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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* GRACE CHU HUANG, PAUL D. SIMS,  
MATTHEW A. TRAPP, GREG CLAUD EASTERLY, JOE GEORGE,  
ANNIE DUGUID, and KRISTA MARLATT<sup>1</sup>

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Appeal 2017-002182  
Application 13/747,117  
Technology Center 3600

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Before CAROLYN D. THOMAS, BRADLEY W. BAUMEISTER, and  
JOSEPH P. LENTIVECH, *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 1–30, all the pending claims in the present application. *See* Claims Appendix. We have jurisdiction over the appeal under 35 U.S.C. § 6(b).

We AFFIRM.

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<sup>1</sup> Appellants name Manheim Investments, Inc. as the real party in interest (App. Br. 1).

The present invention relates generally to providing a dynamic, no-questions-asked, money-back, item-return guarantee for item purchases. *See* Abstract.

Claim 1 is illustrative:

1. A method for selling a vehicle in an online market place, the method comprising:
  - determining, by at least one processor coupled to at least one memory, information associated with the vehicle;
  - determining, by the at least one processor, online marketplace activity information associated with a dealer;
  - receiving, by the at least one processor, a dealer review or a dealer rating from a user computer on the online marketplace;
  - receiving, by the at least one processor, a dealer attribute from at least one service provider computer;
  - determining, by the at least one processor, market data associated with a transaction involving the vehicle;
  - determining, by the at least one processor, a risk profile for the transaction in the online marketplace involving the vehicle between a buyer-dealer and a seller-dealer, and the risk profile being based at least in part on at least two of the information associated with the vehicle, the online marketplace activity information associated with the dealer, the dealer review, the dealer attribute, or the market data associated with the transaction involving the vehicle; and
  - determining, by the at least one processor and based at least in part on the risk profile, a guarantee acquisition fee for the transaction involving the vehicle.

Appellants appeal the following rejections:

R1. Claims 1–30 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter (Final Act. 5); and

R2. Claims 1–3 are rejected under 35 U.S.C. § 112(a) or 35 U.S.C. § 112 (pre-AIA), first paragraph, as failing to comply with the written

description requirement (Final Act. 6).

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

*Alice Corp. Proprietary 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 claims 1 and 30, and similarly, non-transitory computer-readable media claim 4 and system claim 7, the Examiner finds that the claims are directed to an abstract idea (Final Act. 3, 5). The Examiner adds that the claims are “similar to the concepts of collecting and comparing known information, obtaining and comparing intangible data, comparing new and stored information and using rules to identify options” (Ans. 5).

Appellants challenge said findings on three grounds: (a) the Office Action fails to provide evidentiary support; (b) the Office Action

collectively rejects the claims with little to no analysis; and (c) the claimed invention improves the existing technological process of buying and selling items online and is directed to specific computer technology.

Regarding argument (a), Appellants contend that the “Office Action fails to provide any evidentiary support for the allegation that the claims are directed to any abstract idea” (App. Br. 5, citing *Ex parte Poisson*).

Although Appellants highlight a previous Board decision for the proposition “absent supporting evidence in the record – of which there is none, the Examiner’s opinion is an inadequate finding of fact on which to base the *Alice* analysis” (see App. Br. 5, citing *Ex parte Renald Poisson*, Appeal No. 2012-011084 (PTAB Feb. 27, 2015), as a matter of course, what a different panel of the Board determined 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.*, 843 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*. 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 such evidence is not always necessary.

In any case, the Examiner highlighted some previously denoted abstract concepts, i.e., “collecting and comparing known information, obtaining and comparing intangible data, comparing new and stored information and using rules to identify options, managing an insurance policy, creating a contractual relationship, and an algorithm for calculating parameters indicating an abnormal condition” (Ans. 5). The Examiner’s cogent analysis relying on judicial examples (*id.*), albeit without specifically citing the specific cases, shows the Examiner provided adequate basis for making the rejection.

Here, claim 1 recites seven steps: (1) determining information associated with a vehicle; (2) determining online marketplace activity information associated with a dealer; (3) receiving a dealer review/rating; (4) receiving a dealer attribute; (5) determining market data associated with a transaction; (6) determining a risk profile for the transaction; and (7) determining a guarantee acquisition fee for the transaction. These seven steps present a scheme for calculating an item-return guarantee for items purchased.

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”).

Additionally, 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 v. Kappos*, 130 S. Ct. 3218 (2010)), 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)).

Because the claims are directed to determining information, collecting information, analyzing it, and providing a guarantee, we agree with the Examiner that claim 1 is directed to an abstract idea.

Regarding argument (b), Appellants contend “the Office Action collectively rejects claims 1–30 with little to no analysis . . . [only] conclusory statements . . . [but] failing to apply the foregoing two-step inquiry, and related analysis, on a claim-by-claim basis” (App. Br. 6).

Although Appellants contend that the Examiner “oversimplifies the claims without addressing each element” (*id.* at 7), we find that the Examiner properly and reasonably found that claim 1 is similar to “collecting and comparing known information . . . using rules to identify

options . . . creating a contractual relationship” (Ans. 5), to name a few examples previously shown to be an abstract idea.

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. We find that the Examiner has performed a sufficient analysis under *Alice*’s first step. Whichever way the concept is described, Appellants have not adequately rebutted the Examiner’s determination that claim 1 is directed to an abstract idea. Just because the claim includes more words than the phrase the Examiner uses as an articulation of the abstract idea to which he/she found the claim to be directed to, that fact is an insufficient reason to persuasively argue that claim 1 is not directed to an abstract idea.

Regarding argument (c), Appellants contend that “the claims at issue in the present application improve the existing technological process of buying and selling items (such as vehicles) online . . . by providing a dynamic item return guarantee to the buyer . . . similar to the patents-at-issue in the Federal Circuit panel decision in *DDR Holdings*” (App. Br. 7–8). 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, Appellants’ claimed methods do 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. Appellants’ claims merely recite using at least one processor coupled to at least one memory to provide a method for item-return

guarantee for items purchased (*see* claim 1). Because the claims on appeal merely use a generic computer or processor as a tool that is used in the way a computer normally functions, we conclude claims 1–30 fail to impart any discernible improvement upon that 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, 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” (*id.* at 1258), 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 “similar to the patents-at-issue in the Federal Circuit panel decision in *DDR Holdings*” (App. Br. 8), given that no convincing “inventive concept” for resolving a “particular Internet-centric problem” is identified by Appellants. We instead agree with the Examiner that “nothing in the claims seems to improve the functioning of the computer itself” (Ans. 4).

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. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1294) (2012).

Appellants contend that “the fact that the Office Action indicates that the claims are allowable over the prior art is proof that the claims amount to significantly more than an abstract idea” (App. Br. 10). This argument is unpersuasive. The Examiner finds, and we agree, that “[t]he claims do not include additional elements that are sufficient to amount to significantly more . . . because they are merely an abstract idea with additional generic computer elements” (Ans. 5).

Furthermore, we highlight that the determination of patentability under § 101 is separate from the determination under §§ 102 and 103. *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, 188-89 (1981) (emphasis added); *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*.

Additionally, 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 v. Hulu*, 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); and *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”).

Because Appellants’ independent claims 1, 4, 7, and 30<sup>2</sup> are directed to a patent-ineligible abstract concept under the first prong of the *Alice* analysis, and because they 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 2, 3, 5, 6, and 8–29, 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.

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<sup>2</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 patent’s media claims in *Alice*. *Id.*

### *Objection to Drawings*

The Examiner objects to the drawings for not containing the same subject matter raised in the § 112 rejection *infra* (see Final Act. 4).

Ordinarily, an objection is a petitionable matter—unlike a rejection, which is appealable to the Board. When the issue of new matter is the subject of both an objection and a rejection, though, the issue is appealable. See MPEP § 2163.06(II). In this case, the objection to the drawings and the § 112 rejection of claims 1–3 turn on the same issue of whether the “newly introduced” claimed subject matter finds adequate support in the original disclosure (Ans. 2–3). As such, we will decide both the objection and the rejection.

### *Rejection under § 112 and Objection to Drawings*

**Issue 2:** Did the Examiner err in finding that the claims contain subject matter that was not described sufficiently in the disclosure, including the drawings, as originally filed?

Appellants contend that “[t]he current claims are almost identical to those as filed other than being amended to include the term ‘online marketplace’” (App. Br. 3), “which [is] implicit in the original claims and is supported throughout the specification” (*id.* at 4, citing Figs. 1–3 and corresponding description). We agree with Appellants.

To satisfy the written description requirement, the disclosure must reasonably convey to skilled artisans that Appellants possessed the claimed invention as of the filing date. *Ariad Pharms., Inc. v. Eli Lilly & Co.*, 598 F.3d 1336, 1351 (Fed. Cir. 2010) (en banc). However, the written description requirement under § 112 does not demand (1) any particular

form of disclosure, or (2) that the Specification recites the claimed invention verbatim. *Ariad*, 598 F.3d at 1352 (citations omitted). As stated in *Ex parte Parks*, adequate written description “does not require *literal* support for the claimed invention.” *Ex parte Parks*, 30 USPQ2d 1234, 1236 (BPAI 1993). “Rather, it is sufficient if the originally-filed disclosure would have conveyed to one having ordinary skill in the art that an appellant had possession of the concept of what is claimed.” *Id.* Stated differently, it is not necessary that Appellants use the exact words of the claim, e.g., “online marketplace.” *In re Bond*, 910 F.2d 831, 832 (Fed. Cir. 1990) (“These elements must be arranged as in the claim under review, but this is not an ‘ipsissimis verbis’ test” (citations omitted)).

Here, we find that Appellants’ originally-filed disclosure clearly conveyed an “online marketplace” in at least the components illustrated in Fig. 1, the descriptions in paragraph [2], and in the Abstract.

For example, as depicted in Appellants’ Figure 1, “one or more users 102 (e.g., vehicle dealers) may utilize computing devices 014(1), . . . , 104(N) to access a client application interface (or website) 106 . . . associated with a service provider via one or more networks 108” (Spec. ¶ 25; *see also id.* at Fig. 1) and “receive, from the service provider computers 110 over the networks 108, information associated with one or more vehicles 112” (*id.* ¶ 26). Furthermore, Appellants’ disclosure states that “a buyer-dealer may access a marketplace platform and search for a particular item to purchase” (*id.* at Abstract), and that “Buyers and sellers today typically utilize some form of an online marketplace platform . . . there is a continuing need to provide confidence between buyers and sellers as they conduct business over the platform” (*id.* ¶ 2).

In other words, Appellants' Specification describes their invention as a mechanism for using a computing device to access the website of a vehicle dealer to obtain merchandise information, i.e., accessing an "online marketplace."

Therefore, we disagree with the Examiner that "the claims were amended to include *new* features that appear to be new matter" (Ans. 2) (emphasis added), given that said amendment merely included the addition of the phrase "online marketplace," which was clearly illustrated in the original Specification in at least the Abstract, in Figure 1, and in the descriptions of the inventions.

As for the Examiner's conclusion that "one skilled in the art would not be able to ascertain the *metes and bounds* of what this limitation [is]" (Ans. 3 (emphasis added)), we find here the Examiner is conflating "indefiniteness" with "new matter" because the latter merely requires that the disclosure reasonably convey to skilled artisans that Appellants *possessed* the claimed invention as of the filing date, which we find they did.

Accordingly, we reverse the Examiner's § 112 rejection of claims 1–3 and the objection to the drawings based on new matter.

#### DECISION

We affirm the Examiner's § 101 rejection of claims 1–30.

We reverse the Examiner's § 112 rejection of claims 1–3 and the objection to the drawings.

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).

Appeal 2017-002182  
Application 13/747,117

AFFIRMED