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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte ROBERT KALIN, CHRISTOPHER MAGUIRE,
HAIM SCHOPPIK, and JARED TARBELL

Appeal 2017-004428
Application 12/017,501
Technology Center 3600

Before HUNG H. BUI, KARA L. SZPONDOWSKI, and
PHILLIP A. BENNETT, *Administrative Patent Judges*.

SZPONDOWSKI, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 1–3, 5–8, 12, 17, 20–22, 24–31, 33–36, 40, 45–51, 53, 80–82, and 84–90, constituting all claims currently pending in the application.¹ We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Appellants identify Etsy, Inc., as the real party in interest. App. Br. 3.

STATEMENT OF THE CASE

Appellants' invention is directed to a method and apparatus that "allow[s] shoppers to request custom made products from one or more manufacturers includ[ing] placing a public request for bids to manufacture a custom product and accepting offers from manufacturers to fulfill the bids." Spec. 2.

Claim 1, reproduced below, is representative of the claimed subject matter:

1. A communication method using a computer server, the method comprising acts of:

displaying a request creation interface in a user interface of a first computer system associated with a shopper, the request creation interface including a plurality of fields in which the shopper may enter information regarding a desired custom product and a control which, when selected, causes an indication of the information to be submitted to the computer server as a request for a bid to create the custom product;

receiving, by the computer server, the request for the bid to create the custom product from the first computer system;

sending, by the computer server, the request to at least one second computer system associated with a seller;

displaying a request browsing interface in a user interface of the at least one second computer system, the request browsing interface including a representation of a plurality of requests submitted by a plurality of shoppers, the request browsing interface including a control which, when selected, provides access to a specific request interface in the user interface of the at least one second computer system displaying the information entered by the shopper, the specific request interface further including a control which, when selected, permits the seller to access a bid submission interface in the

user interface of the at least one second computer system, the bid submission interface displaying fields through which the seller may enter information regarding a bid to supply the custom product and a control which, when selected, submits a representation of the bid to supply the custom product to the computer server;

receiving, by the computer server, at least one representation of at least one bid to supply the custom product from the at least one second computer system;

sending, by the computer server, the at least one representation of the at least one bid to the first computer system;

displaying a bid selection interface including a listing of the at least one representation of the at least one bid in the user interface of the first computer system and a control for selecting a bid from the listing of the at least one representation of the at least one bid which, when selected, sends an indication of selection of the bid to the computer server;

receiving, by the computer server, the indication of the selection by the shopper through the user interface of the bid from the listing of the at least one representation of the at least one bid;

displaying a bid status interface in the user interface of the at least one second computer system, the bid status interface including an indication of a status of the bid of the seller to supply the custom product;

receiving, by the computer server from the at least one second computer system, a progress update regarding fabrication of the custom product during the fabrication of the custom product; and

sending an indication of the progress update from the computer server to the first computer system.

REJECTION

Claims 1–3, 5–8, 12, 17, 20–22, 24–31, 33–36, 40, 45–51, 53, 80–82, and 84–90 stand rejected under 35 U.S.C. § 101 as directed to patent ineligible subject matter. Final Act. 3.

ANALYSIS

To determine whether a claim is eligible under § 101, “[w]e must first determine whether the claims at issue are directed to a patent-ineligible concept.” *Alice Corp. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014). “[T]he claims are considered in their entirety to ascertain whether their character as a whole is directed to excluded subject matter.” *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015). “If the claims are not directed to an abstract idea [or other patent-ineligible concept], the inquiry ends. If the claims are ‘directed to’ an abstract idea, then the inquiry proceeds to the second step of the *Alice* framework.” *McRO, Inc. v. Bandai Namco Games America Inc.*, 837 F.3d 1299, 1312 (Fed. Cir. 2016).

The Examiner determines the claims are “directed to the series of steps instructing how to fabricate and sell a custom product, which is a fundamental economic practice.” Final Act. 3; *see also* Ans. 6 (“The present claims involve receiving various data such as bid data, processing it, and selectively using it (the relevant data) to generate a progress update.”). The Examiner further determines the “method can be performed with or without the assistance of a computer” and is “the mere automation of a mental process.” Final Act. 5, 7; *see also* Ans. 6.

Appellants argue the claims “are not directed to or similar to any concept found to be abstract by the courts.” App. Br. 9; *see also* Reply Br. 6–10. Appellants further argue “[t]he alleged abstract idea identified by the Examiner is divorced from the actual language of the claims and overgeneralizes what is recited.” App. Br. 12; *see also* Reply Br. 3–6. In addition, Appellants argue “the recited method could not be performed without a computer.” Reply Br. 10.

We are not persuaded by Appellants’ arguments and agree with the Examiner’s findings and conclusions. *See* Final Act. 3–7; *see also* Ans. 5–9. The claims are directed to an abstract idea because they are focused on collecting or receiving information (e.g. relating to a custom product or bid), sending information to another system, and displaying information (e.g. relating to requests, bids, or a progress update), which is not meaningfully different than other claims found abstract by our reviewing court. *See, e.g., Elec. Power Grp. v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016) (claims directed to collection, manipulation, and display of data); *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1370 (Fed. Cir. 2015) (customizing information and presenting it to users based on particular characteristics); *Content Extraction and Transmission LLC v. Wells Fargo Bank, National Ass’n*, 776 F.3d 1343, 1347 (Fed. Cir. 2014) (“collecting data, []recognizing certain data within the collected data set, and . . . storing that recognized data in a memory”); *Cyberfone Systems, LLC v. CNN Interactive Grp, Inc.*, 558 F. App’x 988, 992 (Fed. Cir. 2014) (nonprecedential) (“using categories to organize, store, and transmit information is well-established”); *Dealertrack, Inc. v. Huber*, 674 F.3d 1315, 1333 (Fed. Cir. 2012) (process including steps of receiving data from one

source, selectively forwarding the data to another source, and forwarding reply data to the first source explain the basic concept of “processing information through a clearinghouse”).

Moreover, we agree with the Examiner that the claims constitute “the mere automation of a mental process.” *See CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1373 (Fed. Cir. 2011) (“[A] method that can be performed by human thought alone is merely an abstract idea and is not patent-eligible under § 101.”) Appellants’ invention automates the manual process of allowing shoppers to request bids for custom made products and allowing suppliers to bid on and provide those custom made products. *See*, e.g. Spec. 9:14–30. The mere mention of certain claimed computer software or hardware components (e.g. “computer server,” “interface,” “database”) does not impose sufficiently meaningful limitations on claim scope beyond these mental steps. *CyberSource* at 1372–73, 1375 (“That purely mental processes can be unpatentable, even when performed by a computer, was precisely the holding of the Supreme Court in *Gottschalk v. Benson*.”).

In the second step of the *Alice* framework, we then “consider the elements of each claim both 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 Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 78–79 (2012)). The Supreme Court describes this as “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.” *Id.* (quotation omitted).

The Examiner determines the claims include generic computer elements, such as a computer server, computer system, and user interface which do not amount to significantly more than the abstract idea. Final Act. 5–6. The Examiner determines “[A]ppellant[s] ha[ve] not identified any element that is not well understood, routine, and conventional[, n]or does the [S]pecification identify any element that is not well understood, routine, and conventional.” Ans. 7.

Appellants argue “[t]he Examiner has not provided any ‘reasoned explanation that supports’ that *the ordered combination of elements* in the claims of the present application constitute no more than a recitation of well-understood, routine, and conventional activities.” App. Br. 11; *see also* Reply Br. 11. According to Appellants, “[t]he claims []recite more than what is ‘well-understood, routine, and conventional.’” Reply Br. 12. Appellants further argue “[t]he Examiner thus acknowledges that the ordered combination of elements of the claims is non-obvious [so] [i]t is not logical to assert that the claims are non-obvious yet recite no more than ‘well-understood, routine, and conventional activities.’” App. Br. 12.

We are not persuaded by Appellants’ arguments and agree with the Examiner’s findings and conclusions. *See* Final Act. 5–6; *see also* Ans. 7–8. The inquiry is not whether conventional computers already apply the abstract idea. Rather, we determine whether “each step does *no more than require* a generic computer to perform generic computer functions.” *Alice*, 134 S. Ct. at 2359 (emphasis added). Although the second step in the *Alice/Mayo* framework is termed a search for an “inventive concept,” the

analysis is not an evaluation of novelty or non-obviousness, 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. A novel and nonobvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 566 U.S. at 90; *see Parker v. Flook*, 437 U.S. 584, 588–595 (1978).

As discussed above, Appellants’ claims are directed to collecting or receiving information, sending information to another system, and displaying information. Previous cases have similarly found that such activities are conventional computer activities or routine data-gathering steps. *See, e.g. Electric Power Group, LLC v. Alstom S.A.*, 830 F.3d 1350 (Fed. Cir. 2016) (“Nothing in the claims, understood in light of the specification, requires anything other than off-the-shelf, conventional computer, network, and display technology for gathering, sending, and presenting the desired information.”); *OIP Techs., Inc., v. Amazon.com, Inc.*, 788 F.3d 1359, 1363, 115 USPQ2d 1090, 1093 (Fed. Cir. 2015) (claims reciting, *inter alia*, sending messages over a network, gathering statistics, using a computerized system to automatically determine an estimated outcome, and presenting offers to potential customers found to merely recite “well-understood, routine conventional activities” by either requiring conventional computer activities or routine data-gathering steps); *see also buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1355 (Fed. Cir. 2014) (“That a computer receives and sends the information over a network—with no further specification—is not even arguably inventive.”).

The claims recite, *inter alia*, a “user interface,” “computer server,” “computer system,” and “database,” which are generically described in the Specification. E.g., Spec. 10–15, Figs. 1, 2. Appellants have not adequately explained how the claims are performed such that they are not routine, conventional functions of a generic computer. The claims at issue do not require any nonconventional computer or display components, or even a “non-conventional and non-generic arrangement of known, conventional pieces,” but merely call for performance of the claimed information receiving, sending, and displaying functions “on a set of generic computer components.” *Bascom Global Internet Services, Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1349–52 (Fed. Cir. 2016). “[T]he mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention. Stating an abstract idea ‘while adding the words ‘apply it’” is not enough for patent eligibility.” *Alice*, 134 S. Ct. at 2358 (citation omitted).

Appellants additionally argue the Examiner has failed to address the dependent claims. App. Br. 13. According to Appellants, “[e]ach of the dependent claims adds additional technical features and is entitled to review as an ordered combination of elements.” App. Br. 13.

While we agree with Appellants that the Examiner addressed the dependent claims in an abbreviated manner (e.g. Ans. 9), we agree with the Examiner’s conclusion that the dependent claims do not add significantly more on their face. For example, the dependent claims recite limitations generally reciting : (1) information included in the request to bid or the bid itself (claims 2, 3, 8, 30, 31, 36, 80, 81); (2) generic computer components (claims 5, 12, 17, 20, 33, 40, 45, 48, 53, 84, 85); (3) types of custom

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products (claims 6, 7, 34, 35); and (4) requests for, display of, or transmission of additional information (claims 21, 22, 24, 25, 26, 27, 28, 46, 47, 49, 50, 51, 82, 86, 88, 89, 90).

Accordingly, we sustain the Examiner's 35 U.S.C. § 101 rejection of claims 1–3, 5–8, 12, 17, 20–22, 24–31, 33–36, 40, 45–51, 53, 80–82, and 84–90.

DECISION

For the above reasons, the Examiner's 35 U.S.C. § 101 rejection of claims 1–3, 5–8, 12, 17, 20–22, 24–31, 33–36, 40, 45–51, 53, 80–82, and 84–90 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