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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte RACHEL MARIE KUMAR

Appeal 2018-009210
Application 14/094,441¹
Technology Center 3600

Before JAMES R. HUGHES, LINZY T. McCARTNEY, and
JASON J. CHUNG, *Administrative Patent Judges*.

CHUNG, *Administrative Patent Judge*.

DECISION ON APPEAL

This is a decision on appeal under 35 U.S.C. § 134(a) of the Final Rejection of claims 1–20. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

INVENTION

The invention relates to providing a seller in a network-based shopping system with shipping data that preserves private information associated with a buyer. Spec. ¶ 2. Claim 1 is illustrative of the invention and is reproduced below with emphases discussed *infra* in § I.C.1.:

1. A method, including:
extracting, by a processor of a server, shipping data and a shipping preference including a shipping service provider preference from a user record maintained in a database of the server for a first party;

¹ According to Appellant, eBay Inc. is the real party in interest. Br. 2.

encoding, by the server, the shipping data associated with the first party to create an encoded identifier, the shipping data being associated with a transaction between the first party and a second party;

generating, by the server, an encoded shipping label using the encoded identifier;

providing, by the server, the encoded shipping label and the extracted shipping service provider preference to the second party, the encoded shipping label, when decoded, providing the shipping data of the first party;

processing a login, via a web client, from a shipping service provider corresponding to the extracted shipping service provider preference; and

in response to the login via the web client, processing a request from the shipping service provider to decode the encoded shipping label.

App. Br. 20 (Claims Appendix) (emphases added).

REJECTION AT ISSUE

Claims 1–20 stand rejected under 35 U.S.C. § 101 as being directed to patent ineligible subject matter. Final Act. 2–4.

Claims 1–20 stand rejected under a non-statutory obviousness-type double patenting rejection over the combination of claims 1–15 of Kumar (US 8,600,902 B2; filed Dec. 20, 2006) and Bansal (US 7,254,549 B1; filed July 23, 2001). Final Act. 4–6.

ANALYSIS

I. Claims 1–20 Rejected Under 35 U.S.C. § 101

A. Legal Principles

An invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101.

However, the Supreme Court has long interpreted 35 U.S.C. § 101 to include

implicit exceptions: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *E.g.*, *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014).

In determining whether a claim falls within an excluded category, we are guided by the Supreme Court’s two-step framework, described in *Mayo* and *Alice*. *Id.* at 217–18 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 75–77 (2012)). In accordance with that framework, we first determine what concept the claim is “directed to.” *See Alice*, 573 U.S. at 219 (“On their face, the claims before us are drawn to the concept of intermediated settlement, i.e., the use of a third party to mitigate settlement risk.”); *see also Bilski v. Kappos*, 561 U.S. 593, 611 (2010) (“Claims 1 and 4 in petitioners’ application explain the basic concept of hedging, or protecting against risk.”).

Concepts determined to be abstract ideas, and thus patent ineligible, include certain methods of organizing human activity, such as fundamental economic practices (*Alice*, 573 U.S. at 219–20; *Bilski*, 561 U.S. at 611); mathematical formulas (*Parker v. Flook*, 437 U.S. 584, 594–95 (1978)); and mental processes (*Gottschalk v. Benson*, 409 U.S. 63, 69 (1972)). Concepts determined to be patent eligible include physical and chemical processes, such as “molding rubber products” (*Diamond v. Diehr*, 450 U.S. 175, 191 (1981)); “tanning, dyeing, making water-proof cloth, vulcanizing India rubber, smelting ores” (*id.* at 182 n.7 (quoting *Corning v. Burden*, 56 U.S. (15 How.) 252, 267–68 (1854))); and manufacturing flour (*Benson*, 409 U.S. at 69 (citing *Cochrane v. Deener*, 94 U.S. 780, 785 (1876))).

In *Diehr*, the claim at issue recited a mathematical formula, but the Supreme Court held that “[a] claim drawn to subject matter otherwise

statutory does not become nonstatutory simply because it uses a mathematical formula.” *Diehr*, 450 U.S. at 187; *see also id.* at 192 (“We view respondents’ claims as nothing more than a process for molding rubber products and not as an attempt to patent a mathematical formula.”). Having said that, the Supreme Court also indicated that a claim “seeking patent protection for that formula in the abstract . . . is not accorded the protection of our patent laws, . . . and this principle cannot be circumvented by attempting to limit the use of the formula to a particular technological environment.” *Id.* (citing *Benson* and *Flook*); *see, e.g., id.* at 187 (“It is now commonplace that an *application* of a law of nature or mathematical formula to a known structure or process may well be deserving of patent protection.”).

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 (quotation marks omitted). “A claim that recites an abstract idea must include ‘additional features’ to ensure ‘that the [claim] is more than a drafting effort designed to monopolize the [abstract idea].’” *Id.* (quoting *Mayo*, 566 U.S. at 77). “[M]erely requir[ing] generic computer implementation[] fail[s] to transform that abstract idea into a patent-eligible invention.” *Id.*

The PTO recently published revised guidance on the application of § 101. USPTO’s January 7, 2019 Memorandum, *2019 Revised Patent Subject Matter Eligibility Guidance* (“Memorandum”). Under that 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* 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 are 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 Memorandum.

B. The Examiner’s Conclusions and Appellant’s Arguments

The Examiner concludes the present claims recite gathering information, generating an identifier, generating and providing a shipping label. Final Act. 2. The Examiner also determines the present claims do not amount to significantly more than an abstract idea itself because the Examiner determines the abstract idea is implemented on generic components that are previously known to the industry, well-understood, routine, and conventional. Ans. 3, 5, 6, 8 (citing Spec. ¶¶ 38–39).

Appellant argues that label generation cannot be abstract because a physical object is created. Br. 8–9. Appellant argues that, similar to the patent eligible claims of *Research Corp. Technologies, Inc. v. Microsoft*

Corp., 627 F.3d 859 (Fed. Cir. 2010), the present claims are encoding data. Br. 15. Appellant further argues, similar to *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014), the present claims are necessarily rooted in computer technology to solve problems specifically arising in the realm of computer networks such as protecting personal data involving networked-based transactions. Br. 12–14.

Appellant argues, similar to *BASCOM Global Internet Services, Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016), the present claims recite a combination of non-conventional and non-generic arrangement of known, conventional elements, which results in an inventive concept. Br. 17–18.² We disagree with Appellant.

C. Discussion

1. Step 2A, Prong 1

Patent eligibility under 35 U.S.C. § 101 is a question of law that is reviewable *de novo*. See *Dealertrack, Inc. v. Huber*, 674 F.3d 1315, 1333 (Fed. Cir. 2012). We are aware of no controlling authority that requires the Examiner to provide factual evidence under step one of the *Alice* framework to support a determination that a claim is directed to an abstract idea.

The emphasized portions of claim 1,³ reproduced above (*see supra* at 1–2), recite commercial transactions including business relations because the

² Appellant’s argument pertaining to *Return Mail, Inc. v. United States Postal Service*, 868 F.3d 1350 (Fed. Cir. 2017) is moot because we do not rely on this case to reach our Decision.

³ Claim 1, reproduced above with emphasis, recites similar features as independent claims 9 and 16. Appellant does not argue claims 2–20 separately. Br. 7–14. We, therefore, group claims 1–20 together and refer to claims 1–20 as the “present claims.”

claims protect the personal information of one of the parties involved in the business transaction by encoding shipping data on a shipping label.

According to the Memorandum, commercial transactions including business relations fall into the category of certain methods of organizing human activity. *See* Memorandum. Moreover, those certain methods of organizing human activity are a type of an abstract idea. *See id.*⁴

We, therefore, disagree with Appellant’s argument that label generation cannot be abstract because a physical object is created (Br. 8–9) for at least the reasons discussed above.

Because the present claims recite commercial transactions including business relations that fall into the category of certain methods of organizing human activity (i.e., an abstract idea), we proceed to prong 2.

2. Step 2A, Prong 2

The present claims do not integrate the abstract idea into a practical application because they do not impose any meaningful limits on practicing the abstract idea.

Unlike the claims of *Research Corporation Technologies*, the present claims are not directed to applying a blue noise mask to an image. *Research Corp. Techs., Inc. v. Microsoft Corp.*, 627 F.3d at 863.

In addition, we disagree with Appellant’s argument that, similar to *DDR*, the present claims are necessarily rooted in computer technology to

⁴ Additionally, the extracting, generating, and encoding steps of the claim 1 reproduced above (*see supra* at 1–2), recite concepts performed in the human mind because they can be performed using pen and paper. According to the Memorandum, concepts performed in the human mind fall into the category of mental processes. *See* Memorandum. Moreover, those mental processes are a type of an abstract idea. *See id.*

solve problems specifically arising in the realm of computer networks such as protecting personal data involving networked-based transactions. Br. 12–14. Instead, the present claims are directed to an abstract idea using additional generic elements as tools to implement the abstract idea as discussed *supra* in § I.C.1. or at best, the present claims are rooted in commercial transactions technologies including business relations technologies and overcoming a problem arising in those areas.

The Specification indicates the additional elements (i.e., “processor,” “database,” “server,” “web client,” “memory,”⁵ and “hardware processor”⁶) recited in the present claims are merely tools used to implement the abstract idea. Spec. ¶¶ 13–15, 31, 35, 41, 49–50.

Additionally, “a claim for a *new* abstract idea is still an abstract idea.” *Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1151 (Fed. Cir. 2016). “[U]nder the *Mayo/Alice* framework, a claim directed to a newly discovered law of nature (or natural phenomenon or abstract idea) cannot rely on the novelty of that discovery for the inventive concept necessary for patent eligibility” *Genetic Techs. Ltd. v. Merial L.L.C.*, 818 F.3d 1369, 1376 (Fed. Cir. 2016) (citations omitted).

Appellant does not make any other arguments pertaining to step 2A, prong 2. Because the present claims recite an abstract idea that is not integrated into a practical application, we proceed to Step 2B.

⁵ Claim 9 recites this feature, whereas claims 1 and 16 does not.

⁶ Claim 9 recites “hardware processor,” whereas claims 1 and 16 recite “processor” by itself.

3. *Step 2B*

We agree with the Examiner’s determination that the abstract idea is implemented on generic components that are well-understood, routine, and conventional. Ans. 3, 5, 6, 8 (citing Spec. ¶¶ 38–39). The Specification supports the Examiner’s determination in this regard because it explains that “processor,” “database,” “server,” “web client,” “memory,” and “hardware processor” are generic components. Spec. ¶¶ 13–15, 31, 35, 41, 49–50. Appellant’s Specification indicates these elements were well-understood, routine, and conventional components because it describes them at a high level of generality and in a manner that indicates that they are sufficiently well-known. *Id.*; USPTO *Berkheimer* Memorandum (USPTO Commissioner for Patents Memorandum dated Apr. 9, 2018, “Changes in Examination Procedure Pertaining to Subject Matter Eligibility, Recent Subject Matter Eligibility Decision (*Berkheimer v. HP, Inc.*).”

We disagree with Appellant’s argument that, like *BASCOM*, the present claims recite a combination of non-conventional and non-generic arrangement of known, conventional elements, which results in an inventive concept. Br. 17–18. Instead, the present claims are directed to an abstract idea using generic components as discussed *supra*, in §§ I.C.1. and I.C.2. or at best, improving an abstract idea—not an inventive concept.

Appellant does not argue claims 2–20 separately, but assert the § 101 rejection of those claims should be withdrawn for at least the same reasons as argued for independent claim 1. Br. 7–14. Based on our review of the dependent claims, these claims do not recite any additional features that would transform the abstract idea embodied in claims 1, 9, and 16 into an inventive concept. Dependent claims that merely narrow an abstract idea

“add nothing outside the abstract realm.” *SAP Am., Inc. v. InvestPic, LLC*, 898 F.3d 1161, 1169 (Fed. Cir. 2018). Accordingly, we sustain the Examiner’s rejection of: (1) independent claims 1, 9, and 16; and (2) dependent claims 2–8, 10–15, and 17–20 under 35 U.S.C. § 101.

II. Claims 1–20 Rejected Under a Non-Statutory Obviousness-Type Double Patenting Rejection

The Examiner rejects claims 1–20 under the judicially-created doctrine of non-statutory obviousness-type double patenting over the combination of Kumar and Bansal. Final Act. 4–6.

Appellant does not proffer any arguments. We, therefore, summarily sustain the Examiner’s rejection of claims 1–20. *See* 37 C.F.R. § 41.39(a)(1).

We have only considered those arguments that Appellant actually raised in the Brief. Arguments Appellant could have made, but chose not to make, in the Brief has not been considered and are deemed to be waived. *See* 37 C.F.R. § 41.37(c)(1)(iv).

DECISION

We affirm the Examiner’s decision rejecting claims 1–20 under 35 U.S.C. § 101.

We summarily affirm the Examiner’s decision rejecting claims 1–20 under a non-statutory obviousness-type double patenting rejection.

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