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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte PHILIP LAW, ROLF SKYBERG, TRISHA LEE OKUBO,
CHOON CHONG, and YUAN DER HO¹

Appeal 2017-002174
Application 12/252,663
Technology Center 3600

Before CAROLYN D. THOMAS, IRVIN E. BRANCH, and
SHARON FENICK, *Administrative Patent Judges*.

THOMAS, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants seek our review under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 1, 5–14, 16, and 20–28, all the pending claims in the present application. Claims 2–4, 15, 17, and 18 are canceled. *See* Claims Appendix. We have jurisdiction over the appeal under 35 U.S.C. § 6(b).

We AFFIRM.

¹ The Appellants name eBay, Inc. as the real party in interest. App. Br. 3.

The present invention relates generally to creating and maintaining a commerce network data structure. *See* Abstract.

Claim 1 is illustrative:

1. A computerized method comprising:
 - receiving, at a commerce network server computer from a first user, transaction information related to a business relationship between the first user and a business entity, the transaction information comprising price information concerning a completed transaction between the first user and the business entity, the completed transaction having been completed prior to the receiving of the transaction information;
 - verifying, by the commerce network server computer in response to the receiving of the transaction information, the business relationship between the first user and the business entity using the transaction information, the verifying of the business relationship comprising receiving a confirmation of the business relationship from the business entity;
 - creating, by the commerce network server computer in response to the verifying of the business relationship, a commerce network data structure including creating a link between a first node and a second node, the first node representing the first user, the second node representing the business entity, and the link representing the business relationship;
 - receiving, at a commerce network server computer from a second user, a communication including a request for the transaction information related to the business relationship, the second user being different from the first user; and
 - responsive to the receiving of the communication at the commerce network server computer, accessing the commerce network data structure using the commerce network server computer to automatically retrieve the transaction information and to provide the second user with a response from the commerce network server computer, the response comprising the transaction information, the response to be presented by the second user to the business entity as evidence

of the price information concerning the completed transaction between the first user and the business entity in association with a proposed business transaction between the second user and the business entity.

Appellants appeal the following rejection:

Claims 1, 5–14, 16, and 20–28 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter (Final Act. 2–3).

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?

Alice Corp. Pty. Ltd. v. CLS Bank International, 134 S. Ct. 2347 (2014) identifies a two-step framework for determining whether claimed subject matter is judicially-excepted from patent eligibility under § 101. According to *Alice* step one, “[w]e must first determine whether the claims at issue are directed to a patent-ineligible concept,” such as an abstract idea. *Alice*, 134 S. Ct. at 2355.

In this regard, with respect to independent method claim 1, and similarly, non-transitory computer-readable medium claim 24 and system claims 16 and 23, the Examiner finds that the claims are directed to an

abstract idea which is “fundamental economic/business practices” (Final Act. 2–3). The Examiner adds that the claims are directed to “‘price-matching’ using verified transaction data by, Receiving data . . . , Correlating data with saved data . . . , Receiving additional query data . . . , Correlating received query data with saved data, [and] Providing response/transaction data” (Ans. 2–3), which is equivalent to judicial examples of abstract ideas pertaining to at least “[c]omparing new and stored information and using rules to identify options . . . and/or [c]ollecting and comparing known information” (*id.* at 3).

Appellants challenge said findings on four grounds: (a) the Examiner merely makes conclusory statements that lacks evidentiary support; (b) the Examiner’s findings are not tied to the actual claim language; (c) the claimed invention is rooted in computer technology; and (d) the claims do not preempt the abstract idea.

Regarding argument (a), Appellants contend “[t]he Examiner has provided none of the explanations or analysis required” for making a determination under *Alice* (App. Br. 14) because he/she “merely states conclusion” (*id.* at 15) and “the Examiner has not provided evidence sufficient to establish a *prima facie* case . . . a rejection by an Examiner under § 101 without evidence amounts to the taking of Official Notice . . . [and] adequate documentary evidence from the Examiner is required to sustain the § 101 rejection” (Reply Br. 2).

Although Appellants highlight a previous Board decision which presumably noted that “facts and evidence” must “support the finding[s]”, i.e., *Ex parte Renald Poisson*, Appeal No. 2012-011084 (PTAB Feb. 27, 2015), and request that we uphold the same (*see* Reply Br. 3), as a matter of

course, what a different panel did in a different situation under a different set of facts has little bearing on how this case should be disposed of. While we do not consider *Ex parte Renald Poisson* controlling, that panel's consideration of evidence in making a determination under the first step of the *Alice* framework has merit. A similar approach was taken in *Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229 (Fed. Cir. 2016). But these cases do not stand for the proposition that Examiners *must* provide evidentiary support in every case before a conclusion can be made that a claim is directed to an abstract idea. There is no such requirement. *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*.[¹] 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)). Evidence may be helpful in certain situations where, for instance, facts are in dispute. But it is not always necessary.

In any case, the Examiner highlighted some of these abstract concepts, i.e., comparing new and stored information and using rules to identify options; using categories to organize, store and transmit data; and/or collecting and comparing known information (*see* Ans. 3). We find that the Examiner's cogent analysis relying on judicial examples (*id.*), albeit without citing the specific cases, shows the Examiner provided adequate basis for making the rejection. In fact, Appellants recognized one such example as

stemming from *SmartGene, Inc. v. Advanced Biological Laboratories, SA* (see App. Br. 16).

We note that claim 1 recites five steps: (1) receiving transaction information related to business relationship; (2) verifying the business relationship; (3) in response to verifying, creating a commerce network data structure; (4) receiving a request for transaction information; and (5) accessing the commerce network data structure to retrieve the transaction information. These five steps present a scheme for providing transaction information, e.g., price paid, to a second user for price-matching purposes.

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 Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1370 (Fed. Cir. 2011). Because the claims are directed to collecting information, analyzing it, correlating it, and providing it to users, we agree with the Examiner that claim 1 is directed to an abstract idea.

Regarding argument (b), Appellants contend that the Examiner’s findings lack “1) any tie to the actual claim language . . . and 2) any explanation of *why* . . . a simplification of the actual claim recitations, is a mere abstract idea” (App. Br. 16) because “the claims do significantly more

than compare data and use rules to identify options” (*id.*). We disagree with Appellants.

It is evident that the Examiner considered all the limitations in the claim and the Examiner’s analysis is indeed tethered to actual claim language (*see* Final Act. 2–3). We find the Examiner properly and reasonably found that claim 1 is directed to “fundamental economic/business practices” (*id.* at 3) and that that is an abstract idea. The Examiner condensed it to “price-matching” (Ans. 2), but this is simply a higher level of abstraction. *Cf. Apple, Inc.*, 842 F.3d at 1240–41 (“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.”)

Under the first step of the *Alice* framework, “[w]e must first determine whether the claims at issue are directed to a patent-ineligible concept,” such as an abstract idea. *Alice*, 134 S. Ct. at 2355. Whichever way the concept is described, we do not see that Appellants have adequately shown that claim 1 is not directed to an abstract idea. Just because the claim is more detailed than the phrase the Examiner uses as an articulation of the abstract idea to which he/she found the claim to be directed to is an insufficient reason to persuasively argue that claim 1 is not directed to an abstract idea.

Regarding argument (c), Appellants contend that “[s]earching [and analysis of data are] a technical area[s]. . . . They solve problems deeply rooted in computer technology” (App. Br. 19) and that the independent

claims “are technical in nature” (*id.* at 20) because “the claims are more like *DDR Holdings*” (*id.* at 21). We disagree with Appellants.

In *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1259 (Fed. Cir. 2014), the subject claim was held patent-eligible because it encompassed “an inventive concept” for resolving a “particular Internet-centric problem.” In contrast, we find Appellants’ computerized method (claim 1) does not provide a solution “necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.” *DDR*, 773 F.3d at 1257. Because we find all claims on appeal merely use a generic computer or processor as a tool which is used in the way a computer normally functions, we conclude claims 1, 5–14, 16, and 20–28 fail to impart any discernible improvement upon the computer or processor, nor do Appellants’ claims solve “a challenge particular to the Internet” as considered by the court in *DDR*, 773 F.3d at 1256–57. Thus, we conclude none of Appellants’ claims are like the claim held patent-eligible by the court in *DDR*, in which the claimed invention was directed to the “challenge of retaining control over the attention of the customer in the context of the Internet,” such that:

Instead of the computer network operating in its normal, expected manner by sending the website visitor to the third-party website that appears to be connected with the clicked advertisement, the claimed system generates and directs the visitor to the above-described hybrid web page that presents product information from the third-party and visual “look and feel” elements from the host website.

DDR, 773 F.3d at 1258–59. Thus, we find unavailing Appellants’ arguments that “the claims are more like *DDR Holdings*” (App. Br. 21), given that no convincing “inventive concept” for resolving a

“particular Internet-centric problem” is identified by Appellants. Thus, we agree with the Examiner that “the alleged improvement to the technical field appears to address the abstract idea itself” (Ans. 4).

Regarding argument (d), Appellants contend that “the claims do not preempt the making, using, and selling of the basic tools of scientific and technological work for at least the reason that the claims do not preempt the abstract idea of accessing new and old information and providing options” (App. Br. 22).

Although 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 (citing *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)). Moreover, because we find the claimed subject matter covers patent-ineligible subject matter, the pre-emption concern is necessarily addressed. As noted by the Examiner, “pre-emption is merely one factor” (Ans. 3). “Where a patent’s claims are deemed only to disclose patent ineligible subject matter under the *Mayo* framework, . . . preemption concerns are fully addressed and made moot.” *Ariosa Diagnostics*, 788 F.3d at 1379.

We now turn to the second step of the *Alice* framework: “a 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 (citing *Mayo Collaborative Servs.*, 132 S. Ct. at 1294).

Appellants contend that “a finding of novel and non-obvious subject matter is relevant to a pragmatic analysis of §101 in search for an ‘inventive concept’” (App. Br. 23) because “those differences that serve to make the claims non-obvious should also serve to make the claims ‘something more’ than the mere recitation of an alleged abstract idea” (*id.*) (emphasis omitted). The Examiner finds that “[t]he claims do not recite limitations that are ‘significantly more’ . . . [because] [t]he limitations are merely instructions to implement the abstract idea on a computer and require no more than a generic computer to perform generic computer functions” (Final Act. 3). The Examiner further finds, and we agree, that “the determinations of patentability under [§§] 101 and 103 are separate” (Ans. 3). *See Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1315 (Fed. Cir. 2016).

Indeed, “[t]he ‘novelty’ of any element or steps in a process, or even of the process itself, is of no relevance in determining whether the subject matter of a claim falls within the § 101 categories of possibly patentable subject matter.” *Diamond v. Diehr*, 450 U.S. 175, 189–90 (1981); *see also Mayo*, 132 S. Ct. at 1303–04 (rejecting “the Government’s invitation to substitute §§ 102, 103, and 112 inquiries for the better established inquiry under § 101”). Here, the jury’s general finding that Symantec did not prove by clear and convincing evidence that three particular prior art references do not disclose all the limitations of or render obvious the asserted claims does not resolve the question of whether the claims embody an inventive concept at the second step of *Mayo/Alice*.

Furthermore, 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 2359

(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, Inc. v. Hulu, LLC*, 772 F.3d 709, 715–16 (Fed. Cir. 2014) (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)).

Because Appellants’ independent claims 1, 16, 23, and 24² 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 5–14, 20–22, and 25–28 under 35 U.S.C. § 101 as being directed to non-statutory subject matter in light of *Alice* and its’ progeny.

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

² *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. *Alice*, 134 S. Ct. at 2360. The same was true of the *Alice* patent’s media claims. *Id.*

Appeal 2017-002174
Application 12/252,663

DECISION

We affirm the Examiner's § 101 rejection.

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