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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte OLIVER N. COCKCROFT, ERIC J. FARRARO,
RICHARD HOIBERG, and JOHN TAPLEY

Appeal 2015-000578
Application 12/685,441
Technology Center 3600

Before BRUCE R. WINSOR, HUNG H. BUI, and
AMBER L. HAGY, *Administrative Patent Judges*.

WINSOR, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants¹ appeal under 35 U.S.C. § 134(a) from the final rejection of claims 1–23, which constitute all the claims pending in this application.

We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ The real party in interest identified by Appellants is eBay, Inc. App. Br. 2.

STATEMENT OF THE CASE

Related Appeals

Appellants identify the following appeals as related to the instant Appeal (App. Br. 3):

<u>Application</u>	<u>Appeal</u>	<u>Notice of Appeal</u>	<u>Decided</u>
12/579,398	2014-004890	Nov. 30, 2012	Dec. 11, 2015
12/579,402	2013-010488	Feb. 13, 2012	Dec. 11, 2015
12/579,404	2015-005321	Sept. 6, 2013	Sept. 19, 2016

The Invention

Appellants' disclosed invention relates to "data communications and, more particularly, to . . . assist[ing] a customer in selecting compatible components of a product." Spec. ¶ 1. Claim 12, which is illustrative, reads as follows:

12. A method comprising:

identifying a product associated with a plurality of component classes, the identifying using a data processor;

searching a data storage device based on the plurality of component classes to automatically identify a plurality of items being offered for sale on a network-based marketplace, the plurality of items including at least one item that is incompatible with another item in the plurality of items;

receiving a selection of a first item;

removing incompatible items from the plurality of items to generate a list of one or more compatible items, the removing being automatic and responsive to determining whether the plurality of items are compatible with the first item, the removing using a data processor; and

communicating a user interface including the list of one or more compatible items.

The Rejections

Claims 1–23 stand rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. *See* Ans. 3–6.

Claims 1–23 stand rejected under 35 U.S.C. § 102(e) as being anticipated by Bagwell et al. (US 2009/0171803 A1; publ. July 2, 2009; filed Dec. 28, 2007) (“Bagwell”).² *See* Final Act. 3–9.

The Record

Rather than repeat the arguments here, we refer to the Briefs (“App. Br.” filed May 19, 2014; “Reply Br.” filed Sept. 30, 2014) and the Specification (“Spec.” filed Jan. 11, 2010) for the positions of Appellants and the Final Office Action (“Final Act.” mailed Dec. 16, 2013) and Answer (“Ans.” mailed July 31, 2014) for the reasoning, findings, and conclusions of the Examiner. Only those arguments actually made by Appellants have been considered in this decision. Arguments that Appellants did not make in the

² In the Examiner’s Answer, the Examiner lists grounds of rejection under 35 U.S.C. § 103(a) that are different from the grounds listed in the Final Office Action and that do not align with the claims pending in the present application. *Compare* Ans. 2 with Final Act. 3–9 and App. Br. 15–19. Similarly, Appellants refer in passing to rejections of claims 9 and 22 under § 103(a) that do not appear in the Final Office Action. *See* App. Br. 14. Neither of these apparent errors appears to have adversely affected Appellants’ understanding of the grounds of rejection or ability to respond thereto. Accordingly, we treat these apparent errors as ministerial or typographical in nature.

Briefs have not been considered and are deemed to be waived. *See* 37 C.F.R. § 41.37(c)(1)(iv) (2013).

ISSUES

Claim 1–23 are subject to the same grounds of rejection. *See* Final Act. 3–9; Ans. 3–6. As to each ground of rejection, Appellants have chosen to argue patentability of all claims by referring to the recitations of claim 12. App. Br. 9–13; Reply Br. 2–13. Therefore, we select claim 12 as the representative claim, pursuant to our authority under 37 C.F.R. § 41.37(c)(1)(iv). Accordingly, claims 1–11 and 13–23 stand or fall with claim 12.

The issues presented by Appellants’ contentions are as follows:

Does the Examiner err in concluding claim 12 is directed to non-statutory subject matter?

Does the Examiner err in finding Bagwell discloses:

identifying a product associated with a plurality of component classes, . . . [and] searching a data storage device based on the plurality of component classes to automatically identify a plurality of items being offered for sale on a network-based marketplace, the plurality of items including at least one item that is incompatible with another item in the plurality of items,

as recited in claim 12?

ANALYSIS

Rejection under 35 U.S.C. § 101

The Examiner concludes that, although independent claim 12 (and independent claims 1 and 23) falls within one of the statutory classes of

patentable subject matter (Ans. 4), it, nonetheless, is directed to a patent ineligible abstract idea (Ans. 5–6). We agree with the Examiner.

To be statutorily patentable, the subject matter of an invention must be a “new and useful process, machine, manufacture, or composition of matter, or [a] new and useful improvement thereof.” 35 U.S.C. § 101. The Supreme Court has held that there are implicit exceptions to the categories of patentable subject matter identified in § 101, including: (1) laws of nature, (2) natural phenomena, and (3) abstract ideas. *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014).

The Court has “set forth a framework for distinguishing patents that claim [1] laws of nature, [2] natural phenomena, and [3] abstract ideas from those that claim patent-eligible applications of those concepts.” *Id.* (citing *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 132 S. Ct. 1289 (2012)). The evaluation follows the two-part analysis set forth in *Mayo*: 1) determine whether the claim is directed to an abstract idea; and 2) if an abstract idea is present in the claim, determine whether any element, or combination of elements, in the claim is sufficient to ensure that the claim amounts to significantly more than the abstract idea itself. *See Alice*, 134 S. Ct. at 2350.

Considering the first step of the *Mayo/Alice* analysis, Appellants’ invention is directed to selecting products for acquisition by a buyer. Spec. ¶¶ 1–2. Claim 12 recites, in essence, identifying the product that is associated with a plurality of component classes or types, identifying a plurality of available components of the product based on the component classes or types, selecting one component, eliminating from consideration components that are incompatible with the selected component, preparing a

list of compatible components, and doing so using a computer on a network. *See* App. Br. 17. We note that Appellants’ claim 12 is not directed to specific computer or network technology, but rather recites generalized steps relating to a process for which computers and a network are used in their ordinary capacities as tools. *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335–36 (Fed. Cir. 2016) (“[T]he first step in the *Alice* inquiry . . . asks 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.”).

Appellants contend claim 12 is not directed to an abstract idea because, *inter alia*, claim 12 is not directed to a “fundamental economic practice.” Reply Br. 5–6. We disagree. The process described in claim 12 is no more than a computerization of the well-established fundamental economic practice of preparing an order (i.e., “list of one or more compatible items”) for a product made up of a plurality of component types (i.e., “associated with a plurality of component classes”). Appellants’ Specification describes this fundamental economic practice as follows:

A buyer may wish to acquire products that are made up of multiple items. The buyer may find that purchasing such products is burdensome because he or she is tasked with identifying the types of items required for the product and whether the items selected, in accordance with the identified types, are compatible to create a complete and working product.

Spec. ¶ 2.

For these reasons, we conclude that claim 12, like the claims at issue in *Alice* (intermediated settlement) and *Bilski v. Kappos*, 561 U.S. 593, 609 (2010) (hedging risk), is directed to an abstract idea. We note that Appellants contend “each of . . . dependent claims [13–22] includes

additional elements that further establish each of these dependent claims is not within the Court's implicit exception to subject matter eligibility.” Reply Br. 6. However, Appellants offer no specific examples or explanation to support this conclusory statement. Accordingly, Appellants’ contention has little persuasive value.

Turning to the second step of the *Mayo/Alice* analysis, we analyze the claim as a whole to determine whether any element, or combination of elements, is sufficient to ensure that the claim amounts to significantly more than the exception. Appellants contend claim 12 “do[es] not merely state an abstract idea and add the words ‘apply it.’” Reply Br. 7 (emphasis omitted). We disagree. Each of the steps recited in claim 12 merely recites using a computer on a network to perform entirely conventional steps that are familiar to anyone who has placed an order from a mail order catalog. For example, in ordering a businessman’s clothing ensemble (“identifying a product”) from a catalog (“data storage device . . . of items being offered for sale on a . . . marketplace”), a user would look up suits, shirts, ties, shoes, etc. (“plurality of component classes”), and would find in the catalog a plurality of items of each type (“identify a plurality of items being offered for sale”), some of which will be incompatible with each other, e.g., a poor color combination. The user would select one item, e.g., a suit, and then select the other items, e.g., shirt, tie, shoes, etc., based, at least in part, on their compatibility with the selected item (“removing incompatible items from the plurality of items”) and prepare an order form (“list of one or more compatible items”). The remaining recitations of the claim merely call for performing these steps “automatically,” using a “data processor” in a “network-based marketplace.” In other words the claim merely recites the

abstract idea and says “apply it” using computers in a network environment. *See Mayo*, 132 S. Ct. at 1294; *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972). However, limiting such an abstract idea of selecting products for acquisition by a buyer to a general purpose computer recited in Appellants’ claim 12 does not make the abstract idea patent-eligible under 35 U.S.C. § 101.

As recognized by the Supreme Court, “the mere recitation of a generic computer cannot transform a patent ineligible abstract idea into a patent-eligible invention.” *See Alice*, 134 S. Ct. at 2359 (concluding claims “simply instruct[ing] the practitioner to implement the abstract idea of intermediated settlement on a generic computer” not patent eligible); *see also Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715–16 (Fed. Cir. 2014) (claims merely reciting abstract idea of using advertising as currency as applied to particular technological environment of the Internet not patent eligible); *Accenture Global Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1344–45 (Fed. Cir. 2013) (claims reciting “generalized software components arranged to implement an abstract concept [of generating insurance-policy-related tasks based on rules to be completed upon the occurrence of an event] on a computer” not patent eligible); and *Dealertrack, Inc. v. Huber*, 674 F.3d 1315, 1333–34 (Fed. Cir. 2012) (“Simply adding a ‘computer aided’ limitation to a claim covering an abstract concept, without more, is insufficient to render [a] claim patent eligible” (internal citation omitted)).

Accordingly, we conclude claim 12 is directed to a patent-ineligible abstract idea and recites no element or combination of elements that amounts to significantly more than the abstract idea.

For emphasis, we note that Appellants' contention that claim 12 "solve[s] a technological problem in conventional industry practice" (Reply Br. 7 (emphasis omitted)) is similarly unpersuasive. Unlike the process claimed in *Diamond v. Diehr*, 450 U.S. 175 (1981), which was directed to a specific industrial process, i.e., "a physical and chemical process for molding precision synthetic rubber products," *Diehr*, 450 U.S. at 184, claim 12 merely recites a process for manipulating information and producing a list (i.e., an order). In other words, there is no conventional "industry practice" recited in the claim. Appellants point to changing inventory information as a problem in conventional industry practice that is solved by the claimed invention, and point to several claim recitations as solving this problem. Reply Br. 7–8 (citing Spec. ¶ 29). However, we see nothing in the identified recitations, "utilizing 'component classes' for application to a rapidly changing inventory and by 'removing incompatible items' . . . 'responsive to determining whether the . . . items' that were previously identified based on the 'component classes' ' . . . are compatible with the first item' that was selected" (Reply Br. 8 (ellipses in original)), that goes beyond the conventional process discussed *supra*, to address, or even mention, *changing* inventory information. Indeed, the recited process is the same whether inventory information changes or remains static.

For further emphasis, in view of the foregoing discussion regarding the conventional nature of the steps recited in claim 12, we find Appellants' contention that "[g]iven the particularities of the ways in which each operation is performed, independent claim 12 cannot and does not preempt the making, using, and selling of basic tools of scientific and technological work" to be similarly unpersuasive. Reply Br. 9. We conclude claim 12

would preempt the application of computer technology to the entirely conventional fundamental financial practice of placing an order for a product made up of a plurality of components.

For the foregoing reasons, we adopt the Examiner’s findings, conclusions, and reasoning regarding the rejection of claim 12 for being directed to non-statutory subject matter (Ans. 3–6) as our own and we sustain the rejection of representative claim 12 and claims 1–11 and 13–23, which fall with claim 12.

Rejection under 35 U.S.C. § 102(e)

Appellants contend “Bagwell fails to teach searching based on component classes to identify items being offered for sale on a network-based marketplace.” App. Br. 11 (emphasis and capitalization omitted). Appellants’ arguments focus on compatibility comparisons disclosed by Bagwell. *See generally* App. Br. 11–12. However, the Examiner relies on Bagwell’s teaching that “[t]he user (customer) 102 may make selections for ordering a complex computer system, various equipment or the like . . . thereby producing an order with seller 110 via the web server 108.” Bagwell ¶ 15 (bold facing omitted) (discussed at Ans. 7–8 (also citing Bagwell ¶ 24, Fig. 1)); *see also* Final Act. 3 (citing Bagwell ¶¶ 24–25), 8.

Appellants contend as follows:

Bagwell fails to teach this limitation because Bagwell relates to a customer who makes selections. A customer who makes selections does not teach searching a data storage device based on “*the component classes*,” recited by claim 12. . . . In addition, the “*component classes*” being quoted in claim 12 is not any set of “*component classes*” but rather “*the component classes*” as defined by the limitation, “*identifying a product associated with*

a plurality of component classes.” Clearly, Bagwell relates to a manual process where a customer selects objects and nothing more.

Reply Br. 10–11.

We are not persuaded of error because Appellants’ arguments are not commensurate with the scope of the claims. Claim 12 merely recites “identifying a product associated with a plurality of component classes, the identifying using a data processor.” Claim 12 does not preclude, for example, the identification of both the product and the associated component classes from being made by manual input into the processor by a user. Bagwell discloses that “selections provided to the customer 102 allow the customer 102 to select components, parts, entire systems and different configurations of the aforementioned. Each of the selections has a predefined ‘part’ object associated with it.” Bagwell ¶ 24 (bold facing omitted). One of ordinary skill in the art would infer from Bagwell’s disclosure that, to provide selections to the customer, a “search[was made in] a data storage device . . . to automatically identify a plurality of items being offered for sale.” *In re Preda*, 401 F.2d 825, 826 (CCPA 1968) (“[I]n considering the disclosure of a reference, it is proper to take into account not only specific teachings of the reference but also the inferences which one skilled in the art would reasonably be expected to draw therefrom.”). Bagwell further discloses that “a part object may comprise an object class indicator, such as ‘cabinet,’ that indicates the type of object,” Bagwell ¶ 25, i.e., that the search is based, at least in part, on the type of object, i.e., “based on the plurality of component classes,” as recited in claim 12.

Appellants further contend that Bagwell fails to teach that “the plurality of items including at least one item that is incompatible with

another item in the plurality of items” because Bagwell fails to teach “searching a data storage device based on the plurality of component classes to automatically identify a plurality of items being offered for sale on a network-based marketplace.” *See* App. Br. 13 (emphasis omitted). We find this contention unpersuasive for the reasons discussed *supra*.

For the first time in the Reply Brief, Appellants contend Bagwell does not disclose “identify[ing] a plurality of items being offered for sale on a network-based marketplace, the plurality of items including at least one item that is incompatible with another item in the plurality of items” because Bagwell excludes such incompatible items from the choices presented to the customer for selection. Reply Br. 12–13 (discussing Bagwell ¶¶ 25–29).

Bagwell’s paragraph 29 discloses two alternative embodiments. Regarding a first embodiment Bagwell discloses the following:

Next, the read attributes are compared to the parts enumerated in the part object selected in step 205 and inconsistencies are meted out. For example, if an attribute of the environmental object defines a part number “450” as a required part, then the part number “450” is sought in the part object. If the part is found, then the order is valid so far. Otherwise, the order is not valid. In another example, if an attribute of the environmental object defines a part number “460” as an excluded part, then the part number “460” is sought in the part object. If the part is found, then the order is not valid. Otherwise, the order is valid.

Bagwell ¶ 29 (bold facing omitted); *see also id.* Fig. 2. As to the second embodiment, Bagwell discloses the following: “In another alternative, the parts excluded using an excludes attribute can affect the choices provided to the user 102 when making selections in step 204, such that the excluded parts are not provided as a choice.” Bagwell ¶ 29 (bold facing omitted); *see also id.* Fig. 2. We note that Bagwell discloses that “excludes attributes”

may describe incompatibility between items (Bagwell ¶ 25) or incompatibility between items and environmental factors (*id.* ¶ 28).

Appellants are correct that in the second embodiment disclosed by Bagwell, incompatible items may never be included among the plurality of items presented to the customer for selection. However, in the first embodiment disclosed by Bagwell, the comparison to determine compatibility at steps 210 and 212 occurs *after* the customer makes the selections at step 204. That Bagwell discloses that the plurality of items includes incompatible items is evidenced by the fact that Bagwell discloses at steps 216 and 218 that an order may not be validated, i.e., may include incompatible items. Bagwell Fig. 2.

For the foregoing reasons, Appellants do not persuade us of Examiner error in the rejection of claim 12. On this record, we sustain the Examiner's rejection of representative claim 12 under 35 U.S.C. § 102(e) as being anticipated by Bagwell, and claims 1–11 and 13–23, which fall with claim 12.

DECISION

The decision of the Examiner to reject claims 1–23 is affirmed.

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). *See* 37 C.F.R. §§ 41.50(f), 41.52(b) (2013).

AFFIRMED