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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte SRINIVASAN RAMAN

Appeal 2017-006144
Application 13/407,150¹
Technology Center 3600

Before ELENI MANTIS MERCADER, NORMAN H. BEAMER, and
ADAM J. PYONIN, *Administrative Patent Judges*.

BEAMER, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant appeals under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 1 and 18–20. We have jurisdiction over the pending rejected claims under 35 U.S.C. § 6(b).

We affirm.

¹ Appellant identifies eBay, Inc. as the real party in interest. (App. Br. 3.)

THE INVENTION

Appellant's disclosed and claimed invention is directed to an online marketplace service including an embedded marketplace service that enables third-party merchants to offer marketplace functionality via their respective online retail stores. (Abstract.)

Independent claim 1, reproduced below, is illustrative of the subject matter on appeal:

1. A system including one or more servers, the system comprising:

one or more memory devices to store a first set of instructions representing one or more marketplace application modules that operate in conjunction with one another to facilitate a primary online marketplace for the exchange of goods and services between buyers and sellers;

one or more processors to execute the first set of instructions; and

a second set of instructions representing an embedded marketplace service module, which, when executed by the one or more processors, enables communication with a third-party server enabling the third-party server to provide functionality of the one or more marketplace application modules and to provide a secondary online marketplace by: obtaining an identity of two or more listings from the primary online marketplace; selecting, using a hardware-based filter mechanism, one or more listings of the identified listings for transfer from the primary online marketplace to the secondary online marketplace, the hardware-based filter mechanism filtering the two or more listings based on seller characteristics, the seller characteristics comprising seller criteria and seller policy; and obtaining, using at least one of the one or more processors, at least one of the one or more selected listings from the primary online marketplace for use in the secondary online marketplace.

REJECTIONS

The Examiner rejected claims 1 and 18–20 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. (Final Act. 2.)

The Examiner rejected claims 1 and 18–20 under 35 U.S.C. § 103(a) as being unpatentable over Kaufman et al. (US 2008/0294552 A1, pub. Nov. 27, 2008) (hereinafter “Kaufman”) in view of Talreja (US 8,280,782 B1, iss. Oct. 2, 2012). (Final Act. 5.)

ISSUES ON APPEAL

Appellant’s arguments in the Appeal and Reply Briefs present the following issues:²

Issue One: Whether the Examiner erred in finding claims 1 and 18–20 are directed to non-statutory subject matter. (App. Br. 7–28, Reply Br. 2–7.)

Issue Two: Whether the Examiner erred in finding the combination of Kaufman and Talreja teaches or suggests the independent claim 1 limitation of:

selecting, using a hardware-based filter mechanism, one or more listings of the identified listings for transfer from the primary online marketplace to the secondary online marketplace, the hardware-based filter mechanism filtering the two or more listings based on seller characteristics, the seller characteristics comprising seller criteria and seller policy,

² Rather than reiterate the arguments of Appellant and the positions of the Examiner, we refer to the Appeal Brief (filed Nov. 9, 2016); the Reply Brief (filed Feb. 28, 2017); the Final Office Action (mailed June 9, 2016); the Advisory Action (mailed Sept. 20, 2016); and the Examiner’s Answer (mailed Dec. 28, 2016) for the respective details.

and the commensurate limitation recited in independent claim 18. (App. Br. 32–35, Reply Br. 7–9.)

ANALYSIS

Issue One

The Examiner concludes the pending claims are patent-ineligible under 35 U.S.C. § 101 because the claims recite an abstract idea:

Claims 1, 18-21 are directed to the abstract idea of controlling the presentation of listing[s] from a primary listing site on a secondary listing site, which is considered to be a business challenge. More specifically, the claims recite the steps of (1) store a first set of instructions representing one or more marketplace that operate in conjunction with one another to facilitate a primary marketplace for the exchange of goods and services between buyers and sellers; (2) enabling communication with a third-party; (3) provide a secondary marketplace by: obtaining an identity of two or more listings from the primary marketplace; (4) selecting, using a filter mechanism, one or more listings of the identified listings for transfer from the primary marketplace to the secondary marketplace[;] (5) the filter mechanism filtering the two or more listings based on seller characteristics[;] (6) the seller characteristics comprising seller criteria and seller policy [; and] (7) obtaining at least one of the one or more selected listings from the primary marketplace for use in the secondary marketplace.

(Ans. 5.)

Appellant argues, *inter alia*, that the Examiner’s description of the claims “ignores other ideas that the claims are directed to,” such as enabling communication with a third-party server and creating a secondary online marketplace. (Reply Br. 3.) Appellant contends that, because the claims recite in-part “selecting using a hardware-based filter mechanism, one or

more listings of the identified listings,” the claims are “like the claims in *Bascom*” (*Bascom Global Internet Services Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016)), and are “a technology based solution (not an abstract-idea-based solution implemented with generic technical components in a conventional way).” (Reply Br. 4, quoting *Bascom*, 827 F.3d at 1351.) Appellant further points to the claimed “selecting” as “[s]imilar to the self-referential table in *Enfish*” (*Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016)), because the claim “improve[s] the way a computer [system] stores and retrieves data in memory.” (Reply Br. 5, quoting *Enfish*, 822 F.3d at 1339.)

Appellant further distinguishes Appellant’s claims from those found non-statutory in *Dealertrack, Inc. v. Huber*, 674 F.3d 1315 (Fed. Cir. 2012) (*see* Reply Br. 5–6), and contends “the claimed creation of the secondary online marketplace” (Reply Br. 7), like the self-referential table in *Enfish*, “recite[s] ‘significantly more’ than the alleged abstract idea.” (Reply Br. 6.)

We are not persuaded by Appellant’s arguments. The Supreme Court has long held that “[l]aws of nature, natural phenomena, and abstract ideas are not patentable.” *Alice Corp. Pty. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014) (quoting *Assoc. for Molecular Pathology v. Myriad Genetics, Inc.*, 596 U.S. 576, 598–99 (2013)). The “abstract ideas” category embodies the longstanding rule that an idea, by itself, is not patentable. *Alice Corp.*, 134 S. Ct. at 2354–55 (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.” *Id.* at 2355. 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. *Id.* 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 Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 79, 78 (2012)). 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.* (quoting *Mayo*, 566 U.S. at 73.) 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) (internal citation omitted.)

Turning to the first step of the *Alice* inquiry, we agree with the Examiner’s finding that, unlike the claims in *DDR Holdings*, “the claims at issue broadly recite the use of a machine in an online environment without specifying even arguably new physical components and without specifying any new processes other than those directed to the performance of providing offers to buyers itself” (Ans. 7–8) and “the claims simply draw themselves to the establishment of the constructs and triggers for which a secondary marketplace may be created using listings from a primary marketplace.” (Ans. 8.)

There is no definitive rule to determine what constitutes an “abstract idea.” Rather, the Federal Circuit has explained that “both [it] and the Supreme Court have found it sufficient to compare claims at issue to those claims already found to be directed to an abstract idea in previous cases.” *Enfish*, 822 F.3d at 1334; *see also Amdocs (Israel) Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288, 1294 (Fed. Cir. 2016) (explaining that, in determining whether claims are patent-eligible under § 101, “the decisional mechanism courts now apply is to examine earlier cases in which a similar or parallel descriptive nature can be seen—what prior cases were about, and which way they were decided”). The Federal Circuit also noted that “examiners are to continue to determine if the claim recites (i.e., sets forth or describes) a concept that is similar to concepts previously found abstract by the courts.” *Amdocs*, 841 F.3d at 1294 n.2 (internal citation omitted.)

We agree with the Examiner that the claims here are similar to the claims that the Federal Circuit determined are directed to an abstract idea in *Dealertrack*, 674 F.3d at 1334 (“The notion of using a clearinghouse generally and using a clearinghouse specifically to apply for car loans, like the relationship between hedging and hedging in the energy market in *Bilski II*, is of no consequence without more.”) Appellant’s claimed system and method of transferring listings act as a clearinghouse to match listings to an appropriate marketplace.

The Federal Circuit has also held similar claimed methods of organizing behavior to be directed to patent-ineligible ideas — *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1367 (Fed. Cir. 2015) (“tracking financial transactions to determine whether they exceed a pre-set spending limit (i.e., budgeting)” is an abstract idea that “is not

meaningfully different from the ideas found to be abstract in other cases . . . involving methods of organizing human activity”); *see also Content Extraction and Transmission LLC v. Wells Fargo Bank, Nat. Ass’n*, 776 F.3d 1343, 1347 (Fed. Cir. 2014) (finding that “1) collecting data, 2) recognizing certain data within the collected data set, and 3) storing that recognized data in a memory” was an abstract idea because “data collection, recognition, and storage is undisputedly well-known” and “humans have always performed these functions”).

Further, the obtaining and selecting steps recited in claim 1 are each an abstract mental process that can “be performed in the human mind, or by a human using a pen and paper.” *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1372 (Fed. Cir. 2011).

Turning to the second step of the *Alice* inquiry, we find nothing in the claims that adds anything “significantly more” to transform the abstract idea of organizing human behavior. *Alice*, 134 S. Ct. at 2357. Beyond an abstract idea, the claims merely recite “well-understood, routine, conventional activit[ies].” *Id.* at 2359 (quoting *Mayo*, 566 U.S. at 73).

In particular, we agree with the Examiner that “[A]ppellant’s specification does not identify anything inventive in how the hardware based filtering mechanism operates and is understood to be nothing more than a standard filtering mechanism ubiquitously available in the art to identify preferred listings for placement on a secondary marketplace.” (Ans. 9; *see also* cited exemplary art “to show that filtering systems were well-understood in the art” at Ans. 9–10.) Appellant maintains that “the identification of listings for placement on a secondary marketplace, as defined in the claimed embodiment, is not a standard, or known, filtering

mechanism ubiquitously available in the art” (Reply Br. 7) but offers no factual support from the disclosure regarding the “hardware-based filter mechanism.” The absence of factual support regarding the hardware-based filter mechanism similarly renders Appellant’s arguments based on the holdings of *Enfish* and *Bascom* unpersuasive. Considered individually or taken together as an ordered combination, the elements of claim 1 fail “to ‘transform’ the claimed abstract idea into a patent-eligible application.” *Alice*, 134 S. Ct. at 2357 (quoting *Mayo*, 566 U.S. at 72–73, 78).

Because claims 1 and 18–20 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 35 U.S.C. § 101 rejection of claims 1 and 18–20.

Issue Two

In finding the combination of Kaufman and Talreja teaches or suggests the claim 1 limitation at issue, the Examiner relies on the disclosure of Kaufman regarding a marketplace in which marketplace owners determine the type or classification of content permitted on the marketplace, with tools such as “sliders” provided to allow marketplace network owners to easily set the relevant joining criteria. (Final Act. 6, Ans. 11–12; Kaufman ¶¶ 12–27, 66.) The Examiner further relies on the disclosure of Talreja regarding a seller criterion used in filtering seller listings and a seller policy that is a searchable criterion. (Final Act. 6–7, Ans. 12; Talreja Abstract, 8:8–12, 3:58.)

Appellant argues that

Talreja does not disclose ‘filtering’ and does not disclose or suggest that **filtering listings based on seller characteristics** is useful for selecting, using a hardware-based filter mechanism, one or more listings **for a transfer from the primary online marketplace to the secondary online marketplace**. Thus, Talreja does not cure the deficiency of Kaufman.

(Reply Br. 8.) Appellant further offers a definition of a “filter” as “a device that *prevents some kinds of light, sound, electronic noises etc., from passing through.*” (Reply Br. 8, citing Merriam-Webster.com, emphasis in original.)

We are not persuaded by Appellant’s arguments. The Examiner finds, and we agree, that “Kaufman also teaches **providing criteria that filters content that will be placed on their marketplace from a primary marketplace**” (Ans. 12, citing Kaufman ¶ 66, emphasis in original).

Appellant does not address and challenge the Examiner’s finding in the Reply. We find the Examiner has broadly and reasonably interpreted the claimed “hardware-based filter mechanism” because the filtering provided by Kaufman’s sliders, although implemented in software, ultimately accomplish the filtering using computer hardware elements running the software. Appellant points to no portion of the disclosure that distinguishes the claimed hardware-based filter mechanism from these teachings, nor does Appellant argue any unexpected results achieved using the hardware-based filter mechanism.

Accordingly, we sustain the Examiner’s rejection of independent claim 1, and independent claim 18 commensurate in scope, as well as dependent claims 19 and 20 not argued separately. (*See* App. Br. 35–36.)

CONCLUSION

For the reasons stated above, we affirm the Examiner's non-statutory subject matter rejection of claims 1 and 18–20, and affirm the Examiner's obviousness rejection of claims 1 and 18–20.

DECISION

The Examiner's decision rejecting claims 1 and 18–20 under 35 U.S.C. § 101 is affirmed.

The Examiner's decision rejecting claims 1 and 18–20 under 35 U.S.C. § 103(a) 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