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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte MARC DELINGAT, JAMES SHEN, JOSEPH EDWARD
BLACK, SHAMLA SOANS, and YORAM VARDI

Appeal 2018-005908
Application 14/139,820¹
Technology Center 3600

Before CAROLYN D. THOMAS, HUNG H. BUI, and SCOTT RAEVSKY,
Administrative Patent Judges.

BUI, *Administrative Patent Judge.*

DECISION ON APPEAL

Appellant seeks our review under 35 U.S.C. § 134(a) from the Examiner’s Final Rejection of claims 1, 2, 4, and 6–20, which are all the claims pending in the application. Claims 3 and 5 are canceled. App. Br. 27–35 (Claims App.). We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.²

¹ We use the word “Appellant” to refer to “applicant(s)” as defined in 37 C.F.R. § 1.42. The real party in interest is eBay, Inc. App. Br. 2.

² Our Decision refers to Appellant’s Appeal Brief (“App. Br.”) filed October 24, 2017; Reply Brief (“Reply Br.”) filed May 21, 2018; Examiner’s Answer (“Ans.”) mailed March 21, 2018; Final Office Action (“Final Act.”) mailed May 10, 2017; and original Specification (“Spec.”) filed December 23, 2013.

STATEMENT OF THE CASE

“As online retailers and marketplaces such as eBay® become more popular in various regions around the world, there are an increasing number of cross-border trade transactions being conducted online via such websites.” Spec. ¶ 4. However, “different regions around the world tend to have different laws and rules regarding what type of products and services may be offered for sale online, what type of products and services can be marketed online to users . . . can be viewed by users . . . [or] can be included in search results, and so on.” Spec. ¶ 19. As such, Appellant’s invention seeks to provide “an entity visibility compliance system 200 [] configured to control [] whether it is acceptable for sellers on a networked commerce system [] to display, market, offer to sale, or a sell various items in various regions” and “to help navigate the complexities of different laws and compliance rules pertaining to the on line display and sale of items (e.g., products and/or services) in different regions around the world.” Spec. ¶¶ 19–20.

Claims 1, 15, and 18 are independent. Claim 1 is illustrative of Appellant’s invention on appeal, as reproduced below:

1. A computer-implemented method comprising:
 - accessing, by a determination module, a network database storing entity visibility compliance rules, the entity visibility compliance rules defining allowability of an online sale of an item in at least one geographic region in response to receiving, at a server over a network, a seller specification of the item in connection with a request to post item information offering the item for sale on a networked commerce system;
 - determining, by the determination module using one or more processors, that the item specified by the seller is subject to

a particular entity visibility compliance rule in a first geographic region;

automatically adjusting, by an entity module in communication with the determination module, an entity visibility setting for the item information throughout the networked commerce system in the first geographic region, based on the particular entity visibility compliance rule;

in response to determining that the item specified by the seller is subject to the particular entity visibility compliance rule in the first geographic region, accessing the network database storing the entity visibility compliance rules to prepopulate a list of geographic regions allowing the online sale of the item;

identifying a second geographic region from the list of geographic regions; and

transmitting, from the server over the network, instructions to cause a client machine to generate a user interface that is configured to display a suggestion of the second geographic region.

App. Br. 20 (Claims App.).

EXAMINER'S REJECTION

Claims 1, 2, 4, and 6–20 stand rejected under 35 U.S.C. § 101 because the claimed invention is directed to a patent-ineligible abstract idea without significantly more. Final Act. 2–9, 11.

ANALYSIS

In support of the § 101 rejection of claims 1, 2, 4, and 6–20, the Examiner determines Appellant's claims are directed to "posting item information for sale based on visibility compliance rule and adjusting visibility settings [for the item information for sale in a particular region in a networked commerce system]," which is considered "human activity relating

to commercial practices” i.e., a fundamental economic practice, and include limitations such as “accessing, determining, adjusting, identifying, transmitting, and displaying,” which the Examiner finds are considered nothing more than a series of mental processes and similar to the claims the Federal Circuit found as an abstract idea in *Electric Power Group, LLC, v. Alstom*, 830 F.3d 1350 (Fed. Cir. 2016) (holding that the concept of “collecting information, analyzing it, and displaying certain results of the collection and analysis” is an abstract idea). Final Act. 2–5. The Examiner then determines “the claims do not include additional elements that are sufficient to amount to significantly more than the judicial exception.” Final Act. 11.

Legal Framework

To determine whether claims are patent eligible under § 101, we apply the Supreme Court’s two-step framework articulated in *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208 (2014). First, we determine whether the claims are directed to a patent-ineligible concept: laws of nature, natural phenomena, and abstract ideas. *Id.* at 216. If so, we then proceed to the second step 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.* at 217. 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.* at 218 (alteration in original, internal quotation marks omitted).

The Federal Circuit has described the *Alice* step-one inquiry as looking at the “focus” of the claims, their “character as a whole,” and the *Alice* step-two inquiry as looking more precisely at what the claim elements add—whether they identify an “inventive concept” in the application of the ineligible matter to which the claim is directed. *See Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016); *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335–36 (Fed. Cir. 2016); *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015).

In an effort to achieve clarity and consistency in how the U.S. Patent and Trademark Office (the “Office”) applies the Supreme Court’s two-step framework, the Office has published revised guidance interpreting governing case law and establishing a prosecution framework for all patent-eligibility analysis under *Alice* and § 101 effective as of January 7, 2019. *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50–57 (Jan. 7, 2019) (“2019 Revised Guidance”).

2019 Revised Guidance

Under the 2019 Revised Guidance, we first look under *Alice* step 1 or “Step 2A” to whether the claim recites:

- (1) Prong One: any judicial exceptions, including certain groupings of abstract ideas (i.e., [i] mathematical concepts, [ii] mental processes—concepts performed in the human mind (including an observation, evaluation, judgment, opinion), or [iii] certain methods of organizing human activity such as a fundamental economic practice or managing personal behavior or relationships or interactions between people); and
- (2) Prong Two: additional elements that integrate the judicial exception into a practical application (*see* Manual of Patent

Examining Procedure (“MPEP”) §§ 2106.05(a)–(c), (e)–(h)).³

See 2019 Revised Guidance, 84 Fed. Reg. at 51–52, 55, Revised Step 2A, Prong One (Abstract Idea) and Prong Two (Integration into A Practical Application). Only if a claim: (1) recites a judicial exception, and (2) does not integrate that exception into a practical application, do we then evaluate whether the claim provides an “inventive concept” under *Alice* step 2 or “Step 2B.” See 2019 Revised Guidance at 56; *Alice*, 573 U.S. at 217–18. For example, we look to whether the claim:

- 1) adds a specific limitation beyond the judicial exception that is not “well-understood, routine, conventional” in the field (see MPEP § 2106.05(d)); or
- 2) simply appends well-understood, routine, and conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception.

See 2019 Revised Guidance, 84 Fed. Reg. at 56.

In the briefing, Appellant refers to prior USPTO guidance regarding § 101, i.e., (1) *July 2015 Update on Subject Matter Eligibility*, 80 Fed. Reg. 45,429 (July 30, 2015) and (2) *Memorandum on Subject Matter Eligibility Decisions* dated Nov. 2, 2016. App. Br. 9, 13. However, the 2015 update as well as other prior guidance, including: (1) *2014 Interim Guidance on Patent Subject Matter Eligibility*, 79 Fed. Reg. 74,618 (December 16, 2014) and (2) *May 2016 Subject Matter Eligibility Update*, 81 Fed. Reg. 27,381 (May 6, 2016) have all been superseded by the 2019 Revised Guidance. See 2019 Revised Guidance, 84 Fed. Reg. at 52. As such, our analysis will not

³ All references to the MPEP are to the Ninth Edition, Revision 08.2017 (rev. Jan. 2018).

address the sufficiency of the Examiner’s rejection against the cited prior guidance. Rather, our analysis will comport with the 2019 Revised Guidance as discussed below. We will also review patent eligibility under § 101 *de novo* (*Dealertrack, Inc. v. Huber*, 674 F.3d 1315, 1333 (Fed. Cir. 2012)).

Alice/Mayo—Step 1 (Abstract Idea)

Step 2A—Prongs 1 and 2 identified in the Revised Guidance

Step 2A—Prong 1

Appellant does not dispute the Examiner’s determination that claims 1, 2, 4, and 6–20 recite “mental processes” or “a fundamental economic practice.” Final Act. 2–11; Ans. 3–10. Instead, Appellant argues claims 1, 2, 4, and 6–20 are not directed to an abstract idea because “the claims are not like those in *Electric Power Group*.”⁴ App. Br. 11.

We do not agree. At the outset, we note Appellant’s Specification and claims describe (1) “an increasing number of cross-border trade transactions being conducted online via [] websites” (Spec. ¶ 4) but “different regions around the world tend to have different laws and rules regarding what type of products and services may be offered for sale online” (Spec. ¶¶ 4, 19) and, as such, provide (2) “an entity visibility compliance system [] configured to control [] whether it is acceptable for sellers on a networked commerce system [] to display, market, offer to sale, or a sell various items

⁴ Appellant also argues claims are similar to the claims in (1) *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257 (Fed. Cir. 2014), (2) *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335–36 (Fed. Cir. 2016), (3) *McRO Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299 (Fed. Cir. 2016), and (4) *BASCOM Global Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016). We will address these arguments in proper context below.

in various regions” and “to help navigate the complexities of different laws and compliance rules pertaining to the on line display and sale of items (e.g., products and/or services) in different regions around the world.” Spec. ¶¶ 19–20. This way online retailer such as eBay® is able to sell various types of entities (products and services) across borders, effectively taking into account different laws and compliance rules. Spec. ¶ 21. For example, Appellant’s claim 1 recites a method comprising:

[1] accessing, by a determination module, a network database storing entity visibility compliance rules, the entity visibility compliance rules defining allowability of an online sale of an item in at least one geographic region in response to receiving, at a server over a network, a seller specification of the item in connection with a request to post item information offering the item for sale on a networked commerce system;

[2] determining, by the determination module using one or more processors, that the item specified by the seller is subject to a particular entity visibility compliance rule in a first geographic region;

[3] automatically adjusting, by an entity module in communication with the determination module, an entity visibility setting for the item information throughout the networked commerce system in the first geographic region, based on the particular entity visibility compliance rule;

[4] in response to determining that the item specified by the seller is subject to the particular entity visibility compliance rule in the first geographic region, accessing the network database storing the entity visibility compliance rules to prepopulate a list of geographic regions allowing the online sale of the item;

[5] identifying a second geographic region from the list of geographic regions; and

[6] transmitting, from the server over the network, instructions to cause a client machine to generate a user interface that is configured to display a suggestion of the second geographic region.

App. Br. 20 (Claims App.) (bracketing added).

These limitations of Appellant’s claim 1, under their broadest reasonable interpretation, broadly recite (1) collecting information regarding “entity visibility compliance rules” and “seller specification of [an] item [for sale on a networked commerce system],” (2) analyzing if “the item [] is subject to a particular [] rule in a first geographic region,” and then (3) adjusting “an entity visibility setting,” “identifying a second geographical region” and “transmitting . . . instructions . . . to generate a user interface [] to display a suggestion of the second geographic region,” i.e., a fundamental economic practice, as recognized by the Examiner. Final Act. 4.

Such activities are squarely within the realm of abstract ideas, like (1) the risk hedging in *Bilski v. Kappos*, 130 S. Ct. 3218 (2010); (2) the intermediated settlement in *Alice*, 573 U.S. at 220; (3) verifying credit card transactions in *CyberSource*, 654 F.3d at 1370; (4) guaranteeing transactions in *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1354 (Fed. Cir. 2014); (5) distributing products over the Internet in *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709 (Fed. Cir. 2014); (6) determining a price of a product offered to a purchasing organization in *Versata Dev. Grp., Inc. v. SAP America, Inc.*, 793 F.3d 1306 (Fed. Cir. 2015); and (7) pricing a product for sale in *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359 (Fed. Cir. 2015).

Collecting, analyzing information, adjusting an entity visibility setting for an item for sale in a first geographical region and then “transmitting . . .

instructions . . . to [] display a suggestion of the second geographic region” is also a building block of a market economy and, like risk hedging and intermediated settlement, is an “abstract idea” beyond the scope of § 101. *See Alice*, 573 U.S. at 220.

Alternatively, collecting information regarding “entity visibility compliance rules” and “seller specification of [] item [for sale on a networked commerce system],” analyzing if “the item [] is subject to a particular [] rule in a first geographic region,” and then prepopulating “a list of geographical regions allowing the online sale of the item,” “identifying a second geographical region” and “transmitting . . . instructions . . . [] to display a suggestion of the second geographic region” are also a series of “mental processes” that could also be performed in the human mind or by a human using a pen and paper. For example, limitations (1)–(3) of Appellant’s claim 1 can be performed by a human administrator who reviews an item for sale in different regions of the world and entity visibility compliance rules, and observes if the item is subject to a particular compliance rule, such as one of those shown in Appellant’s Figure 3, as reproduced below:

REGION	ITEM	ENTITY VISIBILITY COMPLIANCE RULES			
		SEARCH RESULTS	ITEM LISTING PAGES	ONLINE SALE	ONLINE MARKETING
REGION 1	ITEM 1	Yes	Yes	Yes	Yes
	ITEM 2	Yes	Yes	Yes	NO
	ITEM 3	Yes	Yes	NO	NO
	ITEM 4	Yes	NO	NO	NO
	ITEM 4	NO	Yes	Yes	Yes

REGION 2			

Appellant's Figure 3 shows example entity visibility compliance rules.

Spec. ¶¶ 32–33. These entity visibility compliance rules

indicate whether a particular item may appear in search results viewable by users in a given region, or whether the particular item may appear in item information (e.g., item listing pages) accessible by users in a given region, or whether the particular item may be sold to users in a given region, or whether the particular item may be marketed to viewers in a given region.

Id. ¶ 32.

Limitations (4)–(6) of Appellant's claim 1 can be performed by the same administrator who adjusts the entity visibility setting for the item for sale in a first geographical region, observes a second geographical region, and then correlates a suggestion of the second geographical region, also by way of a pen and paper. *See CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1372–73 (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.”); *see also In re Comiskey*, 554 F.3d 967, 979 (Fed. Cir. 2009) (“[M]ental processes—or processes of human thinking—standing alone are not patentable even if they have practical application.”); *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972) (“Phenomena of nature, . . . *mental processes*, and abstract intellectual concepts are not patentable, as they are the basic tools of scientific and technological work.” (Emphasis added)). Additionally, mental processes remain unpatentable even when automated to reduce the burden on the user of what once could have been done with pen and paper. *CyberSource*, 654 F.3d at 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*.”).

As further recognized by the Examiner, collecting, analyzing information, adjusting an entity visibility setting for an item for sale in a first geographical region and then “transmitting . . . instructions . . . to [] display a suggestion of the second geographic region” is also analogous to the claims identified by the Federal Circuit as directed to an abstract idea in *Electric Power Group*. Final Act. 3–4; Ans. 3–5.

We, therefore, conclude limitations (1)–(6) in Appellant’s claim 1 recite collecting information regarding “entity visibility compliance rules” and “seller specification of [an] item [for sale on a networked commerce system],” analyzing if “the item [] is subject to a particular [] rule in a first geographic region,” and then prepopulating “a list of geographical regions allowing the online sale of the item,” “identifying a second geographical region” and “transmitting . . . instructions . . . [] to display a suggestion of the second geographic region,” which is “a fundamental economic practice” and/or “mental processes” as identified in the Revised Guidance, and thus, an abstract idea. *See* 2019 Revised Guidance (*Revised Step 2A, Prong One*), 84 Fed. Reg. at 52, 54. According to the Federal Circuit, “collecting information, including when limited to particular content (which does not change its character as information), as [sic] within the realm of abstract ideas.” *See, e.g., Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015); *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1363 (Fed. Cir. 2015); *Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat’l Ass’n*, 776 F.3d 1343, 1347 (Fed. Cir. 2014); *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). Likewise, “analyzing information by steps

people go through in their minds, or by mathematical algorithms, without more,” is “essentially mental processes within the abstract-idea category.” *See, e.g., TLI Commc’ns*, 823 F.3d at 613; *Digitech*, 758 F.3d at 1351; *SmartGene, Inc. v. Advanced Biological Labs., SA*, 555 F. App’x 950, 955 (Fed. Cir. 2014); *Bancorp Servs., L.L.C. v. Sun Life Assurance Co. of Canada (U.S.)*, 687 F.3d 1266, 1278 (Fed. Cir. 2012); *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1372 (Fed. Cir. 2011); *SiRF Tech., Inc. v. Int’l Trade Comm’n*, 601 F.3d 1319, 1333 (Fed. Cir. 2010); *see also Mayo*, 132 S. Ct. at 1301; *Parker v. Flook*, 437 U.S. 584, 589–90 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972). And the Federal Circuit has recognized that merely presenting the results of abstract processes of collecting and analyzing information, without more (such as identifying a particular tool for presentation), is abstract as an ancillary part of such collection and analysis. *See, e.g., Content Extraction*, 776 F.3d at 1347; *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014).

Step 2A—Prong 2 (Integration into Practical Application)

Under *Revised Step 2A, Prong Two* of the Revised Guidance, we determine if the claims (i.e., additional limitations beyond the judicial exception) integrate the judicial exception into a practical application. However, we discern no additional element (or combination of elements) recited in Appellant’s claims 1, 2, 4, and 6–20 that integrates the judicial exception into a practical application. *See Revised Guidance*, 84 Fed. Reg. at 54–55 (“Prong Two”). For example, Appellant’s additional elements (i.e., “one or more processors,” “network database,” “server,” and “user interface”) in claims 1, 2, 4, and 6–20 do not (1) improve the functioning of a computer or other technology, (2) are not applied with any particular

machine (except for generic computer components), (3) do not effect a transformation of a particular article to a different state, and (4) are not applied in any meaningful way beyond generally linking the use of the judicial exception to a particular technological environment, such that the claim as a whole is more than a drafting effort designed to monopolize the exception. *See* MPEP §§ 2106.05(a)–(c), (e)–(h).

Appellant argues that like the claims in *DDR* and *McRO*, “the current claims [] are directed to a technical improvement to solve a particular problem.” App. Br. 11–15. According to Appellant, “the claimed solution in the present application utilizes rules in a specific way to automatically adjust visibility settings for item information in a first geographic region and suggest a second geographic region based on the compliance rules, which in turn is presented to a user in order to trigger publication of the item information in the second geographic region.” App. Br. 14–15. Appellant also argues “the claims are directed to a particular concrete and tangible form.” App. Br. 16.

We do not agree. First, there is no support from Appellant’s Specification for any feature that would improve any existing technological process or computer-related technology, as Appellant argues. App. Br. 11–16. As correctly recognized by the Examiner, “the focus of the claims is not on such improvement in computers,” but rather uses “computers as tools” to perform the abstract idea. Ans. 5–6. Using generic computing components (i.e., “one or more processors,” “network database,” “server,” and “user interface”) as a tool, for example, as shown in Appellant’s Figure 1, to perform an abstract idea are insufficient to show “integration into a practical application.” *See* MPEP § 2106.05(f). Instead, these generic computing

components are simply the “automation of the fundamental economic concept,” *OIP Techs.*, 788 F.3d at 1362–63, of controlling visibility setting of items for sale (products or services) on an e-commerce network to account for cross-border trade transactions. “[M]erely requiring generic computer implementation” . . . “does not move into [§] 101 eligibility territory.” *buySAFE*, 765 F.3d at 1354.

Second, Appellant’s reliance on *DDR* and *McRO* is misplaced. For example, the Federal Circuit found *DDR*’s claims are patent-eligible under § 101 because *DDR*’s claims: (1) do not merely recite “the performance of some business practice known from the pre-Internet world” (such as previously disclosed in *Bilski* and *Alice*); but instead (2) provide a technical solution to a technical problem unique to the Internet, *i.e.*, 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.

Similarly, *McRO*’s ’576 patent (U.S. Patent No. 6,307,576) describes computer software for matching audio to a 3D animated mouth movement to provide lip-synched animation. *McRO*’s claims contain (i) specific limitations regarding a set of rules that “define[] a morph weight set stream as a function of phoneme sequence and times associated with said phoneme sequence” to enable computers to produce “accurate and realistic lip synchronization and facial expressions in animated characters” (*McRO*, 837 F.3d at 1313) and, when viewed as a whole, are directed to (ii) a “technological improvement over the existing, manual 3–D animation techniques” that uses “limited rules in a process specifically designed to

achieve an improved technological result in conventional industry practice.”
Id. at 1316.

In contrast to *DDR* and *McRO*, Appellant’s Specification and claims do not provide any technical solution to a technical problem unique to the Internet, *i.e.*, 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) or describe technological improvements or specific improvements to the way computers operate. Rather, Appellant’s Specification and claims describe “an entity visibility compliance system [] configured to control [] whether it is acceptable for sellers on a networked commerce system [] to display, market, offer to sale, or a sell various items in various regions” and “to help navigate the complexities of different laws and compliance rules pertaining to the on line display and sale of items (e.g., products and/or services) in different regions around the world.” Spec. ¶¶ 19–21. Long before the Internet, companies effectively followed “entity visibility compliance rules” by selling different items in different geographic regions.

A claim for a new abstract idea is still an abstract idea. *See Synopsis, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1151 (Fed. Cir. 2016). “No matter how much of an advance in the finance field the claims recite, the advance lies entirely in the realm of abstract ideas, with no plausibly alleged innovation in the non-abstract application realm.” *See SAP America, Inc. v. InvestPic, LLC*, 898 F.3d 1161, 1163 (Fed. Cir. 2018).

For these reasons, we are not persuaded that Appellant’s “additional elements” recited in claims 1, 2, 4, and 6–20 integrate the abstract idea into a practical application.

Alice/Mayo—Step 2 (Inventive Concept)
Step 2B identified in the Revised Guidance

Under the 2019 Revised Guidance, only if a claim: (1) recites a judicial exception, and (2) does not integrate that exception into a practical application, do we then look to whether the claim adds a specific limitation beyond the judicial exception that is not “well-understood, routine, conventional” in the field (*see* MPEP § 2106.05(d)) or, simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception. *See* 2019 Revised Guidance, 84 Fed. Reg. at 56. However, we find no element or combination of elements recited in Appellant’s claims 1, 2, 4, and 6–20 that contain any “inventive concept” or add anything “significantly more” to transform the abstract concept into a patent-eligible application. *Alice*, 573 U.S. 208 at 221.

Appellant does not identify any specific limitation of claims 1, 15, and 18 beyond the judicial exception that is not “well-understood, routine, conventional’ in the field” as per MPEP § 2106.05(d). Instead, Appellant argues “the present claims are [] directed to significantly more than any abstract idea” because these claims improve “surrounding systems, and modify[] and improve the computing system of the enterprise itself.” App. Br. 16–17. Appellant also argues, like the claims in *BASCOM Global Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016), “the claims are not ineligible” because these claims “recite specific improvements that go beyond well-understood, routine, conventional activities.” App. Br. 15.

We do not agree. Appellant’s reliance on *BASCOM* is also misplaced. For example, *BASCOM* (U.S. Patent No. 5,987,606 (“*BASCOM* ’606

patent’)) describes a particular arrangement of filtering software at a specific location, remote from the end-users, with customizable filtering features specific to each end user. The filtering software enables individually customizable filtering at the remote ISP server by taking advantage of the technical ability of the ISP server to identify individual accounts and associate a request for Internet content with a specific individual account. *BASCOM* ’606 patent, 4:35–38.

The Federal Circuit recognized that *BASCOM*’S installation of an Internet content filter at a particular network location is “a technical improvement over prior art ways of filtering such content” because such an arrangement advantageously allows the Internet content filter to have “both the benefits of a filter on a local computer and the benefits of a filter on the ISP server” and “give[s] users the ability to customize filtering for their individual network accounts.” *BASCOM*, 827 F.3d at 1350, 1352.

According to the Federal Circuit, *BASCOM*’s claims “do not preempt the use of the abstract idea of filtering content on the Internet or on generic computer components performing conventional activities.” *Id.* at 1352.

Instead, *BASCOM*’S claims “carve out a specific location for the filtering system (a remote ISP server) and require the filtering system to give users the ability to customize filtering for their individual network accounts.” *Id.* As such, “an inventive concept can be found in the non-conventional and non-generic arrangement of known, conventional pieces.” *Id.* at 1350.

In contrast to *BASCOM*, there is no evidence in the record to support the contention that Appellant’s claimed system is provided with any non-conventional and non-generic arrangement of known, conventional components similar to *BASCOM*. Likewise, there is no element or

combination of elements recited in Appellant’s claims 1, 2, 4, and 6–20 that contain any “inventive concept” or add anything “significantly more” to transform the abstract concept into a patent-eligible application. *Alice*, 573 U.S. 208 at 221.

In the Reply, Appellant further argues (1) the Examiner has not provided evidence to show that “additional elements” recited in claims 1, 15, and 18 are “well-understood, routine, conventional” as per *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1366 (Fed. Cir. 2018); and (2) the Examiner’s conclusory assertion fails to satisfy the substantial evidence standard of the Administrative Procedure Act (APA). Reply Br. 3–8.

Appellant’s arguments are not persuasive. In *Berkheimer*, the Federal Circuit held “[w]hether something [(i.e., any additional elements beyond the abstract idea)] is well-understood, routine, and conventional to a skilled artisan at the time of the patent is a factual determination.” *Berkheimer*, 881 F.3d 1369. However, *Berkheimer* is limited to *Alice* step 2 and is only applicable after a determination is made that a patent claim is directed to an abstract idea under *Alice* step 1. The question of whether a claim is directed to an abstract idea under *Alice* step 1 is still a question of law. *See, e.g., In re Wang*, 737 Fed. App’x 534, 535 (Fed. Cir. 2018); *Intellectual Ventures I LLC v. Capital One Fin. Corp.*, 850 F.3d 1332, 1338 (Fed. Cir. 2017); *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1331 (Fed. Cir. 2015) (“We review questions concerning compliance with the doctrinal requirements of § 101 of the Patent Act (and its constructions) as questions of law, without deference to the trial forum.”). As previously discussed, we already found the additional elements beyond the abstract idea recited in Appellant’s claims 1 and 11 (i.e., “analysis unit” and “mobile

communication device”) do not transform the abstract idea into a patent eligible invention. As our reviewing court has observed, “after *Alice*, there can remain no doubt: recitation of generic computer limitations does not make an otherwise ineligible claim patent-eligible.” *DDR*, 773 F.3d at 1256 (citing *Alice*, 573 U.S. at 222).

Here, Appellant refers to all limitations recited in claims 1, 15, and 18 that are already considered as an abstract idea under *Alice* step 1, and argues the Examiner has to provide evidence to show these limitations are “well-understood, routine, and conventional” under *Alice* step 2. Reply Br. 5–7. However, *Berkheimer* was never contemplated by the Federal Circuit to transform an otherwise abstract idea under *Alice* step 1 into a patent-eligible invention under *Alice* step 2 in the absence of evidence showing certain limitations are “well-understood, routine, and conventional”; nor is *Berkheimer* now intended to permit Appellant to invoke *Berkheimer* to undermine or replace *Alice* step 1 altogether.

Instead, the law is clear that the claim element to be considered under *Alice* step 2 cannot be the abstract idea itself. *Berkheimer*, 890 F.3d at 1374 (Moore, J., concurring) (“*Berkheimer* . . . leave[s] untouched the numerous cases from [the Federal Circuit] which have held claims ineligible because the only alleged ‘inventive concept’ is the abstract idea.”); *BSG Tech LLC v. Buyseasons, Inc.*, 899 F.3d 1281, 1283 (Fed. Cir. 2018) (indicating same). “Groundbreaking, innovative, or even brilliant discovery does not by itself satisfy the § 101 inquiry.” *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2117 (2013).

Lastly, Appellant argues 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. 17–18. However, this argument improperly conflates the test for § 101 with the separate tests for §§ 102 and 103. *See, e.g., Genetic Techs. Ltd. v. Merial L.L.C.*, 818 F.3d 1369, 1376 (Fed. Cir. 2016) (“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”); *Diamond v. Diehr*, 450 U.S. 175, 188–89 (1981) (“The ‘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.”). “The inventiveness inquiry of § 101 should therefore not be confused with the separate novelty inquiry of § 102 or the obviousness inquiry of § 103.” *Amdocs*, 841 F.3d at 1311. It is not enough for subject-matter eligibility that claimed techniques be novel and nonobvious in light of prior art, passing muster under 35 U.S.C. §§ 102 and 103. *See Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 89–90 (2012); *Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1151 (Fed. Cir. 2016) (“[A] claim for a *new* abstract idea is still an abstract idea. The search for a § 101 inventive concept is thus distinct from demonstrating § 102 novelty.”); *Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1315 (Fed. Cir. 2016) (same for obviousness) (“*Symantec*”). The claims here are ineligible because their innovation is an innovation in ineligible subject matter. Their subject matter is nothing but “to better manage costs in a computer system.” Spec. ¶¶ 3, 19–20. An advance of that nature is ineligible for patenting.

Because Appellant’s independent claims 1, 15, and 18 are directed to a patent-ineligible abstract concept and do not recite an “inventive concept”

or provide a solution to a technical problem under the second step of the *Alice* analysis, we sustain the Examiner's § 101 rejection of independent claims 1, 15 and 18, and their dependent claims 2, 4, 6–14, 16, 17, 19, and 20 not separately argued.

CONCLUSION

On the record before us, we conclude Appellant has not demonstrated the Examiner erred in rejecting claims 1, 2, 4, and 6–20 under 35 U.S.C. § 101. As such, we AFFIRM the Examiner's rejection of claims 1, 2, 4, and 6–20 under 35 U.S.C. § 101.

Claims Rejected	35 U.S.C. §	Basis	Affirmed	Reversed
1, 2, 4, 6–20	101	Non-Statutory	1, 2, 4, 6–20	

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