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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* QIAN LIU

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Appeal 2017-003276  
Application 13/430,102  
Technology Center 3600

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Before ALLEN R. MacDONALD, JEREMY J. CURCURI, and  
ADAM J. PYONIN, *Administrative Patent Judges*.

MacDONALD, *Administrative Patent Judge*.

DECISION ON APPEAL<sup>1</sup>

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<sup>1</sup> Appellant indicates the Real Party in Interest is eBay Inc. App. Br. 2.

STATEMENT OF THE CASE

Appellant appeals under 35 U.S.C. § 134(a) from a final rejection of claims 1–29. We have jurisdiction under 35 U.S.C. § 6(b). We AFFIRM.

*Representative Claim*

Representative claim 1 under appeal reads as follows (emphases and bracketed material added).

1. A method for ***facilitating an exchange of a first item with a second item*** via a location-enabled mobile device, the method comprising:

[A.] receiving, at a location-enabled first device, a request for one or more matching items available to be exchanged with the first item;

[B.] receiving, in response to processing of the request, results including a plurality of matching items, ***the plurality of matching items identified based on one or more characteristics of the first item and at least one pre-determined criteria***;

[C.] presenting the plurality of matching items presently available for exchange one at a time on a display portion of the location-enabled first device, wherein ***a next matching item of the plurality of items is displayed when a presently displayed matching item is dismissed***;

[D.] in response to receiving a selection of the second item from among the plurality of matching items, ***automatically generating a trade request message requesting an exchange of the first item for the second item***, wherein the trade request message is generated on behalf of a first user associated with the first item; and

[E.] transmitting the trade request message to a second user associated with the second item.

*Rejection*

The Examiner rejected claims 1–29 “under 35 U.S.C. 101 because the claimed invention is directed to a judicial exception (i.e., a law of nature, a natural phenomenon, or an abstract idea) without significantly more,” i.e., for being directed to patent-ineligible subject matter. Final Act. 2, emphasis omitted.

We select claim 1 as representative. Appellant does not argue separate patentability for claims 2–29. As to the dependent claims of this group, Appellant asserts “[t]he Examiner has thus failed to establish a *prima facie* case that these dependent claims are not eligible for patent protection under 35 U.S.C. § 101. For example, the Examiner has not applied the Mayo two-step process to these dependent claims.” App. Br. 13–14. However, Appellant does not attempt to explain why the Examiner’s conclusions<sup>2</sup> are not applicable to the dependent claims. For example, as to dependent claim 11 which adds “goods” to the bartering of claim 1, in light of Appellant’s admission (Spec. 3) that the bartering of goods is a well-known human activity, Appellant does not explain why further § 101 analysis is required beyond that set forth by the Examiner.

Further, Appellant’s assertion as to the dependent claims does not comply with the requirements for making a separate argument. 37 C.F.R. § 41.37(c)(1)(iv)(“Under each heading identifying the ground of rejection

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<sup>2</sup> The Examiner concludes: (1) “[t]he dependent claims are found to be ineligible for similar reasons [to the independent claims],” and (2) “they do not set forth technical activities that amount to more than the merely application of manual activities that could be performed by a human operator to a generic computer environment.” Final Act. 4.

being contested, any claim(s) argued separately or as a subgroup shall be argued under a separate subheading that identifies the claim(s) by number”).

We find Appellant’s dependent claim assertion does not rise to the level of substantive arguments addressing each individual claim. Without more, this fails to constitute an argument on the merits. *See* 37 C.F.R. § 41.37(c)(1)(iv); *In re Lovin*, 652 F.3d 1349, 1357 (Fed. Cir. 2011). Except for our ultimate decision, claims 2–29 are not discussed further herein.

### *Issue on Appeal*

Did the Examiner err in rejecting claim 1 for being directed to patent-ineligible subject matter?

### ANALYSIS

We have reviewed the Examiner’s rejections in light of Appellant’s arguments (Appeal Brief) that the Examiner has erred.

#### *A. Section 101*

Under 35 U.S.C. § 101, a patent may be obtained for “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.” The Supreme Court has “long held that this provision contains an important implicit exception: Laws of nature, natural phenomena, and abstract ideas are not patentable.” *Alice Corp. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014) (quoting *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2116 (2013)). The Supreme Court in *Alice* reiterated the two-step framework previously set forth in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 132 S. Ct. 1289, 1300 (2012), “for distinguishing patents that claim laws of

nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of these concepts.” *Alice*, 134 S. Ct. at 2355. The first step in that analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts,” such as an abstract idea. For example, a fundamental economic practice is an abstract idea.

[In *Bilski v. Kappos*], the Court grounded its conclusion that all of the claims at issue were abstract ideas in the understanding that risk hedging was a “‘fundamental economic practice.’” 561 U.S., at 611, 130 S. Ct. 3218.

*Alice*, 134 S. Ct. at 2357.

The Court acknowledged in *Mayo* that “all inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas.” *Mayo*, 132 S. Ct. at 1293. We, therefore, look to whether the claims focus on a specific means or method that improves the relevant technology or are instead directed to a result or effect that itself is the abstract idea and merely invoke generic processes and machinery. *See Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1336 (Fed. Cir. 2016). If the claims are not directed to an abstract idea, the inquiry ends. Otherwise, the inquiry proceeds to the second step where the elements of the claims are considered “individually and ‘as an ordered combination’ to determine whether the additional elements ‘transform the nature of the claim’ into a patent-eligible application.” *Alice*, 134 S. Ct. at 2355 (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.’” *Id.* (alteration in original) (quoting

*Mayo*, 566 U.S. at 77–78). The prohibition against patenting an abstract idea “cannot be circumvented by attempting to limit the use of the formula to a particular technological environment’ or adding ‘insignificant postsolution activity.’” *Bilski v. Kappos*, 561 U.S. 593, 610–11 (2010).

B. *Examiner’s §101 Rejection - Alice/Mayo - Steps 1 and 2*

Applying step 1 of the *Alice/Mayo* analysis, the Examiner concludes:

Claim[ 1 is] directed to facilitating item exchange, which is merely a method of organizing human activity, and thus an abstract idea.

Final Act. 2.

Applicant asserts that it appears the examiner has classified the claims as “facilitating item exchange” by ignoring the claim limitations and the claims as a whole and merely adding the word “facilitating” to the Title of the specification. On the contrary, it appears that applicant has ignored the claims as a whole with such an assertion, as the concept of facilitating item exchange (which was never intended to be limiting, but merely a summary of the inventive concept) was taken directly from the preamble of the claims. Accordingly, such a description is apt.

Final Act. 4–5.

Applying step 2 of the *Alice/Mayo* analysis, the Examiner concludes:

The claims do not include additional elements that are sufficient to amount to significantly more than the judicial exception because the claims do not amount to an improvement to another technology or technical field; the claims do not amount to an improvement to the functioning of a computer itself; the claims do not move beyond a general link of the use of an abstract idea to a particular technological environment; the claims merely amount to the application or instructions to apply the abstract idea on a computer; and the claims amount to nothing more than requiring a generic computer to perform generic computer functions that are well-understood, routine and conventional activities previously known to the industry.

...

Each of the “receiving” and “transmitting” steps is considered merely data transmission and thus insignificant extra-solution activity. The “presenting” and “generating” steps each amount to activities that could be performed manually by a human operator merely applied to a generic computer system (a location-enabled device). Accordingly, the claims are directed to a method of organizing human activity, and thus an abstract idea.

Final Act. 2–3.

Applicant . . . asserts that the claims amount to significantly more because they do not amount to routine and conventional steps. However, each of the technical activities performed (that is, receiving data, presenting data in a display; generating data (trade request message), and transmitting data (the trade request message)) is performed in a routine and conventional manner. There is no recitation of technical activities that are performed in a manner that is unconventional.

Applicant further asserts that, similar to *DDR*, the present claims recite aspects that override the routine or conventional sequence of events. The Examiner respectfully disagrees. The “presenting” limitation is only unconventional inasmuch as the particular data displayed and the arrangement of data within the display can be distinguished from that of the most relevant prior art. The technical manner in which the data is displayed is conventional, as it amounts to matching items being displayed in response to a request for matching items, which is the expected and conventional sequence of steps.

Final Act. 6.

*C. Appellants' § 101 Arguments*

*1. General Assertions*

Appellant asserts, in contending that the Examiner erred in rejecting claim 1 as directed to non-statutory subject matter, “The Examiner has not established a *prima facie* case that the claims are not directed to patent-eligible subject matter.” App. Br. 10 (emphasis omitted).

Appellant also asserts, “The Examiner’s allegations do not satisfy the evidentiary requirements set forth by the Supreme Court, Federal Circuit, PTAB, the MPEP, or even the examination guidelines.” App. Br. 10, emphasis omitted.

Appellant further asserts:

Unlike the Supreme Court, the Federal Circuit, the PTAB, the MPEP or the guidelines, the Examiner has chosen not to base the § 101 rejection on substantial evidence, but rather chosen to rely on conclusory statements that can be used to reject the claims of any application without reference to the actual elements of the claims.

App. Br. 12.

We are unpersuaded by these general assertions unsupported by particularized arguments. We address these assertions below to the extent that Appellant presents particularized arguments to support the assertion.

*2. Abstract Idea*

Appellant also raises the following arguments in contending that the Examiner erred in rejecting claim 1 as directed to non-statutory subject matter.

*According to the July 2015 Update*, “[b]ecause the courts have declined to define abstract ideas, other than by example,” examiners are instructed to “refer to the body of case law

precedent in order to identify abstract ideas by way of comparison to concepts already found to be abstract,” and “a claimed concept is not identified as an abstract idea unless it is similar to at least one concept that the courts have identified as an abstract idea.” Regarding the phrase “certain methods of organizing human activity,” the July 2015 Update states that the term “certain” is used “to qualify this category description, in order to remind examiners that (1) not all methods of organizing human activity are abstract ideas, and (2) this category description is not meant to cover human operation of machines.”

***The Office Action on pages 2-4 asserted that the alleged abstract idea to which the rejected claims are allegedly directed is “a method of organizing human activity.”*** However, the Office Action provided no comparison of this alleged abstract idea to any other concept, much less to any concept that the courts have already found to be abstract. Although the Office Action on page 2-4 stated that the alleged abstract idea “a method of organizing human activity,” this statement simply labels the alleged abstract idea as “a method of organizing human activity” and does not perform any actual comparison of the alleged abstract idea to any specific concept from any specific court decision. As a result, it cannot be reasonably said that the claims have been compared to, let alone been found similar to, “at least one concept that the courts have identified as an abstract idea.” For at least this additional reason, ***it is respectfully submitted that the rejections under 35 U.S.C. § 101 have not been properly established,*** and reconsideration and reversal of these rejections are requested.

App. Br. 12 (Appellant’s emphasis omitted; Panel emphasis added).

[T]he July 15 Update to the guidance directs examiners to “refer to the body of case law precedent in order to identify abstract ideas by way of comparison to concepts already found to be abstract,” and “a claimed concept is not identified as an abstract idea unless it is similar to at least one concept that the courts have identified as an abstract idea.”

***The Examiner has alleged that the claims are directed to a method of organizing human activity and are thus directed to***

*an abstract idea.* The basis for this seems to be that the Examiner believes “‘presenting’ and ‘generating’ steps each steps each amount to activities that could be performed manually by a human operator merely applied to a generic computer system (a location-enable device).”

*Appellant traverses the statement since the Examiner has misstated the guidelines and the law that all methods of organizing human activity are prohibited.* The Examiner’s § 101 rejection seems to be implying that any method of organizing human activity is automatically considered to be an abstract idea. However, this is contrary to both the case law and the guidelines. The guidelines state that only certain methods of organizing human activity may be recite abstract ideas.

...

[E]ven if the claims are directed to a method of organizing human activity (which Appellant disputes), the Examiner has not provided any evidence that the method is of the certain type that falls into the category of abstract ideas.

App. Br. 14–16 (emphasis added, footnotes omitted).

We are not persuaded by Appellant’s “abstract idea” arguments. The July 15 Update acknowledged by Appellant is specific as to the “organizing human activity” of the “facilitating item exchange” we find before us. The Update at section III. B. (third bullet) specifically addresses cases which have found abstract “concepts relating to advertising, marketing and sales activities or behaviors.” Appellant acknowledges that the field of their invention is “exchange or barter of items.” Spec. 2. Barter is “to trade by exchange of commodities rather than by the use of money.”<sup>3</sup> Contrary to Appellant’s arguments, we conclude that the claimed “exchange of a first

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<sup>3</sup> [B]arter. Dictionary.com. Dictionary.com Unabridged. Random House, Inc. <http://www.dictionary.com/browse/barter> (accessed: May 20, 2018).

item with a second item” is a “marketing and sales activity or behavior” type of organizing human activity deemed abstract in the July 15 Update.

Further, the U.S. Internal Revenue Service (IRS) confirms the market based (i.e., commercial) nature of bartering. The IRS describes the exchange of goods and service, i.e., “bartering,” as “the oldest form of commerce.” In particular, the IRS states the following about bartering. IRS Tax Tip 2011-33, February 16, 2011.<sup>4</sup>

In today’s economy, small business owners sometimes look to the oldest form of commerce – the exchange of goods and services, or bartering. The IRS wants to remind small business owners that the fair market value of property or services received through barter is taxable income.

Bartering is the trading of one product or service for another. Usually there is no exchange of cash. However, the fair market value of the goods and services exchanged must be reported as income by both parties.

Here are four facts about bartering that the IRS wants small business owners to be aware of:

- 1) Barter Exchange[:] A barter exchange functions primarily as the organizer of a marketplace where members buy and sell products and services among themselves. Whether this activity operates out of a physical office or is internet based, a barter exchange is generally required to issue Form 1099-B, Proceeds from Broker and Barter Exchange Transactions, annually to their clients or members and to the IRS.
- 2) Barter Income[:] Barter dollars or trade dollars are identical to real dollars for tax reporting. If you conduct any direct barter - barter for another’s products or services - you will have to report the fair market value of the products or services you received on your tax return.

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<sup>4</sup> <https://www.irs.gov/newsroom/four-facts-about-bartering> (accessed: May 22, 2018).

- 3) Taxes[:] Income from bartering is taxable in the year it is performed. Bartering may result in liabilities for income tax, self-employment tax, employment tax, or excise tax. Your barter activities may result in ordinary business income, capital gains or capital losses, or you may have a nondeductible personal loss.
- 4) Reporting[:] The rules for reporting barter transactions may vary depending on which form of bartering takes place. Generally, you report this type of business income on Form 1040, Schedule C Profit or Loss from Business, or other business returns such as Form 1065 for Partnerships, Form 1120 for Corporations, or Form 1120-S for Small Business Corporations.

### 3. *Significantly More*

Appellant also raises the following arguments in contending that the Examiner erred in rejecting claim 1 as directed to non-statutory subject matter.

#### a. *Level of Generality in Claims*

Here, the operations recited in the claims at issue are at a ***lower-level of generality*** than the operations recited in the claims at issue in *Bilski* and *Alice*. The operations include, for example, “receiving, at a location-enabled first device, ***a request for one or more matching items available to be exchanged with the first item,***” “receiving, in response to processing of the request, results including a plurality of matching items, ***the plurality of matching items identified based on one or more characteristics of the first item and at least one pre-determined criteria,***” “***presenting the plurality of matching items presently available for exchange one at a time*** on a display portion of the location-enabled first device, wherein ***a next matching item of the plurality of items is displayed when a presently displayed matching item is dismissed,***” “in response to ***receiving a selection of the second item*** from among the plurality of matching items, automatically ***generating a trade request*** message requesting an exchange of the first item for the second item, wherein the trade request message is generated on behalf of a first user associated with the first item,” and “***transmitting***

*the trade request message to a second user associated with the second item.”*

The low level of generality indicates that the claims of the present application are more than simply an abstract idea as alleged by the Examiner. Thus, rather than a high-level articulation of an abstract idea, the claim elements recite detailed operations that when considered as a whole, add more than the abstract idea.

App. Br. 17 (emphasis added).

We are not persuaded by Appellant’s “level of generality” argument. First, we agree with the Examiner’s response that “the [c]ourts have not set forth the level a generality of claim language as a stand-alone test for eligibility. Ans. 5.

Second, this argument (and subsequent arguments) misapplies the two steps of the *Alice/Mayo* analysis by conflating the abstract idea analysis of step 1 with the step 2 analysis to ensure the claim is significantly more than a patent upon the ineligible concept itself. The conflation results in an attempt by Appellant to demonstrate “significantly more” by pointing to details of the abstract idea (bartering, exchanging, or trading); rather than relying on whether or not the computer’s components, functions, and activities (or combination thereof) are well-understood, routine, and conventional. A low level of granularity in the ineligible concept does not transform the nature of the claim into a patent-eligible application.

*b. Not Conventional & Rooted in Computer Technology*

Appellant submits that to properly evaluate whether an element is or is not conventional, the correct approach is to look at the element of the claim **as written** and *evaluate whether the result of the element is conventional*. This is the approach that the Fed. Cir. took and the reason that the elements, as defined in

the claim, were found patentable. Likewise, Appellant asserts that the unique combination of operations recited in the claims of the present application are not “conventional” and the Examiner has provided no evidence to the contrary.

App. Br. 21 (emphasis added).

[T]he claims at issue solve a technological problem in conventional industry practice of, for example, “provid[ing] a mechanism to decide between presented matching items and *complet[ing] a trade* with the owner of the selected matching item.” This is a problem rooted in computer technology and arising particularly in the computer networking realm.

The “in response to *receiving a selection of the second item* from among the plurality of matching items, automatically generating *a trade request* message requesting an exchange of the first item for the second item, wherein *the trade request* message is generated on behalf of a first user associated with the first item” is something unconventional.

App. Br. 21–22 (emphasis added).

We disagree with Appellant’s “result of the element” and “rooted in computer technology” arguments. First, we again note that unconventional abstract idea results do not serve to show a computer’s components, functions, and activities (or combination thereof) are not well-understood, routine, and conventional. *Id.*

Second, we see no reason on the record to question the Appellant’s assertion that the claimed invention improves “an exchange of a first item with a second item,” by improving the business transaction (i.e., trading steps) of bartering. However, the fact that a claimed concept is “[g]roundbreaking, innovative, or even brilliant” does not “itself satisfy the § 101 inquiry.” *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2117 (2013). A claim directed to a unique and advantageous marketing and sales arrangement is nonetheless directed to a

marketing and sales arrangement and constitutes an abstract idea.<sup>5</sup> “[U]nder “the *Mayo/Alice* framework, a claim directed to a newly discovered law of nature (or natural phenomenon or abstract idea) cannot rely on the novelty of that discovery for the inventive concept necessary for patent eligibility.” *Genetic Techs. Ltd. v. Merial L.L.C.*, 818 F.3d 1369, 1376 (Fed. Cir. 2016); *Diamond v. Diehr*, 450 U.S. 175, 188–89 (1981). We conclude that the improvement of claim 1 is an improved sequence of trading steps to exchange a first item with a second item (organizing human activity), that is, an improved abstract idea.

Further, in contrast to cases such as *BASCOM*, we conclude claim 1 contains no technical solution. *BASCOM Global Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016). Unlike the claims at issue in *BASCOM*, claim 1 does not introduce a technical advance or improvement. It contains nothing that amounts to significantly more than a patent upon the [abstract idea] itself. *Id.* See *Synopsys, Inc. v. Mentor Graphics Corporation*, 839 F.3d 1138, 1152 (Fed. Cir. 2016). To the extent claim 1 adds anything to the abstract idea, it is a statement to use “a location-enabled first device” and an “automatically generat[ed] . . . message.” “[I]f a patent’s recitation of a computer amounts to a mere

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<sup>5</sup> See *Ultramercial, Inc. v. Hulu LLC*, 772 F.3d 709 (Fed. Cir. 2014). In this case, the patentee argued that its financial arrangement (a method of using advertising as an exchange or currency) was distinguishable from the “routine,” “long prevalent,” or “conventional” abstract idea in *Alice* because it was “directed to a specific method of advertising and content distribution that was previously unknown.” *Id.* at 714. The court rejected the patentee’s position that “abstract ideas remain patent-eligible under § 101 as long as they are new ideas not previously well known, and not routine activity.” *Id.*

instruction to ‘implement’ an abstract idea ‘on ... a computer,’ that addition cannot impart patent eligibility.” *Alice*, 134 S. Ct. at 2358 (quoting *Mayo*, 132 S. Ct. at 1301). Appellant’s argument that the “trade request” information within an automatically generated message shows the solution of a problem rooted in computer technology is simply an attempt to reach into the ineligible concept (trade request step of the item exchange) to show an improvement to the well-understood, routine, and conventional activity of automatic message generation. The timing and execution of a trade request in an exchange of goods is a marketing and sales problem, not a technological problem.

*c. Ordered Combination*

The claimed elements are to be considered as an ordered combination. Is something extra present in the claims when the steps are considered as an ordered combination? Again, there is no analysis showing that the Examiner actually considered the ordered combination recited in the claims.

For reference, claim 1 is reproduced below. The portions of the claim that are not explicitly directed to “facilitating item exchange” are bolded and italicized.

receiving, at a location-enabled first device, a request for one or more matching items available to be exchanged with the first item;

receiving, in response to processing of the request, results including a plurality of matching items, ***the plurality of matching items identified based on one or more characteristics of the first item and at least one pre-determined criteria;***

***presenting the plurality of matching items presently available for exchange one at a time on a display portion of the location-enabled first device, wherein a next matching item of the***

***plurality of items is displayed when a presently displayed matching item is dismissed;***

in response to receiving a selection of the second item from among the plurality of matching items, ***automatically generating a trade request message*** requesting an exchange of the first item for the second item, wherein the trade request message is ***generated on behalf of a first user associated with the first item;*** and

transmitting the trade request message to a second user associated with the second item.

As can be seen above, the details provided in the claim show that no attempt is being made to claim an invention directed to only “facilitating item exchange” but instead is directed to a specific new and useful invention.

App. Br. 22 (footnotes omitted).

We disagree with Appellant’s “ordered combination” argument. Again, we note that unconventional abstract idea results do not serve to show a computer’s components, functions, and activities (or combination thereof) are not well-understood, routine, and conventional. As we discuss above, Appellant is reaching into the ineligible concept (trade request step of the item exchange) in an attempt to show a technological improvement to the well-understood, routine, and conventional activity of automatic message generation. We find no such technological improvement here.

Appellant’s arguments overlook that while a sales process can be automated on a computer display with automated messaging, this automation does not convert sales process steps into improved technological steps. Rather, they remain an ineligible concept to and the step 2 question is whether there is a technological solution to a technological problem within the technology applied to this ineligible concept. For example the following

basic sales sequence does not become technological merely by being automated with well-understood, routine, and conventional computer components, functions, and activities: (1) a customer walks into a shop; (2) the customer states the criteria of their desired goods; (3) a salesperson determines the shop's goods that match that criteria; (4) one-at-a-time the salesperson presents the goods to the customer; (5) one-at-a-time the customer rejects the goods until reaching an acceptable one of the goods; (6) the customer states they desire to purchase the acceptable one of the goods (issues a trade request); and (7) the customer then pays (cash or barter) for the acceptable one of the goods.

Claim 1 does not “focus on a specific means or method that improves the relevant technology,” but is “directed to a result or effect that itself is the abstract idea and merely invoke[s] generic processes and machinery.” *McRO*, 837 F.3d at 1314. This is not enough to transform an abstract idea into patent-eligible subject matter. *See, e.g., Alice*, 134 S. Ct. at 2360 (explaining that claims that “amount to ‘nothing significantly more’ than an instruction to apply the abstract idea . . . using some unspecified, generic computer” “is not ‘*enough*’ to transform an abstract idea into a patent-eligible invention” (quoting *Mayo*, 566 U.S. at 77, 79)); *Intellectual Ventures I LLC v. Capital One Fin. Corp.*, 850 F.3d 1332, 1342 (Fed. Cir. 2016) (“[T]he claim language here provides only a result-oriented solution, with insufficient detail for how a computer accomplishes it”).

*D. Additional 101 Arguments*

*1. Preemption*

Appellant raises the following argument in contending that the Examiner erred in rejecting claim 1 as directed to non-statutory subject matter.

Given the particularities of the operations included in the systems, methods, and media and the ways in which each of these operations is performed, independent claims 1, 12, 20, and 26 cannot and ***does not preempt*** the making, using, and selling of basic tools of scientific and technological work. Instead, granting a patent in this case would merely preempt a particular way of facilitating an exchange of a first item with a second item via a location-enabled mobile device.

App. Br. 18 (emphasis added).

Appellant's pre-emption arguments overlook that the Court's *Alice/Mayo* two-step (abstract idea/significantly more) analysis is the Court's framework for determining pre-emption.

[W]e set forth a frame-work for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.

*Alice*, 134 S. Ct. at 2355.

Moreover, "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, [] preemption concerns are fully addressed and made moot."). Contrary to Appellant's arguments, the Examiner correctly applied the *Alice/Mayo* framework. Final Act. 2–7.

## 2. *Novel and Non-obvious*

Appellant also raises the following argument in contending that the Examiner erred in rejecting claim 1 as directed to non-statutory subject matter.

Appellant submits 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. 24 (emphasis added).

[I]f the known art does not render the ordered combination of elements obvious, then those differences that serve to make the claims nonobvious should also serve to make the claims “something more” than the mere recitation of an alleged abstract idea combined with known technology.

App. Br. 24 (emphasis omitted).

Appellant’s “novel and non-obvious” (i.e., prior art) argument does not persuade us of Examiner error. Although the second step in the *Alice/Mayo* analysis includes a search for an inventive concept, the analysis is not an evaluation of novelty or nonobviousness, but rather, a search for “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 (quoting *Mayo*, 566 at 71). A novel and nonobvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 566 at 89–91. Further, “under the *Mayo/Alice* framework, a claim directed to a newly discovered law of nature (or natural phenomenon or abstract idea) cannot rely on the novelty of that discovery for the inventive concept necessary for patent eligibility.” *Genetic Techs.*, 818 F.3d at 1376.

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### CONCLUSION

The Examiner has not erred in rejecting claims 1–29 under 35 U.S.C. § 101 for being directed to patent-ineligible subject matter.

### DECISION

The Examiner’s rejection of claims 1–29 is affirmed.

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