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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
12/061,448	04/02/2008	Huaping Gu	2043.572US1	8511

49845                      7590                      08/16/2017  
SCHWEGMAN LUNDBERG & WOESSNER/EBAY  
P.O. BOX 2938  
MINNEAPOLIS, MN 55402

EXAMINER
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PALAVECINO, KATHLEEN GAGE

ART UNIT	PAPER NUMBER
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3625

NOTIFICATION DATE	DELIVERY MODE
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08/16/2017

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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* HUAPING GU and NEELAKANTAN SANDARESAN

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Appeal 2016-003740  
Application 12/061,448  
Technology Center 3600

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Before CAROLYN D. THOMAS, JASON V. MORGAN, and  
AMBER L. HAGY, *Administrative Patent Judges*.

THOMAS, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants seek our review under 35 U.S.C. § 134(a) of the Examiner's Final Rejection of claims 1, 3–18, 20–23, and 25, all the pending claims in the present application. Claims 2, 19, and 24 are canceled. *See* Spec., Claim Appendix. We have jurisdiction over the appeal under 35 U.S.C. § 6(b).

We AFFIRM.

The present invention relates generally to sharing searches. *See* Abstract.

Claim 1 is illustrative:

1. A method comprising:
  - storing one or more search terms of a search request;
  - associating the storing of the one or more search terms with an originating user;
  - receiving a sharing request for the search request, the sharing request associated with a requesting user, the originating user and the requesting user being different users;
  - associating the search request with the requesting user;
  - processing, by one or more processors, the search request;
  - providing a result of the processing of the search request to the requesting user; and
  - providing the originating user with one or more credits based on actions associated with the search request, the one or more credits including a bid credit provided in response to processing a bid by the requesting user for an item for sale associated with the search request.

Appellants appeal the following rejection:

Claims 1, 3–18, 20–23, and 25 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter.

We review the appealed rejections for error based upon the issues identified by Appellants, and in light of the arguments and evidence produced thereon. *Ex parte Frye*, 94 USPQ2d 1072, 1075 (BPAI 2010) (precedential).

## ANALYSIS

### *Rejection under § 101*

**Issue:** Did the Examiner err in finding that the claims are directed to non-statutory subject matter?

With respect to independent method claims 1 and 13, and similarly, machine-readable medium claims 18 and 21, and system claim 23, the Examiner finds that these claims are directed to an abstract idea of “sharing searches (organized human activity) and processing a bid (a fundamental economic practice)” (Final Act. 2). The Examiner further finds that “[t]hese steps merely represent the performance of business related steps, and do not amount to more than automating the commercial interaction on a general purpose computer” (*id.*).

We find that the Examiner has provided a sufficient response supported by a preponderance of evidence (*id.*, *see also* Ans. 3–7). As such, we refer to, rely on, and adopt the Examiner’s findings and conclusions set forth in the Answer. Our discussions here will be limited to the following points of emphasis.

A patent may be obtained for “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.” 35 U.S.C. § 101. The Supreme Court has held that this provision contains an important implicit exception: Laws of nature, natural phenomena, and abstract ideas are not patentable. *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014); *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972) (“Phenomena of nature, though just discovered, mental processes, and abstract intellectual concepts are not patentable, as they are the basic tools of scientific and technological work.”). Notwithstanding that a law of nature or an abstract idea, by itself, is not patentable, the application of these concepts may be deserving of patent protection. *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1293-94 (2012). In *Mayo*, the Court stated that “to transform an unpatentable law of

nature into a patent eligible *application* of such a law, one must do more than simply state the law of nature while adding the words ‘apply it.’” *Id.* at 1294 (citation omitted).

In *Alice*, the Court reaffirmed the framework set forth previously in *Mayo* “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of these concepts.” *Alice*, 134 S. Ct. at 2355. The first step in the analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts.” *Id.* If the claims are directed to a patent-ineligible concept, then the second step in the analysis is to consider the elements of the claims “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.” *Id.* (quoting *Mayo*, 132 S. Ct. at 1298, 1297).

In other words, the second step is to “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.* (brackets in original) (quoting *Mayo*, 132 S. Ct. at 1294). The prohibition against patenting an abstract idea “cannot be circumvented by attempting to limit the use of the formula to a particular technological environment or adding insignificant post-solution activity.” *Bilski v. Kappos*, 561 U.S. 593, 610–11 (2010) (citation and internal quotation marks omitted). The Court in *Alice* noted that “[s]imply appending conventional steps, specified at a high level of generality,’ was not ‘enough’ [in *Mayo*] to supply an ‘inventive concept.’” *Alice*, 134 S. Ct. at 2357 (quoting *Mayo*, 132 S. Ct. at 1300, 1297, 1294).

*Step one: Are the claims at issue directed to a patent-ineligible concept?*

Claim 1 recites seven steps: (a) storing search terms; (b) associating search terms with an originating user; (c) receiving a request; (d) associating the request with requesting user; (e) processing the search request; (f) providing a result; and (g) providing credits. Each of these steps involves information. A first type of information is stored and associated with an originating user. A second type of information is received and associated with a requesting user. The first type of information is also associated with the requesting user. The first type of information is processed and a result is provided to the requesting user. The originating user is provided with credits based on actions associated with the first type of data. This is the essence of the information processing and providing credits.

Appellants contend that “not only has the Examiner provided no evidence, the Examiner has not even attempted to compare what the Examiner asserts is an abstract idea to the examples provided in case law” (App. Br. 15). Appellants also contend that “the Examiner has, for the most part, relied on the rejection of the independent claims as a basis for rejecting th[e] dependent claims and has thus failed to establish a *prima facie* case” for the dependent claims (*id.* at 15).

In response, the Examiner “more clearly set forth the deficiencies under 35 [U.S.C. §] 101” (Ans. 3). Specifically, the Examiner finds that the concepts in the claimed invention, i.e., storing, associating, receiving, processing, and providing, merely “seek to organize, store[,] and transmit information” (*id.* at 4, citing *Cyberfone Systems, LLC v. CNN Interactive Group, Inc.*, 2014 WL 718153, 558 Fed. Appx 988 (Fed. Cir. 2014)). The Examiner further finds that “the claims recite concepts similar to those found

to be abstract in *SmartGene, Inc. v. Advanced Biological Labs.*, [555 Fed. Appx 950] (Fed. Cir. 2014)” (*id.*), “the claims are comparable to *Cybersource Corp. v. Retail Decision, Inc.*, [654 F.3d 1366] (Fed. Cir. 2011) in that they act to obtain and compare intangible data” (*id.*), and “the claims at issue are directed to the organization of human activity” (*id.*).

We agree with the Examiner that Appellants’ claims are directed to an abstract idea of “sharing searches (organized human activity) and processing a bid (a fundamental economic practice)” (Final Act. 2), i.e., organizing, storing, and transmitting information. Nevertheless, information as such is intangible. *See Microsoft Corp. v. AT&T Corp.*, 550 U.S. 437, 451 n.12 (2007). Information collection and analysis, including when limited to particular content, is within the realm of abstract ideas. *See, e.g., Elec. Power Grp. LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016) (holding that “collecting information, analyzing it, and displaying certain results of the collection and analysis” are “a familiar class of claims ‘directed to’ a patent-ineligible concept”); *FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1093–94 (Fed. Cir. 2016); *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1349 (Fed. Cir. 2015); *Digitech Image Techs., LLC v. Elecs. for Imaging, Inc.*, 758 F.3d 1344, 1351 (Fed. Cir. 2014); *CyberSource*, 654 F.3d at 1370.

*Step two: Is there something else in the claims that ensures that they are directed to significantly more than a patent-ineligible concept?*

To establish a *prima facie* case, the Examiner must next identify all of the additional elements in each claim and explain why these elements, individually or collectively, do not add significantly more than the abstract

idea. Here, the Examiner finds that although some of the claimed limitations are tied to machinery (e.g., a processor and/or memory), “these limitations represent extra[-]solution activity” or that “the functions performed by the machinery are well-understood, routine, and conventional . . . and are silent as to any detail or property that would transform the otherwise generic machinery into a specialized or special purpose machine” (Ans. 4–5). We agree with the Examiner.

“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].’” *Alice*, 134 S. Ct. at 2357 (brackets in original) (quoting *Mayo*, 132 S. Ct. at 1297). The prohibition against patenting an abstract idea “cannot be circumvented by attempting to limit the use of the formula to a particular technological environment or adding insignificant post-solution activity.” *Bilski*, 561 U.S. at 610-11 (citation and internal quotation marks omitted). The recitations in claim 1 pertaining to *one or more processors* are analogous to the recitation of a conventional “computer” discussed in *Alice*.

Here, Appellants improperly rely upon the fact that the Examiner has not made any rejections under §§ 102 or 103 and contend “the Examiner has not maintained a rejection of the claims at issue under either 35 U.S.C. § 102 or 35 U.S.C. § 103 . . . [Therefore,] [i]t is not clear how an activity . . . can be found to constitute a fundamental economic practice long prevalent in our system of commerce” (App. Br. 18).

However, this is not the test for determining patent-eligible subject matter under § 101, as the Supreme Court has set forth in *Alice* the proper two-step framework for distinguishing patents that claim abstract ideas.



Appellants' contention *supra* that the Examiner has found the invention novel and non-obvious, i.e., has found no prior art references that teach/suggest all of the claimed features, does not apprise us of error in the rejection under 35 U.S.C. § 101. An abstract idea does not transform into an inventive concept just because the prior art does not disclose or suggest it.<sup>1</sup>

Additionally, as recognized by the Federal Circuit in *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 716 (Fed. Cir. 2014), *Bilski's* “machine-or-transformation” (MoT) test can also provide a “useful clue” in the second step of the *Alice* framework. *See Bilski*, 561 U.S. at 611. Under *Bilski's* MoT test, a claimed process can be considered patent-eligible under § 101 if: (1) “it is tied to a particular machine or apparatus”; or (2) “it transforms a particular article into a different state or thing.” *In re Bilski*, 545 F.3d 943, 954 (Fed. Cir. 2008) (citing *Gottschalk*, 409 U.S. at 70).

Claim 1 does not specify any particular entity that performs the recited “storing,” “associating,” “receiving,” and “providing” steps; thus, such steps could be practiced mentally. Adding a mental step cannot patentably transform an otherwise abstract idea into an inventive concept. *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”). As for the processing step, we agree with the Examiner that claim 1 simply incorporates a generic component, i.e., a processor, into the method/system to perform the abstract concept of processing the search request.

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<sup>1</sup> *Alice* also confirmed that if a patent's systems claims are no different in substance from its method claims, they will rise and fall together. 134 S. Ct. at 2360. The same was true of the *Alice* patent's media claims. *Id.*

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 2358–59 (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*, 772 F.3d at 715–16 (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); *Dealertrack, Inc. v. Huber*, 674 F.3d 1315, 1333–34 (Fed. Cir. 2012) (“[s]imply 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)).

Limiting such an abstract concept of “sharing searches and processing a bid” to generic components, such as a processor, does not make the abstract concept patent-eligible under 35 U.S.C. § 101. Because Appellants’ claims 1, 13, 18, 21, and 23 are directed to a patent-ineligible abstract concept and do not recite something “significantly more” under the second prong of the *Alice* analysis, we sustain the Examiner’s rejection of these claims, as well as respective dependent claims 3–12, 14–17, 20, 22, and 25, under 35 U.S.C. § 101 as being directed to non-statutory subject matter in light of *Alice* and its progeny.

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For the foregoing reasons, Appellants' contentions are unpersuasive as to error in the rejection under 35 U.S.C. § 101.

#### DECISION

We affirm the Examiner's § 101 rejection of claims 1, 3–18, 20–23, and 25.

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