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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JOHN N. GROSS¹

Appeal 2018-008890
Application 13/551,454
Technology Center 3600

Before ROBERT E. NAPPI, MARC S. HOFF, and JOYCE CRAIG,
Administrative Patent Judges.

CRAIG, *Administrative Patent Judge.*

DECISION ON APPEAL

STATEMENT OF THE CASE

Pursuant to 35 U.S.C. § 134(a), Appellant² appeals from the Examiner's decision rejecting claims 16–46. *See* Non-Final Act. 1. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Inventor John Nicholas Gross is a registered patent attorney prosecuting this application. *See* Appeal Br. 24.

² We use the word Appellant to refer to “applicant” as defined in 37 C.F.R. § 1.42. Appellant identifies the real party in interest as the John Nicholas and Kristin Gross Trust U/A/D. Appeal Br. 3.

CLAIMED SUBJECT MATTER

The claims are directed to a method of testing delivery performance of an e-commerce site. Claim 16, reproduced below, is illustrative of the claimed subject matter:

16. A method of testing item delivery performance of items ordered from an e-commerce site with a computing system, the method comprising the steps of:

(a) processing first item information with a computing system to identify a request for a first item, where said first item information is based on a request made by a user to a server supporting the e-commerce site;

(b) receiving a first notification with said computing system that said first item has been shipped to a first location associated with said user;

(c) determining with said computing system an actual time associated with each of the following e-commerce site operations:

i) processing required for the e-commerce site to process said request for the first item and for the first item to ship from an inventory to a first location associated with the user,

ii) processing of a return of the first item from said first location after it has been returned by the user and/or received back to inventory, and

iii) generating a second notification that said first item has been received and a second item has been shipped to said first location.

REJECTIONS

Claims 16–46³ stand rejected under 35 U.S.C. § 101 because the claimed invention is directed to a judicial exception without significantly more. Non-Final Act. 3–9.

Claim 26 stands rejected under 35 U.S.C. § 112 (pre-AIA), second paragraph, as indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Non-Final Act. 10.

Claims 27–30, 32, 34, 42–44, and 46 stand rejected under pre-AIA 35 U.S.C. § 103(a) as unpatentable over the combination of Kruglikov et al. (US 2008/0015959 A1; published Jan. 17, 2008) (“Kruglikov”), Stowell et al. (US 2002/0099579 A1; published July 25, 2002) (“Stowell”), and Hurwitz (US 6,856,963 B1; issued Feb. 15, 2005). Non-Final Act. 11–22.

Claims 31, 33, and 45 stand rejected under pre-AIA 35 U.S.C. 103(a) as unpatentable over the combination of Kruglikov, Stowell, Hurwitz, and Hastings et al. (US 7,403,910 B1; issued July 22, 2008) (“Hastings”). Non-Final Act. 23–26.

³ Appellant asserts that claims 35–41 are withdrawn from consideration (Appeal Br. 6 n.4), but the record does not reflect that assertion. The Examiner referred to claims 16–46 in the statement of the Examiner’s § 101 rejection. Non-Final Act. 3. In the body of the § 101 rejection, the Examiner provided analysis for claims 16–34 and 42–46. *See* Non-Final Act. 3, 6. We understand the Examiner to have rejected all pending claims 16–46 under § 101.

OPINION

Rejection of Claims 16–46 Under 35 U.S.C. § 101

Legal Standard

“Whether a claim is drawn to patent-eligible subject matter is an issue of law that we review de novo.” *SiRF Tech., Inc. v. Int’l Trade Comm’n*, 601 F.3d 1319, 1331 (Fed. Cir. 2010).

The Supreme Court’s two-step framework guides our analysis of patent eligibility under 35 U.S.C. § 101. *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 217 (2014). In addition, the Office recently published revised guidance for evaluating subject matter eligibility under 35 U.S.C. § 101, specifically with respect to applying the *Alice* framework. USPTO, 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50 (Jan. 7, 2019) (“Office Guidance”). If a claim falls within one of the statutory categories of patent eligibility (i.e., a process, machine, manufacture, or composition of matter) then the first inquiry is whether the claim is directed to one of the judicially recognized exceptions (i.e., a law of nature, a natural phenomenon, or an abstract idea). *Alice*, 573 U.S. at 217. As part of this inquiry, we must “look at the ‘focus of the claimed advance over the prior art’ to determine if the claim’s ‘character as a whole’ is directed to excluded subject matter.” *Affinity Labs of Tex., LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1257 (Fed. Cir. 2016). Per Office Guidance, this first inquiry has two prongs of analysis (i) does the claim recite a judicial exception (e.g., an abstract idea), and (ii) if so, is the judicial exception integrated into a practical application. 84 Fed. Reg. at 54. Under the Office Guidance, if the judicial exception is integrated into a practical application, *see infra*, the claim is patent eligible under § 101. 84 Fed. Reg. at 54–55. If the claim is

directed to a judicial exception (i.e., recites a judicial exception and does not integrate the exception into a practical application), the next step is to determine whether any element, or combination of elements, amounts to significantly more than the judicial exception. *Alice*, 573 U.S. at 217; 84 Fed. Reg. at 56. If the claim is “directed to” an abstract idea, we turn to the second step of the *Alice* and *Mayo* framework, where “we must examine the elements of the claim to determine whether it contains an “inventive concept”” sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application.” *Alice*, 573 U.S. at 221 (citation omitted).

To summarize, under the current Office Guidance, we first look to whether the claim recites:

(1) any judicial exceptions, including certain groupings of abstract ideas (i.e., mathematical concepts, certain methods of organizing human activity such as a fundamental economic practice, or mental processes); and

(2) additional elements that integrate the judicial exception into a practical application (see Manual for Patent Examining Procedure (“MPEP”) §§ 2106.05(a)–(c), (e)–(h)).

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:

(3) adds a specific limitation beyond the judicial exception that is not “well-understood, routine, conventional” in the field (see MPEP § 2106.05(d)); or

(4) simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception.

See Office Guidance.

Prima Facie Case

Appellant argues that the Examiner failed to make a prima facie case of subject matter ineligibility. Appeal Br. 10, 13, 15.

We disagree. The procedural burden of establishing a prima facie case is carried when the rejection satisfies the requirements of 35 U.S.C. § 132. *In re Jung*, 637 F.3d 1356, 1363 (Fed. Cir. 2011). “Section 132 is violated when a rejection is so uninformative that it prevents the applicant from recognizing and seeking to counter the grounds for rejection.” *Chester v. Miller*, 906 F.2d 1574, 1578 (Fed. Cir. 1990). That is, the Examiner must set forth the rejection’s statutory basis “in a sufficiently articulate and informative manner as to meet the notice requirement of § 132.” *Jung*, 637 F.3d at 1363.

This is not a case where the “rejection is so uninformative that it prevents the applicant from recognizing and seeking to counter the grounds for rejection.” *Id.* at 1362. Rather, the Examiner has provided a rationale that identifies the abstract idea recited in the claims and why it is considered an exception. *See* Final Act. 5–8. And Appellant clearly identifies the abstract idea identified by the Examiner. *See, e.g.*, Appeal Br. 11.

Accordingly, we are not persuaded that the Examiner has failed to set forth a prima facie case of patent ineligibility for claims 16–46.

Claims 16–26

Appellant argues that the Examiner’s rejection of claims 16–26 under 35 U.S.C. § 101 is in error. Appeal Br. 11. To the extent Appellant has not advanced separate, substantive arguments for particular claims, or other issues, such arguments are waived. 37 C.F.R. § 41.37(c)(1)(iv).

Step 1

Claim 16, as a method claim, falls within the process category of § 101. *See* Office Guidance, 84 Fed. Reg. at 53–54 (citing MPEP §§ 2106.03, 2106.06). Claims 17–26 depend from claim 26.

Step 2A(i): Does the Claim Recite a Judicial Exception?

The Examiner determined that claim 16 is directed to “collecting data associated with an e-commerce site operations by testing item delivery performance of items ordered from an ecommerce site with a computing system,” which is similar to “collecting information, analyzing it and displaying certain results of the collection and analysis,” and thus an abstract idea. Non-Final Act. 3 (citing *Electric Power Group, LLC v. Alstom Ltd.*, 830 F.3d 1350 (Fed. Cir. 2016)).

Consistent with Appellant’s description of the claims, and applying the Office Guidance, we find that the following limitations describe processes that can be performed in the human mind or practically with pen and paper:

processing first item information with a computing system to identify a request for a first item, where said first item information is based on a request made by a user to a server supporting the e-commerce site;

determining with said computing system an actual time associated with each of the following e-commerce site operations:

i) processing required for the e-commerce site to process said request for the first item and for the first item to ship from an inventory to a first location associated with the user,

ii) processing of a return of the first item from said first location after it has been returned by the user and/or received back to inventory, and

iii) generating a second notification that said first item has been received and a second item has been shipped to said first location.

Those limitations fall into the mental process category of abstract ideas. *See* 84 Fed. Reg. at 52.

The Office Guidance explains that “mental processes” include acts that people can perform in their minds or using pen and paper, even if the claim recites that a generic computer component performs the acts. *See* Office Guidance, 84 Fed. Reg. at 52 n.14 (“If a claim, under its broadest reasonable interpretation, covers performance in the mind but for the recitation of generic computer components, then it is still in the mental processes category unless the claim cannot practically be performed in the mind.”); *see also Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1318 (Fed. Cir. 2016) (“[W]ith the exception of generic computer-implemented steps, there is nothing in the claims themselves that foreclose them from being performed by a human, mentally or with pen and paper.”), quoted in Office Guidance, 84 Fed. Reg. at 52 n.14 (alteration in the original). Here, the recited “computing system” is not described in Appellant’s Specification and, thus, can be broadly but reasonably construed as a generic computer component. *See* Appeal Br. 4 (citing Spec. Fig. 3, pages 6:12–20, 11:1–26, 28:12–29:7 as support for claim 16 preamble).

Because we agree with the Examiner that the claim recites an abstract idea, we proceed to Prong Two of Step 2A to determine if the idea is integrated into a practical application, in which case the claim as a whole would not be “directed to” merely an abstract idea.

Step 2A(ii): Judicial Exception Integrated into a Practical Application?

Because we determined that claim 1 recites a patent-ineligible concept, we next determine whether the recited judicial exception is integrated into a practical application of that exception by: (a) identifying whether there are any additional elements recited in the claim beyond the judicial exception(s); and (b) evaluating those additional elements individually and in combination to determine whether they integrate the exception into a practical application.

We use the term “additional elements” for claim features, limitations, or steps that the claim recites beyond the identified judicial exception. *See* Revised Guidance at 55 n.24. In claim 16, the additional elements include the recited “receiving” step, as well as the “computing system” limitation. Claim 24 recites additional elements “network” and “client device.”

The Examiner determined that none of the additional limitations is sufficient to amount to significantly more than the judicial exception. *See* Non-Final Act. 3. We agree with the Examiner.

Considering the elements of the claim both individually, and as an ordered combination, the functions performed by the recited “computer system” at each step of the process are purely generic. Each step of the claimed method does no more than require a generic computer to perform a generic computer function. Moreover, the additional element of “receiving a first notification . . . that said first item has been shipped to a first location associated with said user” is insignificant extra-solution activity. *See* Non-Final Act. 4; MPEP § 2106.05(g); *see also, e.g., buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1355 (“That a computer receives and sends the

information over a network—with no further specification—is not even arguably inventive.”).

As such, based on the record before us, we determine that the claimed invention is not integrated into a practical application.

Appellant argues that claim 16 is directed to “a technical improvement” because “in many instances the content provider cannot access the information from the service provider.” Appeal Br. 12. Appellant cites portions of the Specification that describe the alleged technical improvement. *Id.* at 21–22 (citing Spec. cols. 3:7, 19:13–16, and 27:26–28:4). Appellant explains that “claim 16 sets out a specifically configured computing system that is separate from a ‘server supporting the e-commerce site’ precisely to allow independent verification of the timing of the latter’s performance and behavior.” *Id.*

Appellant’s argument is not persuasive. The recitations of claim 16 do not impose “a meaningful limit on the judicial exception, such that the claim is more than a drafting effort designed to monopolize the judicial exception.” Office Guidance, 84 Fed. Reg. at 54. While the cited portions of the Specification describe making distributors more efficient (*see, e.g.*, Spec. 3), we find no indication, nor does Appellant direct us to any indication, that the operations recited in independent claim 16 invoke any inventive programming, require any specialized computer hardware or other inventive computer components, i.e., a particular machine, or that the claimed invention is implemented using other than generic computer components to perform generic computer functions. *See DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1256 (Fed. Cir. 2014) (“[A]fter *Alice*, there can remain

no doubt: recitation of generic computer limitations does not make an otherwise ineligible claim patent-eligible.”).

We also find no indication in the Specification that the claimed invention effects a transformation or reduction of a particular article to a different state or thing. Nor do we find anything of record, short of attorney argument, that attributes any improvement in computer technology and/or functionality to the claimed invention or that otherwise indicates that the claimed invention integrates the abstract idea into a “practical application,” as that phrase is used in the revised Office Guidance. *See* 84 Fed. Reg. 55.

In this regard, the additional elements do not effect an improvement in the functioning of the processor or other technology, do not recite a particular machine or manufacture that is integral to the claims, and do not transform or reduce a particular article to a different state or thing. *Id.* Thus, claim 16 is directed to judicial exceptions that are not integrated into a practical application and thus to an “abstract idea.”

Considering claim 16 as a whole, then, Appellant’s invention lacks a technical solution to a technical problem. Claim 16 merely uses instructions to implement the abstract idea on a computer or, alternatively, merely uses a computer as a tool to perform the abstract idea. The additional limitation(s) do not integrate the judicial exception into a practical application. More particularly, the claims do not recite (i) an improvement to the functionality of a computer or other technology or technical field (*see* MPEP § 2106.05(a)); (ii) a “particular machine” to apply or use the judicial exception (*see* MPEP § 2106.05(b)); (iii) a particular transformation of an article to a different thing or state (*see* MPEP § 2106.05(c)); or (iv) any other meaningful limitation (*see* MPEP § 2106.05(e)). *See* 84 Fed. Reg. at 55.

Rather, claim 1 recites an abstract ideas as identified in Step 2A(i), *supra*, and none of the limitations integrates the judicial exception into a practical application.

With regard to dependent claims 17–26, we reach the same conclusion. *See* Non-Final Act. 5. Claim 17 specifies times to be computed, which is not an improvement to the functionality of a computer or other technology or technical field or a meaningful limitation to the abstract idea. Claim 18 recites that “a plurality of user accounts across a plurality of separate geographical locations are tested,” which is not an improvement to the functionality of a computer or other technology or technical field or a meaningful limitation to the abstract idea. Claim 19 directs that a report is generated. Generating a generic report, however, constitutes insignificant post-solution activity and does not help integrate the recited abstract ideas into a practical application. MPEP § 2106.05(g). Claim 20 recites “generating a notification to the e-commerce site when said processing time and delivery time exceed a predetermined threshold.” Generating a notification is insignificant extra-solution activity to the abstract idea. *See, e.g., CyberSource v. Retail Decisions, Inc.*, 654 F.3d 1366, 1375 (Fed. Cir. 2011); MPEP 2106.05(g). Claim 21 recites a “testing” step, which, because the claim does not specify how the testing is performed, is a mental process, which is abstract. Here, identifying latencies can be performed in the human mind or with pen and paper. Claim 22 recites “identifying any selection bias introduced by a recommender system at the e-commerce site and generating a report automatically to the ecommerce site and to a publicly viewable site.” As explained above, generating a report is insignificant extra-solution activity. Identifying selection bias is a mental process, which is an abstract

idea and does not integrate the abstract ideas of claim 16 into a practical application. Claim 23 recites “adjusting a compensation paid by a third provider of said first item to the ecommerce site based on a performance rating derived from evaluating steps (b) and (c).” The claim does not specify how the compensation is adjusted and, thus, adjusting a compensation is an abstract mental process that can be performed in the human mind or with pen and paper. Claim 24 recites performing the steps of claim 16 over a network by a client device without directly accessing a database of transaction records maintained by the server for inventory or sales of such first item. Using a network and not accessing a database directly do not improve the functionality of a computer or other technology or technical field or meaningfully limit the abstract idea. *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1363 (Fed. Cir. 2015) (sending messages over a network); *buySAFE*, 765 F.3d at 1355 (computer receives and sends information over a network). Claim 25 provides a further description of the first and second items of claim 16 and, thus, do not meaningfully limit the abstract ideas of claim 16. Finally, claim 26 recites that a reward or punishment is imposed on a service provider operating the e-commerce site by a third party based on results of step (d). The claim does not specify how the reward or punishment is imposed and, thus, the limitation of claim 26 does not improve a computer or other technology or meaningfully limit the abstract ideas of claim 16.

Therefore, because the abstract ideas in claims 16–26 are not integrated into a practical application, we conclude that the claims are directed to the judicial exception.

Step 2B — “Inventive Concept” or “Significantly More”

Having concluded that claims 16–26 are directed to a patent-ineligible concept, we proceed to the “inventive concept” step. For Step 2B we must “look with more specificity at what the claim elements add, in order to determine ‘whether they identify an “inventive concept” in the application of the ineligible subject matter’ to which the claim is directed.” *Affinity Labs of Texas, LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1258 (Fed. Cir. 2016) (quoting *Elec. Power Grp.*, 830 F.3d at 1353). We look to see whether there are any “additional features” in the claims that constitute an “inventive concept,” thereby rendering the claims eligible for patenting even if they are directed to an abstract idea. *Alice*, 573 U.S. at 221. Those “additional features” must be more than “well-understood, routine, conventional activity.” *Mayo*, 566 U.S. at 79.

The Examiner determined that the claims require a generic computer to perform generic computer functions that are well-understood, routine and conventional activities previously known to the industry. Non-Final Act. 5. Appellant argues that the claimed additional elements are not “generic computer functions” because “no computer performed such function before for a separate e-commerce site server.” Appeal Br. 15.

We are not persuaded by Appellant’s argument. Appellant does not direct our attention to anything in the Specification that indicates the computer components perform anything other than well-understood, routine, and conventional functions, such as receiving data, looking up data in a database, attempting to execute commands, and storing data in a database. *See 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”); *In re TLI Commc’ns LLC Patent Litig.*, 823 F.3d 607, 614 (Fed. Cir. 2016) (server that receives data, extracts classification information from the received data, and stores the digital images insufficient to add an inventive concept); *Alice*, 573 U.S. at 225–26 (receiving, storing, sending information over networks insufficient to add an inventive concept).

To the contrary, relevant to the additional elements “computer system,” “network,” and “client device,” recited in claims 16 and 24, Appellant’s Specification states:

It will be understood by those skilled in the art that the above is merely an example of a shipping/returns performance method and that countless variations on the above can be implemented in accordance with the present teachings. A number of other conventional steps that would be included in a commercial application have been omitted, as well, to better emphasize the present teachings.

Finally, it will be apparent to those skilled in the art that the methods of the present invention, including those illustrated in FIGs. 1, 2 and 3 can be implemented using any one of many known programming languages suitable for creating applications that can run on client systems, and large scale computing systems, including servers connected to a network (such as the Internet). The details of the specific implementation of the present invention will vary depending on the programming language(s) used to embody the above principles, and are not material to an understanding of the present invention.

Spec. 29.

Moreover, 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. *Diamond v. Diehr*, 450 U.S. 175, 188–89 (1981). Our

reviewing court further guides that “[e]ligibility and novelty are separate inquiries.” *Two-Way Media Ltd. v. Comcast Cable Commc’ns, LLC*, 874 F.3d 1329, 1340 (Fed. Cir. 2017); *see also Affinity Labs of Tex., LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1263 (Fed. Cir. 2016) (holding that “[e]ven assuming” that a particular claimed feature was novel does not “avoid the problem of abstractness”).

Because the Specification describes the additional elements in general terms, without describing the particulars, we conclude the claim limitations, individually and as an ordered combination, may broadly but reasonably be construed as reciting conventional computer components and techniques, particularly in light of Appellant’s Specification, as cited above. *See Berkheimer Memo*⁴ § III.A.1; Spec. ¶ 29. We conclude claims 16–26 do not have an inventive concept because the claims, in essence, merely recite various computer-based elements along with no more than mere instructions to implement the identified abstract idea using the computer-based elements.

Because the claims fail under both the Step 2A and Step 2B analyses, we sustain the Examiner’s § 101 rejection of independent claim 16 and dependent claims 17–26.

⁴ “Changes in Examination Procedure Pertaining to Subject Matter Eligibility, Recent Subject Matter Eligibility Decision (*Berkheimer v. HP, Inc.*)” at 3 (Apr. 19, 2018) (explaining that a specification that describes additional elements “in a manner that indicates that the additional elements are sufficiently well-known that the specification does not need to describe the particulars of such additional elements to satisfy 35 U.S.C. § 112(a)” can show that the elements are well understood, routine, and conventional).

Claims 27–46

Appellant argues that the Examiner’s rejection of claims 27–46 under 35 U.S.C. § 101 as directed to patent-ineligible subject matter is in error. Appeal Br. 7. To the extent Appellant has not advanced separate, substantive arguments for particular claims, or other issues, such arguments are waived. 37 C.F.R. § 41.37(c)(1)(iv).

Appellant argues claims 27–46 as a group. Based on Appellant’s arguments (Appeal Br. 7–10, 14–15) and our discretion under 37 C.F.R. § 41.37(c)(1)(iv), we decide the appeal of the patent-ineligible subject matter rejection of claims 27–46 on the basis of representative claim 27.

Step 1

Claims 27, a method claim, falls within the process category of § 101. *See* Office Guidance, 84 Fed. Reg. at 53–54 (citing MPEP §§ 2106.03, 2106.06). Claims 28–34 and 42–46 depend from claim 27. Claims 36–41 depend from claim 35.

Step 2A(i): Do the Claims Recite a Judicial Exception?

The Examiner determined that claim 27 is directed to “gathering intangible data,” which is an unpatentable mental process and, thus, an abstract idea. Non-Final Act. 6.

Consistent with Appellant’s description of the claims, and applying the Office Guidance, we find that steps (a)–(e) recited in claim 27 describe processes that can be performed in the human mind or practically with pen and paper. The Office Guidance explains that “mental processes” include acts that people can perform in their minds or using pen and paper, even if the claim recites that a generic computer component performs the acts. *See* Office Guidance, 84 Fed. Reg. at 52 n.14 (“If a claim, under its broadest

reasonable interpretation, covers performance in the mind but for the recitation of generic computer components, then it is still in the mental processes category unless the claim cannot practically be performed in the mind.”); *see also Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1318 (Fed. Cir. 2016) (“[W]ith the exception of generic computer-implemented steps, there is nothing in the claims themselves that foreclose them from being performed by a human, mentally or with pen and paper.”), quoted in Office Guidance, 84 Fed. Reg. at 52 n.14 (alteration in original).

Because we agree with the Examiner that the claim recites an abstract idea, we proceed to Prong Two of Step 2A to determine if the idea is integrated into a practical application, in which case the claim as a whole would not be “directed to” merely an abstract idea.

Step 2A(ii): Judicial Exception Integrated into a Practical Application?

Because we determined that claim 27 recites a patent-ineligible concept, we next determine whether the recited judicial exception is integrated into a practical application of that exception by: (a) identifying whether there are any additional elements recited in the claim beyond the judicial exception(s); and (b) evaluating those additional elements individually and in combination to determine whether they integrate the exception into a practical application.

In claim 27, the additional elements include the “computing system” limitation.

The Examiner determined that none of the additional limitations is sufficient to amount to significantly more than the judicial exception. *See* Non-Final Act. 6. We agree with the Examiner.

Considering the elements of claim 27 both individually and as an ordered combination, the functions performed by the recited “computer system” at each step of the process are purely generic. As we discussed above with regard to claim 16, here each step of the claimed method does no more than require a generic computer to perform a generic computer function. As such, based on the record before us, we determine that the claimed invention is not integrated into a practical application.

Appellant argues that claim 27 should be analyzed under *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1258 (Fed. Cir. 2014) because the solution claimed in claim 27 is “necessarily rooted in computer technology.” Appeal Br. 9. Appellant explains that “the claims in this instance are directed to a testing tool that assesses order and shipping time behavior of an e-commerce site and generates reports that can be acted upon to effectuate improvements.” *Id.*

We are not persuaded by Appellant’s argument. This is not a case involving eligible subject matter as in *DDR Holdings*, despite Appellant’s arguments to the contrary (Appeal Br. 9–10). There, instead of a computer network operating in its normal, expected manner by sending a website visitor to a third-party website apparently connected with a clicked advertisement, the claimed invention in *DDR Holdings* generated and directed the visitor to a hybrid page that presented (1) product information from the third party, and (2) visual “look and feel” elements from the host website. *DDR Holdings*, 773 F.3d at 1258–59. Given this particular Internet-based solution, the court held that the claimed invention did not merely use the Internet to perform a business practice known from the pre-Internet

world, but rather was necessarily rooted in computer technology to overcome a problem specifically arising in computer networks. *Id.* at 1257.

That is not the case here. Appellant’s claimed invention, in essence, is directed to generating a shipping performance rating for the first e-commerce site—albeit using computer-based components to achieve that end. The claimed invention here is not necessarily rooted in computer technology in the sense contemplated by *DDR Holdings*, where the claimed invention solved a challenge particular to the Internet. Although Appellant’s invention uses computer-based components, the claimed invention does not solve a challenge particular to the computing components used to implement this functionality. Considering claim 27 as a whole, then, Appellant’s invention lacks a technical solution to a technical problem. Claim 27 merely uses instructions to implement the abstract idea on a computer or, alternatively, merely uses a computer as a tool to perform the abstract idea.

Appellant’s reliance on *BASCOM Global Internet Services, Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016) (Appeal Br. 10) is likewise unavailing. In *BASCOM*, the court held eligible claims directed to a technology-based solution to filter Internet content that overcame existing problems with other Internet filtering systems by making a known filtering solution—namely a “one-size-fits-all” filter at an Internet Service Provider (ISP)—more dynamic and efficient via individualized filtering at the ISP. *BASCOM*, 827 F.3d at 1351. Notably, this customizable filtering solution improved the computer system’s performance and, therefore, was patent-eligible. *See id.* However, unlike the filtering system improvements in *BASCOM* that added significantly more to the abstract idea in that case, the

claimed invention here uses generic computing components to implement an abstract idea. *See* Spec. 29.

Here, the additional limitation(s) does not integrate the judicial exception into a practical application. More particularly, the claims do not recite (i) an improvement to the functionality of a computer or other technology or technical field (*see* MPEP § 2106.05(a)); (ii) a “particular machine” to apply or use the judicial exception (*see* MPEP § 2106.05(b)); (iii) a particular transformation of an article to a different thing or state (*see* MPEP § 2106.05(c)); or (iv) any other meaningful limitation (*see* MPEP § 2106.05(e)). *See* 84 Fed. Reg. at 55. Rather, claim 27 recites an abstract ideas as identified in Step 2A(i), *supra*, and no limitation integrates the judicial exception into a practical application.

Therefore, because the abstract ideas in claims 27 are not integrated into a practical application, we conclude that the claims are directed to the judicial exception.

Step 2B — “Inventive Concept” or “Significantly More”

Having concluded that claim 27 is directed to a patent-ineligible concept, we proceed to the “inventive concept” step.

The Examiner determined that the claim requires a generic computer to perform generic computer functions that are well-understood, routine and conventional activities previously known to the industry. Non-Final Act. 6; Ans. 8–9.

We agree with the Examiner. Appellant does not direct our attention to anything in the Specification that indicates the computer system performs anything other than well-understood, routine, and conventional functions. As we discussed above with regard to claim 16, Appellant’s Specification states

“[t]he details of the specific implementation of the present invention will vary depending on the programming language(s) used to embody the above principles, and are not material to an understanding of the present invention.” Spec. 29. We also again remind Appellant that 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. *Diamond v. Diehr*, 450 U.S. 175, 188–89 (1981). Eligibility and novelty are separate inquiries.

Because the Specification describes the additional elements in general terms, without describing the particulars, we conclude the claim limitations may be broadly but reasonably construed as reciting conventional computer components and techniques, particularly in light of Appellant’s Specification, as cited above. *See Berkheimer Memo*⁵ § III.A.1; Spec. 29. We conclude claim 27 does not have an inventive concept because the claim, in essence, merely recites computer-based elements along with no more than mere instructions to implement the identified abstract idea using the computer-based elements.

Because the claims fail under both the Step 2A and Step 2B analyses, we sustain the Examiner’s § 101 rejection of independent claim 27 and grouped claims 28–46.

⁵ “Changes in Examination Procedure Pertaining to Subject Matter Eligibility, Recent Subject Matter Eligibility Decision (*Berkheimer v. HP, Inc.*)” at 3 (Apr. 19, 2018) (explaining that a specification that describes additional elements “in a manner that indicates that the additional elements are sufficiently well-known that the specification does not need to describe the particulars of such additional elements to satisfy 35 U.S.C. § 112(a)” can show that the elements are well understood, routine, and conventional).

Rejection of Claim 26 Under 35 U.S.C. § 112

The Examiner rejected claim 26 for indefiniteness under 35 U.S.C. § 112, second paragraph, because there is no “step (d)” recited in independent claim 16, from which claim 26 depends. Because Appellant presents no arguments addressing the Examiner’s § 112 rejection, we sustain the rejection *pro forma*.

Rejection of Claims 27–34 and 42–46 Under 35 U.S.C. § 103(a)

We have reviewed the § 103(a) rejections of claims 27–34 and 42–46 in light of Appellant’s arguments that the Examiner erred. We have considered in this decision only those arguments Appellant actually raised in the Briefs. Any other arguments Appellant could have made, but chose not to make, in the Briefs are waived. *See* 37 C.F.R. § 41.37(c)(1)(iv).

Appellant’s arguments are not persuasive of error. We agree with and adopt as our own the Examiner’s findings of facts and conclusions as set forth in the Answer and in the Action from which this appeal was taken. We provide the following explanation for emphasis.

Independent Claim 27

Appellant argues that the Examiner erred in rejecting claim 27 under § 103(a) because Stowell does not teach or suggest determining an actual response time for an e-commerce website to process orders. Appeal Br. 16. According to Appellant, limitation (c) of claim 27 requires measuring how long it actually takes for an e-commerce site to perform the steps of both processing and shipping an order. *Id.* Appellant argues that “all Stowell shows is keeping track of the shipment date and the order date.” *Id.* at 18.

We are not persuaded that the Examiner erred. The plain language of the disputed limitation (c) does not require measuring anything, and Appellant has not persuaded us it should be construed to require measuring actual processing and shipping times. The Examiner found that the combined teachings of at least Kruglivkov and Stowell teach or suggest “where the actual response time is the difference between the confirmed first shipping time of the first item from step (b) and the identified order processing time for the first item from step (a),” as recited in claim 27. Non-Final Act. 13. The Examiner construed the term “actual response time” in limitation (c) to mean “any time when the reseller ships the material purchased” because “the time when the reseller ships the material would equal the difference between the commit date and the shipment date.” *Id.*

Appellant has not persuasively rebutted the Examiner’s factual findings and conclusions of law. Appellant has not persuaded us that the Examiner’s interpretation⁶ of “actual response time” is overly broad, unreasonable, or inconsistent with Appellant’s Specification. Moreover, the test for obviousness is not whether the claimed invention is expressly suggested in any one or all of the references, but whether the claimed subject matter would have been obvious to those of ordinary skill in the art in light of the combined teachings of those references. *See In re Keller*, 642 F.2d 413, 425 (CCPA 1981). Here, Appellant has not persuaded us that

⁶ As an initial matter of claim construction, we give the claim its broadest reasonable interpretation consistent with the Specification. *See In re Morris*, 127 F.3d 1048, 1054 (Fed. Cir. 1997). “In the patentability context, claims are to be given their broadest reasonable interpretations . . . limitations are not to be read into the claims from the specification.” *In re Van Geuns*, 988 F.2d 1181, 1184 (Fed. Cir. 1993) (citations omitted).

determining an actual response time, as recited in limitation (c), would not have been obvious to an artisan of ordinary skill from the cited teachings of at least Kruglivkov and Stowell.

Appellant next contends that Stowell does not teach or suggest a “shipping performance rating” as required by limitation (e) of claim 27. Appeal Br. 19. Appellant argues that paragraph 192 of Stowell, relied on by the Examiner, “makes no mention of computing a ‘shipping performance rating.’” *Id.*; *see also* Reply Br. 12.

We are not persuaded that the Examiner erred. The Examiner does not contend, nor is the Examiner required to demonstrate, that the identical text of rejected claim 27 appears in the cited references. *In re Bond*, 910 F.2d 831, 832 (Fed. Cir. 1990). Again, the test for obviousness is whether the claimed subject matter would have been obvious to those of ordinary skill in the art in light of the combined teachings of the cited references. *See In re Keller*, 642 F.2d 413, 425 (CCPA 1981). Appellant has not persuasively rebutted the Examiner’s findings with regard to disputed limitation (e).

For these reasons, we are not persuaded that the Examiner erred in finding the combination of Kruglivkov, Stowell, and Hurwitz teaches or suggests the disputed limitations of claim 27.

Appellant next contends that the Examiner erred in combining the teachings of Kruglikov and Stowell. Appeal Br. 20. Appellant argues that the Examiner did not identify any deficiency in Kruglikov that is remediated by Stowell. *Id.*

We are not persuaded that the Examiner erred. The Supreme Court has rejected the rigid requirement of demonstrating a teaching, suggestion, or motivation to combine references in order to show obviousness. *See KSR*

Int'l Co., v. Teleflex Co., 550 U.S. 398, 419 (2007). Instead, a rejection based on obviousness only needs to be supported by “some articulated reasoning with some rational underpinning” to combine known elements in the manner required by the claim. *Id.* at 418.

Here, the Examiner provides “articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.” *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006); *see* Non-Final Act. 14. Appellant has not identified any knowledge relied upon by the Examiner that was gleaned only from Appellant’s disclosure and that was not otherwise within the level of ordinary skill in the art at the time of invention. *See In re McLaughlin*, 443 F.2d 1392, 1395 (CCPA 1971). Nor has Appellant provided objective evidence of secondary considerations, which “operates as a beneficial check on hindsight.” *Cheese Sys., Inc. v. Tetra Pak Cheese and Powder Sys., Inc.*, 725 F.3d 1341, 1352 (Fed. Cir. 2013).

Appellant further argues that the Examiner erred in combining the teachings of Hurwitz with those of Kruglikov/Stowell. Appeal Br. 19. In particular, Appellant argues that “nothing in Hurwitz remediates the proposed combination, and nothing in any reference provides any suggestion of a motivation to combine. *Id.* at 19–20.

We are not persuaded that the Examiner erred. As explained above, a suggestion in the references is not necessary. Here, the Examiner provides “articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.” *Kahn*, 441 F.3d at 988; Non-Final Act. 16. Appellant has not identified any knowledge relied upon by the Examiner that was gleaned only from Appellant’s disclosure. Nor has Appellant provided objective evidence of secondary considerations.

For these reasons, we are not persuaded that the Examiner erred in combining the teachings of Hurwitz with those of Kruglikov and Stowell.

Accordingly, we sustain the Examiner's § 103(a) rejection of claim 27 over Kruglikov, Stowell, and Hurwitz.

Claims 28–30, 32, and 34

Appellant contends that the rejection of dependent claims 28–30, 32, and 34 is erroneous for the same reasons discussed above for claim 27.

Appeal Br. 21. We disagree, for the reasons discussed above.

In addition, Appellant argues that Stowell does not teach the limitation “without directly accessing an inventory database maintained by the e-commerce site,” as recited in claim 34. *Id.* at 22.

We are not persuaded by Appellant's argument. The Examiner interpreted claim 34's negative limitation “without directly accessing an inventory database maintained by the e-commerce site”⁷ as meaning that the testing system receives inventory data published by the website and not data from the inventory database. Ans. 16. The Examiner found that Stowell teaches only accessing the monitored data between seller and buyer

⁷ In the event of further prosecution, we leave it to the Examiner to determine how much patentable weight to give the disputed negative limitation. Appellant has not cited support in the Specification that identifies a reason not to directly access an inventory database maintained by the ecommerce site, and we find none. *See Santarus, Inc. v. Par Pharm., Inc.*, 694 F.3d 1344, 1351 (Fed. Cir. 2012). (“Negative claim limitations are adequately supported when the specification describes a reason to exclude the relevant limitation. Such written description support need not rise to the level of disclaimer. In fact, it is possible for the patentee to support both the inclusion and exclusion of the same material.”); *see also* Manual of Patent Examining Procedure (MPEP) § 2173.05(i) (9th ed., Mar. 2014).

interactions, thereby not actually accessing the inventory database of the seller or buyer. *Id.*

Appellant has not shown that the Examiner's interpretation of the disputed limitation is overly broad, unreasonable, or inconsistent with Appellant's Specification. Thus, we are not persuaded that the Examiner erred in finding that the combination of Kruglikov, Stowell, and Hurwitz teaches or suggests the disputed limitation of claim 34.

Accordingly, we sustain the Examiner's § 103(a) rejection of claim 34, as well as the Examiner's § 103(a) rejection of claims 28–30 and 32, not argued separately with particularity.

Claims 42–44 and 46

With regard to the combined teachings of Kruglikov and Stowell in the rejection of claim 42, Appellant argues “[t]here is no teaching or suggestion that one can simply disconnect or de-couple the webstore front end 132 from database 131, effectively rendering [the system in Kruglikov] inoperable.” Appeal Br. 22.

We are not persuaded by Appellant's argument. It is well settled that “a determination of obviousness based on teachings from multiple references does not require an actual, physical substitution of elements.” *In re Mouttet*, 686 F.3d 1322, 1332 (Fed. Cir. 2012) (citations omitted). Nor is the test for obviousness whether a secondary reference's features can be bodily incorporated into the structure of the primary reference. *See Keller*, 642 F.2d at 425. The Supreme Court has held that “analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of

ordinary skill in the art would employ.” *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007).

Here, it would have been within the skill of an ordinarily-skilled artisan to combine the known technique of having the computing system of Kruglikov controlled by a first performance testing entity, as suggested in Stowell, and the separate server computing system of Stowell controlled by a separate entity associated with the first ecommerce site. *See KSR*, 550 U.S. at 417 (“[I]f a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill”). Appellant has not persuaded us that combining the respective familiar elements of the cited references in the manner proffered by the Examiner would have been “uniquely challenging or difficult for one of ordinary skill in the art” at the time of Appellant’s invention. *Leapfrog Enters., Inc. v. Fisher-Price, Inc.*, 485 F.3d 1157, 1162 (Fed. Cir. 2007) (citing *KSR*, 550 U.S. at 418).

For these reasons, we are not persuaded that the Examiner erred in rejecting dependent claim 42.

Dependent claim 43 recites the negative limitation “does not provide separate electronic access to shipping databases maintained by the separate server computing system.”⁸ Appellant argues that the Examiner erred because the cited electronic agent in Stowell “has direct electronic access to internal shipping databases from the partners.” Appeal Br. 23.

⁸ In the event of further prosecution, we leave it to the Examiner to determine how much patentable weight the disputed negative limitation should be given. *See Santarus*, 694 F.3d at 1351.

We are not persuaded of error. The Examiner found that paragraph 131 of Stowell teaches or suggests the disputed limitation. Ans. 16–17. In particular, the Examiner found that Stowell teaches monitoring a partner’s performance using an agent within the partner’s firewall or within an e-commerce “hub.” *Id.* The Examiner explained that, by residing within the partner’s firewall, the agent is associated with the first e-commerce site, therefore meeting the broadest reasonable interpretation of the claimed limitation. Ans. 17. Appellant did not address the Examiner’s explanation in the Reply Brief, and has not persuasively rebutted the Examiner’s findings.

For these reasons, we are not persuaded that the Examiner erred in rejecting dependent claim 43.

Regarding claim 46, Appellant argues that Stowell does not teach or suggest the recited “browser.” Appeal Br. 23.

We are not persuaded by Appellant’s argument. The Examiner found that “Stowell teaches multiple web servers, web front end, the use of multiple web sites and conduction [of] transactions online.” Ans. 17. The Examiner also found that the Stowell reference was filed on January 22, 2001, and to assume that online transactions were being made between buyer and seller without the use of web browsers is incorrect. *Id.* The Examiner further found that an artisan of ordinary skill “would recognize that the parties are conducting transactions using some form of human to machine interface.” Ans. 17.

Appellant has not proffered a persuasive explanation as to why an artisan of ordinary skill would not have understood Stowell’s teaching of web servers, a web front end, web sites, and online transactions to have at least suggested use of a “client browser” to one of ordinary skill in the art.

Accordingly, we sustain the Examiner's § 103(a) rejection of dependent claims 42–44 and 46.

Claims 31, 33, and 45

Appellant contends that the Examiner erred in rejecting claim 33 because Hastings does not teach or suggest determining whether a recommender system has a bias of some sort, so that it shows certain items preferentially, as claim 33 requires. Appeal Br. 21, 23.

We are not persuaded that the Examiner erred. The Examiner found that Hastings teaches applying “influence” on titles in order to prioritize inventory. Ans. 16, 17. The Examiner concluded that the recited term “bias” is broad enough to encompass the “influence” taught in Hastings, and that Hastings, when combined with Kruglikov and Stowell would allow one to determine whether a recommender system of Hastings was providing influence over one item over another. *Id.*

Appellant has not shown that the Examiner's interpretation of “bias” is overly broad, unreasonable, or inconsistent with Appellant's Specification. Nor has Appellant persuasively addressed the actual rejection made by the Examiner, which was based on the combination of Kruglikov, Stowell, Hurwitz, and Hastings. *See* Reply Br. 14. Nonobviousness cannot be established by attacking the references individually when the rejection is predicated upon a combination of prior art disclosures. *See In re Merck & Co.*, 800 F.2d 1091, 1097 (Fed. Cir. 1986).

For these reasons, we are not persuaded that the Examiner erred in finding the combination of Kruglikov, Stowell, Hurwitz, and Hastings teaches or suggests the disputed limitation of claim 33.

Claim 45 depends from claim 27 and further recites “with the computing system monitoring a compliance by the first e-commerce site with one or more explicit contractual terms specifying an item presentation policy required for presenting items to online users.” Appellant contends that the Examiner erred because Hastings does not teach or suggest separately monitoring the recommender system to ensure that it behaves in accordance with an item presentation policy, as claim 45 requires. Appeal Br. 23.

We are not persuaded that the Examiner erred. The Examiner’s rejection of claim 45 is based at least on the system of Kurglivkov, the system to monitor compliance of key performance metrics of Stowell, and the product presentation as a performance metric as taught by Hastings. Non-Final Act. 25. As explained above, nonobviousness cannot be established by attacking references individually when the rejection is predicated upon a combination of prior art disclosures. *See Merck*, 800 F.2d at 1097.

Because Appellant’s arguments are not commensurate in scope with the Examiner’s rejection, we are not persuaded that the Examiner erred in finding that the combination of Kruglikov, Stowell, Hurwitz, and Hastings teaches or suggests the disputed limitations of claim 45.

Accordingly, we sustain the Examiner’s § 103(a) rejection of dependent claims 31, 33, and 45.

CONCLUSION

Because we affirm at least one ground of rejection with respect to each claim on appeal, the Examiner’s decision rejecting claims 16–46 is affirmed. *See* 37 C.F.R. § 41.50(a)(1).

DECISION SUMMARY

Claims Rejected	35 U.S.C. §	Reference(s)/ Basis	Affirmed	Reversed
16–46	101	Eligibility	16–46	
26	112, second paragraph	Indefiniteness	26	
27–30, 32, 34, 42–44, 46	103(a)	Kruglikov, Stowell, Hurwitz	27–30, 32, 34, 42–44, 46	
31, 33, 45	103(a)	Kruglikov, Stowell, Hurwitz, Hastings	31, 33, 45	
Overall Outcome:			16–46	

TIME PERIOD FOR RESPONSE

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED