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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte GREGORY J. MESAROS

Appeal 2014-008700
Application 13/525,040
Technology Center 3600

Before MURRIEL E. CRAWFORD, HUBERT C. LORIN,
and MATTHEW S. MEYERS, *Administrative Patent Judges*.

Opinion for the Board filed by *Administrative Patent Judge* CRAWFORD.

Opinion Concurring filed by *Administrative Patent Judge* LORIN.

CRAWFORD, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant(s) seek our review under 35 U.S.C. § 134 of the Examiner's final decision rejecting claims 1–3, 7–9, 12–16, and 31–36. We have jurisdiction over the appeal under 35 U.S.C. § 6(b).

We REVERSE.

Claim 1 is illustrative:

1. A non-transitory computer readable storage medium having embodied thereon a program, the program being executable by a processor to perform a method for providing at least one merchant account by way of a third party website to present an offer for a product or service, the method comprising:

presenting terms and conditions associated with using a service, wherein the service allows a merchant to provide offers to prospective buyer and pay fees to the third party, wherein the fees are at least a fee triggered by a sale of the product or service;

storing information about the merchant including location, contact information, past offers, and a payment method associated with the merchant to pay fees to the third party;

allowing the merchant to create an offer for delivery to potential buyers, wherein a prospective buyer is able to review;

the offer,

information about the merchant, including a link to review additional items for sale,

shipping or delivery information for the product or service,

ranking information associated with the merchant based on feedback shared by past buyer regarding performance of the merchant, and

feedback provided by past buyers concerning the merchant, wherein the

feedback is presented to members of a user community by a third party;

allowing the buyer to purchase the offer by way of an online account, wherein the online account provides access to a stored payment method associated with the buyer, past purchasing history that includes a category, a merchant, or a data or purchase, and stored preferences associated with the buyer;

storing information in the online account, the information maintained in an non-transitory computer readable storage medium, and

updating the online account with new information wherein the new information includes an indication of interest associated with the buyer.

Appellant(s) appeal the following rejection(s):

1. Claims 1–3, 7–9, 12–16, and 31–36 under 35 U.S.C. § 103(a) as anticipated by Ojha (US 6,598,026 B1, July 22, 2003) and Walker (US 5,794,207, Aug. 11, 1998) in view of Herz (US 5,754,939, May 19, 1998).

ISSUE

Did the Examiner err in rejecting the claims because the prior art does not disclose nor would it be obvious to store information about a payment method associated with the merchant to pay fees to the third party?

ANALYSIS

The Appellant argues that neither Ojha nor Walker discloses that merchants pay fees to the third party or storing information about a merchant that includes a payment method associated with the merchant to pay fees.

The Examiner relies on column 20, lines 16–30 of Walker for teaching sellers paying fees to the third party.

We find that column 20, lines 16–30 of Walker discloses that the system can derive a revenue stream by charging buyers a fee for using the service. This portion of Walker also discloses that another way the system can derive a revenue stream is by the sellers receiving only a percentage of the price of an item.

The Examiner realizes that Walker does not disclose a credit card stored by the system in the seller's account to be used to pay fees charged by the system, but reasons that the Walker system is capable of doing so, and concludes that it would have been obvious to modify Walker to use the

payment means available and immediately accessible to the system for pay fees charged to sellers. The Examiner reasons that one of ordinary skill in the art could have pursued the known potential solution with a reasonable expectation of success and the use of stored credit cards for payment at the third party system was well known (Ans. 11).

The problem with the Examiner's reasoning is that Walker does not disclose sellers or merchants paying fees. Rather, the payment of fees in Walker is done by the buyer. As such there would be no reason to store payment information of merchants because merchants do not pay fees.

Even if the receipt of only a percentage of the price of an item is considered a fee, it would not require storing a merchant payment method as the reduction in the price by a percentage does not involve the payment of a fee by the merchant but rather a reduction in the amount paid to the merchant.

In view of the foregoing, we will not sustain the Examiner's rejection of claim 1 and claims 2, 3, 7-9, 12-16, and 31-36 dependent therefrom.

DECISION

The decision of the Examiner is reversed.

REVERSED

LORIN, *Administrative Patent Judge, concurring.*

I concur with the decision to reverse the Examiner’s decision to reject claims 1–3, 7–9, 12–16, and 31–36 under § 103 over the cited prior art combinations. However, I find claims 1–3, 7–9, 12–16, and 31–36 to be directed to judicially-excepted subject matter and thus unpatentable under §101.

Alice Corp. Pty. Ltd. v. CLS Bank International, 134 S.Ct. 2347 (2014) identifies a two-step framework for determining whether claimed subject matter is judicially-excepted from patent eligibility under § 101.

According to *Alice* step one, “[w]e must first determine whether the claims at issue are directed to a patent-ineligible concept,” such as an abstract idea. *Alice*, 134 S.Ct. at 2355.

Taking claim 1, the sole independent claim, as representative of the claims on appeal, the claimed subject matter is directed to information management. Information management is a fundamental building block of human ingenuity. As such it is an abstract idea.

Step two is “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.* (alteration in original) (*quoting Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S.Ct. 1289, 1294 (2012)).

I see nothing in the subject matter claimed that transforms the abstract idea of information management into an inventive concept.

The “medium” of claim 1 sets out six steps for a method performed by a processor-executable program embodied thereon. Said steps are:

- a) “presenting” information A;
- b) “storing information” B;
- c) “allowing [a] merchant to create an offer for delivery to potential buyers, wherein a prospective buyer is able to review” information C;
- d) “allowing the buyer to purchase the offer by way of an online account, wherein the online account provides access to” information D;
- e) “storing information in the online account”; and,
- f) “updating the online account with” information E; wherein,
 - Information A = “terms and conditions associated with using a service, wherein the service allows a merchant to provide offers to prospective buyers and pay fees to the third party, wherein the fees are at least a fee triggered by a sale of the product or service”;
 - Information B = “about the merchant including location, contact information, past offers, and a payment method associated with the merchant to pay fees to the third party”;
 - Information C = “the offer, information about the merchant, including a link to review additional items for sale, shipping or delivery information for the product or service, ranking information associated with the merchant based on feedback shared by past buyers regarding performance of the merchant, and feedback provided by past buyers concerning the merchant, wherein the feedback is presented to members of a user community by a third party”;
 - Information D = “a stored payment method associated with the buyer, past purchasing history that includes a category, a merchant, or a date of purchase, and stored preferences associated with the buyer”; and,
 - Information E = “new information, wherein the new information includes an indication of interest associated with the buyer”.

None of these six individual steps, viewed “both individually and ‘as an ordered combination,’ ‘transform the nature of the claim’ into patent-eligible” subject matter. *See Alice*, 134 S.Ct. at 2355 (*quoting Mayo*, 132 S.Ct. at 1297, 1298).

Steps b), e), and f) to “storing” and “updating” are arguably necessarily computer-enabled. But the Specification supports the view that they can be performed any generic computer system. *See Spec.*, para. 35. Plus “storing” and “updating” are routine computer functions. The employment of a generic computer system for its routine storing and updating functions is insufficient to transform the information processing abstract idea into an inventive concept. *Cf. Alice*, 134 S.Ct. at 2358 (“[T]he mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention. Stating an abstract idea ‘while adding the words ‘apply it’ is not enough for patent eligibility.’”) *See also Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 716 (Fed. Cir. 2014):

Adding 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. Instead, the claimed sequence of steps comprises only “conventional steps, specified at a high level of generality,” which is insufficient to supply an “inventive concept.” *Id.* at 2357 (*quoting Mayo*, 132 S.Ct. at 1294, 1297, 1300).

Steps a), c), and d) to “presenting” and “allowing,” albeit couched in “medium” language, reasonably broadly encompass instructing one to perform them mentally. In that regard, like adding mental steps per se, adding an instruction to perform mental steps cannot patentably transform an otherwise abstract idea into an inventive concept. *Cf. In re Comiskey*, 554 F.3d 967, 979 (Fed. Cir. 2009) (“mental processes—or processes of human

thinking—standing alone are not patentable even if they have practical application”).

Thus, I construe the six steps as claimed as being an ordered combination of routine and mental steps instruction. The information (Information A-E as above) managed by these steps do little to patentably transform the information management abstract idea. They limit the information management abstract idea to the e-commerce field. But limiting said abstract idea to a practical application is not enough to ensure that in practice the claimed subject matter amounts to *significantly more* than to be upon the information management concept itself. *Cf. CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1371 (Fed. Cir. 2011) (“The Court [*Parker v. Flook*, 437 U.S. 584 (1978)] rejected the notion that the recitation of a practical application for the calculation could alone make the invention patentable.”).

For the foregoing reasons, I find that claim 1 covers subject matter that is judicially-excepted from patent eligibility under § 101. The dependent claims describe various other types of information which do little to patentably transform the abstract idea.

For the foregoing reasons, notwithstanding that I CONCUR with the decision, I find the claims cover judicially-excepted patent-ineligible subject matter and thus they are rejectable under 35 U.S.C. § 101.