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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte KEVIN PATRICK FRIES

Appeal 2016-008429
Application 13/670,146¹
Technology Center 3600

Before BRADLEY W. BAUMEISTER, JASON V. MORGAN, and
DAVID J. CUTITTA II, *Administrative Patent Judges*.

CUTITTA, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant seeks our review under 35 U.S.C. § 134(a) of the Examiner's decision rejecting claims 1–20, which are all the claims pending in the application. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Appellant identifies the Real Party in Interest as eBay Inc. *See* Appeal Br. 2.

STATEMENT OF THE CASE

Invention

Appellant's invention relates to providing transient local commerce search capabilities. Spec. ¶ 1.² Namely, a user is provided with an indicator of a location of one or more merchants that offer a product for sale within a user-specified location and during a user-specified time period, such as a food truck. *See* Spec. Abstract.

Exemplary Claim

Claims 1, 13, and 20 are independent. Claim 1 is exemplary and is reproduced below.

1. A method comprising:

receiving information from a client device, the information identifying a product and including a user specified location and a user specified time period, the information being specified via a user interface presented on the client device;

obtaining, from one or more networked databases, location data identifying a temporary location of one or more merchants having the product available for sale;

obtaining, from the one or more networked databases, temporal data indicating a time when the product is available at the temporary location of the one or more merchants;

determining, using one or more processors, that the product is available within the user specified location and during the user specified time period based on the location data and the temporal data; and

² Throughout this Decision, we refer to: (1) Appellant's Specification, filed November 6, 2012 ("Spec."); (2) the Final Office Action ("Final Act."), mailed May 12, 2015; (3) the Appeal Brief filed December 30, 2015 ("Appeal Br."); (4) the Examiner's Answer ("Ans."), mailed July 22, 2016; and (5) the Reply Brief (Reply Br.) filed September 7, 2016.

providing display data to display an indicator of a location of at least one of the one or more merchants, the at least one of the one or more merchants providing the product within the user specified location and during the user specified time period.

Appeal Br. 26.

REJECTION

Claims 1–20 stand rejected under 35 U.S.C. § 101 as directed to non-patentable subject matter. Final Act. 2–4.

CONTENTIONS AND ANALYSIS

Issue: Whether the Examiner properly rejects the claims under 35 U.S.C. § 101 as being directed to non-patentable subject matter?

Appellant argues the claims as a group. *See* Appeal Br. 8, 13. We select independent claim 1 as exemplary of Appellant’s arguments for claims 1–20. *See* 37 C.F.R. § 41.37(c)(1)(iv) (2015).

The Examiner determines claim 1 is directed to a fundamental economic practice and, thus, an abstract idea. *See* Final Act. 3; Ans. 11. The Examiner also determines the claim does not include additional claim elements sufficient to “provide meaningful limitations to transform the abstract idea into a patent eligible application of the abstract idea such that the claims amount to significantly more than the abstract idea itself.” Final Act. 2–3.

Appellant presents several arguments against the § 101 rejection. We do not find Appellant’s arguments persuasive. Instead, the Examiner has provided a comprehensive response to Appellant’s arguments supported by a preponderance of evidence. *See* Ans. 2–13. Thus, we adopt the Examiner’s findings and conclusions. *See* Final Act. 2–4; Ans. 2–13.

Section 101 provides that “[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.” 35 U.S.C. § 101. The provision, however, “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) (quoting *Assoc. for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2116 (2013)). The “abstract ideas” category embodies the longstanding rule that an idea, by itself, is not patentable. *Alice*, 134 S. Ct. at 2355 (quoting *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972)).

In *Alice*, the Supreme Court sets forth an analytical “framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” 134 S. Ct. at 2355 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1296–97 (2012)). The first step in the analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts,” such as an abstract idea. *Alice*, 134 S. Ct. at 2355.

If the claims are directed to a patent-ineligible concept, 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.” *Alice*, 134 S. Ct. at 2355 (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 [abstract idea] to a particular technological environment’ or adding ‘insignificant postsolution activity.’” *Bilski v. Kappos*, 561 U.S. 593, 610–11 (2010) (quoting *Diamond v. Diehr*, 450 U.S. 175, 191–92 (1981)).

Initially, independent claim 1 recites steps for a method. As such, claim 1 is directed to a statutory class of invention within 35 U.S.C. § 101. Turning to the first step of the *Alice* inquiry, we must determine whether claim 1, being directed to a statutory class of invention, nonetheless falls within a judicial exception. We agree with the Examiner that Appellant’s claim 1 is directed to “a fundamental economic practice.” Final Act. 3. Such activities fit squarely within the realm of abstract ideas.

Providing data indicating whether merchants are available to provide a product for sale at a specified location and time is a fundamental business practice long prevalent in our system of commerce, like the risk hedging in *Bilski* (see *Bilski*, 561 U.S. at 593), intermediated settlement in *Alice* (see *Alice*, 134 S. Ct. at 2356–57), offer-based price optimization in *OIP* (see *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362 (Fed. Cir. 2015)), verifying credit card transactions in *CyberSource* (see *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1370 (Fed. Cir. 2011)), collecting and analyzing information to detect and notify of misuses in *FairWarning* (see *FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1093–94 (Fed. Cir. 2016)), and guaranteeing of transactions in *buySAFE* (see *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1354 (Fed. Cir. 2014)).

Providing availability data for merchants is also a building block of a market economy.

Thus, “providing display data to display an indicator of a location of at least one of the one or more merchants,” like risk hedging and intermediated settlement, may be characterized as an “abstract idea” beyond the scope of § 101. *See Alice* 134 S. Ct. at 2356. Accordingly, we are unpersuaded by Appellant that the “claims at issue are not directed to a fundamental economic practice.” Appeal Br. 15–16.

Regardless, however, of whether the claims are directed to a fundamental economic practice, we also agree with the Examiner that Appellant’s claim 1 is abstract because a “claim directed to organizing, storing, and transmitting information is directed to an idea itself.” Ans. 10 (citing *Cyberfone Sys., LLC v. CNN Interactive Grp.*, 558 Fed. Appx. 988 (Fed. Cir. 2014) (non-precedential)).

The decision in *Electric Power Group v. Alstom* also is instructive because the claims in that case related to “real-time performance monitoring of an electric power grid by collecting data from multiple data sources, analyzing the data, and displaying the results.” *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1351 (Fed. Cir. 2016). Specifically, the claims recited (1) receiving input data regarding the power grid, other power system data sources, and non-grid data sources; (2) “detecting and analyzing events in real-time from the plurality of data streams” based on measurements specifically related to power, including “dynamic stability metrics”; (3) “displaying the event analysis results and diagnoses of events and associated ones of the metrics . . . in visuals, tables, charts, or combinations thereof,” including “tracking data” or “historical data”; and (4) “deriving a

composite indicator of reliability.” *Id.* at 1351–52. Here, like the claims in *Elec. Power Grp.*, the “focus of the asserted claims . . . is on collecting information, analyzing it, and displaying certain results of the collection and analysis,” and is accordingly directed to an abstract idea. *Elec. Power Grp.*, 830 F.3d at 1354; *see also Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat’l Ass’n*, 776 F.3d 1343, 1347 (Fed. Cir. 2014) (“The concept of data collection, recognition, and storage is undisputedly well-known. Indeed, humans have always performed these functions.”).

Appellant argues claim 1 solves “a technological problem in conventional industry practice” because in contrast with the claimed solution, “users that utilize . . . conventional practices to locate merchants offering products at a specific time and place often cause increased network congestion due to the numerous requests they cause to be transmitted to servers.” Appeal Br. 18 (citing *Diamond v. Diehr*, 450 U.S. 175 (1981)). The Examiner disagrees, noting “*Diehr* involved a physical transformation with respect to the process of curing rubber, a factor that is lacking in the present claims. Moreover, the problem of locating temporary merchants can be solved in other ways than by using appellant’s technology.” Ans. 12. We agree with the Examiner and thus find Appellant’s argument unpersuasive.

Appellant argues claim 1 is not abstract because it “focus[es] on a specific asserted improvement in computer capabilities, particularly, in the capability to locate transient merchants,” like the invention discussed in *Enfish*. Reply Br. 15 (citing *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016)).

This argument is unpersuasive because claim 1, here, is unlike the claims in *Enfish*. There, our reviewing court relied on the distinction made in *Alice* between, on one hand, computer-functionality improvements and, on the other, uses of existing computers as tools in aid of processes focused on “abstract ideas” (in *Alice*, as in so many other § 101 cases, the abstract ideas being the creation and manipulation of legal obligations such as contracts involved in fundamental economic practices). *Enfish*, 822 F.3d at 1335–36; *see also Alice*, 134 S. Ct. at 2358–59. In *Enfish*, the decision to reject the § 101 challenge was applied at stage one because the claims at issue focused, not on asserted advances in uses to which existing computer capabilities could be put, but on a specific improvement—a particular database technique—in how computers could carry out one of their basic functions of storage and retrieval of data. *Enfish*, 822 F.3d at 1335–36.

The present case is different because the focus of claim 1 is not on an improvement in computer-functionality, as in *Enfish*, but on independently abstract ideas that use a computer as a tool, i.e., to collect, analyze, and display merchant information; namely, receiving a query from a client identifying a product and including a user specified location and a user specified time period and displaying a location of merchants that provide the product within the user specified location and during the user specified time period.

“We need not define the outer limits of ‘abstract idea,’ or at this stage exclude the possibility that any particular inventive means are to be found somewhere in the claim, to conclude that claim 1 focuses on an abstract idea—and hence the issue requires stage-two analysis under § 101.” *Elec. Power Grp.*, 830 F.3d at 1353.

Turning to the second step of the *Alice* inquiry, Appellant argues “there is no analysis showing that the Examiner actually considered the ordered combination recited in the claims” and “[w]hen considered as an ordered combination, the elements of the claims at issue include something more.” Appeal Br. 19–20 (emphasis removed).

We are unpersuaded because the Examiner does consider the claim as an ordered combination. *See* Ans. 5–7. Additionally, nothing in Appellant’s claim 1 adds “significantly more,” sufficient to transform the abstract concept of collecting, analyzing, and displaying information into a patent-eligible application. *See Alice*, 134 S. Ct. at 2357.

Merely collecting, analyzing, and displaying information does nothing significant to differentiate a process from ordinary mental processes, whose implicit exclusion from § 101 underpins the information-based category of abstract ideas. *See Elec. Power Grp.*, 830 F.3d at 1355. Claim 1 does not require a new source or type of information, or a new technique for analyzing it. *Id.* Consequently, claim 1 does not require an arguably inventive set of components or methods, such as measurement devices or techniques, that would generate new data. *Id.*

Moreover, the claim does not invoke any assertedly inventive programming. Merely manipulating data for storage or display by itself does not transform the otherwise-abstract processes of information collection and analysis. *See Elec. Power Grp.*, 830 F.3d at 1355; *FairWarning*, 839 F.3d at 1097.

Thus, for the same reasons as *Electric Power Group* and *FairWarning*, Appellant’s claim 1 is also directed to nothing significantly more than the underlying abstract idea and, therefore, is ineligible under § 101.

Moreover, nothing in claim 1, understood in light of the Specification, requires anything other than off-the-shelf, conventional computer technology for extracting, analyzing, and displaying the desired data. *See* Spec. ¶ 46 (“The processor 510 may be any of a variety of different types of commercially available processors suitable for mobile devices”); *See* also Spec. ¶ 19 (discussing client device 170). Our reviewing court has repeatedly held that invocations of computers and networks that are not even arguably inventive are “insufficient to pass the test of an inventive concept in the application” of an abstract idea. *buySAFE, Inc.*, 765 F.3d at 1353, 1355; *see, e.g., Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1370 (Fed. Cir. 2015).

Appellant argues there is no “*per se excluded category of subject matter.*” Appeal Br. 17.

We do not disagree. Nevertheless, there is no “inventive concept” in Appellant’s use of a generic computer processor to perform well-understood, routine, and conventional activities commonly used in industry. *See Alice*, 134 S. Ct. at 2359.

Appellant argues “the claims at issue in this case are not mental steps[,] and they do not fail the machine-or-transformation test.” Reply Br. 7.

To the extent Appellant argues the claim is patent eligible because it satisfies the transformation prong of the machine-or transformation test set forth in *Bilski*, *i.e.*, that there is a transformation of a particular article to a different state, we note that the alleged “transformation” in claim 1 from a client device input to “display data to display an indicator of a location of at least one of the one or more merchants” is merely a manipulation of data, which is not sufficient to meet the transformation prong under § 101. *See Gottschalk*, 409 U.S. at 71–72. (a computer-based algorithm that merely transforms data from one form to another is not patent-eligible).

Appellant argues claim 1 “would not preempt the making, using, and selling of basic tools of scientific and technological work.” Appeal Br. 22 (emphasis removed). We agree with the Examiner, however, that absence of preemption is not the test. Ans. 13 (“the test for whether claims are statutory is not preemption, but rather the *Mayo* two step test”). “While 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). “Where 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.” *Id.*

Appellant argues “[l]ike the claims in *DDR Holdings*, the claims at issue are rooted in computer technology in order to overcome a problem specifically arising in a particular computer realm.” Appeal Br. 23 (emphasis removed) (citing *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257 (Fed. Cir. 2014) (finding an inventive concept in the modification of the conventional mechanics behind website display to

produce a dual-source integrated hybrid display). Appellant further argues that consistent with *DDR Holdings*, “the claims at issue solve a technological problem in conventional industry practice of network communication (e.g., increased congestion in network communication).” Appeal Br. 23.

We disagree. The solution offered by Appellant’s claim 1 is not rooted in any novel computer technology, as evidenced by claim 1’s recitation of a generic processor. Rather, Appellant’s Specification identifies a problem that conventional “websites are limited to providing search results for only those merchants with a permanent physical location and operating during specified period of operation.” Spec. ¶ 2. Appellant’s claimed invention seeks to solve the identified problem by “provid[ing] transient local commerce search capabilities.” Spec. ¶ 1.

This problem is a business problem, not a technical problem. Claim 1 recites a specific way and specific context for obtaining and displaying relevant product information in response to a user query — namely, by obtaining location and temporal data for merchants offering the product for sale and displaying a location of the merchants providing the product within the user specified location and during the user specified time period. *See* claim 1, Spec., Fig. 4. While these steps limit the scope of the abstract idea, the limitations are not sufficient to transform Appellant’s otherwise patent-ineligible abstract idea into patent-eligible subject matter. Fundamentally, the solution Appellant offers is “an entrepreneurial, rather than a technological, one.” *DDR*, 773 F.3d at 1265 (Mayer, J., dissenting).

Because Appellant’s representative claim 1 is directed to a patent-ineligible abstract concept and does not recite something “significantly more” under the second prong of the *Alice* analysis, we sustain the Examiner’s rejection of this claim under 35 U.S.C. § 101 as being directed to non-patentable subject matter in light of *Alice* and its progeny. The rejection of claims 2–20, which are not argued separately, is sustained for the same reasons.

DECISION

We affirm the Examiner’s rejection of claims 1–20 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