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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte* DEBORAH YEE-KY LIU and SU-I LU

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Appeal 2016-000586<sup>1</sup>  
Application 13/282,251<sup>2</sup>  
Technology Center 3600

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Before JOSEPH A. FISCHETTI, NINA L. MEDLOCK, and  
MATTHEW S. MEYERS, *Administrative Patent Judges*.

MEDLOCK, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner’s final rejection of claims 1, 5, 7, 8, 10, 14, 16, 17, 19, and 21–31. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

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<sup>1</sup> Our decision references Appellants’ Appeal Brief (“App. Br.,” filed April 29, 2015) and Reply Brief (“Reply Br.,” filed October 12, 2015), and the Examiner’s Answer (“Ans.,” mailed August 11, 2015) and Final Office Action (“Final Act.,” mailed December 29, 2014).

<sup>2</sup> Appellants identify eBay Inc. as the real party in interest. App. Br. 2.

### CLAIMED INVENTION

Appellants' claimed invention "relates to a method and system to process data," and more particularly, "to the processing of on-line donations associated with media content" (Spec. ¶ 2).

Claims 1, 10, and 19 are the independent claims on appeal. Claim 1, reproduced below with bracketed notations added, is illustrative of the claimed subject matter:

1. A method comprising:

[(a)] presenting, on a web page of a first user, a first payment button with an associated item of media content, the first payment button being associated with a first set of payees, the first set of payees including the first user and a second set of payees that excludes the first user, the second set of payees being associated with a second payment button;

[(b)] receiving a request from a second user to download a version of the item of media content along with a version of the first payment button; and

[(c)] responsive to the request, sending the version of the item of media content along with a third payment button, the third payment button being configured to provide a portion of a value donated using the third payment button to a third set of payees including the second user and the first set of payees.

### REJECTIONS

Claims 1, 5, 7, 8, 10, 14, 16, 17, 19, and 21–31 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

Claims 1, 5, 7, 10, 14, 16, 19, and 21–31 are rejected under 35 U.S.C. § 103(a) as unpatentable over Caplan et al. (US 2002/0120567 A1, pub. Aug. 29, 2002) (hereinafter "Caplan") and Glinberg (US 2008/0021720 A1, pub. Jan. 24, 2008).

Claims 8 and 17 are rejected under 35 U.S.C. § 103(a) as unpatentable over Caplan, Glinberg, and Official Notice.

## ANALYSIS

### *Non-Statutory Subject Matter*

Under 35 U.S.C. § 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. The Supreme Court, however, has long interpreted § 101 to include an implicit exception: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *See, e.g., Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014).

The Supreme Court, in *Alice*, reiterated the two-step framework previously set forth in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66, 75–77 (2012), “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice Corp.*, 134 S. Ct. at 2355. The first step in that analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts.” *Id.* If the claims are not directed to a patent-ineligible concept, e.g., an abstract idea, the inquiry ends. Otherwise, the inquiry proceeds to the second step where the elements of the claims are considered “individually and ‘as an ordered combination’” to determine whether there are additional elements that “‘transform the nature of the claim’ into a patent-eligible application.” *Alice Corp.*, 134 S. Ct. at 2355 (quoting *Mayo*, 566 U.S. at 78–79).

The Court acknowledged in *Mayo*, that “all inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena,

or abstract ideas.” *Mayo*, 566 U.S. at 71. Therefore, the Federal Circuit has instructed that claims are to be considered in their entirety to determine “whether their character as a whole is directed to excluded subject matter.” *McRO, Inc. v. Bandai Namco Games Am., Inc.*, 837 F.3d 1299, 1312 (Fed. Cir. 2016) (quoting *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015)).

Appellants maintain here that the § 101 rejection cannot be sustained because the Examiner has failed to provide evidence to support the finding that the claims are directed to a method of soliciting and processing donations associated with media content, i.e., to an abstract idea, and has, thus, failed to establish a prima face case of patent-ineligibility (App. Br. 13–18). More particularly, Appellants charge that the Examiner is required under the Administrative Procedure Act to provide substantial evidence to support a § 101 rejection (*id.* at 15–16). And Appellants assert that unless the Examiner provides authoritative documentation, as the Supreme Court and Federal Circuit did in *Alice, Bilski v. Kappos*, 561 U.S. 593 (2010), and *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350 (Fed. Cir. 2014), the Examiner has not performed a proper analysis under § 101 (*id.* at 17–18).

As an initial matter, we find nothing in *Alice, Bilski*, or *buySAFE* that requires the Office to identify specific references or provide “authoritative documentation” to support a finding that a claim is directed to an abstract idea. Nor, contrary to Appellants’ suggestion (*see id.* at 18–19), did this Board hold, in *Ex parte Renald Poisson*, Appeal 2012-011084 (PTAB Feb. 27, 2015), that there is any such requirement. Instead, the Federal Circuit has repeatedly noted that “the prima facie case is merely a

procedural device that enables an appropriate shift of the burden of production.” *Hyatt v. Dudas*, 492 F.3d 1365, 1369 (Fed. Cir. 2007) (citing *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992)). The court has, thus, held that the USPTO carries its procedural burden of establishing a prima facie case when its rejection satisfies the requirements of 35 U.S.C. § 132 by notifying the applicant of the reasons for rejection, “together with such information and references as may be useful in judging of the propriety of continuing the prosecution of [the] application.” *See In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011). Thus, all that is required of the Office is that it set forth the statutory basis of the rejection in a sufficiently articulate and informative manner as to meet the notice requirement of § 132. *Id.*; *see also Chester v. Miller*, 906 F.2d 1574, 1578 (Fed. Cir. 1990) (Section 132 “is violated when the rejection is so uninformative that it prevents the applicant from recognizing and seeking to counter the grounds for rejection.”).

Here, in rejecting the pending claims under § 101, the Examiner analyzed the claims using the *Mayo/Alice* two-step framework, consistent with the guidance set forth in the USPTO’s “2014 Interim Guidance on Patent Subject Matter Eligibility,” 79 Fed. Reg. 74618 (Dec. 16, 2014), in effect at the time the Final Office Action was mailed. Specifically, the Examiner notified Appellants that claims 1, 5, 7, 8, 10, 14, 16, 17, 19, and 21–31 are directed to “soliciting and processing donations associated with media content”; that this is an abstract idea; and that the claims do not include limitations that are “significantly more” than the abstract idea itself (Final Act. 3–4). The Examiner, thus, notified Appellants of the reasons for the rejection “together with such information and references as may be useful in judging of the propriety of continuing the prosecution of [the]

application.” 35 U.S.C. § 132. And we find that, in doing so, the Examiner set forth a prima facie case of patent-ineligibility such that the burden then shifted to Appellants to demonstrate that the claims are patent-eligible.

Addressing the first step of the *Mayo/Alice* analysis, Appellants assert that determining whether a claim is directed to an abstract idea involves determining whether the claim is directed to (1) an idea of itself, e.g., an algorithm or mathematical formula or (2) a fundamental economic practice (App. Br. 20). Appellants argue that none of the pending claims is directed to either an idea of itself or a fundamental economic practice and that none of the claims, therefore, is directed to an abstract idea (App. Br. 21–22).

Appellants note that the Examiner takes the position that the claims are directed to an abstract idea by virtue of being directed to a method of organizing human activity (*id.* at 22 (citing Final Act. 9)). And Appellants argue that whether a claim is directed to a method of organizing human activity is not determinative of whether the claim is abstract (*id.*). Yet Appellants cannot reasonably deny, nor do they, that the Court, in *Alice*, referred to the concept of risk hedging (which the Court, in *Bilski*, identified as an abstract idea) as “a method of organizing human activity.” *Alice Corp.*, 134 S. Ct. at 2356.

We agree with Appellants that the Court did not suggest in *Alice* that *all* methods of organizing human activities are directed to an abstract idea (App. Br. 22–23). But neither did the Court hold that only claims directed to an idea of itself or a fundamental economic practice are directed to an abstract idea. Appellants argue that the pending claims are not directed to an idea of itself or a fundamental economic practice, but Appellants present no persuasive argument or technical reasoning to explain why the pending

claims are not directed to a method of organizing human activity that qualifies for treatment as an abstract idea.

We also are not persuaded of Examiner error by Appellants' argument that the pending claims are patent-eligible because the claims do not preempt or otherwise tie up a judicial exception such that others cannot practice it (*id.* at 23–25; *see also id.* at 30–31). Although the Supreme Court has described “the concern that drives this exclusionary principle [i.e., the exclusion of abstract ideas from patent eligible subject matter] as one of pre-emption,” *see Alice Corp.*, 134 S. Ct. at 2354, characterizing pre-emption as a driving concern for patent eligibility is not the same as characterizing pre-emption as the sole test for patent eligibility. “The Supreme Court has made clear that the principle of preemption is the basis for the judicial exceptions to patentability” and “[f]or this reason, questions on preemption are inherent in and resolved by the § 101 analysis.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (citing *Alice Corp.*, 134 S. Ct. at 2354). Yet although “preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *Id.*

Turning to the second step of the *Mayo/Alice* framework, Appellants assert that even if the claims are directed to an abstract idea, the claims are nonetheless directed to patent-eligible subject matter because the claims recite a “specially-configured computer” (App. Br. 26). Appellants assert that the pending claims recite “multiple ‘payment buttons’ configured to perform various operations”; and that “[t]hese are all user interface elements designed to allow interaction with a specifically-configured computer (e.g., a specific machine)” (*id.*). Yet there is no indication in the Specification that



any specialized hardware is involved. To the contrary, the Specification describes that the claimed processor “may be a personal computer (PC), a tablet PC, a set-top box (STB), a Personal Digital Assistant (PDA), a cellular telephone, a web appliance, a network router, switch or bridge, or any machine capable of executing a set of instructions (sequential or otherwise) that specify actions to be taken by that machine” (Spec. ¶ 50).

Appellants further argue that claims are patent-eligible because the claimed steps are specified at a low level of generality (App. Br. 26–27) and the functionality recited in the claims is not conventional (*id.* at 27–28). Yet an abstract idea can generally be described at different levels of abstraction. That the claimed steps may be specified at a low level of generality is an insufficient basis for finding that the claims are not directed to an abstract idea. *See Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1240–1241 (Fed. Cir. 2016) (“An abstract idea can generally be described at different levels of abstraction. As the Board has done, the claimed abstract idea could be described as generating menus on a computer, or generating a second menu from a first menu and sending the second menu to another location. It could be described in other ways, including, as indicated in the specification, taking orders from restaurant customers on a computer.”).

It also is insufficient, without more, that the functionality, i.e., the particular operations recited in the claims, e.g., “sending . . . a third payment button . . . configured to provide a portion of a value donated using the third payment button to a third set of payees,” as recited in claim 1, may not be routine or conventional absent some indication that the claim elements are implemented using other than generic computer components. “[A]fter *Alice*, there can remain no doubt: recitation of generic computer limitations does

not make an otherwise ineligible claim patent-eligible.” *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1256 (Fed. Cir. 2014) (citing *Alice Corp.*, 134 S. Ct. at 2358)).

We also are not persuaded of Examiner error by Appellants’ argument that the pending claims, like those in *Diehr*,<sup>3</sup> solve a “technological problem in conventional industry practice” (App. Br. 27). Appellants assert that the claims are directed “to the problem in conventional industry practice of processing on-line donations associated with media content” and to a solution to this problem that involves “sending a version of the item of media content along with a third payment button, the third payment button being configured to provide a portion of a value donated using the third payment button to a third set of payees including the second user and the first set of payees” (*id.*). But “processing on-line donations associated with media content” and allocating payments or donations for such content among a set of payees is not a technical problem; it is a business problem. And sending a version of the item of media content along with a third payment button configured to provide a portion of a value donated using the third payment button to particular payees is a commercial solution, not a technical solution. The only portion of the pending claims that could be considered “technological” is the generic computer hardware, i.e., the claimed “processor” used to implement the claimed invention, which is not enough to confer subject matter eligibility. *See Alice Corp.*, 134 S. Ct. at 2358 (“[I]f a patent’s recitation of a computer amounts to a mere

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<sup>3</sup> *Diamond v. Diehr*, 450 U.S. 175 (1981).

instruction to ‘implemen[t]’ an abstract idea ‘on . . . a computer,’ that addition cannot impart patent eligibility.’”) (internal citations omitted).

Appellants further argue that the claims recite significantly more than an abstract idea because the claims improve the functioning of the computer itself (App. Br. 29). But that argument is likewise unpersuasive.

Appellants note that each of independent claims 1, 10, and 19 recites, in part, a “third payment button being configured to provide a portion of a value donated using the third payment button to a third set of payees including the second user and the first set of payees,” and argue that “the particular type of button recited in the claims **constitutes an improvement to the technology** for downloading media content offered via the Internet” and that this feature qualifies as “significantly more” than an abstract idea because it is an “[i]mprovement to another technology or technical field” (*id.*). But, even accepting Appellants’ argument, there is a fundamental difference between computer functionality improvements, on the one hand, and uses of existing computers as tools to perform a particular task, on the other. Indeed, the Federal Circuit applied this distinction in *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016) in rejecting a § 101 challenge at the step one stage in the *Alice* analysis because the claims at issue focused on a specific type of data structure, i.e., a self-referential table for a computer database, designed to improve the way a computer carries out its basic functions of storing and retrieving data, and not on asserted advances in uses to which existing computer capabilities could be put. *Id.* at 1335–36.

We find no parallel here between independent claims 1, 10, and 19 and the claims in *Enfish* nor any comparable aspect in claims 1, 10, and 19

that represents “an improvement to computer functionality.” The alleged advantages that Appellants tout do not concern an improvement to computer capabilities but instead relate to an alleged improvement in distributing media content via the Internet and allocating the payment or donation for the content among a set of payees — a process in which a computer is used as a tool in its ordinary capacity.

Appellants further argue that the claims solve a problem rooted in computer technology, i.e., the technological problem in conventional industry practice of processing online donations associated with media content, and that the present case is similar to *DDR Holdings* (App. Br. 31–32). But we find no parallel between the present claims and those at issue in *DDR Holdings*.

In *DDR Holdings*, the Federal Circuit determined that, although the patent claims at issue involved conventional computers and the Internet, the claims addressed a challenge particular to the Internet, i.e., retaining website visitors who, if adhering to the routine, conventional functioning of Internet hyperlink protocol, would be transported instantly away from a host’s website after “clicking” on an advertisement and activating a hyperlink. *DDR Holdings*, 773 F.3d at 1257. The Federal Circuit, thus, held that the claims were directed to statutory subject matter because they claim a solution “necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.” *Id.*

No such technological advance is evident in the present invention. Unlike the situation in *DDR Holdings*, Appellants do not identify any problem particular to computer networks and/or the Internet that the claims allegedly overcome. Instead, the claims merely employ generic computer

components to perform generic computer functions, i.e., receiving and processing information.

We are not persuaded for the foregoing reasons that the Examiner erred in rejecting claims 1, 5, 7, 8, 10, 14, 16, 17, 19, and 21–31 under 35 U.S.C. § 101. Therefore, we sustain the Examiner’s rejection.

*Obviousness*

*Independent Claim 1 and Dependent Claims 5, 7, and 21–25*

We are persuaded by Appellants’ argument that the Examiner erred in rejecting independent claim 1 under 35 U.S.C. § 103(a) because Caplan, on which the Examiner relies, does not disclose or suggest “receiving a request from a second user to download a version of the item of media content along with a version of the first payment button,” as recited in claim 1 (App. Br. 9–10; *see also* Reply Br. 2–3).

Caplan is directed to a network-payment service that allows users to define customized “pay pages” for receiving payments from other users (Caplan, Abstract), and discloses that payees may create pay pages for a variety of payment scenarios, e.g., general-purpose payments, honor system payments, charitable donations, and invoice payments (*id.* ¶ 59). Caplan discloses that a “pay box,” i.e., a display graphic, may be incorporated into a page to provide functionality for viewers of the page to initiate payment to a recipient (*id.* ¶ 62), and that one particular application for the pay box feature is to provide a mechanism for compensating creators of digital content (*id.* ¶ 79), i.e., content creators may post their work in a downloadable form in conjunction with pay boxes for soliciting voluntary payments (*id.* ¶ 80). Caplan further discloses that in one implementation, pay boxes that point to a particular pay page may be installed within a

website of the pay page owner and/or within websites of third parties, i.e., “associate sites” (*id.* ¶ 62). For example, a third party (associate) distributor of digital content, e.g., music, may display, within its own website, the pay boxes of artists, authors, or other content creators, together with the associated content (*id.* ¶ 83). When a user clicks on one of the pay boxes and makes a payment to the content creator, the third party associate may be given a portion of each payment as compensation for distributing the content (*id.*; *see also id.* ¶¶ 14, 64, 200 (disclosing that a service provider site may permit website operators to locate content uploaded by pay page owners and republish the content on their own web pages together with the pay boxes of the associated pay page owners)).

In rejecting claim 1 under 35 U.S.C. § 103(a), the Examiner takes the position, as further detailed in the Answer, that (1) the claimed “first payment button” is the child payment button; (2) the “first user” is the user who republishes a child version of the content and payment button; (3) the “second set of payees” is the original content provider that posted the parent version of the content and payment button; (4) the “second payment button” is the parent payment button; and (5) the “second user” is a user who grabbed the child version from the first user and republished a grandchild version of the content and payment button (Ans. 7, 12; *see also* Final Act. 5–6). Appellants argue that if, in accordance with the Examiner’s interpretation, the child version of the pay box displayed on an associate’s website, i.e., the child payment button, is the “first payment button,” Caplan does not teach or suggest “a version of the first payment button,” i.e., “receiving a request from a second user to download a version of the item of

media content along with a version of the first payment button,” as recited in claim 1 (App. Br. 9–10).

Responding to Appellants’ argument, the Examiner notes, “[a]s previously stated, the second payment button may be interpreted to be the parent pay box which is created by the content creator in Caplan, and the first payment button may be interpreted as a child version of the pay box” (Ans. 12). The Examiner further notes that the claim “merely requires some second user to download a version of the item of media content along with a version of the first payment button” (*id.*). And the Examiner takes the position that, under the broadest reasonable interpretation, “receiving a request from a second user to download a version of the item of media content along with a version of the first payment button,” is properly interpreted as requiring “*any* version of the item content with *any* version of the first payment button” (*id.* at 12–13). The Examiner, thus, reasons that, in Caplan, “all the associate pay boxes are versions of one another” and that “a version of the second payment button is also [a] version of the first payment button” (*id.* at 13).

We agree with Appellants that claim 1 cannot be reasonably interpreted, as the Examiner proposes, to allow any payment button to serve as a version of any other payment button (Reply Br. 2–3). Rather than disclosing a “version of the first payment button,” as called for in claim 1, we agree with Appellants that each of the associate pay boxes is a version of the “second payment button,” i.e., the parent pay box which is created by the original content provider in Caplan (*id.*; *see also* App. Br. 9–10).

In view of the foregoing, we do not sustain the Examiner’s rejection of claim 1 under 35 U.S.C. § 103(a). For the same reasons, we also do not

sustain the Examiner's rejection of dependent claims 5, 7, and 21–25. *Cf. In re Fritch*, 972 F.2d 1260, 1266 (Fed. Cir. 1992) (“dependent claims are nonobvious if the independent claims from which they depend are nonobvious”).

*Independent Claims 10 and 19 and Dependent Claims 14, 16, and 26–31*

Independent claims 10 and 19 include language substantially similar to the language of claim 1, and stand rejected based on the same rationale applied with respect to claim 1 (*see* Final Act. 7). Therefore, we do not sustain the Examiner's rejection under 35 U.S.C. § 103(a) of independent claims 10 and 19, and claims 14, 16, and 26–31, which depend therefrom, for the same reasons set forth above with respect to claim 1.

*Dependent Claims 8 and 17*

Claims 8 and 17 depend from independent claims 1 and 10, respectively. The Examiner's rejection of claims 8 and 17 does not cure the deficiency in the Examiner's rejection of independent claims 1 and 10. Therefore, we do not sustain the Examiner's rejection of dependent claims 8 and 17 under 35 U.S.C. § 103(a) for the same reasons set forth above with respect to the independent claims.

DECISION

The Examiner's rejection of claims 1, 5, 7, 8, 10, 14, 16, 17, 19, and 21–31 under 35 U.S.C. § 101 is affirmed.

The Examiner's rejections of claims 1, 5, 7, 8, 10, 14, 16, 17, 19, and 21–31 under 35 U.S.C. § 103(a) are reversed.



Appeal 2016-000586  
Application 13/282,251

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