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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* RENÉE GENTRY VONBERGEN, ERIK RANNALS,  
GEORGE LIANG, MAURA K. RANDALL, DAVID RACCAH, and  
JENNIFER KOZENSKI

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Appeal 2016-007572<sup>1</sup>  
Application 13/396,481  
Technology Center 3600

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Before JOHN A. EVANS, SCOTT E. BAIN, and  
ALEX S. YAP, *Administrative Patent Judges*.

YAP, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's final rejection of claims 1–18, which are all the claims pending in this application.

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

We affirm.

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<sup>1</sup> According to Appellants, the real party in interest is Ebay Inc. (App. Br. 3.) We note that Appellants' Appeal Brief is not paginated. We will refer to pages in the brief starting from the cover page of the brief.

## STATEMENT OF THE CASE

### *Introduction*

Appellants' Specification states that the "present application relates generally to network-based commerce, more particularly to network-based commerce facility offer management methods and systems." (Feb. 14, 2012 Specification ("Spec.") ¶ 3.) Claim 1 is illustrative and is reproduced below:

1. A network-based commerce system including:
  - at least one processor;
  - at least one network interface device;
  - a presentation module executable by the at least one processor to present a listing of an item for sale to a buying-user via the at least one network interface device from the network-based commerce system, the listing being to solicit an offer from the user for the item for sale;
  - an offer module executable by the at least one processor to receive, via the at least one network interface device, an offer submitted by the buying-user as a pending offer with regard to the item for sale; and
  - the presentation module being to communicate the pending offer via a user interface of the network-based commerce system to a selling-user, and to present, via the user interface, a plurality of pending offers received by the offer module from a plurality of buying-users to the selling-user, the user interface adapted to receive, within a single view of the user interface, input from the selling-user with regard to each of the plurality of pending offers including an option to accept or reject the received individual offers.

### *Rejection on Appeal*

Claims 1–18 stand rejected under 35 U.S.C. § 101 because the claims are not directed to patent eligible subject matter. (*See* Final Office Action (mailed April 29, 2015) ("Final Act.") 2–13.)

## ANALYSIS

We have reviewed the Examiner's rejections in light of Appellants' arguments that the Examiner has erred. We are not persuaded that the Examiner erred in rejecting claims 1–18 under 35 U.S.C. § 101. We agree, and adopt as our own, the findings and reasons set forth by the Examiner in the action from which this appeal is taken and in the Answer (Ans. 7–13; Final Act. 2–13). We highlight and address specific arguments and findings for emphasis as follows.

The Examiner rejects claims 1–18 under 35 U.S.C. § 101 because the claims are not directed to patent eligible subject matter. (Final Act. 2–13.) According to the Examiner:

Per step 2a, part 1 Mayo test, . . . [t]he practice of selling and buying items is a part of fundamental economic practice. Further, these steps of receiving, communicating, presenting offers with option to accept or reject can be performed by a human being using pen and paper and therefore the concept of claim 1 is similar to the concepts involving a human activity relating to commercial practices (for example, hedging in *Bilski*) that have been found by the courts to be abstract idea. The limitations that narrow the idea that is presenting the plurality of offers to a seller in a single view with the option to accept or reject or ignore, do not make the concept less abstract. . . .

Per Step 2B, part 2, Mayo test, . . . the function performed by the computer at each step of the process is purely conventional. Using a computer to . . . are basic functions of a computer, which are well-understood, routine, conventional activities previously known to the industry, . . . The claim . . . does not, for example, purport to improve the functioning of the computer itself, or effect an improvement in any other technology or technical field . . . . Instead, the claims at issue

amount to nothing significantly more than an instruction to apply the abstract idea of listing items for sale, receiving offers from buyers, presenting those offers to seller who can either accept or reject or ignore the buyer offers and related solutions as part of a commercial transaction performed by a generic computer and/or server. This is not enough to transform an abstract idea into a patent-eligible invention.

(*Id.* at 4–8, original emphasis omitted.) Appellants contend that the Examiner has not established a *prima facie* case, the claims are not directed to an abstract idea, and even if they were, the claims include limitations that are “significantly more” than the abstract idea. (App. Br. 11–27.) Appellants, however, have not persuaded us that the Examiner erred.

Whether an invention is patent-eligible is an issue of law, which we review *de novo*. 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 implicit exceptions: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *E.g., Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014).

In determining whether a claim 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.*, 566 U.S. 66, 78–79 (2012)). In accordance with that framework, we first determine whether the claim is “directed to” a patent-ineligible abstract idea. *See Alice*, 134 S. Ct. at 2356 (“On their face, the claims before us are drawn to the concept of intermediated settlement, *i.e.*, the use of a third party to mitigate settlement risk.”); *Bilski v. Kappos*, 561 U.S. 593, 611 (2010) (“Claims 1 and 4 in

petitioners’ application explain the basic concept of hedging, or protecting against risk . . . .”); *Diamond v. Diehr*, 450 U.S. 175, 184 (1981) (“Analyzing respondents’ claims according to the above statements from our cases, we think that a physical and chemical process for molding precision synthetic rubber products falls within the § 101 categories of possibly patentable subject matter.”); *Parker v. Flook*, 437 U.S. 584, 594–595 (1978) (“Respondent’s application simply provides a new and presumably better method for calculating alarm limit values.”); *Gottschalk v. Benson*, 409 U.S. 63, 64 (1972) (“They claimed a method for converting binary-coded decimal (BCD) numerals into pure binary numerals.”).

The patent-ineligible end of the spectrum includes fundamental economic practices, *Alice*, 134 S. Ct. at 2357; *Bilski*, 561 U.S. at 611; mathematical formulas, *Flook*, 437 U.S. at 594–95; and basic tools of scientific and technological work, *Gottschalk*, 409 U.S. at 67. On the patent-eligible side of the spectrum are physical and chemical processes, such as curing rubber, *Diamond*, 450 U.S. at 184 n.8, “tanning, dyeing, making waterproof cloth, vulcanizing India rubber, smelting ores,” and a process for manufacturing flour, *Gottschalk*, 409 U.S. at 69.

If the claim is “directed to” a patent-ineligible abstract idea, we then consider the elements of the claim—both individually and as an ordered combination—to assess whether the additional elements transform the nature of the claim into a patent-eligible application of the abstract idea. *Alice*, 134 S. Ct. at 2355. 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.*

*Prima Facie Case*

As discussed above, the Examiner rejects claims 1–18 under 35 U.S.C. § 101 because the claims are not directed to patent eligible subject matter. (Final Act. 2–13.) Appellants contend that the Examiner has failed to establish “a *prima facie* case that the claims are not directed to patent-eligible subject matter.” (App. Br. 11–17.) Appellants, however, have not persuaded us that the Examiner erred. In patent prosecution, the Examiner carries the initial burden of establishing a *prima facie* case of unpatentability “by adequately explain[ing] the shortcomings it perceives so that the applicant is properly notified and able to respond.” *Id.* The statement of the *prima facie* case, however, “need not be a full exposition on every conceivable deficiency of a claim. Rather, its purpose is simply to provide sufficient notice to the applicant to facilitate his effective submission of information.” *Hyatt v. Dudas*, 492 F.3d 1365, 1370 (Fed. Cir. 2007) (citation omitted). Here, the Examiner performed the two-part *Alice* test by identifying the abstract idea (*i.e.*, “[t]he practice of selling and buying items is a part of fundamental economic practice”) and determining whether the claims amount to significantly more than abstract idea itself (*i.e.*, “the claims at issue amount to nothing significantly more than an instruction to apply the abstract idea of listing items for sale, receiving offers from buyers, presenting those offers to seller who can either accept or reject or ignore the buyer offers and related solutions as part of a commercial transaction performed by a generic computer and/or server”). (Final Act. 4–8.) For these reasons, we find that the Examiner has established a *prima facie* case.

Appellants also contend that “the Examiner has chosen not to base the § 101 rejection on substantial evidence . . . there is no evidence on the record

that the invention, *as defined by the particular claim limitations*, is simply some abstract idea of selling and buying items.” (App. Br. 15; Reply 4–5.) According to Appellants, the Examiner failed to provide “substantial evidence” to support his/her findings. (App. Br. 13–15.) There is, however, no requirement that examiners must provide evidentiary support in every case before a conclusion can be made that a claim is directed to an abstract idea. *See, e.g.*, para. IV “July 2015 Update: Subject Matter Eligibility” to 2014 Interim Guidance on Subject Matter Eligibility (2014 IEG), 79 Fed. Reg. 74618 (Dec. 16, 2014) (“The courts consider the determination of whether a claim is eligible (which involves identifying whether an exception such as an abstract idea is being claimed) to be *a question of law*.” Accordingly, courts do not rely on evidence that a claimed concept is a judicial exception, and in most cases resolve the ultimate legal conclusion on eligibility without making any factual findings.” (emphasis added) (footnote omitted)).<sup>2</sup> Evidence may be helpful in certain situations where, for instance, facts are in dispute, but it is not always necessary. Here, Appellants do not, and cannot credibly, argue that the claims are not directed to the “practice of selling and buying items,” as the Examiner finds, but rather argue that the Examiner has not provided substantial evidence. (App. Br. 11–15.) However, a plain reading of the claims supports the Examiner’s findings that the claims are directed to the “practice of selling and buying items.” (Final Act. 4.)

Appellants also contend that the Examiner has not “perform[ed] any actual comparison of the alleged abstract idea to any specific concept from

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<sup>2</sup> Available at <https://www.uspto.gov/sites/default/files/documents/ieg-july-2015-update.pdf>.



any specific court decision.” (App. Br. 16; Reply 5–7.) This contention is not persuasive because, even *assuming arguendo* that there is such a requirement, the Final Action contains numerous citations and discussions of various cases. (Final Act. 4–6, 9–10.) For example, the Examiner notes that:

these steps of receiving, communicating, presenting offers with option to accept or reject can be performed by a human being using pen and paper and therefore the concept of claim 1 is similar to the concepts involving a human activity relating to commercial practices (for example, hedging in *Bilski*) that have been found by the courts to be abstract idea.

(*Id.* at 4.) Therefore, Appellants’ contention that the “several cases [cited in the Examiner’s Answer] were not listed in the Examiner’s final rejection[, s]pecifically, the Examiner cites *Alice*, *Bilski*,” is not credible. (Reply 6.) Appellants’ further argument in its Reply (regarding the *prima facie* issue) that “none of the Examiner cited cases (*Alice*, *Bilski*, *Ultramercial*, *OIP Tech*, and *buySafe*) have claims directed towards a user interface at all, much less a user interface that is specifically configured to allow a user to simultaneously review and respond to multiple offers” is a new argument that is raised in reply and is deemed waived. *See In re Hyatt*, 211 F.3d 1367, 1373 (Fed. Cir. 2000) (noting that an argument not first raised in the brief to the Board is waived on appeal); *Ex parte Nakashima*, 93 USPQ2d 1834, 1837 (BPAI 2010) (explaining that arguments and evidence not timely presented in the principal Brief, will not be considered when filed in a Reply Brief, absent a showing of good cause explaining why the argument could not have been presented in the Principal Brief); *Ex parte Borden*, 93 USPQ2d 1473, 1477 (BPAI 2010) (informative) (“Properly interpreted, the Rules do not require the Board to take up a belated argument that has not

been addressed by the Examiner, absent a showing of good cause.”). Moreover, as discussed below, providing a seller with a user interface to review offers “to allow [the seller] to simultaneously review and respond to multiple offers” (Reply 6) is simply using a computer to implement an abstract idea (*i.e.*, selling and buying items and presenting the plurality of offers to a seller in a single view with the option to accept or reject or ignore.)

We are similarly not persuaded by Appellants’ contention that “the Examiner has not established a *prima facie* case against the dependent claims for substantially the same reasons as enumerated above.” (App. Br. 16–17; Reply 7.) The Federal Circuit in *Jung* notes that

the PTO carries its procedural burden of establishing a *prima facie* case when its rejection satisfies 35 U.S.C. § 132, in “notify[ing] the applicant . . . [by] stating the reasons for [its] rejection, or objection or requirement, 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.

637 F.3d at 1362 (alterations in original). Here, the Examiner finds that because “there is no meaningful distinction between the method, system and manufacture claims or between the independent and dependent claims, [therefore,] the same analysis will be applicable to all the claims as being presented below considering claim 1 as the representative claim.” (Final Act. 4, citation omitted; *see also* Ans. 11–13 (further explaining the rejection of the dependent claims).) For the forgoing reasons, Appellants have not have not persuaded us that the Examiner erred.

*Abstract Idea*

With regard to the first step of *Alice*, the Examiner finds that the claims are directed to the “practice of selling and buying items[, which] is a part of fundamental economic practice.” (Final Act. 4.) The Examiner further finds that the “limitations that narrow the idea that is presenting the plurality of offers to a seller in a single view with the option to accept or reject or ignore, do not make the concept less abstract.” (*Id.*; *see also id.* at 5, 8–10.) Appellants contend that the claims are not abstract because “[t]he claims at issue are not directed to a fundamental practice long prevalent in our system of commerce.” (App. Br. 18–20; Reply 8.) Specifically, according to Appellants, the claims “do not define some fundamental economic practice long prevalent in our system of commerce because user interfaces, like the one required by the claims, are unique to electronic devices and did not exist prior to the widespread use of computer and internet technology” and “this is not just the computerization of some long standing practice, but something that is necessarily ‘rooted in computer technology’ like *DDR Holdings*.” (App. Br. 19–20.) We are not persuaded by Appellants’ contention and we agree with the Examiner that the claims, “as a whole amount[] to nothing more than generic computer functions merely used to implement an abstract idea, such as an idea that could be done by a human analog (*i.e.*, by hand or by merely thinking).” (Ans. 6; Final Act. 4–5.) Even *assuming arguendo* that “user interfaces, like the one required by the claims, are unique to electronic devices [that] did not exist prior to the widespread use of computer and internet technology,” that alone (*i.e.*, implementing an abstract idea using a general purpose computer) does not make the underlying idea any less abstract. *Alice*, 134 S. Ct. at 2352

("[M]erely requiring generic computer implementation fails to transform [an] abstract idea into a patent-eligible invention.").

We are similarly not persuaded by Appellants' contention that it "is not clear how an activity[,] which cannot be shown ever to have been performed before[,] can be found to constitute a fundamental economic practice" because "no [prior] art is cited" to show that it is either "foundational" or "well-known." (App. Br. 20; Reply 8.) The "practice of selling and buying items [and] presenting . . . plurality of offers to a seller in a single view with the option to accept[,] reject[,] or ignore" is such a basic economic practice that one of ordinary skill in the art would understand.

Appellants further contend:

Like the claims of *Enfish*, the claims of the present case have specific asserted improvement in computer capabilities and they do not simply invoke the computer as a tool. *The claims recite an improvement to user interfaces, which is both an improvement to the functioning of the computer itself since it allows the computer to more efficiently display information and receive input from a user in a wider variety of situations, not merely just act as a tool in a commercial transaction.*

(Reply 9–10, emphasis added.) Appellants' contention is not persuasive because the alleged improvement is mere attorney argument and a conclusory statement, which is unsupported by factual evidence, and, thus is entitled to little probative value. *In re Geisler*, 116 F.3d 1465, 1470 (Fed. Cir. 1997); *In re De Blauwe*, 736 F.2d 699, 705 (Fed. Cir. 1984).

#### *Inventive Concept*

Regarding step two of *Alice*, Appellants argue that the claims of the present application are directed toward eligible subject matter because they include limitations that are significantly more than an abstract idea. (App. Br. 20–27; Reply 12–17.) According to Appellants, the claims are "rooted in

computer technology and solve a problem arising in the realm of computer interfaces”:

*As described above, the claims at issue are rooted in technology [because] the claims require a “user interface of [a] network-based commerce system” that is able to dynamically update to display pending offers. Such a user interface is not only rooted in computer technology, it essentially does not exist outside of the context of computer systems.*

Furthermore, the claims solve a technological problem arising in the realm of computer interfaces. Specifically, complicated user interfaces, especially user interfaces that containing multiple different offers in different tabs or views, can be difficult to use and result in user frustration and the potential of users making non-optimal commerce decisions due to inability to easily compare competing offers. This problems is solved by the current claims by allowing a dynamic list of current offers to be displayed “within a single view of the user interface” and including an option to “accept or reject the received individual offers.” *Thus, the current claims are both rooted in computer technology and solve a problem arising in the realm of computer interfaces.*

(App. Br. 26, emphases added.) Appellants, however, do not provide persuasive evidence that the claim amounts to “significantly more” than the abstract idea itself and we agree with the Examiner’s finding that nothing in the claims adds an inventive concept that transforms the nature of the claim into a patent-eligible application of the abstract idea. (Final Act. 6–8, 10–12; Ans. 5–11.) As discussed above, just because “the claims [may] require a ‘user interface of [a] network-based commerce system’ that is able to [allegedly] dynamically update to display pending offers” (App. Br. 27) does not mean necessary that the claims are “rooted in technology.” In other words, as discussed above, just because the claims make use of a computer to perform the steps of the claims does not mean that the claims are “rooted

in technology.” Appellants have not provided evidence, rather than attorney arguments, that the claims add an inventive concept that transforms the nature of the claims into a patent-eligible application of the abstract idea. We agree with the Examiner’s finding that “the computer acts as the intermediary [and] do no more than implement the abstract idea of an intermediary enabling a seller listing items for sale and allowing the seller the option to either accept or reject the received offers” via a user interface. (Ans. 7.) Moreover, the alleged “problem arising in the realm of computer interfaces” (*see, e.g.,* App. Br. 22–23, 27) is mere attorney argument and a conclusory statement, which is unsupported by factual evidence, and, thus is entitled to little probative value. *In re Geisler*, 116 F.3d at 1470.

#### *Preemption*

We are also not persuaded by Appellants’ contention that the “claims at issue do not preempt the making, using, and selling of basic tools scientific and technological work.” (App. Br. 27.) Although “preemption may signal patent ineligible subject matter, 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.”), *cert. denied*, 136 S. Ct. 701 (2015). And, “[w]here a patent’s claims are deemed only to disclose patent ineligible subject matter under the *Mayo* framework, as they are in this case, preemption concerns are fully addressed and made moot.” *Ariosa*, 788 F.3d at 1379.

For the foregoing reasons, because claims 1–18 are directed to an abstract idea and nothing in the claims adds an inventive concept that transforms the nature of the claim into a patent-eligible application of the abstract idea, the claims are not patent-eligible under § 101. Therefore, we sustain the 35 U.S.C. § 101 rejection of claims 1–18.

#### DECISION

We affirm the decision of the Examiner to reject claims 1–18 under 35 U.S.C. § 101.

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