☐ Claim(s) _____ is/are allowed.

7)☐ Claim(s) *212-242* is/are rejected.

8)☐ Claim(s) _____ is/are objected to.

9)☐ Claim(s) _____ are subject to restriction and/or election requirement.

* If any claims have been determined allowable, you may be eligible to benefit from the **Patent Prosecution Highway** program at a participating intellectual property office for the corresponding application. For more information, please see http://www.uspto.gov/patents/init_events/pph/index.jsp or send an inquiry to PPHfeedback@uspto.gov.

Application Papers

10)☐ The specification is objected to by the Examiner.

11)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

Certified copies:

a)☐ All b)☐ Some** c)☐ None of the:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

** See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Information Disclosure Statement(s) (PTO/SB/08a and/or PTO/SB/08b) Paper No(s)/Mail Date _____.

3) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .

4) ☐ Other: _____.

DETAILED ACTION

Notice of Pre-AIA or AIA Status

The present application is being examined under the pre-AIA first to invent provisions.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 212-242 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter (abstract idea). The rationale for this finding is explained below.

In the instant case, the claims are directed use disallowing user from skipping presentation of an advertising content including the steps of receiving media content and also advertisement content … modifying (changing) presentation position of the advertising, ... keeping track of whether the presentation of a content is in progress ..., storing presentation data ... which are methods of organizing human activity, thus abstract idea. The courts have found that using categories to organize store information for transmission (Cyberfone), or comparing new and stored information and using rules to identify options (SmartGene), organizing information through mathematical correlations, mathematical formulas, and a mathematical procedure for converting one form of numerical representation to another are all examples of judicial exceptions.

The claims recite a client and a remote system (computer) to transmit and receive data ... The claim(s) "amount[s] to 'nothing significantly more' than an instruction to apply the abstract idea of" preventing of commercial skipping by using a well-known device. Under Alice, that is not sufficient "to transform an abstract idea into a patent-eligible invention" Id. See July 2015 Update to the 2014 Interim Guidance on Subject Matter Eligibility; Alice; Ultramercial; buy SAFE, Inc. v. Google, Inc.; Cyberfone Systems, LLC v. CNN Interactive Group, Inc.

Claim Rejections - 35 USC § 103

The following is a quotation of pre-AIA 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 212-232, 234-238 are rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Knepper et al. (2001/0042249) in view of Hannah et al. (US 7,761,327 B1) and further in view of Wang (US 20020191950 A1).

Claims 212, 213, 238:

Knepper teaches receiving, at a client system (from a remote system), data comprising digital media content and digital advertising content (combinable to form at least part of a content stream) (see [0034]-[0041], [0049]-[0056]);

receiving, a user-generated input representing one or more navigational choices associated with a presentation of the content stream (*play forwarding, skipping*), modifying,

using a pre-defined rules presentation position of a advertisement from initial position to alternative insertion point (position) (see [0034]-[0042], [0059]).

Knepper teaches that an advertisement file is appended to a media file such that the entertainment and advertisement files are played to appear as a single clip ... <ADInsert> is a tag that is recognized by the client application as specific instructions regarding treatment of the advertising media files ... using this tags the server can direct the client to place an ad before, during or after a media file during playback of media files in the magazine page (see [0052] ... the client displays the entertainment media file before it plays the advertisement media file ... when the entertainment media file is finished playing, **the advertisement media file immediately proceeds without the appearance of a page turn** (see [0059]). Knepper teaches (Fig.7) plurality of clips, has its associated instruction set stored on the server 601; the instruction delivered to the client 603; according to the instructions advertisement media file 611 are selected to be shown according to the association (see [0062]). That means even if the user is skipping or forwarding to a different music, an advertisement associated with that media file, based on the <ADInsert> would be playing, i.e., the same block of ad plays with the particular portion of the content according to the instruction.

Knepper does not explicitly teach keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress and storing presentation data an indication of the digital advertising content that has been presented. Hannah teaches detecting whether material is played in full at the predetermined paly speed and is not muted, masked, fast forwarded or stripped from the content (see col. 2 line 16-28) … determining whether the time for a

commercial has arrived …determining if commercial insertion time has arrived (before the content is actually played)… determining that a commercial has been played appropriately … whether the commercial is play for the desired amount of time and at the desired speed … may report to external sources that the advertisement was actually played as intended (see col. 3 lines 8-53). It would have been obvious to one of ordinary skill in the art at the time of the invention to include Hannah's setting (detector), in Knepper advertisement in video streaming in order to determine whether the advertisement was played in full before allowing the user to play the next media file in the sequence.

Wang teaches disallowing a navigation choice of the one or more navigational choices that alter a course of the playback of the content stream while the presenting of advertising content is in progress. Wang teaches if the skipping control device determines that the content classification signal indicates that the current portion of the video signal has commercial content the device disables all manual and automated skipping functions .. (see [0028]-[0033]) It would have been obvious to one of ordinary skill in the art at the time of the invention to disallow navigation choice (fast-forward skip or bypass the advertisement), as in Wang, in Knepper's playback of media files in order to prevent a user from fast forwarding or skipping the commercials.

Claim 214:

Knepper teaches wherein presenting the at least the part of the content stream on the client system comprises displaying the content stream by way of a graphical user interface (see fig. 6).

Claims 215, 216, 217:

Knepper teaches wherein the user-generated input is received and the presentation position is adaptively modified during presentation of the at least portion of the content stream on the client system; wherein the user-generated input is received and the presentation position is adaptively modified prior to presentation of at least a portion of the content stream on the client system; wherein the user-generated input is received and the presentation position is adaptively modified subsequent to presentation of at least a portion of the content stream on the client system (see [0042]-[0046]).

Claim 218-225, 237:

Knepper teaches wherein the one or more initial insertion points are specified using the pre-defined rules; wherein the one or more initial insertion points are specified, at the client system, using the pre-defined rules; wherein the one or more alternate insertion points are specified, at the client system, using the pre-defined rules; wherein the one or more alternate insertion points are specified, at a remote system, using the pre-defined rules.; wherein the one or more initial insertion points are specified, at a remote system, using the pre-defined rules; wherein the one or more alternate insertion points are specified, at the remote system, using the pre-defined rules; wherein the one or more alternate insertion points are specified, at the client system, using the pre-defined rules; wherein the media content comprises at least one media file (see [0046]-[0067], [0087], [0088].

Claims 226, 227:

Knepper teaches wherein the advertising content comprises at least one advertisement file; generating a sequence by sub-dividing a media file into two or more segments, and wherein

at least a portion of at least one of the advertising files is presented between two of the segments ([0038]-[0046).

Claim 228-230:

Knepper teaches wherein the user-generated input associated with presentation of the content stream results in a change of a sequence of two or more media files by subtracting an existing media file, or by re-arranging the sequence of media files or results in a change of sequence by adding a new media file; wherein the user-generated input associated with presentation of the content stream results in a navigation command for the content stream; wherein the navigation command is selected from a group consisting of: play, stop, pause/continue, reverse, rewind, fast-forward, slow-motion, track advance, frame-by-frame advance, go direct to point or page in sequence, advance chapter, page turn, change track, change media selection, and shuttle knob (see fig. 6, [0042]-[0046]).

Claim 234:

Knepper teaches sending, by a remote system to the client system, additional advertising content during presenting of at least a part of the content stream (see [0078]-[0084]).

Claim 236:

Knepper teaches wherein the pre-defined rules position the advertisement content based on an amount of media content played during presentation of the content stream (see [0051]-[0056], [0081-0088].

Claims 239-242:

Knepper teaches wherein the first memory and/or the second memory are part of the client system or the remote system (see [0029]-[0037] see also Hannah col. 3 line 35-58).

Claims 233 is rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Knepper et al. (2001/0042249) in view of Hannah et al. (US 7,761,327 B1) and further in view of Wand (US 20020191950 A1).

Claim 233:

Knepper does not teach rotating new advertising content into the content stream in response to the user-generated input. However official notice is taken that it is old and well known in the art of marketing to rotate advertisements. It would have been obvious to one of ordinary skill in the art at the time of the invention to rotate the advertisements of Knepper in order to for the viewer not to lose interest on the advertisements.

Response to Arguments

Applicant's arguments with respect to claims 212-242 have been considered but are moot because the arguments do not apply to any of the references being used in the current rejection.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to YEHDEGA RETTA whose telephone number is (571)272-6723. The examiner can normally be reached on Monday through Thursday from 8 to 6:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571) 272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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YR
/YEHDEGA RETTA/
Primary Examiner, Art Unit 3622

Notice of References Cited	Application/Control No. 10/606,729	Applicant(s)/Patent Under Reexamination DONIAN ET AL.	
	Examiner YEHDEGA RETTA	Art Unit 3622	Page 1 of 1

U.S. PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Name	CPC Classification	US Classification
*	A	US-2002/0191950 A1	12-2002	Wang, Xiaoling	H04N5/783	386/218
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	I	US-				
	J	US-				
	K	US-				
	L	US-				
	M	US-				

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*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Country	Name	CPC Classification
	N					
	O					
	P					
	Q					
	R					
	S					
	T					

NON-PATENT DOCUMENTS

*		Include as applicable: Author, Title Date, Publisher, Edition or Volume, Pertinent Pages)
	U	
	V	
	W	
	X	

*A copy of this reference is not being furnished with this Office action. (See MPEP § 707.05(a).)
Dates in MM-YYYY format are publication dates. Classifications may be US or foreign.

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	892	02/01/2016	42327-501001US

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UNITED STATES PATENT AND TRADEMARK OFFICE

PATENT APPLICATION INFORMATION RETRIEVAL SYSTEM

VIA EFS
Date of Submission: August 1, 2016

Docket No.: 42327-501001US
(PATENT)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of:
Philip M. Donian

Application No.: 10/606,729

Confirmation No.: 5831

Filed: June 26, 2003

Art Unit: 3622

For: METHOD AND APPARATUS FOR THE FREE LICENSING OF DIGITAL MEDIA CONTENT

Examiner: Yehdega Retta

Mail Stop Amendment
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

AMENDMENT IN REPLY TO NON-FINAL OFFICE ACTION OF FEBRUARY 1, 2016

Dear Madam:

This reply is responsive to the Non-Final Office Action mailed on February 1, 2016 in the above-referenced matter (hereinafter "the Office Action"). Reconsideration and allowance of the application is requested in view of the amendments and remarks contained in the following pages:

A **Statement of Substance** regarding the applicant initiated interview begins on page 2 of this paper.

A **Listing of the Claims** begins on page 3 of this paper.

Remarks begin on page 17 of this paper.

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STATEMENT OF SUBSTANCE

The interview granted by Examiner Retta with the undersigned on April 6, 2016 is appreciatively acknowledged. During the interview, the rejections under 35 U.S.C. §101 and 35 U.S.C. §103(a) were discussed. No agreement was reached with regard to the rejections or possibly allowable subject matter.

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LISTING OF CLAIMS

Please amend the claims of this application in accordance with this listing of claims.

1–211. (Canceled).

212. (Currently Amended) A method comprising:

receiving, on a client system, data comprising digital media content and digital advertising content; ~~combinable~~

sequencing the digital media content and the digital advertising content, the sequencing ~~to form at least part of a content stream~~ comprising ordering at least some of the digital media content and at least some of the digital advertising content into a user-perceptible content stream, the user-perceptible content stream comprising ~~having an initial sequence of~~ one or more initially sequenced ~~initial~~ insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content;

adaptively modifying, using pre-defined rules and in response to a user-~~generated~~ input detected by the client system, a presentation position of the digital advertising content from at least one of the one or more ~~initial~~ initially sequenced insertion points to one or more ~~alternate~~ alternatively sequenced insertion points, at least one of the one or more alternatively sequenced insertion points being ~~located at one or more~~ different than the one or more initially sequenced insertion points ~~positions~~ relative to the digital media content within the user-perceptible content stream~~, the user-generated input representing one or more navigational choices associated with presentation of the content stream~~;

causing presentation of the user-perceptible content stream at the client system after the adaptively modifying;

keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream;

disallowing a navigation choice ~~of the one or more navigational choices~~ that ~~alter~~ alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

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storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented;

wherein the receiving, the sequencing, the adaptively modifying, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors.

213. (Canceled)

214. (Currently Amended) A method as in claim ~~213~~ 212, wherein the causing ~~presenting the at least the part of~~ presentation of the user-perceptible content stream on the client system comprises causing display of ~~displaying~~ the user-perceptible content stream by way of a graphical user interface.

215. (Currently Amended) A method as in claim ~~213~~ 212, wherein the receiving of the user-~~generated~~ input ~~is received~~ and the adaptively modifying occur ~~presentation position is adaptively modified~~ during the causing of the presentation of the ~~at least the part of the~~ user-perceptible content stream on the client system.

216. (Currently Amended) A method as in claim ~~213~~ 212, wherein the receiving of the user-~~generated~~ input ~~is received~~ and the adaptively modifying occur ~~presentation position is adaptively modified~~ prior to the causing of the presentation of the ~~at least the part of the~~ user-perceptible content stream on the client system.

217. (Currently Amended) A method as in claim ~~213~~ 212, wherein the receiving of the user-~~generated~~ input ~~is received~~ and the adaptively modifying of the presentation position occur ~~is adaptively modified~~ subsequent to the causing of the presentation of the ~~at least the part of the~~ user-perceptible content stream on the client system.

218. (Currently Amended) A method as in claim 212, wherein the sequencing and the adaptively modifying are performed by the client system, ~~one or more initial insertion points are specified using~~ which comprises a programmable processor of the ~~pre-defined rules~~ one or more programmable processors.

219. (Currently Amended) A method as in claim 212, wherein the pre-defined rules specify the one or more initially sequenced ~~initial~~ insertion points ~~are specified, at the client system, using the pre-defined rules~~.

220. (Currently Amended) A method as in claim ~~219~~ 212, wherein the pre-defined rules specify the one or more ~~alternate~~ alternatively sequenced insertion points ~~are specified, at the client system, using the pre-defined rules~~.

221. (Currently Amended) A method as in claim ~~219~~ 212, wherein the sequencing and the adaptively modifying are performed by ~~one or more alternate insertion points are specified, at a~~ at least one remote system~~, using the pre-defined rules~~ differing from the client system, the at least one remote system comprising a processor of the one or more programmable processors.

222. (Currently Amended) A method as in claim 212, wherein the sequencing is performed by the client system, which comprises a first processor of the one or more programmable processors, and the adaptively modifying is performed by at least one ~~or more initial insertion points are specified, at a~~ remote system, ~~using the pre-defined rules~~ which comprises a second processor of the one or more programmable processors.

223. (Currently Amended) A method as in claim ~~222~~ 212, wherein the adaptively modifying is performed by the client system, which comprises a first processor of the one or more programmable processors, and the sequencing is performed by at least one ~~or more alternate insertion points are specified, at the~~ remote system, ~~using the pre-defined rules~~ which comprises a second processor of the one or more programmable processors.

224. (Canceled)

225. (Previously Presented) A method as in claim 212, wherein the digital media content comprises at least one media file.

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226. (Previously Presented) A method as in claim 212, wherein the digital advertising content comprises at least one advertisement file.

227. (Previously Presented) A method as in claim 226, further comprising: generating a sequence by sub-dividing a media file into two or more segments, and wherein at least a part of the at least one of the advertising file is presented between two of the segments.

228. (Currently Amended) A method as in claim 225, wherein the user~~-generated~~ input ~~associated with presentation of the content stream~~ results in a change of a sequence of two or more media files by subtracting an existing media file, or by re-arranging the sequence of media files or results in a change of sequence by adding a new media file.

229. (Currently Amended) A method as in claim 212, wherein the user~~-generated~~ input comprises ~~associated with presentation of the content stream results in the~~ one or more navigational choices for the content stream.

230. (Previously Presented) A method as in claim 229, wherein the one or more navigational choices are selected from a group consisting of: play, stop, pause/continue, reverse, rewind, fast-forward, slow-motion, track advance, frame-by-frame advance, go direct to point or page in sequence, advance chapter, page turn, change track, change media selection, shuttle knob, and one or more sound controls.

231. (Currently Amended) A method as in claim 212, wherein the data is received by the client system from [[a]] at least one remote system.

232. (Currently Amended) A method as in claim 212, wherein the receiving of the data comprises ~~is received by~~ accessing a local data source.

233. (Currently Amended) A method as in claim 212, further comprising: rotating new advertising content into the user-perceptible content stream in response to the user~~-generated~~ input.

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234. (Currently Amended) A method as in claim 212, further comprising: sending, by a remote system to the client system, additional advertising content during ~~presenting~~ presentation of at least the part of the user-perceptible content stream.

235. (Previously Presented) A method as in claim 212, wherein the pre-defined rules position the advertising content so as to uphold an average content play time.

236. (Previously Presented) A method as in claim 212, wherein the sequencing comprises positioning, according to the pre-defined rules, ~~position~~ the ~~advertisement~~ digital advertising content based on an amount of media content played during presentation of the content stream.

237. (Previously Presented) A method as in claim 212, wherein the adaptively modifying uses two or more of the pre-defined rules for determining the corresponding presentation position of at least a part of the digital advertising content.

238. (Currently Amended) A method comprising:

transmitting, by [[a]] at least one remote system to a client system, data comprising digital media content and digital advertising content; ~~combinable~~

sequencing the digital media content and the digital advertising content, the sequencing ~~to form at least part of a content stream~~ comprising ordering at least some of the digital media content and at least some of the digital advertising content into a user-perceptible content stream, the user-perceptible content stream comprising ~~having~~ one or more initially sequenced ~~initial~~ insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content;

adaptively modifying, ~~by the remote system,~~ using pre-defined rules and in response to a user-~~generated~~ input detected by the client system, a presentation position of the digital advertising content from at least one of the one or more ~~initial~~ initially sequenced insertion points to one or more ~~alternate~~ alternatively sequenced insertion points, at least one of the one or more alternatively sequenced insertion points being ~~located at one or more~~ different than the one or more initially

sequenced insertion points ~~positions~~ relative to the digital media content within the user-perceptible content stream~~, the user-generated input representing one or more navigational choices associated with presentation of the content stream~~;

causing presentation of the user-perceptible content stream at the client system after the adaptively modifying;

keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream;

disallowing a navigation choice ~~of the one or more navigational choices~~ that alters ~~alter~~ a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented;

wherein the transmitting, the sequencing, the adaptively modifying, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors.

239. (Previously Presented) A method as in claim 212, wherein the first memory and the second memory are part of the client system.

240. (Currently Amended) A method as in claim 212, wherein the first memory is part of the client system and the second memory is part of at least one [[a]] remote system.

241. (Currently Amended) A method as in claim 212, wherein the first memory is part of [[a]] at least one remote system and the second memory is part of the client system.

242. (Currently Amended) A method as in claim 212, wherein the first memory and the second memory are part of [[a]] at least one remote system.

243. (New) A method comprising:

receiving, on a client system, data comprising digital media content and digital advertising content;

sequencing the digital media content, the sequencing comprising ordering the digital media content into a user-perceptible content stream comprising a media section that comprises at least some of the digital media content, the user perceptible content stream further comprising an advertising block within which at least some of the digital advertising content is scheduled to be presented, the advertising block being arranged within the user-perceptible content stream at an initially defined insertion position relative to the media section;

adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the client machine, the modified user-perceptible content stream comprising an alternate insertion position of the advertising block relative to the media section, the alternate insertion position differing from the initially defined insertion position and not having digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing, the adaptively re-sequencing comprising determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content;

causing presentation of the modified user-perceptible content stream at the client system;

keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the modified user-perceptible content stream;

disallowing a navigation choice that alters a course of playback of the modified user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented;

wherein the receiving, the sequencing, the adaptively re-sequencing, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors.

244. (New) A method as in claim 243, further comprising detecting the user input at the client system.

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245. (New) A method as in claim 244, wherein the detecting comprises a user interacting with playback controls of player and/or viewer software.

246. (New) A method as in claim 243, wherein the user input comprises an arbitrary direction of playback within the user-perceptible content stream.

247. (New) A method as in claim 246, wherein the arbitrary direction of playback comprises skipping the media section and/or one or more other media sections that comprise at least some of the digital media content.

248. (New) A method as in claim 243, wherein the user input comprises a reordering of the media section and/or one or more other media sections that comprise at least some of the digital media content within the user-perceptible content stream.

249. (New) A method as in claim 243, wherein the user input comprises the repositioning of the media section relative to one or more media sections within the user-perceptible content stream.

250. (New) A method as in claim 243, wherein the one or more pre-defined placement rules comprise track-count based and/or elapsed time-based logic, and wherein the adaptively re-sequencing comprises determining when to re-schedule the advertising block into the modified user-perceptible content stream, the determining comprising applying the track-count based and/or elapsed time-based logic.

251. (New) A method as in claim 243, wherein the first memory and the second memory are part of the client system.

252. (New) A method as in claim 243, wherein the first memory is part of the client system and the second memory is part of at least one remote system.

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253. (New) A method as in claim 243, wherein the first memory is part of at least one remote system and the second memory is part of the client system.

254. (New) A method as in claim 243, wherein the first memory and the second memory are part of at least one remote system.

255. (New) A method as in claim 243, wherein the adaptively re-sequencing comprises use of a plurality of the one or more pre-defined placement rules for determining the alternate insertion position for the advertising block.

256. (New) A method as in claim 243, further comprising: rotating new advertising content into the user-perceptible content stream in response to the user input.

257. (New) A method as in claim 243, wherein the causing presentation of the modified user-perceptible content stream on the client system comprises causing display of the modified user-perceptible content stream by way of a graphical user interface.

258. (New) A method as in claim 243, further comprising: causing a first presentation of the user-perceptible content stream on the client system, and wherein the receiving of the user input and the adaptively re-sequencing occur during the first presentation of the user-perceptible content stream on the client system.

259. (New) A method as in claim 243, further comprising: causing a first presentation of the user-perceptible content stream on the client system, and wherein the receiving of the user input and the adaptively re-sequencing occur prior to the first presentation of the user-perceptible content stream on the client system.

260. (New) A method as in claim 243 further comprising: causing a first presentation of the user-perceptible content stream on the client system, and wherein the receiving of the user input and the adaptively re-sequencing occur subsequent to the first presentation of the user-perceptible content stream on the client system.

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261. (New) A method as in claim 243, wherein the pre-defined placement rules specify the initially defined insertion position.

262. (New) A method as in claim 243, wherein the pre-defined placement rules specify the alternate insertion position.

263. (New) A method as in claim 243, wherein the sequencing and the adaptively re-sequencing are performed by the client system, which comprises a programmable processor of the one or more programmable processors.

264. (New) A method as in claim 243, wherein the sequencing and the adaptively modifying are performed by at least one remote system differing from the client system, the at least one remote system comprising a first processor of the one or more programmable processors.

265. (New) A method as in claim 243, wherein the sequencing is performed by the client system, which comprises a first processor of the one or more programmable processors, and the adaptively re-sequencing is performed by at least one remote system, which comprises a second processor of the one or more programmable processors.

266. (New) A method as in claim 243, wherein the adaptively re-sequencing is performed by the client system, which comprises a first processor of the one or more programmable processors, and the sequencing is performed by at least one remote system, which comprises a second processor of the one or more programmable processors.

267. (New) A method comprising:

transmitting, by at least one remote system to a client system, data comprising digital media content and digital advertising content;

sequencing the digital media content, the sequencing comprising ordering the digital media content into a user-perceptible content stream comprising a media section that comprises at least some of the digital media content, the user perceptible content stream further comprising an advertising block within which at least some of the digital advertising content is scheduled to be

presented, the advertising block being arranged within the user-perceptible content stream at an initially defined insertion position relative to the media section;

adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the client machine, the modified user-perceptible content stream comprising an alternate insertion position of the advertising block relative to the media section, the alternate insertion position differing from the initially defined insertion position and not having digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing, the adaptively re-sequencing comprising determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content;

causing presentation of the modified user-perceptible content stream at the client system;

keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the modified user-perceptible content stream;

disallowing a navigation choice that alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented;

wherein the transmitting, the sequencing, the adaptively re-sequencing, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors.

268. A system comprising:

means for causing data comprising digital media content and digital advertising content to be available on a client system;

means for sequencing the digital media content, the sequencing comprising ordering the digital media content into a user-perceptible content stream comprising a media section that comprises at least some of the digital media content, the user perceptible content stream further comprising an advertising block within which at least some of the digital advertising content is

scheduled to be presented, the advertising block being arranged within the user-perceptible content stream at an initially defined insertion position relative to the media section;

means for adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the client machine, the modified user-perceptible content stream comprising an alternate insertion position of the advertising block relative to the media section, the alternate insertion position differing from the initially defined insertion position and not having digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing, the adaptively re-sequencing comprising determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content;

means for causing presentation of the modified user-perceptible content stream at the client system;

means for keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the modified user-perceptible content stream;

means for disallowing a navigation choice that alters a course of playback of the modified user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

means for storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented.

269. (New) A system as in claim 268, wherein the means for causing the data comprising the digital media content and the digital advertising content to be available on the client system comprise means for receiving the data on the client system.

270. (New) A system as in claim 268, wherein the means for causing the data comprising the digital media content and the digital advertising content to be available on the client system comprise means for transmitting the data to the client system from at least one remote system.

271. (New) A system comprising:

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means for causing data comprising digital media content and digital advertising content to be available on a client system;

means for sequencing the digital media content and the digital advertising content, the sequencing comprising ordering at least some of the digital media content and at least some of the digital advertising content into a user-perceptible content stream, the user-perceptible content stream comprising one or more initially sequenced insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content;

means for adaptively modifying, using pre-defined rules and in response to a user input detected by the client system, a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream;

means for causing presentation of the user-perceptible content stream at the client system after the adaptively modifying;

means for keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream;

means for disallowing a navigation choice that alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

means for storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented.

272. (New) A system as in claim 271, wherein the means for causing the data comprising the digital media content and the digital advertising content to be available on the client system comprise means for receiving the data on the client system.

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273. (New) A system as in claim 271, wherein the means for causing the data comprising the digital media content and the digital advertising content to be available on the client system comprise means for transmitting the data to the client system from at least one remote system.

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REMARKS

After entering the above amendments, claims 212, 214-223, and 225-273 will be pending. Reconsideration and allowance of the current application are requested in light of the above-marked amendments and the foregoing remarks.

Summary of Rejections. The Office has rejected claims 212-242 under 35 U.S.C. §101 as allegedly being drawn to non-statutory subject matter; and claims 212-238 under 35 U.S.C. §103(a) as allegedly being unpatentably obvious over Knepper et al., Patent Application Publication No. 2001/0042249 ("Knepper") in view of Hannah et al., U.S. Patent No. 7,761,327 ("Hannah") and further in view of Wang, Patent Application Publication No. 2002/0191950 ("Wang").

Summary of Amendments. With this amendment, independent claims 212 and 238 are amended in addition to dependent claims 214-223, 228-229, 231-234, 236, and 240-242. New claims 243-273, including new independent claims 243, 267, 268 and 271 are added. Claims 213 and 224 are canceled. The amendments and new claims are fully supported by the original specification. No new matter has been added with this amendment.

Request for Interview. The amendments and arguments presented herein are believed to be sufficient to overcome the pending rejections. However, if the contents of this paper are not deemed sufficient to further prosecution in this matter, or if any issues arise that can be most efficiently handled by telephone, the Examiner is respectfully requested to contact the undersigned by either phone or e-mail to schedule an interview at a mutually convenient time.

Rejections under 35 U.S.C §101

Claims 212-242 stand rejected under 35 U.S.C. §101, because the Office alleges that the claims are drawn to subject matter that is not eligible for patenting. These rejections are respectfully traversed.

As first established by the Supreme Court in *Mayo Collaborative Services v. Prometheus Laboratories* ("*Mayo*"), fully adopted as applicable for all analyses of subject matter eligibility for patenting in the Supreme Court's subsequent decision in *Alice v. CLS Bank* ("*Alice*"), clarified in several decisions by the Court of Appeals for the Federal Circuit ("the Federal Circuit"), and

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further explained in a series of "Updates" to examiners and most recently in the USPTO May 2016 Updated Guidance on Subject Matter Eligibility ("the May 2016 Update"), the proper inquiry (referred to herein as the "*Mayo/Alice* inquiry") into subject matter eligibility requires that the examiner first determine at Step 1 whether a claim is directed to one of the statutory classes of eligible subject matter (e.g. a process, machine, a composition of matter, a manufacture, etc.). Assuming this test is met, the *Mayo/Alice* inquiry proceeds with a determination of whether the claim is directed to a judicial exception (e.g. a law of nature, a natural phenomenon, or an abstract idea) at Step 2A. Claims identified as being directed to an judicial exception are nonetheless patent eligible if the claim is determined to include "significantly more" than the judicial exception at Step 2B of the *Mayo/Alice* inquiry.

Step 2A of the *Mayo/Alice* Inquiry

In Step 2A of the required analysis, the Office Action alleges that the claimed invention in each of claims 212-242 as previously presented is directed to non-statutory subject matter, specifically to an abstract idea, and further alleges that none of the claims include the necessary "significantly more" to render them patent eligible despite being directed to the alleged abstract idea. However, the statement of rejection fails to establish a proper *prima facie* basis for the ineligibility of the claims as previously presented for at least the reasons noted below. Furthermore, the claims have been amended as shown above in an effort to further prosecution. New claims 243-273 have also been added as noted and shown above. While the new claims do not have the same scope as the amended existing claims, they are directed to similar ideas and inventive concepts as claims 212 and 238 and the claims depending therefrom.

The examiner is respectfully requested to consider the above-shown amendments and new claims as well as the following arguments carefully and judiciously in light of the very lengthy prosecution history of this matter and also in view of the recent decisions by the Federal Circuit regarding patent eligibility (e.g. *Enfish v. Microsoft Corp.* and *Bascom v. AT&T Mobility LLC*) as well as the May 2016 Update.

The May 2016 Update is quite clear that a well formulated rejection under 35 U.S.C. §101 for alleged lack of subject matter eligibility should, in Step 2A of the *Mayo/Alice* inquiry, cite to "an appropriate court decision that supports the identification of the subject matter identified in the

claim as an abstract idea" and that "Examiners should not go beyond those concepts that are similar to what the courts have identified as abstract ideas." (see, e.g., the bottom of page 2 to the top of page 3 of the May 2016 Update.

In the Office Action, the rejections under §101 are asserted as follows: "the claims are directed [sic] use disallowing [sic] user from skipping presentation of an advertising content including the steps of receiving media content and also advertisement content…modifying (changing) presentation position of the advertising, … keeping track of whether the presentation of a content is in progress …, storing presentation data … which are methods of organizing human activity, thus abstract idea."

In attempting to comply with Step 2A of the *Mayo/Alice* inquiry, the statement of rejection appearing on claim 2 of the Office Action makes the following assertions, which are respectfully submitted to be insufficient to establish similarities between the claimed subject matter and that which has previously be found to be abstract: "[t]he courts have found that using categories to organize store information for transmission (*Cyberfone*) or comparing new and stored information and using rules to identify options (*Smartgene*), organizing information through mathematical correlations, mathematical formulas, and a mathematical procedure for converting one form of numerical expression to another are all examples of judicial exceptions." While this statement correctly presents a high level synopsis of the Federal Circuit decisions in *Cyberfone Systems, LLC v. CNN Interactive Group, Inc.* (*Cyberfone*) and *SmartGene, Inc. v. Advanced Biological Laboratories, SA* (*Smartgene*), the assertion that the subject matter of either of independent claims 212 or 238 as previously presented is directed to an abstract idea based on a purported similarity to the claims in these cases reflects an insufficient level of analysis.

As an aside, it is interesting that the Office Action does not assert any similarity between the claimed subject matter and that of the claims at issue in *Ultramercial v. Hulu*, but instead alleges that the claims recite an abstract idea similar to those presented in *Cyberfone* or *Smartgene*. Unlike the cited cases, which (as discussed in more detail below) respectively relate to distribution of data received over a telephone line and selecting a treatment regimen for a patient with a known disease, the patent at issue in *Ultramercial* involved the concept of offering a media product in association with a sponsor message that a consumer of the media product would need to view in order to experience the media product. While the topic of the patent in *Ultramercial* is related to

the technical problem addressed by the subject matter of the current claims, the finding of unpatentable subject matter in *Ultramercial* should not be found to apply to the instantly claimed subject matter at least because the current claims are not truly "directed to an abstract idea" as alleged in the Office Action.

In *Ultramercial*, a Federal Circuit panel ruling affirmed (after the Supreme Court's ruling in *Alice*) a District Court decision that the claims of U.S. Patent No. 7,346,545 ("the '545 Patent") were not directed to patent eligible subject matter. Claim 1 of the '545 Patent was deemed to be representative. It reads as follows:

> 1. A method for distribution of products over the Internet via a facilitator, said method comprising the steps of:
>
> a first step of receiving, from a content provider, media products that are covered by intellectual property rights protection and are available for purchase, wherein each said media product being comprised of at least one of text data, music data, and video data;
>
> a second step of selecting a sponsor message to be associated with the media product, said sponsor message being selected from a plurality of sponsor messages, said second step including accessing an activity log to verify that the total number of times which the sponsor message has been previously presented is less than the number of transaction cycles contracted by the sponsor of the sponsor message;
>
> a third step of providing the media product for sale at an Internet website;
>
> a fourth step of restricting general public access to said media product;
>
> a fifth step of offering to a consumer access to the media product without charge to the consumer on the precondition that the consumer views the sponsor message;
>
> a sixth step of receiving from the consumer a request to view the sponsor message, wherein the consumer submits said request in response to being offered access to the media product;
>
> a seventh step of, in response to receiving the request from the consumer, facilitating the display of a sponsor message to the consumer;
>
> an eighth step of, if the sponsor message is not an interactive message, allowing said consumer access to said media product after said step of facilitating the display of said sponsor message;
>
> a ninth step of, if the sponsor message is an interactive message, presenting at least one query to the consumer and allowing

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> said consumer access to said media product after receiving a response to said at least one query;
>
> a tenth step of recording the transaction event to the activity log, said tenth step including updating the total number of times the sponsor message has been presented; and
>
> an eleventh step of receiving payment from the sponsor of the sponsor message displayed.

In the Federal Circuit decision that held this claim to be patent ineligible, the abstract idea in the '545 Patent claims was identified at Step 2A of the *Mayo/Alice* inquiry as "showing an advertisement before delivering free content" or "a method of using advertising as an exchange or currency." At Step 2B, the Federal Circuit identified nothing in the "eleven individual steps" of the claim sufficient to transform the abstract idea into patent eligible subject matter, noting that the "majority of those steps comprise the abstract concept of offering media content in exchange for viewing an advertisement" and that "[a]dding routine additional steps such as updating an activity log, requiring a request from the consumer to view the ad, restrictions on public access, and use of the Internet does not transform an otherwise abstract idea into patent-eligible subject matter."

Even a cursory review of the claims in the current application should indicate that they are significantly more technically oriented that those of the '545 Patent in *Ultramercial*, and that use of a computer in the operations claimed is not merely "tacked on" or otherwise ancillary to any abstract idea. Specifically, while the *Ultramercial* claim reproduced above includes a sequence of steps: receiving a media product, associating the media product with a selected sponsor message, offering the media product for sale at a website, restricting general public access to the media, offering access to the media to a consumer without charge on condition that the consumer views the sponsor message, receiving a request from a consumer to view the sponsor message, facilitating display of the sponsor message, performing some check based on whether the consumer has interacted sufficiently with the sponsor message, recording the transaction event (presumably associated with the consumer viewing or otherwise interacting with the sponsor message), and receiving payment from the sponsor, none of the steps are recited with any kind of implementation details regarding how the steps are performed, nor do any of these steps include limitations that require the involvement of one or more computers performing any non-conventional or non-routine or well-known operations.

Per the Federal Circuit decisions in *Enfish* and more recently in *Rapid Litigation Management v. CellzDirect* ("*CellzDirect*"), and as explicitly stated in the two further Guidance documents issued after these decisions (issued respectively on May 19, 2016 and July 14, 2016), the Office is respectfully reminded that "claims directed to software, as opposed to hardware, also are not inherently abstract" and "the 'directed to' analysis of a process claim requires more than 'merely identify[ing] a patent-ineligible concept underlying the claim' and instead requires an analysis of whether 'the end result of the process, the essence of the whole, was a patent eligible concept.'" The analysis underlying the assertion that the current subject matter is directed to an abstract idea appears to reflect a failure to properly consider Step 2A of the *Mayo/Alice* inquiry with an appropriate level of rigor.

To the extent that the current claims are construed as being directed to "an idea," that idea should more properly relate to *enabling of user-directed re-sequencing or other modifying of a user-perceptible content stream that includes digital media content and digital advertising content at pre-defined positions, where the re-sequencing or other modifying occurs while enforcing pre-defined rules associated with the digital media content and specifying positions for placement of digital advertising content relative to the digital media content* rather than to the various expressions of the alleged abstract idea stated on page 2 of the Office Action. This "idea" to which the claims are directed is not an abstract idea consistent with other ideas that the courts have previously found to be abstract under step 2A of the *Mayo/Alice* inquiry.

The operations recited in, for example, claim 212 as presented above involve, *inter alia*, sequencing (e.g. ordering) digital media content and digital advertising content into a user-perceptible content stream that includes one or more initially sequenced insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content, and then, in response to a user input, adaptively modifying a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, where at least one of the one or more alternatively sequenced insertion points is different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream. In concert with this provided ability to allow a user to rearrange playback of the digital media content while still controlling placement of digital advertising content without requiring that the digital

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advertising content be directly tied to some part of the digital media content, the instantly claimed approach also includes a set of control functions involving retaining a setting in memory to indicate a current state of play and disallowing a navigation choice if the state of play indicates that playback of digital advertising content is in progress.

Such an idea is not sufficiently similar to those that the courts have found to be "abstract" to support an *a priori* finding at Step 2A of the *Mayo/Alice* inquiry that the instant claims are "directed to an abstract idea." For example, unlike the claims in *Ultramercial*, the instantly claimed subject matter clearly involves a necessary and integral use of computing equipment in a manner that allows control of digital content playback interspersed with digital advertising content to be handled at a client machine and that provides "a specific implementation of a solution to a problem in the software arts" similar to the claims at issue in *Enfish*. Also similar to the claims in *Enfish*, the current claims do not add "general-purpose computer components … post-hoc to a fundamental economic practice or mathematical equation." While the *Ultramercial* claim merely "recites an abstraction—an idea, having no particular concrete or tangible form," claims 212, 238, 243, 267, 268, and 271 all clearly invoke specific operations that occur as part of the claimed solution to the problem of maintaining control of digital advertising placement within digital media content while allowing a user the ability to control how the playback occurs (e.g. an order in which the digital media content is arranged, a direction of playback, etc.) and while providing flexibility such that specific locations of digital advertising content are not rigidly tied to specific digital medial content items. This problem is one that arises only in an interactive computing environment in which a user can reorder or navigate through a sequence of media content items (e.g. segments, clips, songs, etc.) and in which that user may be dissatisfied if the rearranging or navigating results in a fixed relationship between advertising and specific media items (for example because certain rearrangements or navigations may result in overly frequent presentation of advertising relative to the amount of media content consumed by the user.

Returning to the statement of the rejections presented in the Office Action, it is respectfully submitted that the Office has not sufficiently supported the allegation that the claims are directed to an abstract idea. None of the features pointed to by the statement of rejection (e.g. disallowing a user from skipping presentation of an advertising content, receiving media content and also advertisement content, modifying or changing presentation position of the advertising, keeping

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track of whether the presentation of a content is in progress, storing presentation data, etc.) have been characterized by the courts as "methods of organizing human activity." It is respectfully submitted that the Office Action fails to set out an appropriate rationale for how or why the alleged abstract idea is similar to those ideas identified by the courts as abstract. Furthermore, the assertions that the claimed subject matter is somehow similar to the abstract ideas identified in *Cyberfone* and *Smartgene* are clearly flawed.

For example, a representative claim from U.S. Patent No. 8,019,060 ("the '060 Patent"), at issue in *Cyberfone* reads as follows:

> 1. A method, comprising:
> obtaining data transaction information entered on a telephone from a single transmission from said telephone;
> forming a plurality of different exploded data transactions for the single transmission, said plurality of different exploded data transactions indicative of a single data transaction, each of said exploded data transactions having different data that is intended for a different destination that is included as part of the exploded data transactions, and each of said exploded data transactions formed based on said data transaction information from said single transmission, so that different data from the single data transmission is separated and sent to different destinations; and
> sending said different exploded data transactions over a channel to said different destinations, all based on said data transaction information entered in said single transmission.

The Office Action is correct in noting that this claim was ruled ineligible. Specifically, the District Court's decision on a motion for summary judgment that this claim was invalid under 35 U.S.C. §101 as being directed to patent ineligible subject matter was affirmed in a non-precedential decision by a Federal Circuit panel. Applying step 2A of the *Mayo/Alice* inquiry, the Federal Circuit panel in *Cyberfone* identified the abstract idea to which the claims of the '060 Patent are directed to as that of "collecting information in classified form, then separating and transmitting that information according to its classification." The Federal Circuit panel in *Cyberfone* further noted that "using categories to organize, store, and transmit information is well-established" and the "concept of categorical data storage" is well-known.

Similar to *Cyberfone*, *Smartgene* is also a non-precedential decision of a Federal Circuit panel affirming a District Court decision of patent invalidity. Claim 1 of U.S. Patent No. 6,081,786 ("the '786 patent"), which was ruled invalid by the District Court for lack of subject matter eligibility, reads as follows:

> 1. A method for guiding the selection of a therapeutic treatment regimen for a patient with a known disease or medical condition, said method comprising:
>
> (a) providing patient information to a computing device comprising:
>
> a first knowledge base comprising a plurality of different therapeutic treatment regimens for said disease or medical condition;
>
> a second knowledge base comprising a plurality of expert rules for evaluating and selecting a therapeutic treatment regimen for said disease or medical condition;
>
> a third knowledge base comprising advisory information useful for the treatment of a patient with different constituents of said different therapeutic treatment regimens;
>
> and
>
> (b) generating in said computing device a ranked listing of available therapeutic treatment regimens for said patient; and
>
> (c) generating in said computing device advisory information for one or more therapeutic treatment regimens in said ranked listing based on said patient information and said expert rules.

The Federal Circuit panel affirming the District Court decision on invalidity of this and other claims in the patent at suit in *Smartgene* characterized the steps of claim 1 of the '786 patent individually by noting that the steps of the claim amounted to nothing more than "abstract ideas that are commonly performed by medical professionals in evaluating, considering and constructing treatment options for a patient presenting a specific medical condition." For example, the Federal Circuit panel found that part a) of claim 1 involved nothing more than "the process a doctor goes through in real time when a doctor evaluates a patient by taking a medical history and obtaining information pertinent to the patient's condition and documenting the same in a medical chart" and considering "therapeutic treatment regimens for said disease or medical condition," consulting "expert rules for evaluating and selecting a therapeutic treatment regimen for said disease or medical condition," and reviewing "advisory information useful for the treatment of a patient with different constituents of said different therapeutic treatment regimens." The Federal Circuit panel

further found that part b) of claim 1 merely describes "what goes on in the mind of a doctor in evaluating and ranking possible treatment options for a patient based upon the benefits and counter-indicators of each option" while part c) of claim merely "correspond[s] to a doctor generating a treatment plan for a patient."

It is respectfully submitted that neither claims 212 and 238 nor amended claims 212 and 238 nor new independent claims 243, 267, 268, and 271 can be properly analogized to the claims at issue in either of *Cyberfone* or *Smartgene*, and the rationale stated in the Office Action for the alleged equivalence of the abstract ideas found by the Federal Circuit in these cases to the current claims is wholly inadequate to establish a *prima facie* showing that the instant claims are directed to an abstract idea. A reasoned consideration of the pending claims as currently amended should further establish that these claims cannot be properly characterized as directed to any abstract idea.

The instantly claimed software-based approach is not an abstract idea despite its ability to be used beneficially in conjunction with a scheme for enforcing an intellectual property right (e.g. copyright, etc.) of an owner of the digital media content. Rather, the subject matter of independent claims 212 and 238 relates to similar improvements in computer functioning as the claims at issue in *Enfish*. For example, the instant claims describe a new and specific approach that addresses problems and difficulties relating to control of "consumer-directed copying and redistribution of licensed material" which were present in those approaches available at the time of the invention of the claimed subject matter (e.g. in mid-2002).

As noted by the Federal Circuit panel in *Enfish*, "software patents are not inherently abstract, but can, in their own right, be directed toward improvements to computer functionality." The Office's post-*Enfish* guidance issued on May 19, 2016 also strongly cautioned against "describing a claim in a high level of abstraction untethered from the language of the claim" and noted that "an invention's ability to run on a general purpose computer does not automatically doom the claim." (see, e.g., the Memorandum on Recent Subject Matter Eligibility Decisions issued on May 19, 2016).

For at least the above-stated reasons, the instant claims cannot reasonably be construed as being directed to an abstract concept.

Accordingly, at least for the reasons noted above, the rejections under 35 U.S.C. §101 should be withdrawn because the Office has failed to make a showing that the claims are actually directed to an abstract idea. The Office is respectfully requested to confirm that the inquiry with regards to the current claims can end at Step 2A with a finding that the software-based improvements in computer-related technology recited in the instant claims are **not** directed to an abstract idea.

Step 2B of the *Mayo/Alice* Inquiry

Even assuming *arguendo,* that the claims are directed to an abstract idea, and that the abstract idea is reasonably represented by the summary of the alleged abstract idea appearing on pages 2 to 3 of the Office Action, any reasonable analysis of the limitations of the claims should reveal that their limitations amount to "significantly more" than the alleged abstract idea and are therefore sufficiently limited in scope so as to not preclude other applications of that alleged abstract idea beyond those claimed.

As explained in the May 2016 Guidance, the Office also has a clear burden with regards to step 2B of the *Mayo/Alice* analysis. Specifically, "[a]fter identifying the judicial exception," the examiner is required to "identify any additional elements (features/limitations/steps) recited in the claim beyond the judicial exception and explain why they do not add significantly more to the exception." The May 2016 Guidance further cautions that "[t]he explanation should address the additional elements both individually and as a combination when determining whether the claim as a whole recites eligible subject matter." In marked contrast to this requirement, the statement of the rejections of claims 212-242 in the instant application amounts to nothing more than a conclusory statement that "[t]he claim(s) amount[s] to 'nothing significantly more" than an instruction to apply the abstract idea of preventing of commercial skipping by using a well-known device" and are therefore "not sufficient to 'transform an abstract idea into a patent eligible invention."

As a first point the statement of the rejections does not even allege that the analysis performed included the required "taking the elements both individually and as a combination," and the statement of rejections furthermore fails to present any analysis of how such a consideration was performed. As the discussion of the claims' alleged failure to recite significantly more than

the alleged abstract idea does not even make mention of the adaptively modifying element appearing in the claims as previously presented, the implicit assertion that the proper level of effort and care was expended in considering whether the claims do in fact recite significantly more is highly suspect. Furthermore, various of the dependent claims recite additional features, which are not mentioned at all in the statement of rejection and which therefore appear to not have been considered either individually or in combination with the elements of the claims from which they depend.

For at least these reasons, even if the statement of rejection can be considered proper with regard to step 2A of the required *Mayo/Alice* analysis, the Office Action fails to make a *prima facie* showing that the claims fail to recite "significantly more" than the alleged abstract idea.

While the rejections under 35 U.S.C. §101 should be withdrawn simply due to this deficiency, the following additional arguments are presented in hopes of furthering prosecution in this matter. For example, claims 212 and 238 include ordered combinations of elements (implemented by operation of one or more processors) that include

- receiving data that includes digital media content and digital advertising content on a client system (claim 212) or transmitting such data to a client system from at least one remote system (claim 238);
- sequencing the digital media content and the digital advertising content, which includes ordering at least some of the digital media content and at least some of the digital advertising content into a user-perceptible content stream that includes one or more initially sequenced insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content;
- adaptively modifying a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points using pre-defined rules and in response to a user input detected by the client system, such that at least one of the one or more alternatively sequenced insertion points is different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream;

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- causing presentation of the user-perceptible content stream at the client system after the adaptively modifying;
- keeping a setting (which includes a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream) in a first memory to indicate a current state of play;
- disallowing a navigation choice that alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and
- storing presentation data comprising an indication of the digital advertising content that has been presented in a second memory.

Claim 271 includes similar limitations in a system (means-plus-function) claim.

While directed to subject matter of differing scope, new claims 243, 267, and 268 include an ordered combination of elements (implemented by operation of one or more processors) that include

- receiving data that includes digital media content and digital advertising content on a client system (claim 243) or transmitting such data to a client system from at least one remote system (claim 267);
- sequencing the digital media content, which includes ordering the digital media content into a user-perceptible content stream that includes a) a media section that includes at least some of the digital media content and b) an advertising block within which at least some of the digital advertising content is scheduled to be presented and which is arranged within the user-perceptible content stream at an initially defined insertion position relative to the media section;
- adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the client machine, such that the modified user-perceptible content stream includes an alternate insertion position (which differs from the initially defined insertion position and does not have digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing), and

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where the adaptively re-sequencing includes determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content;

- causing presentation of the modified user-perceptible content stream at the client system;
- keeping a setting (which includes a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the modified user-perceptible content stream) in a first memory to indicate a current state of play;
- disallowing a navigation choice that alters a course of playback of the modified user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and
- storing presentation data comprising an indication of the digital advertising content that has been presented in a second memory.

Claim 268 includes similar limitations in a system (means-plus-function) claim.

The above stated ordered combinations of elements cannot be reasonably construed as well-known, conventional, or routine. These features, whether taken alone or in combination, do not resemble claim limitations that the courts have previously found to be well-understood, routine, or conventional. Furthermore, the statement of rejection makes no such assertion. In fact, and on the contrary, the noted claim limitations more closely resemble the combination of elements present in the claims at issue in *DDR Holdings* or in *Bascom v. AT&T*. For example, no court has found that implementing sequencing and adaptively modifying (claims 212, 238, and 271) or sequencing and re-sequencing (claims 243, 267, and 268) of digital media content using software-implemented features that act in response to a user input to cause presentation of a modified user-perceptible content stream with digital advertising positioned differently relative to digital media content compared to an initial position or set of positions relative to the digital media content, or anything similar to it, should be considered to be routine, well known, or conventional.

Furthermore, in *Bascom*, the Federal Circuit has explicitly acknowledged that the mere ability of a claimed invention to be used in enhancing the execution of a commercial transaction is not dispositive of it being directed to a patent ineligible concept: "the invention in DDR's patent was engineered in the context of retaining potential customers, the invention was not claiming a business method per se, but was instead claiming a technical way to satisfy an existing problem for

website hosts and viewers" (emphasis added). Such a distinction is directly relevant to the instantly claimed subject matter, which involves a technical way to solve the existing (at the time of the current invention) problem of providing internet-supplied media content with advertising in a manner that allows for arbitrary user-controlled navigation/re-ordering of the content.

The "significantly more" test (e.g. Step 2B of the *Mayo/Alice* inquiry) as applied to the currently pending claims can be further informed by a quick review of claim 1 of U.S. Patent No. 5,987,606 ("the '606 Patent) at issue in *Bascom*:

> 1. A content filtering system for filtering content retrieved from an Internet computer network by individual controlled access network accounts, said filtering system comprising:
>
> a local client computer generating network access requests for said individual controlled access network accounts; at least one filtering scheme;
>
> a plurality of sets of logical filtering elements; and
>
> a remote ISP server coupled to said client computer and said Internet computer network, said ISP server associating each said network account to at least one filtering scheme and at least one set of filtering elements, said ISP server further receiving said network access requests from said client computer and executing said associated filtering scheme utilizing said associated set of logical filtering elements.

It is notable that this claim does not actually include any elements that are "new" when considered independently. The inventive concept as identified by the Federal Circuit was "a special ISP server that receives requests for Internet content, which the ISP server then associates with a particular user and a particular filtering scheme and elements." The inventive concept of the currently claimed subject matter could reasonably be characterized as enabling the modification of a user-perceptible content stream that includes assigned positions for digital advertising content via user input in a manner that maintains control of positioning for the digital advertising content without requiring that the digital advertising content stays in fixed positions relative to the digital media content. This inventive concept is similar to that of the '606 Patent as characterized by the Federal Circuit.

The Federal Circuit in *Bascom* further noted that "although the invention in the '606 patent is engineered in the context of filtering content, the invention is not claiming the idea of filtering content simply applied to the Internet." Instead the claims relate to "a technology-based solution

(not an abstract-idea-based solution implemented with generic technical components in a conventional way) to filter content on the Internet that overcomes existing problems with other Internet filtering systems." Similarly, while the claims of the current application can be considered as having been engineered in the context of delivery of digital media content with associated digital advertising content over computer networks, they do not claim merely that idea but instead involve a technology-based solution to allow user control of an ordering (or other navigation or related playback functions) of digital media content while also controlling presentation of digital advertising content in association with the digital media content. Such an approach overcomes numerous existing problems with other media delivery technologies that were available as of the time of the current invention.

Additionally, as discussed below, the claimed combination of elements in claim 212 and 238 are not obvious in light of any prior art. And as the Office Action does not even allege that the claimed subject matter lacks novelty, the claims taken as a whole were neither known nor obvious to one of ordinary skill in the art at the time of the current invention, let alone well-known, conventional, or routine.

For at least these reasons, withdrawal of the pending rejections under 35 U.S.C. §101 is respectfully requested

Rejections under 35 U.S.C. §103

Claims 212-238 stand rejected under 35 U.S.C. §103(a) as allegedly being unpatentably obvious over Knepper in view of Hannah and further in view of Wang. Withdrawal of these rejections is respectfully requested in light of the amendments shown above and the remarks below.

Establishment of a proper *prima facie* basis upon which to reject claimed subject matter as unpatentably obvious requires the Office to consider the *Graham* factual inquiries, which include a) determining the scope and content of the prior art, b) ascertaining the differences between the claimed invention and the prior art, and c) resolving the level of ordinary skill in the pertinent art.[1] The analysis cannot stop there, however. Rather, "this analysis should be made explicit," and

[1] *Graham v. John Deere Co.*, 383 U.S. 1 (1966).

"[r]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness").[2] The Office must therefore present a clear and explicit rationale supporting the assertion that all of the claimed elements were known in the prior art and that one skilled in the art could have combined the elements as claimed by known methods with no change in their respective functions, to produce a combination yielding nothing more than predictable results to one of ordinary skill in the art.[3] Additionally, "a prior art reference must be considered in its entirety, i.e., as a whole, including portions that would lead away from the claimed invention.[4]

The approaches described in Knepper generally relate to improvements that address challenges inherent in delivery and playback of video and/or audio media files on a client-side computer (see, e.g. ¶[0007] of Knepper). Using the approach of Knepper, media files (which can include both entertainment media files and advertisement media files) are downloaded from a server to a client, and pre-cached at the client side. An instruction set (which includes tags that act as specific instructions to the client) is also downloaded from the server to the client. The tags of the instruction set direct the client as to how to arrange the pre-cached entertainment and advertisement media files such that the media files are thus assembled to form a clip immediately preceding playback, or in real-time. The formed clip has the appearance of being a single media file.

Claim 212 is amended with this paper to include additional details regarding how the adaptively modifying occurs. Specifically, and in direct contrast to the descriptions in Knepper, the "adaptively modifying" of "a presentation position of the digital advertising content" element of claim 212 involves using pre-defined rules and occurs in response to a user input detected by the client system. The presentation position of the digital advertising content is adaptively modified "from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points" and "at least one of the one or more alternatively

[2] *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398 at 419, quoting with approval *In re Kahn,* 441 F.3d 977, 988 (C.A. Fed. 2006): "
[3] See *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398 at 416.
[4] MPEP §2141.02 quoting *W.L. Gore & Associates, Inc. v. Garlock, Inc.*, 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 851 (1984).

sequenced insertion points [is] different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream." In other words, after creating a user-perceptible content stream a user input causes a modification to the user-perceptible content stream such that digital advertising content in the user-perceptible content stream after the adaptively modifying is arranged at different/alternate insertion positions relative to the digital media content. Claim 238 is directed to subject matter of different scope than claim 212, but includes similar limitations to those discussed above. Claims 243, 267, 268, and 271 likewise differ in overall scope. However, these claims include the feature of "adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the client machine" where the modified user-perceptible content stream includes an alternate insertion position of the advertising block relative to the media section, and where the alternate insertion position differs from the initially defined insertion position and does not have digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing. The adaptively re-sequencing further includes determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content.

In contrast, Knepper makes clear that the insertion positions for advertising are defined by pages. For example, Knepper at [0052] describes a digital magazine having ads at fixed positions in relation to the content. A user can traverse the magazine, for example by "paging forward", but will always be presented with advertisements at fixed pre-determined locations relative to the specific content assigned to a given page.

The Office Action refers to Knepper at [0042]-[0046], which describes the concept of "paging forward 317" in reference to the "magazine" concept discussed in reference to FIG. 4 (reproduced below for reference). As described by Knepper, the magazine includes a series of pages 307, each of which includes a graphic panel 309 that displays a static image and a clip panel 311 that displays a moving picture. The clip panels 311 can be "show video clips" or "ad video clips," and playback of the clip panels 311 on the single page 307 is handled such that they appear together to be "a single, continuous clip" (see, e.g. ¶[0038] of Knepper). A user can page forward to another page (e.g. to page 2 319 or page 3 321) in the magazine, and the "single, continuous

clip" defined by the instruction for the page to which the user has paged forward can then be played.

With Knepper, and with particular reference to paragraphs [0052], [0059], [0063], and [0084], entertainment files can have associated advertisement files (i.e., the same advertisement is always played with the same entertainment file) or they can have unassociated advertisement files (i.e., an advertisement file is always played with the entertainment file – but it can be one of several advertisement files). What is not changeable in Knepper, however, are the actual insertion locations at which advertising is presented relative to the content on any given page. Thus, a user of the approach described in Knepper may choose to navigate between pages 307 as discussed above. However, as shown in Knepper's FIG. 4 (reproduced below for reference) on any given page 307, there is a fixed "show video clip" 311 and an "ad video clip" 311. While Knepper describes that the advertising presented in the "ad video clip" positions can optionally be rotated, any given ad video clip spot on a page is always associated with the show video clip 311 assigned to that page. Thus, if a user moves to another page, the placement of advertising (e.g. the insertion point for an advertising block) is always fixed relative to the specific show video clip 311 on that page.

As discussed in ¶[0041] of Knepper and not contravened or otherwise described differently elsewhere in Knepper, "[t]he entertainment media files include indications within the files, or possibly in an external file, pointing to where, if at all, the entertainment media files may have advertisement media files inserted therein." In other words, the approach of Knepper requires defining of fixed, specific locations into which ad video clips are inserted into or before or after specific show video clips. This requirement is made explicit in ¶[0041]: "[t]he server also sends a text file containing a set of instructions indicating which advertisement media files from among the pre-cached advertisement media files to insert into the entertainment media file at run time, how many advertisement media files to insert, and where to insert them." (Emphasis added). While the specific advertisement media files to be played at one of the defined insertion points need not be specified exactly (e.g., "the instruction file can allow the client application to make its own random or pseudo-random selection, subject to any positive and negative associations, for playing back with the entertainment media file" as discussed in ¶[0041]), the location of insertion points

("where to insert them") are explicitly and rigidly defined relative to specific show video clips. See, e.g., Knepper at ¶[0046] and/or at ¶[0055]:

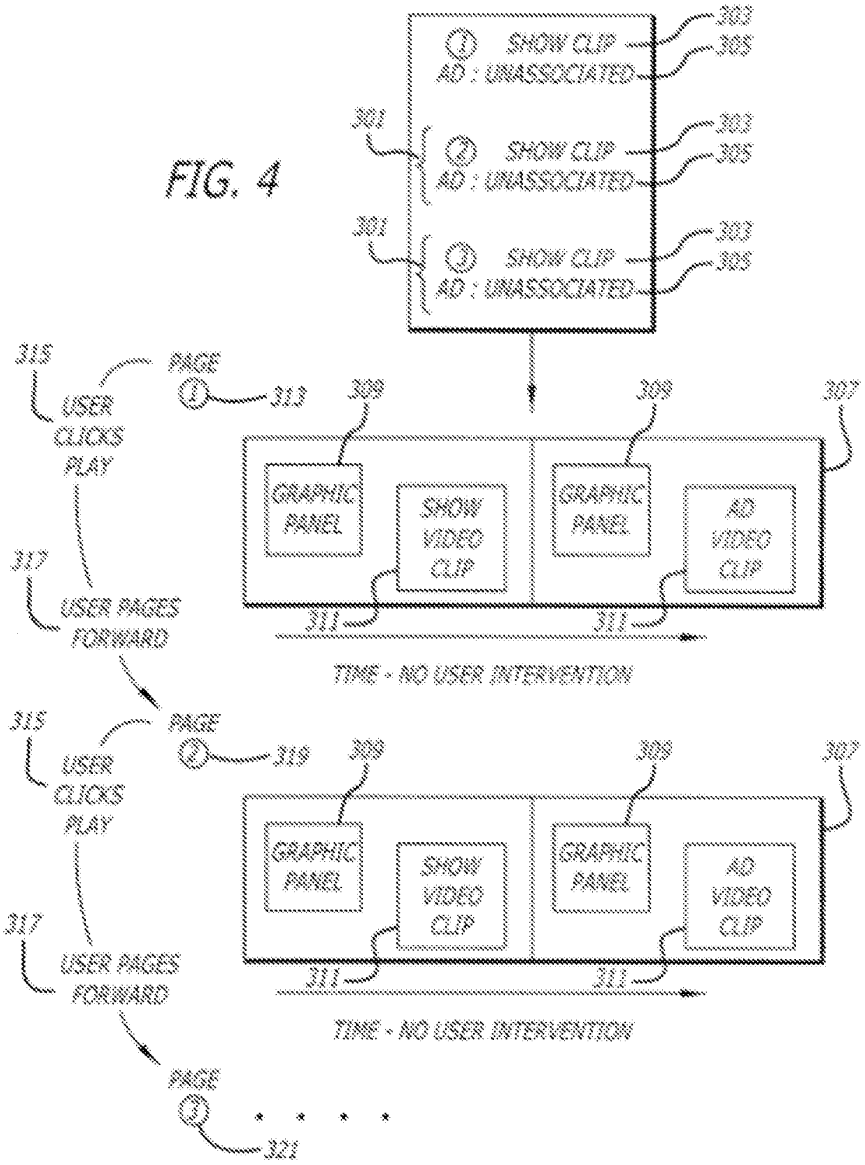
> The sequence of events relating to the arrangement of the various files prior to playback is particular and is dictated by the instruction set or text file. The text file lists the order of the show clips and contains the instruction sets surrounding each of the show clips. Knepper, ¶[0046]
>
> ***
>
> All of the information between the <ClipTag> tags defines a single page within a magazine. The information between <ADInsert> tags defines an advertisement. The placement of the <ADInsert> tags within the ClipTag section dictates the sequence of advertisement and entertainment media files. Knepper, ¶[0055]

In other words, a user of the Knepper-described approach may navigate (e.g. sequentially forward or backward in the same structured sequence, but not altering the construction of content and advertising sequence) between pages in the magazine such that the media player will play a different show video clip (i.e. the show video clip on the new page) than one being currently viewed (i.e. the show video clip on the current page). One or more advertisement video clips are played as defined for the page that is being viewed. Because the instruction set strictly defines the page to which a show video clip is assigned and when during playback the one or more advertisement video clips are played in relation to the show video clip (which specific associated relationships or locations are defined by the instruction set), and while different advertisement video clips can be played in a rotation within these specific associated relationships or locations, the specific associated relationships or locations are not changeable in response to user navigation commands. (Emphasis added).

In contrast, the subject matter of the instant claims causes an alternate insertion position/one or more alternatively sequenced insertion points for digital advertising content in the adaptively re-sequenced/adaptively modified user-perceptible content stream to be different than those in the user-perceptible content stream before the adaptively re-sequencing/adaptively modifying such that an insertion position for digital advertising content relative to a media section of the digital media content change from the user-perceptible content stream to the modified user-

perceptible content stream/the user-perceptible content stream post adaptively modifying. This changing of the insertion position/insertion points of digital advertising content occurs explicitly as a result of user interaction, which is directly and unequivocally contrary to the approach described in Knepper (see, e.g., Knepper Fig 4, which repeatedly states "no user intervention" with the combination of content and advertising).

FIG. 4



As such, the current subject matter does not merely differ from Knepper in a manner that can be remedied by addition of a secondary reference. Instead, modifying Knepper as asserted in the Office Action would require an impermissible change in the manner in which Knepper's approach is described to operate, for example by adding an entire re-sequencing mechanism which does not exist in Knepper and would contravene the explicit barring of changing of the locations of advertising placements relative to "show clips," which is specifically ruled out by Fig 4 above. There is simply no way that one of ordinary skill in the art would consider the proffered combination of Knepper, Wang, and Hannah to be possible without requiring a clear change in the functioning of Knepper's approach. This combination therefore cannot properly support a *prima facie* case of obviousness of either of claims 212 or 238 (or any claims depending therefrom).

Furthermore, as noted in MPEP §2143.01, if a proposed modification or combination of the prior art would change the principle of operation of the prior art invention being modified, then the teachings of the references are not sufficient to render the claims prima facie obvious. *In re Ratti*, 270 F.2d 810, 123 USPQ 349 (CCPA 1959). The Office must therefore present a clear rationale supporting the assertion that all of the claimed elements were known in the prior art and that one skilled in the art could have combined the elements as claimed by known methods with no change in their respective functions, to produce a combination yielding nothing more than predictable results to one of ordinary skill in the art. *KSR*, 82 USPQ2d at 1395. MPEP §2141.02 further notes that "a prior art reference must be considered in its entirety, i.e., as a whole, including portions that would lead away from the claimed invention. *W.L. Gore & Associates, Inc. v. Garlock, Inc.*, 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 851 (1984). In the instant claims as they relate to Knepper, Knepper's clear and explicit exclusion of the ability of a user to interact and thereby change the relationship of advertising placement relative to a show on a page is a deficiency that cannot be remedied by examiner argument or even by addition of another reference. Rather, it should be grounds for disqualifying Knepper as relevant prior art usable in any combination capable of supporting a finding of *prima facie* obviousness. This issue alone should be sufficient to require withdrawal of the currently pending rejections.

However, even if the Office were to assert that Knepper can properly be taken in combination with other references, none of the prior art of record in this matter describes or suggests the current approach whether taken individually or in combination. For example, Wang

and Hannah are cited merely as allegedly rendering unpatentably obvious the features relating to prevention of skipping of advertising. Neither reference addresses the clear deficiency in Knepper with regard to the currently pending claims.

For at least these reasons, withdrawal of the pending rejections of claims 212 and 238 under 35 U.S.C. §103(a) is respectfully requested. New independent claims 243, 267, 268, and 271 are believed to also be allowable as are all claims depending from any independent claim in the current paper at least because of dependency from an allowable base claim. Further with regard to certain dependent claims, the Office continues to ignore specific features which are not present in Knepper, which applicant has previously pointed out, and which the grounds for rejection stated in the Office Action still do not adequately address in a manner sufficient to produce a *prima facie* basis for the alleged obviousness of these claims.

For example, with regard to claim 227, Knepper is silent as to sub-division of a media file into segments as part of generating a first sequence as recited. The cited paragraphs, including paragraph [0038]-[0040] do not state that an entertainment media file is sub- divided in any fashion as taught by the current claims. Stated differently, Knepper can provide individual segments that together comprise a show, but Knepper does not segment / divide or otherwise split a single file physically, heuristically, or otherwise for purposes of ad insertion based on user interaction with media content. None of the other references are alleged to cure this deficiency. As such, the rejection under 35 U.S.C. § 103 of claim 227 should be withdrawn even if the rejection of claim 212 is maintained.

Claim 236 stands rejected based on paragraphs in Knepper that are not pertinent to the claimed subject matter, and as such, these rejections are improper. There is no suggestion in Knepper (whether in cited paragraphs [0051] – [0056], [0081] – [0088] or otherwise) that the pre-defined rules position the advertisement content based on an amount of media content played during presentation of the content stream. For example, Knepper [0051] relates to how media is downloaded and Knepper [0052]-[0056] relate to how advertisement and entertainment files are sequenced (without any reference to maintaining a number of played media files as recited). As such, the rejection under 35 U.S.C. § 103 of claim 236 should be withdrawn even if the rejection of claim 212 is maintained.

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CONCLUSION

On the basis of the foregoing amendments, the pending claims are in condition for allowance. It is believed that all of the pending claims have been addressed in this paper. However, failure to address a specific rejection, issue or comment, does not signify agreement with or concession of that rejection, issue or comment. In addition, because the arguments made above are not intended to be exhaustive, there may be reasons for patentability of any or all pending claims (or other claims) that have not been expressed. Finally, nothing in this paper should be construed as an intent to concede any issue with regard to any claim, except as specifically stated in this paper.

This paper is filed concurrently with a petition for a three-month extension of time and the associated fees. While new claims are added in this paper, the original filing of this application included five independent claims and 108 total claims. Payment for at least 88 total claims in excess of 20 and two independent claims in excess of three has been previously submitted in this matter. As such, no additional claim fees are believed due at this time. However, the Commissioner is hereby authorized to charge any additional claim fees and any additional fees that may be due, or credit any overpayment of same, to Deposit Account No. 50-0311, Reference No. 42327-501001US. If there are any questions regarding this reply, the Examiner is encouraged to contact the undersigned at the telephone number provided below.

Dated: August 1, 2016

Respectfully submitted,

By /mdvl/

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Hulu, LLC - Ex. 1002, Page 000616

Doc Code: MES.GIB
Document Description: Certification of Micro Entity Status (Gross Income Basis)

PTO/SB/15A (07-14)

CERTIFICATION OF MICRO ENTITY STATUS
(GROSS INCOME BASIS)

Application Number or Control Number (if applicable):	Patent Number (if applicable):
10/606,729	
First Named Inventor:	**Title of Invention:**
Philip Donian	Method and apparatus for the Free Licensing of Digital Media Content

The applicant hereby certifies the following—

(1) **SMALL ENTITY REQUIREMENT –** The applicant qualifies as a small entity as defined in 37 CFR 1.27.

(2) **APPLICATION FILING LIMIT –** Neither the applicant nor the inventor nor a joint inventor has been named as the inventor or a joint inventor on more than four previously filed U.S. patent applications, excluding provisional applications and international applications under the Patent Cooperation Treaty (PCT) for which the basic national fee under 37 CFR 1.492(a) was not paid, and also excluding patent applications for which the applicant has assigned all ownership rights, or is obligated to assign all ownership rights, as a result of the applicant's previous employment.

(3) **GROSS INCOME LIMIT ON APPLICANTS AND INVENTORS –** Neither the applicant nor the inventor nor a joint inventor, in the calendar year preceding the calendar year in which the applicable fee is being paid, had a gross income, as defined in section 61(a) of the Internal Revenue Code of 1986 (26 U.S.C. 61(a)), exceeding the "Maximum Qualifying Gross Income" reported on the USPTO Web site at http://www.uspto.gov/patents/law/micro_entity.jsp which is equal to three times the median household income for that preceding calendar year, as most recently reported by the Bureau of the Census.

(4) **GROSS INCOME LIMIT ON PARTIES WITH AN "OWNERSHIP INTEREST" –** Neither the applicant nor the inventor nor a joint inventor has assigned, granted, or conveyed, nor is under an obligation by contract or law to assign, grant, or convey, a license or other ownership interest in the application concerned to an entity that, in the calendar year preceding the calendar year in which the applicable fee is being paid, had a gross income, as defined in section 61(a) of the Internal Revenue Code of 1986, exceeding the "Maximum Qualifying Gross Income" reported on the USPTO Web site at http://www.uspto.gov/patents/law/micro_entity.jsp which is equal to three times the median household income for that preceding calendar year, as most recently reported by the Bureau of the Census.

SIGNATURE by an authorized party set forth in 37 CFR 1.33(b)

Signature	/mdvl/				
Name	Michael D. Van Loy				
Date	August 1, 2016	Telephone	(858) 314-1559	Registration No.	52,315

☐ There is more than one inventor and I am one of the inventors who are jointly identified as the applicant. The required additional certification form(s) signed by the other joint inventor(s) are included with this form.

Electronic Patent Application Fee Transmittal

Application Number:	10606729
Filing Date:	26-Jun-2003
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Filer:	Michael David VanLoy/Karen LePari
Attorney Docket Number:	42327-501001US

Filed as Micro Entity

Filing Fees for Utility under 35 USC 111(a)

Description	Fee Code	Quantity	Amount	Sub-Total in USD($)
Basic Filing:				
Pages:				
Claims:				
Independent Claims in Excess of 3	3201	1	105	105
Miscellaneous-Filing:				
Petition:				
Patent-Appeals-and-Interference:				
Post-Allowance-and-Post-Issuance:				

Description	Fee Code	Quantity	Amount	Sub-Total in USD($)
Extension-of-Time:				
Extension - 3 months with $0 paid	3253	1	350	350
Miscellaneous:				
		Total in USD ($)		**455**

Electronic Acknowledgement Receipt

EFS ID:	26514887
Application Number:	10606729
International Application Number:	
Confirmation Number:	5831
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Customer Number:	64046
Filer:	Michael David VanLoy/Karen LePari
Filer Authorized By:	Michael David VanLoy
Attorney Docket Number:	42327-501001US
Receipt Date:	01-AUG-2016
Filing Date:	26-JUN-2003
Time Stamp:	20:22:17
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	yes
Payment Type	Deposit Account
Payment was successfully received in RAM	$455
RAM confirmation Number	6145
Deposit Account	500311
Authorized User	VAN LOY, MICHAEL
The Director of the USPTO is hereby authorized to charge indicated fees and credit any overpayment as follows: Charge any Additional Fees required under 37 CFR 1.16 (National application filing, search, and examination fees) Charge any Additional Fees required under 37 CFR 1.17 (Patent application and reexamination processing fees)	

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File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1		42327-501001US_RspToNFOA_01AUG2016.pdf	388844 9d408d9a99db61cdea7fe9080d76c00cec0f17f4	yes	40
	Multipart Description/PDF files in .zip description				
	Document Description		**Start**	**End**	
	Amendment/Req. Reconsideration-After Non-Final Reject		1	1	
	Applicant summary of interview with examiner		2	2	
	Claims		3	16	
	Applicant Arguments/Remarks Made in an Amendment		17	40	
Warnings:					
Information:					
2	Certification of Micro Entity (Gross Income Basis)	42327-501001US_CertificationOfMicroEntityStatus_01AUG2016.pdf	59279 c88921021a8baf905e08a3fdae5bf1f6e414f3cd	no	1
Warnings:					
Information:					
3	Fee Worksheet (SB06)	fee-info.pdf	31889 478404e8c9804891e51ef1e816106b4beb3adfcf	no	2
Warnings:					
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		Total Files Size (in bytes):	480012		

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If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

National Stage of an International Application under 35 U.S.C. 371
If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

New International Application Filed with the USPTO as a Receiving Office
If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

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PATENT APPLICATION FEE DETERMINATION RECORD Substitute for Form PTO-875	Application or Docket Number 10/606,729	Filing Date 06/26/2003	☐ To be Mailed

ENTITY: ☐ LARGE ☐ SMALL ☒ MICRO

APPLICATION AS FILED – PART I

	(Column 1)	(Column 2)		
FOR	NUMBER FILED	NUMBER EXTRA	RATE ($)	FEE ($)
☐ BASIC FEE (37 CFR 1.16(a), (b), or (c))	N/A	N/A	N/A	
☐ SEARCH FEE (37 CFR 1.16(k), (i), or (m))	N/A	N/A	N/A	
☐ EXAMINATION FEE (37 CFR 1.16(o), (p), or (q))	N/A	N/A	N/A	
TOTAL CLAIMS (37 CFR 1.16(i))	minus 20 =	*	X $ =	
INDEPENDENT CLAIMS (37 CFR 1.16(h))	minus 3 =	*	X $ =	
☐ APPLICATION SIZE FEE (37 CFR 1.16(s))	If the specification and drawings exceed 100 sheets of paper, the application size fee due is $310 ($155 for small entity) for each additional 50 sheets or fraction thereof. See 35 U.S.C. 41(a)(1)(G) and 37 CFR 1.16(s).			
☐ MULTIPLE DEPENDENT CLAIM PRESENT (37 CFR 1.16(j))				
* If the difference in column 1 is less than zero, enter "0" in column 2.			TOTAL	

APPLICATION AS AMENDED – PART II

AMENDMENT	08/01/2016	(Column 1) CLAIMS REMAINING AFTER AMENDMENT		(Column 2) HIGHEST NUMBER PREVIOUSLY PAID FOR	(Column 3) PRESENT EXTRA	RATE ($)	ADDITIONAL FEE ($)
	Total (37 CFR 1.16(i))	* 60	Minus	** 137	= 0	X $20 =	0
	Independent (37 CFR 1.16(h))	* 6	Minus	***5	= 1	X $105 =	105
	☐ Application Size Fee (37 CFR 1.16(s))						
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))						
						TOTAL ADD'L FEE	**105**

AMENDMENT		(Column 1) CLAIMS REMAINING AFTER AMENDMENT		(Column 2) HIGHEST NUMBER PREVIOUSLY PAID FOR	(Column 3) PRESENT EXTRA	RATE ($)	ADDITIONAL FEE ($)
	Total (37 CFR 1.16(i))	*	Minus	**	=	X $ =	
	Independent (37 CFR 1.16(h))	*	Minus	***	=	X $ =	
	☐ Application Size Fee (37 CFR 1.16(s))						
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))						
						TOTAL ADD'L FEE	

* If the entry in column 1 is less than the entry in column 2, write "0" in column 3.
** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 20, enter "20".
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HENRIETT K. DENDY

This collection of information is required by 37 CFR 1.16. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. **SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.**
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PATENT APPLICATION FEE DETERMINATION RECORD Substitute for Form PTO-875	Application or Docket Number 10/606,729	Filing Date 06/26/2003	☐ To be Mailed

ENTITY: ☐ LARGE ☐ SMALL ☒ MICRO

APPLICATION AS FILED – PART I

	(Column 1)	(Column 2)		
FOR	NUMBER FILED	NUMBER EXTRA	RATE ($)	FEE ($)
☐ BASIC FEE (37 CFR 1.16(a), (b), or (c))	N/A	N/A	N/A	
☐ SEARCH FEE (37 CFR 1.16(k), (i), or (m))	N/A	N/A	N/A	
☐ EXAMINATION FEE (37 CFR 1.16(o), (p), or (q))	N/A	N/A	N/A	
TOTAL CLAIMS (37 CFR 1.16(i))	minus 20 =	*	X $ =	
INDEPENDENT CLAIMS (37 CFR 1.16(h))	minus 3 =	*	X $ =	
☐ APPLICATION SIZE FEE (37 CFR 1.16(s))	If the specification and drawings exceed 100 sheets of paper, the application size fee due is $310 ($155 for small entity) for each additional 50 sheets or fraction thereof. See 35 U.S.C. 41(a)(1)(G) and 37 CFR 1.16(s).			
☐ MULTIPLE DEPENDENT CLAIM PRESENT (37 CFR 1.16(j))				
* If the difference in column 1 is less than zero, enter "0" in column 2.			TOTAL	

APPLICATION AS AMENDED – PART II

		(Column 1)		(Column 2)	(Column 3)		
	08/01/2016	CLAIMS REMAINING AFTER AMENDMENT		HIGHEST NUMBER PREVIOUSLY PAID FOR	PRESENT EXTRA	RATE ($)	ADDITIONAL FEE ($)
AMENDMENT	Total (37 CFR 1.16(i))	* 59	Minus	** 137	= 0	X $20 =	0
	Independent (37 CFR 1.16(h))	* 5	Minus	***5	= 0	X $105 =	0
	☐ Application Size Fee (37 CFR 1.16(s))						
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))						
						TOTAL ADD'L FEE	0

		(Column 1)		(Column 2)	(Column 3)		
		CLAIMS REMAINING AFTER AMENDMENT		HIGHEST NUMBER PREVIOUSLY PAID FOR	PRESENT EXTRA	RATE ($)	ADDITIONAL FEE ($)
AMENDMENT	Total (37 CFR 1.16(i))	*	Minus	**	=	X $ =	
	Independent (37 CFR 1.16(h))	*	Minus	***	=	X $ =	
	☐ Application Size Fee (37 CFR 1.16(s))						
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))						
						TOTAL ADD'L FEE	

* If the entry in column 1 is less than the entry in column 2, write "0" in column 3.
** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 20, enter "20".
*** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 3, enter "3".
The "Highest Number Previously Paid For" (Total or Independent) is the highest number found in the appropriate box in column 1.

LIE
/MOLIKI MAY/

This collection of information is required by 37 CFR 1.16. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. **SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.**

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/606,729	06/26/2003	Philip M. Donian	42327-501001US	5831

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Mintz Levin/San Diego Office
One Financial Center
Boston, MA 02111

EXAMINER
RETTA, YEHDEGA

ART UNIT	PAPER NUMBER
3622	

NOTIFICATION DATE	DELIVERY MODE
10/12/2016	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):

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Office Action Summary	Application No. 10/606,729	Applicant(s) DONIAN ET AL.	
	Examiner YEHDEGA RETTA	Art Unit 3622	AIA (First Inventor to File) Status No

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTHS FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *8/1/16*.

☐ A declaration(s)/affidavit(s) under **37 CFR 1.130(b)** was/were filed on _____.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ An election was made by the applicant in response to a restriction requirement set forth during the interview on _____; the restriction requirement and election have been incorporated into this action.

4)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims*

5)☒ Claim(s) *212,214-223 and 225-273* is/are pending in the application.

5a) Of the above claim(s) _____ is/are withdrawn from consideration.

6)☐ Claim(s) _____ is/are allowed.

7)☒ Claim(s) *212,214-223 and 225-273* is/are rejected.

8)☐ Claim(s) _____ is/are objected to.

9)☐ Claim(s) _____ are subject to restriction and/or election requirement.

* If any claims have been determined allowable, you may be eligible to benefit from the **Patent Prosecution Highway** program at a participating intellectual property office for the corresponding application. For more information, please see http://www.uspto.gov/patents/init_events/pph/index.jsp or send an inquiry to PPHfeedback@uspto.gov.

Application Papers

10)☐ The specification is objected to by the Examiner.

11)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

Certified copies:

a)☐ All b)☐ Some** c)☐ None of the:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

** See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Information Disclosure Statement(s) (PTO/SB/08a and/or PTO/SB/08b) Paper No(s)/Mail Date _____.

3) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .

4) ☐ Other: _____.

DETAILED ACTION

Notice of Pre-AIA or AIA Status

The present application is being examined under the pre-AIA first to invent provisions.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 212, 214-223 and 225-273 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter (abstract idea). The rationale for this finding is explained below.

In the instant case, the claims are directed to re-sequencing or modifying (changing) the presentational position of advertisement in response to a user input. Receiving contents, transmitting contents, sequencing contents, modifying or re-sequencing (changing) presentational position of content, causing presentation, keeping a setting, storing presentation data are steps that can be performed mentally, thus an abstract idea. The courts have found that using categories to organize store information for transmission (Cyberfone), or comparing new and stored information and using rules to identify options (SmartGene), organizing information through mathematical correlations, mathematical formulas, and a mathematical procedure for converting one form of numerical representation to another are all examples of judicial exceptions.

The claims recite a client and a remote system (computer) to transmit and receive data ... The claim(s) "amount[s] to 'nothing significantly more' than an instruction to apply the abstract idea of" preventing of commercial skipping by using a well-known device. Under Alice, that is not sufficient "to transform an abstract idea into a patent-eligible invention" Id.

Taking the claim elements individually, the functions performed by the computer at each step of the process are purely conventional. Providing a generic software tool (i.e., a media player in a client system and a remote server for transmitting media), receiving generic data by the user (i.e., digital media content), processing generic data (e.g., sequencing and re-sequencing the contents), presenting generic data (e.g. content stream) and keeping a setting (storing data) and also disallowing a navigational choice (e.g. disabling or enabling of skipping or forwarding functions). Examiner acknowledges the technical limitations of a client computer with a media player software and a remote computer. However, Courts have recognized that receiving, processing, and storing data, as well as, receiving or transmitting data over a network are well-understood, routine, and conventional functions when they are claimed in a merely generic manner. Here, the computer functions are claimed in a generic manner that amounts to nothing more than using them to implement the abstract idea. The additional limitation of using a media player for presenting media stream with disabling and enabling function is not being used in a novel and unique way. It is merely performing the routine function of a media player typically found in a computer. See July 2015 Update to the 2014 Interim Guidance on Subject Matter Eligibility; Alice; Ultramercial; buy SAFE, Inc. v. Google, Inc.; Cyberfone Systems, LLC v. CNN Interactive Group, Inc.

Even when considered as an ordered combination, the computer components add nothing that is not already present when the steps are considered separately. Viewed as a whole, the claims simply convey the abstract idea itself applied on some generic computer system. The claims at issue amount to nothing significantly more than an instruction to apply the abstract idea using some unspecified, generic computer.

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112(a):

> (a) IN GENERAL.—The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor or joint inventor of carrying out the invention.

The following is a quotation of the first paragraph of pre-AIA 35 U.S.C. 112:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 212, 214-223 and 225-273 are rejected under 35 U.S.C. 112(a) or 35 U.S.C. 112 (pre-AIA), first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor or a joint inventor, or for pre-AIA the inventor(s), at the time the application was filed, had possession of the claimed invention.

Claim 212 recites … adaptively modifying, using pre-defined rules and in response to a user input detected by the client system, a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, *at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content* within the user-perceptible content stream.

The specification discloses that the intersplicer has the ability to adaptively regroup and re-sequence the insertion of ad blocks extemporaneously (i.e. "on the fly"), in response to the consumer's arbitrary direction of the playback within the requested content, by means of playback controls (see [0117]). Further the specification discloses that the method has the power to require and enforce the presentation of paid advertisements inserted at regular intervals within the requested media content ... [0133])… , the advertisement sequencing that may occur in combination over a playback sequence of requested audio or video media content.

Examiner could not find a support for the following claimed language.

"adaptively modifying, using pre-defined rules and in response to a user input detected by the client system, a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, *at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content* within the user-perceptible content stream".

Claims 238, 243, 267, 268 and 271 recite similar language and are also rejected for the same reason stated above.

Claims 222, 223, 264 and 265, recite the *adaptively modifying or re-sequencing is performed by at least one remote system.*

Examiner could not find support for what is highlighted above in regards to claims 222, 223, 264 and 265.

Claim 250 also, recite and wherein the adaptively resequencing comprises determining when to re-schedule the advertising block into the modified user-perceptible content stream, the determining comprising applying the track-count based and/or elapsed time-based logic.

Applicant's specification discloses:

[0236] In step 712, the intersplicer performs any necessary adaptive ad selection. If an unsegmented title or track is currently in progress, the adaptive logic keeps track of the number of tracks played, and the time passed since the last ad ended. *Depending on values in the ad selection parameters, the intersplicer will apply some combination of track count-based and elapsed time-based logic (or any other desirable criteria) to decide when to call for a commercial break.* When it decides to insert a break, it uses the data in the ad preference parameters 678 and the ad preference tables 676 to select individual ads from the master ad table 670 to put into the block, and orders them in the way that best fits the preference parameters of all the ads in the block.

The specification, however does not disclose wherein the one or more pre-defined placement rules comprise track-count based and/or elapsed time-based logic, and *wherein the adaptively resequencing comprises determining when to re-schedule the advertising block into the modified user-perceptible content stream, the determining comprising applying the track-count based and/or elapsed time-based logic.*

Claim Rejections - 35 USC § 103

The following is a quotation of pre-AIA 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 212, 214-223, 225-232, 234-249, 251-255 and 257-273 are rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Knepper et al. (2001/0042249) in view of Hannah et al. (US 7,761,327 B1) and further in view of Wang (US 20020191950 A1).

Claims 212, 213, 225, 231, 232, 238, 243-245, 267-273 :

Knepper teaches receiving, at a client system (transmitted by at least remote system), data comprising digital media content and digital advertising content; sequencing the digital media content and the digital advertising content... ordering the digital content and the digital advertising content into a user-perceptible content (see fig, 7, 8, [0034]-[0041], [0049]-[0056]);

receiving, a user input representing one or more navigational choices associated with a presentation of the content stream (*play forwarding, skipping*), modifying (re-sequencing), using a pre-defined rules presentation position of an advertisement from initial sequenced position to alternative sequenced insertion point (position); causing the presentation of the content stream at the client system after modifying (see [0034]-[0042], [0059]).

Knepper teaches that an advertisement file is appended to a media file such that the entertainment and advertisement files are played to appear as a single clip ... <ADInsert> is a tag that is recognized by the client application as specific instructions regarding treatment of the

advertising media files ... using this tags the server can direct the client to place an ad before, during or after a media file during playback of media files in the magazine page (see [0052] ... the client displays the entertainment media file before it plays the advertisement media file ... when the entertainment media file is finished playing, **the advertisement media file immediately proceeds without the appearance of a page turn** (see [0059]).

Knepper teaches (Fig.7) plurality of clips, has its associated instruction set stored on the server 601; the instruction delivered to the client 603; according to the instructions advertisement media file 611 are selected to be shown according to the association (see [0062]). *Same as applicant's disclosure, the advertisement and the media of Knepper which were sequenced to be played in a predefined order, when the user skips or forwards to a different music (e.g. to a third media in the sequence after playing the first media in the sequence), the ad appended to the media (third media) would also be played as a second in the sequence (the media and ad combination) instead of the ad appended to the second media in the sequence (playlist) (see applicant's specification [0144]-[0149]).*

Knepper does not explicitly teach keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress and storing presentation data an indication of the digital advertising content that has been presented during the presentation of the content stream. Hannah teaches detecting whether material is played in full at the predetermined play speed and is not muted, masked, fast forwarded or stripped from the content (see col. 2 line 16-28) … determining whether the time for a commercial has arrived …determining if commercial insertion time has arrived (before the content is actually played)… determining that a

commercial has been played appropriately … whether the commercial is played for the desired amount of time and at the desired speed … may report to external sources that the advertisement was actually played as intended (see col. 3 lines 8-53). It would have been obvious to one of ordinary skill in the art at the time of the invention to include Hannah's setting (detector), in Knepper advertisement in video streaming in order to determine whether the advertisement was played in full before allowing the user to play the next media file in the sequence.

Wang teaches disallowing a navigation choice of the one or more navigational choices that alter a course of the playback of the content stream while the presenting of advertising content is in progress. Wang teaches if the skipping control device determines that the content classification signal indicates that the current portion of the video signal has commercial content the device disables all manual and automated skipping functions...(see [0028]-[0033]) It would have been obvious to one of ordinary skill in the art at the time of the invention to disallow navigation choice (fast-forward skip or bypass the advertisement), as in Wang, in Knepper's playback of media files in order to prevent a user from fast forwarding or skipping the commercials.

Claim 214:

Knepper teaches wherein the causing of presentation of the content stream on the client system comprises causing display of the presentation of the content stream by way of a graphical user interface (see fig. 6).

Claims 215, 216, 217:

Knepper teaches wherein the receiving of the user input and the adaptively modifying occur during the causing of the presentation of the content stream on the client system; wherein

the receiving of the user input and the adaptively modifying occur prior the causing of the presentation of the content stream on the client system; wherein the receiving of the user input and the adaptively modifying occur subsequent to the causing of the presentation of the content stream on the client system (see [0042]-[0046]).

Claim 218-223:

Knepper teaches wherein the sequencing and the adaptive modifying are performed by the client system; wherein the pre-defined rules specify the one or more initially sequenced insertion points; wherein the pre-defined rules specify the one or more alternately sequenced insertion; sequencing and the adaptively modifying are performed by a client or remote system … (see [0046]-[0067], [0087], [0088]).

Claims 226, 227:

Knepper teaches wherein the advertising content comprises at least one advertisement file; generating a sequence by sub-dividing a media file into two or more segments, and wherein at least a portion of at least one of the advertising files is presented between two of the segments ([0038]-[0046).

Claim 228-230:

Knepper teaches wherein the user input results in a change of a sequence of two or more media files by subtracting an existing media file, or by re-arranging the sequence of media files or results in a change of sequence by adding a new media file; wherein the user input comprises the one or more navigational choices for the content stream wherein the navigation command is selected from a group consisting of: play, stop, pause/continue, reverse, rewind, fast-forward,

slow-motion, track advance, frame-by-frame advance, go direct to point or page in sequence, advance chapter, page turn, change track, change media selection, and shuttle knob (see fig. 6, [0042]-[0046]).

Claim 234:

Knepper teaches sending, by a remote system to the client system, additional advertising content during presenting of at least a part of the content stream (see [0078]-[0084]).

Claim 236:

Knepper teaches wherein the pre-defined rules position the advertisement content based on an amount of media content played during presentation of the content stream (see [0051]-[0056], [0081-0088]).

Claim 237:

Knepper teaches wherein the adaptively modifying uses two or more of the pre-defined rules for determining the corresponding presentation position of the at least a part of the digital advertising content. … (see [0046]-[0067], [0087], [0088]).

Claims 239-242:

Knepper teaches wherein the first memory and/or the second memory are part of the client system or the remote system (see [0029]-[0037] see also Hannah col. 3 line 35-58).

Claim 246, 247:

Knepper teaches wherein the arbitrary direction of playback within the user-perceptible content, wherein the arbitrary direction of playback comprises skipping the media section and/or

one or more other media sections that comprise at least some of the digital media content (see fig. 6, [0042]-[0046]).

Claim 248:

Knepper teaches wherein the user input comprises a reordering of the media section and/or one or more other media sections that comprise at least some of the digital media content within the user-perceptible content stream (see fig. 6, [0042]-[0046]).

Claim 249.

Knepper teaches wherein the user input comprises the repositioning of the media section relative to one or more media sections within the user-perceptible content stream (see fig. 6, [0042]-[0046]).

Claims 251-254:

Knepper teaches wherein the first memory and/or the second memory are part of the client system or the remote system (see [0029]-[0037] see also Hannah col. 3 line 35-58).

Claim 255:

Knepper teaches wherein the adaptively re-sequencing comprises use of two or more of the pre-defined rules for determining the corresponding presentation position of the at least a part of the digital advertising content. … (see [0046]-[0067], [0087], [0088]).

Claim 257:

Knepper teaches wherein the causing of presentation of the content stream on the client system comprises causing display of the presentation of the content stream by way of a graphical user interface (see fig. 6).

Claims 258-260:

Knepper teaches wherein the receiving of the user input and the adaptively modifying occur during the causing of the presentation of the content stream on the client system; wherein the receiving of the user input and the adaptively modifying occur prior the causing of the presentation of the content stream on the client system; wherein the receiving of the user input and the adaptively modifying occur subsequent to the causing of the presentation of the content stream on the client system (see [0042]-[0046]).

Claim 261-266:

Knepper teaches wherein the sequencing and the adaptive modifying are performed by the client system; wherein the pre-defined rules specify the one or more initially sequenced insertion points; wherein the pre-defined rules specify the one or more alternately sequenced insertion; sequencing and the adaptively modifying are performed by a client or remote system … (see [0046]-[0067], [0087], [0088]).

Claims 233 and 256 are rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Knepper et al. (2001/0042249) in view of Hannah et al. (US 7,761,327 B1) and further in view of Wand (US 20020191950 A1).

Claims 233, 256:

Knepper does not teach rotating new advertising content into the content stream in response to the user-generated input. However official notice is taken that it is old and well known in the art of marketing to rotate advertisements. It would have been obvious to one of

ordinary skill in the art at the time of the invention to rotate the advertisements of Knepper in order to for the viewer not to lose interest on the advertisements.

Claim 250 is rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Knepper et al. (2001/0042249) in view of Hannah et al. (US 7,761,327 B1) and further in view of Wang (US 20020191950 A1) and further in view of Oh (US 2002/0161739 A1).

Claim 250:

Knepper teaches advertisements can be appended to a media files such that the advertisements are played to appear as a single clip (see [0052]) … inserting advertisement into media according to rules and placement of advertisement can be indicated by the content provider by specifying which clips may be preceded or followed by ads or ads can be randomly placed … Knepper recognizes that when the user skips or forwards to a different media in the sequence (out of sequence) the ad appended to the media playing would also be played (as the media and advertisement to appear as a single clip) [0144]-[0149]). Oh teaches wherein the one or more pre-defined placement rules comprise track-count based and/or elapsed time-based logic, (see fig. 2b, [0037]-[0041]). Oh teaches the break point may be a predetermined time from the start of playing a multimedia content or a number of specific frame of multimedia content and the server stops retrieving the multimedia content at the time or the frame designated by the break pointer (see [0040]). It would have been obvious to one of ordinary skill in the art at the time of the invention to include Oh's track-count based (number of frames) or elapsed time-

based (a predetermined time) in Knepper's playlist in order to insert the advertisement of Knepper after a predetermined frame or after a predetermined time, as in Oh.

Response to Arguments

Applicant's arguments filed 8/1/16 have been fully considered but they are not persuasive.

Regarding the rejection under 101, Applicant argues that the instantly claimed subject matter clearly involves a necessary and integral use of computing equipment in a manner that allows control of digital content playback interspersed with digital advertising content to be handled at a client machine and that provides "a specific implementation of a solution to a problem in the software arts" similar to the claims at issue in Enfish…

However, unlike Enfish or DDR Holding, Applicant or Applicant's specification does not identify any problem particular to computer networks and/or the Internet or "solution to a problem in the software arts" that the claim allegedly overcomes. The invention as claimed uses a conventional, general purpose computer to perform generic computer functions, i.e., transmitting, receiving and storing data, outputting and playing back data.

Regarding the rejection under 103, Applicant argues that in Knepper the media files are downloaded from a server to a client and pre-cached at the client side …., in other words, after creating a user-perceptible content stream a user input causes a modification to the user-perceptible content stream such that digital advertising content in the user-perceptible content stream after the adaptively modifying is arranged at different/alternate insertion positions

relative to the digital media content …the adaptively re-sequencing further includes determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content.

The claims do not recite how the insertion positions are identified for the advertisement content to be placed in insertion position. However, applicant's specification discloses [see 0229] in step 702, the intersplicer uses the content section table , master ad table, and block list table to build a raw section sequence table 780 of ordered sections ... theses sections may possibly include indicator flags through which the running real-time player may identify the boundaries between content and required ads ... Further the specification discloses that the intersplicer has the ability to adaptively regroup and re-sequence the insertion of ad blocks extemporaneously (i.e. "on the fly"), in response to the consumer's arbitrary direction of the playback within the requested content, by means of playback controls (see [0117]).

[0146] In the course of direct play, without any user-directed skipping from one point to another or performing other navigation throughout the content ....

[0147] ... if the elects to skip around the course of playing a segmental title, the same block of ads plays with particular portion of the content as the user skips back and forth through different parts of the title, over a predetermined period of time and/or number of viewing. If the predetermined limit is exceeded, the player/viewer rotates in new ad blocks automatically.

As indicated above, similar to Applicant's disclosure, Knepper teaches the ads plays with the content as the user skips back and forth …

Applicant further asserts that the subject matter of the instant claims causes an alternate insertion position/one or more alternatively sequined insertion points for the digital advertising

content … this changing of the insertion position/insertion points of digital advertising content occurs explicitly as a result of user interaction, which is directly and unequivocally contrary to the approach describe in Knepper. As indicated above applicant's specification does not provide support for such claim language.

In response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to YEHDEGA RETTA whose telephone number is (571)272-6723. The examiner can normally be reached on Monday through Thursday from 8 to 6:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571) 272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

YR
/YEHDEGA RETTA/
Primary Examiner, Art Unit 3622

Notice of References Cited	Application/Control No. 10/606,729	Applicant(s)/Patent Under Reexamination DONIAN ET AL.	
	Examiner YEHDEGA RETTA	Art Unit 3622	Page 1 of 1

U.S. PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Name	CPC Classification	US Classification
*	A	US-2002/0161739 A1	10-2002	Oh, Byeong-Seok	G06Q30/02	1/1
	B	US-				
	C	US-				
	D	US-				
	E	US-				
	F	US-				
	G	US-				
	H	US-				
	I	US-				
	J	US-				
	K	US-				
	L	US-				
	M	US-				

FOREIGN PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Country	Name	CPC Classification
	N					
	O					
	P					
	Q					
	R					
	S					
	T					

NON-PATENT DOCUMENTS

*		Include as applicable: Author, Title Date, Publisher, Edition or Volume, Pertinent Pages)
	U	
	V	
	W	
	X	

*A copy of this reference is not being furnished with this Office action. (See MPEP § 707.05(a).)
Dates in MM-YYYY format are publication dates. Classifications may be US or foreign.

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Oct 12, 2016 05:45:25 AM

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UNITED STATES

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Application	Document	Mailroom Date	Attorney Docket No.
10606729	CTFR	10/12/2016	42327-501001US
	892	10/12/2016	42327-501001US

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PATENT APPLICATION INFORMATION RETRIEVAL SYSTEM

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PRE-APPEAL BRIEF REQUEST FOR REVIEW	Docket Number (Optional) 42327-501001US	
	Application Number 10/606,729	Filed June 26, 2003
	First Named Inventor Philip Donian et al.	
	Art Unit 3622	Examiner Y. Retta

Applicant requests review of the final rejection in the above-identified application. No amendments are being filed with this request.

This request is being filed with a notice of appeal.

The review is requested for the reason(s) stated on the attached sheet(s).
Note: No more than five (5) pages may be provided.

I am the

- [ ] applicant /inventor.
- [ ] assignee of record of the entire interest. See 37 CFR 3.71. Statement under 37 CFR 3.73(b) is enclosed. (Form PTO/SB/96)
- [x] attorney or agent of record. Registration number 52,315.
- [ ] attorney or agent acting under 37 CFR 1.34. Registration number if acting under 37 CFR 1.34 _____

/mdvl/
Signature

Michael D. Van Loy
Typed or printed name

(858) 314-1559
Telephone number

April 4, 2017
Date

NOTE: Signatures of all the inventors or assignees of record of the entire interest or their representative(s) are required. Submit multiple forms if more than one signature is required, see below*.

- [ ] *Total of 1 forms are submitted.

Hulu, LLC - Ex. 1002, Page 000646

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of: Philip M. Donian, *et al.*
Application No.: 10/606,729 Confirmation No.: 5831
Filed: June 26, 2003 Art Unit: 3622
For: METHOD AND APPARATUS FOR THE FREE LICENSING OF DIGITAL MEDIA CONTENT Examiner: Yehdega Retta

PRE-APPEAL BRIEF REQUEST FOR REVIEW

This Brief in Support of the Pre-Appeal Request for Review and Notice of Appeal filed concurrently herewith pertains to the rejections presented in the Final Office Action mailed October 12, 2016 ("the current Office Action"). Claims 212, 214-223, and 225-273 are pending in the application, with all claims rejected under 35 U.S.C. §112, first paragraph as allegedly failing to comply with the written description requirement, under 35 U.S.C. §101 as allegedly being directed to patent ineligible subject matter, and under 35 U.S.C. 103(a) as allegedly being unpatentably obvious over US2001/0042249 by Knepper *et al.* ("Knepper") in view of US7,761,327 to Hannah *et al.* and US2002/019150 by Wang. Applicants respectfully request withdrawal of these rejections – all represent clear error on the part of the Examiner. The undersigned discussed these issues with the Examiner during an Interview on November 8, 2016 ("the Interview"), and although she agreed to consult with her colleagues and to follow up with the undersigned, she has not provided further feedback.

A. Regarding the rejections under 35 U.S.C. §112, first paragraph: one of ordinary skill in the art would readily understand that the specification teaches the objected-to claim features.

The rejections of the independent claims under 35 U.S.C. §112, first paragraph are based on the Examiner's incorrect assertion that the original specification fails to provide the necessary written description support for the claim feature relating to "at least one of the alternatively sequenced insertion points being different from the one or more initially sequenced insertion points," which was added by amendment in the Response filed August 1, 2016 ("the previous Response"). As a first point, the allegedly unsupported features were first added to the claims in the paper filed October 28, 2015, albeit in slightly different form, to address a rejection under 35 U.S.C. §112, first paragraph raised in the Final Office Action mailed May 1, 2014. The Examiner withdrew the rejection in the Non-Final Office Action mailed February 1, 2016, but now has repeated it for reasons the Applicant does not understand.

Furthermore, the Examiner has clearly failed to apply the proper standard for a rejection under 35 U.S.C. §112, first paragraph. As stated in MPEP §2163.02: the objective standard for determining compliance with the written description requirement is, "does the description clearly allow persons of ordinary skill in the art to recognize that he or she invented what is claimed."[1] To satisfy the written description requirement, an applicant must convey with reasonable clarity to those skilled in the art that, as of the filing date sought, he or she was in possession of the invention, and that the invention, in that context, is whatever is now claimed. If a skilled artisan would have understood the inventor to be in possession of the claimed invention at the time of filing, even if every nuance of the claims is not explicitly described in the specification, then the adequate description requirement is met.[2] Furthermore,

[1] See, *e.g. In re Gosteli*, 872 F.2d 1008, 1012, 10 USPQ2d 1614, 1618 (Fed. Cir. 1989). Under *Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1563-64, 19 USPQ2d 1111, 1117 (Fed. Cir. 1991).
[2] See, *e.g.*, *Vas-Cath*, 935 F.2d at 1563, 19 USPQ2d at 1116; and *Martin v. Johnson*, 454 F.2d 746, 751, 172 USPQ 391, 395 (CCPA 1972) (stating "the description need not be *in ipsis verbis* [i.e., "in the same words"] to be sufficient").

as stated in MPEP §2163.07, "mere rephrasing of a passage does not constitute new matter," and "a rewording of a passage where the same meaning remains intact is permissible."[3]

In contrast to these requirements for making a proper rejection for alleged lack of written description support, the Office Action merely states that "Examiner could not find a support for the … claimed language." As discussed during the Interview, the Examiner appears to have merely searched the specification for explicit textual support without properly determining what a skilled artisan would have understood the inventors to have been in possession of at the time of filing. Had the Examiner performed the proper analysis, she would have readily noted that the claim feature at issue in this rejection is well-supported at least by ¶0149-¶0150, and also at ¶0154-¶0156, referring to FIG. 4A.

In ¶0149, the instant specification describes a situation in which "the user of sequence 402 jumps right into segment 434 as segment 430 is just starting" in which case "the player/viewer will begin segment 434 at its point of entry, followed at its end by ad block 412." In this case, the digital advertising content plays at "one of the one or more initial insertion points." In contrast, in ¶0150, "the user has watched 80% of segment 432, and then jumps into the middle of segment 434," which results in "ad block 410 play[ing] immediately, and when it is finished, content play resum[ing] at the point selected in segment 434." In the scenario described in ¶0150, ad block 410 is played at a point immediately preceding "the middle of segment 434," which is an "alternate insertion point" that is clearly "different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream," which would, in this example, be those insertion points originally scheduled to occur between the segments.

At ¶0154-¶0156, the instant specification provides further support for the claim feature at issue, this time in reference to an example (illustrated as sequence 404 in FIG. 4A) of a "track allowance method for ad placement." ¶0154 states that in "regular play without skipping around or other navigation, sequence 404 begins by playing tracks 440, 442, 444, 446, and 448 in series, followed by ad block 414, and then tracks 450, 452, 454, and 456" and that ad block 416 comes after track 456, "followed by tracks 458, 460, and 462." In ¶0156, "[i]f the user decides to play track 446 and then track 456, the program does not insert ad block 416 immediately after track 456. Instead, play goes directly into track 458, because the allowance is 5 tracks. If the user plays through most of track 458, then jumps to the beginning of track 442 and plays it, there is still allowance for one more track after that, since only four tracks (446, 456, 458, and 442) have played so far." In other words, ad blocks 414 and 416 are initially sequenced after tracks 448 and 456, respectively, but in response to user "skipping around or other navigation," ad block insertions wind up at different positions relative to those tracks to comply with pre-defined placement rules (which in this example are track count rules).

One of ordinary skill in the art would clearly understand that the movement of an ad block insertion location originally scheduled to follow track 448 and precede track 450 but instead being played at a different location that was not an initially scheduled insertion point provides clear support sufficient to satisfy the requirements of 35 U.S.C. §112, first paragraph. For at least these reasons, these rejections should be withdrawn.

B. The rejections under 35 U.S.C. §103(a) also represent clear error – the features of the current subject matter are not all described or suggested by the cited references

[3] See, *e.g. In re Anderson*, 471 F.2d 1237, 176 USPQ 331 (CCPA 1973).

As discussed with the Examiner during the Interview, the statement of the rejections under 35 USC §103 reflects clear error, at least because a) it ignores explicit limitations of the claims and b) the cited references clearly do not describe or suggest all of the features of the independent claims.

As a first point, the Examiner has explicitly acknowledged on the record (see the Final Office Action mailed May 1, 2014 at page 15) that Knepper does not teach "at least one of the advertisement files is presented in a different position relative to the media files." The specific wording of this limitation has been slightly modified relative to what was pending at the time of this Final Office Action to make it abundantly clear what is being claimed. Despite Applicant's repeated attempts to clarify the claimed subject matter, the Examiner continues to muddle the issue, specifically with her statement of the reasons for rejection on page 8 of the current Office Action, where she alleges that "[s]ame as applicant's disclosure, the advertisement and the media of Knepper which were sequenced to be played in a predefined order, when the user skips or forwards to a different music (e.g. to a third media in the sequence after playing the first media in the sequence), the ad appended to the media (third media) would also be played as a second in the sequence (the media and ad combination) instead of the ad appended to the second media in the sequence (playlist)." The rationale for this incorrect assertion relies on a re-statement of how a Knepper presentation clip page is constructed (citing ¶0062 as it relates to FIG. 7) and an alleged equality with descriptions in the instant specification. However, as discussed further below, the Knepper description directly contradicts the claimed subject matter, particularly the claim features in which an alternate insertion point (that differs from any initial insertion point) relative to digital media is used in response to user input that causes the adaptively modifying as claimed. Furthermore, the cited ¶0062 and FIG. 7 of Knepper clearly relate to initial set-up of the entertainment files and advertising files and make no reference whatsoever to "skipping." The Examiner appears to have constructed this part of the statement of rejection without proper basis in any of the prior art.

Further to the above, and as explained in great detail in the previous Response, Knepper allows a user to navigate between the "pages" of a magazine, for example as described at ¶0052. A page includes an entertainment file and a position at which an advertisement file is to be presented. Assuming *arguendo* that user navigation in the Knepper approach can change the order in which pages are presented, which in turn may result in the entertainment files and the associated advertising file locations for a given page to be presented in a different overall order, the locations at which advertising files are presented is nonetheless always fixed with respect to the associated entertainment file for a given page, at least because the navigation in Knepper occurs page by page, and because each page defines a fixed and unchangeable relationship between the entertainment file and a location for an advertising file. For example, if a user could navigate from a first page of a Knepper magazine to a fourth page, any initially defined advertising file location on the first page and the fourth page would remain the same relative to the entertainment files on those first and fourth pages both before and after the navigation. Advertising files in Knepper are always positioned at one of the advertising file locations originally defined for the pages in the magazine.

Claim 243 (and also claims 267 and 268, which differ in scope but include similar language) explicitly requires "the modified user-perceptible content stream comprising an alternate insertion position of the advertising block relative to the media section, the alternate insertion position differing from the initially defined insertion position and not having digital advertising content scheduled to be

presented in it in the user-perceptible content stream prior to the adaptively re-sequencing" (emphasis added). Claim 212 (and also claims 238 and 271, which differ in scope but include similar language) states a related limitation worded slightly differently, and is likewise clearly not compatible with any reasonable interpretation of Knepper. Specifically, the modified user-perceptible content stream of claim 243 includes an alternate insertion position of a specific advertising block relative to a specific media section, where the alternate insertion position differs from the initially defined insertion position and does not have digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing. Knepper neither describes nor suggests such an approach – as noted above, a given advertising location on a page is explicitly fixed relative to the entertainment file location on that page. While a page may be viewed in a different order relative to other pages in the magazine, the relationship between the advertising file location on a page and the entertainment file on that page stays constant throughout any type of user navigation, and digital advertising content is always presented in one of these positions on a page. There is no allowance in Knepper for presenting an advertising file in a location relative to an entertainment file that is not also present in the original sequence. Furthermore, FIG. 4 of Knepper expressly states that "no user intervention" is permitted with regards to the page structure itself. These teachings of Knepper, which were discussed in detail in the previous Response and at several other points during the lengthy prosecution of this matter, directly contradict the example of the claimed subject matter (see, e.g., description above relating to the written description rejections).

The current Office Action fails to even explicitly allege that the features of claims 212 (and 238 and 271) and 243 (and 267 and 268) discussed above are described or suggested in the prior art. For example, the statement of rejection appearing at pages 7 to 9 of the Office Action makes no reference to such features but rather recycles text that has appeared in previous rejections of claims that did not have these features recited as they are currently presented. Additionally, the statement of rejection beginning on page 7 of the current office action does not acknowledge any difference in the claim language between claims 212 and 243, which is another indication of clear error. Furthermore, in the Response to Arguments section (see end of page 16 and top of page 17), the Examiner expressly attempts to rebut Applicant's arguments for non-obviousness by alleging that these elements need not be considered because "applicant's specification does not provide support for such claim language." Beyond being an admission that the features are not addressed in the statement of the rejections under 35 U.S.C. §103(a), this statement is also, on its face, a clear violation of the principles of compact prosecution.[4] The Examiner has committed clear error by failing to consider the Applicant's argument with regard to an explicit claim feature with the excuse of an errant (as discussed above in relation to the rejections under 35 U.S.C. §112, first paragraph) allegation of lack of written description support.

Finally, the Examiner's citation of *In re Keller* (see page 17 of the current Office Action) is nonsensical. The holding in that case certainly does not preclude a rebuttal of an obviousness rejection by explaining how the primary reference does not teach features alleged by the Examiner, particularly when the cited secondary references are neither asserted to nor reasonably interpretable as remedying

[4] See MPEP §2103, which states that "each claim should be reviewed for compliance with every statutory requirement for patentability in the initial review of the application, even if one or more claims are found to be deficient with respect to some statutory requirement."

the identified deficiencies in the primary reference. For avoidance of doubt, Knepper does not describe or suggest the above-noted features, and none of the other cited references, whether considered alone or in any combination, are sufficient to establish proper grounds for a rejection under 35 U.S.C. §103(a).

For at least the above-stated reasons, reversal of these rejections is respectfully requested.

C. The rejections under 35 U.S.C. §101 also reflects clear error, as the proper analysis does not appear to be applied, and because the claims recite "significantly more" even assuming *arguendo* that they are directed to an abstract idea.

As noted previously, and in great detail, in this matter by the Applicant, the position taken by the Examiner in regards to patent eligibility of the claimed subject matter amounts to clear error, and a failure to properly consider the explicit guidance of the Court of Appeals for the Federal Circuit, the Patent and Trademark Appeals Board, and the series of Examiner guidance memorandums published by the USPTO itself (most recently in November 2016). During the Interview, the Examiner indicated that she had no knowledge of the USPTO Examiner Guidance of November 2, 2016 ("the Guidance").

That Memorandum explicitly bars reliance on a non-precedential decision in formulating a rejection under 35 U.S.C. §101. In this matter, the Examiner has relied upon two such decisions (*Smartgene* and *Cyberfone*) while merely listing a number of other decisions with no provided analysis.

The Examiner's allegation on page 15 of the Office Action that no "problem particular to computer networks and/or the Internet or 'solution to a problem in the software arts'" similar to the claims at issue in *Enfish* is unfounded. The current subject matter clearly addresses a problem relating to control of insertion of advertising in digital media in manner that allows monetization of such media while also permitting a user to navigate or make other modifications to the playback of such media. The finding of an abstract idea at Step 2A of the *Alice/Mayo* analysis is therefore clearly in error.

Furthermore, the Examiner has completely ignored the arguments presented in the prior response with regards to *Bascom*. While the statement of the rejection under 35 U.S.C. §101 cursorily mentions the requirement to consider whether the elements of the claims amount to an ordered combination that provides "significantly more" than the alleged abstract idea, this statement appears to be nothing but lip service. The Examiner merely conclusorily states that "the computer components add nothing that is not already present when the steps are considered separately." This statement reflects both a misstatement of the proper analysis required (see the Guidance at page 3) and a failure to provide any information as to the reasoning applied in reaching the conclusion stated.

The rejections under 35 U.S.C. §101 should be withdrawn at least for these reasons.

D. Conclusion.

The required fee for a Notice of Appeal has been previously paid in this matter. The Commissioner is authorized to charge any additional fees that may be due, or credit any overpayment of same, to Deposit Account No. 50-0311, Reference No. 43237-501001US. Because the arguments made above are not intended to be exhaustive, there may be reasons for patentability of any or all pending claims (or other claims) that have not been expressed. Nothing in this paper should be construed as an intent to concede any issue with regard to any claim, except as specifically stated in this paper.

Dated: April 4, 2017

Respectfully submitted,

/mdvl/

Michael D. Van Loy, Reg. No.: 52,315

Doc Code: MES.GIB
Document Description: Certification of Micro Entity Status (Gross Income Basis)

PTO/SB/15A (07-14)

CERTIFICATION OF MICRO ENTITY STATUS
(GROSS INCOME BASIS)

Application Number or Control Number (if applicable):	Patent Number (if applicable):
10/606,729	
First Named Inventor:	**Title of Invention:**
Philip Donian	Method and apparatus for the Free Licensing of Digital Media Content

The applicant hereby certifies the following—

(1) **SMALL ENTITY REQUIREMENT –** The applicant qualifies as a small entity as defined in 37 CFR 1.27.

(2) **APPLICATION FILING LIMIT –** Neither the applicant nor the inventor nor a joint inventor has been named as the inventor or a joint inventor on more than four previously filed U.S. patent applications, excluding provisional applications and international applications under the Patent Cooperation Treaty (PCT) for which the basic national fee under 37 CFR 1.492(a) was not paid, and also excluding patent applications for which the applicant has assigned all ownership rights, or is obligated to assign all ownership rights, as a result of the applicant's previous employment.

(3) **GROSS INCOME LIMIT ON APPLICANTS AND INVENTORS –** Neither the applicant nor the inventor nor a joint inventor, in the calendar year preceding the calendar year in which the applicable fee is being paid, had a gross income, as defined in section 61(a) of the Internal Revenue Code of 1986 (26 U.S.C. 61(a)), exceeding the "Maximum Qualifying Gross Income" reported on the USPTO Web site at http://www.uspto.gov/patents/law/micro_entity.jsp which is equal to three times the median household income for that preceding calendar year, as most recently reported by the Bureau of the Census.

(4) **GROSS INCOME LIMIT ON PARTIES WITH AN "OWNERSHIP INTEREST" –** Neither the applicant nor the inventor nor a joint inventor has assigned, granted, or conveyed, nor is under an obligation by contract or law to assign, grant, or convey, a license or other ownership interest in the application concerned to an entity that, in the calendar year preceding the calendar year in which the applicable fee is being paid, had a gross income, as defined in section 61(a) of the Internal Revenue Code of 1986, exceeding the "Maximum Qualifying Gross Income" reported on the USPTO Web site at http://www.uspto.gov/patents/law/micro_entity.jsp which is equal to three times the median household income for that preceding calendar year, as most recently reported by the Bureau of the Census.

SIGNATURE by an authorized party set forth in 37 CFR 1.33(b)

Signature	/mdvl/				
Name	Michael D. Van Loy				
Date	April 4, 2017	Telephone	(858) 314-1559	Registration No.	52,315

☐ There is more than one inventor and I am one of the inventors who are jointly identified as the applicant. The required additional certification form(s) signed by the other joint inventor(s) are included with this form.

Electronic Patent Application Fee Transmittal

Application Number:	10606729
Filing Date:	26-Jun-2003
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Filer:	Michael David VanLoy/Karen LePari
Attorney Docket Number:	42327-501001US

Filed as Micro Entity

Filing Fees for Utility under 35 USC 111(a)

Description	Fee Code	Quantity	Amount	Sub-Total in USD($)
Basic Filing:				
Pages:				
Claims:				
Miscellaneous-Filing:				
Petition:				
Patent-Appeals-and-Interference:				
Post-Allowance-and-Post-Issuance:				
Extension-of-Time:				

Description	Fee Code	Quantity	Amount	Sub-Total in USD($)
Extension - 3 months with $0 paid	3253	1	350	350
Miscellaneous:				
		Total in USD ($)		**350**

Electronic Acknowledgement Receipt

EFS ID:	28833462
Application Number:	10606729
International Application Number:	
Confirmation Number:	5831
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Customer Number:	64046
Filer:	Michael David VanLoy/Karen LePari
Filer Authorized By:	Michael David VanLoy
Attorney Docket Number:	42327-501001US
Receipt Date:	04-APR-2017
Filing Date:	26-JUN-2003
Time Stamp:	19:51:48
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	yes
Payment Type	DA
Payment was successfully received in RAM	$350
RAM confirmation Number	040517INTEFSW00005682500311
Deposit Account	500311
Authorized User	Michael VanLoy
The Director of the USPTO is hereby authorized to charge indicated fees and credit any overpayment as follows: 37 CFR 1.16 (National application filing, search, and examination fees) 37 CFR 1.17 (Patent application and reexamination processing fees)	

37 CFR 1.19 (Document supply fees)

37 CFR 1.20 (Post Issuance fees)

37 CFR 1.21 (Miscellaneous fees and charges)

File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Notice of Appeal Filed	42327-501001US_NoticeOfAppeal_04APR2017.pdf	62333 f12e42f1c2deef1599da262725db94678a96aae8	no	1
Warnings:					
Information:					
2	Pre-Brief Conference request	42327-501001US_Pre-Apeal_Brief_Request_04APR2017.pdf	61461 fa2ea468b17782e977d4910f5000d1d1c7095ef7	no	1
Warnings:					
Information:					
3	Pre-Brief Conference request	42327-501001US_Pre-Appeal_Brief_04APR2017.pdf	136118 1a6b0945c46cde38c9b76737a876cec7667eb79e	no	5
Warnings:					
Information:					
4	Certification of Micro Entity (Gross Income Basis)	42327-501001US_CertificationOfMicroEntityStatus_04APR2017.pdf	99278 308f977ca90cbe61d6a4fe9bbb7dc635d5040ce8	no	1
Warnings:					
Information:					
5	Fee Worksheet (SB06)	fee-info.pdf	30239 b3230068df71d4563ead022c56763fa861d153b5	no	2
Warnings:					
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New Applications Under 35 U.S.C. 111
If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

National Stage of an International Application under 35 U.S.C. 371
If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

New International Application Filed with the USPTO as a Receiving Office
If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

NOTICE OF APPEAL FROM THE EXAMINER TO THE PATENT TRIAL AND APPEAL BOARD	Docket Number (Optional) 42327-501001US

In re Application of
Philip Donian et al.

Application Number	Filed
10/606,729	June 26, 2003

For Method and apparatus for the free licensing of digital media content

Art Unit	Examiner
3622	Y. Retta

Applicant hereby **appeals** to the Patent Trial and Appeal Board from the last decision of the examiner.

The fee for this Notice of Appeal is (37 CFR 41.20(b)(1)) $ 800.00

[X] Applicant claims small entity status. See 37 CFR 1.27. Therefore, the fee shown above is reduced by half, and the resulting fee is: ***no fee due – already paid July 2,** $ **200.00***

[ ] A check in the amount of the fee is enclosed.

[ ] Payment by credit card. Form PTO-2038 is attached.

[x] The Director is hereby authorized to charge any additional fees which may be required, or credit any overpayment to Deposit Account No. 50-0311 .

[X] A petition for an extension of time under 37 CFR 1.136(a) (PTO/SB/22) is enclosed.

WARNING: Information on this form may become public. Credit card information should not be included on this form. Provide credit card information and authorization on PTO-2038.

I am the

[ ] applicant/inventor.

[ ] assignee of record of the entire interest. See 37 CFR 3.71. Statement under 37 CFR 3.73(b) is enclosed. (Form PTO/SB/96)

[x] attorney or agent of record.
Registration number 52,315 .

[ ] attorney or agent acting under 37 CFR 1.34.
Registration number if acting under 37 CFR 1.34. _____

/mdvl/
Signature

Michael D. Van Loy
Typed or printed name

(858) 314-1559
Telephone number

April 4, 2017
Date

NOTE: Signatures of all the inventors or assignees of record of the entire interest or their representative(s) are required. Submit multiple forms if more than one signature is required, see below*.

[ ] *Total of 1 forms are submitted.

Hulu, LLC - Ex. 1002, Page 000658

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/606,729	06/26/2003	Philip M. Donian	42327-501001US	5831

64046 7590 12/11/2017

Mintz Levin/San Diego Office
One Financial Center
Boston, MA 02111

EXAMINER
RETTA, YEHDEGA

ART UNIT	PAPER NUMBER
3688	

NOTIFICATION DATE	DELIVERY MODE
12/11/2017	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):

IPDocketingBOS@mintz.com
IPFileroombos@mintz.com

Notice of Abandonment	Application No.	Applicant(s)
	10/606,729	Donian et al.
	Examiner	Art Unit
	YEHDEGA RETTA	3622

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address--

This application is abandoned in view of:

1. ☑ Applicant's failure to timely file a proper reply to the Office letter mailed on 12 October 2016.
   (a) ☐ A reply was received on _____ (with a Certificate of Mailing or Transmission dated _____), which is after the expiration of the period for reply (including a total extension of time of _____ month(s)) which expired on _____.
   (b) ☐ A proposed reply was received on _____, but it does not constitute a proper reply under 37 CFR 1.113 to the final rejection. (A proper reply under 37 CFR 1.113 to a final rejection consists only of:(1) a timely filed amendment which places the application in condition for allowance; (2) a timely filed Notice of Appeal (with appeal fee); or (3) if this is utility or plant application, a timely filed Request for Continued Examination (RCE) in compliance with 37 CFR 1.114. Note that RCEs are not permitted in design applications.)
   (c) ☐ A reply was received on _____ but it does not constitute a proper reply, or a bona fide attempt at a proper reply, to the non-final rejection. See 37 CFR 1.85(a) and 1.111. (See explanation in box 7 below).
   (d) ☑ No reply has been received.

2. ☐ Applicant's failure to timely pay the required issue fee and publication fee, if applicable, within the statutory period of three months from the mailing date of the Notice of Allowance (PTOL-85).
   (a) ☐ The issue fee and publication fee, if applicable, was received on _____ (with a Certificate of Mailing or Transmission dated _____), which is after the expiration of the statutory period for payment of the issue fee (and publication fee) set in the Notice of Allowance (PTOL-85).
   (b) ☐ The submitted fee of $ _____ is insufficient. A balance of $ _____ is due.
   The issue fee required by 37CFR 1.18 is $ _____ . The publication fee, if required by 37 CFR 1.18(d), is $ _____ .
   (c) ☐ The issue fee and publication fee, if applicable, has not been received.

3. ☐ Applicant's failure to timely file corrected drawings as required by, and within the three-month period set in, the Notice of Allowability (PTO-37).
   (a) ☐ Proposed corrected drawings were received on _____ (with a Certificate of Mailing or Transmission dated _____), which is after the expiration of the period for reply.
   (b) ☐ No corrected drawings have been received.

4. ☐ The letter of express abandonment which is signed by the attorney or agent of record or other party authorized under 37 CFR 1.33 (b). See 37 CFR 1.138(b).

5. ☐ The letter of express abandonment which is signed by an attorney or agent (acting in a representative capacity under 37 CFR 1.34) upon the filing of a continuing application.

6. ☐ The decision by the Board of Patent Appeals and Interference rendered on _____ and because the period for seeking court review of the decision has expired and there are no allowed claims.

7. ☐ The reason(s) below:

_____

/YEHDEGA RETTA/
Primary Examiner, Art Unit 3688

Petitions to revive under 37 CFR 1.137, or requests to withdraw the holding of abandonment under 37 CFR 1.181, should be promptly filed to minimize any negative effects on patent term.

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Application	Document	Mailroom Date	Attorney Docket No.
10606729	ABN	12/11/2017	42327-501001US

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In re Application of	:	
Donian, Philip M. et al.	:	**SUA SPONTE EXERCISE**
Application No.: 10/606,729	:	**OF**
Filed: June 26, 2003	:	**SUPERVISORY REVIEW**
Docket No. 42327-501001US	:	
For: Method and Apparatus for the Free	:	
Licensing of Digital Media Content	:	

A sua sponte review of the above-noted application file has been conducted. As a result, it has been determined that certain errors on the part of the Office have occurred. In particular, it has been determined that the holding of abandonment on December 11, 2017 was premature. The purpose of this communication is to correct this error and clarify the record.

A review of the file history reveals that a Final Office action was mailed on October 12, 2016. Subsequently, a Notice of Appeal was timely filed by the Applicant on April 4, 2017 along with a Pre-Brief Conference Request, and fees for a three-month extension of time. There were no communication or response in regards to the Pre-Brief Conference request by the office. Unfortunately, a Notice of Abandonment was prematurely mailed on December 11, 2017.

In view of the fact that the Applicant filed a timely Pre-Brief Conference request and there has not been any response to such request, the holding of abandonment on December 11, 2017 was improper and premature. Accordingly, the holding of abandonment mailed on December 11, 2017 is hereby **VACATED**.

A response to the Pre-Brief Conference request from the examiner will be forthcoming.

Any questions regarding this decision should be directed to Kambiz Abdi, Supervisory Patent Examiner, at (571) 272-6702.

Tariq Hafiz, Director
Technology Center 3600
(571) 272-5350

MB: 01/17/18

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/606,729	06/26/2003	Philip M. Donian	42327-501001US	5831

64046 7590 04/02/2018

Mintz Levin/San Diego Office
One Financial Center
Boston, MASSACHUSETTS 02111
UNITED STATES OF AMERICA

EXAMINER	
RETTA, YEHDEGA	

ART UNIT	PAPER NUMBER
3688	

NOTIFICATION DATE	DELIVERY MODE
04/02/2018	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):

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Notice of Panel Decision from Pre-Appeal Brief Review

Application No.	Applicant(s)		
10/606,729	Donian et al.		
Examiner	**Art Unit**	**AIA Status**	
YEHDEGA RETTA	3622	No	

This is in response to the Pre-Appeal Brief Request for Review filed 19 March 2018 .

1. ☐ **Improper Request** - The Request is improper and a conference will not be held for the following reason(s):

☐ The Notice of Appeal has not been filed concurrent with the Pre-Appeal Brief Request.
☐ The request does not include reasons why a review is appropriate.
☐ A proposed amendment is included with the Pre-Appeal Brief request.
☐ Other: _____ .

The time period for filing a response continues to run from the receipt date of the Notice of Appeal or from the mail date of the last Office communication, if no Notice of Appeal has been received.

2. ☑ **Proceed to Board of Patent Appeals and Interferences** - A Pre-Appeal Brief conference has been held. The application remains under appeal because there is at least one actual issue for appeal. Applicant is required to submit an appeal brief in accordance with 37 CFR 41.37. The time period for filing an appeal brief will be reset to be one month from mailing this decision, or the balance of the two-month time period running from the receipt of the notice of appeal, whichever is greater. Further, the time period for filing of the appeal brief is extendible under 37 CFR 1.136 based upon the mail date of this decision or the receipt date of the notice of appeal, as applicable.

☑ The panel has determined the status of the claim(s) is as follows:
Claim(s) allowed: _____ .
Claim(s) objected to: _____ .
Claim(s) rejected: 212, 214-223 and 225-273 .
Claim(s) withdrawn from consideration: _____ .

3. ☐ **Allowable application** - A conference has been held. The rejection is withdrawn and a Notice of Allowance will be mailed. Prosecution on the merits remains closed. No further action is required by applicant at this time.

4. ☐ **Reopen Prosecution** - A conference has been held. The rejection is withdrawn and a new Office action will be mailed. No further action is required by applicant at this time.

All participants:

(1) YEHDEGA RETTA .	(3) Kambiz Abdi .
(2) Alexander Kalinowski .	(4) _____ .

/YEHDEGA RETTA/ Primary Examiner, Art Unit 3688	/ALEXANDER G KALINOWSKI/ Supervisory Patent Examiner, Art Unit 3691	/KAMBIZ ABDI/ Supervisory Patent Examiner, Art Unit 3688

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10606729	AP.PRE.DEC	04/02/2018	42327-501001US

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PATENT APPLICATION INFORMATION RETRIEVAL SYSTEM

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of:
Philip M. Donian, *et al.*

Application No.: 10/606,729 | Confirmation No.: 5831

Filed: June 26, 2003 | Art Unit: 3688

For: METHOD AND APPARATUS FOR THE FREE LICENSING OF DIGITAL MEDIA CONTENT | Examiner: Yehdega Retta

APPEAL BRIEF

FILED VIA EFS

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir or Madam:

In response to the Final Office Action mailed October 12, 2016 (hereinafter "Office Action") and the Pre-Appeal Panel Decision (hereinafter "Panel Decision") mailed on April 2, 2018, Appellant respectfully submits the following remarks for consideration. A first Pre-Appeal Brief Request for Review and a first Notice of Appeal was timely filed on July 2, 2014 along with the appropriate fees. Prosecution of this application was re-opened in response to the Examiner's Answer to the Appeal Brief mailed on August 28, 2015. A second Pre-Appeal Brief Request for Review and a second Notice of Appeal was timely filed on April 4, 2017 relying on the fees paid along with the first Notice of Appeal on July 2, 2014. The Office did not properly address the second Pre-Appeal Brief Request for Review via a Pre-Appeal Conference. Instead, the Office incorrectly issued a notice of abandonment on December 11, 2017 despite never having considered the second Pre-Appeal Brief Request for Review. The notice of abandonment was withdrawn via a *Sua Sponte* Exercise of Supervisory Review on January 29, 2018 and the Panel Decision was finally issued on April 2, 2018. This Appeal Brief is timely filed along with a three-month extension of time and the associated fee.

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1. Knepper does not describe or suggest "at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content of" independent Claim 212 or the corresponding features of Claims 238, 243, 267, 268, and 271 21
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I. REAL PARTY IN INTEREST

Piranha Media Distribution, Inc. is the real party in interest as the owner of the above-identified application by virtue of an assignment from the inventors.

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II. RELATED APPEALS AND INTERFERENCES

There are currently no other appeals or interferences, of which Appellant, Appellant's legal representative, or Assignee are aware, that will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

Hulu, LLC - Ex. 1002, Page 000669

III. STATUS OF CLAIMS

In the Office Action, the Office rejected claims 212, 214-223 and 225-273 under 35 U.S.C. §112, first paragraph as allegedly failing to comply with the written description requirement; claims 212, 214-223 and 225-273 under 35 U.S.C. §101 as allegedly being drawn to non-statutory subject matter; and claims 212, 214-223, 225-232, 234-249, 251-255 and 257-273 under 35 U.S.C. §103(a) as allegedly being unpatentably obvious over Knepper et al., Patent Application Publication No. 2001/0042249 ("Knepper") in view of Hannah et al., U.S. Patent No. 7,761,327 ("Hannah") and further in view of Wang, Patent Application Publication No. 2002/0191950 ("Wang").

Appellant appeals the final rejections of independent Claims 212, 238, 243, 267, 268, and 271. All of the remaining, pending dependent claims depend at least indirectly from one of Claims 212, 238, 243, 267, 268, and 271, and are therefore patentable subject to the outcome of this appeal.

IV. SUMMARY OF CLAIMED SUBJECT MATTER

In accordance with 37 C.F.R. § 41.37(c)(1)(iii), Appellant provides a brief summary of each independent claim involved in the appeal. Each summary refers to the specification in the record by page and line number and to the drawings by reference number. Appellant notes that this summary is provided only to assist the Board in identifying portions of the specification related to the particular claims. In the interest of brevity, each claim summary does not necessarily include all references to all relevant portions of the specifications and drawings. Accordingly, omission of any reference to the specification or to the drawings should not be construed in any way as an intent to relinquish claim scope or term, or as an implication or statement regarding conformance with 35 U.S.C. §112. Appellant respectfully submits that the claims should not be construed as being limited to the embodiments described or referenced in any claim summary, and that other embodiments, as well as the Doctrine of Equivalents, may apply in determining claim scope.

A. Independent Claim 212.

Claim 212 is a method claim including receiving, on a client system, data comprising digital media content and digital advertising content (*see e.g.*, specification pg. 9, lines 28-30; pg. 10, lines 1-2, and 29-31; pg. 11, lines 1-4; pg. 20, lines 30-31; pg. 21, lines 1-21; pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; FIGs. 1, 2, 4A, 4B, 11C). The method further includes sequencing the digital media content and the digital advertising content (*see e.g.*, specification pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; pg. 27, lines 1-2, and 11-21; FIG. 4A, 4B), the sequencing comprising ordering at least some of the digital media content and at least some of the digital advertising content into a user-perceptible content stream, (*see e.g.*, specification pg. 20, lines 30-31; pg. 21, lines 1-21; pg. 27, lines 11-21; pg. 32, lines 21-29; FIG. 4A, 4B) the user-perceptible content stream comprising one or more initially sequenced insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content (*see e.g.*, specification pg. 21, lines 1-21; pg. 28, lines 1-31; pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; FIG. 4A, 4B.). The method further includes adaptively modifying, using pre-defined rules and in response to a user input detected by the client system, (*see e.g.*, specification pg. 29, lines 17-22; pg. 33, lines 13-21; pg. 39, lines 9-14; pg. 40, lines 1-6; pg. 42, lines 22-31, pg. 43, lines 1-30, pg. 44, lines 1-31, pg. 45, lines 1-31, pg. 46, lines 1-30, pg. 47, lines 1-16; pg. 49, lines

Hulu, LLC - Ex. 1002, Page 000671

1-6, and 19-27; pg. 50, lines 10-15) a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes causing presentation of the user-perceptible content stream at the client system after the adaptively modifying (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream (*see e.g.*, specification, pg. 32, lines 1-31; pg. 33, lines 1 – 31; pg. 34, lines 1-20; pg. 40, lines 1-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 53, lines 7-27; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes disallowing a navigation choice that alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress (*see e.g.*, specification, pg. 34, lines 1-20; pg. 48, lines 20-30; pg. 49, lines 1-6; FIGs. 4A, 5A, 7A, 7B). The method further includes storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented (*see e.g.*, specification, pg. 11, lines 1-4; pg. 16, lines 4 – 12; pg. 34, lines 1-20; pg. 40, lines 1-31, pg. 41, lines 1-31; pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D), wherein the receiving, the sequencing, the adaptively modifying, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors (*see e.g.*, specification, pg. 17, lines 20-26; pg. 32, lines 12-15; FIG. 2).

B. Independent Claim 238.

Claim 238 is a method including transmitting, by at least one remote system to a client system, data comprising digital media content and digital advertising content (*see e.g.*, specification pg. 9, lines 28-30; pg. 10, lines 1-2, and 29-31; pg. 11, lines 1-4; pg. 20, lines 30-31; pg. 21, lines 1-21; pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; FIGs. 1, 2, 4A, 4B, 11C). The method further includes sequencing the digital media content and the digital advertising content (*see e.g.*, specification pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; pg. 27, lines 1-2, and 11-21; FIG. 4A, 4B), the sequencing comprising ordering at least some of the digital media content and at least some of the digital advertising content into a user-perceptible content stream, (*see e.g.*, specification pg. 20, lines 30-31; pg. 21, lines 1-21; pg. 27, lines 11-21; pg. 32, lines 21-29; FIG. 4A, 4B) the user-perceptible content stream comprising one or more initially sequenced insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content (*see e.g.*, specification pg. 21, lines 1-21; pg. 28, lines 1-31; pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; FIG. 4A, 4B). The method further includes adaptively modifying, using pre-defined rules and in response to a user input detected by the client system, (*see e.g.*, specification pg. 29, lines 17-22; pg. 33, lines 13-21; pg. 39, lines 9-14; pg. 40, lines 1-6; pg. 42, lines 22-31, pg. 43, lines 1-30, pg. 44, lines 1-31, pg. 45, lines 1-31, pg. 46, lines 1-30, pg. 47, lines 1-16; pg. 49, lines 1-6, and 19-27; pg. 50, lines 10-15; FIG. 4A, 4B) a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes causing presentation of the user-perceptible content stream at the client system after the adaptively modifying (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether

presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream (*see e.g.*, specification, pg. 32, lines 1-31; pg. 33, lines 1 – 31; pg. 34, lines 1-20; pg. 40, lines 1-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 53, lines 7-27; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes disallowing a navigation choice that alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress (*see e.g.*, specification, pg. 34, lines 1-20; pg. 48, lines 20-30; pg. 49, lines 1-6; FIGs. 4A, 5A, 7A, 7B). The method further includes storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented (*see e.g.*, specification, pg. 11, lines 1-4; pg. 16, lines 4 – 12; pg. 34, lines 1-20; pg. 40, lines 1-31, pg. 41, lines 1-31; pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D), wherein the receiving, the sequencing, the adaptively modifying, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors (*see e.g.*, specification, pg. 17, lines 20-26; pg. 32, lines 12-15; FIG. 2).

C. Independent Claim 243.

Claim 243 is directed to a method including receiving, on a client system, data comprising digital media content and digital advertising content (*see e.g.*, specification pg. 9, lines 28-30; pg. 10, lines 1-2, and 29-31; pg. 11, lines 1-4; pg. 20, lines 30-31; pg. 21, lines 1-21; pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; FIGs. 1, 2, 4A, 4B, 11C). The method further includes sequencing the digital media content (*see e.g.*, specification pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; pg. 27, lines 1-2, and 11-21; FIG. 4A, 4B), the sequencing comprising ordering the digital media content into a user-perceptible content stream comprising a media section that comprises at least some of the digital media content, the user perceptible content stream further comprising an advertising block within which at least some of the digital advertising content is scheduled to be presented (*see e.g.*, specification pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; pg. 27, lines 1-2, and 11-21; FIG. 4A, 4B), the advertising block being arranged within the user-perceptible content stream at an initially defined insertion position relative to the media section (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54,

lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the client machine (*see e.g.*, specification pg. 29, lines 17-22; pg. 33, lines 13-21; pg. 39, lines 9-14; pg. 40, lines 1-6; pg. 42, lines 22-31, pg. 43, lines 1-30, pg. 44, lines 1-31, pg. 45, lines 1-31, pg. 46, lines 1-30, pg. 47, lines 1-16; pg. 49, lines 1-6, and 19-27; pg. 50, lines 10-15; FIG. 4A, 4B), the modified user-perceptible content stream comprising an alternate insertion position of the advertising block relative to the media section, the alternate insertion position differing from the initially defined insertion position and not having digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D), the adaptively re-sequencing comprising determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes causing presentation of the modified user-perceptible content stream at the client system (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the modified user-perceptible content stream (*see e.g.*, specification, pg. 32, lines 1-31; pg. 33, lines 1 – 31; pg. 34, lines 1-20; pg. 40, lines 1-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 53, lines 7-27; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes disallowing a navigation choice that alters a course of playback of the modified user-perceptible content stream while presentation of the required part of the digital advertising content is in

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progress (*see e.g.*, specification, pg. 34, lines 1-20; pg. 48, lines 20-30; pg. 49, lines 1-6; FIGs. 4A, 5A, 7A, 7B). The method further includes storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented (*see e.g.*, specification, pg. 11, lines 1-4; pg. 16, lines 4 – 12; pg. 34, lines 1-20; pg. 40, lines 1-31, pg. 41, lines 1-31; pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D), wherein the receiving, the sequencing, the adaptively re-sequencing, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors (*see e.g.*, specification, pg. 17, lines 20-26; pg. 32, lines 12-15; FIG. 2).

D. Independent Claim 267.

Claim 267 is directed to a method including transmitting, by at least one remote system to a client system, data comprising digital media content and digital advertising content (*see e.g.*, specification pg. 9, lines 28-30; pg. 10, lines 1-2, and 29-31; pg. 11, lines 1-4; pg. 20, lines 30-31; pg. 21, lines 1-21; pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; FIGs. 1, 2, 4A, 4B, 11C). The method further includes sequencing the digital media content (*see e.g.*, specification pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; pg. 27, lines 1-2, and 11-21; FIG. 4A, 4B), the sequencing comprising ordering the digital media content into a user-perceptible content stream comprising a media section that comprises at least some of the digital media content, the user perceptible content stream further comprising an advertising block within which at least some of the digital advertising content is scheduled to be presented (*see e.g.*, specification pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; pg. 27, lines 1-2, and 11-21; FIG. 4A, 4B), the advertising block being arranged within the user-perceptible content stream at an initially defined insertion position relative to the media section (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the client machine (*see e.g.*, specification pg. 29, lines 17-22; pg. 33, lines 13-21; pg. 39, lines 9-14; pg. 40, lines 1-6; pg. 42, lines 22-31, pg. 43, lines 1-30, pg. 44, lines 1-31, pg. 45, lines 1-31, pg. 46, lines 1-30, pg. 47, lines 1-16; pg. 49, lines 1-6, and 19-27; pg. 50, lines 10-15; FIG. 4A, 4B), the modified user-perceptible content stream

comprising an alternate insertion position of the advertising block relative to the media section, the alternate insertion position differing from the initially defined insertion position and not having digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D), the adaptively re-sequencing comprising determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes causing presentation of the modified user-perceptible content stream at the client system (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the modified user-perceptible content stream (*see e.g.*, specification, pg. 32, lines 1-31; pg. 33, lines 1 – 31; pg. 34, lines 1-20; pg. 40, lines 1-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 53, lines 7-27; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes disallowing a navigation choice that alters a course of playback of the modified user-perceptible content stream while presentation of the required part of the digital advertising content is in progress (*see e.g.*, specification, pg. 34, lines 1-20; pg. 48, lines 20-30; pg. 49, lines 1-6; FIGs. 4A, 5A, 7A, 7B). The method further includes storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented (*see e.g.*, specification, pg. 11, lines 1-4; pg. 16, lines 4 – 12; pg. 34, lines 1-20; pg. 40, lines 1-31, pg. 41, lines 1-31; pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D), wherein the transmitting, the sequencing, the adaptively re-sequencing, the causing, the keeping, the

disallowing, and the storing are performed by one or more programmable processors (*see e.g.*, specification, pg. 17, lines 20-26; pg. 32, lines 12-15; FIG. 2).

E. Independent Claim 268.

Claim 268 is directed to a system. The system including means for causing data comprising digital media content and digital advertising content to be available on a client system (*see e.g.*, specification pg. 9, lines 28-30; pg. 10, lines 1-2, and 29-31; pg. 11, lines 1-4; pg. 20, lines 30-31; pg. 21, lines 1-21; pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; FIGs. 1, 2, 4A, 4B, 11C). The system further includes means for sequencing the digital media content (*see e.g.*, specification pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; pg. 27, lines 1-2, and 11-21; FIG. 4A, 4B), the sequencing comprising ordering the digital media content into a user-perceptible content stream comprising a media section that comprises at least some of the digital media content, the user perceptible content stream further comprising an advertising block within which at least some of the digital advertising content is scheduled to be presented (*see e.g.*, specification pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; pg. 27, lines 1-2, and 11-21; FIG. 4A, 4B), the advertising block being arranged within the user-perceptible content stream at an initially defined insertion position relative to the media section (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The system further includes means for adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the client machine (*see e.g.*, specification pg. 29, lines 17-22; pg. 33, lines 13-21; pg. 39, lines 9-14; pg. 40, lines 1-6; pg. 42, lines 22-31, pg. 43, lines 1-30, pg. 44, lines 1-31, pg. 45, lines 1-31, pg. 46, lines 1-30, pg. 47, lines 1-16; pg. 49, lines 1-6, and 19-27; pg. 50, lines 10-15; FIG. 4A, 4B), the modified user-perceptible content stream comprising an alternate insertion position of the advertising block relative to the media section, the alternate insertion position differing from the initially defined insertion position and not having digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41,

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lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D), the adaptively re-sequencing comprising determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The system further includes means for causing presentation of the modified user-perceptible content stream at the client system (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The system further includes means for keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the modified user-perceptible content stream (*see e.g.*, specification, pg. 32, lines 1-31; pg. 33, lines 1 – 31; pg. 34, lines 1-20; pg. 40, lines 1-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 53, lines 7-27; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The system further includes means for disallowing a navigation choice that alters a course of playback of the modified user-perceptible content stream while presentation of the required part of the digital advertising content is in progress (*see e.g.*, specification, pg. 34, lines 1-20; pg. 48, lines 20-30; pg. 49, lines 1-6; FIGs. 4A, 5A, 7A, 7B). The system further includes means for storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented (*see e.g.*, specification, pg. 11, lines 1-4; pg. 16, lines 4 – 12; pg. 34, lines 1-20; pg. 40, lines 1-31, pg. 41, lines 1-31; pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D).

F. Independent Claim 271.

Claim 271 is directed to a system. The system including means for causing data comprising digital media content and digital advertising content to be available on a client system (*see e.g.*, specification pg. 9, lines 28-30; pg. 10, lines 1-2, and 29-31; pg. 11, lines 1-4; pg. 20, lines 30-31; pg. 21, lines 1-21; pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; FIGs. 1, 2, 4A, 4B, 11C). The

system further includes means for sequencing the digital media content and the digital advertising content (*see e.g.*, specification pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; pg. 27, lines 1-2, and 11-21; FIG. 4A, 4B), the sequencing comprising ordering at least some of the digital media content and at least some of the digital advertising content into a user-perceptible content stream, (*see e.g.*, specification pg. 20, lines 30-31; pg. 21, lines 1-21; pg. 27, lines 11-21; pg. 32, lines 21-29; FIG. 4A, 4B) the user-perceptible content stream comprising one or more initially sequenced insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content (*see e.g.*, specification pg. 21, lines 1-21; pg. 28, lines 1-31; pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; FIG. 4A, 4B). The system further includes means for adaptively modifying, using pre-defined rules and in response to a user input detected by the client system, (*see e.g.*, specification pg. 29, lines 17-22; pg. 33, lines 13-21; pg. 39, lines 9-14; pg. 40, lines 1-6; pg. 42, lines 22-31, pg. 43, lines 1-30, pg. 44, lines 1-31, pg. 45, lines 1-31, pg. 46, lines 1-30, pg. 47, lines 1-16; pg. 49, lines 1-6, and 19-27; pg. 50, lines 10-15) a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The system further includes means for causing presentation of the user-perceptible content stream at the client system after the adaptively modifying (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The system further includes means for keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream (*see e.g.*, specification, pg. 32, lines 1-31; pg. 33, lines 1 – 31; pg. 34, lines 1-20; pg. 40, lines 1-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 53, lines 7-27; pg. 54, lines 4-14; FIGs. 4A,

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6A, 6B, 7A, 7B, 8C, 8D). The system further includes means for disallowing a navigation choice that alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress (*see e.g.*, specification, pg. 34, lines 1-20; pg. 48, lines 20-30; pg. 49, lines 1-6; FIGs. 4A, 5A, 7A, 7B). The system further includes means for storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented (*see e.g.*, specification, pg. 11, lines 1-4; pg. 16, lines 4 – 12; pg. 34, lines 1-20; pg. 40, lines 1-31, pg. 41, lines 1-31; pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D).

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V. ARGUMENT

Appellant respectfully submits that the claim feature relating to "at least one of the alternatively sequenced insertion points being different from the one or more initially sequenced insertion points," is fully supported by the original specification and figures. References cited below are to the published application for convenience. Applicant submits that the references find support in the originally filed application, and can provide references thereto if the Board so desires. One of ordinary skill in the art would clearly understand that the inventor was in possession of the claimed invention at the time of filing at least through the portions of the specification and figures described herein. As such, Appellant respectfully requests the reversal of the rejections of the claims under 35 U.S.C. §112.

Appellant respectfully submits that the applied references, either alone or in combination, fail to describe or suggest at least "**adaptively modifying** using pre-defined rules and **in response to a user input detected by the client system**, **a presentation position of the digital advertising content** from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, at least one of the one or more **alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content** within the user-perceptible content stream." As such, Appellant respectfully requests the reversal of the rejections of the claims under 35 U.S.C. §103(a).

Applicant submits the recent USPTO memorandum dated April 2, 2018, from Robert W. Bahr ("April 2018 Memo"), the April 2018 *Core Wireless* Federal Circuit case, *Ex parte Relyea*, as well as the remarks below, demonstrate that Claim 212 does not recite an abstract idea (step 2A), and, even if Claim 212 does recite an abstract idea (which Applicant does not acknowledge), Claim 212 amounts to significantly more than the abstract idea itself (step 2B). As such, Appellant respectfully requests the reversal of the rejections of the claims under 35 U.S.C. §101.

The Applicant's representative discussed these issues with the Examiner during an Interview on November 8, 2016 ("the Interview"), and although she agreed to consult with her colleagues and to follow up with the undersigned, she has not provided further feedback.

A. The pending claims satisfy the written description requirement under 35 U.S.C. §112, first paragraph because one of ordinary skill in the art would readily understand that the specification teaches the objected-to claim features.

Claims 212, 214-223 and 225-273 stand rejected under 35 U.S.C. §112, first paragraph, because the Office alleges that the claims lack written description. *Office Action*, p. 4. The rejections of the independent claims under 35 U.S.C. §112, first paragraph are based on the Examiner's incorrect assertion that the original specification fails to provide the necessary written description support for the claim feature relating to "at least one of the alternatively sequenced insertion points being different from the one or more initially sequenced insertion points," which was added by amendment in the Response filed August 1, 2016 ("the previous Response"). As a first point, the allegedly unsupported features were first added to the claims in the paper filed October 28, 2015, albeit in slightly different form, to address a rejection under 35 U.S.C. §112, first paragraph raised in the Final Office Action mailed May 1, 2014. The Examiner withdrew the rejection in the Non-Final Office Action mailed February 1, 2016, but now has repeated it for reasons the Applicant does not understand.

Furthermore, the Examiner has clearly failed to apply the proper standard for a rejection under 35 U.S.C. §112, first paragraph. As stated in MPEP §2163.02: the objective standard for determining compliance with the written description requirement is, "does the description clearly allow persons of ordinary skill in the art to recognize that he or she invented what is claimed."[1] To satisfy the written description requirement, an applicant must convey with reasonable clarity to those skilled in the art that, as of the filing date sought, he or she was in possession of the invention, and that the invention, in that context, is whatever is now claimed. If a skilled artisan would have understood the inventor to be in possession of the claimed invention at the time of filing, even if every nuance of the claims is not explicitly described in the specification, then the adequate description requirement is met.[2] Furthermore, as stated in MPEP §2163.07, "mere rephrasing of a passage does not constitute new matter," and "a rewording of a passage where the same meaning remains intact is permissible."[3]

Further, to make a *prima facie* case, **the Examiner has the initial burden of presenting evidence or reasoning** to explain why persons skilled in the art would not recognize in the

[1] See, *e.g. In re Gosteli*, 872 F.2d 1008, 1012, 10 USPQ2d 1614, 1618 (Fed. Cir. 1989). Under *Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1563-64, 19 USPQ2d 1111, 1117 (Fed. Cir. 1991).
[2] See, *e.g.*, *Vas-Cath*, 935 F.2d at 1563, 19 USPQ2d at 1116; and *Martin v. Johnson*, 454 F.2d 746, 751, 172 USPQ 391, 395 (CCPA 1972) (stating "the description need not be *in ipsis verbis* [i.e., "in the same words"] to be sufficient").
[3] See, *e.g. In re Anderson*, 471 F.2d 1237, 176 USPQ 331 (CCPA 1973).

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disclosure a description of the invention defined by the claim, and to explain why the claim is not fully supported by the disclosure (emphasis added). *MPEP* 2163.04. Instead of providing evidence or reasoning, the Examiner has simply alleged "Examiner could not find a [*sic*] support for the following claim language." *Office Action*, p. 5. Accordingly, the Examiner has not satisfied her burden of proof for establishing a *prima facie* case that one of ordinary skill in the art would not have been able to recognize that the inventors invented the subject matter recited in Claim 212. As such, the rejection under U.S.C. §112, first paragraph that Claim 212 allegedly fails to satisfy the written description requirement is improper and should be withdrawn.

As discussed during the Interview, the Examiner appears to have merely searched the specification for explicit textual support without properly determining what a skilled artisan would have understood the inventors to have been in possession of at the time of filing. Had the Examiner performed the proper analysis, she would have readily noted that the claim feature at issue in this rejection is well-supported at least by ¶0149-¶0150, and also at ¶0154-¶0156, referring to FIG. 4A.

In ¶0149, the instant specification describes a situation in which "the user of sequence 402 jumps right into segment 434 as segment 430 is just starting" in which case "the player/viewer will begin segment 434 at its point of entry, followed at its end by ad block 412." In this case, the digital advertising content plays at "one of the one or more initial insertion points." In contrast, in ¶0150, "the user has watched 80% of segment 432, and then jumps into the middle of segment 434," which results in "ad block 410 play[ing] immediately, and when it is finished, content play resum[ing] at the point selected in segment 434." In the scenario described in ¶0150, ad block 410 is played at a point immediately preceding "the middle of segment 434," which is an "alternate insertion point" that is clearly "different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream," which would, in this example, be those insertion points originally scheduled to occur between the segments.

At ¶0154-¶0156, the instant specification provides further support for the claim feature at issue, this time in reference to an example (illustrated as sequence 404 in FIG. 4A) of a "track allowance method for ad placement." ¶0154 states that in "regular play without skipping around or other navigation, sequence 404 begins by playing tracks 440, 442, 444, 446, and 448 in series, followed by ad block 414, and then tracks 450, 452, 454, and 456" and that ad block 416 comes after track 456, "followed by tracks 458, 460, and 462." In ¶0156, "[i]f the user decides to play track 446 and then track 456, the program does not insert ad block 416 immediately after track

456. Instead, play goes directly into track 458, because the allowance is 5 tracks. If the user plays through most of track 458, then jumps to the beginning of track 442 and plays it, there is still allowance for one more track after that, since only four tracks (446, 456, 458, and 442) have played so far." In other words, ad blocks 414 and 416 are initially sequenced after tracks 448 and 456, respectively, but in response to the user "skipping around or other navigation," ad block insertions wind up at different positions relative to those tracks to comply with pre-defined placement rules (which in this example are track count rules).

One of ordinary skill in the art would clearly understand that the movement of an ad block insertion location originally scheduled to follow track 448 and precede track 450 but instead being played at a different location that was not an initially scheduled insertion point provides clear support sufficient to satisfy the requirements of 35 U.S.C. §112, first paragraph. Claims 212, 238, 243, 267, 268, and 271 therefore satisfy the written description requirement. Claims 214-223, 225-237, 239-242, 244-266, 269-270, and 272-273 stand rejected for their dependency on a rejected basis, and are not separately rejected. As such, Claims 214-223, 225-237, 239-242, 244-266, 269-270 also comply with the written description requirement. For at least these reasons, these rejections should be withdrawn.

B. The pending claims are not obvious under 35 U.S.C. §103(a) because the applied references fail to teach or suggest each and every feature of the claims.

Claims 212, 214-223 and 225-273 stand rejected under 35 U.S.C. §103(a) as allegedly being unpatentably obvious over Knepper in view of Hannah and further in view of Wang. *Office Action*, p. 7. Appellant respectfully disagrees, and respectfully requests the reversal of the rejections of Claims 212, 214-223 and 225-273 for at least the reasons discussed herein.

The burden of establishing a proper *prima facie* basis upon which to reject claimed subject matter as unpatentably obvious lies with the Office. MPEP § 2143. In order to establish a proper *prima facie* basis, the Office must present a clear and explicit rationale supporting the assertion that all of the claimed elements were known in the prior art, and that one skilled in the art would have combined the claimed elements by known methods, with no change in their respective functions, to produce a combination yielding nothing more than predictable results. *Id.*; *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398, 416 and 419 (quoting with approval *In re Kahn,* 441 F.3d 977, 988 (C.A. Fed. 2006)). In judging the patentability of the claims against the prior

art, all words in a claim must be considered. *In re Wilson*, 424 F.2d 1382, 1385 (CCPA 1970); MPEP § 2143.03.

Furthermore, "[t]o support the conclusion that the claimed invention is directed to obvious subject matter, either the references must expressly or impliedly suggest the claimed invention or the examiner must present a convincing line of reasoning as to why the artisan would have found the claimed invention to have been obvious in light of the teachings of the references." MPEP §706.02(j) (quoting *Ex Parte Clapp*, 227 USPQ 972, 973 (Bd. Pat. App. & Inter. 1985)).

Appellant respectfully submits that the Examiner has failed to establish a proper *prima facie* case of obviousness under 35 U.S.C. §103(a).

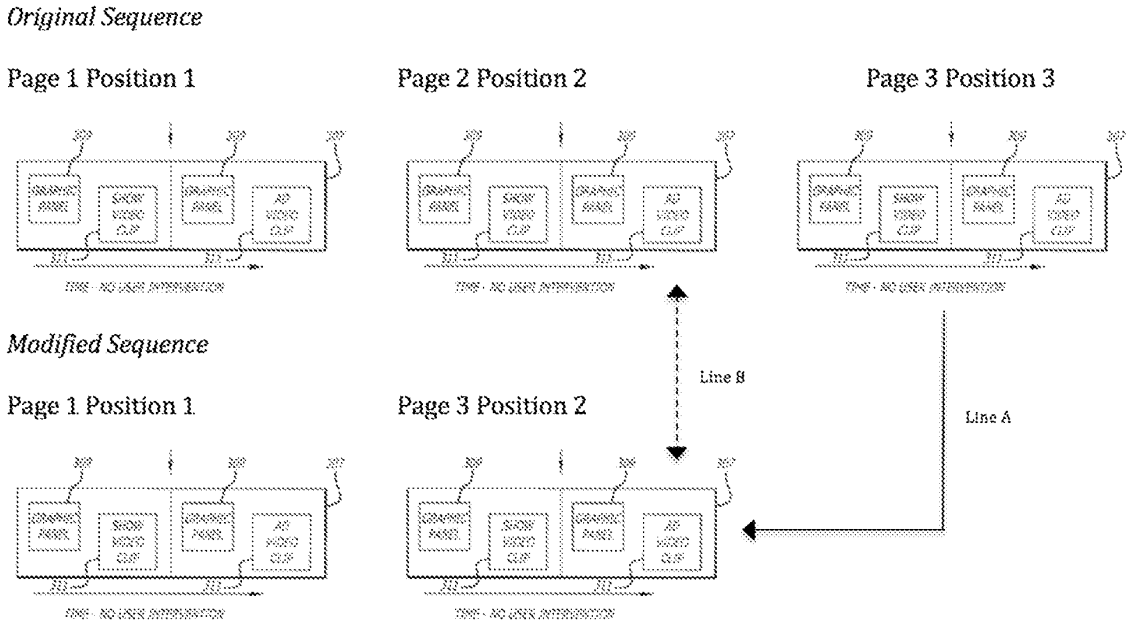
1. **Knepper does not describe or suggest "at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content of" independent Claim 212 or the corresponding features of Claims 238, 243, 267, 268, and 271.**

As discussed with the Examiner during the Interview, the statement of the rejections under 35 USC §103 reflects clear error, at least because a) it ignores explicit limitations of the claims and b) the cited references clearly do not describe or suggest all of the features of the independent claims.

As a first point, the Examiner has explicitly acknowledged on the record (see the Final Office Action mailed May 1, 2014 at page 15) that Knepper does not teach "at least one of the advertisement files is presented in a different position relative to the media files." The specific wording of this limitation has been slightly modified relative to what was pending at the time of this Final Office Action to make it abundantly clear what is being claimed. Despite Applicant's repeated attempts to clarify the claimed subject matter, the Examiner continues to muddle the issue, specifically with her statement of the reasons for rejection on page 8 of the current Office Action, where she alleges that "[s]ame as applicant's disclosure, the advertisement and the media of Knepper which were sequenced to be played in a predefined order, when the user skips or forwards to a different music (e.g. to a third media in the sequence after playing the first media in the sequence), the ad appended to the media (third media) would also be played as a second in the sequence (the media and ad combination) instead of the ad appended to the second media in the sequence (playlist)." The rationale for this incorrect assertion relies on a re-statement of how a

Knepper presentation clip page is constructed (citing ¶0062 as it relates to FIG. 7) and an alleged equality with descriptions in the instant specification. *Office Action*, p. 8. However, as discussed further below, the Knepper description directly contradicts the claimed subject matter, particularly the claim features in which an alternate insertion point (that differs from any initial insertion point) relative to digital media is used in response to user input that causes the adaptively modifying as claimed. Furthermore, the cited ¶0062 and FIG. 7 of Knepper clearly relate to initial set-up of the entertainment files and advertising files and make no reference whatsoever to "skipping." The Examiner appears to have constructed this part of the statement of rejection without proper basis in any of the prior art.

Even assuming, *arguendo*, that a user could navigate between Knepper pages and that would somehow change the order at which specific advertisement content is presented, the advertising insertion points as described in Knepper would still be at the exact same positions as enumerated upon in the following diagram example adapted from FIG. 4 of Knepper:



In the example diagram above, if a Knepper Page 3 moves from Position 3 in the *Original Sequence* to Position 2 in the *Modified Sequence* (as shown by Line A above) then, while the content of Ad Video Clip 311 at Position 2 may change, the advertisement insertion point of the resultant presentation at Page 3 Position 2 (formerly Page 2 Position 2) would be at the exact same

position in sequence (as shown by Line B, Ad Video Clip 311 above). The Examiner ***argues*** that moving the position of the pages (e.g., from Page 3, Position 3 to Page 3, Position 2, as shown above) changes the Content of the Ad Video Clip 311 at Position 2. *See Office Action*, p. 8. However, Claim 212 recites **adaptively modifying** a position for digital ad content by moving the position from "one or more **initially sequenced insertion points to one or more alternatively sequenced insertion points"** that are different from the initially sequenced insertion points "relative to the digital media content within the user-perceptible content stream." As clearly shown above and as described in Knepper, the insertion points of the Ad Video Clips **do not change**.

Moreover, the approaches described in Knepper generally relate to improvements that address challenges inherent in delivery and playback of video and/or audio media files on a client-side computer (see, e.g. ¶0007 of Knepper). Using the approach of Knepper, media files (which can include both entertainment media files and advertisement media files) and an instruction set are downloaded from a server to a client, and pre-cached at the client side. Knepper explains that the "server 207 thus has control over the user's advertisement set." *Id.* at ¶0029. Knepper also explains that an application "assembles the entertainment and advertisement media files and begins playback of the various media files… **in the order specified by the instruction set**" (emphasis added). *Id.* at ¶0037. The entertainment and advertisement media files are thus assembled to form a clip. The formed clip has the appearance of being a single media file. *Id.* at ¶0038.

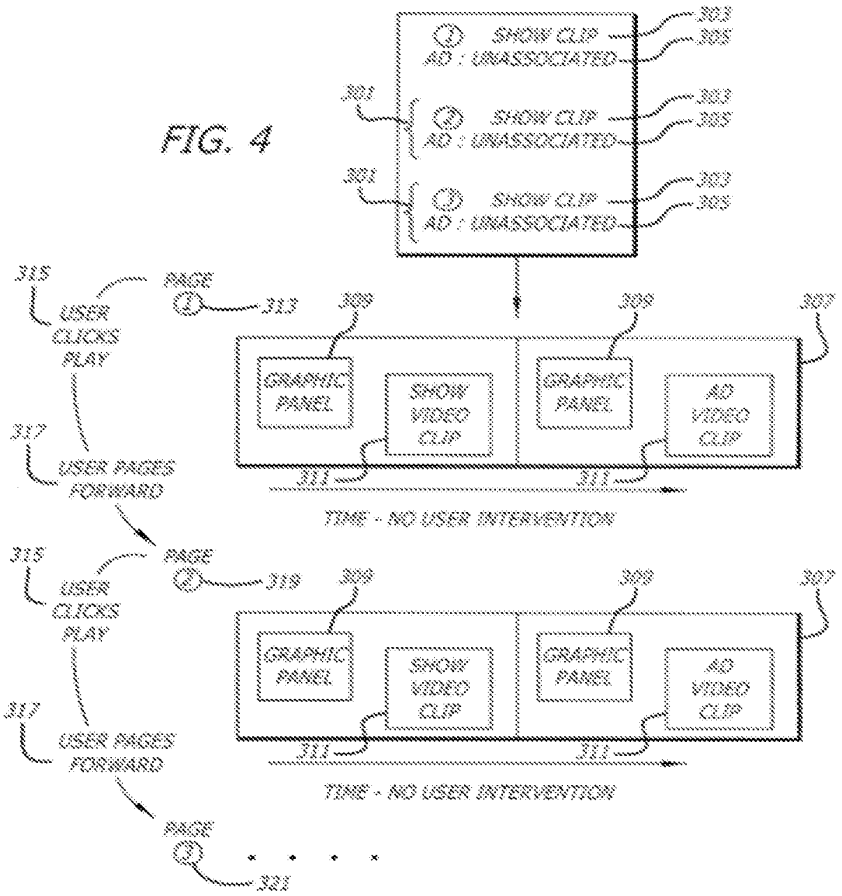
In direct contrast to the descriptions in Knepper, the "**adaptively modifying**" of "a presentation position of the digital advertising content" element of claim 212 involves using pre-defined rules and occurs **in response to a user input** detected by the client system. The presentation position of the digital advertising content is adaptively modified "from at least one of the one or more **initially sequenced insertion points to one or more alternatively sequenced insertion points**" and "at least one of the one or more **alternatively sequenced insertion points** [is] **different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream**." In other words, after creating a user-perceptible content stream a user input causes a modification to the user-perceptible content stream such that digital advertising content in the user-perceptible content stream after the adaptively modifying is arranged at different/alternate insertion positions relative to the digital media content. Such an adaptive modification would not be possible in the Knepper instruction set, **determined by the server**, that indicates the order of entertainment and advertisement media

files.

Knepper makes clear that the insertion positions for advertising are defined by pages. For example, Knepper at ¶0052 describes a digital magazine having ads at fixed positions in relation to the content. A user can traverse the magazine, for example by "paging forward", but will always be presented with advertisements at fixed pre-determined locations relative to the specific content assigned to a given page. Even assuming *arguendo* that user navigation in the Knepper approach can change the order in which pages are presented, which in turn may result in the entertainment files and the associated advertising file locations for a given page to be presented in a different overall order, the locations at which advertising files are presented is nonetheless always fixed with respect to the associated entertainment file for a given page, at least because the navigation in Knepper occurs page by page and each page defines a fixed and unchangeable relationship between the entertainment file and a location for an advertising file. *See Knepper*, FIG. 4 show video clip 311 and ad video clip 311. For example, if a user could navigate from a first page of a Knepper magazine to a third page, any initially defined advertising file location on the first page and the third page would remain the same relative to the entertainment files on those first and third pages both before and after the navigation, as shown in the above example on p. 22 adapted from FIG. 4 of Knepper.

With Knepper, and with particular reference to paragraphs ¶¶0052, 0059, 0063, and 0084, entertainment files can have associated advertisement files (i.e., the same advertisement is always played with the same entertainment file) or they can have unassociated advertisement files (i.e., an advertisement file is always played with the entertainment file – but it can be one of several advertisement files). What is not changeable in Knepper, however, are the actual insertion locations at which advertising is presented relative to the content on any given page. Thus, a user of the approach described in Knepper may choose to navigate between pages 307 as discussed above. However, as shown in Knepper's FIG. 4 (reproduced below for reference) on any given page 307, there is a fixed "show video clip" 311 and an "ad video clip" 311.

FIG. 4



In other words, the approach of Knepper requires defining of fixed, specific locations into which ad video clips are inserted before or after specific show video clips. This requirement is made explicit in ¶0041: "[t]he server also sends a text file containing a set of instructions indicating which advertisement media files from among the pre-cached advertisement media files to insert into the entertainment media file at run time, how many advertisement media files to insert, and **where to insert them**." (Emphasis added). Knepper further explains that once "all of the files listed in the instruction set are downloaded, the client begins to display the content" and the "**instruction set indicates the order in which the media files are to be played**" (emphasis added). *Id.* at ¶¶0011, 0065.

In contrast, the subject matter of the instant claims causes an alternate insertion position/one or more alternatively sequenced insertion points for digital advertising content in the adaptively re-sequenced/adaptively modified user-perceptible content stream to be different than

those in the user-perceptible content stream before the adaptively re-sequencing/adaptively modifying such that an insertion position for digital advertising content relative to a media section of the digital media content changes from the user-perceptible content stream to the modified user-perceptible content stream/the user-perceptible content stream post adaptively modifying. This changing of the insertion position/insertion points of digital advertising content occurs explicitly as a result of user interaction, which is directly and unequivocally contrary to the approach described in Knepper (*see, e.g.*, Knepper Fig 4, which repeatedly states "**no user intervention**" (emphasis added) with the combination of content and advertising).

Claim 243 (and also claims 267 and 268, which differ in scope but include similar language) explicitly requires "the modified user-perceptible content stream comprising an alternate insertion position of the advertising block relative to the media section, the alternate insertion position differing from the initially defined insertion position and not having digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing" (emphasis added). Claim 212 (and also claims 238 and 271, which differ in scope but include similar language) states a related limitation worded slightly differently, and is likewise clearly not compatible with any reasonable interpretation of Knepper. Specifically, the modified user-perceptible content stream of claim 243 includes an alternate insertion position of a specific advertising block relative to a specific media section, where the alternate insertion position differs from the initially defined insertion position and does not have digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing.

Knepper neither describes nor suggests such an approach – as noted above, a given advertising location on a page is explicitly fixed relative to the entertainment file location on that page. There is no allowance in Knepper for presenting an advertising file in a location relative to an entertainment file that is not also present in the original sequence. Furthermore, FIG. 4 of Knepper expressly states that "**no user intervention**" (emphasis added) is permitted with regards to the page structure itself. These teachings of Knepper, which were discussed in detail in the previous Response and at several other points during the lengthy prosecution of this matter, directly contradict the example of the claimed subject matter (see, e.g., description above relating to the written description rejections).

The current Office Action fails to even explicitly allege that the features of claims 212 (and

238 and 271) and 243 (and 267 and 268) discussed above are described or suggested in the prior art. For example, the statement of rejection appearing at pages 7 to 9 of the Office Action makes no reference to such features but rather recycles text that has appeared in previous rejections of claims that did not have these features recited as they are currently presented. Additionally, the statement of rejection beginning on page 7 of the current office action does not acknowledge any difference in the claim language between claims 212 and 243, which is another indication of clear error. Furthermore, in the Response to Arguments section (see end of page 16 and top of page 17), the Examiner expressly attempts to rebut Applicant's arguments for non-obviousness by alleging that these elements need not be considered because "applicant's specification does not provide support for such claim language." Beyond being an admission that the features are not addressed in the statement of the rejections under 35 U.S.C. §103(a), this statement is also, on its face, a clear violation of the principles of compact prosecution.[4] The Examiner has committed clear error by failing to consider the Applicant's argument with regard to an explicit claim feature with the excuse of an errant (as discussed above in relation to the rejections under 35 U.S.C. §112, first paragraph) allegation of lack of written description support.

Finally, the Examiner's citation of *In re Keller* (see page 17 of the current Office Action) is nonsensical. The holding in that case certainly does not preclude a rebuttal of an obviousness rejection by explaining how the primary reference does not teach features alleged by the Examiner, particularly when the cited secondary references are neither asserted to nor reasonably interpretable as remedying the identified deficiencies in the primary reference. For avoidance of doubt, Knepper does not describe or suggest the above-noted features, nor do any of the other cited references. For example, Wang and Hannah are cited merely as allegedly rendering unpatentably obvious the features relating to prevention of skipping of advertising. Neither reference addresses the clear deficiency in Knepper with regard to the currently pending claims. Accordingly, Knepper, Wang, and Hannah, whether considered alone or in any combination, are insufficient to establish proper grounds for a rejection under 35 U.S.C. §103(a).

Claim 238 is directed to subject matter of different scope than Claim 212, but includes similar limitations to those discussed above. Claims 243, 267, 268, and 271 likewise recite features

[4] See MPEP §2103, which states that "each claim should be reviewed for compliance with every statutory requirement for patentability in the initial review of the application, even if one or more claims are found to be deficient with respect to some statutory requirement."

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similar to at least some of the patentable features discussed in connection with Claim 212 above and also define patent-eligible subject matter.

For at least these reasons, withdrawal of the pending rejections of Claims 212, 238, 243, 267, 268, and 271 under 35 U.S.C. §103(a) is respectfully requested.

2. Dependent Claims 214-223, 225-237, 239-242, 244-266, 269-270, and 272-273 are allowable over the applied references at least by virtue of their dependency from one of independent Claims 212, 238, 243, 267, 268, or 271.

Dependent Claims 214-223, 225-237, 239-242, 244-266, 269-270, and 272-273 each depend either directly or indirectly on one of independent Claims 212, 238, 243, 267, 268, and 271. Thus, the dependent claims incorporate by reference all the features of their respective independent claims pursuant to 35 U.S.C. § 112, ¶ 4. In view of the features as recited in the independent claims, and in view of the additional features as recited in the dependent claims, Appellant respectfully submits that the dependent claims define patentable subject matter over the applied references for at least the reasons discussed above, and for their respective additional novel features. Thus, Appellant respectfully submits that dependent Claims 214-223, 225-237, 239-242, 244-266, 269-270, and 272-273 are allowable.

Accordingly, for at least these reasons, reversal of the pending rejection of Claims 214-223, 225-237, 239-242, 244-266, 269-270, and 272-273 under 35 U.S.C. §103 is respectfully requested.

C. The pending claims are directed to patent eligible subject matter because they are not directed to an abstract idea, and even if they were, the pending claims provide significantly more than the abstract idea itself.

Claims 212, 214-223 and 225-273 are rejected under 35 U.S.C. §101, because the Office alleges that the claims are drawn to subject matter that is not eligible for patenting. *Office Action*, p. 2. Appellant respectfully disagrees and traverses this rejection for at least the following reasons.

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Subject Matter Eligibility Standard

In *Alice v. CLS Bank*, the Supreme Court outlined a two-step analytical framework for analyzing subject matter eligibility under Section 101.[5] Step 1 requires a determination of whether the claim is directed to a process, machine, or composition of matter. In response to step 1 being decided in the affirmative, step 2A (part 1 of the *Mayo* test) requires a determination of whether the claims are directed to a law of nature, a natural phenomenon, or an abstract idea (judicial exceptions). In response to step 2A being decided in the affirmative, step 2B (part 2 of the *Mayo* test) requires a determination of whether the claim recites additional elements that amount to significantly more than the judicial exception.[6]

Subsequent Federal Circuit decisions and USPTO guidance have provided additional guidance on the subject matter eligibility requirement. For example, in *Enfish v. Microsoft*, the Federal Circuit held that a claim directed to a self-referential table was patent-eligible because it was directed to a specific, asserted improvement in computer capabilities.[7] In *BASCOM v. AT&T*, the Federal Circuit held that a claim containing known, conventional pieces was patent-eligible because it provided a non-conventional and non-generic arrangement of those pieces.[8] Further, in *McRO v. Bandai*, the Federal Circuit held that a claim requiring specific rules to render 3-D animations in a specific way was patent-eligible because the use of the rules did not preempt others from rendering 3-D animations using generic rules.[9]

Appellant respectfully submits that, in view of *Core Wireless*, *Ex parte Relyea*, and the April 2018 USPTO Memo, the claims do not recite an abstract idea (step 2A), and, even if the claims do recite an abstract idea (which Appellant does not acknowledge), the claims amount to significantly more than an abstract idea itself (step 2B). Moreover, Appellant respectfully submits that the Examiner has failed to establish a proper *prima facie* case that the claims are not directed to patent-eligible subject matter under 35 U.S.C. §101.

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[5] *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347, 2355 (2014).
[6] *See id.*; MPEP § 2106.
[7] *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335-36 (Fed. Cir. 2016).
[8] *BASCOM Global Internet Servs. v. AT&T Mobility LLC*, 827 F.3d 1341, 1350 (Fed. Cir. 2016).
[9] *McRO, Inc. v. Bandai Namco Games Am.*, 837 F.3d 1299, 1315 (Fed. Cir. 2016).

1. **Step 2A: the pending claims do not recite an abstract idea because they are inextricably tied to computer technology and distinct from the types of concepts found by the courts to be abstract.**

As an initial matter, the Examiner has not considered the most recent USPTO April 2018 Memo. In the April 2018 Memo, Mr. Bahr explains that two precedential Federal Circuit decisions, *Finjan*[10] and *Core Wireless*[11], found the software-related inventions patent eligible under 35 U.S.C. § 101 because the inventions ***were not directed to an abstract idea***. *Finjan*, *Core Wireless*, as well as *Enfish* and *McRO*, confirm that software-based innovations are not abstract if they make non-abstract improvements to computer technology. **As such, they are patent eligible under the first step of the Alice test (also referred to as step 2A in the USPTO's subject matter eligibility guidance, MPEP § 2106.04).**

In the Office Action, the Examiner cites *SmartGene* and *Cyberfone* as supporting the assertion that Claim 212 is similar to other ideas found to be abstract by various courts. *Office Action*, p. 3. Applicant first notes that both *SmartGene* and *Cyberfone* are non-precedential decisions by the Federal Circuit. In the November 2016 Memo to Examiners, the USPTO gave explicit guidance regarding use of both *SmartGene* and *Cyberfone* as non-precedential decisions:

> **Non-precedential decisions:** Finally, given the large and ever-increasing number of precedential decisions, **examiners should avoid relying upon or citing non-precedential decisions (e.g., SmartGene, Cyberfone) unless the facts of the application under examination uniquely match the facts at issue in the non-precedential decision**. The updated chart of court decisions available on the US PTO' s SME Webpage indicates whether a decision is precedential or nonprecedential. (Emphasis added) *November 2016 Memo*, p. 4; *see also* MPEP § 2106.07(a).

Accordingly, *SmartGene*, for example, should only be cited in applications that claim methods in which "every step" is one that a physician would make mentally upon observing a patient or reviewing medical data. Similarly, Cyberfone should only be cited in applications that claim methods in which "every step" is one that a computer would make when obtaining a single transmission from a telephone. Neither is the case in amended Claim 212.

Although the Examiner cites the above court decisions, the cited court decisions are not

[10] *Finjan Inc. v. Blue Coat Systems, Inc.,* 879 F.3d 1299 (Fed. Cir. 2018).
[11] *Core Wireless Licensing S.A.R.L., v. LG Electronics, Inc.,* 880 F.3d 1356 (Fed. Cir. 2018).

analogous to amended Claim 212. For example, in *SmartGene*, the claims were directed to a method for guiding the selection of a therapeutic treatment regimen for a patient with a known disease or medical condition. *SmartGene*, Slip Opinion, p. 2. The court stated that the claims defined a process of "using a computer to perform a series of mental steps that people, aware of each step, can and regularly do perform in their heads" *Id.* at p. 7-8. In *Cyberfone*, the claim at issue was directed to a method comprising "obtaining data transaction information …; forming a plurality of different exploded data transactions for the single transmission…; and sending said different exploded data transactions over a channel to said different destinations." *Slip Op.*, p. 7.

As noted above, Claim 212 is not directed to observing a patient or reviewing medical data and therefore should not be analogized to *SmartGene*. Likewise, Claim 212 is not directed to forming a plurality of different exploded data transactions from a single transaction and should not be analogized to *Cyberfone*. In contrast to the claims of *SmartGene* and *Cyberfone*, and as highlighted by the Specification of the present application, the subject matter of Claim 212 uses an initial sequencing and user input to "adaptively regroup and re-sequence the insertion of ad blocks extemporaneously (i.e. "on the fly"), in response to the consumer's arbitrary direction of the playback within the requested content, by means of playback controls." *See Specification*, ¶0117. As such, Claim 212 is not directed to "the abstract idea of 'preventing of commercial skipping by using a well-known device'" as alleged by the Examiner. *Office Action*, p. 3. Indeed, Claim 212 recites an improved computer-implemented way to adaptively re-sequence ad block positions in response to user input which is clearly different than the alleged abstract idea of "preventing of commercial skipping by using a well-known device."

This improvement is similar to those the courts recognized in *Core Wireless*, *Enfish*, and *McRO* in which the claims provided technological benefits and were not found to be directed to an abstract idea.

In *Core Wireless*, the claimed invention involves a graphical user interface (GUI) for mobile devices that displays an application summary of each application on the main menu while those applications are in an unlaunched state. The claims to computing devices were held patent eligible because the court concluded that they are directed to an improved user interface for electronic devices, not to the abstract idea of an index. In particular, **the claims contain precise language delimiting the type of data to be displayed and how to display it, thus improving upon conventional user interfaces** to increase the efficiency of using mobile devices. Finding the

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claims eligible, the court compared the improved user interface in the patent claims to the improved systems claimed in *Enfish, Thales, Visual Memory,* and *Finjan.*

In Claim 212, like in *Core Wireless*, the claimed subject matter is directed to non-abstract improvements to computer technology because it **contains precise language delimiting the type of data to be sequenced and how to sequence and adaptively modify the sequence, thus improving upon conventional delivery, presentation, and user interaction of/with media content and advertising content**. For example, Claim 212 specifies the type of data (e.g., data comprising digital media content and digital advertising content), how to sequence it (e.g., determining an initial sequence of the digital media content and digital advertising content and adaptively modifying and/or re-sequencing the initial sequence), and even includes what is done with the information after the modifying and/or re-sequencing (e.g., presenting the content stream, keeping a setting, disallowing a navigation choice based on the digital advertising content, and storing presentation data). Accordingly, just as held in *Core Wireless*, amended Claim 212 is also not directed to an abstract idea.

In *Enfish*, the Federal Circuit noted that in determining whether a claim is *directed to* an abstract idea for purposes of the first step, it is not sufficient to simply ask whether the claim *involves* a patent-ineligible concept. The claims must be "considered in light of the specification, based on whether 'their character as a whole is directed to excluded subject matter.'" *Enfish*, pp. 9-11.

Unlike the claims in *SmartGene* and *Cyberfone*, the claims in *Enfish* were directed to an improvement in the function of a computer. The *Enfish* court gave specific guidance that "benefits over conventional databases, such as **increased flexibility, faster search times, and smaller memory requirements**," may be determinative that the claims are directed to improvements in existing computer technology and not an abstract idea. *May 2016 Guidance*, p. 2. Claim 212 is likewise directed to improvements in the function of computers, specifically to increase flexibility in the way digital advertisements may be delivered. For example, the subject matter of Claim 212 gives the "ability to adaptively regroup and re-sequence the insertion of ad blocks extemporaneously (i.e. "on the fly"), in response to the consumer's arbitrary direction of the playback within the requested content." *Specification*, ¶0117. Because these processes are inextricably related to a computing system, the claimed subject matter cannot be abstract nor directed to a judicial exception (Step 2A). Furthermore, the capability to adaptively regroup and

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re-sequence insertion of ad blocks on the fly can provide important benefits over conventional distribution systems by improving security, optimizing bandwidth, performance, and user interaction, etc. *See id.* at ¶0054, FIG. 3A, ¶0110-0111, ¶0117, ¶0186, and ¶202-204.

Moreover, the Office has overgeneralized the claims, which is prohibited by recent USPTO guidance. For example, the November 2016 Memo, citing *McRO*, provides that:

> **Examiners should consider the claim as a whole under Step 2A** of the USPTO's SME guidance, and should not overgeneralize the claim or simplify it into its "gist" or core principles, when identifying a concept as a judicial exception. [] **An "improvement in computer-related technology" is not limited to improvements in the operation of a computer or a computer network *per se*, but may also be claimed as a set of "rules" (basically mathematical relationships) that improve computer-related technology by allowing computer performance of a function not previously performable by a computer**. *November 2016 Memo*, p. 2. (emphasis added).

The Office, however, has generalized the claims down to "preventing of commercial skipping." *See Office Action*, p. 3. The Examiner in particular fails to explain why limitations of "sequencing," "adaptively modifying," "causing presentation," "keeping a setting" and "disallowing" do not alter the scope of what the claims as a whole are directed to. The Office thus looked at the claims generally and did not account for the specific requirements of the claims which recite a novel and inventive method of adaptively re-sequencing ad insertion points which have nothing to do with "preventing of commercial skipping," e.g., in point of fact, even if the ads are adaptively re-sequenced after a user navigation, they could still possibly be skippable in some fashion (i.e. fast forward/skip) if not for the additional "disallowing" limitation of Claim 212. Indeed, the specific limitations of Claim 212 enable user navigation with advertising supported media which traditionally was not possible. *See Specification*, ¶0008, ¶0048, ¶0057.

Accordingly, the Office's rejection fails to meet the Office's burden to establish a *prima facie* case that the subject matter of Claim 212 is directed to an abstract idea that can be performed mentally.

2. Step 2B: the pending claims add significantly more to an abstract idea

Even assuming, *arguendo*, that Claim 212 is directed to an abstract idea under Step 2A, Claim 212 recites significantly more than the alleged abstract idea of preventing of commercial skipping.

For example, in the recent Federal Circuit decision of *Bascom Global Internet Services, Inc., v. AT&T Mobility LLC*, No. 2015-1763 (Fed. Cir.) (June 27, 2016), the Federal Circuit opined that Claim 1 of the application recited patent-eligible subject matter. Claim 1 of Bascom's patent recited:

> 1. A content filtering system for filtering content retrieved from an Internet computer network by individual controlled access network accounts, said filtering system comprising:
>
> a local client computer generating network access requests for said individual controlled access network accounts; at least one filtering scheme;
>
> a plurality of sets of logical filtering elements; and
>
> a remote ISP server coupled to said client computer and said Internet computer network, said ISP server associating each said network account to at least one filtering scheme and at least one set of filtering elements, said ISP server further receiving said network access requests from said client computer and executing said associated filtering scheme utilizing said associated set of logical filtering elements.

The Federal Circuit criticized the District Court's piecemeal analysis of the features of Claim 1, and stated that the inventive concept inquiry "requires more than recognizing that each claim element, by itself, was known in the art," as "an inventive concept can be found in the non-conventional and non-generic arrangement of known, conventional pieces." *Bascom*, Slip Opinion, p. 15. The Federal Circuit also noted that the District Court analysis looked "similar to an obviousness analysis under 35 U.S.C. § 103, except lacking an explanation of a reason to combine the limitations." *Id.* at p. 4. The *Bascom* court clearly recognizes that "software-based inventions that improve the performance of the computer itself" are patent eligible even when the inventions are otherwise directed toward abstract ideas. *Id.* at p. 18.

The *Bascom* decision described how an analysis under 35 U.S.C. §101 should not be the same as an analysis under 35 U.S.C. §103. *Id.* at pp. 4, 15. Here, it should be noted that Claim 212 is not known, much less well-known (by virtue of being novel under 35 U.S.C. 102) and is also not obvious (by virtue of being allowable under 35 U.S.C. 103, as discussed above). Therefore, as in *Bascom*, the claim elements of Claim 212 cannot properly be rejected by the mere assertion that they are drawn to well-known, routine, and conventional practices as alleged on p. 4 of the Office Action.

Additionally, the most recent USPTO memorandum dated April 19, 2018, from Robert W. Bahr ("April 19, 2018 Memo") explains that the precedential Federal Circuit decision of *Berkheimer*[12] held that whether "something is well-understood, routine, and conventional to a skilled artisan at the time of the patent is a **factual determination**" (emphasis added). *April 19, 2018 Memo*, p. 2. The April 19, 2018 Memo explains that in "a step 2B analysis, an additional element (or combination of elements) is not well-understood, routine or conventional **unless the examiner finds, and expressly supports a rejection in writing with, one or more of the following**:" 1) a citation to an express statement in the specification or to a statement made by an applicant during prosecution; 2) citation to one or more of the court decisions discussed in MPEP § 2106.05(d)(II); 3) a citation to a publication; or 4) statement that the examiner is taking official notice. (Emphasis added). *See id.* at p. 3-4. These citations must demonstrate the well-understood, routine, conventional nature of the additional element(s). *Id.*

In the Office Action, the Examiner has not provided **any of the above support** for the assertion that the elements of Claim 212 are well-understood, routine or conventional and has therefore failed to meet the Office's burden under Step 2B and MPEP § 2106. *See Office Action*, p. 4

While the rejections under 35 U.S.C. §101 should be withdrawn simply due to this deficiency, the following additional arguments are presented in hopes of furthering prosecution in this matter. For example, claims 212 and 238 include ordered combinations of elements (implemented by operation of one or more processors) that include

- receiving data that includes digital media content and digital advertising content on a client system (claim 212) or transmitting such data to a client system from at least one remote system (claim 238);
- sequencing the digital media content and the digital advertising content, which includes ordering at least some of the digital media content and at least some of the digital advertising content into a user-perceptible content stream that includes one or more initially sequenced insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content;

[12] *Berkheimer v. HP Inc.*, 881F.3d1360 (Fed. Cir. 2018).

- adaptively modifying a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points using pre-defined rules and in response to a user input detected by the client system, such that at least one of the one or more alternatively sequenced insertion points is different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream;
- causing presentation of the user-perceptible content stream at the client system after the adaptively modifying;
- keeping a setting (which includes a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream) in a first memory to indicate a current state of play;
- disallowing a navigation choice that alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and
- storing presentation data comprising an indication of the digital advertising content that has been presented in a second memory.

Claim 271 includes similar limitations in a system (means-plus-function) claim.

While directed to subject matter of differing scope, new claims 243, 267, and 268 include an ordered combination of elements (implemented by operation of one or more processors) that include

- receiving data that includes digital media content and digital advertising content on a client system (claim 243) or transmitting such data to a client system from at least one remote system (claim 267);
- sequencing the digital media content, which includes ordering the digital media content into a user-perceptible content stream that includes a) a media section that includes at least some of the digital media content and b) an advertising block within which at least some of the digital advertising content is scheduled to be presented and which is arranged within the user-perceptible content stream at an initially defined insertion position relative to the media section;

- adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the client machine, such that the modified user-perceptible content stream includes an alternate insertion position (which differs from the initially defined insertion position and does not have digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing), and where the adaptively re-sequencing includes determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content;
- causing presentation of the modified user-perceptible content stream at the client system;
- keeping a setting (which includes a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the modified user-perceptible content stream) in a first memory to indicate a current state of play;
- disallowing a navigation choice that alters a course of playback of the modified user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and
- storing presentation data comprising an indication of the digital advertising content that has been presented in a second memory.

Claim 268 includes similar limitations in a system (means-plus-function) claim.

The above stated ordered combinations of elements cannot be reasonably construed as well-known, conventional, or routine. These features, whether taken alone or in combination, do not resemble claim limitations that the courts have previously found to be well-understood, routine, or conventional. Furthermore, the statement of rejection makes no such assertion. In fact, and on the contrary, the noted claim limitations more closely resemble the combination of elements present in the claims at issue in *DDR Holdings* or in *Bascom v. AT&T*. For example, no court has found that implementing sequencing and adaptively modifying (claims 212, 238, and 271) or sequencing and re-sequencing (claims 243, 267, and 268) of digital media content using software-implemented features that act in response to a user input to cause presentation of a modified user-perceptible content stream with digital advertising positioned differently relative to digital media content compared to an initial position or set of positions relative to the digital media content, or anything similar to it, should be considered to be routine, well known, or conventional.

Furthermore, in *Bascom*, the Federal Circuit has explicitly acknowledged that the mere

ability of a claimed invention to be used in enhancing the execution of a commercial transaction is not dispositive of it being directed to a patent ineligible concept: "the invention in DDR's patent was engineered in the context of retaining potential customers, the invention was not claiming a business method per se, but was instead claiming a technical way to satisfy an existing problem for website hosts and viewers" (emphasis added). Such a distinction is **directly relevant** to the instantly claimed subject matter, which involves a technical way to solve the existing (at the time of the current invention) problem of providing internet-supplied media content with advertising in a manner that allows for arbitrary user-controlled navigation/re-ordering of the content to combat piracy of content while still generating revenue from the advertising.

Furthermore, the subject matter of Claim 212 is closely analogous to the patent eligible subject matter in the recent PTAB Appeal decision in *Ex parte Relyea*, Appeal No. 2017-001443 (April 18, 2018). In *Ex parte Relyea*, the claims at issue were directed to **Internet-based directed-advertising** under circumstances involving broadcast TV and simultaneous chat room participation. *Ex parte Relyea*, p. 2-4.

Claim 1 of the patent at issue recited a method that provides broadcast programming, hosts a chat group, defines a micro-group, **creates a profile** for the micro-group, monitors behavior of the group, **modifies the profile**, **retrieves advertising content** associated with chat group, and **provides advertising content to user devices**. *See id.*

While the Board did not find error in the Examiner's determination that the claims were directed to the abstract idea of "targeting of advertisements to a micro-group of users based on profile data and chat group content," the Board concluded that the claims "**improve[d] the technical field of broadcasting television programs by dynamically integrating targeted advertising content into the television programs that are broadcast to users of the chat group**," (emphasis added) and thus provided "**a detailed level of targeted advertising [that] was not technologically achievable for television broadcasting in the past**" (emphasis added). *Id.* at p. 9-10. The Board further ruled that the claims included limitations "not widely prevalent in the field" that "leverage[d] [the] **real-time behavior of users** in the chat groups **to integrate targeted advertising content into broadcast programming**"; and still further that the claims were "confined to the particular **useful application of integrating targeted advertising content**." *Id.* at p. 10. Thus, the Board reversed the Examiner's §101 rejection under Step 2B.

As noted above, Claim 212 is directed to an approach that improves the **technical field of distributing media content by dynamically integrating targeted advertising content into the digital media content that are presented to users**. Just as claim 1 of *Ex parte Relyea* leverages real-time behavior of users to integrate targeted advertising, the subject matter of Claim 212 leverages user input to deliver "**targeted advertisements** may be interspliced **into an original broadcast presentation in real-time**, thereby providing broadcast programming with promotional material tailored to the preferences, demographics, or other relevant criteria of individual users, in addition to and/or in place of those ads specifically associated with the broadcast media" (emphasis added). *Specification*, ¶0143. The ability to "adaptively regroup and re-sequence the insertion of ad blocks extemporaneously (i.e. "on the fly"), in response to the consumer's arbitrary direction of the playback within the requested content" **was not technologically achievable for media presentation in the past**. The specialized adaptive modification of Claim 212 is also confined to the particular **useful application of integrating targeted advertising content**. Accordingly, just like in *Ex parte Relyea*, the Board should reverse the Examiner's rejection under §101.

Ultimately, Applicant respectfully submits that amended Claim 212 does not recite an abstract idea (step 2A), and, even if amended Claim 212 does recite an abstract idea (which Applicant does not acknowledge), amended Claim 212 amounts to significantly more than the abstract idea itself (step 2B). Therefore, amended Claim 212 is directed to patent-eligible subject matter.

Accordingly, Applicant requests the withdrawal of the rejections of Claim 212 under 35 U.S.C. §101. Independent Claims 238, 243, 267, 268, and 271 likewise recite features similar to at least some of the patent eligible features discussed in connection with Claim 212 above and also define patent-eligible subject matter.

3. Dependent Claims 214-223, 225-237, 239-242, 244-266, 269-270, and 272-273 are allowable over the applied references at least by virtue of their dependency from one of independent Claims 212, 238, 243, 267, 268, or 271.

Dependent Claims 214-223, 225-237, 239-242, 244-266, 269-270, and 272-273 each depend either directly or indirectly on one of independent Claims 212, 238, 243, 267, 268, and 271. Thus, the dependent claims incorporate by reference all the features of their respective

independent claims pursuant to 35 U.S.C. § 112, ¶ 4. In view of the features as recited in the independent claims, and in view of the additional features as recited in the dependent claims, Appellant respectfully submits that the dependent claims define patentable subject matter over the applied references for at least the reasons discussed above, and for their respective additional novel features. Thus, Appellant respectfully submits that dependent Claims 214-223, 225-237, 239-242, 244-266, 269-270, and 272-273 are also patent eligible.

Accordingly, for at least these reasons, reversal of the pending rejection of Claims 214-223, 225-237, 239-242, 244-266, 269-270, and 272-273 under 35 U.S.C. §101 is respectfully requested.

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D. Conclusion

On the basis of the foregoing, Appellant respectfully requests that the Board reverse all of the outstanding rejections of the pending claims, Claims 212, 214-223 and 225-273. It is believed that all of the pending claims have been addressed in this paper. However, failure to address a specific rejection, issue or comment, does not signify agreement with or concession of that rejection, issue or comment. In addition, because the arguments made above are not intended to be exhaustive, there may be reasons for patentability of any or all pending claims (or other claims) that have not been expressed. Finally, nothing in this paper should be construed as an intent to concede any issue with regard to any claim, except as specifically stated in this paper.

Enclosed herewith please find the requisite fees for a three-month extension of time. No additional fees are believed to be due. However, the Commissioner is hereby authorized to charge any additional claim fees and any additional fees that may be due, or credit any overpayment of same, to Deposit Account No. 50-0311, Reference No. 42327-501001US. If there are any questions regarding this response, the undersigned may be contacted at the telephone number provided below.

Respectfully submitted,

Dated: July 19, 2018

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VI. CLAIMS APPENDIX

1–211. (Canceled).

212. (Previously Presented) A method comprising:

receiving, on a client system, data comprising digital media content and digital advertising content;

sequencing the digital media content and the digital advertising content, the sequencing comprising ordering at least some of the digital media content and at least some of the digital advertising content into a user-perceptible content stream, the user-perceptible content stream comprising one or more initially sequenced insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content;

adaptively modifying, using pre-defined rules and in response to a user input detected by the client system, a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream;

causing presentation of the user-perceptible content stream at the client system after the adaptively modifying;

keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream;

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disallowing a navigation choice that alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented;

wherein the receiving, the sequencing, the adaptively modifying, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors.

213. (Canceled)

214. (Previously Presented) A method as in claim 212, wherein the causing presentation of the user-perceptible content stream on the client system comprises causing display of the user-perceptible content stream by way of a graphical user interface.

215. (Previously Presented) A method as in claim 212, wherein the receiving of the user- input and the adaptively modifying occur during the causing of the presentation of the user-perceptible content stream on the client system.

216. (Previously Presented) A method as in claim 212, wherein the receiving of the user- input and the adaptively modifying occur prior to the causing of the presentation of the user-perceptible content stream on the client system.

217. (Previously Presented) A method as in claim 212, wherein the receiving of the user- input and the adaptively modifying of the presentation position occur subsequent to the causing of the presentation of the user-perceptible content stream on the client system.

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218. (Previously Presented) A method as in claim 212, wherein the sequencing and the adaptively modifying are performed by the client system, which comprises a programmable processor of the one or more programmable processors.

219. (Previously Presented) A method as in claim 212, wherein the pre-defined rules specify the one or more initially sequenced insertion points.

220. (Previously Presented) A method as in claim 212, wherein the pre-defined rules specify the one or more alternatively sequenced insertion points.

221. (Previously Presented) A method as in claim 212, wherein the sequencing and the adaptively modifying are performed by at least one remote system differing from the client system, the at least one remote system comprising a processor of the one or more programmable processors.

222. (Previously Presented) A method as in claim 212, wherein the sequencing is performed by the client system, which comprises a first processor of the one or more programmable processors, and the adaptively modifying is performed by at least one remote system, which comprises a second processor of the one or more programmable processors.

223. (Previously Presented) A method as in claim 212, wherein the adaptively modifying is performed by the client system, which comprises a first processor of the one or more programmable processors, and the sequencing is performed by at least one remote system, which comprises a second processor of the one or more programmable processors.

224. (Canceled)

225. (Previously Presented) A method as in claim 212, wherein the digital media content comprises at least one media file.

226. (Previously Presented) A method as in claim 212, wherein the digital advertising content comprises at least one advertisement file.

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227. (Previously Presented) A method as in claim 226, further comprising: generating a sequence by sub-dividing a media file into two or more segments, and wherein at least a part of the at least one of the advertising file is presented between two of the segments.

228. (Previously Presented) A method as in claim 225, wherein the user input results in a change of a sequence of two or more media files by subtracting an existing media file, or by re-arranging the sequence of media files or results in a change of sequence by adding a new media file.

229. (Previously Presented) A method as in claim 212, wherein the user input comprises one or more navigational choices for the content stream.

230. (Previously Presented) A method as in claim 229, wherein the one or more navigational choices are selected from a group consisting of: play, stop, pause/continue, reverse, rewind, fast-forward, slow-motion, track advance, frame-by-frame advance, go direct to point or page in sequence, advance chapter, page turn, change track, change media selection, shuttle knob, and one or more sound controls.

231. (Previously Presented) A method as in claim 212, wherein the data is received by the client system from at least one remote system.

232. (Previously Presented) A method as in claim 212, wherein the receiving of the data comprises accessing a local data source.

233. (Previously Presented) A method as in claim 212, further comprising: rotating new advertising content into the user-perceptible content stream in response to the user input.

234. (Previously Presented) A method as in claim 212, further comprising: sending, by a remote system to the client system, additional advertising content during presentation of at least the part of the user-perceptible content stream.

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235. (Previously Presented) A method as in claim 212, wherein the pre-defined rules position the advertising content so as to uphold an average content play time.

236. (Previously Presented) A method as in claim 212, wherein the sequencing comprises positioning, according to the pre-defined rules, the digital advertising content based on an amount of media content played during presentation of the content stream.

237. (Previously Presented) A method as in claim 212, wherein the adaptively modifying uses two or more of the pre-defined rules for determining the corresponding presentation position of at least a part of the digital advertising content.

238. (Previously Presented) A method comprising:

transmitting, by at least one remote system to a client system, data comprising digital media content and digital advertising content;

sequencing the digital media content and the digital advertising content, the sequencing comprising ordering at least some of the digital media content and at least some of the digital advertising content into a user-perceptible content stream, the user-perceptible content stream comprising one or more initially sequenced insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content;

adaptively modifying using pre-defined rules and in response to a user input detected by the client system, a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream;

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causing presentation of the user-perceptible content stream at the client system after the adaptively modifying;

keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream;

disallowing a navigation choice that alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented;

wherein the transmitting, the sequencing, the adaptively modifying, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors.

239. (Previously Presented) A method as in claim 212, wherein the first memory and the second memory are part of the client system.

240. (Previously Presented) A method as in claim 212, wherein the first memory is part of the client system and the second memory is part of at least one remote system.

241. (Previously Presented) A method as in claim 212, wherein the first memory is part of at least one remote system and the second memory is part of the client system.

242. (Previously Presented) A method as in claim 212, wherein the first memory and the second memory are part of at least one remote system.

243. (Previously Presented) A method comprising:

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receiving, on a client system, data comprising digital media content and digital advertising content;

sequencing the digital media content, the sequencing comprising ordering the digital media content into a user-perceptible content stream comprising a media section that comprises at least some of the digital media content, the user perceptible content stream further comprising an advertising block within which at least some of the digital advertising content is scheduled to be presented, the advertising block being arranged within the user-perceptible content stream at an initially defined insertion position relative to the media section;

adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the client machine, the modified user-perceptible content stream comprising an alternate insertion position of the advertising block relative to the media section, the alternate insertion position differing from the initially defined insertion position and not having digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing, the adaptively re-sequencing comprising determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content;

causing presentation of the modified user-perceptible content stream at the client system;

keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the modified user-perceptible content stream;

disallowing a navigation choice that alters a course of playback of the modified user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented;

wherein the receiving, the sequencing, the adaptively re-sequencing, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors.

244. (Previously Presented) A method as in claim 243, further comprising detecting the user input at the client system.

245. (Previously Presented) A method as in claim 244, wherein the detecting comprises a user interacting with playback controls of player and/or viewer software.

246. (Previously Presented) A method as in claim 243, wherein the user input comprises an arbitrary direction of playback within the user-perceptible content stream.

247. (Previously Presented) A method as in claim 246, wherein the arbitrary direction of playback comprises skipping the media section and/or one or more other media sections that comprise at least some of the digital media content.

248. (Previously Presented) A method as in claim 243, wherein the user input comprises a reordering of the media section and/or one or more other media sections that comprise at least some of the digital media content within the user-perceptible content stream.

249. (Previously Presented) A method as in claim 243, wherein the user input comprises the repositioning of the media section relative to one or more media sections within the user-perceptible content stream.

250. (Previously Presented) A method as in claim 243, wherein the one or more pre-defined placement rules comprise track-count based and/or elapsed time-based logic, and wherein the adaptively re-sequencing comprises determining when to re-schedule the advertising

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block into the modified user-perceptible content stream, the determining comprising applying the track-count based and/or elapsed time-based logic.

251. (Previously Presented) A method as in claim 243, wherein the first memory and the second memory are part of the client system.

252. (Previously Presented) A method as in claim 243, wherein the first memory is part of the client system and the second memory is part of at least one remote system.

253. (Previously Presented) A method as in claim 243, wherein the first memory is part of at least one remote system and the second memory is part of the client system.

254. (Previously Presented) A method as in claim 243, wherein the first memory and the second memory are part of at least one remote system.

255. (Previously Presented) A method as in claim 243, wherein the adaptively re-sequencing comprises use of a plurality of the one or more pre-defined placement rules for determining the alternate insertion position for the advertising block.

256. (Previously Presented) A method as in claim 243, further comprising: rotating new advertising content into the user-perceptible content stream in response to the user input.

257. (Previously Presented) A method as in claim 243, wherein the causing presentation of the modified user-perceptible content stream on the client system comprises causing display of the modified user-perceptible content stream by way of a graphical user interface.

258. (Previously Presented) A method as in claim 243, further comprising: causing a first presentation of the user-perceptible content stream on the client system, and wherein the receiving of the user input and the adaptively re-sequencing occur during the first presentation of the user-perceptible content stream on the client system.

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259. (Previously Presented) A method as in claim 243, further comprising: causing a first presentation of the user-perceptible content stream on the client system, and wherein the receiving of the user input and the adaptively re-sequencing occur prior to the first presentation of the user-perceptible content stream on the client system.

260. (Previously Presented) A method as in claim 243 further comprising: causing a first presentation of the user-perceptible content stream on the client system, and wherein the receiving of the user input and the adaptively re-sequencing occur subsequent to the first presentation of the user-perceptible content stream on the client system.

261. (Previously Presented) A method as in claim 243, wherein the pre-defined placement rules specify the initially defined insertion position.

262. (Previously Presented) A method as in claim 243, wherein the pre-defined placement rules specify the alternate insertion position.

263. (Previously Presented) A method as in claim 243, wherein the sequencing and the adaptively re-sequencing are performed by the client system, which comprises a programmable processor of the one or more programmable processors.

264. (Previously Presented) A method as in claim 243, wherein the sequencing and the adaptively modifying are performed by at least one remote system differing from the client system, the at least one remote system comprising a first processor of the one or more programmable processors.

265. (Previously Presented) A method as in claim 243, wherein the sequencing is performed by the client system, which comprises a first processor of the one or more programmable processors, and the adaptively re-sequencing is performed by at least one remote system, which comprises a second processor of the one or more programmable processors.

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266. (Previously Presented) A method as in claim 243, wherein the adaptively re-sequencing is performed by the client system, which comprises a first processor of the one or more programmable processors, and the sequencing is performed by at least one remote system, which comprises a second processor of the one or more programmable processors.

267. (Previously Presented) A method comprising:

transmitting, by at least one remote system to a client system, data comprising digital media content and digital advertising content;

sequencing the digital media content, the sequencing comprising ordering the digital media content into a user-perceptible content stream comprising a media section that comprises at least some of the digital media content, the user perceptible content stream further comprising an advertising block within which at least some of the digital advertising content is scheduled to be presented, the advertising block being arranged within the user-perceptible content stream at an initially defined insertion position relative to the media section;

adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the client machine, the modified user-perceptible content stream comprising an alternate insertion position of the advertising block relative to the media section, the alternate insertion position differing from the initially defined insertion position and not having digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing, the adaptively re-sequencing comprising determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content;

causing presentation of the modified user-perceptible content stream at the client system;

keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the modified user-perceptible content stream;

disallowing a navigation choice that alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented;

wherein the transmitting, the sequencing, the adaptively re-sequencing, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors.

268. A system comprising:

means for causing data comprising digital media content and digital advertising content to be available on a client system;

means for sequencing the digital media content, the sequencing comprising ordering the digital media content into a user-perceptible content stream comprising a media section that comprises at least some of the digital media content, the user perceptible content stream further comprising an advertising block within which at least some of the digital advertising content is scheduled to be presented, the advertising block being arranged within the user-perceptible content stream at an initially defined insertion position relative to the media section;

means for adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the client machine, the modified user-perceptible content stream comprising an alternate insertion position of the

advertising block relative to the media section, the alternate insertion position differing from the initially defined insertion position and not having digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing, the adaptively re-sequencing comprising determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content;

means for causing presentation of the modified user-perceptible content stream at the client system;

means for keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the modified user-perceptible content stream;

means for disallowing a navigation choice that alters a course of playback of the modified user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

means for storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented.

269. (Previously Presented) A system as in claim 268, wherein the means for causing the data comprising the digital media content and the digital advertising content to be available on the client system comprise means for receiving the data on the client system.

270. (Previously Presented) A system as in claim 268, wherein the means for causing the data comprising the digital media content and the digital advertising content to be available on the client system comprise means for transmitting the data to the client system from at least one remote system.

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271. (Previously Presented) A system comprising:

means for causing data comprising digital media content and digital advertising content to be available on a client system;

means for sequencing the digital media content and the digital advertising content, the sequencing comprising ordering at least some of the digital media content and at least some of the digital advertising content into a user-perceptible content stream, the user-perceptible content stream comprising one or more initially sequenced insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content;

means for adaptively modifying, using pre-defined rules and in response to a user input detected by the client system, a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream;

means for causing presentation of the user-perceptible content stream at the client system after the adaptively modifying;

means for keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream;

means for disallowing a navigation choice that alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

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means for storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented.

272. (Previously Presented) A system as in claim 271, wherein the means for causing the data comprising the digital media content and the digital advertising content to be available on the client system comprise means for receiving the data on the client system.

273. (Previously Presented) A system as in claim 271, wherein the means for causing the data comprising the digital media content and the digital advertising content to be available on the client system comprise means for transmitting the data to the client system from at least one remote system.

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Document Description: Certification of Micro Entity Status (Gross Income Basis)

PTO/SB/15A (07-14)

CERTIFICATION OF MICRO ENTITY STATUS
(GROSS INCOME BASIS)

Application Number or Control Number (if applicable):	Patent Number (if applicable):
10/606,729	
First Named Inventor:	**Title of Invention:**
Philip Donian	Method and apparatus for the free licensing of digital media content

The applicant hereby certifies the following—

(1) **SMALL ENTITY REQUIREMENT –** The applicant qualifies as a small entity as defined in 37 CFR 1.27.

(2) **APPLICATION FILING LIMIT –** Neither the applicant nor the inventor nor a joint inventor has been named as the inventor or a joint inventor on more than four previously filed U.S. patent applications, excluding provisional applications and international applications under the Patent Cooperation Treaty (PCT) for which the basic national fee under 37 CFR 1.492(a) was not paid, and also excluding patent applications for which the applicant has assigned all ownership rights, or is obligated to assign all ownership rights, as a result of the applicant's previous employment.

(3) **GROSS INCOME LIMIT ON APPLICANTS AND INVENTORS –** Neither the applicant nor the inventor nor a joint inventor, in the calendar year preceding the calendar year in which the applicable fee is being paid, had a gross income, as defined in section 61(a) of the Internal Revenue Code of 1986 (26 U.S.C. 61(a)), exceeding the "Maximum Qualifying Gross Income" reported on the USPTO Web site at http://www.uspto.gov/patents/law/micro_entity.jsp which is equal to three times the median household income for that preceding calendar year, as most recently reported by the Bureau of the Census.

(4) **GROSS INCOME LIMIT ON PARTIES WITH AN "OWNERSHIP INTEREST" –** Neither the applicant nor the inventor nor a joint inventor has assigned, granted, or conveyed, nor is under an obligation by contract or law to assign, grant, or convey, a license or other ownership interest in the application concerned to an entity that, in the calendar year preceding the calendar year in which the applicable fee is being paid, had a gross income, as defined in section 61(a) of the Internal Revenue Code of 1986, exceeding the "Maximum Qualifying Gross Income" reported on the USPTO Web site at http://www.uspto.gov/patents/law/micro_entity.jsp which is equal to three times the median household income for that preceding calendar year, as most recently reported by the Bureau of the Census.

SIGNATURE by an authorized party set forth in 37 CFR 1.33(b)

Signature	/Paul Brockland/				
Name	Paul S. Brockland on behalf of Michael D. Van Loy				
Date	July 19, 2018	Telephone	(858) 314-1500	Registration No.	61,130

☐ There is more than one inventor and I am one of the inventors who are jointly identified as the applicant. The required additional certification form(s) signed by the other joint inventor(s) are included with this form.

79603961v.1

Electronic Patent Application Fee Transmittal

Application Number:	10606729
Filing Date:	26-Jun-2003
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Filer:	Michael David VanLoy/Maria Provencio
Attorney Docket Number:	42327-501001US

Filed as Micro Entity

Filing Fees for Utility under 35 USC 111(a)

Description	Fee Code	Quantity	Amount	Sub-Total in USD($)
Basic Filing:				
Pages:				
Claims:				
Miscellaneous-Filing:				
Petition:				
Patent-Appeals-and-Interference:				
Post-Allowance-and-Post-Issuance:				
Extension-of-Time:				

Description	Fee Code	Quantity	Amount	Sub-Total in USD($)
Extension - 3 months with $0 paid	3253	1	350	350
Miscellaneous:				
		Total in USD ($)		**350**

Electronic Acknowledgement Receipt

EFS ID:	33232031
Application Number:	10606729
International Application Number:	
Confirmation Number:	5831
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Customer Number:	64046
Filer:	Michael David VanLoy/Maria Provencio
Filer Authorized By:	Michael David VanLoy
Attorney Docket Number:	42327-501001US
Receipt Date:	19-JUL-2018
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Authorized User	
The Director of the USPTO is hereby authorized to charge indicated fees and credit any overpayment as follows:	

File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Appeal Brief Filed	42327-501001US_Appeal_Brief.pdf	637409 ea7b0d69f7357853a8db1b3d2737cc1f6e72dc09	no	56
Warnings:					
Information:					
2	Certification of Micro Entity (Gross Income Basis)	42327-501001US_Cert_Micro_Entity.pdf	108825 3f822952016670793e1fb9971d222014857a384a	no	1
Warnings:					
Information:					
3	Fee Worksheet (SB06)	fee-info.pdf	30191 39991d1cc03c7cec9ec2a7786cb6bc8925c05b0f	no	2
Warnings:					
Information:					
		Total Files Size (in bytes):	776425		

This Acknowledgement Receipt evidences receipt on the noted date by the USPTO of the indicated documents, characterized by the applicant, and including page counts, where applicable. It serves as evidence of receipt similar to a Post Card, as described in MPEP 503.

New Applications Under 35 U.S.C. 111
If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.
National Stage of an International Application under 35 U.S.C. 371
If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.
New International Application Filed with the USPTO as a Receiving Office
If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

Attorney's Docket No.: 42327-501001US
(PATENT)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of:
Philip M. Donian, *et al.*

Application No.: 10/606,729 | Confirmation No.: 5831

Filed: June 26, 2003 | Art Unit: 3688

For: METHOD AND APPARATUS FOR THE FREE LICENSING OF DIGITAL MEDIA CONTENT | Examiner: Yehdega Retta

CORRECTED APPEAL BRIEF

FILED VIA EFS

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir or Madam:

In response to the Final Office Action mailed October 12, 2016 (hereinafter "Office Action") and the Pre-Appeal Panel Decision (hereinafter "Panel Decision") mailed on April 2, 2018, Appellant respectfully submits the following remarks for consideration. A first Pre-Appeal Brief Request for Review and a first Notice of Appeal was timely filed on July 2, 2014 along with the appropriate fees. Prosecution of this application was re-opened in response to the Examiner's Answer to the Appeal Brief mailed on August 28, 2015. A second Pre-Appeal Brief Request for Review and a second Notice of Appeal was timely filed on April 4, 2017 relying on the fees paid along with the first Notice of Appeal on July 2, 2014. The Office did not properly address the second Pre-Appeal Brief Request for Review via a Pre-Appeal Conference. Instead, the Office incorrectly issued a notice of abandonment on December 11, 2017 despite never having considered the second Pre-Appeal Brief Request for Review. The notice of abandonment was withdrawn via a *Sua Sponte* Exercise of Supervisory Review on January 29, 2018 and the Panel Decision was finally issued on April 2, 2018. This Appeal Brief is timely filed along with a three-month extension of time and the associated fee.

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V. Argument 17
A. The pending claims satisfy the written description requirement under 35 U.S.C. §112, first paragraph because one of ordinary skill in the art would readily understand that the specification teaches the objected-to claim features. 17
B. The pending claims are not obvious under 35 U.S.C. §103(a) because the applied references fail to teach or suggest each and every feature of the claims. 20
1. Knepper does not describe or suggest "at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content of" independent Claim 212 or the corresponding features of Claims 238, 243, 267, 268, and 271 21
2. Dependent Claims 214-223, 225-237, 239-242, 244-266, 269-270, and 272-273 are allowable over the applied references at least by virtue of their dependency from one of independent Claims 212, 238, 243, 267, 268, or 271. 28
C. The pending claims are directed to patent eligible subject matter because they are not directed to an abstract idea, and even if they were, the pending claims provide significantly more than the abstract idea itself. 28
1. Step 2A: the pending claims do not recite an abstract idea because they are inextricably tied to computer technology and distinct from the types of concepts found by the courts to be abstract 30
2. Step 2B: the pending claims add significantly more to an abstract idea 33
3. Dependent Claims 214-223, 225-237, 239-242, 244-266, 269-270, and 272-273 are allowable over the applied references at least by virtue of their dependency from one of independent Claims 212, 238, 243, 267, 268, or 271. 39
D. Conclusion 6
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I. REAL PARTY IN INTEREST

Piranha Media Distribution, Inc. is the real party in interest as the owner of the above-identified application by virtue of an assignment from the inventors.

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II. RELATED APPEALS AND INTERFERENCES

There are currently no other appeals or interferences, of which Appellant, Appellant's legal representative, or Assignee are aware, that will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

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III. STATUS OF CLAIMS

In the Office Action, the Office rejected claims 212, 214-223 and 225-273 under 35 U.S.C. §112, first paragraph as allegedly failing to comply with the written description requirement; claims 212, 214-223 and 225-273 under 35 U.S.C. §101 as allegedly being drawn to non-statutory subject matter; and claims 212, 214-223, 225-232, 234-249, 251-255 and 257-273 under 35 U.S.C. §103(a) as allegedly being unpatentably obvious over Knepper et al., Patent Application Publication No. 2001/0042249 ("Knepper") in view of Hannah et al., U.S. Patent No. 7,761,327 ("Hannah") and further in view of Wang, Patent Application Publication No. 2002/0191950 ("Wang").

Appellant appeals the final rejections of independent Claims 212, 238, 243, 267, 268, and 271. All of the remaining, pending dependent claims depend at least indirectly from one of Claims 212, 238, 243, 267, 268, and 271, and are therefore patentable subject to the outcome of this appeal.

IV. SUMMARY OF CLAIMED SUBJECT MATTER

In accordance with 37 C.F.R. § 41.37(c)(1)(iii), Appellant provides a brief summary of each independent claim involved in the appeal. Each summary refers to the specification in the record by page and line number and to the drawings by reference number. Appellant notes that this summary is provided only to assist the Board in identifying portions of the specification related to the particular claims. In the interest of brevity, each claim summary does not necessarily include all references to all relevant portions of the specifications and drawings. Accordingly, omission of any reference to the specification or to the drawings should not be construed in any way as an intent to relinquish claim scope or term, or as an implication or statement regarding conformance with 35 U.S.C. §112. Appellant respectfully submits that the claims should not be construed as being limited to the embodiments described or referenced in any claim summary, and that other embodiments, as well as the Doctrine of Equivalents, may apply in determining claim scope.

A. Independent Claim 212.

Claim 212 is a method claim including receiving, on a client system, data comprising digital media content and digital advertising content (*see e.g.*, specification pg. 9, lines 28-30; pg. 10, lines 1-2, and 29-31; pg. 11, lines 1-4; pg. 20, lines 30-31; pg. 21, lines 1-21; pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; FIGs. 1, 2, 4A, 4B, 11C). The method further includes sequencing the digital media content and the digital advertising content (*see e.g.*, specification pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; pg. 27, lines 1-2, and 11-21; FIG. 4A, 4B), the sequencing comprising ordering at least some of the digital media content and at least some of the digital advertising content into a user-perceptible content stream, (*see e.g.*, specification pg. 20, lines 30-31; pg. 21, lines 1-21; pg. 27, lines 11-21; pg. 32, lines 21-29; FIG. 4A, 4B) the user-perceptible content stream comprising one or more initially sequenced insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content (*see e.g.*, specification pg. 21, lines 1-21; pg. 28, lines 1-31; pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; FIG. 4A, 4B.). The method further includes adaptively modifying, using pre-defined rules and in response to a user input detected by the client system, (*see e.g.*, specification pg. 29, lines 17-22; pg. 33, lines 13-21; pg. 39, lines 9-14; pg. 40, lines 1-6; pg. 42, lines 22-31, pg. 43, lines 1-30, pg. 44, lines 1-31, pg. 45, lines 1-31, pg. 46, lines 1-30, pg. 47, lines 1-16; pg. 49, lines

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1-6, and 19-27; pg. 50, lines 10-15) a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes causing presentation of the user-perceptible content stream at the client system after the adaptively modifying (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream (*see e.g.*, specification, pg. 32, lines 1-31; pg. 33, lines 1 – 31; pg. 34, lines 1-20; pg. 40, lines 1-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 53, lines 7-27; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes disallowing a navigation choice that alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress (*see e.g.*, specification, pg. 34, lines 1-20; pg. 48, lines 20-30; pg. 49, lines 1-6; FIGs. 4A, 5A, 7A, 7B). The method further includes storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented (*see e.g.*, specification, pg. 11, lines 1-4; pg. 16, lines 4 – 12; pg. 34, lines 1-20; pg. 40, lines 1-31, pg. 41, lines 1-31; pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D), wherein the receiving, the sequencing, the adaptively modifying, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors (*see e.g.*, specification, pg. 17, lines 20-26; pg. 32, lines 12-15; FIG. 2).

B. Independent Claim 238.

Claim 238 is a method including transmitting, by at least one remote system to a client system, data comprising digital media content and digital advertising content (*see e.g.*, specification pg. 9, lines 28-30; pg. 10, lines 1-2, and 29-31; pg. 11, lines 1-4; pg. 20, lines 30-31; pg. 21, lines 1-21; pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; FIGs. 1, 2, 4A, 4B, 11C). The method further includes sequencing the digital media content and the digital advertising content (*see e.g.*, specification pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; pg. 27, lines 1-2, and 11-21; FIG. 4A, 4B), the sequencing comprising ordering at least some of the digital media content and at least some of the digital advertising content into a user-perceptible content stream, (*see e.g.*, specification pg. 20, lines 30-31; pg. 21, lines 1-21; pg. 27, lines 11-21; pg. 32, lines 21-29; FIG. 4A, 4B) the user-perceptible content stream comprising one or more initially sequenced insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content (*see e.g.*, specification pg. 21, lines 1-21; pg. 28, lines 1-31; pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; FIG. 4A, 4B). The method further includes adaptively modifying, using pre-defined rules and in response to a user input detected by the client system, (*see e.g.*, specification pg. 29, lines 17-22; pg. 33, lines 13-21; pg. 39, lines 9-14; pg. 40, lines 1-6; pg. 42, lines 22-31, pg. 43, lines 1-30, pg. 44, lines 1-31, pg. 45, lines 1-31, pg. 46, lines 1-30, pg. 47, lines 1-16; pg. 49, lines 1-6, and 19-27; pg. 50, lines 10-15; FIG. 4A, 4B) a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes causing presentation of the user-perceptible content stream at the client system after the adaptively modifying (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether

presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream (*see e.g.*, specification, pg. 32, lines 1-31; pg. 33, lines 1 – 31; pg. 34, lines 1-20; pg. 40, lines 1-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 53, lines 7-27; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes disallowing a navigation choice that alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress (*see e.g.*, specification, pg. 34, lines 1-20; pg. 48, lines 20-30; pg. 49, lines 1-6; FIGs. 4A, 5A, 7A, 7B). The method further includes storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented (*see e.g.*, specification, pg. 11, lines 1-4; pg. 16, lines 4 – 12; pg. 34, lines 1-20; pg. 40, lines 1-31, pg. 41, lines 1-31; pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D), wherein the receiving, the sequencing, the adaptively modifying, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors (*see e.g.*, specification, pg. 17, lines 20-26; pg. 32, lines 12-15; FIG. 2).

C. Independent Claim 243.

Claim 243 is directed to a method including receiving, on a client system, data comprising digital media content and digital advertising content (*see e.g.*, specification pg. 9, lines 28-30; pg. 10, lines 1-2, and 29-31; pg. 11, lines 1-4; pg. 20, lines 30-31; pg. 21, lines 1-21; pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; FIGs. 1, 2, 4A, 4B, 11C). The method further includes sequencing the digital media content (*see e.g.*, specification pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; pg. 27, lines 1-2, and 11-21; FIG. 4A, 4B), the sequencing comprising ordering the digital media content into a user-perceptible content stream comprising a media section that comprises at least some of the digital media content, the user perceptible content stream further comprising an advertising block within which at least some of the digital advertising content is scheduled to be presented (*see e.g.*, specification pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; pg. 27, lines 1-2, and 11-21; FIG. 4A, 4B), the advertising block being arranged within the user-perceptible content stream at an initially defined insertion position relative to the media section (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54,

lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the client machine (*see e.g.*, specification pg. 29, lines 17-22; pg. 33, lines 13-21; pg. 39, lines 9-14; pg. 40, lines 1-6; pg. 42, lines 22-31, pg. 43, lines 1-30, pg. 44, lines 1-31, pg. 45, lines 1-31, pg. 46, lines 1-30, pg. 47, lines 1-16; pg. 49, lines 1-6, and 19-27; pg. 50, lines 10-15; FIG. 4A, 4B), the modified user-perceptible content stream comprising an alternate insertion position of the advertising block relative to the media section, the alternate insertion position differing from the initially defined insertion position and not having digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D), the adaptively re-sequencing comprising determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes causing presentation of the modified user-perceptible content stream at the client system (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the modified user-perceptible content stream (*see e.g.*, specification, pg. 32, lines 1-31; pg. 33, lines 1 – 31; pg. 34, lines 1-20; pg. 40, lines 1-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 53, lines 7-27; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes disallowing a navigation choice that alters a course of playback of the modified user-perceptible content stream while presentation of the required part of the digital advertising content is in

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progress (*see e.g.*, specification, pg. 34, lines 1-20; pg. 48, lines 20-30; pg. 49, lines 1-6; FIGs. 4A, 5A, 7A, 7B). The method further includes storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented (*see e.g.*, specification, pg. 11, lines 1-4; pg. 16, lines 4 – 12; pg. 34, lines 1-20; pg. 40, lines 1-31, pg. 41, lines 1-31; pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D), wherein the receiving, the sequencing, the adaptively re-sequencing, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors (*see e.g.*, specification, pg. 17, lines 20-26; pg. 32, lines 12-15; FIG. 2).

D. Independent Claim 267.

Claim 267 is directed to a method including transmitting, by at least one remote system to a client system, data comprising digital media content and digital advertising content (*see e.g.*, specification pg. 9, lines 28-30; pg. 10, lines 1-2, and 29-31; pg. 11, lines 1-4; pg. 20, lines 30-31; pg. 21, lines 1-21; pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; FIGs. 1, 2, 4A, 4B, 11C). The method further includes sequencing the digital media content (*see e.g.*, specification pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; pg. 27, lines 1-2, and 11-21; FIG. 4A, 4B), the sequencing comprising ordering the digital media content into a user-perceptible content stream comprising a media section that comprises at least some of the digital media content, the user perceptible content stream further comprising an advertising block within which at least some of the digital advertising content is scheduled to be presented (*see e.g.*, specification pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; pg. 27, lines 1-2, and 11-21; FIG. 4A, 4B), the advertising block being arranged within the user-perceptible content stream at an initially defined insertion position relative to the media section (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the client machine (*see e.g.*, specification pg. 29, lines 17-22; pg. 33, lines 13-21; pg. 39, lines 9-14; pg. 40, lines 1-6; pg. 42, lines 22-31, pg. 43, lines 1-30, pg. 44, lines 1-31, pg. 45, lines 1-31, pg. 46, lines 1-30, pg. 47, lines 1-16; pg. 49, lines 1-6, and 19-27; pg. 50, lines 10-15; FIG. 4A, 4B), the modified user-perceptible content stream

comprising an alternate insertion position of the advertising block relative to the media section, the alternate insertion position differing from the initially defined insertion position and not having digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D), the adaptively re-sequencing comprising determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes causing presentation of the modified user-perceptible content stream at the client system (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the modified user-perceptible content stream (*see e.g.*, specification, pg. 32, lines 1-31; pg. 33, lines 1 – 31; pg. 34, lines 1-20; pg. 40, lines 1-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 53, lines 7-27; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The method further includes disallowing a navigation choice that alters a course of playback of the modified user-perceptible content stream while presentation of the required part of the digital advertising content is in progress (*see e.g.*, specification, pg. 34, lines 1-20; pg. 48, lines 20-30; pg. 49, lines 1-6; FIGs. 4A, 5A, 7A, 7B). The method further includes storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented (*see e.g.*, specification, pg. 11, lines 1-4; pg. 16, lines 4 – 12; pg. 34, lines 1-20; pg. 40, lines 1-31, pg. 41, lines 1-31; pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D), wherein the transmitting, the sequencing, the adaptively re-sequencing, the causing, the keeping, the

disallowing, and the storing are performed by one or more programmable processors (*see e.g.*, specification, pg. 17, lines 20-26; pg. 32, lines 12-15; FIG. 2).

E. Independent Claim 268.

Claim 268 is directed to a system. The system including means for causing data comprising digital media content and digital advertising content to be available on a client system (*see e.g.*, specification pg. 9, lines 28-30; pg. 10, lines 1-2, and 29-31; pg. 11, lines 1-4; pg. 20, lines 30-31; pg. 21, lines 1-21; pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; FIGs. 1, 2, 4A, 4B, 11C). The system further includes means for sequencing the digital media content (*see e.g.*, specification pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; pg. 27, lines 1-2, and 11-21; FIG. 4A, 4B), the sequencing comprising ordering the digital media content into a user-perceptible content stream comprising a media section that comprises at least some of the digital media content, the user perceptible content stream further comprising an advertising block within which at least some of the digital advertising content is scheduled to be presented (*see e.g.*, specification pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; pg. 27, lines 1-2, and 11-21; FIG. 4A, 4B), the advertising block being arranged within the user-perceptible content stream at an initially defined insertion position relative to the media section (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The system further includes means for adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the client machine (*see e.g.*, specification pg. 29, lines 17-22; pg. 33, lines 13-21; pg. 39, lines 9-14; pg. 40, lines 1-6; pg. 42, lines 22-31, pg. 43, lines 1-30, pg. 44, lines 1-31, pg. 45, lines 1-31, pg. 46, lines 1-30, pg. 47, lines 1-16; pg. 49, lines 1-6, and 19-27; pg. 50, lines 10-15; FIG. 4A, 4B), the modified user-perceptible content stream comprising an alternate insertion position of the advertising block relative to the media section, the alternate insertion position differing from the initially defined insertion position and not having digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41,

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lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D), the adaptively re-sequencing comprising determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The system further includes means for causing presentation of the modified user-perceptible content stream at the client system (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The system further includes means for keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the modified user-perceptible content stream (*see e.g.*, specification, pg. 32, lines 1-31; pg. 33, lines 1 – 31; pg. 34, lines 1-20; pg. 40, lines 1-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 53, lines 7-27; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The system further includes means for disallowing a navigation choice that alters a course of playback of the modified user-perceptible content stream while presentation of the required part of the digital advertising content is in progress (*see e.g.*, specification, pg. 34, lines 1-20; pg. 48, lines 20-30; pg. 49, lines 1-6; FIGs. 4A, 5A, 7A, 7B). The system further includes means for storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented (*see e.g.*, specification, pg. 11, lines 1-4; pg. 16, lines 4 – 12; pg. 34, lines 1-20; pg. 40, lines 1-31, pg. 41, lines 1-31; pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D).

F. Independent Claim 271.

Claim 271 is directed to a system. The system including means for causing data comprising digital media content and digital advertising content to be available on a client system (*see e.g.*, specification pg. 9, lines 28-30; pg. 10, lines 1-2, and 29-31; pg. 11, lines 1-4; pg. 20, lines 30-31; pg. 21, lines 1-21; pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; FIGs. 1, 2, 4A, 4B, 11C). The

system further includes means for sequencing the digital media content and the digital advertising content (*see e.g.*, specification pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; pg. 27, lines 1-2, and 11-21; FIG. 4A, 4B), the sequencing comprising ordering at least some of the digital media content and at least some of the digital advertising content into a user-perceptible content stream, (*see e.g.*, specification pg. 20, lines 30-31; pg. 21, lines 1-21; pg. 27, lines 11-21; pg. 32, lines 21-29; FIG. 4A, 4B) the user-perceptible content stream comprising one or more initially sequenced insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content (*see e.g.*, specification pg. 21, lines 1-21; pg. 28, lines 1-31; pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; FIG. 4A, 4B). The system further includes means for adaptively modifying, using pre-defined rules and in response to a user input detected by the client system, (*see e.g.*, specification pg. 29, lines 17-22; pg. 33, lines 13-21; pg. 39, lines 9-14; pg. 40, lines 1-6; pg. 42, lines 22-31, pg. 43, lines 1-30, pg. 44, lines 1-31, pg. 45, lines 1-31, pg. 46, lines 1-30, pg. 47, lines 1-16; pg. 49, lines 1-6, and 19-27; pg. 50, lines 10-15) a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The system further includes means for causing presentation of the user-perceptible content stream at the client system after the adaptively modifying (*see e.g.*, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 1 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D). The system further includes means for keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream (*see e.g.*, specification, pg. 32, lines 1-31; pg. 33, lines 1 – 31; pg. 34, lines 1-20; pg. 40, lines 1-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 53, lines 7-27; pg. 54, lines 4-14; FIGs. 4A,

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6A, 6B, 7A, 7B, 8C, 8D). The system further includes means for disallowing a navigation choice that alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress (*see e.g.*, specification, pg. 34, lines 1-20; pg. 48, lines 20-30; pg. 49, lines 1-6; FIGs. 4A, 5A, 7A, 7B). The system further includes means for storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented (*see e.g.*, specification, pg. 11, lines 1-4; pg. 16, lines 4 – 12; pg. 34, lines 1-20; pg. 40, lines 1-31, pg. 41, lines 1-31; pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D).

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V. ARGUMENT

Appellant respectfully submits that the claim feature relating to "at least one of the alternatively sequenced insertion points being different from the one or more initially sequenced insertion points," is fully supported by the original specification and figures. References cited below are to the published application for convenience. Applicant submits that the references find support in the originally filed application, and can provide references thereto if the Board so desires. One of ordinary skill in the art would clearly understand that the inventor was in possession of the claimed invention at the time of filing at least through the portions of the specification and figures described herein. As such, Appellant respectfully requests the reversal of the rejections of the claims under 35 U.S.C. §112.

Appellant respectfully submits that the applied references, either alone or in combination, fail to describe or suggest at least "**adaptively modifying** using pre-defined rules and **in response to a user input detected by the client system, a presentation position of the digital advertising content** from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, at least one of the one or more **alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content** within the user-perceptible content stream." As such, Appellant respectfully requests the reversal of the rejections of the claims under 35 U.S.C. §103(a).

Applicant submits the recent USPTO memorandum dated April 2, 2018, from Robert W. Bahr ("April 2018 Memo"), the April 2018 *Core Wireless* Federal Circuit case, *Ex parte Relyea*, as well as the remarks below, demonstrate that Claim 212 does not recite an abstract idea (step 2A), and, even if Claim 212 does recite an abstract idea (which Applicant does not acknowledge), Claim 212 amounts to significantly more than the abstract idea itself (step 2B). As such, Appellant respectfully requests the reversal of the rejections of the claims under 35 U.S.C. §101.

The Applicant's representative discussed these issues with the Examiner during an Interview on November 8, 2016 ("the Interview"), and although she agreed to consult with her colleagues and to follow up with the undersigned, she has not provided further feedback.

A. The pending claims satisfy the written description requirement under 35 U.S.C. §112, first paragraph because one of ordinary skill in the art would readily understand that the specification teaches the objected-to claim features.

Claims 212, 214-223 and 225-273 stand rejected under 35 U.S.C. §112, first paragraph, because the Office alleges that the claims lack written description. *Office Action*, p. 4. The rejections of the independent claims under 35 U.S.C. §112, first paragraph are based on the Examiner's incorrect assertion that the original specification fails to provide the necessary written description support for the claim feature relating to "at least one of the alternatively sequenced insertion points being different from the one or more initially sequenced insertion points," which was added by amendment in the Response filed August 1, 2016 ("the previous Response"). As a first point, the allegedly unsupported features were first added to the claims in the paper filed October 28, 2015, albeit in slightly different form, to address a rejection under 35 U.S.C. §112, first paragraph raised in the Final Office Action mailed May 1, 2014. The Examiner withdrew the rejection in the Non-Final Office Action mailed February 1, 2016, but now has repeated it for reasons the Applicant does not understand.

Furthermore, the Examiner has clearly failed to apply the proper standard for a rejection under 35 U.S.C. §112, first paragraph. As stated in MPEP §2163.02: the objective standard for determining compliance with the written description requirement is, "does the description clearly allow persons of ordinary skill in the art to recognize that he or she invented what is claimed."[1] To satisfy the written description requirement, an applicant must convey with reasonable clarity to those skilled in the art that, as of the filing date sought, he or she was in possession of the invention, and that the invention, in that context, is whatever is now claimed. If a skilled artisan would have understood the inventor to be in possession of the claimed invention at the time of filing, even if every nuance of the claims is not explicitly described in the specification, then the adequate description requirement is met.[2] Furthermore, as stated in MPEP §2163.07, "mere rephrasing of a passage does not constitute new matter," and "a rewording of a passage where the same meaning remains intact is permissible."[3]

Further, to make a *prima facie* case, **the Examiner has the initial burden of presenting evidence or reasoning** to explain why persons skilled in the art would not recognize in the

[1] See, *e.g. In re Gosteli*, 872 F.2d 1008, 1012, 10 USPQ2d 1614, 1618 (Fed. Cir. 1989). Under *Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1563-64, 19 USPQ2d 1111, 1117 (Fed. Cir. 1991).
[2] See, *e.g.*, *Vas-Cath*, 935 F.2d at 1563, 19 USPQ2d at 1116; and *Martin v. Johnson*, 454 F.2d 746, 751, 172 USPQ 391, 395 (CCPA 1972) (stating "the description need not be *in ipsis verbis* [i.e., "in the same words"] to be sufficient").
[3] See, *e.g. In re Anderson*, 471 F.2d 1237, 176 USPQ 331 (CCPA 1973).

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disclosure a description of the invention defined by the claim, and to explain why the claim is not fully supported by the disclosure (emphasis added). *MPEP* 2163.04. Instead of providing evidence or reasoning, the Examiner has simply alleged "Examiner could not find a [*sic*] support for the following claim language." *Office Action*, p. 5. Accordingly, the Examiner has not satisfied her burden of proof for establishing a *prima facie* case that one of ordinary skill in the art would not have been able to recognize that the inventors invented the subject matter recited in Claim 212. As such, the rejection under U.S.C. §112, first paragraph that Claim 212 allegedly fails to satisfy the written description requirement is improper and should be withdrawn.

As discussed during the Interview, the Examiner appears to have merely searched the specification for explicit textual support without properly determining what a skilled artisan would have understood the inventors to have been in possession of at the time of filing. Had the Examiner performed the proper analysis, she would have readily noted that the claim feature at issue in this rejection is well-supported at least by ¶0149-¶0150, and also at ¶0154-¶0156, referring to FIG. 4A.

In ¶0149, the instant specification describes a situation in which "the user of sequence 402 jumps right into segment 434 as segment 430 is just starting" in which case "the player/viewer will begin segment 434 at its point of entry, followed at its end by ad block 412." In this case, the digital advertising content plays at "one of the one or more initial insertion points." In contrast, in ¶0150, "the user has watched 80% of segment 432, and then jumps into the middle of segment 434," which results in "ad block 410 play[ing] immediately, and when it is finished, content play resum[ing] at the point selected in segment 434." In the scenario described in ¶0150, ad block 410 is played at a point immediately preceding "the middle of segment 434," which is an "alternate insertion point" that is clearly "different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream," which would, in this example, be those insertion points originally scheduled to occur between the segments.

At ¶0154-¶0156, the instant specification provides further support for the claim feature at issue, this time in reference to an example (illustrated as sequence 404 in FIG. 4A) of a "track allowance method for ad placement." ¶0154 states that in "regular play without skipping around or other navigation, sequence 404 begins by playing tracks 440, 442, 444, 446, and 448 in series, followed by ad block 414, and then tracks 450, 452, 454, and 456" and that ad block 416 comes after track 456, "followed by tracks 458, 460, and 462." In ¶0156, "[i]f the user decides to play track 446 and then track 456, the program does not insert ad block 416 immediately after track

456. Instead, play goes directly into track 458, because the allowance is 5 tracks. If the user plays through most of track 458, then jumps to the beginning of track 442 and plays it, there is still allowance for one more track after that, since only four tracks (446, 456, 458, and 442) have played so far." In other words, ad blocks 414 and 416 are initially sequenced after tracks 448 and 456, respectively, but in response to the user "skipping around or other navigation," ad block insertions wind up at different positions relative to those tracks to comply with pre-defined placement rules (which in this example are track count rules).

One of ordinary skill in the art would clearly understand that the movement of an ad block insertion location originally scheduled to follow track 448 and precede track 450 but instead being played at a different location that was not an initially scheduled insertion point provides clear support sufficient to satisfy the requirements of 35 U.S.C. §112, first paragraph. Claims 212, 238, 243, 267, 268, and 271 therefore satisfy the written description requirement. Claims 214-223, 225-237, 239-242, 244-266, 269-270, and 272-273 stand rejected for their dependency on a rejected basis, and are not separately rejected. As such, Claims 214-223, 225-237, 239-242, 244-266, 269-270 also comply with the written description requirement. For at least these reasons, these rejections should be withdrawn.

B. The pending claims are not obvious under 35 U.S.C. §103(a) because the applied references fail to teach or suggest each and every feature of the claims.

Claims 212, 214-223 and 225-273 stand rejected under 35 U.S.C. §103(a) as allegedly being unpatentably obvious over Knepper in view of Hannah and further in view of Wang. *Office Action*, p. 7. Appellant respectfully disagrees, and respectfully requests the reversal of the rejections of Claims 212, 214-223 and 225-273 for at least the reasons discussed herein.

The burden of establishing a proper *prima facie* basis upon which to reject claimed subject matter as unpatentably obvious lies with the Office. MPEP § 2143. In order to establish a proper *prima facie* basis, the Office must present a clear and explicit rationale supporting the assertion that all of the claimed elements were known in the prior art, and that one skilled in the art would have combined the claimed elements by known methods, with no change in their respective functions, to produce a combination yielding nothing more than predictable results. *Id.*; *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398, 416 and 419 (quoting with approval *In re Kahn,* 441 F.3d 977, 988 (C.A. Fed. 2006)). In judging the patentability of the claims against the prior

art, all words in a claim must be considered. *In re Wilson*, 424 F.2d 1382, 1385 (CCPA 1970); MPEP § 2143.03.

Furthermore, "[t]o support the conclusion that the claimed invention is directed to obvious subject matter, either the references must expressly or impliedly suggest the claimed invention or the examiner must present a convincing line of reasoning as to why the artisan would have found the claimed invention to have been obvious in light of the teachings of the references." MPEP §706.02(j) (quoting *Ex Parte Clapp*, 227 USPQ 972, 973 (Bd. Pat. App. & Inter. 1985)).

Appellant respectfully submits that the Examiner has failed to establish a proper *prima facie* case of obviousness under 35 U.S.C. §103(a).

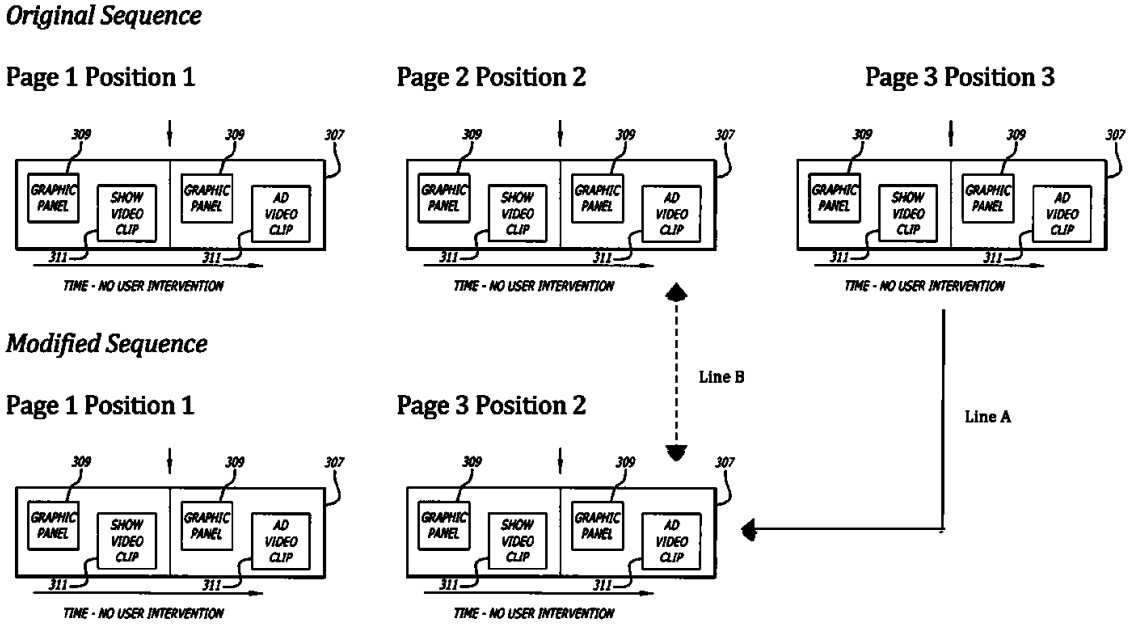
1. **Knepper does not describe or suggest "at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content of" independent Claim 212 or the corresponding features of Claims 238, 243, 267, 268, and 271.**

As discussed with the Examiner during the Interview, the statement of the rejections under 35 USC §103 reflects clear error, at least because a) it ignores explicit limitations of the claims and b) the cited references clearly do not describe or suggest all of the features of the independent claims.

As a first point, the Examiner has explicitly acknowledged on the record (see the Final Office Action mailed May 1, 2014 at page 15) that Knepper does not teach "at least one of the advertisement files is presented in a different position relative to the media files." The specific wording of this limitation has been slightly modified relative to what was pending at the time of this Final Office Action to make it abundantly clear what is being claimed. Despite Applicant's repeated attempts to clarify the claimed subject matter, the Examiner continues to muddle the issue, specifically with her statement of the reasons for rejection on page 8 of the current Office Action, where she alleges that "[s]ame as applicant's disclosure, the advertisement and the media of Knepper which were sequenced to be played in a predefined order, when the user skips or forwards to a different music (e.g. to a third media in the sequence after playing the first media in the sequence), the ad appended to the media (third media) would also be played as a second in the sequence (the media and ad combination) instead of the ad appended to the second media in the sequence (playlist)." The rationale for this incorrect assertion relies on a re-statement of how a

Knepper presentation clip page is constructed (citing ¶0062 as it relates to FIG. 7) and an alleged equality with descriptions in the instant specification. *Office Action*, p. 8. However, as discussed further below, the Knepper description directly contradicts the claimed subject matter, particularly the claim features in which an alternate insertion point (that differs from any initial insertion point) relative to digital media is used in response to user input that causes the adaptively modifying as claimed. Furthermore, the cited ¶0062 and FIG. 7 of Knepper clearly relate to initial set-up of the entertainment files and advertising files and make no reference whatsoever to "skipping." The Examiner appears to have constructed this part of the statement of rejection without proper basis in any of the prior art.

Even assuming, *arguendo*, that a user could navigate between Knepper pages and that would somehow change the order at which specific advertisement content is presented, the advertising insertion points as described in Knepper would still be at the exact same positions as enumerated upon in the following diagram example adapted from FIG. 4 of Knepper:



In the example diagram above, if a Knepper Page 3 moves from Position 3 in the *Original Sequence* to Position 2 in the *Modified Sequence* (as shown by Line A above) then, while the content of Ad Video Clip 311 at Position 2 may change, the advertisement insertion point of the resultant presentation at Page 3 Position 2 (formerly Page 2 Position 2) would be at the exact same

position in sequence (as shown by Line B, Ad Video Clip 311 above). The Examiner ***argues*** that moving the position of the pages (e.g., from Page 3, Position 3 to Page 3, Position 2, as shown above) changes the Content of the Ad Video Clip 311 at Position 2. *See Office Action*, p. 8. However, Claim 212 recites **adaptively modifying** a position for digital ad content by moving the position from "one or more **initially sequenced insertion points to one or more alternatively sequenced insertion points"** that are different from the initially sequenced insertion points "relative to the digital media content within the user-perceptible content stream." As clearly shown above and as described in Knepper, the insertion points of the Ad Video Clips **do not change**.

Moreover, the approaches described in Knepper generally relate to improvements that address challenges inherent in delivery and playback of video and/or audio media files on a client-side computer (see, e.g. ¶0007 of Knepper). Using the approach of Knepper, media files (which can include both entertainment media files and advertisement media files) and an instruction set are downloaded from a server to a client, and pre-cached at the client side. Knepper explains that the "server 207 thus has control over the user's advertisement set." *Id.* at ¶0029. Knepper also explains that an application "assembles the entertainment and advertisement media files and begins playback of the various media files… **in the order specified by the instruction set**" (emphasis added). *Id.* at ¶0037. The entertainment and advertisement media files are thus assembled to form a clip. The formed clip has the appearance of being a single media file. *Id.* at ¶0038.

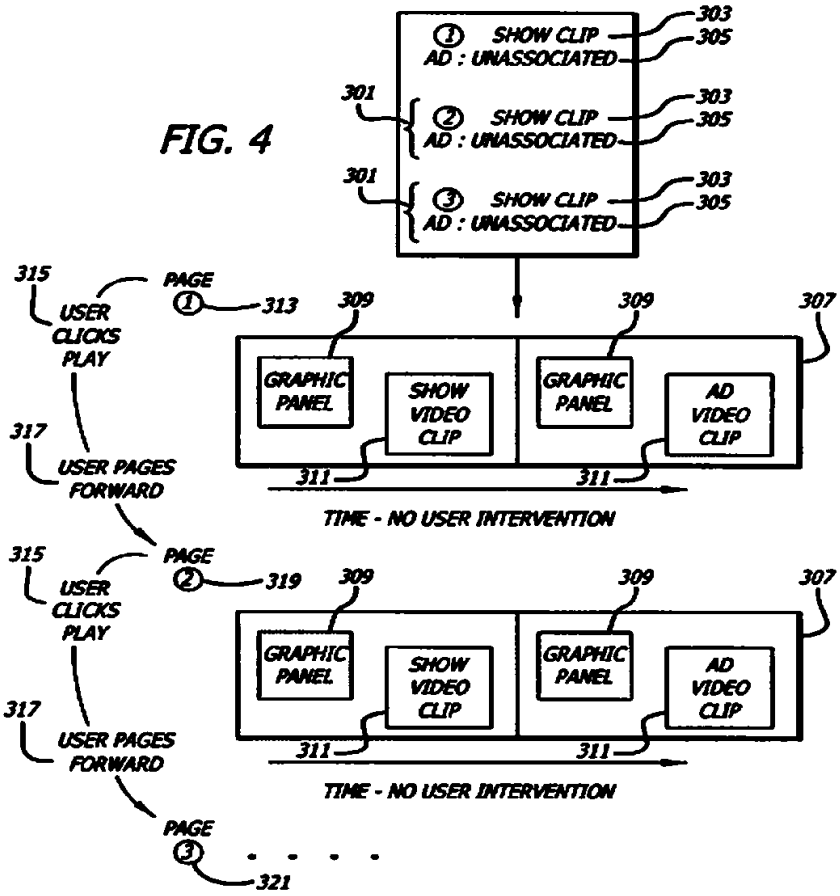
In direct contrast to the descriptions in Knepper, the "**adaptively modifying**" of "a presentation position of the digital advertising content" element of claim 212 involves using pre-defined rules and occurs **in response to a user input** detected by the client system. The presentation position of the digital advertising content is adaptively modified "from at least one of the one or more **initially sequenced insertion points to one or more alternatively sequenced insertion points**" and "at least one of the one or more **alternatively sequenced insertion points** [is] **different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream**." In other words, after creating a user-perceptible content stream a user input causes a modification to the user-perceptible content stream such that digital advertising content in the user-perceptible content stream after the adaptively modifying is arranged at different/alternate insertion positions relative to the digital media content. Such an adaptive modification would not be possible in the Knepper instruction set, **determined by the server**, that indicates the order of entertainment and advertisement media

files.

Knepper makes clear that the insertion positions for advertising are defined by pages. For example, Knepper at ¶0052 describes a digital magazine having ads at fixed positions in relation to the content. A user can traverse the magazine, for example by "paging forward", but will always be presented with advertisements at fixed pre-determined locations relative to the specific content assigned to a given page. Even assuming *arguendo* that user navigation in the Knepper approach can change the order in which pages are presented, which in turn may result in the entertainment files and the associated advertising file locations for a given page to be presented in a different overall order, the locations at which advertising files are presented is nonetheless always fixed with respect to the associated entertainment file for a given page, at least because the navigation in Knepper occurs page by page and each page defines a fixed and unchangeable relationship between the entertainment file and a location for an advertising file. *See Knepper*, FIG. 4 show video clip 311 and ad video clip 311. For example, if a user could navigate from a first page of a Knepper magazine to a third page, any initially defined advertising file location on the first page and the third page would remain the same relative to the entertainment files on those first and third pages both before and after the navigation, as shown in the above example on p. 22 adapted from FIG. 4 of Knepper.

With Knepper, and with particular reference to paragraphs ¶¶0052, 0059, 0063, and 0084, entertainment files can have associated advertisement files (i.e., the same advertisement is always played with the same entertainment file) or they can have unassociated advertisement files (i.e., an advertisement file is always played with the entertainment file – but it can be one of several advertisement files). What is not changeable in Knepper, however, are the actual insertion locations at which advertising is presented relative to the content on any given page. Thus, a user of the approach described in Knepper may choose to navigate between pages 307 as discussed above. However, as shown in Knepper's FIG. 4 (reproduced below for reference) on any given page 307, there is a fixed "show video clip" 311 and an "ad video clip" 311.

FIG. 4



In other words, the approach of Knepper requires defining of fixed, specific locations into which ad video clips are inserted before or after specific show video clips. This requirement is made explicit in ¶0041: "[t]he server also sends a text file containing a set of instructions indicating which advertisement media files from among the pre-cached advertisement media files to insert into the entertainment media file at run time, how many advertisement media files to insert, and **where to insert them**." (Emphasis added). Knepper further explains that once "all of the files listed in the instruction set are downloaded, the client begins to display the content" and the "**instruction set indicates the order in which the media files are to be played**" (emphasis added). *Id.* at ¶¶0011, 0065.

In contrast, the subject matter of the instant claims causes an alternate insertion position/one or more alternatively sequenced insertion points for digital advertising content in the adaptively re-sequenced/adaptively modified user-perceptible content stream to be different than

those in the user-perceptible content stream before the adaptively re-sequencing/adaptively modifying such that an insertion position for digital advertising content relative to a media section of the digital media content changes from the user-perceptible content stream to the modified user-perceptible content stream/the user-perceptible content stream post adaptively modifying. This changing of the insertion position/insertion points of digital advertising content occurs explicitly as a result of user interaction, which is directly and unequivocally contrary to the approach described in Knepper (*see, e.g.*, Knepper Fig 4, which repeatedly states "**no user intervention**" (emphasis added) with the combination of content and advertising).

Claim 243 (and also claims 267 and 268, which differ in scope but include similar language) explicitly requires "the modified user-perceptible content stream comprising an alternate insertion position of the advertising block relative to the media section, the alternate insertion position differing from the initially defined insertion position and not having digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing" (emphasis added). Claim 212 (and also claims 238 and 271, which differ in scope but include similar language) states a related limitation worded slightly differently, and is likewise clearly not compatible with any reasonable interpretation of Knepper. Specifically, the modified user-perceptible content stream of claim 243 includes an alternate insertion position of a specific advertising block relative to a specific media section, where the alternate insertion position differs from the initially defined insertion position and does not have digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing.

Knepper neither describes nor suggests such an approach – as noted above, a given advertising location on a page is explicitly fixed relative to the entertainment file location on that page. There is no allowance in Knepper for presenting an advertising file in a location relative to an entertainment file that is not also present in the original sequence. Furthermore, FIG. 4 of Knepper expressly states that "**no user intervention**" (emphasis added) is permitted with regards to the page structure itself. These teachings of Knepper, which were discussed in detail in the previous Response and at several other points during the lengthy prosecution of this matter, directly contradict the example of the claimed subject matter (see, e.g., description above relating to the written description rejections).

The current Office Action fails to even explicitly allege that the features of claims 212 (and

238 and 271) and 243 (and 267 and 268) discussed above are described or suggested in the prior art. For example, the statement of rejection appearing at pages 7 to 9 of the Office Action makes no reference to such features but rather recycles text that has appeared in previous rejections of claims that did not have these features recited as they are currently presented. Additionally, the statement of rejection beginning on page 7 of the current office action does not acknowledge any difference in the claim language between claims 212 and 243, which is another indication of clear error. Furthermore, in the Response to Arguments section (see end of page 16 and top of page 17), the Examiner expressly attempts to rebut Applicant's arguments for non-obviousness by alleging that these elements need not be considered because "applicant's specification does not provide support for such claim language." Beyond being an admission that the features are not addressed in the statement of the rejections under 35 U.S.C. §103(a), this statement is also, on its face, a clear violation of the principles of compact prosecution.[4] The Examiner has committed clear error by failing to consider the Applicant's argument with regard to an explicit claim feature with the excuse of an errant (as discussed above in relation to the rejections under 35 U.S.C. §112, first paragraph) allegation of lack of written description support.

Finally, the Examiner's citation of *In re Keller* (see page 17 of the current Office Action) is nonsensical. The holding in that case certainly does not preclude a rebuttal of an obviousness rejection by explaining how the primary reference does not teach features alleged by the Examiner, particularly when the cited secondary references are neither asserted to nor reasonably interpretable as remedying the identified deficiencies in the primary reference. For avoidance of doubt, Knepper does not describe or suggest the above-noted features, nor do any of the other cited references. For example, Wang and Hannah are cited merely as allegedly rendering unpatentably obvious the features relating to prevention of skipping of advertising. Neither reference addresses the clear deficiency in Knepper with regard to the currently pending claims. Accordingly, Knepper, Wang, and Hannah, whether considered alone or in any combination, are insufficient to establish proper grounds for a rejection under 35 U.S.C. §103(a).

Claim 238 is directed to subject matter of different scope than Claim 212, but includes similar limitations to those discussed above. Claims 243, 267, 268, and 271 likewise recite features

[4] See MPEP §2103, which states that "each claim should be reviewed for compliance with every statutory requirement for patentability in the initial review of the application, even if one or more claims are found to be deficient with respect to some statutory requirement."

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similar to at least some of the patentable features discussed in connection with Claim 212 above and also define patent-eligible subject matter.

For at least these reasons, withdrawal of the pending rejections of Claims 212, 238, 243, 267, 268, and 271 under 35 U.S.C. §103(a) is respectfully requested.

2. Dependent Claims 214-223, 225-237, 239-242, 244-266, 269-270, and 272-273 are allowable over the applied references at least by virtue of their dependency from one of independent Claims 212, 238, 243, 267, 268, or 271.

Dependent Claims 214-223, 225-237, 239-242, 244-266, 269-270, and 272-273 each depend either directly or indirectly on one of independent Claims 212, 238, 243, 267, 268, and 271. Thus, the dependent claims incorporate by reference all the features of their respective independent claims pursuant to 35 U.S.C. § 112, ¶ 4. In view of the features as recited in the independent claims, and in view of the additional features as recited in the dependent claims, Appellant respectfully submits that the dependent claims define patentable subject matter over the applied references for at least the reasons discussed above, and for their respective additional novel features. Thus, Appellant respectfully submits that dependent Claims 214-223, 225-237, 239-242, 244-266, 269-270, and 272-273 are allowable.

Accordingly, for at least these reasons, reversal of the pending rejection of Claims 214-223, 225-237, 239-242, 244-266, 269-270, and 272-273 under 35 U.S.C. §103 is respectfully requested.

C. The pending claims are directed to patent eligible subject matter because they are not directed to an abstract idea, and even if they were, the pending claims provide significantly more than the abstract idea itself.

Claims 212, 214-223 and 225-273 are rejected under 35 U.S.C. §101, because the Office alleges that the claims are drawn to subject matter that is not eligible for patenting. *Office Action*, p. 2. Appellant respectfully disagrees and traverses this rejection for at least the following reasons.

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Subject Matter Eligibility Standard

In *Alice v. CLS Bank*, the Supreme Court outlined a two-step analytical framework for analyzing subject matter eligibility under Section 101.[5] Step 1 requires a determination of whether the claim is directed to a process, machine, or composition of matter. In response to step 1 being decided in the affirmative, step 2A (part 1 of the *Mayo* test) requires a determination of whether the claims are directed to a law of nature, a natural phenomenon, or an abstract idea (judicial exceptions). In response to step 2A being decided in the affirmative, step 2B (part 2 of the *Mayo* test) requires a determination of whether the claim recites additional elements that amount to significantly more than the judicial exception.[6]

Subsequent Federal Circuit decisions and USPTO guidance have provided additional guidance on the subject matter eligibility requirement. For example, in *Enfish v. Microsoft*, the Federal Circuit held that a claim directed to a self-referential table was patent-eligible because it was directed to a specific, asserted improvement in computer capabilities.[7] In *BASCOM v. AT&T*, the Federal Circuit held that a claim containing known, conventional pieces was patent-eligible because it provided a non-conventional and non-generic arrangement of those pieces.[8] Further, in *McRO v. Bandai*, the Federal Circuit held that a claim requiring specific rules to render 3-D animations in a specific way was patent-eligible because the use of the rules did not preempt others from rendering 3-D animations using generic rules.[9]

Appellant respectfully submits that, in view of *Core Wireless*, *Ex parte Relyea*, and the April 2018 USPTO Memo, the claims do not recite an abstract idea (step 2A), and, even if the claims do recite an abstract idea (which Appellant does not acknowledge), the claims amount to significantly more than an abstract idea itself (step 2B). Moreover, Appellant respectfully submits that the Examiner has failed to establish a proper *prima facie* case that the claims are not directed to patent-eligible subject matter under 35 U.S.C. §101.

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[5] *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347, 2355 (2014).
[6] *See id.*; MPEP § 2106.
[7] *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335-36 (Fed. Cir. 2016).
[8] *BASCOM Global Internet Servs. v. AT&T Mobility LLC*, 827 F.3d 1341, 1350 (Fed. Cir. 2016).
[9] *McRO, Inc. v. Bandai Namco Games Am.*, 837 F.3d 1299, 1315 (Fed. Cir. 2016).

1. **Step 2A: the pending claims do not recite an abstract idea because they are inextricably tied to computer technology and distinct from the types of concepts found by the courts to be abstract.**

As an initial matter, the Examiner has not considered the most recent USPTO April 2018 Memo. In the April 2018 Memo, Mr. Bahr explains that two precedential Federal Circuit decisions, *Finjan*[10] and *Core Wireless*[11], found the software-related inventions patent eligible under 35 U.S.C. § 101 because the inventions ***were not directed to an abstract idea***. *Finjan*, *Core Wireless*, as well as *Enfish* and *McRO*, confirm that software-based innovations are not abstract if they make non-abstract improvements to computer technology. **As such, they are patent eligible under the first step of the Alice test (also referred to as step 2A in the USPTO's subject matter eligibility guidance, MPEP § 2106.04).**

In the Office Action, the Examiner cites *SmartGene* and *Cyberfone* as supporting the assertion that Claim 212 is similar to other ideas found to be abstract by various courts. *Office Action*, p. 3. Applicant first notes that both *SmartGene* and *Cyberfone* are non-precedential decisions by the Federal Circuit. In the November 2016 Memo to Examiners, the USPTO gave explicit guidance regarding use of both *SmartGene* and *Cyberfone* as non-precedential decisions:

> **Non-precedential decisions:** Finally, given the large and ever-increasing number of precedential decisions, **examiners should avoid relying upon or citing non-precedential decisions (e.g., SmartGene, Cyberfone) unless the facts of the application under examination uniquely match the facts at issue in the non-precedential decision**. The updated chart of court decisions available on the US PTO' s SME Webpage indicates whether a decision is precedential or nonprecedential. (Emphasis added) *November 2016 Memo*, p. 4; *see also* MPEP § 2106.07(a).

Accordingly, *SmartGene*, for example, should only be cited in applications that claim methods in which "every step" is one that a physician would make mentally upon observing a patient or reviewing medical data. Similarly, Cyberfone should only be cited in applications that claim methods in which "every step" is one that a computer would make when obtaining a single transmission from a telephone. Neither is the case in amended Claim 212.

Although the Examiner cites the above court decisions, the cited court decisions are not

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[10] *Finjan Inc. v. Blue Coat Systems, Inc.,* 879 F.3d 1299 (Fed. Cir. 2018).

[11] *Core Wireless Licensing S.A.R.L., v. LG Electronics, Inc.,* 880 F.3d 1356 (Fed. Cir. 2018).

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analogous to amended Claim 212. For example, in *SmartGene*, the claims were directed to a method for guiding the selection of a therapeutic treatment regimen for a patient with a known disease or medical condition. *SmartGene*, Slip Opinion, p. 2. The court stated that the claims defined a process of "using a computer to perform a series of mental steps that people, aware of each step, can and regularly do perform in their heads" *Id.* at p. 7-8. In *Cyberfone*, the claim at issue was directed to a method comprising "obtaining data transaction information …; forming a plurality of different exploded data transactions for the single transmission…; and sending said different exploded data transactions over a channel to said different destinations." *Slip Op.*, p. 7.

As noted above, Claim 212 is not directed to observing a patient or reviewing medical data and therefore should not be analogized to *SmartGene*. Likewise, Claim 212 is not directed to forming a plurality of different exploded data transactions from a single transaction and should not be analogized to *Cyberfone*. In contrast to the claims of *SmartGene* and *Cyberfone*, and as highlighted by the Specification of the present application, the subject matter of Claim 212 uses an initial sequencing and user input to "adaptively regroup and re-sequence the insertion of ad blocks extemporaneously (i.e. "on the fly"), in response to the consumer's arbitrary direction of the playback within the requested content, by means of playback controls." *See Specification*, ¶0117. As such, Claim 212 is not directed to "the abstract idea of 'preventing of commercial skipping by using a well-known device'" as alleged by the Examiner. *Office Action*, p. 3. Indeed, Claim 212 recites an improved computer-implemented way to adaptively re-sequence ad block positions in response to user input which is clearly different than the alleged abstract idea of "preventing of commercial skipping by using a well-known device."

This improvement is similar to those the courts recognized in *Core Wireless*, *Enfish*, and *McRO* in which the claims provided technological benefits and were not found to be directed to an abstract idea.

In *Core Wireless*, the claimed invention involves a graphical user interface (GUI) for mobile devices that displays an application summary of each application on the main menu while those applications are in an unlaunched state. The claims to computing devices were held patent eligible because the court concluded that they are directed to an improved user interface for electronic devices, not to the abstract idea of an index. In particular, **the claims contain precise language delimiting the type of data to be displayed and how to display it, thus improving upon conventional user interfaces** to increase the efficiency of using mobile devices. Finding the

claims eligible, the court compared the improved user interface in the patent claims to the improved systems claimed in *Enfish, Thales, Visual Memory,* and *Finjan.*

In Claim 212, like in *Core Wireless*, the claimed subject matter is directed to non-abstract improvements to computer technology because it **contains precise language delimiting the type of data to be sequenced and how to sequence and adaptively modify the sequence, thus improving upon conventional delivery, presentation, and user interaction of/with media content and advertising content**. For example, Claim 212 specifies the type of data (e.g., data comprising digital media content and digital advertising content), how to sequence it (e.g., determining an initial sequence of the digital media content and digital advertising content and adaptively modifying and/or re-sequencing the initial sequence), and even includes what is done with the information after the modifying and/or re-sequencing (e.g., presenting the content stream, keeping a setting, disallowing a navigation choice based on the digital advertising content, and storing presentation data). Accordingly, just as held in *Core Wireless*, amended Claim 212 is also not directed to an abstract idea.

In *Enfish*, the Federal Circuit noted that in determining whether a claim is *directed to* an abstract idea for purposes of the first step, it is not sufficient to simply ask whether the claim *involves* a patent-ineligible concept. The claims must be "considered in light of the specification, based on whether 'their character as a whole is directed to excluded subject matter.'" *Enfish*, pp. 9-11.

Unlike the claims in *SmartGene* and *Cyberfone*, the claims in *Enfish* were directed to an improvement in the function of a computer. The *Enfish* court gave specific guidance that "benefits over conventional databases, such as **increased flexibility, faster search times, and smaller memory requirements**," may be determinative that the claims are directed to improvements in existing computer technology and not an abstract idea. *May 2016 Guidance*, p. 2. Claim 212 is likewise directed to improvements in the function of computers, specifically to increase flexibility in the way digital advertisements may be delivered. For example, the subject matter of Claim 212 gives the "ability to adaptively regroup and re-sequence the insertion of ad blocks extemporaneously (i.e. "on the fly"), in response to the consumer's arbitrary direction of the playback within the requested content." *Specification*, ¶0117. Because these processes are inextricably related to a computing system, the claimed subject matter cannot be abstract nor directed to a judicial exception (Step 2A). Furthermore, the capability to adaptively regroup and

re-sequence insertion of ad blocks on the fly can provide important benefits over conventional distribution systems by improving security, optimizing bandwidth, performance, and user interaction, etc. *See id.* at ¶0054, FIG. 3A, ¶0110-0111, ¶0117, ¶0186, and ¶202-204.

Moreover, the Office has overgeneralized the claims, which is prohibited by recent USPTO guidance. For example, the November 2016 Memo, citing *McRO*, provides that:

> **Examiners should consider the claim as a whole under Step 2A** of the USPTO's SME guidance, and should not overgeneralize the claim or simplify it into its "gist" or core principles, when identifying a concept as a judicial exception. [] **An "improvement in computer-related technology" is not limited to improvements in the operation of a computer or a computer network *per se*, but may also be claimed as a set of "rules" (basically mathematical relationships) that improve computer-related technology by allowing computer performance of a function not previously performable by a computer**. *November 2016 Memo*, p. 2. (emphasis added).

The Office, however, has generalized the claims down to "preventing of commercial skipping." *See Office Action*, p. 3. The Examiner in particular fails to explain why limitations of "sequencing," "adaptively modifying," "causing presentation," "keeping a setting" and "disallowing" do not alter the scope of what the claims as a whole are directed to. The Office thus looked at the claims generally and did not account for the specific requirements of the claims which recite a novel and inventive method of adaptively re-sequencing ad insertion points which have nothing to do with "preventing of commercial skipping," e.g., in point of fact, even if the ads are adaptively re-sequenced after a user navigation, they could still possibly be skippable in some fashion (i.e. fast forward/skip) if not for the additional "disallowing" limitation of Claim 212. Indeed, the specific limitations of Claim 212 enable user navigation with advertising supported media which traditionally was not possible. *See Specification*, ¶0008, ¶0048, ¶0057.

Accordingly, the Office's rejection fails to meet the Office's burden to establish a *prima facie* case that the subject matter of Claim 212 is directed to an abstract idea that can be performed mentally.

2. Step 2B: the pending claims add significantly more to an abstract idea

Even assuming, *arguendo*, that Claim 212 is directed to an abstract idea under Step 2A, Claim 212 recites significantly more than the alleged abstract idea of preventing of commercial skipping.

For example, in the recent Federal Circuit decision of *Bascom Global Internet Services, Inc., v. AT&T Mobility LLC*, No. 2015-1763 (Fed. Cir.) (June 27, 2016), the Federal Circuit opined that Claim 1 of the application recited patent-eligible subject matter. Claim 1 of Bascom's patent recited:

> 1. A content filtering system for filtering content retrieved from an Internet computer network by individual controlled access network accounts, said filtering system comprising:
>
> a local client computer generating network access requests for said individual controlled access network accounts; at least one filtering scheme;
>
> a plurality of sets of logical filtering elements; and
>
> a remote ISP server coupled to said client computer and said Internet computer network, said ISP server associating each said network account to at least one filtering scheme and at least one set of filtering elements, said ISP server further receiving said network access requests from said client computer and executing said associated filtering scheme utilizing said associated set of logical filtering elements.

The Federal Circuit criticized the District Court's piecemeal analysis of the features of Claim 1, and stated that the inventive concept inquiry "requires more than recognizing that each claim element, by itself, was known in the art," as "an inventive concept can be found in the non-conventional and non-generic arrangement of known, conventional pieces." *Bascom*, Slip Opinion, p. 15. The Federal Circuit also noted that the District Court analysis looked "similar to an obviousness analysis under 35 U.S.C. § 103, except lacking an explanation of a reason to combine the limitations." *Id.* at p. 4. The *Bascom* court clearly recognizes that "software-based inventions that improve the performance of the computer itself" are patent eligible even when the inventions are otherwise directed toward abstract ideas. *Id.* at p. 18.

The *Bascom* decision described how an analysis under 35 U.S.C. §101 should not be the same as an analysis under 35 U.S.C. §103. *Id.* at pp. 4, 15. Here, it should be noted that Claim 212 is not known, much less well-known (by virtue of being novel under 35 U.S.C. 102) and is also not obvious (by virtue of being allowable under 35 U.S.C. 103, as discussed above). Therefore, as in *Bascom*, the claim elements of Claim 212 cannot properly be rejected by the mere assertion that they are drawn to well-known, routine, and conventional practices as alleged on p. 4 of the Office Action.

Additionally, the most recent USPTO memorandum dated April 19, 2018, from Robert W. Bahr ("April 19, 2018 Memo") explains that the precedential Federal Circuit decision of *Berkheimer*[12] held that whether "something is well-understood, routine, and conventional to a skilled artisan at the time of the patent is a **factual determination**" (emphasis added). *April 19, 2018 Memo*, p. 2. The April 19, 2018 Memo explains that in "a step 2B analysis, an additional element (or combination of elements) is not well-understood, routine or conventional **unless the examiner finds, and expressly supports a rejection in writing with, one or more of the following**:" 1) a citation to an express statement in the specification or to a statement made by an applicant during prosecution; 2) citation to one or more of the court decisions discussed in MPEP § 2106.05(d)(II); 3) a citation to a publication; or 4) statement that the examiner is taking official notice. (Emphasis added). *See id.* at p. 3-4. These citations must demonstrate the well-understood, routine, conventional nature of the additional element(s). *Id.*

In the Office Action, the Examiner has not provided **any of the above support** for the assertion that the elements of Claim 212 are well-understood, routine or conventional and has therefore failed to meet the Office's burden under Step 2B and MPEP § 2106. *See Office Action*, p. 4

While the rejections under 35 U.S.C. §101 should be withdrawn simply due to this deficiency, the following additional arguments are presented in hopes of furthering prosecution in this matter. For example, claims 212 and 238 include ordered combinations of elements (implemented by operation of one or more processors) that include

- receiving data that includes digital media content and digital advertising content on a client system (claim 212) or transmitting such data to a client system from at least one remote system (claim 238);
- sequencing the digital media content and the digital advertising content, which includes ordering at least some of the digital media content and at least some of the digital advertising content into a user-perceptible content stream that includes one or more initially sequenced insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content;

[12] *Berkheimer v. HP Inc.*, 881F.3d1360 (Fed. Cir. 2018).

- adaptively modifying a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points using pre-defined rules and in response to a user input detected by the client system, such that at least one of the one or more alternatively sequenced insertion points is different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream;
- causing presentation of the user-perceptible content stream at the client system after the adaptively modifying;
- keeping a setting (which includes a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream) in a first memory to indicate a current state of play;
- disallowing a navigation choice that alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and
- storing presentation data comprising an indication of the digital advertising content that has been presented in a second memory.

Claim 271 includes similar limitations in a system (means-plus-function) claim.

While directed to subject matter of differing scope, new claims 243, 267, and 268 include an ordered combination of elements (implemented by operation of one or more processors) that include

- receiving data that includes digital media content and digital advertising content on a client system (claim 243) or transmitting such data to a client system from at least one remote system (claim 267);
- sequencing the digital media content, which includes ordering the digital media content into a user-perceptible content stream that includes a) a media section that includes at least some of the digital media content and b) an advertising block within which at least some of the digital advertising content is scheduled to be presented and which is arranged within the user-perceptible content stream at an initially defined insertion position relative to the media section;

- adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the client machine, such that the modified user-perceptible content stream includes an alternate insertion position (which differs from the initially defined insertion position and does not have digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing), and where the adaptively re-sequencing includes determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content;
- causing presentation of the modified user-perceptible content stream at the client system;
- keeping a setting (which includes a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the modified user-perceptible content stream) in a first memory to indicate a current state of play;
- disallowing a navigation choice that alters a course of playback of the modified user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and
- storing presentation data comprising an indication of the digital advertising content that has been presented in a second memory.

Claim 268 includes similar limitations in a system (means-plus-function) claim.

The above stated ordered combinations of elements cannot be reasonably construed as well-known, conventional, or routine. These features, whether taken alone or in combination, do not resemble claim limitations that the courts have previously found to be well-understood, routine, or conventional. Furthermore, the statement of rejection makes no such assertion. In fact, and on the contrary, the noted claim limitations more closely resemble the combination of elements present in the claims at issue in *DDR Holdings* or in *Bascom v. AT&T*. For example, no court has found that implementing sequencing and adaptively modifying (claims 212, 238, and 271) or sequencing and re-sequencing (claims 243, 267, and 268) of digital media content using software-implemented features that act in response to a user input to cause presentation of a modified user-perceptible content stream with digital advertising positioned differently relative to digital media content compared to an initial position or set of positions relative to the digital media content, or anything similar to it, should be considered to be routine, well known, or conventional.

Furthermore, in *Bascom*, the Federal Circuit has explicitly acknowledged that the mere

ability of a claimed invention to be used in enhancing the execution of a commercial transaction is not dispositive of it being directed to a patent ineligible concept: "the invention in DDR's patent was engineered in the context of retaining potential customers, the invention was not claiming a business method per se, but was instead claiming a technical way to satisfy an existing problem for website hosts and viewers" (emphasis added). Such a distinction is **directly relevant** to the instantly claimed subject matter, which involves a technical way to solve the existing (at the time of the current invention) problem of providing internet-supplied media content with advertising in a manner that allows for arbitrary user-controlled navigation/re-ordering of the content to combat piracy of content while still generating revenue from the advertising.

Furthermore, the subject matter of Claim 212 is closely analogous to the patent eligible subject matter in the recent PTAB Appeal decision in *Ex parte Relyea*, Appeal No. 2017-001443 (April 18, 2018). In *Ex parte Relyea*, the claims at issue were directed to **Internet-based directed-advertising** under circumstances involving broadcast TV and simultaneous chat room participation. *Ex parte Relyea*, p. 2-4.

Claim 1 of the patent at issue recited a method that provides broadcast programming, hosts a chat group, defines a micro-group, **creates a profile** for the micro-group, monitors behavior of the group, **modifies the profile**, **retrieves advertising content** associated with chat group, and **provides advertising content to user devices**. *See id.*

While the Board did not find error in the Examiner's determination that the claims were directed to the abstract idea of "targeting of advertisements to a micro-group of users based on profile data and chat group content," the Board concluded that the claims "**improve[d] the technical field of broadcasting television programs by dynamically integrating targeted advertising content into the television programs that are broadcast to users of the chat group**," (emphasis added) and thus provided "**a detailed level of targeted advertising [that] was not technologically achievable for television broadcasting in the past**" (emphasis added). *Id.* at p. 9-10. The Board further ruled that the claims included limitations "not widely prevalent in the field" that "leverage[d] [the] **real-time behavior of users** in the chat groups **to integrate targeted advertising content into broadcast programming**"; and still further that the claims were "confined to the particular **useful application of integrating targeted advertising content**." *Id.* at p. 10. Thus, the Board reversed the Examiner's §101 rejection under Step 2B.

As noted above, Claim 212 is directed to an approach that improves the **technical field of distributing media content by dynamically integrating targeted advertising content into the digital media content that are presented to users**. Just as claim 1 of *Ex parte Relyea* leverages real-time behavior of users to integrate targeted advertising, the subject matter of Claim 212 leverages user input to deliver "**targeted advertisements** may be interspliced **into an original broadcast presentation in real-time**, thereby providing broadcast programming with promotional material tailored to the preferences, demographics, or other relevant criteria of individual users, in addition to and/or in place of those ads specifically associated with the broadcast media" (emphasis added). *Specification*, ¶0143. The ability to "adaptively regroup and re-sequence the insertion of ad blocks extemporaneously (i.e. "on the fly"), in response to the consumer's arbitrary direction of the playback within the requested content" **was not technologically achievable for media presentation in the past**. The specialized adaptive modification of Claim 212 is also confined to the particular **useful application of integrating targeted advertising content**. Accordingly, just like in *Ex parte Relyea*, the Board should reverse the Examiner's rejection under §101.

Ultimately, Applicant respectfully submits that amended Claim 212 does not recite an abstract idea (step 2A), and, even if amended Claim 212 does recite an abstract idea (which Applicant does not acknowledge), amended Claim 212 amounts to significantly more than the abstract idea itself (step 2B). Therefore, amended Claim 212 is directed to patent-eligible subject matter.

Accordingly, Applicant requests the withdrawal of the rejections of Claim 212 under 35 U.S.C. §101. Independent Claims 238, 243, 267, 268, and 271 likewise recite features similar to at least some of the patent eligible features discussed in connection with Claim 212 above and also define patent-eligible subject matter.

3. Dependent Claims 214-223, 225-237, 239-242, 244-266, 269-270, and 272-273 are allowable over the applied references at least by virtue of their dependency from one of independent Claims 212, 238, 243, 267, 268, or 271.

Dependent Claims 214-223, 225-237, 239-242, 244-266, 269-270, and 272-273 each depend either directly or indirectly on one of independent Claims 212, 238, 243, 267, 268, and 271. Thus, the dependent claims incorporate by reference all the features of their respective

independent claims pursuant to 35 U.S.C. § 112, ¶ 4. In view of the features as recited in the independent claims, and in view of the additional features as recited in the dependent claims, Appellant respectfully submits that the dependent claims define patentable subject matter over the applied references for at least the reasons discussed above, and for their respective additional novel features. Thus, Appellant respectfully submits that dependent Claims 214-223, 225-237, 239-242, 244-266, 269-270, and 272-273 are also patent eligible.

Accordingly, for at least these reasons, reversal of the pending rejection of Claims 214-223, 225-237, 239-242, 244-266, 269-270, and 272-273 under 35 U.S.C. §101 is respectfully requested.

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D. Conclusion

On the basis of the foregoing, Appellant respectfully requests that the Board reverse all of the outstanding rejections of the pending claims, Claims 212, 214-223 and 225-273. It is believed that all of the pending claims have been addressed in this paper. However, failure to address a specific rejection, issue or comment, does not signify agreement with or concession of that rejection, issue or comment. In addition, because the arguments made above are not intended to be exhaustive, there may be reasons for patentability of any or all pending claims (or other claims) that have not been expressed. Finally, nothing in this paper should be construed as an intent to concede any issue with regard to any claim, except as specifically stated in this paper.

Enclosed herewith please find the requisite fees for a three-month extension of time. No additional fees are believed to be due. However, the Commissioner is hereby authorized to charge any additional claim fees and any additional fees that may be due, or credit any overpayment of same, to Deposit Account No. 50-0311, Reference No. 42327-501001US. If there are any questions regarding this response, the undersigned may be contacted at the telephone number provided below.

Respectfully submitted,

Dated: July 26, 2018

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VI. CLAIMS APPENDIX

1–211. (Canceled).

212. (Previously Presented) A method comprising:

receiving, on a client system, data comprising digital media content and digital advertising content;

sequencing the digital media content and the digital advertising content, the sequencing comprising ordering at least some of the digital media content and at least some of the digital advertising content into a user-perceptible content stream, the user-perceptible content stream comprising one or more initially sequenced insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content;

adaptively modifying, using pre-defined rules and in response to a user input detected by the client system, a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream;

causing presentation of the user-perceptible content stream at the client system after the adaptively modifying;

keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream;

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disallowing a navigation choice that alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented;

wherein the receiving, the sequencing, the adaptively modifying, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors.

213. (Canceled)

214. (Previously Presented) A method as in claim 212, wherein the causing presentation of the user-perceptible content stream on the client system comprises causing display of the user-perceptible content stream by way of a graphical user interface.

215. (Previously Presented) A method as in claim 212, wherein the receiving of the user- input and the adaptively modifying occur during the causing of the presentation of the user-perceptible content stream on the client system.

216. (Previously Presented) A method as in claim 212, wherein the receiving of the user- input and the adaptively modifying occur prior to the causing of the presentation of the user-perceptible content stream on the client system.

217. (Previously Presented) A method as in claim 212, wherein the receiving of the user- input and the adaptively modifying of the presentation position occur subsequent to the causing of the presentation of the user-perceptible content stream on the client system.

218. (Previously Presented) A method as in claim 212, wherein the sequencing and the adaptively modifying are performed by the client system, which comprises a programmable processor of the one or more programmable processors.

219. (Previously Presented) A method as in claim 212, wherein the pre-defined rules specify the one or more initially sequenced insertion points.

220. (Previously Presented) A method as in claim 212, wherein the pre-defined rules specify the one or more alternatively sequenced insertion points.

221. (Previously Presented) A method as in claim 212, wherein the sequencing and the adaptively modifying are performed by at least one remote system differing from the client system, the at least one remote system comprising a processor of the one or more programmable processors.

222. (Previously Presented) A method as in claim 212, wherein the sequencing is performed by the client system, which comprises a first processor of the one or more programmable processors, and the adaptively modifying is performed by at least one remote system, which comprises a second processor of the one or more programmable processors.

223. (Previously Presented) A method as in claim 212, wherein the adaptively modifying is performed by the client system, which comprises a first processor of the one or more programmable processors, and the sequencing is performed by at least one remote system, which comprises a second processor of the one or more programmable processors.

224. (Canceled)

225. (Previously Presented) A method as in claim 212, wherein the digital media content comprises at least one media file.

226. (Previously Presented) A method as in claim 212, wherein the digital advertising content comprises at least one advertisement file.

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227. (Previously Presented) A method as in claim 226, further comprising: generating a sequence by sub-dividing a media file into two or more segments, and wherein at least a part of the at least one of the advertising file is presented between two of the segments.

228. (Previously Presented) A method as in claim 225, wherein the user input results in a change of a sequence of two or more media files by subtracting an existing media file, or by re-arranging the sequence of media files or results in a change of sequence by adding a new media file.

229. (Previously Presented) A method as in claim 212, wherein the user input comprises one or more navigational choices for the content stream.

230. (Previously Presented) A method as in claim 229, wherein the one or more navigational choices are selected from a group consisting of: play, stop, pause/continue, reverse, rewind, fast-forward, slow-motion, track advance, frame-by-frame advance, go direct to point or page in sequence, advance chapter, page turn, change track, change media selection, shuttle knob, and one or more sound controls.

231. (Previously Presented) A method as in claim 212, wherein the data is received by the client system from at least one remote system.

232. (Previously Presented) A method as in claim 212, wherein the receiving of the data comprises accessing a local data source.

233. (Previously Presented) A method as in claim 212, further comprising: rotating new advertising content into the user-perceptible content stream in response to the user input.

234. (Previously Presented) A method as in claim 212, further comprising: sending, by a remote system to the client system, additional advertising content during presentation of at least the part of the user-perceptible content stream.

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235. (Previously Presented) A method as in claim 212, wherein the pre-defined rules position the advertising content so as to uphold an average content play time.

236. (Previously Presented) A method as in claim 212, wherein the sequencing comprises positioning, according to the pre-defined rules, the digital advertising content based on an amount of media content played during presentation of the content stream.

237. (Previously Presented) A method as in claim 212, wherein the adaptively modifying uses two or more of the pre-defined rules for determining the corresponding presentation position of at least a part of the digital advertising content.

238. (Previously Presented) A method comprising:

transmitting, by at least one remote system to a client system, data comprising digital media content and digital advertising content;

sequencing the digital media content and the digital advertising content, the sequencing comprising ordering at least some of the digital media content and at least some of the digital advertising content into a user-perceptible content stream, the user-perceptible content stream comprising one or more initially sequenced insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content;

adaptively modifying using pre-defined rules and in response to a user input detected by the client system, a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream;

causing presentation of the user-perceptible content stream at the client system after the adaptively modifying;

keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream;

disallowing a navigation choice that alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented;

wherein the transmitting, the sequencing, the adaptively modifying, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors.

239. (Previously Presented) A method as in claim 212, wherein the first memory and the second memory are part of the client system.

240. (Previously Presented) A method as in claim 212, wherein the first memory is part of the client system and the second memory is part of at least one remote system.

241. (Previously Presented) A method as in claim 212, wherein the first memory is part of at least one remote system and the second memory is part of the client system.

242. (Previously Presented) A method as in claim 212, wherein the first memory and the second memory are part of at least one remote system.

243. (Previously Presented) A method comprising:

receiving, on a client system, data comprising digital media content and digital advertising content;

sequencing the digital media content, the sequencing comprising ordering the digital media content into a user-perceptible content stream comprising a media section that comprises at least some of the digital media content, the user perceptible content stream further comprising an advertising block within which at least some of the digital advertising content is scheduled to be presented, the advertising block being arranged within the user-perceptible content stream at an initially defined insertion position relative to the media section;

adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the client machine, the modified user-perceptible content stream comprising an alternate insertion position of the advertising block relative to the media section, the alternate insertion position differing from the initially defined insertion position and not having digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing, the adaptively re-sequencing comprising determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content;

causing presentation of the modified user-perceptible content stream at the client system;

keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the modified user-perceptible content stream;

disallowing a navigation choice that alters a course of playback of the modified user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented;

wherein the receiving, the sequencing, the adaptively re-sequencing, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors.

244. (Previously Presented) A method as in claim 243, further comprising detecting the user input at the client system.

245. (Previously Presented) A method as in claim 244, wherein the detecting comprises a user interacting with playback controls of player and/or viewer software.

246. (Previously Presented) A method as in claim 243, wherein the user input comprises an arbitrary direction of playback within the user-perceptible content stream.

247. (Previously Presented) A method as in claim 246, wherein the arbitrary direction of playback comprises skipping the media section and/or one or more other media sections that comprise at least some of the digital media content.

248. (Previously Presented) A method as in claim 243, wherein the user input comprises a reordering of the media section and/or one or more other media sections that comprise at least some of the digital media content within the user-perceptible content stream.

249. (Previously Presented) A method as in claim 243, wherein the user input comprises the repositioning of the media section relative to one or more media sections within the user-perceptible content stream.

250. (Previously Presented) A method as in claim 243, wherein the one or more pre-defined placement rules comprise track-count based and/or elapsed time-based logic, and wherein the adaptively re-sequencing comprises determining when to re-schedule the advertising

block into the modified user-perceptible content stream, the determining comprising applying the track-count based and/or elapsed time-based logic.

251. (Previously Presented) A method as in claim 243, wherein the first memory and the second memory are part of the client system.

252. (Previously Presented) A method as in claim 243, wherein the first memory is part of the client system and the second memory is part of at least one remote system.

253. (Previously Presented) A method as in claim 243, wherein the first memory is part of at least one remote system and the second memory is part of the client system.

254. (Previously Presented) A method as in claim 243, wherein the first memory and the second memory are part of at least one remote system.

255. (Previously Presented) A method as in claim 243, wherein the adaptively re-sequencing comprises use of a plurality of the one or more pre-defined placement rules for determining the alternate insertion position for the advertising block.

256. (Previously Presented) A method as in claim 243, further comprising: rotating new advertising content into the user-perceptible content stream in response to the user input.

257. (Previously Presented) A method as in claim 243, wherein the causing presentation of the modified user-perceptible content stream on the client system comprises causing display of the modified user-perceptible content stream by way of a graphical user interface.

258. (Previously Presented) A method as in claim 243, further comprising: causing a first presentation of the user-perceptible content stream on the client system, and wherein the receiving of the user input and the adaptively re-sequencing occur during the first presentation of the user-perceptible content stream on the client system.

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259. (Previously Presented) A method as in claim 243, further comprising: causing a first presentation of the user-perceptible content stream on the client system, and wherein the receiving of the user input and the adaptively re-sequencing occur prior to the first presentation of the user-perceptible content stream on the client system.

260. (Previously Presented) A method as in claim 243 further comprising: causing a first presentation of the user-perceptible content stream on the client system, and wherein the receiving of the user input and the adaptively re-sequencing occur subsequent to the first presentation of the user-perceptible content stream on the client system.

261. (Previously Presented) A method as in claim 243, wherein the pre-defined placement rules specify the initially defined insertion position.

262. (Previously Presented) A method as in claim 243, wherein the pre-defined placement rules specify the alternate insertion position.

263. (Previously Presented) A method as in claim 243, wherein the sequencing and the adaptively re-sequencing are performed by the client system, which comprises a programmable processor of the one or more programmable processors.

264. (Previously Presented) A method as in claim 243, wherein the sequencing and the adaptively modifying are performed by at least one remote system differing from the client system, the at least one remote system comprising a first processor of the one or more programmable processors.

265. (Previously Presented) A method as in claim 243, wherein the sequencing is performed by the client system, which comprises a first processor of the one or more programmable processors, and the adaptively re-sequencing is performed by at least one remote system, which comprises a second processor of the one or more programmable processors.

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266. (Previously Presented) A method as in claim 243, wherein the adaptively re-sequencing is performed by the client system, which comprises a first processor of the one or more programmable processors, and the sequencing is performed by at least one remote system, which comprises a second processor of the one or more programmable processors.

267. (Previously Presented) A method comprising:

transmitting, by at least one remote system to a client system, data comprising digital media content and digital advertising content;

sequencing the digital media content, the sequencing comprising ordering the digital media content into a user-perceptible content stream comprising a media section that comprises at least some of the digital media content, the user perceptible content stream further comprising an advertising block within which at least some of the digital advertising content is scheduled to be presented, the advertising block being arranged within the user-perceptible content stream at an initially defined insertion position relative to the media section;

adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the client machine, the modified user-perceptible content stream comprising an alternate insertion position of the advertising block relative to the media section, the alternate insertion position differing from the initially defined insertion position and not having digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing, the adaptively re-sequencing comprising determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content;

causing presentation of the modified user-perceptible content stream at the client system;

keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the modified user-perceptible content stream;

disallowing a navigation choice that alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented;

wherein the transmitting, the sequencing, the adaptively re-sequencing, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors.

268. A system comprising:

means for causing data comprising digital media content and digital advertising content to be available on a client system;

means for sequencing the digital media content, the sequencing comprising ordering the digital media content into a user-perceptible content stream comprising a media section that comprises at least some of the digital media content, the user perceptible content stream further comprising an advertising block within which at least some of the digital advertising content is scheduled to be presented, the advertising block being arranged within the user-perceptible content stream at an initially defined insertion position relative to the media section;

means for adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the client machine, the modified user-perceptible content stream comprising an alternate insertion position of the

advertising block relative to the media section, the alternate insertion position differing from the initially defined insertion position and not having digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing, the adaptively re-sequencing comprising determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content;

means for causing presentation of the modified user-perceptible content stream at the client system;

means for keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the modified user-perceptible content stream;

means for disallowing a navigation choice that alters a course of playback of the modified user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

means for storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented.

269. (Previously Presented) A system as in claim 268, wherein the means for causing the data comprising the digital media content and the digital advertising content to be available on the client system comprise means for receiving the data on the client system.

270. (Previously Presented) A system as in claim 268, wherein the means for causing the data comprising the digital media content and the digital advertising content to be available on the client system comprise means for transmitting the data to the client system from at least one remote system.

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271. (Previously Presented) A system comprising:

means for causing data comprising digital media content and digital advertising content to be available on a client system;

means for sequencing the digital media content and the digital advertising content, the sequencing comprising ordering at least some of the digital media content and at least some of the digital advertising content into a user-perceptible content stream, the user-perceptible content stream comprising one or more initially sequenced insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content;

means for adaptively modifying, using pre-defined rules and in response to a user input detected by the client system, a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream;

means for causing presentation of the user-perceptible content stream at the client system after the adaptively modifying;

means for keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream;

means for disallowing a navigation choice that alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

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means for storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented.

272. (Previously Presented) A system as in claim 271, wherein the means for causing the data comprising the digital media content and the digital advertising content to be available on the client system comprise means for receiving the data on the client system.

273. (Previously Presented) A system as in claim 271, wherein the means for causing the data comprising the digital media content and the digital advertising content to be available on the client system comprise means for transmitting the data to the client system from at least one remote system.

Hulu, LLC - Ex. 1002, Page 000782

Electronic Acknowledgement Receipt

EFS ID:	33291947
Application Number:	10606729
International Application Number:	
Confirmation Number:	5831
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Customer Number:	64046
Filer:	Paul S. Brockland/Walter Lau
Filer Authorized By:	Paul S. Brockland
Attorney Docket Number:	42327-501001US
Receipt Date:	26-JUL-2018
Filing Date:	26-JUN-2003
Time Stamp:	17:12:52
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	no

File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Transmittal Letter	42327-501001US-Corrected_Appeal_Brief_Transmittal.pdf	123044 30390ee5d49e24754b5a03d2db988b02a640a6d1	no	1

Warnings:

Information:					
2	Appeal Brief Filed	42327-501001US-Corrected_Appeal_Brief.pdf	1782047 431cc92268ea45274bf4770fc8f8907cb81761d8	no	56
Warnings:					
Information:					
			Total Files Size (in bytes):	1905091	

This Acknowledgement Receipt evidences receipt on the noted date by the USPTO of the indicated documents, characterized by the applicant, and including page counts, where applicable. It serves as evidence of receipt similar to a Post Card, as described in MPEP 503.

New Applications Under 35 U.S.C. 111

If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

National Stage of an International Application under 35 U.S.C. 371

If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

New International Application Filed with the USPTO as a Receiving Office

If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of:
Philip M. Donian, *et al.*

Application No.: 10/606,729 Confirmation No.: 5831

Filed: June 26, 2003 Art Unit: 3688

For: METHOD AND APPARATUS FOR THE FREE LICENSING OF DIGITAL MEDIA CONTENT Examiner: Yehdega Retta

CORRECTED APPEAL BRIEF TRANSMITTAL

FILED VIA EFS
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir or Madam:

Per our conversation with Timothy Koh at the Patent Appeals Center on July 26, 2018, this Corrected Appeal Brief is submitted herewith to correct irregularities with the figures on page 22 and 25 to make the record clear.

No new matter has been added and no additional fees are believed to be due. However, the Commissioner is hereby authorized to charge any additional claim fees and any additional fees that may be due, or credit any overpayment of same, to Deposit Account No. 50-0311, Reference No. 42327-501001US. The undersigned may be contacted at the telephone number provided below.

Respectfully submitted,

Dated: July 26, 2018

Electronic signature: /Paul Brockland/
Paul S. Brockland, Esq. on behalf of Michael D. Van Loy, Esq.
Reg. No.: 61,130 & Reg. No.: 52,315 respectively
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UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
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Alexandria, Virginia 22313-1450
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/606,729	06/26/2003	Philip M. Donian	42327-501001US	5831

64046 7590 10/18/2018

Mintz Levin/San Diego Office
One Financial Center
Boston, MA 02111

EXAMINER	
RETTA, YEHDEGA	

ART UNIT	PAPER NUMBER
3688	

NOTIFICATION DATE	DELIVERY MODE
10/18/2018	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):

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

Application Number: 10/606,729
Filing Date: 26 Jun 2003
Appellant(s): Donian et al.

Carl A. Kukkonen
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 7/26/18.

(1) Grounds of Rejection to be Reviewed on Appeal

Every ground of rejection set forth in the Office action dated 10/12/16 from which the appeal is taken is being maintained by the examiner except for the grounds of rejection (if any) listed under the subheading "WITHDRAWN REJECTIONS." New grounds of rejection (if any) are provided under the subheading "NEW GROUNDS OF REJECTION."

(2) Response to Argument

Regarding the rejection under 112, according to the specification … if a user begin segment 434 at a point of entry, the player will begin the segment 434 at its point of entry, followed at its end by ad block 412 (see Fig. 4A),… the pre-defined sequencing is to play ad block 412 after media segment 434… if the user skips to a next media segment after playing a first media segment the first ad block (which follows the first media segment) is played before the user is allowed to skip to the next segment.

In any situation, the ad that follows the media segment is played after the media segment that precede it. Thus, the insertion point of the ads remain in the same sequence, i.e. next to the media segment. In the next example, the specification discloses that the sequencing of media segment and ad block is to play the ad after pre-defined set of media segments have been played. Even if a user skips from one segment to another, the ad location remains the same, which is after a pre-defined number of media segments (e.g. 5). Examiner could not find support for the claimed language (adaptively modifying, using pre-defined rules and in response to a user-generated input detected by the client system, *a presentation position of the digital advertising content from at least one of the one or more initial initially sequenced insertion points to one or more alternate alternatively sequenced insertion points, at least one of the one or more alternatively sequenced insertion points being located at one or more different than the one or*

more initially sequenced insertion points positions relative to the digital media content within the user-perceptible content stream).

In response to Appellant's argument regarding the 103 rejection, Knepper teaches advertisements and the media clips sequenced to be played in a predefined order. Knepper teaches when a user skips or forwards to a different media segment, the ad appended to the media would be played as a second in the sequence (the media/ad combination). Knepper teaches when a client-side user selects a particular entertainment file, the server sends entertainment file, a set of instructions indicating which media files… to insert into the entertainment file at run time, how many advertisement media files to insert (see [0041]) … an advertisement file is appended to a media file such that the entertainment and advertisement files are played to appear as a single clip ... <ADInsert> is a tag that is recognized by the client application as specific instructions regarding treatment of the advertising media files ... using this tags the server can direct the client to place an ad before, during or after a media file during playback of media files in the magazine page (see [0052] ... the client displays the entertainment media file before it plays the advertisement media file ... when the entertainment media file is finished playing, the advertisement media file immediately proceeds without the appearance of a page turn (see [0059]). Therefore, when the sequence of media segment changes (from a 1st in the sequence to a 3rd in the sequence, the ad position also changes adaptively with the media file. Knepper also teaches a user-perceptible content stream (media playlist or media files play together sequentially, similar to a television show with commercials inserted at various points (see fig. 1, 3, [0041]).

Appellant further argues that, in Knepper the same advertisement is always played with the same entertainment file or can be one of several advertisement files but what is not

changeable are the actual insertion locations at which advertising is presented relative to the content on any given page.

Appellant's specification discloses as follows:

[0147] Play sequence 402 is typical for a segmented title/track, by the definition of segmented media given above. ***With segmented media, the player/viewer holds a sense of particular ad blocks retaining their own sense of place in the sequence with the ads chosen to go along with a pre-determined portion of the content.*** If the consumer elects to skip around during the course of playing a segmented title, *the same block of ads plays with a particular portion of the content as the user skips back and forth through different parts of the title*, over a predetermined period of time and/or number of viewings. If the predetermined limit is exceeded, the player/viewer rotates in new ad blocks automatically.

[0148] Segmented titles are sequenced like television programs, in that ad breaks tend to occur at particular scheduled places in the content. The first time through viewing any particular *segmented content with ads, each block is shown before or after its associated content, and the player/viewer requires the ads to be run in their entirety.* After that, when ad blocks that have been seen already are encountered again through a user-directed repeat of a sequence in a single request session, the player/viewer may allow the user to navigate out of the ad, or possibly omit it altogether.

[0149] For example, ***if the user of [redacted] 402 jumps right into segment 434 as segment 430 is just starting, the player/viewer will begin segment 434 at its point of entry, followed at its end by ad block 412. Wherever possible, the ad block chosen for play at the end of a segment will be the one most appropriate to the actual part of the content that has played since the latest preceding ad block.***

[0150] In some cases, there may be a need to insert an ad block just before resuming play after a user-directed skip. ***For instance, if the user has watched 80% of segment 432, and then jumps into the middle of segment 434, ad block 410 plays immediately, and when it is finished, content play resumes at the point selected in segment 434.***

Knepper also show a first sequencing of media files and ad files (a playlist of media files with ad files). However, when a user does not follow the pre-set order of the playlist, by skipping media files in the sequence, the order of the playlist changes (e.g. instead of a media file being the 3nd in order, it would be a 2nd in the order), the position of the ad file also changes within the playlist.

Regarding claim 243, Appellant asserts that the claim requires " the modified user-perceptive content stream comprising an alternate insertion positon of the advertising block relative to the media section, the alternate insertion position differing from the initially defined insertion position and not having digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing". The claimed language, (adaptively modifying, using pre-defined rules and in response to a user input detected by the client system, a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, *at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content* within the user-perceptible content stream), have been addressed under the 112 rejection.

The claim recites *receiving a media content and advertising content*, ... sequencing (ordering) the media content into a user-perceptive content stream, ... comprising an ad block... with which an *advertising content is scheduled to be presented*, the advertising block being arranged at an initially defined insertion position relative to the media section. The claim further recites ... adaptively re-sequencing... to reflect a user input detected .... *not having digital advertising content scheduled to be presented ... prior to the re-sequencing* ...

Knepper also teaches when a client-side user selects a particular entertainment file, the server sends entertainment file, a set of instructions indicating which media files... to insert into the entertainment file at run time, how many advertisement media files to insert (see [0041]

Appellant also asserts that Knepper expressly states that "no user intervention" (in Fig. 4) is permitted with regards to the page structure itself or with the combination of content and advertising). It is unclear how the language, "no user intervention", is correlated with the claimed limitation. In Knepper, user intervention is required to change the sequence of the

playlist, by skipping or forwarding. Knepper also teaches that for playback of the show to occur on the client three components are used, … entertainment rich media files, advertisement rich media files, an instruction set, or text file, that describes the assembly and playback order of the media files… (which does not require user intervention) (see [0024]-[0027]).

Regarding the rejection under 101, the claimed steps of sequencing and re-sequencing of media content and advertising content, are not similar to the claims in Enfish, Bascom, McRO or Core Wireless. The claims in the current application do not provide … improvement upon prior art information search and retrieval systems by employing a flexible, self referential table to store data (as in Enfish), installation of a filtering tool at a specific location, remote from the end-users, with customizable filtering features specific to each end user (as in BASCOM), … or a specific way to solve the problem of producing accurate and realistic lip synchronization and facial expressions in animated characters, which improves the animation process, as in McRo, etc.,.

The claims reciting generic components (client device and remote device) for performing the steps of receiving, sequencing, re-sequencing, presenting, storing, etc., merely describing the functions of the abstract idea itself, without particularity, which is not enough under step two.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

/YEHDEGA RETTA/
Primary Examiner, Art Unit 3688

Conferees:

/KAMBIZ ABDI/
Supervisory Patent Examiner, Art Unit 3688

/ALEXANDER G KALINOWSKI/
Supervisory Patent Examiner, Art Unit 3691

Requirement to pay appeal forwarding fee. In order to avoid dismissal of the instant appeal in any application or ex parte reexamination proceeding, 37 CFR 41.45 requires payment of an appeal forwarding fee within the time permitted by 37 CFR 41.45(a), unless appellant had timely paid the fee for filing a brief required by 37 CFR 41.20(b) in effect on March 18, 2013.

To: IPDocketingBOS@mintz.com,IPFileroombos@mintz.com,
From: PAIR_eOfficeAction@uspto.gov
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Application	Document	Mailroom Date	Attorney Docket No.
10606729	APEA	10/18/2018	42327-501001US

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Thank you for prompt attention to this notice,

UNITED STATES PATENT AND TRADEMARK OFFICE

PATENT APPLICATION INFORMATION RETRIEVAL SYSTEM

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of:
Philip M. Donian, *et al.*

Application No.: 10/606,729 | Confirmation No.: 5831

Filed: June 26, 2003 | Art Unit: 3688

For: METHOD AND APPARATUS FOR THE FREE LICENSING OF DIGITAL MEDIA CONTENT | Examiner: Yehdega Retta

FILED VIA EFS
Mail Stop Appeal Brief - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

REPLY BRIEF

Appellant files this Reply Brief pursuant to 37 C.F.R. § 41.41 in further support of the Appeal Brief filed on July 26, 2018 (hereafter the "Appeal Brief") and in response to the Examiner's Answer mailed on Oct. 18, 2018 (hereafter the "Answer").

As this Reply Brief is filed within two months of the mailing date of the Answer, it should be entered and considered in accordance with 37 C.F.R. § 41.41(a)(1). **Payment of the forwarding fee required under 37 C.F.R. § 41.45 is submitted concurrently herewith**. No additional fees are believed to be due.

The Commissioner is hereby authorized to charge any additional fees that may be due, or credit any overpayment of same, to Deposit Account No. **50-0311**, Reference No. Attorney's Docket No. **42327-501001US**.

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I. STATUS OF CLAIMS

In the Office Action, the Office rejected claims 212, 214-223 and 225-273 under 35 U.S.C. §112, first paragraph as allegedly failing to comply with the written description requirement.

The Office further rejected claims 212, 214-223 and 225-273 under 35 U.S.C. §101 as allegedly being drawn to non-statutory subject matter.

Claims 212, 214-223, 225-232, 234-249, 251-255 and 257-273 were rejected under 35 U.S.C. §103(a) as allegedly being unpatentably obvious over Knepper et al., Patent Application Publication No. 2001/0042249 ("Knepper") in view of Hannah et al., U.S. Patent No. 7,761,327 ("Hannah") and further in view of Wang, Patent Application Publication No. 2002/0191950 ("Wang").

Appellant appeals the final rejections of independent claims 212, 238, 243, 267, 268, and 271. All of the remaining, pending dependent claims depend at least indirectly from one of claims 212, 238, 243, 267, 268, and 271, and are therefore patentable subject to the outcome of this appeal.

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II. ARGUMENT

§ 112 Rejection

The Answer relies on new rationale to support the § 112 grounds of rejection. Particularly, the Final Action of December 10, 2016 (hereafter the "Final Action") refers to pars. 0117, 0133 and 0236 of the Specification as a means to support the § 112 grounds of rejection. *Final Act. 5-6.* In the Answer, the Examiner now refers to FIG. 4A of the Specification without providing any direct citations to any paragraphs in the Specification. *Answer 3-4.* A review of the Specification and the figures seems to suggest that the new arguments in the Answer are mainly directed to the sequence of events illustrated at the top portion of FIG. 4A. These new arguments were not presented in the Final Action to support the § 112 grounds of rejection.

Appellant respectfully submits that new arguments, introduced at the appeal stage, and not necessitated by arguments presented in the Appeal Brief, constitute new grounds of rejection. These new arguments should not be considered by the United States Patent Trial and Appeal Board (PTAB) Panel because such new grounds would effectively require for the prosecution to be reopened. Respectfully, the Panel's consideration of any new grounds of rejection, asserted after prosecution has been closed, would deprive the Appellant from the opportunity to properly respond or amend the claims prior to initiating the costly appeal process, and would also incentivize piecemeal prosecution by the Examining Corps.

Furthermore, MPEP 1207.01 provides if "the examiner's answer contains a new ground of rejection, it *must* clearly designate the rejection as a new ground of rejection. 37 CFR 41.39 specifies that new grounds of rejection *must* be approved by the Director - i.e., Director of the USPTO … The answer *must* also include the signature of a Technology Center (TC) Director or designee to indicate that they approve the new ground of rejection" (emphasis added). The Answer fails to meet any of the indicated 1207.01 requirements. Therefore, the new § 112 arguments submitted in the Answer should not be considered.[1]

[1] The Applicant contends the Examiner's findings should be reversed on all grounds as provided in this Reply Brief and all the pending claims should be allowed. However, should the Panel not reach that conclusion, at least the Panel should remand the case to the Examiner to reopen prosecution under newly asserted § 112 grounds of rejection.

Notwithstanding the above defects, in both the Final Action and the Answer, the Examiner seems to selectively rely on portions of the Specification which, according to the Examiner, do not support the claim language, effectively ignoring other portions of the Specification that provide adequate support, as highlighted in the Appellant's prior replies and in the Appeal Brief. *See* App. Br. 18-20 (referring to paragraphs 149-150, 154-156 and FIG. 4A (sequence 404)).

As best understood by the Appellant, the Examiner's main § 112 arguments are:

> (1) an "ad that follows a media segment is played after the media segment." Therefore, "the insertion point of the ads remain in the same sequence, i.e., next to the media segment," and
>
> (2) the Examiner cannot find *ipsissimis verbis* support in the Specification.
>
> *Answer 3*.

The first argument is based on an incorrect construction of the claim language. The claim language in question recites:

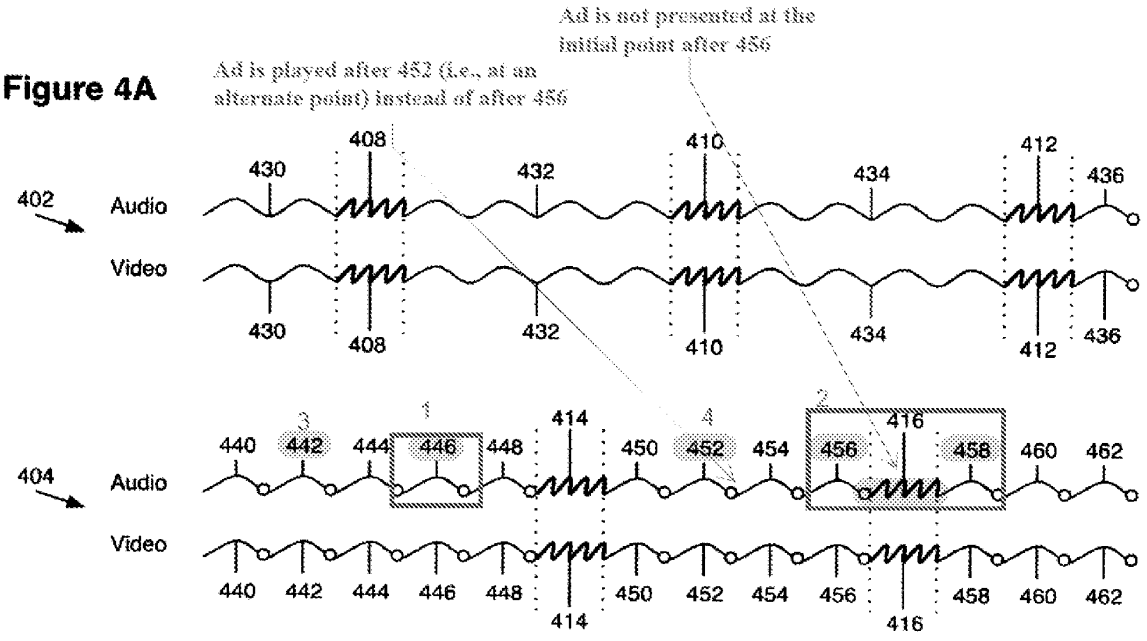
> "adaptively modifying … a *presentation position* of the digital advertising content from … initially sequenced *insertion points* to … alternatively sequenced insertion points." (emphasis added).

As best understood by the Appellant, the Examiner seems to be misconstruing the claim language as requiring the modification of the initial ad "*insertion points*" in the media stream, whereas the claim recites modifying "a *presentation position*" of the ad content regardless of the point the ad was scheduled to be inserted in the stream initially. In other words, in a media stream, an ad segment may be initially scheduled to be *inserted* following a media segment. However, the point of initial insertion in the stream is not the same as the recited "*presentation position*" of the ad content during play. As provided in further detail below, it is the "*presentation position*" of the ad in the stream that may be adaptively modified (e.g., due to user input), as claimed and as clearly supported in the Specification.

Referring to FIG. 4A and pars. 0154-0156, as highlighted in the Appellant's prior replies and in the Appeal Brief, **sequence 404** includes "tracks 440, 442, 444, 446, and 448 in series,

followed by ad block 414, and then tracks 450, 452, 454, and 456." As shown, ad block 416 comes after track 456, "followed by tracks 458, 460, and 462."[2]

Figure 4A



For example, in sequence 404, consider a case where the program is using a track allowance method for ad placement, with an initial allowance of 5 tracks per ad block. If the user decides to play track 446 and then track 456, the program does not insert ad block 416 immediately after track 456. Instead, play goes directly into track 458, because the allowance is 5 tracks. If the user plays through most of track 458, then jumps to the beginning of track 442 and plays it, there is still allowance for one more track after that, since only four tracks (446, 456, 458, and 442) have played so far. If the user then jumps to track 452, an ad block will play immediately after track 452 completes, or if the user attempts to leave track 452 after hearing most of it but before it completes, because it is the fifth track. This ad block will be assembled extemporaneously to go with the five tracks that were played, and there is no retained sense of recurring blocks falling at specific points when the user skips around between tracks in a play-list. Typically, ad blocks interspliced in this way require full play with each occurrence, and the player/viewer manages its adaptive ad selection to present new ads every time, to a certain extent.

[2] *See also* App. Br. 18-20 (referring to paragraphs 149-150, 154-156 and FIG. 4A (sequence 404)).

Referring more particularly to the annotated FIG. 4A and par. 0156, "[i]f the user decides to play track 446 [*step 1*] and then track 456 [*step 2*], the program does not insert ad block 416 immediately after track 456." In other words, ad block 416 is not *presented* at the "initially sequenced insertion point" after 456. "Instead, play goes directly into track 458" [*step 2 continues*]. Then "the user plays through most of track 458, then jumps to the beginning of track 442 [*step 3*] and plays it." As such, ad block 416 that was to be *presented* at an initial insertion point in the sequence (i.e., a point between media tracks 456 and 458) is skipped. Par. 0156 further discloses "[i]f the user then jumps to track 452 [*step 4*], an ad block will play immediately after track 452 completes."

In other words, an ad block will be *presented* at "an alternatively sequenced insertion point" after track 452 and before track 454, where initially no ad blocks were to be presented. The remaining claim language "at least one of … alternatively sequenced insertion points being different than the one or more initially sequenced insertion points" simply recites that the presentation point of an ad during play may be at a different point (i.e., an alternate insertion point in the stream) than initially arranged. This change in presentation time as explained above and in the referenced portions of the Appellant's application, may be due to user input (e.g., user interaction to skip forward or backward), as claimed.

MPEP §2163.02 provides that the objective standard for determining compliance with the written description requirement is whether the description clearly allows persons "of ordinary skill in the art to recognize that [the inventor] invented what is claimed."[3] To satisfy the written description requirement, an applicant must convey with reasonable clarity to those skilled in the art that, as of the filing date sought, he or she was in possession of the invention, and that the invention, in that context, is whatever is now claimed. If a skilled artisan would have understood the inventor to be in possession of the claimed invention at the time of filing, even if every nuance of the claims is not explicitly described in the specification, then the adequate description

[3] See, *e.g. In re Gosteli*, 872 F.2d 1008, 1012, 10 USPQ2d 1614, 1618 (Fed. Cir. 1989). Under *Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1563-64, 19 USPQ2d 1111, 1117 (Fed. Cir. 1991).

requirement is met.[4]

For the reasons provided above, the Appellant respectfully submits that the Specification adequately supports the recited claim language in claim 212 directed to: "*adaptively modifying, using pre-defined rules and in response to a user input detected by the client system, a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream*."

"The examiner has the initial burden, after a thorough reading and evaluation of the content of the application, of presenting evidence or reasons why a person skilled in the art would not recognize that the written description of the invention provides support for the claims. There is a strong presumption that an adequate written description of the claimed invention is present in the specification as filed."[5]

The Examiner, instead of considering portions of the Specification that support the claim language (as suggested in the prior replies and during the Examiner Interview of January 8, 2016), continues to misconstrue the claim language and refers to portions of the Specification that the Examiner erroneously construes as not being related to the claimed features. The Examiner has unfortunately failed to thoroughly evaluate the entire content of the application. The Examiner's continued reference to select portions of the Specification cannot be used as evidence that other portions of the Specification are somehow insufficient to satisfy the written description requirement. Therefore, it is respectfully submitted that the Examiner has erred in rejecting the claims under § 112.

As to the second argument re Examiner not being able to find word-for-word support for

[4] See, *e.g.*, *Vas-Cath*, 935 F.2d at 1563, 19 USPQ2d at 1116; and *Martin v. Johnson*, 454 F.2d 746, 751, 172 USPQ 391, 395 (CCPA 1972) (stating "the description need not be *ipsissimis verbis* [i.e., "in identical words"] to be sufficient").
[5] *In re Wertheim*, 541 F.2d 257 at 262.

the claim language, §112 requires for the specification to adequately support the subject matter claimed, rather than mirroring the claim language word-for-word.[6] Support can be provided "in a variety of ways" and "using such descriptive means as words, structures, figures, diagrams, and formulas" to "show that the applicant was in possession of the claimed invention."[7]

It is respectfully submitted that one of ordinary skill in the art, upon reviewing the illustration in FIG. 4A, in combination with the teachings of pars. 0150 and 0154-0156, would have clearly understood that the disputed claim language is adequately supported. This is because the noted portions of the Application particularly disclose that an ad block's *presentation position* in sequences 402 and 404, for example, may be modified to a new point in the sequence, depending on user input (i.e., user interaction).

By way of a specific example, the Specification clearly provides that, in sequence 404, ad block 416 originally scheduled to be *presented* at an *initially sequenced insertion point* (i.e., following track 456 and preceding track 458) may be *adaptively modified* to be *presented* at *an alternatively sequenced insertion point* (i.e., following track 452 and preceding track 454). A similar analysis may also be applied to sequence 402, where the *presentation position* of the advertising content may be *adaptively modified* as well (e.g., to an alternate point in the presentation timeline).

For the above reasons, the Application as filed *adequately* supports the rejected claim language under § 112. Accordingly, all pending § 112 grounds of rejection should be reversed.

§ 103 Rejection

The Answer primarily relies on *Knepper et al.*, Patent Application Publication No. 2001/0042249 (hereafter "Knepper") as teaching the claimed elements. *Answer 4-7.* On page 6 of the Answer, the Examiner argues claim language related to "*adaptively modifying, using pre-defined rules and in response to a user input detected by the client system, a presentation position*

[6] MPEP 2163, *Moba, B.V. v. Diamond Automation, Inc.*, 325 F.3d 1306, 1319, 66 USPQ2d 1429, 1438 (Fed. Cir. 2003); *Vas-Cath, Inc. v. Mahurkar*, 935 F.2d at 1563, 19 USPQ2d at 1116 (emphasis added).
[7] *Lockwood v. American Airlines, Inc.,* 107 F.3d 1565, 1572, 41 USPQ2d 1961, 1966 (Fed. Cir. 1997). See, e.g., *Pfaff v. Wells Elecs., Inc.*, 525 U.S. 55, 68, 119 S.Ct. 304, 312, 48 USPQ2d 1641, 1647 (1998) (emphasis added).

of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream" is "addressed under the 112 rejection," without citing any references. Accordingly, the Examiner essentially admits that neither Knepper nor any of the other cited references teach or suggest all the claimed elements in the above "*adaptively modifying"* step.

A review of the Final Action and the Answer confirms that the Examiner has failed to refer to any portions in Knepper or any of the other cited references that teach all the elements recited in the above "*adaptively modifying*" step. The Examiner seems to at least partially base the § 103 grounds of rejection on her interpretation of the claim language not including all the explicitly recited elements in the "*adaptively modifying*" step. As noted in the Appeal Brief, page 27, MPEP §2103 provides "each claim should be reviewed for compliance with every statutory requirement for patentability in the initial review of the application, even if one or more claims are found to be deficient with respect to some statutory requirement." Accordingly, the Examiner has committed reversible error by failing to consider the explicitly recited claim features in at least the "*adaptively modifying*" step. That is, the Examiner has relied on an unfounded allegation of lack of written description under § 112 to avoid citing a proper reference for claim features not considered.

All words in a claim must be considered in judging the patentability of that claim against the prior art.[8] If the cited references fail to disclose each specific and explicit limitation of the claimed subject matter, the Office has failed to establish a valid prima facie case for obviousness under 35 U.S.C. §103.[9] The Examiner, neither in the Final Action nor in the Answer, has provided any cogent arguments or evidence that the disputed features under § 112 are disclosed or suggested in any of the cited references. Therefore, § 103 grounds of rejection are defective because the Examiner has failed to establish a rational basis for how any of the cited references teach every recited feature in the "*adaptively modifying"* step, either individually or in combination. At least for this reason alone, the § 103 grounds of rejection should be reversed.

[8] *In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970).
[9] See *e.g.* MPEP §706.02(j) citing *Ex parte Clapp*, 227 USPQ 972, 973 (Bd. Pat. App. & Inter. 1985).

On pages 4 and 5 of the Answer, the Examiner attempts to rebut Appellant's arguments that "in Knepper the same advertisement is always played with the same entertainment file … but what is not changeable are the actual insertion locations" by referring to certain paragraphs in the Appellant's Specification, namely pars. 0147-0150. By this, the Examiner is apparently trying to import, into the claim, selectively cherry-picked language from the Specification to construe the claim beyond its plain meaning. It is improper for the Examiner to construe the claim language as matching the teachings of a cited reference based on an out-of-context interpretation of selected parts of the Specification.

The claim language specifically recites "*adaptively modifying, using pre-defined rules and in response to a user input detected by the client system, a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream.*" As provided in the § 112 discussion above, the Appellant clearly sets forth how the claim language for the "*adaptively modifying*" step is supported by FIG. 4A and pars. 0150 and 0154-0156. These portions of the Specification particularly disclose that an ad block's *presentation* in a media stream (e.g., in sequence 402 or 404) may be modified to a new point in the media stream, depending on user interaction.

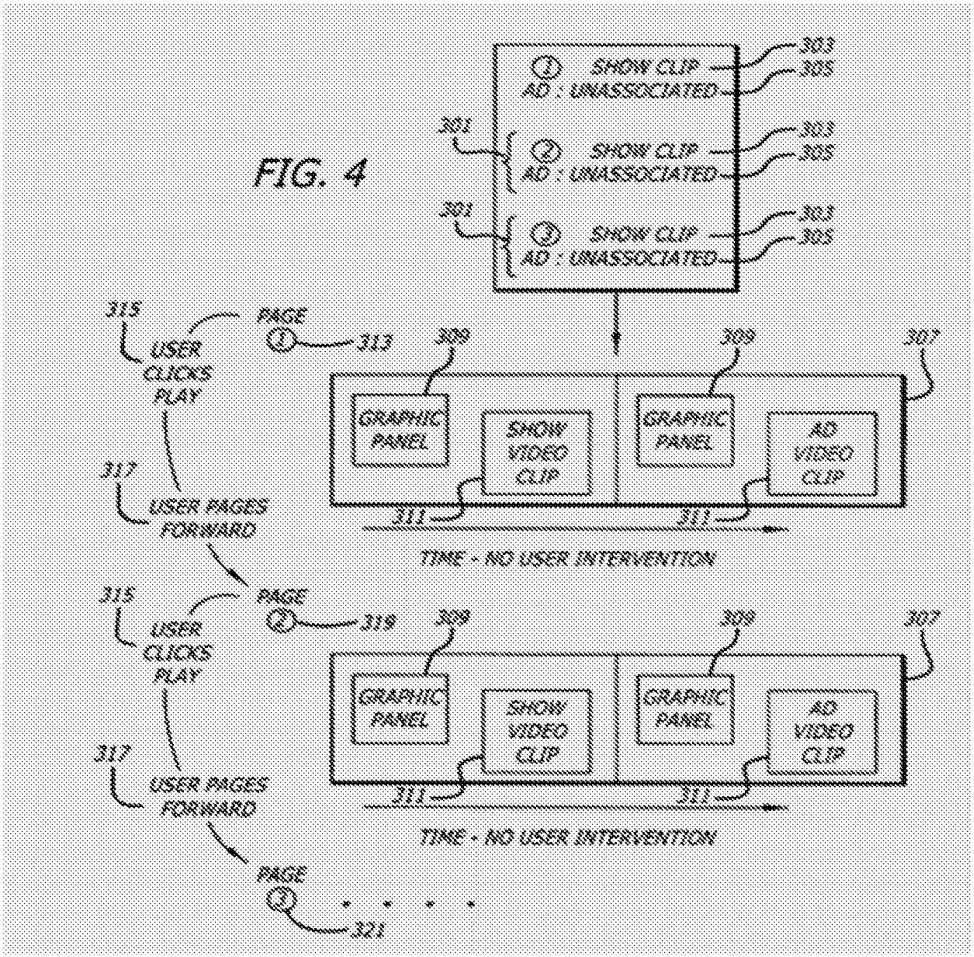
On page 5 of the Answer, the Examiner quotes from the Appellant's Specification, with added emphasis, as follows:

> "[0150] In some cases, there may be a need to insert an ad block just before resuming play after a user-directed skip. ***For instance, if the user has watched 80% of segment 432, and then jumps into the middle of segment 434, ad block 410 plays immediately, and when it is finished, content play resumes at the point selected in segment 434***."

The Examiner argues, "Knepper also shows [sic] a first sequencing of media files and ad files (a playlist of media files with ad files). However, when a user does not follow the pre-set order of the playlist, by sipping media files in the sequence, the order of the playlist changes." As

clearly articulated in the Appeal Brief, pages 21 through 26, Knepper specifically bars the user from interacting with a page 307 comprised of media content and advertising content, to which the Examiner refers to as "a playlist of media files with ad files." *Answer 5*. This teaching in Knepper is exactly opposite to the teaching of the claimed "*adaptively modifying*" step.

Referring to FIG. 4, reproduced below, Knepper emphasizes in all capital letters: "NO USER INTERVENTION."



Further, Knepper, par. 0038 provides:

"[0038] Thus, as shown in FIG. 4, an example of this invention involves show clips 301, each comprising an entertainment video media file 303 and an

> advertisement video media file 305. The playback of any show clip 301 occurs within an area on a computer screen denoted at "page" 307. Each page 307 comprises two sub-areas, namely, a graphic panel 309 that displays a static image and a clip panel 311 that displays a moving picture. In the example illustrated by FIG. 4, a user views a first page on his client-side computer screen and clicks a "play" button 313 displayed on the page. The assembled clip, comprising both the entertainment media files 303 and the advertisement media files 305, then plays within a page 307. While a fully assembled show clip preferably consists of separate media files such as an entertainment media file 303 and an advertisement media file 305, **it proceeds through playback within the single page 307 to have the appearance of a single, continuous clip to the user. In other words, the user cannot discern the individuality of entertainment media files 303 and advertisement media files 305 because they are played seamlessly in series**." (emphasis added).

"A prior art reference must be considered in its entirety, i.e., as a whole, including portions that would lead away from the claimed invention."[10] The above portions of Knepper expressly teach away from the claimed "adaptively modifying … *in response to a user input* … a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points" (emphasis added). Therefore, Knepper is an improper § 103 reference because one of ordinary skill in the art would not have been motivated to modify a reference that explicitly teaches away or disparages a claimed feature in view of the teachings of a secondary reference.[11]

In summary, the Examiner improperly insists on an erroneous construction of the claim language under § 112 in an attempt to ignore explicitly recited features in the claims. Based on the erroneous construction, the Examiner further incorrectly argues that the Office is not required to consider certain claim features (e.g., all the elements in the claimed *adaptively modifying* step) under § 103 obviousness analysis due to lack of support under § 112. However, as noted above, every element recited in the claims is adequately supported by in the Appellant's Specification. Because the Examiner cannot selectively ignore portions of the claim language when construing a claim and also because the primary reference, Knepper, teaches away from the claimed features, it is respectfully submitted that all pending § 103 grounds of rejection should be reversed.

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[10] *W.L. Gore & Assoc., Inc. v. Garlock, Inc.*, 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983), cert. denied, 469 U.S. 851 (1984).
[11] *In re Grasselli,* 713 F.2d 731, 743, 218 USPQ 769, 779 (Fed. Cir. 1983).

§ 101 Rejection

The Answer relies on generic conclusory arguments without any true analysis to support the § 101 grounds of rejection. The Examiner simply alleges the claimed features are "not similar" to the claims in *Enfish, Bascom, McRo or Core Wireless* and thereafter lists the specific claim features in each cited decision without any analysis. *Answer 7*. Respectfully, if the test for patent-eligibility was the similarity of claim language to the specific claim terminology used in the above four cases, then only a very small minority of inventions would be deemed patent-eligible. This line of reasoning is untenable and cannot be considered by the Panel as an appropriate response to the Appellant's arguments presented in the Appeal Brief. *See App. Br. 29-40*.

In the Appeal Brief, Appellant specifically provided several reasons why the § 101 grounds for rejection have been improperly asserted by the Examiner. It was particularly pointed out that the two primary decisions relied upon in the Final Action (i.e., *SmartGene, Cyberfone*) were non-precedential and therefore inapplicable. *See November 2016 Memo*, p. 4; *see also* MPEP § 2106.07(a). Respectfully, the Examiner has not provided an appropriate reply to the Appellant's well-articulated reasons supporting patent-eligibility. Instead, the Examiner has simply concluded "[t]he claims reciting generic components … for performing the steps of receiving, sequencing, re-sequencing, presenting, storing, etc., merely describe [sic] the functions of the abstract idea itself, *without particularity*, which is not enough under step two." *Answer 7* (emphasis added).

It is unclear to the Appellant which part of the claim lacks "*particularity*" as alleged in the Answer. The claims are not result-centric, nor are the claims drafted in a manner that could be interpreted as pre-empting all applications of some abstract idea. Rather, the claims are drafted to recite how the claimed subject matter functions. For example, every step of claim 212 reproduced below particularly recites features that claim with particularity how each step is implemented:

> 212. (Previously Presented) A method comprising:
>
> receiving, on a client system, data comprising digital media content and digital advertising content;
>
> sequencing the digital media content and the digital advertising content, the sequencing comprising ordering at least some of the digital media content and

at least some of the digital advertising content into a user-perceptible content stream, the user-perceptible content stream comprising one or more initially sequenced insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content;

adaptively modifying, using pre-defined rules and in response to a user input detected by the client system, a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream;

causing presentation of the user-perceptible content stream at the client system after the adaptively modifying;

keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream;

disallowing a navigation choice that alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented,

wherein the receiving, the sequencing, the adaptively modifying, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors.

To wit, instead of addressing each claimed feature as required under the *Berkheimer Memo,*[12] the Examiner continues to rely on the impermissible generalization and abstraction of the claim to its gist in order to establish a prima facie case. *Final Action* 3, Answer 7. The November 2016 Memo, citing *McRO*, provides:

Examiners should consider the claim as a whole under Step 2A of the USPTO's SME guidance, and should not overgeneralize the claim or simplify it into its "gist" or core principles, when identifying a concept as a judicial exception.

[12] See examination procedure published online by the USPTO on April 19, 2018, entitled "Changes in Examination Procedure Pertaining to Subject Matter Eligibility, Recent Subject Matter Eligibility Decision (*Berkheimer v. HP, Inc.* 881 F.3d 1360 (Fed. Cir. 2018))."

> [] An "improvement in computer-related technology" is not limited to improvements in the operation of a computer or a computer network *per se*, but may also be claimed as a set of "rules" (basically mathematical relationships) that improve computer-related technology by allowing computer performance of a function not previously performable by a computer. *November 2016 Memo*, p. 2. (emphasis added).

Moreover, a recent decision by the Patent Trial and Appeal Board issued Oct. 15, 2018 (hereafter "the *PTAB Decision '084*") is attached herein. As provided in the highlighted portions, § 101 grounds of rejection, where the Office Action fails to follow the requirements of the *Berkheimer Memo,* are procedurally defective and constitute Examiner Error.

The *PTAB '084 Decision* holds that under the *Berkheimer Memo*, there is a "fact finding requirement for Examiners, as applicable to rejections under § 101. Specifically, Examiners must now provide specific types of evidence to support a finding that claim elements (or combinations of elements) are well-understood, routine, and conventional."[13] Furthermore, MPEP § 2106.07 (9th ed. Rev. 08.2017, Jan. 2018) makes clear that the initial burden of establishing a prima facie case of ineligibility under § 101 is on the Examiner to explain clearly and specifically why claims are ineligible, so that the applicant has sufficient notice and can respond effectively.[14]

Here, the Examiner's reasoning that the claimed subject matter is directed to an abstract idea, without providing a clear analysis under Step 2A or 2B, let alone any evidentiary support for the asserted conclusory statements, is insufficient to establish a prima facie case. Simply put, the Examiner's determinations that the claims do not amount to significantly more than the abstract idea are predicated on unsupported findings and do not follow the *Berkheimer Memo's* procedural requirements. For at least this reason, neither the Final Action nor the Answer has provided adequate evidentiary support to establish a prima facie case of ineligibility under § 101.

It is further submitted that the Final Action is defective in that the Examiner has relied on hindsight or Examiner's own opinion in the § 101 analysis to support why the claimed features are well-understood, routine, and conventional. These conclusory statements do not meet the

[13] *PTAB '084 Decision* (emphasis added).
[14] *Id.*

Berkheimer requirements. Because the proper procedure required under the *Berkheimer Memo* has not been followed, the § 101 grounds of rejection should be reversed.

Moreover, it is noteworthy that claim 212 specifically recites:

1. a *computing structure* (i.e., user-perceptible content stream, sequenced insertion points, setting in a first memory to indicate a current state of play, etc.)

2. implemented to *operate in a particular manner* (i.e., sequencing the digital media content and the digital advertising content … into a user-perceptible content stream, … adaptively modifying, using pre-defined rules … a presentation position of the digital advertising content from … initially sequenced insertion points to … alternatively sequenced insertion points, etc.)

3. in order to provide *specific improvements to computing functionality* (e.g., improve upon conventional delivery, presentation, and user interaction of media content and advertising content by way of adaptive modification of ad presentation points in a media stream, increase flexibility in the way digital advertisements may be delivered in a computing platform that delivers media streams, improve security, and optimize bandwidth, performance. *See Specification* FIG. 3A, pars. 0054, 0110-0111, 0117, 0186, and 202-204).

Referring to the recent *Ancora* decision by the Court of Appeals for the Federal Circuit, a claimed invention that meets the above three criteria is patent-eligible.[15] To determine whether claims are directed to an abstract idea, the court examines "the patent's 'claimed advance.'"[16] "In cases involving software innovations, this inquiry often turns on whether the claims focus on 'the specific asserted improvement in computer capabilities.'"[17] "Computers are improved not only through changes in hardware; '[s]oftware can make non-abstract improvements to computer technology.'"[18]

The pending claims are focused on specific (non-abstract) improvements in computing technology. For example, improvements of the claimed invention include more efficient content delivery and ad presentation, increased flexibility in the way digital advertisements may be presented over a computing platform that delivers media streams, improved security, optimized

[15] *Ancora Technologies, Inc. v. HTC America, Inc.* (Fed. Cir. Nov. 16, 2018) – Slip. 2018-1404.
[16] *Id*, 8 (quoting *Finjan, Inc. v. Blue Coat System, Inc.*, 879 F.3d 1299, 1303 (Fed. Cir. 2018).
[17] *Id.* (quoting *Enfish*, 822 F.3d 1327, 1335-36 (Fed. Cir. 2016)); *see BSG Tech LLC v. Buyseasons, Inc.*, 899 F.3d 1281, 1285–86 (Fed. Cir. 2018).
[18] *Id.* (quoting *Enfish*, 822 F.3d at 1335; *see Finjan*, 879 F.3d at 1304).

bandwidth, and improved performance. *See Specification* FIG. 3A, pars. 0054, 0110-0111, 0117, 0186, and 202-204. These improvements directly enhance the computing functionality itself, due to the functional and structural capabilities and features recited in the claimed inventive steps, not because the computer simply speeds up the execution of the claimed processes.

In *Ancora*, claims directed to use of software for improving computer security were held to be not abstract, because the claimed software invention improved secure access to a computer (i.e., prevented unauthorized use of a program) via a "*specific technique*" to "*solve a specific computer problem.*"[19] Similar to *Ancora*, in the pending claims, specific computer problems (i.e., undesirable skipping over required ad content, inconvenient interruption in media streaming, etc.) are solved by the recited advancements in computing techniques and the use of particular computing structures and processes (i.e., sequencing the digital media content and the digital advertising content into a user-perceptible content stream, adaptively modifying, using pre-defined rules, a presentation position of the digital advertising content from initially sequenced insertion points to alternatively sequenced insertion points, etc.).

In *Enfish, LLC v. Microsoft Corp*, claims at issue were not directed to an abstract idea because the particularly claimed computing structure (i.e., self-referential tables) improved the way that computers operated and handled data (i.e., the claimed self-referential tables allowed the more efficient launching and adaptation of databases).[20] Similar to *Enfish*, in the pending claims, *sequencing the digital media content and the digital advertising content into a user-perceptible content stream and adaptively modifying a presentation position of the digital advertising content from initially sequenced insertion points to alternatively sequenced insertion points* provide notable improvements in ad delivery and presentation, increase flexibility in the way digital advertisements may be delivered over a computing platform that delivers media streams, and improve security, bandwidth, and performance in the media streaming computer infrastructure itself.

[19] *Id*, 10 (emphasis added); s*ee also Finjan*, 879 F.3d at 1304–05.
[20] *Enfish*, 1336; *see BSG*, 899 F.3d at 1288 (noting that the self-referential table in *Enfish* "enabled programmers to construct databases in new ways that required less modeling and configuring of various tables prior to launch"); *Finjan*, 879 F.3d at 1304–05 (describing *Enfish*).

In *Finjan, Inc. v. Blue Coat System, Inc.*, claims were directed to a "behavior-based virus scan" that enabled "more flexible and nuanced virus filtering" and the detection of potentially dangerous code.[21] The claims thus were directed to "a non-abstract improvement in computer functionality" having the benefit of achieving greater computer security.[22] Similar to *Finjan*, pending claims recite how use of specific computing structure and technique (i.e., *sequencing the digital media content and the digital advertising content into a user-perceptible content stream and adaptively modifying a presentation position of the digital advertising content from initially sequenced insertion points to alternatively sequenced insertion points*) provide specific non-abstract improvements to computer functionality as noted above.

In *Core Wireless Licensing S.A.R.L. v. LG Electronics, Inc.*, claims to a method for making websites easier to navigate were not directed to an abstract idea of indexing information.[23] The claims were found eligible because the claims "were directed to a specific type of index for a specific type of user."[24] Similar to *Core Wireless*, the pending claims here cannot be deemed abstract because particular computing structures (i.e., a user-perceptible content stream, sequenced insertion points, settings in a first memory to indicate a current state of play) are recited. These particular computing structures may be used to enable a specific use and functionality in a computing system to improve particular computing operations, as noted above.

In accordance with the above precedents, pending claims are not directed to an abstract idea because improving conventional advertisement delivery methods by way of adaptive modification of ad presentation points in a media stream increases flexibility in the way digital advertisements may be presented in a computing platform that delivers media streams. The claimed features amount to non-abstract improvements in computer functionality enabled by an inventive process and technique that departs from earlier approaches.

For the above reasons, all pending § 101 grounds of rejection should be reversed.

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[21] *Finjan*, 879 F.3d at 1304.
[22] *Id.* at 1305.
[23] *Core Wireless,* 880 F.3d 1356, 1362-1363 (Fed. Cir. 2018).
[24] *Ancora* 9-10.

CONCLUSION

For the above reasons, reversal of the pending rejection of claims 212, 214-223 and 225-273 is respectfully requested. If there are any questions regarding this Reply Brief, the undersigned may be contacted at the telephone number provided below.

Dated: December 18, 2018

Respectfully submitted,

/FJF/

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United States Court of Appeals for the Federal Circuit

ANCORA TECHNOLOGIES, INC.,
Plaintiff-Appellant

v.

HTC AMERICA, INC., HTC CORPORATION,
Defendants-Appellees

2018-1404

Appeal from the United States District Court for the Western District of Washington in No. 2:16-cv-01919-RAJ, Judge Richard A. Jones.

Decided: November 16, 2018

MARC LORELLI, Brooks Kushman PC, Southfield, MI, argued for plaintiff-appellant. Also represented by MARK A. CANTOR, JOHN S. LE ROY, JOHN P. RONDINI.

IRFAN A. LATEEF, Knobbe, Martens, Olson & Bear, LLP, Irvine, CA, argued for defendants-appellees. Also represented by BRIAN CHRISTOPHER CLAASSEN, DANIEL C. KIANG, JOSEPH R. RE.

Before DYK, WALLACH, and TARANTO, *Circuit Judges.*

TARANTO, *Circuit Judge*

Ancora Technologies, Inc.'s U.S. Patent 6,411,941 is entitled "Method of Restricting Software Operation Within a License Limitation." The patent describes and claims methods of limiting a computer's running of software not authorized for that computer to run. It issued in 2002, and the patentability of all claims was confirmed in a reexamination in 2010. The '941 patent was previously before this court in *Ancora Technologies, Inc. v. Apple, Inc.*, 744 F.3d 732 (Fed. Cir. 2014), which involved a 2011 infringement suit against Apple that raised issues of claim construction and indefiniteness in this court.

Ancora brought this action against HTC America and HTC Corporation in 2016, alleging infringement of the '941 patent. HTC moved to dismiss on the ground that the patent's claims are invalid because their subject matter is ineligible for patenting under 35 U.S.C § 101. The district court granted HTC's motion to dismiss, concluding that the claims are directed to, and ultimately claim no more than, an abstract idea.

We reverse. Under *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016), and related authorities, we conclude, the claims at issue here are not directed to ineligible subject matter. Rather, we hold, the claimed advance is a concrete assignment of specified functions among a computer's components to improve computer security, and this claimed improvement in computer functionality is eligible for patenting. As a result, the claims are not invalid under § 101.

I

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Describing aspects of the prior-art methods it seeks to improve, the '941 patent states that "[n]umerous methods have been devised for the identifying and restricting of an unauthorized software program's operation." '941 patent,

col. 1, lines 12–14. For example, software-based methods exist that require writing a license signature on the computer's hard drive, but a flaw in those methods is that such a signature can be changed by hackers without damaging other aspects of computer functionality. *Id.*, col. 1, lines 19–26. Hardware-based methods exist that require inserting a dongle into a computer port to authenticate the software authorization, but those methods are costly, inconvenient, and not suitable for software sold and downloaded over the internet. *Id.*, col. 1, lines 27–32.

The '941 patent describes an asserted improvement based on assigning certain functions to particular computer components and having them interact in specified ways. The proposed method "relies on the use of a key and of a record." *Id.*, col. 1, lines 40–41. A "key," which is "a unique identification code" for the *computer*, is embedded in the read-only memory (ROM) of the computer's Basic Input Output System (BIOS) module: the key "cannot be removed or modified." *Id.*, col. 1, lines 45–51. A "record" is a "license record" associated with a particular *application*: "each application program that is to be licensed to run on the specified computer[] is associated with a license record[] that consists of author name, program name[,] and number of licensed users (for network)." *Id.*, col. 1, lines 52–57.

The asserted innovation of the patent relates to where the license record is stored in the computer and the interaction of that memory with other memory to check for permission to run a program that is introduced into the computer. The inventive method uses a modifiable part of the BIOS memory—not other computer memory—to store the information that can be used, when a program is introduced into the computer, to determine whether the program is licensed to run on that computer. BIOS memory is typically used for storing programs that assist in the start-up of a computer, not verification structures comparable to the software-licensing structure embodied

by the claimed invention. Using BIOS memory, rather than other memory in the computer, improves computer security, the patent indicates, because successfully hacking BIOS memory (*i.e.*, altering it without rendering the computer inoperable) is much harder than hacking the memory used by the prior art to store license-verification information. *Id.*, col. 3, lines 4–17; *see Ancora*, 744 F.3d at 733–34 ("Thus, the inventors stated that their method makes use of the existing computer hardware (eliminating the expense and inconvenience of using additional hardware), while storing the verification information in a space that is harder and riskier for a hacker to tamper with than storage areas used by earlier methods.").

More specifically: The method calls for storage of a license record in a "verification structure" created in a portion of BIOS memory that, unlike the ROM of the BIOS, "may be erased or modified"—for example, an Electrically Erasable Programmable Read Only Memory (E^2PROM), which may be altered by "using E^2PROM manipulation commands." *Id.*, col. 1, line 65 through col. 2, line 5. The role of the verification structure is to "indicate that the specified program is licensed to run on the specified computer." *Id.*, col. 1, lines 60–62. "This is implemented by encrypting the license record (or portion thereof) using [the computer-specific] key (or portion thereof) . . . as an encryption key." *Id.* at lines 59–67. When a program has been loaded into the computer's volatile memory (*e.g.*, Random Access Memory), the computer, in order to verify authorization to run that program, "accesses the program under question, retrieves therefrom the license record, encrypts the record utilizing the specified unique key . . . and compares the so encrypted record" to the one stored in the verification structure in the (erasable, modifiable) BIOS. *Id.*, col. 2, lines 10–19. If the newly encrypted record does not match the one in the BIOS, the program is halted or other action is taken. *Id.* at lines 19–26.

In the district court, the parties focused their arguments on claim 1 of the '941 patent. We therefore discuss only that claim. It reads as follows:

> 1. A method of restricting software operation within a license for use with a computer including an erasable, non-volatile memory area of a BIOS of the computer, and a volatile memory area; the method comprising the steps of:
>
> selecting a program residing in the volatile memory,
>
> using an agent to set up a verification structure in the erasable, non-volatile memory of the BIOS, the verification structure accommodating data that includes at least one license record,
>
> verifying the program using at least the verification structure from the erasable non-volatile memory of the BIOS, and
>
> acting on the program according to the verification.

Id., col. 6, line 59 through col. 7, line 4.

B

On December 15, 2016, Ancora filed this action in the Western District of Washington, alleging that HTC has infringed and is infringing the '941 patent. In April 2017, HTC moved to dismiss under Rule 12(b)(6) of the Federal Rules of Civil Procedure. HTC argued that the subject matter of the claims of the patent is ineligible for patenting under 35 U.S.C. § 101.

In May 2017, HTC filed with the Patent Trial and Appeal Board a petition to institute a review of the '941 patent, on § 101 and other grounds, under the provision for review of Covered Business Method patents set forth in Section 18 of the Leahy-Smith America Invents Act,

Pub. L. No. 112-29, 125 Stat. 284, 329–31 (2011). Section 18(d)(1) excludes patents "for technological inventions" from such review. An implementing regulation calls for consideration of "whether the claimed subject matter as a whole recites a technological feature that is novel and unobvious over the prior art; and solves a technical problem using a technical solution." 37 C.F.R. § 42.301(b). On December 1, 2017, the Board rejected the request to institute a review, concluding that the '941 patent claims a technical solution to a technical problem and comes within the "technological inventions" exception for such reviews. *HTC Corp. v. Ancora Techs. Inc.*, CBM2017-00054, 2017 WL 6032605, at *3–5 (P.T.A.B. Dec. 1, 2017).

On December 14, 2017, the district court granted HTC's motion to dismiss. *Ancora Techs., Inc. v. HTC America, Inc.*, 287 F. Supp. 3d 1168, 1170 (W.D. Wash. 2017). The court followed the two-step analytic process set forth in *Alice Corp. v. CLS Bank International*, 573 U.S. 208, 134 S. Ct. 2347 (2014). At the first step, because "the claims at issue are directed toward computer-related technology," the court asked "whether the focus of the claims is on the specific asserted improvement in computer capabilities or, instead, on a process that qualifies as an 'abstract idea' for which computers are invoked merely as a tool." *Ancora Techs., Inc.*, 287 F. Supp. 3d at 1173 (quoting *Enfish*, 822 F.3d at 1335–36). The court stated that the patent claims are "not focused on how usage of the BIOS to store the verification structure leads to an improvement in computer security" and that "the erasable, non-volatile memory of the BIOS . . . is typically used to store data." *Id.* at 1174. The court concluded that the claims' "focus is on the abstract concept of selecting a program, verifying whether the program is licensed, and acting on the program according to the verification." *Id.* Proceeding then to step two of the *Alice* framework, the district court concluded that the claims contained no "inventive concept" that makes their subject matter

something significantly more than the abstract idea: in particular, "[s]pecifying that the BIOS be used to house the verification structure" calls for nothing more than "[s]toring data in the memory of a computer component that generally stores data." *Id.* at 1175.

The district court issued its final judgment on December 20, 2017. Ancora timely filed a notice of appeal on December 29, 2017. *See* 28 U.S.C. § 2107(a). We have jurisdiction to hear this appeal pursuant to 28 U.S.C. § 1295(a)(1).

II

We review the Rule 12(b)(6) dismissal de novo. *See OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362 (Fed. Cir. 2015) (following Ninth Circuit law). We recently explained:

> Eligibility under 35 U.S.C. § 101 is a question of law, based on underlying facts. Like other legal questions based on underlying facts, this question may be, and frequently has been, resolved on a Rule 12(b)(6) or (c) motion where the undisputed facts, considered under the standards required by that Rule, require a holding of ineligibility under the substantive standards of law.

SAP America, Inc. v. InvestPic, LLC, 898 F.3d 1161, 1166 (Fed. Cir. 2018) (internal citations omitted).

Section 101 defines patent-eligible subject matter as "any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof." 35 U.S.C. § 101. Laws of nature, natural phenomena, and abstract ideas are not eligible matter. *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 70 (2012). A two-step analysis determines whether claim 1 of the '941 patent falls outside § 101. We ask (1) whether the claim, as a whole, is "directed to" patent-ineligible matter—here, an abstract idea—and (2)

if so, whether the elements of the claim, considered individually or as an ordered combination "'transform the nature of the claim' into a patent-eligible application." *Alice*, 573 U.S. at ___, 134 S. Ct. at 2355 (quoting *Mayo*, 566 U.S. at 78). We conclude that claim 1 is not directed to an abstract idea, and therefore we do not reach the second step.

We examine the patent's "'claimed advance' to determine whether the claims are directed to an abstract idea." *Finjan, Inc. v. Blue Coat System, Inc.*, 879 F.3d 1299, 1303 (Fed. Cir. 2018). "In cases involving software innovations, this inquiry often turns on whether the claims focus on 'the specific asserted improvement in computer capabilities . . . or, instead, on a process that qualifies as an "abstract idea" for which computers are invoked merely as a tool.'" *Id.* (quoting *Enfish*, 822 F.3d at 1335–36); *see BSG Tech LLC v. Buyseasons, Inc.*, 899 F.3d 1281, 1285–86 (Fed. Cir. 2018). Computers are improved not only through changes in hardware; "[s]oftware can make non-abstract improvements to computer technology . . . ." *Enfish*, 822 F.3d at 1335; *see Finjan*, 879 F.3d at 1304. We have several times held claims to pass muster under *Alice* step one when sufficiently focused on such improvements.

In *Enfish*, we held that the patent claims at issue were not directed to an abstract idea because the claimed self-referential tables improved the way that computers operated and handled data. The claimed self-referential tables allowed the more efficient launching and adaptation of databases. *Enfish*, 822 F.3d at 1333, 1336; *see BSG*, 899 F.3d at 1288 (noting that the self-referential table in *Enfish* "enabled programmers to construct databases in new ways that required less modeling and configuring of various tables prior to launch"); *Finjan*, 879 F.3d at 1304–05 (describing *Enfish*).

In *Visual Memory LLC v. NVIDIA Corp.*, we drew a similar conclusion about claims focused on a specific improvement in computer memory. 867 F.3d 1253, 1262 (Fed. Cir. 2017). The district court had determined that the claims were directed to the abstract concept of categorical data storage. *Id.* at 1257. We determined that the district court had erred because the patent was specifically "directed to an improved computer memory system, not to the abstract idea of categorical data storage," and therefore was not directed to an abstract idea. *Id.* at 1259. The claims were specific and limited to certain types of data to be stored. *Id.* "None of the claims recite[d] all types and all forms of categorical data storage." *Id.* As we summarized in *BSG*, the *Visual Memory* claims were directed to "an 'improved memory system' that configured operational characteristics of a computer's cache memory based on the type of processor connected to the memory system," allowing "the claimed invention to accommodate different types of processors without compromising performance." 899 F.3d at 1288. This was an improvement in computer functionality. *Visual Memory*, 867 F.3d at 1260.

In *Finjan*, we held that claims to a "behavior-based virus scan" were a specific improvement in computer functionality and hence not directed to an abstract idea. 879 F.3d at 1304. The claimed technique of scanning enabled "more flexible and nuanced virus filtering" and detection of potentially dangerous code. *Id.* The claims thus were directed to "a non-abstract improvement in computer functionality" having the benefit of achieving greater computer security. *Id.* at 1305.

In *Core Wireless Licensing S.A.R.L. v. LG Electronics, Inc.*, we held that claims to a method for making websites easier to navigate on a small-screen device were not directed to an abstract idea. 880 F.3d 1356, 1363 (Fed. Cir. 2018). The claimed method involved launching a summary window to allow small-screen users to quickly

access commonly used features of a website. *Id.* at 1359–60. Although the defendant argued that the patent was directed to the abstract idea of indexing information, we determined that the claims were directed to a specific type of index for a specific type of user and so not directed to an abstract idea. *Id.* at 1362–63.

Most recently, in *Data Engine Technologies LLC v. Google LLC*, this court held that claims to "a specific method for navigating through three-dimensional electronic spreadsheets" were "not directed to an abstract idea." 906 F.3d 999, 1007 (Fed. Cir. 2018). The method provided "a specific solution to then-existing technological problems in computers and prior art electronic spreadsheets." *Id.* at 1008. The navigation difficulties of prior-art spreadsheets were addressed "in a particular way—by providing a highly intuitive, user-friendly interface with familiar notebook tabs for navigating the three-dimensional worksheet environment." *Id.* We distinguished other cases in which we had held claims to be "simply directed to displaying a graphical user interface or collecting, manipulating, or organizing information"; the claims in *Data Engine*, we concluded, recite "a specific structure (i.e., notebook tabs) within a particular spreadsheet display that performs a specific function (i.e., navigating within a three-dimensional spreadsheet)." *Id.* at 1010–11.

In accordance with those precedents, we conclude that claim 1 of the '941 patent is not directed to an abstract idea. Improving security—here, against a computer's unauthorized use of a program—can be a non-abstract computer-functionality improvement if done by a specific technique that departs from earlier approaches to solve a specific computer problem. *See Finjan*, 879 F.3d at 1304–05. The claimed method here specifically identifies how that functionality improvement is effectuated in an assertedly unexpected way: a structure containing a license record is stored in a particular, modifiable, non-volatile

portion of the computer's BIOS, and the structure in that memory location is used for verification by interacting with the distinct computer memory that contains the program to be verified. In this way, the claim addresses a technological problem with computers: vulnerability of license-authorization software to hacking. '941 patent, col. 1, lines 12–35; *cf. HTC*, 2017 WL 6032605, at *3–5 (PTAB conclusion regarding "technological inventions"). It does so by relying on specific and unique characteristics of certain aspects of the BIOS that the patent asserts, and we lack any basis for disputing, were not previously used in the way now claimed, and the result is a beneficial reduction of the risk of hacking. '941 patent, col. 1, line 39, through col. 2, line 59; *id.*, col. 3, lines 4–17; *id.*, col. 6, lines 59–67. The prosecution history reinforces what the patent itself indicates about the change in previous verification techniques for computer security. *See* J.A. 283 (examiner stating reasons for allowance, summarizing patent's solution of "using an agent to set up a verification structure in the erasable, non-volatile memory of the BIOS"); *Ancora*, 744 F.3d at 735–36 (quoting applicants' arguments to examiner).

In short, claim 1 of the '941 patent is directed to a solution to a computer-functionality problem: an improvement in computer functionality that has "the specificity required to transform a claim from one claiming only a result to one claiming a way of achieving it." *SAP America, Inc.*, 898 F.3d at 1167. It therefore passes muster under *Alice* step one, as it is not directed to patent-ineligible subject matter. We need not and do not apply step two of the *Alice* analysis. *See Data Engine*, 906 F.3d at 1011; *Finjan*, 879 F.3d at 1306; *Visual Memory*, 867 F.3d at 1262.

We do note, in accord with our recognition of overlaps between some step one and step two considerations, *Electric Power Group, LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016), that our conclusion that the specific

improvement in this case passes muster at step one is indirectly reinforced by some of our holdings under step two. For example, in *BASCOM Global Internet Services v. AT&T Mobility*, we held that claims to a method and system of filtering Internet content using an Internet Service Provider (ISP) server were a "technical improvement over the prior art ways of filtering such content." 827 F.3d 1341, 1350, 1352 (Fed. Cir. 2016). The prior art disclosed two forms of content-filtering systems: software was either (1) "placed on local computers, such that each local computer had its own tool for filtering [content]"; or (2) placed on "a local server" or remote ISP server. *Id.* at 1343–44. But both of those systems had disadvantages: the former allowed end-user modifications and was difficult to administer; the latter ignored material differences among end users. *Id.* The claimed invention addressed the disadvantages of the prior art through a filtering system located on an ISP server that used the server's ability to "to associate an individual user with a specific request" to create individually customizable filtering. *Id.* In holding the claimed invention eligible under *Alice* step two, we reasoned that although "[f]iltering content on the Internet was already a known concept, . . . the patent describes how its particular arrangement of elements is a technical improvement over the prior art ways of filtering such content." *Id.* at 1349–50. A similar characterization, we think, applies to the technical improvement claimed in this case and, in light of the line of cases we have discussed above, justifies the conclusion that claim 1 of the '941 patent is not directed to an abstract idea, but to a computer-functionality improvement.

The contrast with another step-two case, *Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307 (Fed. Cir. 2016), is also instructive. There, the claimed invention required the installation of a virus-screening software on a telephone network. *Id.* at 1319. But because the claim at issue did not "recite[] any improvement to

conventional virus screening software, nor . . . solve any problem associated with situating such virus screening on the telephone network," we held that the patent did not identify a sufficient inventive concept under *Alice* to transform the claimed abstract idea into something patentable. *Id.* at 1320–21. Nor did the claimed method provide advantages with respect to computer function. *Id.* at 1320. In the present case, in contrast, the record described above shows that the claimed invention moves a software-verification structure to a BIOS location not previously used for this computer-security purpose and alters how the function is performed (in that the BIOS memory used for verification now interacts with distinct computer memory to perform a software-verification function), yielding a tangible technological benefit (by making the claimed system less susceptible to hacking). Thus, *Intellectual Ventures I v. Symantec*_is consistent with our conclusion.

HTC does not dispute that all claims pass muster if claim 1 does. Accordingly, we hold that HTC has not shown the '941 patent's claims to be invalid under 35 U.S.C. § 101. We do not have before us any question about invalidity under other provisions of Title 35.

III

For the foregoing reasons, we reverse the judgment of the district court and remand the case.

Costs to Ancora.

REVERSED AND REMANDED

UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Patents
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450
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MEMORANDUM

DATE: April 19, 2018

TO: Patent Examining Corps

FROM: Robert W. Bahr
Deputy Commissioner
for Patent Examination Policy

SUBJECT: Changes in Examination Procedure Pertaining to Subject Matter Eligibility, Recent Subject Matter Eligibility Decision (*Berkheimer v. HP, Inc.*)

The USPTO recognizes that unless careful consideration is given to the particular contours of subject matter eligibility (35 U.S.C. § 101), it could "swallow all of patent law." *Alice Corp. v. CLS Bank International*, 573 U.S. ___, ___, 134 S. Ct. 2347, 2352 (2014) (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 71, 132 S. Ct. 1289, 1293-1294 (2012)). This memorandum provides additional USPTO guidance that will further clarify how the USPTO is determining subject matter eligibility in accordance with prevailing jurisprudence. Specifically, this memorandum addresses the limited question of whether an additional element (or combination of additional elements) represents well-understood, routine, conventional activity. The USPTO is determined to continue its mission to provide clear and predictable patent rights in accordance with this rapidly evolving area of the law, and to that end, may issue further guidance in the future.

The U. S. Court of Appeals for the Federal Circuit (Federal Circuit) recently issued a precedential decision holding that the question of whether certain claim limitations represent well-understood, routine, conventional activity raised a disputed factual issue, which precluded summary judgment that all of the claims at issue were not patent eligible. *See Berkheimer v. HP Inc.*, 881 F.3d 1360 (Fed. Cir. 2018). Shortly thereafter, the Federal Circuit reaffirmed the *Berkheimer* standard in the context of a judgment on the pleadings and judgment as a matter of law.[1] While summary judgment, judgment on the pleadings, and judgment as a matter of law

[1] In *Aatrix Software, Inc. v. Green Shades Software, Inc.*, 882 F.3d 1121 (Fed. Cir. 2018), the Federal Circuit reversed a judgment on the pleadings of ineligibility, similarly finding that whether the claims in the challenged patent perform well-understood, routine, conventional activities is an issue of fact. In *Exergen Corp. v. Kaz USA, Inc.*, Nos. 2016-2315, 2016-2341, 2018 WL 1193529, at *1 (Fed. Cir. Mar. 8, 2018) (non-precedential), the Federal Circuit affirmed a district court's denial of a motion for judgment as a matter of law of patent ineligibility (thus

standards in civil litigation are generally inapplicable during the patent examination process, *Berkheimer* informs the inquiry into whether an additional element (or combination of additional elements) represents well-understood, routine, conventional activity.

I. Federal Circuit Decision in Berkheimer: In *Berkheimer*, the invention relates to digitally processing and archiving files in a digital asset management system. The patent specification explains that the system eliminates redundant storage of common text and graphical elements, which improves system operation efficiency and reduces storage costs. With respect to *Mayo/Alice* step 1 (step 2A in the USPTO's guidance), the Federal Circuit held that the claims are directed to the abstract ideas of parsing and comparing data (claims 1-3 and 9), parsing, comparing, and storing data (claim 4), and parsing, comparing, storing, and editing data (claims 5-7) based upon a comparison of these claims to claims held to be abstract in prior Federal Circuit decisions. *Berkheimer*, 881 F.3d at 1366-67. With respect to *Mayo/Alice* step 2 (step 2B in the USPTO's guidance), the Federal Circuit considered the elements of each claim both individually and as an ordered combination, recognizing that "whether a claim element or combination of elements is well-understood, routine and conventional to a skilled artisan in the relevant field is a question of fact." *Id.* at 1367-68. While observing that the specification discussed purported improvements (*e.g.*, reducing redundancy and enabling one-to-many editing as the purported improvements), the Federal Circuit held claims 1-3 and 9 ineligible because they do not include limitations that realize these purported improvements. *Id.* at 1369-70.

In contrast, the Federal Circuit held that claims 4-7 do contain limitations directed to purported improvements described in the specification (*e.g.*, claim 4 recites "storing a reconciled object structure in the archive without substantial redundancy," which the specification explains improves system operating efficiency and reduces storage costs), raising a genuine issue of material fact as to whether the purported improvements were more than well-understood, routine, conventional activity previously known in the industry. *Id.* at 1370. The Federal Circuit therefore reversed the district court's decision on summary judgment that claims 4-7 are patent ineligible, and remanded for further fact finding as to the eligibility of those claims. *Id.* at 1370-71.

Finally, the Federal Circuit drew a distinction between what is well-understood, routine, conventional, and what is simply known in the prior art, cautioning that the mere fact that something is disclosed in a piece of prior art does not mean it was a well-understood, routine, conventional activity or element. *Id.* at 1369.

II. Well-Understood, Routine, Conventional Activity: While the *Berkheimer* decision does not change the basic subject matter eligibility framework as set forth in MPEP § 2106, it does provide clarification as to the inquiry into whether an additional element (or combination of additional elements) represents well-understood, routine, conventional activity. Specifically, the Federal Circuit held that "[w]hether something is well-understood, routine, and conventional to a skilled artisan at the time of the patent is a factual determination." *Id.* at 1369.

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upholding the district court's conclusion that the claims were drawn to a patent eligible invention), concluding that the district court's fact finding that the claimed combination was not proven to be well-understood, routine, conventional was not clearly erroneous.

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As set forth in MPEP § 2106.05(d)(I), an examiner should conclude that an element (or combination of elements) represents well-understood, routine, conventional activity **only** when the examiner can readily conclude that the element(s) is widely prevalent or in common use in the relevant industry. This memorandum clarifies that such a conclusion must be based upon a factual determination that is supported as discussed in section III below. This memorandum further clarifies that the analysis as to whether an element (or combination of elements) is widely prevalent or in common use is the same as the analysis under 35 U.S.C. § 112(a) as to whether an element is so well-known that it need not be described in detail in the patent specification.[2]

The question of whether additional elements represent well-understood, routine, conventional activity is distinct from patentability over the prior art under 35 U.S.C. §§ 102 and 103. This is because a showing that additional elements are obvious under 35 U.S.C. § 103, or even that they lack novelty under 35 U.S.C. § 102, is not by itself sufficient to establish that the additional elements are well-understood, routine, conventional activities or elements to those in the relevant field. *See* MPEP § 2106.05. As the Federal Circuit explained: "[w]hether a particular technology is well-understood, routine, and conventional goes beyond what was simply known in the prior art. The mere fact that something is disclosed in a piece of prior art, for example, does not mean it was well-understood, routine, and conventional." *Berkheimer*, 881 F.3d at 1369.

III. Impact on Examination Procedure: This memorandum revises the procedures set forth in MPEP § 2106.07(a) (Formulating a Rejection For Lack of Subject Matter Eligibility) and MPEP § 2106.07(b) (Evaluating Applicant's Response).

A. Formulating Rejections: In a step 2B analysis, an additional element (or combination of elements) is not well-understood, routine or conventional unless the examiner finds, and expressly supports a rejection in writing with, one or more of the following:

1. A citation to an express statement in the specification or to a statement made by an applicant during prosecution that demonstrates the well-understood, routine, conventional nature of the additional element(s). A specification demonstrates the well-understood, routine, conventional nature of additional elements when it describes the additional elements as well-understood or routine or conventional (or an equivalent term), as a commercially available product, or in a manner that indicates that the additional elements are sufficiently well-known that the specification does not need to describe the particulars of such additional elements to satisfy 35 U.S.C. § 112(a). A finding that an element is

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[2] *See Genetic Techs. Ltd. v. Merial LLC*, 818 F.3d 1369, 1377 (Fed. Cir. 2016) (supporting the position that amplification was well-understood, routine, conventional for purposes of subject matter eligibility by observing that the patentee expressly argued during prosecution of the application that amplification was a technique readily practiced by those skilled in the art to overcome the rejection of the claim under 35 U.S.C. 112, first paragraph); *see also Lindemann Maschinenfabrik GMBH v. Am. Hoist & Derrick Co.*, 730 F.2d 1452, 1463 (Fed. Cir. 1984) ("[T]he specification need not disclose what is well known in the art."); *In re Myers*, 410 F.2d 420, 424 (CCPA 1969) ("A specification is directed to those skilled in the art and need not teach or point out in detail that which is well-known in the art."); *Exergen Corp.*, 2018 WL 1193529, at *4 (holding that "[l]ike indefiniteness, enablement, or obviousness, whether a claim is directed to patent eligible subject matter is a question of law based on underlying facts," and noting that the Supreme Court has recognized that "the inquiry 'might sometimes overlap' with other fact-intensive inquiries like novelty under 35 U.S.C. § 102").

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well-understood, routine, or conventional cannot be based only on the fact that the specification is silent with respect to describing such element.

2. A citation to one or more of the court decisions discussed in MPEP § 2106.05(d)(II) as noting the well-understood, routine, conventional nature of the additional element(s).

3. A citation to a publication that demonstrates the well-understood, routine, conventional nature of the additional element(s). An appropriate publication could include a book, manual, review article, or other source that describes the state of the art and discusses what is well-known and in common use in the relevant industry. It does not include all items that might otherwise qualify as a "printed publication" as used in 35 U.S.C. § 102.[3] Whether something is disclosed in a document that is considered a "printed publication" under 35 U.S.C § 102 is a distinct inquiry from whether something is well-known, routine, conventional activity. A document may be a printed publication but still fail to establish that something it describes is well-understood, routine, conventional activity. *See Exergen Corp.*, 2018 WL 1193529, at *4 (the single copy of a thesis written in German and located in a German university library considered to be a "printed publication" in *Hall* "would not suffice to establish that something is 'well-understood, routine, and conventional activity previously engaged in by scientists who work in the field'"). The nature of the publication and the description of the additional elements in the publication would need to demonstrate that the additional elements are widely prevalent or in common use in the relevant field, comparable to the types of activity or elements that are so well-known that they do not need to be described in detail in a patent application to satisfy 35 U.S.C. § 112(a). For example, while U.S. patents and published applications are publications, merely finding the additional element in a single patent or published application would not be sufficient to demonstrate that the additional element is well-understood, routine, conventional, unless the patent or published application demonstrates that the additional element are widely prevalent or in common use in the relevant field.

4. A statement that the examiner is taking official notice of the well-understood, routine, conventional nature of the additional element(s). This option should be used **only** when the examiner is certain, based upon his or her personal knowledge, that the additional element(s) represents well-understood, routine, conventional activity engaged in by those in the relevant art, in that the additional elements are widely prevalent or in common use in the relevant field, comparable to the types of activity or elements that are so well-known that they do not need to be described in detail in a patent application to satisfy 35 U.S.C. § 112(a). Procedures for taking official notice and addressing an applicant's challenge to official notice are discussed in MPEP § 2144.03.

B. Evaluating Applicant's Response: If an applicant challenges the examiner's position that the additional element(s) is well-understood, routine, conventional activity, the examiner should reevaluate whether it is readily apparent that the additional elements are in actuality well-

[3] *See, e.g., In re Klopfenstein*, 380 F.3d 1345 (Fed. Cir. 2004) (publicly displayed slide presentation); *In re Hall*, 781 F.2d 897 (Fed. Cir. 1986) (doctoral thesis shelved in a library); *Mass. Inst. of Tech. v. AB Fortia*, 774 F.2d 1104, 1108-09 (Fed. Cir. 1985) (paper orally presented at a scientific meeting and distributed upon request); *In re Wyer*, 655 F.2d 221 (CCPA 1981) (patent application laid open to public inspection).

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understood, routine, conventional activities to those who work in the relevant field. If the examiner has taken official notice per paragraph (4) of section (III)(A) above that an element(s) is well-understood, routine, conventional activity, and the applicant challenges the examiner's position, specifically stating that such element(s) is not well-understood, routine, conventional activity, the examiner must then provide one of the items discussed in paragraphs (1) through (3) of section (III)(A) above, or an affidavit or declaration under 37 CFR 1.104(d)(2) setting forth specific factual statements and explanation to support his or her position. As discussed previously, to represent well-understood, routine, conventional activity, the additional elements must be widely prevalent or in common use in the relevant field, comparable to the types of activity or elements that are so well-known that they do not need to be described in detail in a patent application to satisfy 35 U.S.C. § 112(a).

The MPEP will be updated in due course to incorporate the changes put into effect by this memorandum.

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte ALISTAIR P. BARROS

Appeal 2017-004816
Application 12/788,084
Technology Center 3600

Before JEAN R. HOMERE, AMBER L. HAGY, and
KARA L. SZPONDOWSKI, *Administrative Patent Judges*.

HAGY, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant[1] appeals under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 1–20, which are all of the pending claims. We have jurisdiction under 35 U.S.C. § 6(b).

We reverse.

[1] Appellant identifies the real party in interest as SAP SE. (App. Br. 1.)

STATEMENT OF THE CASE

Introduction

Appellant's disclosure relates to "brokered service delivery." (Spec. ¶ 1.) By way of background, the Specification states that "[t]he brokering of goods and services is a time-honored technique of facilitating commerce." (*Id.* ¶ 2.) In particular, the Specification describes brokering as a broker taking on the responsibility from a manufacturer or provider of services to locate purchasers and to conduct and consummate sales, in exchange for receiving "a share of the purchase price or some other fee or payment." (*Id.*) The Specification further states that "these general concepts" have been adopted "[i]n the computer, network, and software realm(s) . . . for the delivery of goods and services, e.g., over the Internet." (*Id.* ¶ 3.) The Specification notes that "[i]n theory, the intersection of brokering and software services . . . is conceptually straight-forward." (*Id.* ¶ 5.) The Specification states, however, that "many services are conventionally difficult or impossible to deliver as part of a brokered service delivery scenario." (*Id.* ¶ 6.) Purportedly to address that difficulty, the Specification describes a system "for providing service delivery management for brokered service delivery" that includes "an explicit, dedicated platform for service delivery management which enables complex service delivery models to support the run-time brokerage of groups of long-running, multi-session services, some or all of which may be hosted by different, otherwise-incompatible service providers." (*Id.* ¶ 39.)

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Exemplary Claim

Claims 1, 4, 10, and 16 are independent. Claim 1, reproduced below, is exemplary of the claimed subject matter:

> 1. A computer system including instructions stored on a nontransitory computer-readable storage medium, the computer system comprising:
>
> a service regulator configured to cause at least one processor to transform a service interface of at least one service of at least one service provider into service states and transitions between the service states to create a coordination model, the service states corresponding to distinct forms to be exchange with a user as part of an execution of the at least one service, the transitions representing action requests and responses on the at least one service;
>
> a broker consumer gateway configured to cause the at least one processor to interface with a service consumer of a computing device consuming the at least one service of the at least one service provider based on the coordination model, each of the service states represented as at least one distinct form that is requested, filled-in, and submitted in association with the user via the service consumer of the computing device; and
>
> a service delivery manager configured to cause the at least one processor to mediate delivery of each of the service states modeled with the coordination model of the at least one service to the service consumer of the computing device via the broker consumer gateway including invoking the at least one distinct form for each of the service states during execution of the at least one service, the service delivery manager including:
>
> a consumer session manager configured to cause the at least one processor to create at least one consumer session in association with the user during which to execute at least a portion of the at least one service, including transitioning through one or more of the service states of the at least one service according to the coordination model, a consumer instance manager

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> configured to cause the at least one processor to create at least one instance of the at least one service within the at least one consumer session, the at least one instance being associated with the at least one service including representing each of the service states with the at least one distinct form that is requested, filled-in, and submitted in association with the user via the service consumer of the computing device, and
>
> a service coordinator configured to cause the at least one processor to coordinate and track each of the service states during delivery of the at least one service from the at least one service provider within the at least one consumer session and the at least one instance of the at least one service, the service coordinator configured to cause the at least one processor to track and advance a current state of each executing service to a next service state using the coordination model characterizing the at least one service in which each of the distinct forms are associated with corresponding ones of the service states of the at least one service and in which the transitions between each of the service states are executed based on the at least one distinct form exchanged with the service consumer during each service state.

REJECTIONS[2]

1. Claims 1, 4, 10, 14, 16, and 20 stand provisionally rejected on the ground of nonstatutory obviousness-type double patenting over claims 1, 5, 6, 10, and 18 of copending Application No. 12/788,087 ("the '087 Application") and further in view of D'Angelo, U.S. Patent No. 7,917,124 B2, issued Mar. 29, 2011 ("D'Angelo") and Kumaran, Pub. No. US 2009/0024514 A1, published Jan. 22, 2009 ("Kumaran"). (Final Act. 10-21.)

[2] Claims 1–20 were rejected also under 35 U.S.C. § 103 in the Final Action (Final Act. 23–62), but the Examiner withdraws these rejections in the Answer. (Ans. 16.)

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2. Claims 1–20 stand rejected under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter (abstract idea). (Final Act. 3–7, 21–23.)

ANALYSIS

A. Provisional Rejection for Obviousness-Type Double Patenting

The Examiner provisionally rejects claims 1, 4, 10, 14, 16, and 20 on the ground of nonstatutory obviousness-type double patenting over claims 1, 5, 6, 10, and 18 of the '087 Application and further in view of D'Angelo and Kumaran. (Final Act. 10–21.)

As Appellant points out (Reply Br. 12), the '087 Application has since been abandoned (as of March 11, 2016). Accordingly, the Examiner's provisional obviousness-type double patenting rejection over the '087 application in combination with D'Angelo and Kumaran is now moot.

B. § 101 Rejection

The Examiner rejects the claims as being directed to patent-ineligible subject matter under 35 U.S.C. § 101.[3] The Examiner determines the claims are directed to the abstract idea of "facilitating service delivery." (Ans. 15.) The Examiner further finds the claims do not amount to significantly more than the abstract idea because "Appellant has not shown that the computer technology utilized in the claims performs anything more than court-recognized examples of *well-understood, routine, and conventional*

[3] The Examiner rejects claims 2–20 on the "same rationale" as claim 1. (Final Act. 23.) Appellant generally argues the rejection of all claims collectively with regard to claim 1 (*see* App. Br. 9–17), while presenting additional arguments with regard to claims 4, 14, and 20 (*id.* at 17–19). We select claim 1 as representative pursuant to our authority under 37 C.F.R. § 41.37(c)(1)(iv).

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functions, including 'receiving, processing, storing and transmitting data.'" (*Id.* at 23 (emphasis added).)

Appellant argues the Examiner erred because, *inter alia*, the claimed solution "employs novel and inventive computer functions for delivering software services via a broker, which serves as a central point between specific software services running on remote, backend systems of the service provider(s) and consumer computing devices executing an instance of the software service(s) within a browser application." (App. Br. 10.) In particular, Appellant argues claim 1

> specif[ies] in very specific technical terms how the performance of the system itself is improved to yield a desired result - allowing multi-step, long-running software services to be deployed, configured, and executed via a broker through the use of the coordination model, e.g., sending forms to the consuming applications, receiving submitted forms containing actions for execution, and adapting and invoking the back-end service applications. The above-identified limitations of claim 1 are meaningful limitations that add more than generally linking the use of the abstract idea to a generic computer, because they solve a network-centric problem with a claimed solution that is necessarily rooted in computer technology, similar to the additional elements in *DDR Holdings*.

(App. Br. 16 (citing *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014).)

It is the Examiner's burden to show—with supporting facts—that the recited limitations are well-understood, routine, and conventional where, as here, the Examiner relies on such a basis for the ineligibility rejection. *See Berkheimer v. HP Inc.*, 881 F.3d 1360, 1369 (Fed. Cir. 2018) ("Whether something is well-understood, routine, and conventional to a skilled artisan at the time of the patent is a factual determination"). The prima facie case is

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a procedural tool of patent examination, allocating the respective burdens between the Examiner and an applicant. *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992). First, the Examiner bears the initial burden of presenting a prima facie case of unpatentability. *Id.* (*citing In re Piasecki*, 745 F.2d 1468, 1472 (Fed. Cir. 1984)). If the Examiner meets that burden, the burden then shifts to the applicant to rebut the prima facie case with evidence or argument. *Oetiker*, 977 F.2d at 1445. Then, patentability is determined on the totality of the record by a preponderance of evidence with due consideration of persuasiveness of argument. *Id.*; *accord* MANUAL OF PATENT EXAMINING PROCEDURE (MPEP) § 2106.07 (9th ed. Rev. 08.2017, Jan. 2018) (noting that the initial burden of establishing a prima facie case of ineligibility under § 101 is on the Examiner to explain clearly and specifically why claims are ineligible, so that the applicant has sufficient notice and can respond effectively).

Under the new examination procedure published online by the USPTO on April 19, 2018, entitled "Changes in Examination Procedure Pertaining to Subject Matter Eligibility, Recent Subject Matter Eligibility Decision (*Berkheimer v. HP, Inc.*)" (hereinafter "*Berkheimer* Memorandum"), there is a new fact finding requirement for Examiners, as applicable to rejections under § 101. Specifically, Examiners must now provide specific types of evidence to support a finding that claim elements (or combinations of elements) are well-understood, routine, and conventional.

Here, the Examiner's determinations that the claims are directed to an abstract idea and do not amount to significantly more than the abstract idea are predicated, at least in part, on unsupported findings that

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> Appellant's claims are devoid of any discernible change, transformation, or improvement to any process, technology, or computer, but instead are directed to creating a coordination model at least in part by using service states and transitions to identify brokered service delivery scenarios, accompanied by general-purpose or at least conventional computing elements that merely tie the idea to a particular operating environment, along with high-level descriptive claim language that describes *well-known, routine, and conventional activities in the art.*

(Ans. 24 (emphasis added).) The Examiner also finds, without citing evidentiary support, that "creating a coordination model, mediat[ing] delivery of service states, creat[ing] a consumer session, coordinat[ing] and track[ing] each service state merely involve well-understood, routine, and conventional activities in the art, and even when implemented by a computer, [and] involve nothing more than automating mental/manual and conventional activities in the art." (*Id.* at 27.)

We determine that the Examiner did not satisfy the initial burden of establishing a prima facie case of ineligibility under § 101 by providing the requisite factual support for limitations that are said to be well-understood, routine, and conventional; consequently, the burden never shifted to Appellant to rebut that case. We are, therefore, constrained on this record to reverse the Examiner's 35 U.S.C. § 101 rejection of claim 1 as well as claims 2–20 rejected on the same basis and argued collectively by Appellant.

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DECISION

The Examiner's obviousness-type double patenting rejection of claims 1, 4, 10, 14, 16, and 20 is determined to be moot.

The Examiner's 35 U.S.C. § 101 rejection of claims 1–20 is reversed.

REVERSED

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Electronic Patent Application Fee Transmittal

Application Number:	10606729
Filing Date:	26-Jun-2003
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Filer:	Farshad Jason Far-hadian/Susan Telford
Attorney Docket Number:	42327-501001US

Filed as Large Entity

Filing Fees for Utility under 35 USC 111(a)

Description	Fee Code	Quantity	Amount	Sub-Total in USD($)
Basic Filing:				
Pages:				
Claims:				
Miscellaneous-Filing:				
Petition:				
Patent-Appeals-and-Interference:				
APPEAL FORWARDING FEE	1413	1	2240	2240
Post-Allowance-and-Post-Issuance:				

Description	Fee Code	Quantity	Amount	Sub-Total in USD($)
Extension-of-Time:				
Miscellaneous:				
			Total in USD ($)	**2240**

Electronic Acknowledgement Receipt

EFS ID:	34628324
Application Number:	10606729
International Application Number:	
Confirmation Number:	5831
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Customer Number:	64046
Filer:	Farshad Jason Far-hadian/Susan Telford
Filer Authorized By:	Farshad Jason Far-hadian
Attorney Docket Number:	42327-501001US
Receipt Date:	18-DEC-2018
Filing Date:	26-JUN-2003
Time Stamp:	18:07:23
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	yes
Payment Type	DA
Payment was successfully received in RAM	$2240
RAM confirmation Number	121918INTEFSW00019412500311
Deposit Account	500311
Authorized User	Susan Telford
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Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Reply Brief Filed	42327-501001US_ReplyBrief.pdf	17714049 89d81e5b395cf74d85122908c2a9238f99d98895	no	46
Warnings:					
Information:					
2	Fee Worksheet (SB06)	fee-info.pdf	30458 b9edd99e7d893441e0f3bf4a2c1d1f4db893ece4	no	2
Warnings:					
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New International Application Filed with the USPTO as a Receiving Office

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Doc Code: MES.GIB
Document Description: Certification of Micro Entity Status (Gross Income Basis)

PTO/SB/15A (07-14)

CERTIFICATION OF MICRO ENTITY STATUS
(GROSS INCOME BASIS)

Application Number or Control Number (if applicable):	Patent Number (if applicable):
10/606,729	
First Named Inventor:	**Title of Invention:**
Philip Donian	Method and apparatus for the free licensing of digital media content

The applicant hereby certifies the following—

(1) **SMALL ENTITY REQUIREMENT –** The applicant qualifies as a small entity as defined in 37 CFR 1.27.

(2) **APPLICATION FILING LIMIT –** Neither the applicant nor the inventor nor a joint inventor has been named as the inventor or a joint inventor on more than four previously filed U.S. patent applications, excluding provisional applications and international applications under the Patent Cooperation Treaty (PCT) for which the basic national fee under 37 CFR 1.492(a) was not paid, and also excluding patent applications for which the applicant has assigned all ownership rights, or is obligated to assign all ownership rights, as a result of the applicant's previous employment.

(3) **GROSS INCOME LIMIT ON APPLICANTS AND INVENTORS –** Neither the applicant nor the inventor nor a joint inventor, in the calendar year preceding the calendar year in which the applicable fee is being paid, had a gross income, as defined in section 61(a) of the Internal Revenue Code of 1986 (26 U.S.C. 61(a)), exceeding the "Maximum Qualifying Gross Income" reported on the USPTO Web site at http://www.uspto.gov/patents/law/micro_entity.jsp which is equal to three times the median household income for that preceding calendar year, as most recently reported by the Bureau of the Census.

(4) **GROSS INCOME LIMIT ON PARTIES WITH AN "OWNERSHIP INTEREST" –** Neither the applicant nor the inventor nor a joint inventor has assigned, granted, or conveyed, nor is under an obligation by contract or law to assign, grant, or convey, a license or other ownership interest in the application concerned to an entity that, in the calendar year preceding the calendar year in which the applicable fee is being paid, had a gross income, as defined in section 61(a) of the Internal Revenue Code of 1986, exceeding the "Maximum Qualifying Gross Income" reported on the USPTO Web site at http://www.uspto.gov/patents/law/micro_entity.jsp which is equal to three times the median household income for that preceding calendar year, as most recently reported by the Bureau of the Census.

SIGNATURE by an authorized party set forth in 37 CFR 1.33(b)

Signature	/FJF/				
Name	F. Jason Far-hadian				
Date	2018/12/21	Telephone	858-314-2144	Registration No.	42,523

☐ There is more than one inventor and I am one of the inventors who are jointly identified as the applicant. The required additional certification form(s) signed by the other joint inventor(s) are included with this form.

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7. A record from this system of records may be disclosed, as a routine use, to the Administrator, General Services, or his/her designee, during an inspection of records conducted by GSA as part of that agency's responsibility to recommend improvements in records management practices and programs, under authority of 44 U.S.C. 2904 and 2906. Such disclosure shall be made in accordance with the GSA regulations governing inspection of records for this purpose, and any other relevant (*i.e.*, GSA or Commerce) directive. Such disclosure shall not be used to make determinations about individuals.
8. A record from this system of records may be disclosed, as a routine use, to the public after either publication of the application pursuant to 35 U.S.C. 122(b) or issuance of a patent pursuant to 35 U.S.C. 151. Further, a record may be disclosed, subject to the limitations of 37 CFR 1.14, as a routine use, to the public if the record was filed in an application which became abandoned or in which the proceedings were terminated and which application is referenced by either a published application, an application open to public inspection or an issued patent.
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REQUEST FOR REFUND

Reference # *(Patent #, Application #, Trademark Serial #, Registration #, etc.)*	**Title of Invention or Mark Information**	
10606729	Method and apparatus for the free licensing of digital media content	
Attorney Docket # *(if applicable)*	**Payment Date** *(mm/dd/yyyy)*	**Refund Request Amount**
42327-501001US	12/18/2018	$ 1,680.00

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Reason for Refund Request *Refund requests must generally be filed within 2 years of payment date (37 CFR 1.26 and 2.209)*

- [ ] Duplicate Payment
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- [x] Other Micro Entity

Rationale *(Supporting documentation may be submitted with this form)*

When filing a Reply Brief, the appeal forwarding fees required under 37 C.F.R. § 41.45 for the large entity fee ($2240) was paid instead of the Micro Entity Fees of $560. A refund for the amount paid in excess is respectfully requested. Micro entity certification has been already filed in this matter. A new Micro entity certification is also filed herewith.

Requester's Information

Company or Firm Name *(if applicable)*		
Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.		
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Address Line 2 *(if applicable)*	**Country**	**Zip/Postal Code**
	US	92130
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IPDocketingBOS@mintz.com	858-314-2144	
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F. Jason Far-hadian		42,523
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Application Number:	10606729
International Application Number:	
Confirmation Number:	5831
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Customer Number:	64046
Filer:	Farshad Jason Far-hadian/Susan Telford
Filer Authorized By:	Farshad Jason Far-hadian
Attorney Docket Number:	42327-501001US
Receipt Date:	21-DEC-2018
Filing Date:	26-JUN-2003
Time Stamp:	15:39:07
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	no

File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Certification of Micro Entity (Gross Income Basis)	042327-501001US_Cert_for_Micro_Entity_Status.pdf	136181 0f2f69b436f50481395ad7adab22600f894ae3da	no	2

Warnings:

Information:					
2	Refund Request	42327-501001US_Refund_Request_Form.pdf	274554 4bfd97bea977be02985b1954e2f57bb90cc1393	no	1
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New International Application Filed with the USPTO as a Receiving Office

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/606,729	06/26/2003	Philip M. Donian	42327-501001US	5831

64046 7590 12/28/2018

Mintz Levin/San Diego Office
One Financial Center
Boston, MA 02111

EXAMINER
RETTA, YEHDEGA

ART UNIT	PAPER NUMBER
3688	

NOTIFICATION DATE	DELIVERY MODE
12/28/2018	ELECTRONIC

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Appeal No: 2019-001632
Application: 10/606,729
Appellant: Philip M. Donian et al.

Patent Trial and Appeal Board Docketing Notice

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EXAMINER	
RETTA, YEHDEGA	

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte PHILIP M. DONIAN, LARRY E. HENNEMAN JR.,
and MICHAEL M. MALIONE

Appeal 2019-001632
Application 10/606,729
Technology Center 3600

Before ANTON W. FETTING, BRUCE T. WIEDER, and
AMEE A. SHAH, *Administrative Patent Judges*.

SHAH, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Pursuant to 35 U.S.C. § 134(a), the Appellant[1] appeals from the Examiner's decision to reject claims 212, 214–223, and 225–273, which are all of the pending claims. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

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[1] We use the word "Appellant" to refer to "applicant" as defined in 37 C.F.R. § 1.42. The Appellant identifies the real party in interest as Piranha Media Distribution, Inc. Appeal Br. 3.

CLAIMED SUBJECT MATTER

The Appellant's "invention relates generally to the distribution of audio, video, and print media content, copyrighted or otherwise, via digital replication and delivery channels," and more specifically,

> to an apparatus and method for the wide digital distribution of media content in a way that allows the free use of media properties, on demand, with direct consumer exchange capabilities, while at the same time offering equitable return to the copyright holder, and providing for a strict level of control over the enforcement of license agreements on the part of the distributor.

Spec. 1, ll. 14–20.

Claims 212, 238, 243, 267, 268, and 271 are the independent claims on appeal. Claim 212, reproduced below, with bracketed notations and added paragraphing, is illustrative of the claimed subject matter.

> 212. A method comprising:
>
> [(a)] receiving, on a client system, data comprising digital media content and digital advertising content;
>
> [(b)] sequencing the digital media content and the digital advertising content,
>
> the sequencing comprising ordering at least some of the digital media content and at least some of the digital advertising content into a user-perceptible content stream,
>
> the user-perceptible content stream comprising one or more initially sequenced insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content;
>
> [(c)] adaptively modifying, using pre-defined rules and in response to a user input detected by the client system, a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points,

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at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream;

[(d)] causing presentation of the user-perceptible content stream at the client system after the adaptively modifying;

[(e)] keeping a setting in a first memory to indicate a current state of play,

the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream;

[(f)] disallowing a navigation choice that alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

[(g)] storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented;

wherein the receiving, the sequencing, the adaptively modifying, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors.

REFERENCES

The prior art relied upon by the Examiner is:

Name	Reference	Date
Knepper et al. ("Knepper")	US 2001/0042249 A1	Nov. 15, 2001
Oh	US 2002/0161739 A1	Oct. 31, 2002
Wang	US 2002/0191950 A1	Dec. 19, 2002
Hannah et al. ("Hannah")	US 7,761,327 B1	July 20, 2010

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REJECTIONS

Claims 212, 214–223, and 225–273 stand rejected under 35 U.S.C. § 101 as being directed to a judicial exception without significantly more.

Claims 212, 214–223, and 225–273 stand rejected under 35 U.S.C. § 112 (pre-AIA), first paragraph, as failing to comply with the written description requirement.

Claims 212, 214–223, 225–232, 234–249, 251–255, and 257–273 stand rejected under pre-AIA 35 U.S.C. § 103(a) as being unpatentable over Knepper, Hannah, and Wang.

Claims 233 and 256 stand rejected under pre-AIA 35 U.S.C. § 103(a) as being unpatentable over Knepper, Hannah, Wang, and Official Notice.

Claim 250 stands rejected under pre-AIA 35 U.S.C. § 103(a) as being unpatentable over Knepper, Hannah, Wang, and Oh.

OPINION

35 U.S.C. § 101 – Statutory Subject Matter[2]

The Appellant presents arguments for the independent claims together and relies on those arguments for the dependent claims. *See* Appeal Br. 39–40. We thus group all the claims together and select claim 212 as representative of the group, with the rejection of the remaining claims standing or falling therewith. *See* 37 C.F.R. § 41.37(c)(1)(iv).

[2] The rejections are addressed in the order presented by the Examiner in the Final Action.

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35 U.S.C. § 101 Framework

Section 101

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 U.S. 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. *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 Court's two-part 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, 67 (1972)). Concepts determined to be patent eligible include physical and chemical processes, such as "molding rubber products" (*Diamond v. Diehr*, 450 U.S. 175, 191 (1981)); "tanning, dyeing, making waterproof cloth, vulcanizing India

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rubber, smelting ores" (*id.* at 182 n.7 (quoting *Corning v. Burden*, 56 U.S. 252, 267–68 (1853))); 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 Court held that "a claim drawn to subject matter otherwise statutory does not become nonstatutory simply because it uses a mathematical formula." *Diehr*, 450 U.S. at 187; *see also id.* at 191 ("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 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.* (citation omitted) (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.* (alterations in original) (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.*

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USPTO Section 101 Guidance

In January 2019, after the Final Action and Answer were mailed and the Appeal Brief and Reply Brief entered, the U.S. Patent and Trademark Office (USPTO) published revised guidance on the application of § 101. 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50 (Jan. 7, 2019) ("Revised Guidance") (incorporated into the MANUAL OF PATENT EXAMINING PROCEDURE, Rev. 10.2019 ("MPEP") in June 2010). "The guidance sets out agency policy with respect to the USPTO's interpretation of the subject matter eligibility requirements of 35 U.S.C. § 101 in view of decisions by the Supreme Court and the Federal Circuit." Revised Guidance, 84 Fed. Reg. at 51. Although "[a]ll USPTO personnel are, as a matter of internal agency management, expected to follow the guidance," the guidance "does not create any right or benefit, substantive or procedural, enforceable by any party against the USPTO." *Id.* The Revised Guidance, by its terms, applies to all applications, and to all patents resulting from applications, filed before, on, or after January 7, 2019. *Id.* at 50.[3]

Under the Revised 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

[3] The Revised Guidance supersedes MPEP § 2106.04(II) and also supersedes all versions of the USPTO's "Eligibility Quick Reference Sheet Identifying Abstract Ideas." *See* Revised Guidance, 84 Fed. Reg. at 51 ("Eligibility-related guidance issued prior to the Ninth Edition, R-08.2017, of the MPEP (published Jan. 2018) should not be relied upon."). Thus, the Appellant's arguments related to prior guidance (*see, e.g.*, Appeal Br. 30–31 (presenting arguments related to the particular judicial decisions the Examiner cited)) will not be considered.

activity such as a fundamental economic practice, or mental processes) (*see* MPEP § 2106.04(a)) ("Step 2A, Prong One"); and (2) additional elements that integrate the judicial exception into a practical application (*see* MPEP § 2106.04(d)) ("Step 2A, Prong Two").[4] Revised Guidance, 84 Fed. Reg. at 52–55.

Only if a claim (1) recites a judicial exception and (2) does not integrate that exception into a practical application, do we then look, under Step 2B, to whether the additional elements, individually or in combination, provide an inventive concept. *Id.* Among the considerations in determining whether the additional elements, individually or in combination, amount to significantly more than the exception itself, we look to whether they add a specific limitation beyond the judicial exception that is not "well-understood, routine, conventional" in the field or simply append well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception. *Id.* at 56.

Step One of the Mayo/Alice Framework

Under the first step of the *Mayo/Alice* framework and Step 2A of USPTO guidance, the Examiner determines that independent claim 212 is "directed to re-sequencing or modifying (changing) the presentational

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[4] This evaluation is performed by (a) identifying whether there are any additional elements recited in the claim beyond the judicial exception, and (b) evaluating those additional elements individually and in combination to determine whether the claim as a whole integrates the exception into a practical application. *See* Revised Guidance - Section III(A)(2), 84 Fed. Reg. at 54–55, MPEP § 2106.04(d).

position of advertisement in response to a user input" (Final Act. 2) and to "preventing of commercial skipping by using a well-known device" (*id.* at 3). The Examiner characterizes the claimed concept as reciting "steps that can be performed mentally, thus an abstract idea." *Id.* at 2. When viewed through the lens of the Revised Guidance Step 2A, Prong One, the Examiner's determinations indicate that the claim's limitations recite "[m]ental processes—concepts performed in the human mind (including an observation, evaluation, judgment, opinion)." 84 Fed. Reg. at 52; MPEP § 2106.04(a)(III).

The Examiner also determines that "the claim[] simply convey[s] the abstract idea itself applied on some generic computer system. The claim[] at issue amount[s] to nothing significantly more than an instruction to apply the abstract idea using some unspecified, generic computer." Final Act. 4. When viewed through the lens of the Revised Guidance Step 2A, Prong Two, the Examiner's determinations indicate that "a judicial exception has not been integrated into a practical application" because "[a]n additional element merely recites the words 'apply it' (or an equivalent) with the judicial exception, or merely includes instructions to implement an abstract idea on a computer, or merely uses a computer as a tool to perform an abstract idea." 84 Fed. Reg. at 55; MPEP § 2106.04(d)(I).

The Appellant disagrees that claim 212 is "directed to 'the abstract idea of 'preventing of commercial skipping by using a well-known device'' as alleged by the Examiner." Appeal Br. 31. Rather, the claim "recites an improved computer-implemented way to adaptively re-sequence ad block positions in response to user input." *Id.* When viewed through the lens of the Revised Guidance, Step 2A, the Appellant's arguments indicate that the

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Appellant contends that claim 212 does not recite a mental process under Prong One and "integrates a judicial exception into a practical application" under Prong Two because it includes an additional element or combination of elements that "reflects an improvement in the functioning of a computer, or an improvement to other technology or technical field." 84 Fed. Reg. at 54–55; MPEP § 2104(d)(1).

Under the first step of the *Mayo/Alice* framework and Step 2A USPTO guidance, we first determine to what claim 212 is directed, i.e., whether claim 1 recites an abstract idea and if so, whether claim 1 is directed to that abstract idea. The Federal Circuit has explained that "the 'directed to' inquiry applies a stage-one filter to claims, considered in light of the specification, based on whether 'their character as a whole is directed to excluded subject matter.'" *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016) (quoting *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015)). It asks whether the focus of the claim is on a specific improvement in relevant technology or on a process that itself qualifies as an "abstract idea" for which computers are invoked merely as a tool. *See id.* at 1335–36. Here, it is clear from the Specification, including the claim language, that claim 212 focuses on an abstract idea, and not on any improvement to technology and/or a technical field.

Reciting a Judicial Exception

The Specification provides for a "**METHOD AND APPARATUS FOR THE FREE LICENSING OF DIGITAL MEDIA CONTENT**." Spec., Title. In the "Field of the Invention" section, the Specification states the "invention relates generally to the distribution of audio, video, and print

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media content, copyrighted or otherwise, via digital replication and delivery channels," and more specifically,

> to an apparatus and method for the wide digital distribution of media content in a way that allows the free use of media properties, on demand, with direct consumer exchange capabilities, while at the same time offering equitable return to the copyright holder, and providing for a strict level of control over the enforcement of license agreements on the part of the distributor.

Spec. 1, ll. 14–20. In the "Description of Background Art" section, the Specification discusses "[t]he problem of widespread consumer-directed copying and redistribution of licensed material." *Id.* at 1, ll. 23–24. "New technologies to restrict consumer copying and unencumbered use of content have met with opposition and a determination on the part of some consumers to defeat them." *Id.* at 1, ll. 30–31. "Given the nature of modern networked digital devices, the consumers' power to redistribute media files illicitly is formidable." *Id.* at 2, ll. 5–6. "[C]onventional methods and apparatus have inherent drawbacks that make it difficult for them to maintain their limitations to consumer access in the presence of modern digital technology and a consumer culture driven to defeat them in open defiance of the rights of copyright holders." *Id.* at 2, ll. 8–11. Distribution of copyrighted material can be accomplished either for free via broadcast television and radio by "mixing licensed content with advertisements and other paid announcements in a pre-configured time sequence, then transmitting this sequence asymmetrically over the airwaves to a large number of consumer receivers capable of showing the content in real-time as it is [sic] comes in" (*id.* at 2, ll. 14–19) or for a subscription fee via cable and satellite television and radio and Video On Demand ("VOD") with "[p]re-configured analog or

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digital media content, with or without commercial advertisement, . . . conveyed asymmetrically to the consuming population via coaxial cable" using encryption methods to prevent theft (*id.* at 2, l. 27–3, l. 9; *see also id.* at 3, ll. 11–26). "To the inventor's knowledge, there is currently no conventional digital media distribution method in practice that incorporates the free consumer-directed access and exchange of content with the distributor-directed control of media sequencing after all such exchanges." *Id.* at 9, ll. 3–5. Thus, the invention aims

> to provide a revenue generating market for the free consumer redistribution of media content, sponsored through paid advertising that a consumer may be required to experience during the course of media playback, provided by means of a system and/or method that offers the benefits of content restriction and controlled playback, working in conjunction with customized, addressable advertising on an individual consumer basis, with monitoring of content use and ad penetration to track audience viewership.

Id. at 9, ll. 8–13. Specifically, the "software functions primarily as a media presentation 'player/viewer', capable of running audio, video, and print media content" that "allows for a 'general license', whereby a consumer can obtain free use of a media property, with strict controls enforced during media playback," the controls "amount[ing] to the intermittent insertion of paid commercial advertisements and other promotional material into the time sequence of the media content during its course of presentation, along with the temporary disabling of certain user controls to ensure that this material is presented in its entirety." *Id.* at 9, l. 21–10, l. 1. Thus, "[t]he consumer gains free use of content in exchange for exposure to these paid advertisements." *Id.* at 10, ll. 1–2.

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Consistent with this disclosure, claim 212 recites a method. We consider claim 212 as a whole[5] giving it the broadest reasonable construction[6] as one of ordinary skill in the art would have interpreted it in light of the Specification[7] at the time of filing. The method of claim 212 comprises the steps of: (a) receiving data "comprising digital media content and digital advertising content"; (b) "sequencing the digital media content and the digital advertising content" by "ordering at least some of the digital media content and at least some of the digital advertising content into a user-perceptible content stream" having "one or more initially sequenced insertion points"; (c) "adaptively modifying, using pre-defined rules and in response to a user input detected by the client system, a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points"; (d) displaying, i.e., "causing presentation" of information "of the user-perceptible content stream at the client system after the adaptively modifying"; (e) "keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether

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[5] "In determining the eligibility of respondents' claimed process for patent protection under § 101, their claims must be considered as a whole." *Diehr*, 450 U.S. at 188.

[6] Revised Guidance, 84 Fed. Reg. at 52 n.14 ("If a claim, under its *broadest reasonable interpretation* . . . .") (emphasis added).

[7] "First, it is always important to look at the actual language of the claims. . . . Second, in considering the roles played by individual limitations, it is important to read the claims 'in light of the specification.'" *Smart Sys. Innovations, LLC v. Chicago Transit Authority*, 873 F.3d 1364, 1378 (Fed. Cir. 2017) (J. Linn, dissenting in part and concurring in part) (citing *Enfish*, 822 F.3d at 1335, among others).

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presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream"; (f) "disallowing a navigation choice that alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress"; and (g) "storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented." Appeal Br. 42–43 (Claims App.). The steps of claim 212 "are performed by one or more programmable processors" (*id.* at 43), i.e., conventional computer components (*see* Spec. 17, ll. 20–26, Fig. 2 (describing and depicting a computer system with "conventional architecture")).

Receiving data is an extra-solution activity. *See In re Bilski*, 545 F.3d 943, 963 (Fed. Cir. 2008) (en banc), *aff'd sub nom Bilski v. Kappos*, 561 U.S. 593 (2010) (characterizing data gathering steps as insignificant extra-solution activity). Sequencing content by ordering content into a stream at insertion points is a way of organizing content, which is a mental process. *See Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1333–34 (Fed. Cir. 2015) (using hierarchies "is a building block, a basic conceptual framework for organizing information"). Similarly, adaptively modifying, using rules and user input, a position of the content from one insertion point to another is a way of organizing content based on an analysis of criteria, a mental process. *See Electric Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1354 (Fed. Cir. 2016) (citing cases) ("we have treated analyzing information by steps people go through in their minds, or by mathematical algorithms, without more, as essentially mental processes"). Causing presentation of the stream, i.e., displaying data, is an extra-solution activity.

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See id.; *Bilski*, 561 U.S. at 610–11 ("*Flook* stands for the proposition that the prohibition against patenting abstract ideas 'cannot be circumvented by attempting to limit the use of the formula to a particular technological environment' or adding 'insignificant post-solution activity.'"). Keeping a setting in a memory and storing presentation data are ways of storing data, which is a mental process. *See Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat. Ass'n*, 776 F.3d 1343, 1347 (Fed. Cir. 2014) ("The concept of data collection, recognition, and storage is undisputedly well-known. Indeed, humans have always performed these functions."). The limitation of disallowing a choice is recited functionally without details on how, technologically or by what algorithm, a disallowance is achieved, and as such is a way of controlling access to resources or data, which is a mental process. *See Ericsson Inc. v. TCL Commc'n Tech. Holdings Ltd.*, 955 F.3d 1317, 1327 (Fed. Cir. 2020) (holding that controlling access to resources is a process that "can be performed in the human mind, or by a human using a pen and paper" that long predates the claimed invention and "is pervasive in human activity").

When considered collectively and under the broadest reasonable interpretation, the limitations of claim 212 recite a method for sequencing digital media and advertising content to prevent commercial skipping by receiving, organizing, re-organizing, displaying, and storing data and controlling access based on the stored data.[8] This is an abstract idea

[8] We note that "[a]n abstract idea can generally be described at different levels of abstraction." *Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1240 (Fed. Cir. 2016). The Board's "slight revision of its abstract idea analysis does not impact the patentability analysis." *Id.* at 1241.

comprising "[m]ental processes—concepts performed in the human mind (including an observation, evaluation, judgment, opinion)" and a "[c]ertain method[] of organizing human activity— . . . commercial or legal interactions (including agreements in the form of contracts; legal obligations; advertising, marketing or sales activities or behaviors; business relations)." Revised Guidance, 84 Fed. Reg. at 52; MPEP § 2106.04(a)(2)(II)(B). As such, we disagree with the Appellant's assertion that the Examiner generalizes the claim. *See* Appeal Br. 33; Reply Br. 14.

Our reviewing court has held similar concepts to be abstract. For example, the Federal Circuit has held abstract the concepts of "organizing, displaying, and manipulating data of particular documents" in *Intellectual Ventures I LLC v. Capital One Fin. Corp.*, 850 F.3d 1332, 1340–41 (Fed. Cir. 2017) ("*Capital One Fin.*"), collecting, analyzing, and displaying the results in *Electric Power*, 830 F.3d at 1354, tailoring advertising in *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1370 (Fed. Cir. 2015) ("*Capital One Bank*"), "displaying an advertisement in exchange for access to copyrighted media" in *Ultramercial, Inc. v. Hulu LLC*, 772 F.3d 709, 714–15 (Fed. Cir. 2014), collecting, organizing, grouping, and storing data in *In re Jobin*, 811 F. App'x 633, 637 (Fed. Cir. 2020), and "receiving or collecting data queries, analyzing the data query, retrieving and processing the information constituting a response to the initial data query, and generating a visual or audio response to the initial data query" in *W. View Research, LLC v. Audi AG*, 685 F. App'x 923, 926 (Fed. Cir. 2017).

Having concluded that claim 212 recites a judicial exception under the Revised Guidance, Step 2A, Prong One, we next consider whether the claim

recites additional elements that integrate the judicial exception into a practical application.

Integration into a Practical Application

We look to whether the claim "appl[ies], rel[ies] on, or use[s] the judicial exception in a manner that imposes a meaningful limit on the judicial exception, such that the claim is more than a drafting effort designed to monopolize the judicial exception," i.e., "integrates a judicial exception into a practical application." Revised Guidance, 84 Fed. Reg. at 54; MPEP § 2106.04(d). Here, the only additional elements recited in claim 212 beyond the abstract idea are the "client system," "first memory," "second memory," and "programmable processors" — elements that, as the Examiner observes (*see* Final Act. 3; Ans. 8), are described in the Specification as generic computer and off-the shelf components (*see, e.g.*, Spec. 14, ll. 2–23, 15, l. 13–18, l. 26; Figs. 1, 2).

We find no indication in the Specification, nor does the Appellant direct us to any indication, that the operations recited in claim 212 require any specialized computer hardware or other inventive computer components, i.e., a particular machine, invoke any asserted inventive programming, or that the claimed invention is implemented using other than generic computer components to perform generic computer functions. *See DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1256 (Fed. Cir. 2014) ("[A]fter *Alice*, there can remain no doubt: recitation of generic computer limitations does not make an otherwise ineligible claim patent-eligible."). We also find no indication in the Specification that the claimed invention as recited in claim 212 effects a transformation or reduction of a particular article to a different state or thing.

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The Appellant contends that "[c]laim 212 recites an improved computer-implemented way to adaptively re-sequence ad block positions in response to user input which is clearly different than the alleged abstract idea of 'preventing of commercial skipping by using a well-known device.'" Appeal Br. 31. The Appellant argues that the claim is "directed to improvements in the function of computers, specifically to increase flexibility in the way digital advertisements may be delivered." *Id.* at 32. The Appellant contends that "[t]his improvement is similar to those the courts recognized in *Core Wireless* [*Licensing, S.A.R.L. v. LG Electronics, Inc.*, 880 F.3d 1356 (Fed. Cir. 2018)], *Enfish*, and *McRO*[, *Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299 (Fed. Cir. 2016)]." *Id.* at 31; *see also id.* at 32–33; Reply Br. 17–19.

In *Core Wireless*, the court found that the claims recited a specific improvement in computer technology – "an improved user interface for electronic devices, particularly those with small screens." 880 F.3d at 1363. In *Enfish*, the court held that the focus of the claims was to "a specific improvement to the way computers operate, embodied in the self-referential table." 822 F.3d at 1336. Specifically, "the claims [were] not simply directed to *any* form of storing tabular data, but instead [were] specifically directed to a *self-referential* table for a computer database." *Id.* at 1337. The Specification provided that "the self-referential table function[ed] differently than conventional database structures" (*id.*) and improved "the way a computer stores and retrieves data in memory" (*id.* at 1339). In *McRO*, the claims were directed to computer animation and used rules to automate a subjective task of humans to create a sequence of synchronized, animated characters. *See McRO*, 837 F.3d at 1314–15. Unlike *Flook*, *Bilski*,

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and *Alice*, it was not the use of the computer, but the incorporation of the rules that improved an existing technological process. *Id.* at 1314. In finding the claims patent-eligible, *McRO* noted that the "abstract idea exception has been applied to prevent patenting of claims that abstractly cover results where 'it matters not by what process or machinery the result is accomplished.' [*O'Reilly v. Morse*, 56 U.S. (15 How.) 62, 113 (1853)]; *see also Mayo*, [566 U.S. at 85]." *Id.*

However, the improvements to which the Appellant refers are not technological improvements to computer technology, but rather improvements to the process, i.e., the abstract idea itself. The Appellant does not provide reasoning or evidence, and we do not see from the claim, how the computer itself is improved by adaptively re-sequencing ad block positions or by providing flexibility in the way advertisements are delivered. At best, this is an improvement in the organization and analysis of data, i.e., the abstract idea.

The Appellant argues that the claim "is directed to non-abstract improvements to computer technology because it **contains precise language delimiting the type of data to be sequenced and how to sequence and adaptively modify the sequence, thus improving upon conventional delivery, presentation, and user interaction of/with media content and advertising content**" (Appeal Br. 32) and because "the capability to adaptively regroup and re-sequence insertion of ad blocks on the fly can provide important benefits over conventional distribution systems by improving security, optimizing bandwidth, performance, and user interaction, etc. *See* [Spec.] at ¶0054, FIG. 3A, ¶0110-0111, ¶0117, ¶0186,

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and ¶202-204" (*id.* at 32–33; Reply Br. 16–17).[9] However, the Appellant does not explain, and we do not see from the claim, how the specific type of data to be sequenced and the modification of the sequence of data to be presented provide a technological improvement to the claimed client system and/or processors. At best, the type of data and sequence modification provide more relevant information and ensure advertisements are presented. This is not an improvement to technology. *See Capital One Bank*, 792 F.3d at 1369–71 (determining that tailoring advertisements has been long prevalent, is not a problem unique to the Internet, and is not an improvement). The claim does not recite a specific technological way of delivering, presenting, and interacting that improves the technology of the client system, a user interface as in *Core Wireless*, a database as in *Enfish*, or an existing technological process as in *McRO*.

Further, the Specification does not discuss how the claimed limitations "improve[] security, optimize[] bandwidth, and improve[] performance" of a computer. *See* Appeal Br. 33; Reply Br. 16–17. Rather, portions of the Specification cited by the Appellant (*see id.*) merely state that "one particular method of the invention provides for unlimited redistribution and free use under general license, enforced by the player/viewer software," that "is a new use of digital rights management practices, and . . . provides improved security by diminishing incentive on the part of the consumer to breach the system, since the desired content is already available free-of-

[9] We note that the Specification as filed on February 14, 2014, does not contain paragraph numbers. We correlate the cited portions to the Specification as filed to the best of our ability.

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charge from within it" (Spec. 10, ll. 12–16), and "there is much less incentive on the part of the consumer to engage in piracy and other attempts to circumvent the digital rights security put in place according to the invention" (*id.* at 25, ll. 23–25). Any improvement to "security" is in preventing copyright infringement, which is not a problem rooted in technology, and the Specification does not discuss how, technologically, the security is improved. Although the Specification discusses encryption "to enforce security" (*id.* at 32, l. 30–33, l. 3), the claim recites no such limitation, and the Specification indicates that generic, conventional encryption techniques are used (*id.*). Regarding bandwidth, the Specification provides that "[t]his embodiment employs ordinary and new practices to optimize bandwidth utilization throughout its media delivery system, which is the apparatus providing media service 568 to player/viewer 560" (Spec. 36, ll. 28–30), without discussing how, technologically or by what algorithm, the new practices (as opposed to the ordinary ones) achieve an optimized bandwidth.

The Appellant also argues

> the subject matter of Claim 212 gives the "ability to adaptively regroup and re-sequence the insertion of ad blocks extemporaneously (i.e. 'on the fly'), in response to the consumer's arbitrary direction of the playback within the requested content." Specification, ¶0117. Because these processes are inextricably related to a computing system, the claimed subject matter cannot be abstract nor directed to a judicial exception (Step 2A).

Appeal Br. 32. That the claim is "inextricably related to a computing system" (Appeal Br. 32) at best limits the invention to a computer environment and does not make the claim less abstract. *See Affinity Labs of*

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Tex., LLC v. DIRECTV, LLC, 838 F.3d 1253, 1259 (Fed. Cir. 2016) ("The Supreme Court and [the Federal Circuit] have repeatedly made clear that merely limiting the field of use of the abstract idea to a particular existing technological environment does not render the claims any less abstract."). Any improvement to re-sequencing ads lies in the process itself, an improvement in the abstract idea itself, not to any technological improvement. Having the "ability to adaptively regroup and re-sequence the insertion of ad blocks extemporaneously" (Appeal Br. 32) is "not an improvement in networking or computer functionality" as it does not "enable[] a computer . . . to do things it could not do before." *Finjan, Inc. v. Blue Coat Sys., Inc.*, 879 F.3d 1299, 1305 (Fed. Cir. 2018). Rather, the claim's focus is "not a physical-realm improvement but an improvement in a wholly abstract idea," that is not eligible for patenting. *SAP Am. Inc. v. InvestPic, LLC*, 898 F.3d 1161, 1168 (Fed. Cir. 2018); *see also Bridge & Post, Inc. v. Verizon Commc'ns, Inc.*, 778 F. App'x 882, 893 (Fed. Cir. 2019) ("The ability to run a more efficient advertising campaign, even if novel, and even if aided by conventional computers, is an advance 'entirely in the realm of abstract ideas,' which we have repeatedly held to be ineligible.") (citation omitted).

The Appellant further argues that the limitations of claims 212 "more closely resemble the combination of elements present in the claims at issue in *DDR Holdings* or in *Bascom v. AT&T*." Appeal Br. 37[10] (citing *BASCOM*

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[10] We acknowledge that the Appellant presented this argument under Step 2 of the *Mayo/Alice* (Step 2B of Revised Guidance) and may be properly evaluated there. Solely for purposes of maintaining consistent treatment

Glob. Internet Servs., Inc. v. AT&T Mobility LLC, 827 F.3d 1341 (Fed. Cir. 2016)). Specifically, the Appellant argues that "in *Bascom*, the Federal Circuit has explicitly acknowledged that the mere ability of a claimed invention to be used in enhancing the execution of a commercial transaction" and that similar to *DDR Holdings*, claim 212 "involves a technical way to solve the existing (at the time of the current invention) problem of providing internet-supplied media content with advertising in a manner that allows for arbitrary user-controlled navigation/re-ordering of the content to combat piracy of content while still generating revenue from the advertising." Appeal Br. 37–38.

However, the Appellant does not provide adequate reasoning or evidence, and we do not see from the claim, how the limitations claim a technological solution to a computer-based problem, i.e., a solution "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. To the extent the Appellant argues that "providing internet-supplied media content with advertising in a manner that allows for arbitrary user-controlled navigation/re-ordering of the content" is a problem, the Appellant does not provide adequate reasoning or support that this was an existing technology problem or that the claim addresses this problem. Similarly, the Appellant's argument that "[t]he ability to 'adaptively regroup and re-sequence the insertion of ad blocks extemporaneously (i.e. 'on the fly'), in response to the consumer's arbitrary direction of the playback

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within the Office, we evaluate these arguments under Step 1 of *Alice/Mayo* (Step 2A of Revised Guidance). *See* Revised Guidance, 84 Fed. Reg. at 55.

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within the requested content' was not **technologically achievable for media presentation in the past**" (Appeal Br. 39; *see also* Reply Br. 16) is unsupported attorney argument. The Specification does not discuss why or that this was technologically unachievable, and claim 212 does not recite how, technologically, the adaptive modification of presentation placement is performed such that it would be a technical or technological improvement.

As discussed above, that the content is internet-supplied simply limits the invention to a technological field, but does not make it any less abstract. To the extent the Appellant argues that the claim addresses the problem of combatting piracy of content, this problem existed prior to the Internet, as the Appellant acknowledges. *See, e.g.*, Spec. 1, ll. 23–31 (discussing existing problems with unauthorized copying and distribution of licensed material); *see also Uniloc USA, Inc. v. Amazon.com, Inc.*, 243 F. Supp. 3d 797, 804 (E.D. Tex. 2017) ("licensing is a fundamental economic practice and because licenses are abstract exchanges of intangible contractual obligations"), *aff'd*, 733 F. App'x 1026 (Fed. Cir. 2018).

Further, the purported solution comprises a generic computer system and processors operating in their ordinary and conventional capacities. *See supra*; *see also Alice*, 573 U.S. at 224–26. As discussed above, the Appellant does not, and cannot, claim that they invented any of the claimed client system or processors, their basic functions, or that those components, claimed generally, were unknown in the art as of time of the invention. *See Affinity Labs*, 838 F.3d at 1270. The "focus" of the claim is not "on the specific asserted improvement in computer capabilities" (*Enfish*, 822 F.3d at 1336), but rather on using the computer device as a tool to implement the abstract idea in the particular field of digital content and advertising.

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Regarding the Appellant's argument that the claim is similar to those of *BASCOM* (*see* Appeal Br. 37–38), the Appellant does not show how the claim here is similar to *BASCOM*'s "particular arrangement of elements [that] is a technical improvement over prior art ways of filtering such content" (827 F.3d at 1350). The patent at issue in *BASCOM* "claim[ed] a technology-based solution (not an abstract-idea-based solution implemented with generic technical components in a conventional way) to filter content on the Internet that overcomes existing problems with other Internet filtering systems." *Id.* at 1351. The court determined that "[b]y taking a prior art filter solution (one-size-fits-all filter at the ISP server) and making it more dynamic and efficient (providing individualized filtering at the ISP server), the claimed invention represents a 'software-based invention[ ] that improve[s] the performance of the computer system itself.'" *Id.* Here, there is no such improvement. Although the claim recites the structural element of a client computer with memory and processors, there is no claimed technological improvement to these structures or arrangement of these structures. Any improvement in the invention lies in the abstract idea itself, i.e., sequencing digital media and advertising content.

We also disagree that "Claim 212 is directed to an approach that improves the **technical field of distributing media content by dynamically integrating targeted advertising content into the digital media content that are presented to users**." Appeal Br. 39. Claim 212 provides no details as to how the content is distributed such that there would be a technical improvement to the field of distributing media content. Rather, the claim here organizes the content based on some generic analysis,

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disallows a choice by some unrecited method, and presents the content using a conventional system with processors.

The Appellant further argues that claim 212 is similar to the claims held patent-eligible in *Finjan* and *Ancora Techs., Inc. v. HTC Am., Inc.*, 908 F.3d 1343 (Fed. Cir. 2018). Reply Br. 16–18.[11] However, in both of those cases, as the Appellant acknowledges (*id.*), the court found that the claims recited a specific improvement in computer technology — by "employ[ing] a new kind of file that enables a computer security system to do things it could not do before" in *Finjan* (879 F.3d at 1305), and "by a specific technique that departs from earlier approaches to solve a specific computer problem," the "functionality improvement . . . effectuated in an assertedly unexpected way" of moving a software-verification structure to a location not previously used for this purpose, thereby altering how the security verification function is performed in *Ancora* (908 F.3d at 1348–50). Here, as discussed above, there is nothing that the claimed system and processor could not have done before, technologically, nor is there a technologically unconventional solution to solve a problem rooted in computers; rather, claim 212 merely uses a computer as a tool to sequence digital media and advertising content into a stream and modify the position of content (Reply Br. 16–18).

Thus, we are not persuaded of error in the Examiner's determination that claim 212 is directed to an abstract idea.

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[11] The *Finjan* decision was issued prior to the filing of the Appeal Brief, but was not raised until the Reply Brief and good cause has not been shown as to why it was not. However, to expedite prosecution, we will consider it.

Step Two of the Mayo/Alice Framework

Under the second step in the *Alice* framework and USTPO guidance Step 2B, we "[e]valuat[e] additional elements to determine whether they amount to an inventive concept [which] requires considering them both individually and in combination to ensure that they amount to significantly more than the judicial exception itself." MPEP § 2106.05(I). Here, the Examiner finds that "[t]aking the claim elements individually, the functions performed by the computer at each step of the process are purely conventional." Final Act. 3 (citing Office guidance and judicial decisions). The Examiner further finds that "[e]ven when considered as an ordered combination, the computer components add nothing that is not already present when the steps are considered separately" because "the claim[] simply convey[s] the abstract idea itself applied on some generic computer system." *Id.* at 4. Thus, the Examiner concludes that claim 212 "amount[s] to nothing significantly more than an instruction to apply the abstract idea using some unspecified, generic computer." *Id.* We find supported the Examiner's determination that claim 212's additional elements beyond the abstract idea, taken individually or as an ordered combination, do not amount to significantly more than the judicial exception.

The Appellant contends that "[c]laim 212 recites significantly more than the alleged abstract idea of preventing of commercial skipping." Appeal Br. 33. Specifically, the Appellant argues that "as in *Bascom*, the claim elements of Claim 212 cannot properly be rejected by the mere assertion that they are drawn to well-known, routine, and conventional practices as alleged on p. 4 of the Office Action." *Id.* at 34. The Appellant cites to the USPTO Memorandum on Changes in Examination Procedure

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Pertaining to Subject Matter Eligibility, Recent Subject Matter Eligibility Decision (*Berkheimer v. HP, Inc.*) (April 19, 2018) ("*Berkheimer* Memo") and contends that "the Examiner has not provided **any of the above support** for the assertion that the elements of Claim 212 are well-understood, routine or conventional and has therefore failed to meet the Office's burden under Step 2B and MPEP § 2106." *Id.* at 35 (referring to paraphrased portions of the *Berkheimer* Memo 3–4 and citing Final Act. 4); *see also* Reply Br. 15–16. The Appellant argues that the "ordered combinations of elements (implemented by operation of one or more processors) that include" receiving data, sequencing content, adaptively modifying a position of the content, causing presentation of the content, keeping a setting, disallowing a navigation choice, and storing data "cannot be reasonably construed as well-known, conventional, or routine," that the "rejection makes no such assertion," and that "[t]hese features, whether taken alone or in combination, do not resemble claim limitations that the courts have previously found to be well-understood, routine, or conventional." Appeal Br. 35–37. We disagree.

As discussed above, under Step 2B we look to whether the additional elements beyond the abstract idea, individually or in combination, provide an inventive concept. 84 Fed. Reg. at 55. *Alice* is clear, as described above, that under step two of the *Mayo/Alice* framework, the elements of each claim are considered both individually and "as an ordered combination" to determine whether the additional elements, i.e., the elements other than the abstract idea itself, "transform the nature of the claim" into a patent-eligible application. *Alice*, 573 U.S. at 217; *see also Mayo*, 566 U.S. at 72–73 (requiring that "a process that focuses upon the use of a natural law also

contain other elements or a combination of elements, sometimes referred to as an 'inventive concept,' sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the natural law itself"). In other words, the inventive concept under step two of the *Mayo/Alice* framework cannot be the abstract idea itself: "It is clear from *Mayo* that the 'inventive concept' cannot be the abstract idea itself, and *Berkheimer* . . . leave[s] untouched the numerous cases from this court which have held claims ineligible because the only alleged 'inventive concept' is the abstract idea." *Berkheimer v. HP, Inc.*, 890 F.3d 1369, 1374 (Fed. Cir. 2018) (Moore, J., concurring) (*Berkheimer II*); *see also BSG Tech LLC v. BuySeasons, Inc.*, 899 F.3d 1281, 1290 (Fed. Cir. 2018) ("It has been clear since *Alice* that a claimed invention's use of the ineligible concept to which it is directed cannot supply the inventive concept that renders the invention 'significantly more' than that ineligible concept.") (citation omitted).

To the extent the Appellant argues that claim 212 recites elements that amount to significantly more than the abstract idea because the claim "recite[s] a novel and inventive method" (Appeal Br. 33), an abstract idea does not transform into an inventive concept just because the prior art does not disclose or suggest it. *See Mayo*, 566 U.S. at 78. "Groundbreaking, innovative, or even brilliant discovery does not by itself satisfy the § 101 inquiry." *Ass'n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 591 (2013). Indeed, "[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." *Diehr*, 450 U.S. at 188–89; *see also Mayo*, 566 U.S. at 91 (rejecting "the Government's invitation to substitute

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§§ 102, 103, and 112 inquiries for the better established inquiry under § 101").

Here, the only additional elements beyond the abstract idea are the client and remote devices, i.e., computers with memory and processors programmed to perform all of the limitations of claim 212. *See* Final Act. 4; Ans. 7; *supra*. We note the claim simply recites the functional results to be achieved by the devices. The claim "provides only a result-oriented solution[] with insufficient detail for how a computer accomplishes it. Our law demands more." *Capital One Fin.*, 850 F.3d at 1342. The claimed functions of receiving, sequencing, adaptively modifying, causing presentation, keeping a setting, disallowing a choice, and storing data are part of the abstract idea itself; they are not additional elements to be considered when determining whether claim 212 includes additional elements or a combination of elements that is sufficient to amount to significantly more than the judicial exception.

As discussed above, the only claim elements beyond the abstract idea are the client system with memory and processor programmed to perform the steps, recited generally, that the Specification indisputably shows were conventional at the time of filing. *See supra*; Spec. 14, ll. 2–23, 15, l. 13–18, l. 26; Figs. 1, 2. The Appellant does not provide any supported reasoning or explanation that the functions of receiving data, sequencing and adaptively modifying, i.e., organizing content, presenting content, keeping a setting, disallowing a choice, i.e., preventing access to data, and storing data are not well-understood, routine, and conventional. And, in compliance with the *Berkheimer* Memo, the Examiner provides support for the claimed functions being "purely conventional" and "well-understood, routine, and

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conventional . . . when they are claimed in a merely generic manner" by providing "citation[s] to one or more of the court decisions discussed in MPEP § 2106.05(d)(II) as noting the well-understood, routine, conventional nature of the additional element(s)." Final Act. 3; *Berkheimer* Memo 4.

The Appellant cannot reasonably maintain that there is a genuine issue of material fact regarding whether operation of the claimed device or processor is well-understood, routine, or conventional, where, as here, there is nothing in the Specification to indicate that the operations recited in claim 212 require any specialized hardware or inventive computer components, or that the claimed invention is implemented using other than generic hardware or computer components to perform the generic computer functions as discussed above. Indeed, the Federal Circuit, in accordance with *Alice*, has "repeatedly recognized the absence of a genuine dispute as to eligibility" where claims have been defended as involving an inventive concept based "merely on the idea of using existing computers or the Internet to carry out conventional processes, with no alteration of computer functionality." *Berkheimer II*, 890 F.3d at 1373 (Moore, J., concurring) (citations omitted).

Here, as discussed above, the elements other than the abstract idea are recited at a high level of generality and are used in their ordinary and conventional capacities to receive, organize, display, store, and generate, store, receive, analyze, and prevent access to data. *See Capital One Fin.*, 850 F.3d at 1341 (holding that collecting, organizing, identifying, mapping, organizing, defining, and detecting was abstract); *Capital One Bank*, 792 F.3d at 1369–71 (holding that "the entry of data into a computer database, the breakdown and organization of that entered data according to some

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criteria, . . . and the transmission of information derived from that entered data to a computer user, all through the use of conventional computer components, such as a database and processors, operating in a conventional manner" did not transform a patent-ineligible process into something more); *Elec. Power*, 830 F.3d at 1355 (gathering, sending, monitoring, analyzing, selecting, and presenting information does not transform the abstract process into a patent-eligible invention); *FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1095 (Fed. Cir. 2016) (generating a rule related to accessing information, applying the rule, and storing and announcing the result did not transform the abstract idea into a patent-eligible invention); *Inventor Holdings, LLC v. Bed Bath & Beyond, Inc.*, 876 F.3d 1372, 1378 (Fed. Cir. 2017) (holding that sequence of data retrieval, analysis, modification, generation, display, and transmission was abstract).

The Appellant's argument that the combination of elements are similar to those of *DDR Holdings* and *BASCOM* (Appeal Br. 37–38) are unpersuasive of error for the reasons discussed above with respect to Step 1 of the *Mayo/Alice* framework.[12] Thus, we are not persuaded of error in the Examiner's determination that the limitations of claim 212 do not transform the claim into significantly more than the abstract idea.

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[12] We note the Appellant's argument regarding *Ex parte Relyea*, Appeal No. 2017-001443 (April 18, 2018). Appeal Br. 38. First, we note that the Specification and claim limitations in *Relyea* are different than those at issue here. *See id.* Second, we are not bound by a decision of another panel in a non-precedential Board opinion. We similarly do not consider the Appellant's comparisons to "*PTAB '084 Decision*." Reply Br. 15.

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Therefore, we are not persuaded of error in the Examiner's determination that the limitations of claim 212 do not transform the claim into significantly more than the abstract idea.

We sustain the Examiner's rejection under 35 U.S.C. § 101 of independent claim 212 and of claims 214–223, and 225–273, the rejection of which stands with claim 212.

35 U.S.C. § 112(a) – Written Description

The Examiner rejects claims 212, 214–223, and 225–273 as failing to comply with the written description requirement of 35 U.S.C. § 112, first paragraph, because the Specification does not describe, in a way to reasonably convey to one of ordinary skill in the art at the time the application was filed, that the Appellant had possession of the claimed invention, i.e., that the Specification as filed had written description support for

> adaptively modifying, . . . a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, *at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content* within the user-perceptible content stream.

Final Act. 5. The Examiner finds that although the Specification discusses "that the intersplicer has the ability to adaptively regroup and re-sequence the insertion of ad blocks extemporaneously (i.e. 'on the fly'), in response to the consumer's arbitrary direction of the playback within the requested content, by means of playback controls" and "that the method has the power to require and enforce the presentation of paid advertisements inserted at

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regular intervals within the requested media content . . . , the advertisement sequencing that may occur in combination over a playback sequence of requested audio or video media content," the Specification does not discuss at least one of the alternatively sequenced insertion point being different than the initially sequenced insertion points relative to the content. *Id.* Specifically, the Examiner finds that "the insertion point of the ads remain in the same sequence, i.e. next to the media segment" and that "[e]ven if a user skips from one segment to another, the ad location remains the same, which is after a pre-defined number of media segments." Ans. 3.

The Appellant contends that "the claim feature at issue in this rejection is well-supported at least by ¶0149-¶0150, and also at ¶0154-¶0156, referring to FIG. 4A." Appeal Br. 19 (citing Spec. 28, l. 27–29, l. 4, 28, l. 23–29, l. 16). Specifically, the Appellant contends that

> In the scenario described in ¶0150, ad block 410 is played at a point immediately preceding "the middle of segment 434," which is an "alternate insertion point" that is clearly "different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream," which would, in this example, be those insertion points originally scheduled to occur between the segments.

Id. The Appellant also contends that the Specification provides additional support in that

> ad blocks 414 and 416 are initially sequenced after tracks 448 and 456, respectively, but in response to the user "skipping around or other navigation," ad block insertions wind up at different positions relative to those tracks to comply with pre-defined placement rules (which in this example are track count rules).

Id. at 20. The Appellant argues that

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> the Examiner seems to be misconstruing the claim language as requiring the modification of the initial ad "*insertion points*" in the media stream, whereas the claim recites modifying "a *presentation position*" of the ad content regardless of the point the ad was scheduled to be inserted in the stream initially. In other words, in a media stream, an ad segment may be initially scheduled to be *inserted* following a media segment. However, the point of initial insertion in the stream is not the same as the recited "*presentation position*" of the ad content during play. . . . [I]t is the "*presentation position*" of the ad in the stream that may be adaptively modified (e.g., due to user input), as claimed and as clearly supported in the Specification.

Reply Br. 4.[13]

We agree with the Appellant that the Examiner appears to equate the claimed presentation position with the sequenced insertion point. The claims require modifying the presentation position from one initial insertion point to a different insertion point. *See, e.g.*, Appeal Br. 42 (Claims App., claim 212). That the sequence of the content, i.e., an ad next to media content, remains the same does not indicate that the position of the ad in the presentation content stream is unchanged, for example, not playing an ad block after a track 456 when a previous track is skipped, but inserting the ad

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[13] The Appellant's contention that the Examiner's Answer contains new grounds of rejection is not considered. *See* Reply Br. 4. If the Appellant sought to contest the failure of the Examiner to designate the rejections as containing new grounds, the proper recourse was to request review of the Examiner's Answer "by way of a petition to the Director under § 1.181 of this title within two months from the entry of the examiner's answer and before the filing of any reply brief." 37 C.F.R. § 41.40(a) (2019). The Appellant has not filed such a petition. Rather, the Appellant maintained the appeal by filing a reply brief addressing the alleged new grounds. *Id.* § 41.39(b)(2).

after the played track 458. *See* Reply Br. 5–6. And, we agree with the Appellant that the cited portions of the Specification adequately support the claim language "because the noted portions of the [Specification] particularly disclose that an ad block's presentation position in sequences 402 and 404, for example, may be modified to a new point in the sequence, depending on user input (i.e., user interaction)." *Id.* at 8.

Therefore, based on the record before us, we do not sustain the written description rejection of claims 212, 214–223, and 225–273.

35 U.S.C. § 103 - Obviousness

The Appellant contends that the Examiner's rejection of independent claims 212, 238, 243, 267, 268, and 271 is in error because "Knepper does not describe or suggest 'at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content of' independent Claim 212 or the corresponding features of Claims 238, 243, 267, 268, and 271." Appeal Br. 21 (bolding omitted). After careful review of the record before us, we agree.

The Examiner relies on Knepper for teaching this limitation finding, in relevant part, that Knepper teaches "receiving, a user input representing one or more navigational choices associated with a presentation of the content stream (*play forwarding, skipping*), modifying (re-sequencing), [and] using a pre-defined rules presentation position of an advertisement from initial sequenced position to alternative sequenced insertion point (position)." Final Act. 7 (citing Knepper ¶¶ 34–42, 59). The Examiner further finds

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> Same as applicant's disclosure, the advertisement and the media of Knepper which were sequenced to be played in a predefined order, when the user skips or forwards to a different music (e.g. to a third media in the sequence after playing the first media in the sequence), the ad appended to the media (third media) would also be played as a second in the sequence (the media and ad combination) instead of the ad appended to the second media in the sequence (play list) (see applicant's specification [0144]-[0149]).

Id. at 8 (italics omitted); *see also id.* at 16 ("similar to Applicant's disclosure, Knepper teaches the ads plays with the content as the user skips back and forth"). The Examiner finds that Knepper teaches by using tags that are "specific instructions regarding treatment of the advertising media files," "the server can direct the client to place an ad before, during or after a media file during playback of media files in the magazine page." Ans. 4 (citing Knepper ¶ 52). "[W]hen the sequence of media segment changes (from a 1st in the sequence to a 3rd in the sequence, the ad position also changes adaptively with the media file." *Id.* The Examiner finds

> Knepper also show a first sequencing of media files and ad files (a playlist of media files with ad files). However, when a user does not follow the pre-set order of the playlist, by skipping media files in the sequence, the order of the play list changes (e.g. instead of a media file being the 3nd [sic] in order, it would be a 2nd in the order), the position of the ad file also changes within the playlist.

Id. at 5.

Knepper discloses a "system and method for transferring entertainment media files and advertisement media files." Knepper Abstract. Three components of "entertainment rich media files, advertisement rich media files, and an instruction set, or text file, that

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describes the assembly and playback order of the media files" are used. *Id.* ¶ 25. The entertainment media files from storage, that are pre-cached on the client side and ready for playback, may be downloaded from a server to a client at any time. *Id.* ¶ 27; *see also id.* ¶ 35. "The instruction set may be an HTML file or a text file that includes tags or other specific instructions to the client," "is a listing of the order of the entertainment and advertisement media files that will make up the show that was requested by the user," "is created on the server side, in some instances at the time of the user's request, and may be specific to each user." *Id.* ¶ 34. Playback may begin before all files are cached. *Id.* ¶ 35. "After all of the necessary media files are resident at the client side . . . , the client application assembles the entertainment and advertisement media files and begins playback of the various media files (and static images received by the client application) in the order specified by the instruction set . . . ." *Id.* ¶ 37. The instruction set can be modified to insert random ads and create a play list. *Id.* ¶ 37; Fig. 3 (block 294). The media files appear as a single file played in a continuous show clip. *Id.* ¶¶ 37, 38. The instruction set is analyzed by the client-side application; then, a show is built by pulling media files from storage as listed on the instruction set, and if "not already resident at the client side, then the appropriate advertisement media files 409 are retrieved from a server side advertisement file storage 105." *Id.* ¶ 40. "The sequence of multiple media files, including combinations of entertainment files and advertisement files, is retrieved from storage in response to a single request or action from the client side, whether the request is direct or derived from a user subscription." *Id.*

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Knepper further discloses that "[i]n one embodiment, the media files play together sequentially, similar to a television show with commercials inserted at various points," whereby the entertainment media files are blended with the advertisement media files, and "[t]he entertainment media files include indications within the files, or possibly in an external file, pointing to where, if at all, the entertainment media files may have advertisement media files inserted therein." *Id.* ¶ 41. "When a client-side user selects a particular entertainment file . . . , the server sends the entertainment file to the user, or the portion of the entertainment file that had not been previously pre-cached at the client side." *Id.* "The server also sends a text file containing a set of instructions indicating which advertisement media files from among the pre-cached advertisement media files to insert into the entertainment media file at run time, how many advertisement media files to insert, and where to insert them." *Id.* The instruction file does not need to specify "exactly which advertisement media files to insert," but can "allow the client application to make its own random or pseudo-random selection, subject to any positive and negative associations, for playing back with the entertainment media file." *Id.*

Knepper uses "[t]wo new tags, not standard to HTML programming," specifically <ADInsert> and <ADOverlay> tags, to "give the server complete control over the content and placement of the ads within a show, even though this is eventually carried out on the client side." *Id.* ¶ 52. "Using these tags, the server can direct the client to place an ad before, during, or after a media file during playback of media files in the magazine page." *Id.* "The placement of the <ADinsert> tags within the ClipTag section dictates the sequence of advertisement and entertainment media

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files." *Id.* ¶ 55. In one example, "all of the content designated inside of the <ADInsert> tags is downloaded and then all of the content designated inside of the <ClipTag> tags is downloaded." After receipt of the all of the content, "the client begins to display the content in the application," so that the art and the advertisement media file are displayed by the client before the static image and the entertainment media file "because of the placement of these files within the instruction set as defined." *Id.* ¶ 55. In another example, "the client displays the entertainment media file and associated graphic panel content before it plays the advertisement media file with its associated graphic panel content." *Id.* ¶ 59. "According to this instruction set, once the user directs the client application to begin playing the show, the client begins to play the entertainment media files in the first panel within the magazine." *Id.* "When the entertainment media file is finished playing, the advertisement media file immediately proceeds, without the appearance of a page turn." *Id.*

We agree with the Appellant that Knepper does not describe "the claim features in which an alternate insertion point (that differs from any initial insertion point) relative to digital media is used in response to user input that causes the adaptively modifying as claimed." Appeal Br. 22. Knepper teaches two examples where (1) the art and advertising files can precede the static entertainment file or (2) the entertainment file precedes the advertisement file. However, we do not see, and the Examiner does not direct attention to, where Knepper teaches "when a user does not follow the pre-set order of the playlist, by skipping media files in the sequence, the order of the play list changes (e.g. instead of a media file being the 3nd [sic] in order, it would be a 2nd in the order), the position of the ad file also

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changes within the playlist." Ans. 5. Rather, we agree with the Appellant that "[e]ven assuming, *arguendo*, that a user could navigate between Knepper pages and that would somehow change the order at which specific advertisement content is presented, the advertising insertion points as described in Knepper would still be at the exact same positions," whereas the claims require adaptively modifying or re-sequencing with an alternate insertion point different from the initial insertion point. Appeal Br. 22–23.

We further agree with the Appellant that Knepper does not teach adaptively modifying or re-sequencing the presentation position in response to user input, because Knepper's server determines the order of the media, sends that order to the client-side device, and even if the user skips pages, the order as provided by the instruction set, remains the same. *See id.* at 23–24. Although Knepper provides that the instruction set can be modified to insert random ads and create a play list (*see* Knepper ¶ 37; Fig. 3 (block 294)), we do not see, and the Examiner does not explain, where Knepper teaches that the order of the presentation, as contained in the instruction set, changes in response to user input.

Thus, based on the record before us, we do not sustain the obviousness rejection of claims independent claims 212, 238, 243, 267, 268, and 271. We also do not sustain the rejection of dependent claims 214–223, 225–232, 234–237, 239–242, 244–249, 251–255, 257–266, 269, 270, 272, and 273 under the same ground of rejection. The rejections of dependent claims 233, 250, and 256 as further obvious over Official Notice or Oh are also not sustained, as they fail to include additional findings and/or reasoning that cures the deficiency in the rejections of the independent claims, from which they depend.

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CONCLUSION

The Examiner's decision to reject claims 212, 214–223, and 225–273 is sustained.

In summary:

Claims Rejected	35 U.S.C. §	References/ Basis	Affirmed	Reversed
212, 214–223, 225–273	101	Eligibility	212, 214–223, 225–273	
212, 214–223, 225–273	112, first	Written Description		212, 214–223, 225–273
212, 214–223, 225–232, 234–249, 251–255, 257–273	103(a)	Knepper, Hannah, Wang		212, 214–223, 225–232, 234–249, 251–255, 257–273
233, 256	103(a)	Knepper, Hannah, Wang, Official Notice		233, 256
250	103(a)	Knepper, Hannah, Wang, Oh		250
Overall Outcome			212, 214–223, 225–273	

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).

AFFIRMED

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To: IPDocketingBOS@mintz.com,IPFileroombos@mintz.com,mintzdocketing@cpaglobal.com
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Subject: Private PAIR Correspondence Notification for Customer Number 64046

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Application	Document	Mailroom Date	Attorney Docket No.
10606729	APDA	08/12/2020	42327-501001US

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PATENT APPLICATION INFORMATION RETRIEVAL SYSTEM

Doc code: RCEX
Doc description: Request for Continued Examination (RCE)

PTO/SB/30EFS (02-18)
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REQUEST FOR CONTINUED EXAMINATION(RCE)TRANSMITTAL
(Submitted Only via EFS-Web)

Application Number	10606729	Filing Date	2003-06-26	Docket Number (if applicable)	042327-501001US	Art Unit	3688
First Named Inventor	Philip M. Donian			Examiner Name	Yehdega Retta		

This is a Request for Continued Examination (RCE) under 37 CFR 1.114 of the above-identified application.
Request for Continued Examination (RCE) practice under 37 CFR 1.114 does not apply to any utility or plant application filed prior to June 8, 1995, or to any design application. The Instruction Sheet for this form is located at WWW.USPTO.GOV

SUBMISSION REQUIRED UNDER 37 CFR 1.114

Note: If the RCE is proper, any previously filed unentered amendments and amendments enclosed with the RCE will be entered in the order in which they were filed unless applicant instructs otherwise. If applicant does not wish to have any previously filed unentered amendment(s) entered, applicant must request non-entry of such amendment(s).

☐ Previously submitted. If a final Office action is outstanding, any amendments filed after the final Office action may be considered as a submission even if this box is not checked.

- ☐ Consider the arguments in the Appeal Brief or Reply Brief previously filed on _____
- ☐ Other _____

☒ Enclosed

- ☒ Amendment/Reply
- ☐ Information Disclosure Statement (IDS)
- ☐ Affidavit(s)/ Declaration(s)
- ☐ Other _____

MISCELLANEOUS

☐ Suspension of action on the above-identified application is requested under 37 CFR 1.103(c) for a period of months _____
(Period of suspension shall not exceed 3 months; Fee under 37 CFR 1.17(i) required)

☐ Other _____

FEES

The RCE fee under 37 CFR 1.17(e) is required by 37 CFR 1.114 when the RCE is filed.

☒ The Director is hereby authorized to charge any underpayment of fees, or credit any overpayments, to Deposit Account No 50-0311

SIGNATURE OF APPLICANT, ATTORNEY, OR AGENT REQUIRED

☒ Patent Practitioner Signature

☐ Applicant Signature

PTO/SB/30EFS (02-18)
Approved for use through 11/30/2020. OMB 0651-0031
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Signature of Registered U.S. Patent Practitioner			
Signature	/FJF/	Date (YYYY-MM-DD)	2020-10-13
Name	F. Jason Far-hadian	Registration Number	75822

This collection of information is required by 37 CFR 1.114. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.11 and 1.14. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450.

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The information provided by you in this form will be subject to the following routine uses:

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2. A record from this system of records may be disclosed, as a routine use, in the course of presenting evidence to a court, magistrate, or administrative tribunal, including disclosures to opposing counsel in the course of settlement negotiations.

3. A record in this system of records may be disclosed, as a routine use, to a Member of Congress submitting a request involving an individual, to whom the record pertains, when the individual has requested assistance from the Member with respect to the subject matter of the record.

4. A record in this system of records may be disclosed, as a routine use, to a contractor of the Agency having need for the information in order to perform a contract. Recipients of information shall be required to comply with the requirements of the Privacy Act of 1974, as amended, pursuant to 5 U.S.C. 552a(m).

5. A record related to an International Application filed under the Patent Cooperation Treaty in this system of records may be disclosed, as a routine use, to the International Bureau of the World Intellectual Property Organization, pursuant to the Patent Cooperation Treaty.

6. A record in this system of records may be disclosed, as a routine use, to another federal agency for purposes of National Security review (35 U.S.C. 181) and for review pursuant to the Atomic Energy Act (42 U.S.C. 218(c)).

7. A record from this system of records may be disclosed, as a routine use, to the Administrator, General Services, or his/her designee, during an inspection of records conducted by GSA as part of that agency's responsibility to recommend improvements in records management practices and programs, under authority of 44 U.S.C. 2904 and 2906. Such disclosure shall be made in accordance with the GSA regulations governing inspection of records for this purpose, and any other relevant (i.e., GSA or Commerce) directive. Such disclosure shall not be used to make determinations about individuals.

8. A record from this system of records may be disclosed, as a routine use, to the public after either publication of the application pursuant to 35 U.S.C. 122(b) or issuance of a patent pursuant to 35 U.S.C. 151. Further, a record may be disclosed, subject to the limitations of 37 CFR 1.14, as a routine use, to the public if the record was filed in an application which became abandoned or in which the proceedings were terminated and which application is referenced by either a published application, an application open to public inspections or an issued patent.

9. A record from this system of records may be disclosed, as a routine use, to a Federal, State, or local law enforcement agency, if the USPTO becomes aware of a violation or potential violation of law or regulation.

Doc Code: TRACK1.REQ
Document Description: TrackOne Request

PTO/AIA/424 (04-14)

CERTIFICATION AND REQUEST FOR PRIORITIZED EXAMINATION UNDER 37 CFR 1.102(e) (Page 1 of 1)

First Named Inventor:	Philip M. Donian	Nonprovisional Application Number (if known):	10/606,729
Title of Invention:	METHOD AND APPARATUS FOR THE FREE LICENSING OF DIGITAL MEDIA CONTENT		

APPLICANT HEREBY CERTIFIES THE FOLLOWING AND REQUESTS PRIORITIZED EXAMINATION FOR THE ABOVE-IDENTIFIED APPLICATION.

1. The processing fee set forth in 37 CFR 1.17(i)(1) and the prioritized examination fee set forth in 37 CFR 1.17(c) have been filed with the request. The publication fee requirement is met because that fee, set forth in 37 CFR 1.18(d), is currently $0. The basic filing fee, search fee, and examination fee are filed with the request or have been already been paid. I understand that any required excess claims fees or application size fee must be paid for the application.

2. I understand that the application may not contain, or be amended to contain, more than four independent claims, more than thirty total claims, or any multiple dependent claims, and that any request for an extension of time will cause an outstanding Track I request to be dismissed.

3. The applicable box is checked below:

I. ☐ Original Application (Track One) - Prioritized Examination under § 1.102(e)(1)

i. (a) The application is an original nonprovisional utility application filed under 35 U.S.C. 111(a). This certification and request is being filed with the utility application via EFS-Web.

---OR---

(b) The application is an original nonprovisional plant application filed under 35 U.S.C. 111(a). This certification and request is being filed with the plant application in paper.

ii. An executed inventor's oath or declaration under 37 CFR 1.63 or 37 CFR 1.64 for each inventor, **or** the application data sheet meeting the conditions specified in 37 CFR 1.53(f)(3)(i) is filed with the application.

II. ☑ Request for Continued Examination - Prioritized Examination under § 1.102(e)(2)

i. A request for continued examination has been filed with, or prior to, this form.
ii. If the application is a utility application, this certification and request is being filed via EFS-Web.
iii. The application is an original nonprovisional utility application filed under 35 U.S.C. 111(a), or is a national stage entry under 35 U.S.C. 371.
iv. This certification and request is being filed prior to the mailing of a first Office action responsive to the request for continued examination.
v. No prior request for continued examination has been granted prioritized examination status under 37 CFR 1.102(e)(2).

Signature /FJF/	Date 2020/10/13
Name (Print/Typed) F. Jason Far-hadian, Esq.	Practitioner Registration Number 42,523

Note: *This form must be signed in accordance with 37 CFR 1.33. See 37 CFR 1.4(d) for signature requirements and certifications. Submit multiple forms if more than one signature is required.**

☐ *Total of _____ forms are submitted.

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The information provided by you in this form will be subject to the following routine uses:

1. The information on this form will be treated confidentially to the extent allowed under the Freedom of Information Act (5 U.S.C. 552) and the Privacy Act (5 U.S.C 552a). Records from this system of records may be disclosed to the Department of Justice to determine whether disclosure of these records is required by the Freedom of Information Act.
2. A record from this system of records may be disclosed, as a routine use, in the course of presenting evidence to a court, magistrate, or administrative tribunal, including disclosures to opposing counsel in the course of settlement negotiations.
3. A record in this system of records may be disclosed, as a routine use, to a Member of Congress submitting a request involving an individual, to whom the record pertains, when the individual has requested assistance from the Member with respect to the subject matter of the record.
4. A record in this system of records may be disclosed, as a routine use, to a contractor of the Agency having need for the information in order to perform a contract. Recipients of information shall be required to comply with the requirements of the Privacy Act of 1974, as amended, pursuant to 5 U.S.C. 552a(m).
5. A record related to an International Application filed under the Patent Cooperation Treaty in this system of records may be disclosed, as a routine use, to the International Bureau of the World Intellectual Property Organization, pursuant to the Patent Cooperation Treaty.
6. A record in this system of records may be disclosed, as a routine use, to another federal agency for purposes of National Security review (35 U.S.C. 181) and for review pursuant to the Atomic Energy Act (42 U.S.C. 218(c)).
7. A record from this system of records may be disclosed, as a routine use, to the Administrator, General Services, or his/her designee, during an inspection of records conducted by GSA as part of that agency's responsibility to recommend improvements in records management practices and programs, under authority of 44 U.S.C. 2904 and 2906. Such disclosure shall be made in accordance with the GSA regulations governing inspection of records for this purpose, and any other relevant (*i.e.*, GSA or Commerce) directive. Such disclosure shall not be used to make determinations about individuals.
8. A record from this system of records may be disclosed, as a routine use, to the public after either publication of the application pursuant to 35 U.S.C. 122(b) or issuance of a patent pursuant to 35 U.S.C. 151. Further, a record may be disclosed, subject to the limitations of 37 CFR 1.14, as a routine use, to the public if the record was filed in an application which became abandoned or in which the proceedings were terminated and which application is referenced by either a published application, an application open to public inspection or an issued patent.
9. A record from this system of records may be disclosed, as a routine use, to a Federal, State, or local law enforcement agency, if the USPTO becomes aware of a violation or potential violation of law or regulation.

Electronic Patent Application Fee Transmittal

Application Number:	10606729
Filing Date:	26-Jun-2003
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Filer:	Farshad Jason Far-hadian/Emily Rogers
Attorney Docket Number:	42327-501001US

Filed as Micro Entity

Filing Fees for Utility under 35 USC 111(a)

Description	Fee Code	Quantity	Amount	Sub-Total in USD($)
Basic Filing:				
REQUEST FOR PRIORITIZED EXAMINATION	3817	1	1050	1050
Pages:				
Claims:				
Miscellaneous-Filing:				
Petition:				
Patent-Appeals-and-Interference:				
Post-Allowance-and-Post-Issuance:				

Description	Fee Code	Quantity	Amount	Sub-Total in USD($)
Extension-of-Time:				
Miscellaneous:				
RCE- 2ND AND SUBSEQUENT REQUEST	3820	1	500	500
		Total in USD ($)		**1550**

Electronic Acknowledgement Receipt

EFS ID:	40833819
Application Number:	10606729
International Application Number:	
Confirmation Number:	5831
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Customer Number:	64046
Filer:	Farshad Jason Far-hadian/Emily Rogers
Filer Authorized By:	Farshad Jason Far-hadian
Attorney Docket Number:	42327-501001US
Receipt Date:	13-OCT-2020
Filing Date:	26-JUN-2003
Time Stamp:	18:23:46
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	yes
Payment Type	DA
Payment was successfully received in RAM	$1550
RAM confirmation Number	E20200CI24133527
Deposit Account	500311
Authorized User	Emily Rogers
The Director of the USPTO is hereby authorized to charge indicated fees and credit any overpayment as follows: 37 CFR 1.21 (Miscellaneous fees and charges)	

File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1		Amendment.pdf	253452 4b3d95d62d9f96b8887dfa5312e6e008c2c1a6c6	yes	25

Multipart Description/PDF files in .zip description

Document Description	Start	End
Applicant Arguments/Remarks Made in an Amendment	11	25
Claims	2	10
Amendment/Argument after Patent Board Decision	1	1

Warnings:

Information:

2	Request for Continued Examination (RCE)	RCE.pdf	50028 4435560b5f9506d966e86c14e7e8aac7a1fe2a10	no	3

Warnings:

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3	TrackOne Request	Track_One_Request.pdf	79566 6e46fb39d2f216bb48bbd735ca9f3caeecd7a44d	no	2

Warnings:

Information:

4	Fee Worksheet (SB06)	fee-info.pdf	32247 abb6bff6b32ac07c284d70ee2b2a7759670fc8c8	no	2

Warnings:

Information:

Total Files Size (in bytes):	415293

This Acknowledgement Receipt evidences receipt on the noted date by the USPTO of the indicated documents, characterized by the applicant, and including page counts, where applicable. It serves as evidence of receipt similar to a Post Card, as described in MPEP 503.

New Applications Under 35 U.S.C. 111

If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

National Stage of an International Application under 35 U.S.C. 371

If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

New International Application Filed with the USPTO as a Receiving Office

If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

II. REMARKS

With this amendment, claims 212, 214-218, 221-223, 231, 234, 238, 240-243, and 267 have been amended. New Claim 274 has been added. Claims 232, 239, 244-266, and 268-273 have been canceled. Support for the amended features of claims 212, 238, 243, and 267 can be found at least paragraphs 0057 and 0117.

After entering the above amendments, claims 212, 214-223, 225-231, 233-238, 240-243, 267, and 274 will be pending. Reconsideration and allowance of the current Application are requested in light of the above-marked amendments and the following remarks.

Claims 212, 214-223, 225-231, 233-238, 240-243, and 267 stand rejected under 35 U.S.C. §101, because the Office alleges that the claims are drawn to unpatentable subject matter. This rejection is respectfully traversed.

Subject Matter Eligibility Standard

In *Alice v. CLS Bank*, the Supreme Court outlined a two-step analytical framework for analyzing subject matter eligibility under Section 101.[1] Step 1 requires a determination of whether the claim is directed to a process, machine, or composition of matter. In response to step 1 being decided in the affirmative, step 2A (part 1 of the *Mayo* test) requires a determination of whether the claims are directed to a law of nature, a natural phenomenon, or an abstract idea (judicial exceptions). In response to step 2A being decided in the affirmative, step 2B (part 2 of the *Mayo* test) requires a determination of whether the claim recites additional elements that amount to significantly more than the judicial exception.[2]

Subsequent Federal Circuit decisions and USPTO guidance have provided additional guidance on the subject matter eligibility requirement. For example, in *Enfish v. Microsoft*, the Federal Circuit held that a claim directed to a self-referential table was patent-eligible because it

[1] *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347, 2355 (2014).
[2] *See id.*; 2014 USPTO Interim Guidance on Patent Subject Matter Eligibility (reflected in 79 Fed. Reg. 74,618 et seq. (December 16, 2014)).

was directed to a specific, asserted improvement in computer capabilities.[3] In *BASCOM v. AT&T*, the Federal Circuit held that a claim containing known, conventional pieces was patent-eligible because it provided a non-conventional and non-generic arrangement of those pieces.[4] Further, in *McRO v. Bandai*, the Federal Circuit held that a claim requiring specific rules to render 3-D animations in a specific way was patent-eligible because the use of the rules did not preempt others from rendering 3-D animations using generic rules.[5]

In the 2019 PEG, the USPTO specified that the analysis under step 2A involves a two-prong approach. Prong One: evaluate whether a claim recites a judicial exception including identifying specific limitation(s) that are believed to recite an abstract idea and determining whether the identified limitation(s) **fall within an enumerated abstract idea grouping**. The enumerated abstract groupings include: a) mathematical concepts, b) certain methods of organizing human activity, and c) mental processes. Under Prong Two: evaluate whether the claim integrates the judicial exception into a practical application. *2019 PEG*, p. 52-53. As applied to the instant application, claim 212 is directed toward new and useful processes, machines, and/or improvements thereof. *See* 35 U.S.C §101. Thus, claim 212 complies with step 1 of the *Alice/Mayo* test.

Step 2A – Prong 1: the pending claims do not recite an abstract idea because they are inextricably tied to computer technology and distinct from the types of concepts found by the courts to be abstract.

The MPEP requires the Examiner to identify abstract ideas by comparing the claimed subject matter to concepts already found to be abstract in the body of case law precedent.[6] The abstract idea inquiry in the two-part *Mayo*[7] framework requires a proper construction of the claimed subject matter. The USPTO released 2019 revised patent subject matter eligibility guidance in January 2019 (2019 PEG) and a patent eligibility guidance update in October 2019 (2019 PEG Update). In the guidance, the USPTO specified that the analysis under step 2A

[3] *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335-36 (Fed. Cir. 2016).
[4] *BASCOM Global Internet Servs. v. AT&T Mobility LLC*, 827 F.3d 1341, 1350 (Fed. Cir. 2016).
[5] *McRO, Inc. v. Bandai Namco Games Am.*, 837 F.3d 1299, 1315 (Fed. Cir. 2016).
[6] MPEP 2106.04(a)
[7] *Mayo v. Prometheus*, 132 S. Ct. 1289 (2012)

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involves a two-prong approach. Prong One: evaluate whether a claim recites a judicial exception including identifying specific limitation(s) that are believed to recite an abstract idea and determining whether the identified limitation(s) fall within an enumerated abstract idea grouping. The enumerated abstract groupings include: a) mathematical concepts, b) certain methods of organizing human activity, and c) mental processes. Under Prong Two: evaluate whether the claim integrates the judicial exception into a practical application. 2019 revised patent subject matter eligibility guidance (2019 PEG), p. 52-53.

As further explained below, the amended claims are not directed towards "mental processes" and "certain methods of organizing human activity" groupings, as alleged by the Office. *Decision on Appeal*, p. 15-16.

A correct characterization of the claimed subject matter is integral to the comparison of the claimed subject matter to concepts found to be abstract by the courts. To that end, the courts have repeatedly admonished against oversimplification and overgeneralization of the claimed subject matter. As the *Alice*[8] decision points out, "at some level, all inventions … embody, use, reflect, rest upon or apply laws of nature, natural phenomena, or abstract ideas." Additionally, USPTO Guidance prohibits overgeneralization.[9]

Here, the Office failed to recognize the technology-based solution set forth in claim 212 for addressing the technical problems of "adaptively regroup and re-sequence the insertion of ad blocks extemporaneously (i.e. "on the fly"), in response to the consumer's arbitrary direction of the playback within the requested content, by means of playback controls." *See Specification*, ¶0117. In contrast to the Office's allegations of the claims reciting steps performable in the human mind, the claimed subject matter is intricately tied to computer processing by disabling user interface commands at a digital media player system during a play period and using an intersplicer to order data blocks of the digital media content and the digital advertising content. The intersplicer directly improves the functionality and processing of the digital media player system, which results in increased control over the insertion of digital advertising data blocks into the digital media content. This particular process allows **computer performance of a function not previously performable by a computer** (e.g., disabling user interface commands at a digital

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[8] *Alice Corp. Pty. Ltd. v. CLS Bank Intern.*, 134 S. Ct. 2347

[9] USPTO November 2016 memorandum for *Recent Subject Matter Eligibility Decisions* ("*November 2016 Memo*")

media player system during a play period), as evidenced by the claimed subject matter being new and inventive under 35 U.S.C. §102 and §103.

In the Decision on Appeal, the Office contends that the improvement recited by the claims is not tied to computer functionality. The Office reprints portions of the Background in the Specification to suggest that the claim language does not recite an improvement tied to computer functionality, while completely ignoring the remaining portions of the Specification with technical disclosures ties to computing and computing functionality. See *Decision on Appeal*, p. 11-12. It is well known that the Background section is provided for the purpose of generally discussing the problems associated with older technology, as here. Focusing on the disclosure in the Background section as a means to suggest the claimed subject matter is an abstract idea and has no technical character is respectfully disingenuous and misguided, considering the specific technical details disclosed in the remaining portions of the Specification that tie the inventive methods to specific technical details and integrate them into a practical application as provided below.

The Office should identify an **"**improvement in computer-related technology**"** that **"**allow[s] computer performance of a function not previously performable by a computer**"** in conducting an abstract idea analysis.[10] Here, the amended claims improve computer performance not previously performable by using an intersplicer that "adaptively select[s] and re-sequence[s] the ads to be shown in response to the user's navigational actions throughout the content" and "disabl[es] certain user playback controls while the ads are running." *See Specification*, ¶0057, 0117. The ability to "adaptively regroup and re-sequence the insertion of ad blocks extemporaneously (i.e. "on the fly"), in response to the consumer's arbitrary direction of the playback within the requested content" was not technologically achievable for media presentation in the past. Claim 212 captures this inventive conceptive by reciting: "[an] intersplicer configured to control one or more insertion points of the digital advertising content into the digital media content" and "disabling user interface commands comprising at least one of a user volume control or a user navigation control." Thus, claim 212 of the current Application includes an inventive concept of disabling user interface commands at a digital media player system during a play period and using an intersplicer to order data blocks of the digital media content and the digital advertising content.

[10] *November 2016 Memo*, p. 2.

Mental Processes

The Board alleges that the steps of claim 212 fall within the mental process grouping, contending the technology cannot be patentable subject matter because the technology mimics a mental process. *Decision on Appeal,* p. 15-16.

A proper abstract idea inquiry cannot be based on an oversimplification and overgeneralization of the claimed subject matter, which the courts have repeatedly admonished against. As the *Alice*[11] decision points out, "at some level, all inventions … embody, use, reflect, rest upon or apply laws of nature, natural phenomena, or abstract ideas." The Federal Circuit, in its *McRO*[12] decision, cautioned against oversimplifying the claims "by looking at the claims generally and failing to account for the specific requirements of the claims."

Here, the subject matter recited in the amended claims directly improves a digital media player system. The improved digital media player system database uses an intersplicer. The intersplicer sequences data blocks of the digital media content and the digital advertising content processing of streaming content. Based on the type of data blocks streaming, the digital media player system may disable user interface commands during a play period. Claim 212 recites steps intricately linked to improved digital media player system. For example, claim 212 recites "[an] intersplicer configured to control one or more insertion points of the digital advertising content into the digital media content" and "disabling user interface commands comprising at least one of a user volume control or a user navigation control." Additionally, the intersplicer enables the digital media player system to "adaptively regroup and re-sequence the insertion of ad blocks extemporaneously (i.e. "on the fly"), in response to the consumer's arbitrary direction of the playback within the requested content," which was not technologically achievable for media presentation in the past. *See Specification*, p. 0057, 0117.

Claim 212, as amended, recites claim elements that cannot be categorized as mental processes. On page 15 of the Decision on Appeal, the Office alleges "the limitation of disallowing a choice is recited functionally without detail on how, technologically or by what algorithm, a disallowance is achieved, and as such is a way of controlling access to resources or data" and thus can be performed in the human mind. The Applicant has further amended the claims to show that

[11] *Alice Corp. Pty. Ltd. v. CLS Bank Intern.*, 134 S. Ct. 2347
[12] *McRO, Inc. v. Bandai Namco Games America Inc.*, (Fed. Cir. 2016).

the "disallowing a choice" claim element is a far cry from any mental process. This claim element has been amended to recite, "responsive to detecting the first value in the first memory, disabling user interface commands comprising at least one of a user volume control or a user navigation control that alters a corresponding volume or a course of presentation of the user-perceptible content stream." As amended, this claim element cannot be a mental process. It is unclear how a mental process could cause a digital media player system to control access to the user interface commands, let alone "disable user interface commands" in response to detecting the first value in the first memory. As such, the elements of claim 212 are not directed to mental processes.

Furthermore, on page 14 of the Decision on Appeal, the Office alleges "the receiving data" claim element is extra-solution activity. The Applicant has further amended the claims to show that the "receiving data" claim element does not purely involve extra-solution activity. This claim element has been amended to recite, "receiving, by the digital media player system, data comprising digital media content and digital advertising content, the *digital media player system having a user interface and an intersplicer, the user interface configured to allow a user control of a course of presentation of the digital media content received, and the intersplicer configured to control one or more insertion points of the digital advertising content into the digital media content*." This claim element outlines the role of the intersplicer to control insertion points of digital advertising content, which involves the sequencing of data blocks at the digital media player system. Accordingly, the amended claim element cannot be extrasolution activity because the ordering of data blocks changes the content presented at the digital media player system. As such, the limitations of claim 212 are not directed to a mental process.

The 2019 PEG Update provides further clarification as to whether claims fall within the enumerated groupings by providing examples of claims that *do not* recite a mental process. For instance, the 2019 PEG describes a claim[13] to detect suspicious activity by using network monitors and analyzing network packets. *Similar to this exemplary claim, claim 212 uses digital media player systems (e.g.., back-end server computers, databases, decision engines) having intersplicers to analyze data blocks (e.g., transaction data) to determine when to disable user interface commands (e.g., detect suspicious activity).* Moreover, claim 212 here recites several specific steps with a high level of sophistication, such as disabling user interface commands

[13] *SRI Int'l, Inc. v. Cisco Systems, Inc.*, 930 F.3d 1295, 1304 (Fed. Cir. 2019)

comprising at least one of a user volume control or a user navigation control that alters a corresponding volume or a course of presentation responsive to detecting the first value in the first memory. Thus, claim 212 is not a mental process for at least using intersplicers to sequence data blocks and disabling user interface commands at a digital media player system during a play period in response to detecting the first value in the first memory.

As such, claim 212 is clearly not an abstract idea, including a method directed to mental processes. For at least these reasons, the rejection of pending claim 212 under 35 U.S.C. §101 should be withdrawn.

Certain Methods of Organizing Human Activity

The Decision on Appeal contends that claim 212 falls within the "Certain Methods of Organizing Human Activity." *Decision on Appeal*, p. 16.

The 2019 PEG Update states that the Certain Methods of Organizing Human Activity "grouping is limited to activity that falls within the enumerated sub-groupings of fundamental economic principles or practices, commercial or legal interactions, managing personal behavior, and relationships or interactions between people, **and is not to be expanded beyond these enumerated sub-groupings**."[14] (Emphasis added) *2019 PEG Update*, p. 4-5.

According to the 2019 PEG, "**fundamental economic principles or practices" include hedging, insurance, and mitigating risk and "describe subject matter relating to the economy and commerce**."[15] Additionally, MPEP 2106.04(a)(2)(I) provides examples of "fundamental economic principles or practices." Even if amended claim 212 was stripped of its technical features, amended claim 212 would still be directed to "a computer-implemented method for controlling digital media presentations using an improved digital media player system" which is not an enumerated fundamental economic principle or practice and is not included in the examples of MPEP 2106.04.

Further, claim 212 as amended is not directed to matters that *purely* relate to controlling commercial transactions or economic activity. While certain aspects of the claim may be related to advertising activity, the focus of the claimed subject matter is to improve a conventional digital media player to control media playback in a practical manner, such that the presentation of certain

[14] USPTO Training "Subject Matter Eligibility: Well-Understood, Routine, Conventional Activity, April 2018 (https://www.uspto.gov/patent/laws-and-regulations/examination-policy/subject-matter-eligibility).
[15] *2019 PEG Update*, p. 5.

segments of digital media data cannot be circumvented by a human operator or end user. The recited control over presentation of the digital media and how certain segments of the digital media may or may not be circumvented by a human operator is achieved by way of the claimed technical improvements to conventional computer-implemented digital media player systems that have been incapable of practically solving the noted circumvention problem. As such, claim 212 is distinguishable from claims that purely recite commercial transactions.

For at least these reasons, the rejection of pending claim 212 under 35 U.S.C. §101 should be withdrawn.

Step 2A – Prong 2: the pending claims are patent eligible at least because the claims are integrated into a practical application.

Even assuming, *arguendo*, that claim 212 is directed to an abstract idea under prong 1, which Applicant disputes, claim 212 still integrates the alleged abstract idea into a practical application under prong 2.

The 2019 PEG Update states "the evaluation of Prong Two requires the use of the considerations (e.g., **improving technology**, effecting a particular treatment or prophylaxis, implementing with a particular machine, etc.) identified by the Supreme Court and the Federal Circuit, to ensure that the claim as a whole "integrates [the] judicial exception into a practical application [that] will apply, rely on, or use the judicial exception in a manner that imposes a meaningful limit on the judicial exception, such that the claim is more than a drafting effort designed to monopolize the judicial exception." 2019 *PEG Update*, p. 11.

Here, claim 212 is clearly integrated into a practical application because claim 212 is directed to a technical improvement of the digital media player system (e.g., disabling user interface commands at a digital media player system during a play period and using an intersplicer to order data blocks of the digital media content and the digital advertising content). Claim 212 embodies a practical application by using the intersplicer that "adaptively select[s] and re-sequence[s] the ads to be shown in response to the user's navigational actions throughout the content" and "disabl[es] certain user playback controls while the ads are running." *See Specification*, ¶0057, 0117. Using the intersplicer features, the claimed system controls the real-world experience for an end user by sequencing the data blocks of the digital media content and

the digital advertising content. For example, the intersplicer can determine when advertisement data blocks are inserted into the sequence of data blocks of the media content. Accordingly, the intersplicer may determine when the navigational controls of the digital media content player system are disabled. *See Specification*, 0052. Disabling such navigational controls prevents the consumer from skipping through the promotional material or lowering the sound volume beneath a predetermined threshold level. *Specification*, 0057. Therefore, claim 212 is clearly integrated into a practical application for at least improving functionality of the conventional digital media player systems.

Furthermore, the intersplicer described in claim 212 improves computing resource management (e.g., the sequencing of data blocks of the digital media content and the digital advertising content processing of streaming content). In comparison to conventional methods that steam content with ads, the intersplicer enables the digital media player system to "adaptively regroup and re-sequence the insertion of ad blocks extemporaneously (i.e. "on the fly"), in response to the consumer's arbitrary direction of the playback within the requested content," which was not technologically achievable for media presentation in the past. *See Specification*, p. 0057, 0117. Therefore, Claim 212, when practically applied, solves the particular technical problem of sequencing of data blocks of the digital media content and the digital advertising content processing in real-time.

The 2019 PEG Update explains the Supreme Court and the Federal Circuit identified **improving technology** as a consideration to ensure that the claims as a whole "integrate [the] judicial exception into a practical application [that] will apply, rely on, or use the judicial exception in a manner that imposes a meaningful limit on the judicial exception." The 2019 PEG Update provides examples indicative of whether a judicial exception has been integrated into a practical application. One listed example recites: "an additional element reflects an improvement in the functioning of a computer *or an improvement to other technology or technical field*."[16] Here, the technical solution of claim 212 is necessarily rooted in computer technology by using an intersplicer that "adaptively select[s] and re-sequence[s] the ads to be shown in response to the user's navigational actions throughout the content" and "disabl[es] certain user playback controls while the ads are running." *See Specification*, ¶0057, 0117. The intersplicer sequences data blocks

[16] 2019 PEG Update, p. 12.

of the digital media content and the digital advertising content processing of streaming content. Based on the type of data blocks streaming, the digital media player system may disable user interface commands during a play period in response to detecting a first value in a first memory.

Additionally, claim 212 requires a physical device, such as a digital media player system capable of disabling user interface commands in response to detecting a first value in a first memory during a play period. Claim 212 also requires a physical device, such as a digital media player having an intersplicer capable of sequencing data blocks and control one or more insertion points of the digital advertising content into the digital media content. *See Ex parte Schmid* (PTAB reversing §101 rejection because the claims required a physical device); *Ex parte Balestrieri* (PTAB reversing §101 rejection because the method claim could not be performed by a human).

As such, claim 212 is clearly not an abstract idea for at least integrating the alleged abstract idea into a practical application. For at least these reasons, the rejection of pending claim 212 under 35 U.S.C. §101 should be withdrawn.

Step 2B: the pending claims are patent eligible at least because the claims recite significantly more than the alleged abstract idea.

Even assuming, *arguendo*, that amended Claim 212 is directed to an abstract idea under part 2A of the Interim Guidance, amended Claim 212 recites significantly more than the alleged abstract idea of "method to prevent commercial skipping." *Decision on Appeal*, p. 15.

Under Step 2B, claim 212 is significantly more than an abstract idea at least because the claimed implementation entails an unconventional solution to a technical problem, as discussed below.

In light of the 2019 PEG Update, a "Step 2B" rejection based on a failure to claim an invention that is directed to patent-eligible subject matter (i.e., the claim is directed to a judicial exception without providing an inventive concept/significantly more at Step 2B of the eligibility analysis) should explain the following:

First, the rejection should identify the judicial exception (i.e., abstract idea enumerated in Section I of the 2019 PEG, laws of nature, or a natural phenomenon) by referring to *what is recited* (i.e., set forth or described) in the claim and *explaining why* it is considered to be an exception

(Step 2A Prong One). There is no requirement for the examiner to provide further support, such as publications or an affidavit or declaration under 37 CFR 1.104(d)(2), for the conclusion that a claim recites a judicial exception.

Second, the rejection should *identify* any additional elements recited in the claim beyond the judicial exception and *evaluate* the integration of the judicial exception into a practical application *by explaining* that 1) there are no additional elements in the claim; or 2) the claim as a whole, looking at the additional elements individually and in combination, does not integrate the judicial exception into a practical application using the considerations set forth in the 2019 PEG (Step 2A Prong Two).

Finally, the examiner should *explain why* the additional elements, taken individually and in combination, do not result in the claim, as a whole, amounting to significantly more than the exception (Step 2B). For instance, when the examiner has concluded that certain claim elements recite well-understood, routine, conventional activity in the relevant field, the examiner must expressly support such a rejection in writing with one of the four options specified in Section III.A. of the *Berkheimer* Memorandum.

An inventive concept can be found in the non-conventional and non-generic arrangement of known conventional pieces. In the *Bascom* decision, the Federal Circuit found patent-eligible subject matter even though the claims were directed towards the abstract idea of organizing human activity.[17] The Federal Circuit criticized the District Court's piecemeal step 2B analysis and stated that the inventive concept inquiry "requires more than recognizing that each claim element, by itself, was known in the art," as "an inventive concept can be found in the non-conventional and non-generic arrangement of known, conventional pieces."[18] The Federal Circuit also noted that the District Court analysis looked "similar to an obviousness analysis under 35 U.S.C. § 103, except lacking an explanation of a reason to combine the limitations." *Id.* at p. 4. The *Bascom* court clearly recognizes that "software-based inventions that improve the performance of the computer itself" are patent eligible even when the inventions are otherwise directed toward abstract ideas. *Id.* at p. 18.

[17] *Bascom Global Internet Services Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016)
[18] *Id.* at 15.

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Here, similar to *Bascom*, claim 212 of the current Application recites an inventive concept that can be found in the non-conventional and non-generic arrangement of the recited features. At least, one inventive concept of claim 212 includes "adaptively selecting and re-sequencing the ads to be shown in response to the user's navigational actions throughout the content" and "disabling certain user playback controls while the ads are running." *See Specification*, ¶0057, 0117. This inventive concept is not intuitive because a digital media player system has traditionally been unable to adaptively select and re-sequence the ads to be shown in response to the user's navigational actions throughout the content. *Specification*, 0057, 0117. This non-intuitive inventive concept transforms the claim language into non-conventional and non-generic claim elements. Claim 212 captures this inventive concept by reciting: "[an] intersplicer configured to control one or more insertion points of the digital advertising content into the digital media content" and "disabling user interface commands comprising at least one of a user volume control or a user navigation control." Thus, claim 212 of the current Application includes an inventive concept that can be found at least in the non-conventional and non-generic arrangement of known, conventional pieces.

The Federal Circuit held in *Amdocs* that the claims at issue were significantly more than abstract because they "entail[] an unconventional solution (enhancing data in a distributed fashion) to a technological problem (massive record flows which previously required massive databases)."[19] Claim 212 describes the unconventional solution (e.g., disabling user interface commands at a digital media player system during a play period and using an intersplicer to order data blocks of the digital media content and the digital advertising content) of using the claimed technique to solve a technical problem of sequencing of data blocks of the digital media content and the digital advertising content processing in real-time. Therefore, in view of the rationale in *Amdocs*, claim 212 should be deemed significantly more than an abstract idea.

Moreover, the claimed elements in claim 212 are **not** well-understood, routine, and conventional. The Federal Circuit in *BASCOM* found each element of the claim individually in the prior art. However, they held that the ordered combination of the claim elements rendered the claims subject matter eligible. Here, the claimed elements, either individually or in an ordered combination, **are not found in the prior art** and hence, for at least this reason, claim 212 cannot

[19] *Amdocs (Israel) Ltd. V. Openet Telecom*, 841 F.3d 1288, 1300-01 (Fed. Cir. 2016).

be said to contain only elements that are well-understood, routine, and conventional. *See*, *BASCOM* [20].

Ultimately, Applicant respectfully submits that claim 212 does not recite an abstract idea (step 2A), and, even if claim 212 does recite an abstract idea (which Applicant disputes), claim 212 is integrated into a practical application and/or amounts to significantly more than the abstract idea itself (step 2B). Therefore, claim 212 is directed to patent-eligible subject matter.

Accordingly, Applicant requests the withdrawal of the rejections of claim 212 under 35 U.S.C. §101. Independent claims 238, 243, and 267 recite features similar to at least some of the patentable features discussed in connection with claim 212 above and also define patent-eligible subject matter.

Accordingly, for at least these reasons, Appellant respectfully requests the reversal of the rejections of the pending claims under 35 U.S.C. § 101.

Dependent Claims 214-223, 225-231, 233-237, and 240-242 are allowable over the applied references at least by virtue of their dependency from one of independent Claims 212, 238, 243, and 267.

Dependent Claims 214-223, 225-231, 233-237, and 240-242 each depend either directly or indirectly on one of independent Claims 212, 238, 243, and 267. Thus, the dependent claims incorporate by reference all the features of their respective independent claims pursuant to 35 U.S.C. § 112, ¶ 4. In view of the features as recited in the independent claims, and in view of the additional features as recited in the dependent claims, Appellant respectfully submits that the dependent claims define patentable subject matter over the applied references for at least the reasons discussed above, and for their respective additional novel features. Thus, Appellant respectfully submits that dependent Claims 214-223, 225-231, 233-237, and 240-242 are also patent eligible.

Accordingly, for at least these reasons, reversal of the pending rejection of Claims 212, 214-223, 225-231, 233-238, 240-243, and 267 under 35 U.S.C. §101 is respectfully requested.

[20] *Bascom Global Internet Services Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016)

New Claim

New claim 274 is allowable for at least the reasons discussed above with respect to Claim 267.

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Conclusion

On the basis of the foregoing, Appellant respectfully requests that the Board reverse all of the outstanding rejections of the pending claims, Claims 212, 214-223, 225-231, 233-238, 240-243, and 267. It is believed that all of the pending claims have been addressed in this paper. However, failure to address a specific rejection, issue or comment, does not signify agreement with or concession of that rejection, issue or comment. In addition, because the arguments made above are not intended to be exhaustive, there may be reasons for patentability of any or all pending claims (or other claims) that have not been expressed. Finally, nothing in this paper should be construed as an intent to concede any issue with regard to any claim, except as specifically stated in this paper.

Enclosed herewith please find the requisite **micro entity** fees for continued examination and prioritized examination. No additional fees are believed to be due. However, the Commissioner is hereby authorized to charge any additional claim fees and any additional fees that may be due, or credit any overpayment of same, to Deposit Account No. 50-0311, Reference No. 42327-501001US. If there are any questions regarding this response, the undersigned may be contacted at the telephone number provided below.

Respectfully submitted,

Dated: October 13, 2020

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I. CLAIMS

1–211. (Canceled).

212. (**Currently Amended**) A computer-implemented method for controlling digital media presentations using an improved digital media player system, the method comprising:

receiving, ~~on a client~~by the digital media player system, data comprising digital media content and digital advertising content, the digital media player system having a user interface and an intersplicer, the user interface configured to allow a user control of a course of presentation of the digital media content received, and the intersplicer configured to control one or more insertion points of the digital advertising content into the digital media content;

sequencing the digital media content and the digital advertising content, using the intersplicer, the sequencing comprising ordering ~~at least some of~~ one or more data blocks in the digital media content and ~~at least some of~~ one or more data blocks in the digital advertising content into a user-perceptible content stream, the user-perceptible content stream comprising one or more initially sequenced insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content;

adaptively modifying, using one or more pre-defined rules and in response to a user input detected by the ~~client~~ digital media player system, a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream;

causing presentation of the user-perceptible content stream at the ~~client~~ digital media player system during a play period associated with one or more states of play ~~after the adaptively modifying~~;

keeping a setting, in a first memory of the digital player system, to indicate a ~~current~~ first state of play, the setting including a first value to indicate ~~whether~~ presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream;

~~disallowing~~ responsive to detecting the first value in the first memory, disabling user interface commands comprising at least one of a user volume control or a user navigation ~~choice~~

control that alters a course of ~~playback~~ presentation of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

storing, in a second memory of the digital player system, presentation data comprising an indication of the digital advertising content that has been presented[[;]]

~~wherein the receiving, the sequencing, the adaptively modifying, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors~~.

213. (Canceled)

214. (**Currently Amended**) A method as in claim 212, wherein the causing presentation of the user-perceptible content stream on the ~~client~~ digital media player system comprises causing display of the user-perceptible content stream by way of a graphical user interface.

215. (**Currently Amended**) A method as in claim 212, wherein the receiving of the user- input and the adaptively modifying occur during the causing of the presentation of the user-perceptible content stream on the ~~client~~ digital media player system.

216. (**Currently Amended**) A method as in claim 212, wherein the receiving of the user- input and the adaptively modifying occur prior to the causing of the presentation of the user-perceptible content stream on the ~~client~~ digital media player system.

217. (**Currently Amended**) A method as in claim 212, wherein the receiving of the user- input and the adaptively modifying of the presentation position occur subsequent to the causing of the presentation of the user-perceptible content stream on the ~~client~~ digital media player system.

218. (**Currently Amended**) A method as in claim 212, wherein the sequencing and the adaptively modifying are performed by the ~~client~~ digital media player system, which comprises a programmable processor ~~of the one or more programmable processors~~.

219. (Previously Presented) A method as in claim 212, wherein the pre-defined rules specify the one or more initially sequenced insertion points.

220. (Previously Presented) A method as in claim 212, wherein the pre-defined rules specify the one or more alternatively sequenced insertion points.

221. (**Currently Amended**) A method as in claim 212, wherein the sequencing and the adaptively modifying are performed by at least one remote system differing from the ~~client~~ digital media player system, the at least one remote system comprising a processor ~~of the one or more programmable processors~~.

222. (**Currently Amended**) A method as in claim 212, wherein the sequencing is performed by the ~~client~~ digital media player system, which comprises a first processor ~~of the one or more programmable processors~~, and the adaptively modifying is performed by at least one remote system, which comprises a second processor ~~of the one or more programmable processors~~.

223. (**Currently Amended**) A method as in claim 212, wherein the adaptively modifying is performed by the ~~client~~ digital media player system, which comprises a first processor ~~of the one or more programmable processors~~, and the sequencing is performed by at least one remote system, which comprises a second processor ~~of the one or more programmable processors~~.

224. (Canceled)

225. (Previously Presented) A method as in claim 212, wherein the digital media content comprises at least one media file.

226. (Previously Presented) A method as in claim 212, wherein the digital advertising content comprises at least one advertisement file.

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227. (Previously Presented) A method as in claim 226, further comprising: generating a sequence by sub-dividing a media file into two or more segments, and wherein at least a part of the at least one of the advertising file is presented between two of the segments.

228. (Previously Presented) A method as in claim 225, wherein the user input results in a change of a sequence of two or more media files by subtracting an existing media file, or by re-arranging the sequence of media files or results in a change of sequence by adding a new media file.

229. (Previously Presented) A method as in claim 212, wherein the user input comprises one or more navigational choices for the content stream.

230. (Previously Presented) A method as in claim 229, wherein the one or more navigational choices are selected from a group consisting of: play, stop, pause/continue, reverse, rewind, fast-forward, slow-motion, track advance, frame-by-frame advance, go direct to point or page in sequence, advance chapter, page turn, change track, change media selection, shuttle knob, and one or more sound controls.

231. (**Currently Amended**) A method as in claim 212, wherein the data is received by the ~~client~~ digital media player system from at least one remote system.

232. (**Canceled**)

233. (Previously Presented) A method as in claim 212, further comprising: rotating new advertising content into the user-perceptible content stream in response to the user input.

234. (**Currently Amended**) A method as in claim 212, further comprising: sending, by a remote system to the ~~client~~ digital media player system, additional advertising content during presentation of at least the part of the user-perceptible content stream.

235. (Previously Presented) A method as in claim 212, wherein the pre-defined rules position the advertising content so as to uphold an average content play time.

236. (Previously Presented) A method as in claim 212, wherein the sequencing comprises positioning, according to the pre-defined rules, the digital advertising content based on an amount of media content played during presentation of the content stream.

237. (Previously Presented) A method as in claim 212, wherein the adaptively modifying uses two or more of the pre-defined rules for determining the corresponding presentation position of at least a part of the digital advertising content.

238. (**Currently Amended**) A computer-implemented method for controlling digital media presentations using an improved digital media player system, the method comprising:

transmitting, by at least one remote system to a ~~client~~ digital media player system, data comprising digital media content and digital advertising content, the digital media player system having a user interface and an intersplicer, the user interface configured to allow a user control a course of presentation of the digital media content received, and the intersplicer configured to control one or more insertion points of the digital advertising content into the digital media content;

sequencing the digital media content and the digital advertising content, using the intersplicer, the sequencing comprising ordering ~~at least some of~~ one or more data blocks in the digital media content and ~~at least some of~~ one or more data blocks in the digital advertising content into a user-perceptible content stream, the user-perceptible content stream comprising one or more initially sequenced insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content;

adaptively modifying one or more using pre-defined rules and in response to a user input detected by the ~~client~~ digital media player system, a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points~~, at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream~~;

causing presentation of the user-perceptible content stream at the ~~client~~ digital media player system during a play period associated with one or more states of play ~~after the adaptively modifying~~;

keeping a setting, in a first memory of the digital player system, to indicate a ~~current~~ first state of play, the setting including a first value to indicate ~~whether~~ presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream;

~~disallowing~~ responsive to detecting the first value in the first memory, disabling user interface commands comprising a user navigation ~~choice~~ control that alters a corresponding volume or a course of ~~playback~~ presentation of the user-perceptible content stream ~~while presentation of the required part of the digital advertising content is in progress~~; and

storing, in a second memory of the digital player system, presentation data comprising an indication of the digital advertising content that has been presented[[;]]

~~wherein the receiving, the sequencing, the adaptively modifying, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors~~.

239. (**Canceled**)

240. (**Currently Amended**) A method as in claim 238~~212~~, wherein the first memory is part of the ~~client~~ digital media player system and the second memory is part of at least one remote system.

241. (**Currently Amended**) A method as in claim 238~~212~~, wherein the first memory is part of at least one remote system and the second memory is part of the ~~client~~ digital media player system.

242. (**Currently Amended**) A method as in claim 238~~212~~, wherein the first memory and the second memory are part of at least one remote system.

243. (**Currently Amended**) A computer-implemented method for controlling digital media presentations using an improved digital media player system, the method comprising:

receiving, on a ~~client~~ digital media player system, data comprising digital media content and digital advertising content, the digital media player system having a user interface and an

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intersplicer, the user interface configured to allow a user control of a course of presentation of the digital media content received, and the intersplicer configured to control one or more insertion points of the digital advertising content into the digital media content;

sequencing the digital media content, using the intersplicer, the sequencing comprising ordering one or more data blocks in the digital media content into a user-perceptible content stream comprising a media section that comprises at least some of the digital media content, the user perceptible content stream further comprising an advertising block within which at least some of the digital advertising content is scheduled to be presented, the advertising block being arranged within the user-perceptible content stream at an initially defined insertion position relative to the media section;

adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the ~~client~~ digital media player system~~machine~~, the modified user-perceptible content stream comprising an alternate insertion position of the advertising block relative to the media section, ~~the alternate insertion position differing from the initially defined insertion position and not having digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing,~~ the adaptively re-sequencing comprising determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content;

causing presentation of the modified user-perceptible content stream at the ~~client~~ digital media player system during a play period associated with one or more states of play;

keeping a setting, in a first memory of the digital player system, to indicate a ~~current~~ first state of play, the setting including a first value to indicate ~~whether~~ presentation of a required part of the digital advertising content is in progress during presentation of the modified user-perceptible content stream;

~~disallowing~~ responsive to detecting the first value in the first memory, disabling user interface commands comprising at least one of a user volume control or a user navigation ~~choice~~ control that alters a corresponding volume or a course of ~~playback~~ presentation of the modified user-perceptible content stream ~~while presentation of the required part of the digital advertising content is in progress~~; and

storing, in a second memory of the digital player system, presentation data comprising an indication of the digital advertising content that has been presented[[;]]

~~wherein the receiving, the sequencing, the adaptively modifying, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors~~.

244–266. (**Canceled**).

267. (**Currently Amended**) A computer-implemented method for controlling digital media presentations using an improved digital media player system, the method comprising:

transmitting, by at least one remote system to a ~~client~~ digital media player system, data comprising digital media content and digital advertising content, the digital media player system having a user interface and an intersplicer, the user interface configured to allow a user control of a course of presentation of the digital media content received, and the intersplicer configured to control one or more insertion points of the digital advertising content into the digital media content;

sequencing the digital media content, using the intersplicer, the sequencing comprising ordering one or more data blocks in the digital media content into a user-perceptible content stream comprising a media section that comprises at least some of the digital media content, the user perceptible content stream further comprising an advertising block within which at least some of the digital advertising content is scheduled to be presented, the advertising block being arranged within the user-perceptible content stream at an initially defined insertion position relative to the media section;

adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the ~~client~~ digital media player system~~machine~~, the modified user-perceptible content stream comprising an alternate insertion position of the advertising block relative to the media section, ~~the alternate insertion position differing from the initially defined insertion position and not having digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing,~~ the adaptively re-sequencing comprising determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content;

causing presentation of the modified user-perceptible content stream at the ~~client~~ digital media player system during a play period associated with one or more states of play;

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keeping a setting, in a first memory of the digital player system, to indicate a ~~current~~ first state of play, the setting including a first value to indicate ~~whether~~ presentation of a required part of the digital advertising content is in progress during presentation of the modified user-perceptible content stream;

~~disallowing~~ responsive to detecting the first value in the first memory, disabling user interface commands comprising at least one of a user volume control or a user navigation ~~choice~~ control that alters a course of ~~playback~~ presentation of the user-perceptible content stream ~~while presentation of the required part of the digital advertising content is in progress~~; and

storing, in a second memory of the digital player system, presentation data comprising an indication of the digital advertising content that has been presented[[;]]

~~wherein the transmitting, the sequencing, the adaptively re-sequencing, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors~~.

268–273. (**Canceled**).

274. (**New**) The method as in claim 267, wherein presentation data comprising an indication of the digital advertising content that has been presented is stored in a second memory of the digital player system.

Attorney's Docket No.: 42327-501001US
(PATENT)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of:
Philip M. Donian, *et al.*

Application No.: 10/606,729 Confirmation No.: 5831

Filed: June 26, 2003 Art Unit: 3688

For: METHOD AND APPARATUS FOR THE FREE LICENSING OF DIGITAL MEDIA CONTENT Examiner: Yehdega Retta

AMENDMENT

FILED VIA EFS

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir or Madam:

Applicant respectfully submits the following amendments and remarks for consideration with the accompanying request for Continued Examination under 37 C.F.R. §1.114.

The Applicant is a micro entity and respectfully requests prioritized examination of this application under Track One subject to the attached petition under 37 CFR 1.102(e)(2).

The consideration of the amended claims and the remarks provided below are respectfully requested, as they place the application in condition for allowance or better form for appeal.

Doc Code: MES.GIB
Document Description: Certification of Micro Entity Status (Gross Income Basis)

PTO/SB/15A (07-14)

CERTIFICATION OF MICRO ENTITY STATUS
(GROSS INCOME BASIS)

Application Number or Control Number (if applicable):	Patent Number (if applicable):
10/606,729	
First Named Inventor:	**Title of Invention:**
Philip M. Donian	METHOD AND APPARATUS FOR THE FREE LICENSING OF DIGITAL MEDIA CONTENT

The applicant hereby certifies the following—

(1) **SMALL ENTITY REQUIREMENT –** The applicant qualifies as a small entity as defined in 37 CFR 1.27.

(2) **APPLICATION FILING LIMIT –** Neither the applicant nor the inventor nor a joint inventor has been named as the inventor or a joint inventor on more than four previously filed U.S. patent applications, excluding provisional applications and international applications under the Patent Cooperation Treaty (PCT) for which the basic national fee under 37 CFR 1.492(a) was not paid, and also excluding patent applications for which the applicant has assigned all ownership rights, or is obligated to assign all ownership rights, as a result of the applicant's previous employment.

(3) **GROSS INCOME LIMIT ON APPLICANTS AND INVENTORS –** Neither the applicant nor the inventor nor a joint inventor, in the calendar year preceding the calendar year in which the applicable fee is being paid, had a gross income, as defined in section 61(a) of the Internal Revenue Code of 1986 (26 U.S.C. 61(a)), exceeding the "Maximum Qualifying Gross Income" reported on the USPTO Web site at http://www.uspto.gov/patents/law/micro_entity.jsp which is equal to three times the median household income for that preceding calendar year, as most recently reported by the Bureau of the Census.

(4) **GROSS INCOME LIMIT ON PARTIES WITH AN "OWNERSHIP INTEREST" –** Neither the applicant nor the inventor nor a joint inventor has assigned, granted, or conveyed, nor is under an obligation by contract or law to assign, grant, or convey, a license or other ownership interest in the application concerned to an entity that, in the calendar year preceding the calendar year in which the applicable fee is being paid, had a gross income, as defined in section 61(a) of the Internal Revenue Code of 1986, exceeding the "Maximum Qualifying Gross Income" reported on the USPTO Web site at http://www.uspto.gov/patents/law/micro_entity.jsp which is equal to three times the median household income for that preceding calendar year, as most recently reported by the Bureau of the Census.

SIGNATURE by an authorized party set forth in 37 CFR 1.33(b)

Signature	/FJF/				
Name	F. Jason Far-hadian				
Date	2020/10/13	Telephone	858.314.2144	Registration No.	42,523

☐ There is more than one inventor and I am one of the inventors who are jointly identified as the applicant. The required additional certification form(s) signed by the other joint inventor(s) are included with this form.

Privacy Act Statement

The **Privacy Act of 1974 (P.L. 93-579)** requires that you be given certain information in connection with your submission of the attached form related to a patent application or patent. Accordingly, pursuant to the requirements of the Act, please be advised that: (1) the general authority for the collection of this information is 35 U.S.C. 2(b)(2); (2) furnishing of the information solicited is voluntary; and (3) the principal purpose for which the information is used by the U.S. Patent and Trademark Office is to process and/or examine your submission related to a patent application or patent. If you do not furnish the requested information, the U.S. Patent and Trademark Office may not be able to process and/or examine your submission, which may result in termination of proceedings or abandonment of the application or expiration of the patent.

The information provided by you in this form will be subject to the following routine uses:

1. The information on this form will be treated confidentially to the extent allowed under the Freedom of Information Act (5 U.S.C. 552) and the Privacy Act (5 U.S.C 552a). Records from this system of records may be disclosed to the Department of Justice to determine whether disclosure of these records is required by the Freedom of Information Act.
2. A record from this system of records may be disclosed, as a routine use, in the course of presenting evidence to a court, magistrate, or administrative tribunal, including disclosures to opposing counsel in the course of settlement negotiations.
3. A record in this system of records may be disclosed, as a routine use, to a Member of Congress submitting a request involving an individual, to whom the record pertains, when the individual has requested assistance from the Member with respect to the subject matter of the record.
4. A record in this system of records may be disclosed, as a routine use, to a contractor of the Agency having need for the information in order to perform a contract. Recipients of information shall be required to comply with the requirements of the Privacy Act of 1974, as amended, pursuant to 5 U.S.C. 552a(m).
5. A record related to an International Application filed under the Patent Cooperation Treaty in this system of records may be disclosed, as a routine use, to the International Bureau of the World Intellectual Property Organization, pursuant to the Patent Cooperation Treaty.
6. A record in this system of records may be disclosed, as a routine use, to another federal agency for purposes of National Security review (35 U.S.C. 181) and for review pursuant to the Atomic Energy Act (42 U.S.C. 218(c)).
7. A record from this system of records may be disclosed, as a routine use, to the Administrator, General Services, or his/her designee, during an inspection of records conducted by GSA as part of that agency's responsibility to recommend improvements in records management practices and programs, under authority of 44 U.S.C. 2904 and 2906. Such disclosure shall be made in accordance with the GSA regulations governing inspection of records for this purpose, and any other relevant (*i.e.*, GSA or Commerce) directive. Such disclosure shall not be used to make determinations about individuals.
8. A record from this system of records may be disclosed, as a routine use, to the public after either publication of the application pursuant to 35 U.S.C. 122(b) or issuance of a patent pursuant to 35 U.S.C. 151. Further, a record may be disclosed, subject to the limitations of 37 CFR 1.14, as a routine use, to the public if the record was filed in an application which became abandoned or in which the proceedings were terminated and which application is referenced by either a published application, an application open to public inspection or an issued patent.
9. A record from this system of records may be disclosed, as a routine use, to a Federal, State, or local law enforcement agency, if the USPTO becomes aware of a violation or potential violation of law or regulation.

Electronic Acknowledgement Receipt

EFS ID:	40835815
Application Number:	10606729
International Application Number:	
Confirmation Number:	5831
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Customer Number:	64046
Filer:	Farshad Jason Far-hadian
Filer Authorized By:	
Attorney Docket Number:	42327-501001US
Receipt Date:	13-OCT-2020
Filing Date:	26-JUN-2003
Time Stamp:	21:48:43
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	no

File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Certification of Micro Entity (Gross Income Basis)	042327-501001US_sb0015a_MicroStatus.pdf	120346 98b9b57ecb7b5910baaa449b45f9384d8b574ac4	no	2

Warnings:

Information:	
Total Files Size (in bytes):	120346

This Acknowledgement Receipt evidences receipt on the noted date by the USPTO of the indicated documents, characterized by the applicant, and including page counts, where applicable. It serves as evidence of receipt similar to a Post Card, as described in MPEP 503.

New Applications Under 35 U.S.C. 111

If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

National Stage of an International Application under 35 U.S.C. 371

If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

New International Application Filed with the USPTO as a Receiving Office

If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

Doc Code: MES.GIB
Document Description: Certification of Micro Entity Status (Gross Income Basis)

PTO/SB/15A (07-14)

CERTIFICATION OF MICRO ENTITY STATUS
(GROSS INCOME BASIS)

Application Number or Control Number (if applicable):	Patent Number (if applicable):
10/606,729	
First Named Inventor:	**Title of Invention:**
Philip M. Donian	METHOD AND APPARATUS FOR THE FREE LICENSING OF DIGITAL MEDIA CONTENT

The applicant hereby certifies the following—

(1) **SMALL ENTITY REQUIREMENT –** The applicant qualifies as a small entity as defined in 37 CFR 1.27.

(2) **APPLICATION FILING LIMIT –** Neither the applicant nor the inventor nor a joint inventor has been named as the inventor or a joint inventor on more than four previously filed U.S. patent applications, excluding provisional applications and international applications under the Patent Cooperation Treaty (PCT) for which the basic national fee under 37 CFR 1.492(a) was not paid, and also excluding patent applications for which the applicant has assigned all ownership rights, or is obligated to assign all ownership rights, as a result of the applicant's previous employment.

(3) **GROSS INCOME LIMIT ON APPLICANTS AND INVENTORS –** Neither the applicant nor the inventor nor a joint inventor, in the calendar year preceding the calendar year in which the applicable fee is being paid, had a gross income, as defined in section 61(a) of the Internal Revenue Code of 1986 (26 U.S.C. 61(a)), exceeding the "Maximum Qualifying Gross Income" reported on the USPTO Web site at http://www.uspto.gov/patents/law/micro_entity.jsp which is equal to three times the median household income for that preceding calendar year, as most recently reported by the Bureau of the Census.

(4) **GROSS INCOME LIMIT ON PARTIES WITH AN "OWNERSHIP INTEREST" –** Neither the applicant nor the inventor nor a joint inventor has assigned, granted, or conveyed, nor is under an obligation by contract or law to assign, grant, or convey, a license or other ownership interest in the application concerned to an entity that, in the calendar year preceding the calendar year in which the applicable fee is being paid, had a gross income, as defined in section 61(a) of the Internal Revenue Code of 1986, exceeding the "Maximum Qualifying Gross Income" reported on the USPTO Web site at http://www.uspto.gov/patents/law/micro_entity.jsp which is equal to three times the median household income for that preceding calendar year, as most recently reported by the Bureau of the Census.

SIGNATURE by an authorized party set forth in 37 CFR 1.33(b)

Signature	/FJF/				
Name	F. Jason Far-hadian				
Date	2020/10/13	Telephone	858.314.2144	Registration No.	42,523

☐ There is more than one inventor and I am one of the inventors who are jointly identified as the applicant. The required additional certification form(s) signed by the other joint inventor(s) are included with this form.

Privacy Act Statement

The **Privacy Act of 1974 (P.L. 93-579)** requires that you be given certain information in connection with your submission of the attached form related to a patent application or patent. Accordingly, pursuant to the requirements of the Act, please be advised that: (1) the general authority for the collection of this information is 35 U.S.C. 2(b)(2); (2) furnishing of the information solicited is voluntary; and (3) the principal purpose for which the information is used by the U.S. Patent and Trademark Office is to process and/or examine your submission related to a patent application or patent. If you do not furnish the requested information, the U.S. Patent and Trademark Office may not be able to process and/or examine your submission, which may result in termination of proceedings or abandonment of the application or expiration of the patent.

The information provided by you in this form will be subject to the following routine uses:

1. The information on this form will be treated confidentially to the extent allowed under the Freedom of Information Act (5 U.S.C. 552) and the Privacy Act (5 U.S.C 552a). Records from this system of records may be disclosed to the Department of Justice to determine whether disclosure of these records is required by the Freedom of Information Act.
2. A record from this system of records may be disclosed, as a routine use, in the course of presenting evidence to a court, magistrate, or administrative tribunal, including disclosures to opposing counsel in the course of settlement negotiations.
3. A record in this system of records may be disclosed, as a routine use, to a Member of Congress submitting a request involving an individual, to whom the record pertains, when the individual has requested assistance from the Member with respect to the subject matter of the record.
4. A record in this system of records may be disclosed, as a routine use, to a contractor of the Agency having need for the information in order to perform a contract. Recipients of information shall be required to comply with the requirements of the Privacy Act of 1974, as amended, pursuant to 5 U.S.C. 552a(m).
5. A record related to an International Application filed under the Patent Cooperation Treaty in this system of records may be disclosed, as a routine use, to the International Bureau of the World Intellectual Property Organization, pursuant to the Patent Cooperation Treaty.
6. A record in this system of records may be disclosed, as a routine use, to another federal agency for purposes of National Security review (35 U.S.C. 181) and for review pursuant to the Atomic Energy Act (42 U.S.C. 218(c)).
7. A record from this system of records may be disclosed, as a routine use, to the Administrator, General Services, or his/her designee, during an inspection of records conducted by GSA as part of that agency's responsibility to recommend improvements in records management practices and programs, under authority of 44 U.S.C. 2904 and 2906. Such disclosure shall be made in accordance with the GSA regulations governing inspection of records for this purpose, and any other relevant (*i.e.*, GSA or Commerce) directive. Such disclosure shall not be used to make determinations about individuals.
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Electronic Acknowledgement Receipt

EFS ID:	40835861
Application Number:	10606729
International Application Number:	
Confirmation Number:	5831
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Customer Number:	64046
Filer:	Farshad Jason Far-hadian/Jeremy Johnston
Filer Authorized By:	Farshad Jason Far-hadian
Attorney Docket Number:	42327-501001US
Receipt Date:	13-OCT-2020
Filing Date:	26-JUN-2003
Time Stamp:	22:00:20
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	no

File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Certification of Micro Entity (Gross Income Basis)	042327-501001US-sb0015a.pdf	123074 eff74469ac1eefbb50f475869828a1aae8f10147	no	2
Warnings:					

Information:	
Total Files Size (in bytes):	123074

This Acknowledgement Receipt evidences receipt on the noted date by the USPTO of the indicated documents, characterized by the applicant, and including page counts, where applicable. It serves as evidence of receipt similar to a Post Card, as described in MPEP 503.

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New International Application Filed with the USPTO as a Receiving Office

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PTO/SB/06 (09-11)
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PATENT APPLICATION FEE DETERMINATION RECORD Substitute for Form PTO-875	Application or Docket Number 10/606,729	Filing Date 06/26/2003	☐ To be Mailed

ENTITY: ☑ LARGE ☐ SMALL ☐ MICRO

APPLICATION AS FILED - PART I

FOR	(Column 1) NUMBER FILED	(Column 2) NUMBER EXTRA		RATE ($)	FEE ($)
☐ BASIC FEE (37 CFR 1.16(a), (b), or (c))	N/A	N/A		N/A	
☐ SEARCH FEE (37 CFR 1.16(k), (i), or (m))	N/A	N/A		N/A	
☐ EXAMINATION FEE (37 CFR 1.16(o), (p), or (q))	N/A	N/A		N/A	
TOTAL CLAIMS (37 CFR 1.16(i))	minus 20 =	*		x $18 =	
INDEPENDENT CLAIMS (37 CFR 1.16(h))	minus 3 =	*		x $84 =	
☐ APPLICATION SIZE FEE (37 CFR 1.16(s))	If the specification and drawings exceed 100 sheets of paper, the application size fee due is $310 ($155 for small entity) for each additional 50 sheets or fraction thereof. See 35 U.S.C. 41(a)(1)(G) and 37 CFR 1.16(s).				
☐ MULTIPLE DEPENDENT CLAIM PRESENT (37 CFR 1.16(j))					
* If the difference in column 1 is less than zero, enter "0" in column 2.				TOTAL	

APPLICATION AS AMENDED - PART II

		(Column 1)		(Column 2)	(Column 3)			
AMENDMENT	10/13/2020	CLAIMS REMAINING AFTER AMENDMENT		HIGHEST NUMBER PREVIOUSLY PAID FOR	PRESENT EXTRA		RATE ($)	ADDITIONAL FEE ($)
	Total (37 CFR 1.16(i))	* 30	Minus	** 137	= 0		x $100 =	0
	Independent (37 CFR 1.16(h))	* 4	Minus	*** 5	= 0		x $480 =	0
	☐ Application Size Fee (37 CFR 1.16(s))							
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))							
							TOTAL ADD'L FEE	0

		(Column 1)		(Column 2)	(Column 3)			
AMENDMENT		CLAIMS REMAINING AFTER AMENDMENT		HIGHEST NUMBER PREVIOUSLY PAID FOR	PRESENT EXTRA		RATE ($)	ADDITIONAL FEE ($)
	Total (37 CFR 1.16(i))	*	Minus	**	=		x $0 =	
	Independent (37 CFR 1.16(h))	*	Minus	***	=		x $0 =	
	☐ Application Size Fee (37 CFR 1.16(s))							
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))							
							TOTAL ADD'L FEE	

* If the entry in column 1 is less than the entry in column 2, write "0" in column 3.	LIE
** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 20, enter "20".	/NICOLE C LAWRENCE/
*** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 3, enter "3".	
The "Highest Number Previously Paid For" (Total or Independent) is the highest number found in the appropriate box in column 1.	

This collection of information is required by 37 CFR 1.16. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. **SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.**

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Sale Accounting Date:10/20/2020

Sale Item Reference Number	Effective Date
10606729	10/13/2020

Document Number	Fee Code	Fee Code Description	Amount Paid	Payment Method
I20200JB27241965	3830	PROCESSING FEE, EXCEPT PROV. APPLS.	$35.00	Deposit Account

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/606,729	06/26/2003	Philip M. Donian	42327-501001US	5831

64046 7590 10/21/2020

Mintz Levin/San Diego Office
One Financial Center
Boston, MA 02111

EXAMINER	
RETTA, YEHDEGA	

ART UNIT	PAPER NUMBER
3688	

NOTIFICATION DATE	DELIVERY MODE
10/21/2020	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.

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Hulu, LLC - Ex. 1002, Page 000944

Decision Granting Request for Prioritized Examination (Track I)	**Application No.** 10/606,729	**Applicant(s)** Donian et al.	
	Examiner BRIAN W BROWN	**Art Unit** OPET	**AIA (FITF) Status** No

1. THE REQUEST FILED 13 October 2020 IS **GRANTED** .

The above-identified application has met the requirements for prioritized examination

A. ☐ for an original nonprovisional application (Track I).
B. ☑ for an application undergoing continued examination (RCE).

2. **The above-identified application will undergo prioritized examination**. The application will be accorded special status throughout its entire course of prosecution until one of the following occurs:

A. filing a **petition for extension of time** to extend the time period for filing a reply;

B. filing an **amendment to amend the application to contain more than four independent claims, more than thirty total claims** , or a multiple dependent claim;

C. filing a **request for continued examination** ;

D. filing a notice of appeal;

E. filing a request for suspension of action;

F. mailing of a notice of allowance;

G. mailing of a final Office action;

H. completion of examination as defined in 37 CFR 41.102; or

I. abandonment of the application.

Telephone inquiries with regard to this decision should be directed to BRIAN BROWN at (571)272-5338. In his/her absence, calls may be directed to Petition Help Desk at (571) 272-3282.

/BRIAN W BROWN/ Petitions Examiner, OPET	

UNITED STATES PATENT AND TRADEMARK OFFICE

USPTO Automated Interview Request (AIR)

Oct 22 2020

This paper requesting to schedule and/or conduct an interview is appropriate because:

This submission is requested to be accepted as an authorization for this interview to communicate via the internet. Recognizing that Internet communications are not secure, I hereby authorize the USPTO to communicate with the undersigned concerning scheduling of the interview via video conference, instant messaging, or electronic mail, and to conduct the interview in accordance with office practice including video conferencing.

Name(s):
F. Jason Far-hadian

S-signature:
/FJF/

Registration Number:
42523

U.S. Application Number:
10606729

Confirmation Number:
5831

E-mail Address:
fjfar-hadian@mintz.com

Phone Number:
+1 858.314.2144

Proposed Time of Interview:
10-29-2020 11:00 AM ET

Prefered Interview Type:
Video Conference

I am the applicant or applicant's representative for this application.

Topic for Discussion:
Allowance - please confirm or propose a time by email. Thank you.

To: IPDocketingBOS@mintz.com,IPFileroombos@mintz.com,mintzdocketing@cpaglobal.com
From: PAIR_eOfficeAction@uspto.gov
Cc: PAIR_eOfficeAction@uspto.gov
Subject: Private PAIR Correspondence Notification for Customer Number 64046

Oct 22, 2020 03:46:13 AM

Dear PAIR Customer:

Mintz Levin/San Diego Office
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Boston, MA 02111
UNITED STATES

The following USPTO patent application(s) associated with your Customer Number, 64046 , have new outgoing correspondence. This correspondence is now available for viewing in Private PAIR.

The official date of notification of the outgoing correspondence will be indicated on the form PTOL-90 accompanying the correspondence.

Disclaimer:
The list of documents shown below is provided as a courtesy and is not part of the official file wrapper. The content of the images shown in PAIR is the official record.

Application	Document	Mailroom Date	Attorney Docket No.
10606729	TRACK1.GRANT	10/21/2020	42327-501001US

To view your correspondence online or update your email addresses, please visit us anytime at https://sportal.uspto.gov/secure/myportal/privatepair.

If you have any questions, please email the Electronic Business Center (EBC) at EBC@uspto.gov with 'e-Office Action' on the subject line or call 1-866-217-9197 during the following hours:

Monday - Friday 6:00 a.m. to 12:00 a.m.

Thank you for prompt attention to this notice,

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/606,729	06/26/2003	Philip M. Donian	42327-501001US	5831

64046 7590 11/10/2020

Mintz Levin/San Diego Office
One Financial Center
Boston, MA 02111

EXAMINER	
RETTA, YEHDEGA	

ART UNIT	PAPER NUMBER
3688	

NOTIFICATION DATE	DELIVERY MODE
11/10/2020	ELECTRONIC

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Hulu, LLC - Ex. 1002, Page 000948

Applicant-Initiated Interview Summary	**Application No.** 10/606,729	**Applicant(s)** Donian et al.	
	Examiner YEHDEGA RETTA	**Art Unit** 3688	**AIA (FITF) Status** No

All participants (applicant, applicants representative, PTO personnel):

(1) YEHDEGA RETTA. (3) _____.

(2) JASON FAR-HADIAN. (4) _____.

Date of Interview: 29 October 2020.

Type: ☑ Telephonic ☐ Video Conference
☐ Personal [copy given to: ☐ applicant ☐ applicant's representative]

Exhibit shown or demonstration conducted: ☐ Yes ☐ No.
If Yes, brief description: _____.

Issues Discussed ☑101 ☐112 ☐102 ☐103 ☐Others
(For each of the checked box(es) above, please describe below the issue and detailed description of the discussion)

Claim(s) discussed: 1.

Identification of prior art discussed: _____.

Substance of Interview
(For each issue discussed, provide a detailed description and indicate if agreement was reached. Some topics may include: identification or clarification of a reference or a portion thereof, claim interpretation, proposed amendments, arguments of any applied references etc...)

The amended claim was discussed. Applicant representative explained the claimed invention and how the amended claim would overcome the 101 rejection. Examiner did not agree and explain that the clam is directed to arranging and rearranging and placing of advertisement between media when played withing a media player. Thus, the claimed invention would not overcome the 101 rejection. However, no agreement was reached..

Applicant recordation instructions: The formal written reply to the last Office action must include the substance of the interview. (See MPEP section 713.04). If a reply to the last Office action has already been filed, applicant is given a non-extendable period of the longer of one month or thirty days from this interview date, or the mailing date of this interview summary form, whichever is later, to file a statement of the substance of the interview.

Examiner recordation instructions: Examiners must summarize the substance of any interview of record. A complete and proper recordation of the substance of an interview should include the items listed in MPEP 713.04 for complete and proper recordation including the identification of the general thrust of each argument or issue discussed, a general indication of any other pertinent matters discussed regarding patentability and the general results or outcome of the interview, to include an indication as to whether or not agreement was reached on the issues raised.

☐ Attachment

/YEHDEGA RETTA/ Primary Examiner, Art Unit 3688	

Summary of Record of Interview Requirements

Manual of Patent Examining Procedure (MPEP), Section 713.04, Substance of Interview Must be Made of Record
A complete written statement as to the substance of any face-to-face, video conference, or telephone interview with regard to an application must be made of record in the application whether or not an agreement with the examiner was reached at the interview.

Title 37 Code of Federal Regulations (CFR) 1.133 Interviews
Paragraph (b)

In every instance where reconsideration is requested in view of an interview with an examiner, a complete written statement of the reasons presented at the interview as warranting favorable action must be filed by the applicant. An interview does not remove the necessity for reply to Office action as specified in §§ 1.111, 1.135. (35 U.S.C. 132)

37 CFR §1.2 Business to be transacted in writing.
All business with the Patent or Trademark Office should be transacted in writing. The personal attendance of applicants or their attorneys or agents at the Patent and Trademark Office is unnecessary. The action of the Patent and Trademark Office will be based exclusively on the written record in the Office. No attention will be paid to any alleged oral promise, stipulation, or understanding in relation to which there is disagreement or doubt.

The action of the Patent and Trademark Office cannot be based exclusively on the written record in the Office if that record is itself incomplete through the failure to record the substance of interviews.

It is the responsibility of the applicant or the attorney or agent to make the substance of an interview of record in the application file, unless the examiner indicates he or she will do so. It is the examiners responsibility to see that such a record is made and to correct material inaccuracies which bear directly on the question of patentability.

Examiners must complete an Interview Summary Form for each interview held where a matter of substance has been discussed during the interview by checking the appropriate boxes and filling in the blanks. Discussions regarding only procedural matters, directed solely to restriction requirements for which interview recordation is otherwise provided for in Section 812.01 of the Manual of Patent Examining Procedure, or pointing out typographical errors or unreadable script in Office actions or the like, are excluded from the interview recordation procedures below. Where the substance of an interview is completely recorded in an Examiners Amendment, no separate Interview Summary Record is required.

The Interview Summary Form shall be given an appropriate Paper No., placed in the right hand portion of the file, and listed on the "Contents" section of the file wrapper. In a personal interview, a duplicate of the Form is given to the applicant (or attorney or agent) at the conclusion of the interview. In the case of a telephone or video-conference interview, the copy is mailed to the applicants correspondence address either with or prior to the next official communication. If additional correspondence from the examiner is not likely before an allowance or if other circumstances dictate, the Form should be mailed promptly after the interview rather than with the next official communication.

The Form provides for recordation of the following information:
- Application Number (Series Code and Serial Number)
- Name of applicant
- Name of examiner
- Date of interview
- Type of interview (telephonic, video-conference, or personal)
- Name of participant(s) (applicant, attorney or agent, examiner, other PTO personnel, etc.)
- An indication whether or not an exhibit was shown or a demonstration conducted
- An identification of the specific prior art discussed
- An indication whether an agreement was reached and if so, a description of the general nature of the agreement (may be by attachment of a copy of amendments or claims agreed as being allowable). Note: Agreement as to allowability is tentative and does not restrict further action by the examiner to the contrary.
- The signature of the examiner who conducted the interview (if Form is not an attachment to a signed Office action)

It is desirable that the examiner orally remind the applicant of his or her obligation to record the substance of the interview of each case. It should be noted, however, that the Interview Summary Form will not normally be considered a complete and proper recordation of the interview unless it includes, or is supplemented by the applicant or the examiner to include, all of the applicable items required below concerning the substance of the interview.

A complete and proper recordation of the substance of any interview should include at least the following applicable items:
1) A brief description of the nature of any exhibit shown or any demonstration conducted,-
2) an identification of the claims discussed,
3) an identification of the specific prior art discussed,
4) an identification of the principal proposed amendments of a substantive nature discussed, unless these are already described on the Interview Summary Form completed by the Examiner,
5) a brief identification of the general thrust of the principal arguments presented to the examiner,
   (The identification of arguments need not be lengthy or elaborate. A verbatim or highly detailed description of the arguments is not required. The identification of the arguments is sufficient if the general nature or thrust of the principal arguments made to the examiner can be understood in the context of the application file. Of course, the applicant may desire to emphasize and fully describe those arguments which he or she feels were or might be persuasive to the examiner.)
6) a general indication of any other pertinent matters discussed, and
7) if appropriate, the general results or outcome of the interview unless already described in the Interview Summary Form completed by the examiner.

Examiners are expected to carefully review the applicants record of the substance of an interview. If the record is not complete and accurate, the examiner will give the applicant an extendable one month time period to correct the record.

Examiner to Check for Accuracy

If the claims are allowable for other reasons of record, the examiner should send a letter setting forth the examiners version of the statement attributed to him or her. If the record is complete and accurate, the examiner should place the indication, Interview Record OK on the paper recording the substance of the interview along with the date and the examiners initials.

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/606,729	06/26/2003	Philip M. Donian	42327-501001US	5831

64046 7590 11/13/2020

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Boston, MA 02111

EXAMINER	
RETTA, YEHDEGA	

ART UNIT	PAPER NUMBER
3688	

NOTIFICATION DATE	DELIVERY MODE
11/13/2020	ELECTRONIC

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Office Action Summary	**Application No.** 10/606,729	**Applicant(s)** Donian et al.	
	Examiner YEHDEGA RETTA	**Art Unit** 3688	**AIA (FITF) Status** No

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTHS FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☑ Responsive to communication(s) filed on 10/13/20.

☐ A declaration(s)/affidavit(s) under **37 CFR 1.130(b)** was/were filed on _____.

2a)☐ This action is **FINAL.** 2b) ☑ This action is non-final.

3)☐ An election was made by the applicant in response to a restriction requirement set forth during the interview on _____; the restriction requirement and election have been incorporated into this action.

4)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims*

5) ☑ Claim(s) 212,214-223,225-231,233-238,240-243,267 and 274 is/are pending in the application.

5a) Of the above claim(s) _____ is/are withdrawn from consideration.

6) ☐ Claim(s) _____ is/are allowed.

7) ☑ Claim(s) 212,214-223,225-231,233-238,240-243,267 and 274 is/are rejected.

8) ☐ Claim(s) _____ is/are objected to.

9) ☐ Claim(s) _____ are subject to restriction and/or election requirement

* If any claims have been determined allowable, you may be eligible to benefit from the **Patent Prosecution Highway** program at a participating intellectual property office for the corresponding application. For more information, please see http://www.uspto.gov/patents/init_events/pph/index.jsp or send an inquiry to **PPHfeedback@uspto.gov.**

Application Papers

10)☐ The specification is objected to by the Examiner.

11)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

Certified copies:

a)☐ All b)☐ Some** c)☐ None of the:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

** See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☑ Notice of References Cited (PTO-892)

2) ☐ Information Disclosure Statement(s) (PTO/SB/08a and/or PTO/SB/08b) Paper No(s)/Mail Date _____.

3) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date _____.

4) ☐ Other: _____.

DETAILED ACTION

Notice of Pre-AIA or AIA Status

The present application is being examined under the pre-AIA first to invent provisions.

Claim Rejections – 35 USC § 101

35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 212, 214-223 and 225-231, 233-238, 240-243, 267 and 274 are rejected under 35 U.S.C. 101 because the claimed invention is directed to an abstract idea without significantly more. The claimed invention is directed to sequencing, re-sequencing or modifying (changing) the presentational position of advertisement in a media player. The claims recite receiving media content, sequencing media content, modifying presentation position, causing presentation, keeping a setting, disabling user interface and storing presentation data. The limitation of receiving, creating (recommending), covers a mental process. That is, other than reciting a computer (digital media player), nothing in the claim element precludes the step from practically being performed in the mind. For example, but for the "by a media player" limitation, "sequencing", modifying, keeping setting, in the context of this claim encompasses the user manually arranging or re-ranging a list of media content and under its broadest reasonable interpretation, covers performance of the limitation in the mind but for the recitation of generic computer components. If a claim limitation, under its broadest reasonable interpretation, covers performance of the limitation in the mind but for the recitation of generic computer components, then it falls within the "Mental Processes" grouping of abstract ideas. Accordingly, the claim recites an abstract idea.

This judicial exception is not integrated into a practical application. The claim recites additional element of a digital media player. The media player is claimed and described in the specification at a high level of generality, which at best amounts to mere instruction to implement an abstract idea on a generic computer, or merely uses a generic computer as a tool to perform the abstract idea (see Applicant's specification [0040]-[0048], [0083]-[0089]). The steps of receiving, sequencing (re-sequencing modifying or changing) presentation, keeping a setting, disabling and storing are considered generic computer (media player) functions and the combination of the additional elements simply limits the use of the abstract idea to one particular environment or field of use (e.g., computers). The additional elements represent either a generic computer or steps that are normally performed by a generic computer including the steps of allowing the user to control presentation and insertion of advertising content. Accordingly, those steps are well-understood, routine and conventional because those steps are computer operations found in any computer system. Specifically there is no improvement to the functioning of the computer. Accordingly, this additional element does not integrate the abstract idea into a practical application because it does not impose any meaningful limits on practicing the abstract idea. The claim is directed to an abstract idea. See Delivering user-selected media content to portable devices (Affinity Labs v. Amazon.com), Providing an additional set of information without disrupting the ongoing provision of an initial set of information (Interval Licensing) Ferguson (structuring a sales force or marketing company).

As indicated in the specification and as claimed, the claim is directed to implementing a commercial solution (inserting advertisement in a sequence of media content) of generating revenue for free distribution of media content (sponsored through paid advertising). The additional elements, the media player and the intersplicer (or a splicer for combining the media

file and the ad files by giving a signals to the media player) and transmits the streaming media to a media player) is intended to be carried out in a technical environment but failed to contain meaningful limitations beyond generally linking to the use of an abstract idea to a particular technical environment. For the splicing of media and advertisement, see Zhang et al. (US 6,611,624 B1), Safadi (US 6,487,721 B1), Eldering (US 6,615,039 B1).

As also indicated by the Board, "when considered collectively and under the broadest reasonable interpretation, the limitations of claim 212 recite a method for sequencing digital media and advertising content to prevent commercial skipping by receiving, organizing, re-organizing, displaying, and storing data and controlling access based on the stored data.8 This is an abstract idea comprising "[mental processes—concepts performed in the human mind (including an observation, evaluation, judgment, opinion)" and a "[certain method[] of organizing human activity— . . . commercial or legal interactions (including agreements in the form of contracts; legal obligations; advertising, marketing or sales activities or behaviors; business relations)."

Claim Rejections - 35 USC § 112

The following is a quotation of 35 U.S.C. 112(b):
(b) CONCLUSION.—The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the inventor or a joint inventor regards as the invention.

The following is a quotation of 35 U.S.C. 112 (pre-AIA), second paragraph:
The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim 212, 214-223 and 225-231, 233-238, 240-243, 267 and 274 are rejected under 35 U.S.C. 112(b) or 35 U.S.C. 112 (pre-AIA), second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which the inventor or a joint

inventor (or for applications subject to pre-AIA 35 U.S.C. 112, the applicant), regards as the invention.

The term "user-perceptible content stream" in claims 212, 238, 243, 267 is a relative term which renders the claim indefinite. The term "user-perceptible" is not defined by the claim, the specification does not provide a standard for ascertaining the requisite degree, and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention.

Regarding the sequencing and also the intersplicer, Applicant's specification discloses as follows:

[0054] Rather than strictly granting or denying access to secured content, one particular method of the invention provides for unlimited redistribution and free use under general license, enforced by the player/viewer software. This is a new use of digital rights management practices, and it provides improved security by diminishing incentive on the part of the consumer to breach the system, since the desired content is already available free-of-charge from within it.

[0055] *The player/viewer software has the means to assemble a new, customized sequence of requested content, interspliced with promotional material every time it runs, selecting appropriate ads on demand from a greater repository.* Ads are selected on the basis of requested content and other specific information that the system maintains about consumers and their media/ad play histories, and new ads may be chosen even when reusing the same content.

[0056] Where demographic, geographic, or other relevant user and/or system information is available, the player/viewer software can apply targeted marketing in the ad selection process. Targeted marketing takes the form of addressable advertising, which not only identifies a select advertising candidate list, but additionally verifies that individual ads were received and consumed by the intended recipient. This custom-selection of advertisements, addressable to unique users, conducted by software running on the consumer's device, is a novel use of new and existing technologies.

[0057] *In the course of playing or viewing media content, the application software automatically edits the selected advertisements into the presentation stream.* The novel "intersplicer" module providing this functionality enforces the conveyance of required ads in their entirety at least once, by disabling certain user playback controls while the ads are running. *This module also has the power to adaptively select and re -sequence the ads to be shown in response to the user's navigational actions throughout the content, and keeps a history of all the content and advertising material that is presented.*

Thus, the step of sequencing (or ordering) the digital media content and the digital advertising content into a user-perceptible content stream,... including initially sequenced insertion points (where the advertising content is scheduled to be presented...) is indefinite.

Examiner interpretation of this term is that the media content and the advertising content are sequenced (for presentation). Clarification is required.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to YEHDEGA RETTA whose telephone number is (571)272-6723. The examiner can normally be reached on Monday-Thursday 8am-6pm.

Examiner interviews are available via telephone, in-person, and video conferencing using a USPTO supplied web-based collaboration tool. To schedule an interview, applicant is encouraged to use the USPTO Automated Interview Request (AIR) at http://www.uspto.gov/interviewpractice.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi can be reached on 571-272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see https://ppair-my.uspto.gov/pair/PrivatePair. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to

the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

YR

/YEHDEGA RETTA/
Primary Examiner, Art Unit 3688

Notice of References Cited	Application/Control No. 10/606,729	Applicant(s)/Patent Under Reexamination Donian et al.	
	Examiner YEHDEGA RETTA	Art Unit 3688	Page 1 of 1

U.S. PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Name	CPC Classification	US Classification
*	A	US-6615039-B1	09-2003	Eldering; Charles A.	H04N7/165	348/E7.063
*	B	US-6611624-B1	08-2003	Zhang; Ji	H04N21/23406	370/498
*	C	US-6487721-B1	11-2002	Safadi; Reem	H04N21/234354	725/36
	D					
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FOREIGN PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Country	Name	CPC Classification
	N					
	O					
	P					
	Q					
	R					
	S					
	T					

NON-PATENT DOCUMENTS

*		Include as applicable: Author, Title Date, Publisher, Edition or Volume, Pertinent Pages)
	U	
	V	
	W	
	X	

*A copy of this reference is not being furnished with this Office action. (See MPEP § 707.05(a).)
Dates in MM-YYYY format are publication dates. Classifications may be US or foreign.

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✓	Rejected	-	Cancelled	N	Non-Elected	A	Appeal
=	Allowed	÷	Restricted	I	Interference	O	Objected

CLAIMS

☐ Claims renumbered in the same order as presented by applicant ☐ CPA ☐ T.D. ☐ R.1.47

CLAIM		DATE								
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CLAIM		DATE								
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CLAIM		DATE								
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	146	✓	-							

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CLAIM		DATE								
Final	Original	10/05/2010	11/06/2020							
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CLAIM		DATE								
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	273		-							
	274		✓							

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CPC - Searched*		
Symbol	Date	Examiner

CPC Combination Sets - Searched*		
Symbol	Date	Examiner

US Classification - Searched*			
Class	Subclass	Date	Examiner

* See search history printout included with this form or the SEARCH NOTES box below to determine the scope of the search.

Search Notes		
Search Notes	Date	Examiner
see EAST search	11/06/2020	YR
see Proquest search	11/06/2020	YR

Interference Search			
US Class/CPC Symbol	US Subclass/CPC Group	Date	Examiner

/YEHDEGA RETTA/ Primary Examiner, Art Unit 3688	

Dialog

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Scientific and Technical Information Center

Search Strategy from Dialog

November 06 2020 08:57

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Search Strategy

Databases: ABI/INFORM® Professional Advanced, Abstracts in New Technology & Engineering, AdisInsight: Drugs, AdisInsight: Trials, Adis Pharmacoeconomics & Outcomes News, AGRICOLA, AGRIS, Allied & Complementary Medicine™, Analytical Abstracts, APA PsycInfo®, Aqualine, Aquatic Science & Fisheries Abstracts (ASFA), Australian Education Index, BIOSIS® Toxicology, BIOSIS Previews®, British Library Inside Conferences, British Nursing Index, Business & Industry, CAB ABSTRACTS, Chemical Business Newsbase, Chemical Engineering & Biotechnology Abstracts, Chemical Safety Newsbase, Civil Engineering Abstracts, Current Contents® Search, Derwent Drug File, Derwent Drug Registry, DH-DATA: Health Administration, Medical Toxicology & Environmental Health, DIOGENES® FDA Regulatory Updates, Drug Information Fulltext, Earthquake Engineering Abstracts, EconLit, Ei Compendex®, Ei EnCompassLIT, Embase®, EMCare®, ERIC, ESPICOM Pharmaceutical & Medical Device News, FDAnews, FLUIDEX (Fluid Engineering Abstracts), Foodline®: MARKET, Foodline®: PRODUCT, Foodline®: SCIENCE, FSTA®, Gale Group Computer Database™, Gale Group Health Periodicals Database, Gale Group New Product Announcements / Plus®, Gale Group Newsletter Database™, Gale Group PharmaBiomed Business Journals, Gale Group PROMT®, Gale Group Trade & Industry Database™, GEOBASE, GeoRef, Global Health, HSELINE: Health and Safety, ICONDA - International Construction Database, IMS Company Profiles, IMS New Product Focus, IMS Pharma Trademarks, IMS R&D Focus, IMS R&D Focus Drug News, Inspec®, International Pharmaceutical Abstracts, Jane's Defense & Aerospace News, King's Fund, KOSMET: Cosmetic Science, Lancet Titles, Material Safety Datasheets -OHS™, Mechanical & Transportation Engineering Abstracts, MEDLINE®, Meteorological & Geoastrophysical Abstracts, Morressier Life Science Conference Abstracts and Posters, New England Journal of Medicine, Northern Light Life Sciences Conference Abstracts, NTIS: National Technical Information Service, Oceanic Abstracts, PAIS International, Paperbase, PAPERCHEM, ProQuest Advanced Tech & Aerospace Professional, ProQuest Biological & Health Science Professional, ProQuest Dissertations and Theses Professional, ProQuest Environmental Science Professional, ProQuest Materials Research Professional, ProQuest Newsstand Professional, ProQuest Technology Research Professional, Prous Science Daily Essentials, Prous Science Drug Data Report, Prous Science Drugs Of The Future™, Registry of Toxic Effects of Chemical Substances (RTECS®), SciSearch®: a Cited Reference Science Database, Social SciSearch®, ToxFile®, Transport Research International Documentation, TULSA™ (Petroleum Abstracts), UBM Computer Full Text, Weldasearch®, Zoological Record

Set#	Searched for	Results
S1	(splic* near/9 (media or multimedia or multi-media or music or audio or video) and adverti* near9 (play* or display* or arrang*) near/9 insert*)	0°
S2	(splic* near/9 (media or multimedia or multi-media or music or audio or video) and adverti* near/9 (play* or display* or arrang*) near/9 insert*)	29°
S3	(media or music or audio or multimedia or multi-media) near/9 intersplic* near/9 (ad or adverti*)	3°
S4	(media or music or audio or multimedia or multi-media) near/9 insert$8 near/9 (ad or adverti*) near/9 player	147°
S5	(media or music or audio or multimedia or multi-media) near/9 insert$8 near/9 (ad or adverti*) near/9 player and (sequenc* or arrang* or order*)	44°

° Duplicates are removed from the search and from the result count.

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EAST Search History

EAST Search History (Prior Art)

Ref #	Hits	Search Query	DBs	Default Operator	Plurals	Time Stamp
L1	1,810	splic$5 same (media multimedia multi-media music audio video) same (commercial marketing adverti$8)	US-PGPUB; USPAT	OR	ON	2020/11/06 09:05
L2	1,349	splic$5 same (media multimedia multi-media music audio video) same (commercial marketing adverti$8) same (insert$5 present$5 transmit$5 provid$5 join$5)	US-PGPUB; USPAT	OR	ON	2020/11/06 09:06
L3	586	splic$5 same (media multimedia multi-media music audio video) same (commercial marketing adverti$8) same (insert$5 present$5 transmit$5 provid$5 join$5) and player	US-PGPUB; USPAT	OR	ON	2020/11/06 09:06
L4	2	splic$5 same (media multimedia multi-media music audio video) same (commercial marketing adverti$8) same (insert$5 present$5 transmit$5 provid$5 join$5) and player and (arrang$5 sequenc$5) same insertion adj (point cue)	US-PGPUB; USPAT	OR	ON	2020/11/06 09:08
L5	0	splic$5 same (media multimedia multi-media music audio video) same (commercial marketing adverti$8) same (insert$5 present$5 transmit$5 provid$5 join$5) and player and (arrang$5 sequenc$5) adj (point cue)	US-PGPUB; USPAT	OR	ON	2020/11/06 09:08
L6	181	splic$5 same (media multimedia multi-media music audio video) same (commercial marketing adverti$8) same (insert$5 present$5 transmit$5 provid$5 join$5) and player and (arrang$5 sequenc$5) same (point cue)	US-PGPUB; USPAT	OR	ON	2020/11/06 09:09
L7	552	splic$5 same (media multimedia multi-media music audio video) same (commercial marketing adverti$8) same (insert$5 present$5 transmit$5 provid$5 join$5) and player and (point cue)	US-PGPUB; USPAT	OR	ON	2020/11/06 09:10
L8	1,037	splic$5 same (media multimedia multi-media music audio video) same (commercial marketing adverti$8) same (insert$5 present$5 transmit$5 provid$5 join$5) and play$5 and (point cue)	US-PGPUB; USPAT	OR	ON	2020/11/06 09:10

L9	532	splic$5 same (media multimedia multi-media music audio video) same (commercial marketing adverti$8) same (insert$5 present$5 transmit$5 provid$5 join$5) same (point cue)	US-PGPUB; USPAT	OR	ON	2020/11/06 09:11
L10	922	splic$5 same (media multimedia multi-media music audio video) same (commercial marketing adverti$8) same (insert$5 present$5 transmit$5 provid$5 join$5) and (insert$5 splic$5) same (point cue)	US-PGPUB; USPAT	OR	ON	2020/11/06 09:11
L11	368	splic$5 same (media multimedia multi-media music audio video) same (commercial marketing adverti$8) same (insert$5 present$5 transmit$5 provid$5 join$5) and (insert$5 splic$5) same (point cue) same (adverti$5 market$5 promotion$4)	US-PGPUB; USPAT	OR	ON	2020/11/06 09:12
L12	748	splic$5 same (media multimedia multi-media music audio video) same (commercial marketing adverti$8) same (insert$5 present$5 transmit$5 provid$5 join$5) and (insert$5 splic$5) near9 (point cue)	US-PGPUB; USPAT	OR	ON	2020/11/06 09:14
L13	462	splic$5 same (media multimedia multi-media music audio video) same (commercial marketing adverti$8) same (insert$5 present$5 transmit$5 provid$5 join$5) same (insert$5 splic$5) near9 (point cue)	US-PGPUB; USPAT	OR	ON	2020/11/06 09:20
L14	776	splic$5 same (media multimedia multi-media music audio video) same (commercial marketing adverti$8) same (insert$5 present$5 transmit$5 provid$5 join$5) and (insert$5 splic$5) near9 (point cue marker)	US-PGPUB; USPAT	OR	ON	2020/11/06 09:26
L15	0	14 and @pd<"01012005"	US-PGPUB; USPAT	OR	ON	2020/11/06 09:27
L16	55	14 and @pd<"20050101"	US-PGPUB; USPAT	OR	ON	2020/11/06 09:27
S55	1	"20040003398"	US-PGPUB; USPAT	OR	ON	2009/05/05 09:21
S56	5	"6950804"	US-PGPUB; USPAT	OR	ON	2009/05/05 09:24
S57	1	(media or music or audio or multimedia or multi-media) same intersplic$5 same (ad or adverti$7)	US-PGPUB; USPAT	OR	ON	2009/05/05 09:31

S59	2	intersplic$5 same (ad or adverti$7)	US-PGPUB; USPAT	OR	ON	2009/05/05 09:31
S60	2	intersplic$5 same (media or music or audio or ad or adverti$7)	US-PGPUB; USPAT	OR	ON	2009/05/05 09:32
S66	104	(media or music or audio or multimedia or multi-media) near5 insert$5 near5 (ad or adverti$7) same (player or preload$5 or pre-load$5 or download$4)	US-PGPUB; USPAT	OR	ON	2009/05/05 16:05
S67	99	S66 and (profile or demographic$5 or content) same (ad or adverti$8)	US-PGPUB; USPAT	OR	ON	2009/05/05 16:06
S68	100	S66 and (profile or demographic$5 or content or target$5) same (ad or adverti$8)	US-PGPUB; USPAT	OR	ON	2009/05/05 16:07
S69	27	S68 and (playlist or (play adj list) or play-list)	US-PGPUB; USPAT	OR	ON	2009/05/05 16:54
S70	16	S68 and (playlist or (play adj list) or play-list) and tag	US-PGPUB; USPAT	OR	ON	2009/05/05 16:56
S71	74	S68 and playback	US-PGPUB; USPAT	OR	ON	2009/05/05 17:02
S72	74	S68 and playback and (format or audio or video)	US-PGPUB; USPAT	OR	ON	2009/05/05 17:10
S73	5	S68 and (playlist or (play adj list) or play-list) and tag and zero	US-PGPUB; USPAT	OR	ON	2009/05/05 17:30
S74	7	S68 and (playlist or (play adj list) or play-list) and tag and (ad same no)	US-PGPUB; USPAT	OR	ON	2009/05/05 17:31
S75	9	S68 and (playlist or (play adj list) or play-list) and tag and (ad same (without or out))	US-PGPUB; USPAT	OR	ON	2009/05/05 17:33
S76	58	S68 and playback and (type same (advert$5 or media) same (format or audio or video))	US-PGPUB; USPAT	OR	ON	2009/05/05 17:41
S77	5	"6950804"	US-PGPUB; USPAT	OR	ON	2009/05/05 17:52
S78	1	"20020077901"	US-PGPUB; USPAT	OR	ON	2009/05/05 17:55
S79	237	"6269361"	US-PGPUB; USPAT	OR	ON	2009/05/05 17:59
S80	1	("6269361").PN.	USPAT; USOCR	OR	OFF	2009/05/05 18:00
S81	104	(media or music or audio or multimedia or multi-media) near5 insert$5 near5 (ad or adverti$7) same (player or preload$5 or pre-load$5 or download$4)	US-PGPUB; USPAT	OR	ON	2009/05/06 15:29

S82	100	S81 and (profile or demographic$5 or content or target$5) same (ad or adverti$8)	US-PGPUB; USPAT	OR	ON	2009/05/06 15:29
S83	58	S82 and playback and (type same (advert$5 or media) same (format or audio or video))	US-PGPUB; USPAT	OR	ON	2009/05/06 15:29
S84	23	S83 and interactive	US-PGPUB; USPAT	OR	ON	2009/05/06 15:31
S85	1	"20040003398" and interactive	US-PGPUB; USPAT	OR	ON	2009/05/06 15:31
S86	1	S85 and peer-to-peer	US-PGPUB; USPAT	OR	ON	2009/05/06 15:45
S87	5	"6950804"	US-PGPUB; USPAT	OR	ON	2009/05/06 15:48
S88	1	"20040003398"	US-PGPUB; USPAT	OR	ON	2010/01/27 08:03
S89	1	S88 and (media adj file) same (ad adj file)	US-PGPUB; USPAT	OR	ON	2010/01/27 08:11
S90	1	S88 and (media same file)	US-PGPUB; USPAT	OR	ON	2010/01/27 08:13
S91	1	S88 and (media same ad same file)	US-PGPUB; USPAT	OR	ON	2010/01/27 08:14
S92	1	S88 and (ad same break)	US-PGPUB; USPAT	OR	ON	2010/01/27 08:29
S93	1	"20040003398"	US-PGPUB; USPAT	OR	ON	2010/01/27 12:54
S94	0	S93 and (ad same break same instruction)	US-PGPUB; USPAT	OR	ON	2010/01/27 12:54
S95	1	"20010042249" and instruction	US-PGPUB; USPAT	OR	ON	2010/01/27 12:55
S96	126	(media or music or audio or multimedia or multi-media) near5 insert$5 near5 (ad or adverti$7) same (player or preload$5 or pre-load$5 or download$4)	US-PGPUB; USPAT	OR	ON	2010/01/27 13:52
S97	120	S96 and (profile or demographic$5 or content or target$5) same (ad or adverti$8)	US-PGPUB; USPAT	OR	ON	2010/01/27 13:52
S98	63	S97 and playback and (type same (advert$5 or media) same (format or audio or video))	US-PGPUB; USPAT	OR	ON	2010/01/27 13:52
S99	64	S96 and playback and (type same (advert$5 or media) same (format or audio or video))	US-PGPUB; USPAT	OR	ON	2010/01/27 13:53
S100	43	S96 and (clip episode) same (ad adverti$6)	US-PGPUB; USPAT	OR	ON	2010/01/27 13:55

S101	12	S96 and (episode same (ad adverti$6))	US-PGPUB; USPAT	OR	ON	2010/01/27 13:56
S102	63	S96 and (number or amount) same (media song clip file) same (ad adverti$6)	US-PGPUB; USPAT	OR	ON	2010/01/27 14:07
S103	21	S96 and (number or amount) near5 (media song clip file) same (insert$4 play$4) near5 (ad adverti$6)	US-PGPUB; USPAT	OR	ON	2010/01/27 14:08
S104	995	(media or music or audio or multimedia or multi-media) same ((play$4 insert$5) near5 (ad or adverti$7)) same playing	US-PGPUB; USPAT	OR	ON	2010/01/27 15:35
S105	591	S104 and (instruction tag insert$6) same (ad adverti$8)	US-PGPUB; USPAT	OR	ON	2010/01/27 15:40
S106	444	S104 and (instruction tag insert$6) near5 (ad adverti$8)	US-PGPUB; USPAT	OR	ON	2010/01/27 15:40
S109	366	(media or music or audio or multimedia or multi-media) near8 (insert$5 near5 (ad or adverti$7)) same play$5	US-PGPUB; USPAT	OR	ON	2010/01/27 15:42
S110	366	S109 and (instruction tag insert$6) near5 (ad adverti$8)	US-PGPUB; USPAT	OR	ON	2010/01/27 15:42
S111	154	S110 and clip	US-PGPUB; USPAT	OR	ON	2010/01/27 16:30
S112	56	S110 and (clip same (program episode))	US-PGPUB; USPAT	OR	ON	2010/01/27 16:32
S113	4	S110 and (clip same episode)	US-PGPUB; USPAT	OR	ON	2010/01/27 16:33
S114	118	S110 and (clip segment) same (program episode)	US-PGPUB; USPAT	OR	ON	2010/01/27 16:35
S115	3	S110 and (number adj3 (clip segment)) same (program episode) same (ad adverti$8)	US-PGPUB; USPAT	OR	ON	2010/01/27 16:36
S116	252	S110 and (number same (ad adverti$8))	US-PGPUB; USPAT	OR	ON	2010/01/27 16:46
S117	198	S110 and (number near10 (ad adverti$8))	US-PGPUB; USPAT	OR	ON	2010/01/27 16:46
S118	177	number same (media or music or audio or multimedia or multi-media) near8 (insert$5 near5 (ad or adverti$7))	US-PGPUB; USPAT	OR	ON	2010/01/27 17:01
S119	47	number near5 (media or music or audio or multimedia or multi-media) near8 ((insert$5 play) near5 (ad or adverti$7))	US-PGPUB; USPAT	OR	ON	2010/01/27 17:03
S120	132	time near5 (media or music or audio or multimedia or multi-media) near8 ((insert$5 play) near5 (ad or adverti$7))	US-PGPUB; USPAT	OR	ON	2010/01/27 17:09

S121	266	S110 and (time near10 (ad adverti$8))	US-PGPUB; USPAT	OR	ON	2010/01/27 18:10
S122	70	S121 and @pd<"20050101"	US-PGPUB; USPAT	OR	ON	2010/01/27 18:11
S123	372	(media or music or audio or multimedia or multi-media) near8 (insert$5 near5 (ad or adverti$7)) same play$5	US-PGPUB; USPAT	OR	ON	2010/01/28 08:19
S124	372	S123 and (instruction tag insert$6) near5 (ad adverti$8)	US-PGPUB; USPAT	OR	ON	2010/01/28 08:19
S125	209	S124 and sequence	US-PGPUB; USPAT	OR	ON	2010/01/28 08:19
S126	109	S124 and (sequence same play$4)	US-PGPUB; USPAT	OR	ON	2010/01/28 08:20
S127	372	(media or music or audio or multimedia or multi-media) near8 (insert$5 near5 (ad or adverti$7)) same play$5	US-PGPUB; USPAT	OR	ON	2010/01/28 09:53
S128	372	S127 and (instruction tag insert$6) near5 (ad adverti$8)	US-PGPUB; USPAT	OR	ON	2010/01/28 09:53
S129	109	S128 and (sequence same play$4)	US-PGPUB; USPAT	OR	ON	2010/01/28 09:53
S130	101	S129 and (time period) same (second minute)	US-PGPUB; USPAT	OR	ON	2010/01/28 10:06
S131	85	"6434747"	US-PGPUB; USPAT	OR	ON	2010/01/28 10:15
S132	122	"6698020"	US-PGPUB; USPAT	OR	ON	2010/01/28 10:15
S133	190	S131 S132	US-PGPUB; USPAT	OR	ON	2010/01/28 10:15
S134	91	S133 and (ad adverti$8) same media	US-PGPUB; USPAT	OR	ON	2010/01/28 10:17
S135	278	"5778187"	US-PGPUB; USPAT	OR	ON	2010/09/30 09:53
S136	113	S135 and @pd<"20050101"	US-PGPUB; USPAT	OR	ON	2010/09/30 09:54
S137	61	S136 and (ad advertis$8 commercial promotion$4)	US-PGPUB; USPAT	OR	ON	2010/09/30 09:55
S138	1	"20040003398" and (rules same (ad adverti$9))	US-PGPUB; USPAT	OR	ON	2010/09/30 10:08
S139	1	"20040003398" and (rules same (ad adverti$9))	US-PGPUB; USPAT	OR	ON	2010/10/01 08:36
S140	0	(mediaplayer media-player (media adj player)) same intersplic$4 same segment$5	US-PGPUB; USPAT	OR	ON	2010/10/01 09:33

S141	0	(mediaplayer media-player (media adj player)) same intersplic$4 same segement$5	US-PGPUB; USPAT	OR	ON	2010/10/01 09:33
S142	1	(mediaplayer media-player (media adj player)) and intersplic$4 same segment$5	US-PGPUB; USPAT	OR	ON	2010/10/01 09:34
S143	1	"20010042249"	US-PGPUB; USPAT	OR	ON	2010/10/01 09:34
S144	167	"6698020"	US-PGPUB; USPAT	OR	ON	2010/10/01 09:53
S146	160	(audio video music multimedia multi-media) same (ad advertis$9) same (segment$4 block insert$5) same (sequenc$5 order$4) same (mediaplayer media-player (media adj player) playback play-back (play$4 adj back))	US-PGPUB; USPAT	OR	ON	2010/10/01 10:09
S147	156	"5892536"	US-PGPUB; USPAT	OR	ON	2010/10/01 10:26
S148	133	S147 and (ad adverti$9 promotion$5 commercial)	US-PGPUB; USPAT	OR	ON	2010/10/01 11:16
S149	46	S147 and (ad adverti$9 promotion$5 commercial) same (segment block) and sequenc$5	US-PGPUB; USPAT	OR	ON	2010/10/01 11:18
S150	1	"20040003398" and order$5 same sequenc$5	US-PGPUB; USPAT	OR	ON	2013/07/17 15:23
S151	1	"20040003398" and order$5 same sequenc$5	US-PGPUB; USPAT	OR	ON	2013/07/17 16:32
S152	1	"20040003398" and (order$5 sequenc$5)	US-PGPUB; USPAT	OR	ON	2013/07/17 16:32
S153	1	"20040003398" and (order$5 sequenc$5) same (ad advertis$5)	US-PGPUB; USPAT	OR	ON	2013/07/17 16:33
S154	147	"6338044"	US-PGPUB; USPAT	OR	ON	2013/07/17 16:43
S155	1	"20040003398" and (order$5 sequenc$5)	US-PGPUB; USPAT	OR	ON	2013/07/17 16:46
S156	1	"20040003398" and (order$5 sequenc$5 playlist)	US-PGPUB; USPAT	OR	ON	2013/07/18 10:01
S157	1	"20040003398" and (order$5 sequenc$5 playlist)	US-PGPUB; USPAT	OR	ON	2013/08/11 14:41
S158	1	"20040003398" and media adj file	US-PGPUB; USPAT	OR	ON	2013/08/11 16:07
S159	1	"20040003398" and media adj file and subset	US-PGPUB; USPAT	OR	ON	2013/08/11 16:08
S160	1	"20040003398" and (select$5 choos$4) near5 media adj file and subset	US-PGPUB; USPAT	OR	ON	2013/08/11 16:11