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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JEFFRY AN. NOKES and MICHAEL JOSEPH EVANS

Appeal 2016-005178
Application 11/954,004
Technology Center 3600

Before BIBHU R. MOHANTY, BRUCE T. WIEDER, and
BRADLEY B. BAYAT, *Administrative Patent Judges*.

MOHANTY, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

The Appellants seek our review under 35 U.S.C. § 134 of the final rejection of claims 1–23, which are all the claims pending in the application. We have jurisdiction under 35 U.S.C. § 6(b).

SUMMARY OF THE DECISION

We AFFIRM.

THE INVENTION

The Appellants' claimed invention is directed to a system to watch for items of an electronic publishing or sales system (Spec., para. 1). Claim 1, reproduced below, is representative of the subject matter on appeal.

1. A computer-implemented method, comprising:
 - enabling a buyer using a first computing device to use a first network-based interface provided by a second computing device to the buyer via a network to identify an item offered for sale by a seller as an item to be included in a watch list associated with the buyer, the watch list including at least one item to be watched for the buyer;
 - enabling the buyer using the first computing device to use a second network-based interface provided by the second computing device to the buyer via the network to provide buyer's information and to associate the buyer's information with the item included in the watch list, the first network-based interface and the second network-based interface being associated with a network-based marketplace, the second network-based interface including a displayed arrangement of marketplace information associated with the item included in the watch list and the buyer's information associated with the item included in the watch list, the marketplace information including an identification of the seller and the item included in the watch list, the buyer's information including item rating information that corresponds to a relative preference of the buyer for the item included in the watch list, and the second network-based interface including an adjustable visual representation of the relative preference of the buyer for the item included in the watch list;
 - providing a user table, an items table and a transaction table that operate to implement transactions for items in the network-based marketplace, the user table including records for buyers and sellers in the network-based marketplace, the items table including records for items that are transacted in the network-based marketplace, and the transaction table including

records for transactions of items between the sellers and the buyers in the network-based marketplace; and
providing an items watch-list table for the buyer at the second network-based interface, the items watch-list table associating an identification of the buyer with a list of one or more items included in the watch list and with corresponding buyer's information and marketplace information for the one or more items included in the watch list, and the items watch-list table being dynamically updated to remove an outdated item from the watch list when the outdated item is no longer available in the network-based marketplace.

THE REJECTION

The following rejection is before us for review:

Claims 1–23 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

FINDINGS OF FACT

We have determined that the findings of fact in the Analysis section below are supported at least by a preponderance of the evidence.¹

ANALYSIS

The Appellants argue that the rejection of claim 1 is improper because the claim is not directed to an abstract idea (App. Br. 15–18, Reply Br. 2–7). The Appellants also argue that even if the claim is found to be abstract that the claim is: nevertheless directed to patentable subject matter in a specially configured computer, functions in a manner beyond what is purely

¹ See *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Patent Office).

conventional, that the limitations add something more to the judicial exception, is rooted in technology, and improves the functioning of the computer itself (App. Br. 18–28).

In contrast, the Examiner has determined that the claim is directed to watching items for sale in an auction system which is a fundamental economic practice and directed to an abstract idea (Ans. 3). The Examiner has also determined that the claim limitations do not add “significantly more” to the abstract nature of the claim (Final Rej. 2, 3).

We agree with the Examiner. 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: “laws 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).

In judging whether claim 1 falls within the excluded category of abstract ideas, we are guided in our analysis by the Supreme Court’s two-step framework, described in *Mayo* and *Alice*. *Id.* at 2355 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1296–97 (2012)). In accordance with that framework, we first determine whether the claim is “directed to” a patent-ineligible abstract idea. If so, we then consider the elements of the 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 of the abstract idea. *Id.* This is a search for an “inventive concept” an element or combination of elements sufficient to ensure that the claim amounts to “significantly more” than the abstract idea itself. *Id.* The Court also stated that “the mere

recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention”. *Id* at 2358.

Here, we determine that the claim is directed to the concept of providing a watch list of items for sale in an auction system with buyers and sellers. This is a fundamental economic practice long prevalent in our system of commerce and is an abstract idea beyond the scope of § 101.

We next consider whether additional elements of the claim, both individually and as an ordered combination, transform the nature of the claim into a patent-eligible application of the abstract idea, e.g., whether the claim does more than simply instruct the practitioner to implement the abstract idea using generic computer components. We conclude that it does not.

Considering each of the claim elements in turn, the function performed by the computer system at each step of the process is purely conventional. Each step of the claimed method does no more than require a generic computer to perform a generic computer function and do not find that the functioning of the computer itself is improved. The Specification at paragraph 85 describes that the computer system may use commonly known computer systems or “any machine capable of executing a set of instructions.” While the Appellants at page 24 have argued that the claim is “rooted in computer technology” we have determined in contrast that the claim does not amount to significantly more than the abstract idea above.

Considered as an ordered combination, the computing devices of Appellants’ method adds nothing that is not already present when the steps are considered separately.

We note the point about pre-emption (App. Br. 27, 28). While pre-emption “might tend to impede innovation more than it would tend to promote it, ‘thereby thwarting the primary object of the patent laws’” (*Alice*, 134 S. Ct. at 2354 (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1293 (2012))), “the absence of complete preemption does not demonstrate patent eligibility” (*Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015)). *See also OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015) (“[T]hat the claims do not preempt all price optimization or may be limited to price optimization in the e-commerce setting do not make them any less abstract.”).

Here, after considering the claim elements both individually and as an ordered combination we determine that they fails to transform the abstract nature of the claim.

For these above reasons the rejection of claim 1 is sustained. Dependent claims 2–8 as well as claims 9–13 and 18–23 are drawn to similar subject matter and the rejection of these claims is sustained as well.

We reach the same conclusion as to independent system claim 14 and its dependent claims. Here, as in *Alice*, “the system claims are no different in substance from the method claims. The method claims recite the abstract idea implemented on a generic computer; the system claims recite a handful of generic computer components configured to implement the same idea.” *Alice* 134 S. Ct. at 2351. “[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

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enough for patent eligibility.” *Id.* at 2358 (quoting *Mayo*, 132 S. Ct. at 1294).

CONCLUSIONS OF LAW

We conclude that Appellants have not shown that the Examiner erred in rejecting claims 1–23 under 35 U.S.C. § 101.

DECISION

The Examiner’s rejection of claims 1–23 is sustained.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a).

AFFIRMED