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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte NITESH RATNAKAR

Appeal 2019-001363
Application 12/464,097
Technology Center 3600

Before JAMES R. HUGHES, CATHERINE SHIANG, and
SCOTT E. BAIN, *Administrative Patent Judges*.

HUGHES, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Pursuant to 35 U.S.C. c 134(a), Appellant¹ appeals from the Examiner's decision rejecting claims 2, 5, 6, and 22–30. Claims 1, 3, 4, and 7–21 have been canceled. *See* Non-Final Act. 1–2; Appeal Br. 2.² We have jurisdiction under 35 U.S.C. § 6(b).

¹ We use the word Appellant to refer to “applicant” as defined in 37 C.F.R. § 1.42(a). Appellant identifies the real party in interest as Novation Science Holding LLC. *See* Appeal Br. 2.

² We refer to Appellant's Specification (“Spec.”), filed May 11, 2009 (claiming benefit of US 12/140,684 (filed June 17, 2008)); Supplemental Appeal Brief (“Appeal Br.”), filed Aug. 9, 2018; and Reply Brief (“Reply Br.”), filed Dec. 3, 2018. We also refer to the Examiner's Non-Final Office

We AFFIRM.

CLAIMED SUBJECT MATTER

The invention relates generally to selling “products on the internet using electronic devices such as personal computers and mobile devices” (Spec. 1:6–7),³ and specifically, to a method “enabl[ing] users [to] search for products in proximity to current location of their mobile device” (Spec. 1:15–16). *See* Spec. 1:23–2:5; Abstract. Claim 27 is independent. Claim 27, reproduced below, is illustrative of the claimed subject matter:

27. A method of using a central server to match products desired by a user and one or more sellers selling the desired products local to a contemporaneous geographical location of a mobile communication device of the user and to receive a consideration from the user upon disclosing to user contact information of a matched product seller, the central server receiving information about a plurality of products desired by the user, the central server configured to store an account for the user, the method comprising steps of:

receiving, by the mobile device, a local matching product list upon transmitting to the central server information identifying a contemporaneous geographical location of the mobile communication device, the local matching product list including information identifying a first product desired by the user and information calculated to identify a first seller selling the first product and local to the contemporaneous geographical location of the mobile communication device;

displaying, by the mobile device, a first user interface configured to inform the user about the local availability of the

Action (“Non-Final Act.”), mailed Oct. 27, 2016; and Answer (“Ans.”) mailed Oct. 3, 2018.

³ Appellant references the Specification by page number and line number. *See, e.g.*, Appeal Br. 3–4. Because the original filed Specification does not include line numbers, we reference the Specification as originally filed (on May 11, 2009), and note that that our numbering may differ.

first product without disclosing to the user contact information of the first seller, the first user interface including a first user-interactive element configured to enable the user to request for the contact information of the first seller;

transmitting, by the mobile device, to the central server, a request for the contact information of the first seller upon receiving a first user input indicating an interaction to the first user-interactive element by the user; and

displaying, by the mobile device, a second user interface, the second user interface configured to display the contact information of the first seller upon receiving from the central server information indicating that a consideration has been assessed to the account for the user.

Appeal Br. 23–24 (Claims App.).

REFERENCES

The prior art relied upon by the Examiner as evidence is:

Name	Reference	Date
Park et al. (“Park”)	US 8,160,929 B1	Apr. 17, 2012 (filed Sept. 28, 2006)
Dedrick	US 6,016,509	Jan. 18, 2000

REJECTIONS⁴

1. The Examiner rejects claims 2, 5, 6, and 22–30 under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter. *See* Non-Final Act. 3–5.

2. The Examiner rejects claims 2, 5, 6, and 22–30 under 35 U.S.C. § 103(a) as being unpatentable over Park and Dedrick. *See* Non-Final Act. 5–12.

⁴ The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284 (2011), amended 35 U.S.C. § 103, e.g., to rename 35 U.S.C. § 103’s subsections. Because the present application has an effective filing date (June 17, 2008) prior to the AIA’s effective date for applications

OPINION

Subject Matter Eligibility—35 U.S.C. § 101

Legal Principles

Under 35 U.S.C. § 101, a patent may be obtained for “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.” The Supreme Court has “long held that this provision contains an important implicit exception: Laws of nature, natural phenomena, and abstract ideas are not patentable.” *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014) (quoting *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 589 (2013)).

The Supreme Court, in *Alice*, reiterated the two-step framework previously set forth in *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 77–80 (2012), “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice*, 573 U.S. at 217. The framework requires us first to consider “whether the claims at issue are directed to one of those patent-ineligible concepts.” *Alice*, 573 U.S. at 217. If so, we then examine “the elements of [the] claim both individually and ‘as an ordered combination’ to determine whether the additional elements ‘transform the nature of the claim’ into a patent-eligible application.” *Alice*, 573 U.S. at 217 (quoting *Mayo*, 566 U.S. at 78, 79). That is, we examine the claim for an “inventive concept,” “an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Alice*,

(March 16, 2013), this decision refers to the pre-AIA versions of 35 U.S.C. § 103, i.e., § 103(a).

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573 U.S. at 217–18 (alteration in original) (quoting *Mayo*, 566 U.S. at 72–73).

The Patent Office recently published revised guidance concerning this framework and the application of § 101. USPTO’s 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50 (Jan. 7, 2019) (hereinafter “2019 Revised Guidance”). 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, mental processes, or certain methods of organizing human activity such as a fundamental economic practice or managing personal behavior or relationships or interactions between people) (hereinafter “Step 2A, prong 1”); and

(2) additional elements that integrate the judicial exception into a practical application (*see* MPEP §§ 2106.05(a)–(c), (e)–(h)) (hereinafter “Step 2A, prong 2”).⁵

See 2019 Revised Guidance, 84 Fed. Reg. at 51–52, 55.

A claim that integrates a judicial exception into a practical application applies, relies on, or uses the judicial exception in a manner that imposes a meaningful limit on the judicial exception, such that the claim is more than a drafting effort designed to monopolize the judicial exception. *See* 2019 Revised Guidance, 84 Fed. Reg. at 54. When the judicial exception is so integrated, then the claim is not directed to a judicial exception and is patent eligible under 35 U.S.C. § 101. *See* 2019 Revised Guidance, 84 Fed. Reg. at 54.

⁵ All references to the MPEP are to the Ninth Edition, Revision 08-2017 (rev. Jan. 2018).

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. *See* 2019 Revised Guidance 84 Fed. Reg. at 56; *Alice*, 573 U.S. at 217–18.

For example, we 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.⁶

See 2019 Revised Guidance, 84 Fed. Reg. at 56. With these principles in mind, we turn to the merits of the § 101 rejection.

The Examiner’s Conclusions and Appellant’s Arguments

The Examiner rejects Appellant’s claims 2, 5, 6, and 22–30 as being directed to patent-ineligible subject matter. *See* Non-Final Act. 3–5; Ans. 3–5. Specifically, the Examiner concludes that the “claimed invention is directed to non-statutory subject matter because the claim(s) as a whole, considering all claim elements both individually and in combination, do not amount to significantly more than an abstract idea” (Non-Final Act. 3) because, *inter alia*, the “claims recite additional limitations such as a central server and a mobile communications device. However, these elements are recited at high levels of generality and it has been held that generic computing components performing generic functions, alone, do not amount to significantly more than the abstract idea” (Non-Final Act 4).

⁶ Items (3) and (4) are collectively referred to as “Step 2B” hereinafter and in the 2019 Revised Guidance.

Appellant contends the Examiner erred in rejecting the claims as being directed to patent-ineligible subject matter. *See* Appeal Br. 8–17; Reply Br. 4–6. Specifically, Appellant contends, *inter alia*, that the “Examiner . . . fail[ed] to establish a prima facie case (of not ‘significantly more’) with respect to Step 2B, as the additional claim limitations indeed amount to ‘significantly more’ than the alleged judicial exception” (Appeal Br. 13) and the claims do not recite “a conventional and routine ‘use of the Internet’” or other additional computer components “used to implement the alleged abstract idea” (Appeal Br. 14). *See* Appeal Br. 13–17. Further, Appellant contends:

with respect to the Step 2B of the *Alice* framework, the Examiner appears to argue that the Examiner is allowed to conclusively assert that the additional claimed subject matter (on top of the alleged abstract idea) is routine and conventional use of the Internet in discharging the Examiner’s statutory duty of establishing a prima facie case on the “significantly more” issue of the Step 2B. This argument is simply unsupported by either *Berkheimer* (which the Examiner cited) or any other case. In fact, *Berkheimer* expressly stated that patent eligibility determination DOES involve underlying factual determinations. Accordingly, the Examiner’s conclusive assertion of no “significantly more” is simply invalid, and as a result, the Examiner fails to establish a prima facie case on the issue.

Reply Br. 5.

In the Examiner’s Answer, responsive to Appellant’s contentions, the Examiner maintains that “the examiner has not put forth arguments asserting that limitations in the claims are determined to be routine and conventional” (Ans. 4) and it is irrelevant whether the claims “are not merely routine or conventional uses of the Internet” because “nowhere does *Berkheimer* or the USPTO Memorandum compel an Examiner to make or rely on such findings” (Ans. 5). *See* Ans. 3–5.

We have reviewed Appellant’s claims and contentions in detail and in light of current precedent and guidance (*supra*). For the reasons explained below, Appellant has persuaded us that the Examiner erred regarding Step 2B of the Eligibility Analysis. Because this issue is dispositive, we begin with Step 2B rather than a detailed claim construction or analysis under the 2019 Revised Guidance Step 2A.

As directed by our reviewing court, a proper rejection under Step 2B requires a search for an “‘inventive concept’ sufficient to ‘transform the nature of the claim into a patent-eligible application.’” *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1312 (Fed. Cir. 2016) (quoting *Alice*, 573 U.S. at 217). Under the second step of the *Mayo/Alice* framework, the Examiner 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., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016)). An “inventive concept” requires more than “well-understood, routine, conventional activity already engaged in” by the relevant industry. *Rapid Litig. Mgmt. Ltd. v. CellzDirect, Inc.*, 827 F.3d 1042, 1047 (Fed. Cir. 2016) (quoting *Mayo*, 566 U.S. at 79–80); see *Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat’l Ass’n*, 776 F.3d 1343, 1347–48 (Fed. Cir. 2014). The “inventive concept” “must be significantly more than the abstract idea itself, and cannot simply be an instruction to implement or apply the abstract idea on a computer.” *BASCOM Global Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1349 (Fed. Cir. 2016) (citation omitted). But a

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“non-conventional and non-generic arrangement of known, conventional pieces” may provide an “inventive concept” satisfying *Mayo/Alice* Step 2. *Id.* at 1350.

“The second step of the *Alice* test is satisfied when the claim limitations ‘involve more than performance of []well-understood, routine, [and] conventional activities previously known to the industry.’”

Berkheimer v. HP Inc., 881 F.3d 1360, 1367 (Fed. Cir. 2018) (quoting *Content Extraction*, 776 F.3d at 1347–48 and *Alice*, 573 U.S. at 225).

“Whether something is well-understood, routine, and conventional to a skilled artisan at the time of the patent is a factual determination.”

Berkheimer, 881 F.3d at 1369. *See* 2019 Revised Guidance, 84 Fed. Reg. at 56.

As previously discussed, the Examiner rejects claims 2, 5, 6, and 22–30 as being directed to patent-ineligible subject matter (*supra*), and concludes (with respect to Step 2B) that independent claim 27 recites the additional elements “such as a central server and a mobile communications device” “at high levels of generality” and “generic computing components performing generic functions, alone, do not amount to significantly more than the abstract idea.” Non-Final Act. 4. Moreover, the Examiner asserts that *Berkheimer* does not require findings that the recited additional elements are routine or conventional (or well-understood). *See* Ans. 3–5.

The Examiner’s interpretation of the law is erroneous. The Examiner’s rejection and response (*supra*) have not provided the evidence required by *Berkheimer* to support the Examiner’s determinations that the claims do not recite an inventive concept (that the additional elements are generic—i.e., well-understood, routine, and conventional). *See Berkheimer*, 881 F.3d at 1369; 2019 Revised Guidance, 84 Fed. Reg. at 56, n. 36.

We agree with Appellant (Reply Br. 5) that the Examiner has not established a prima facie case. Specifically the Examiner has not provided any of the four categories of information required by the USPTO's guidance in its *Berkheimer* Memo:⁷

1. A citation to an express statement in the specification or to a statement made by an applicant during prosecution that demonstrates the well-understood, routine, conventional nature of the additional element(s)
2. A citation to one or more of the court decisions discussed in MPEP § 2106.05(d)(II) as noting the well-understood, routine, conventional nature of the additional element(s).
3. A citation to a publication that demonstrates the well-understood, routine, conventional nature of the additional element(s)
4. A statement that the examiner is taking official notice of the well-understood, routine, conventional nature of the additional element(s)

Berkheimer Memo at 3–4.

In summary, the Examiner has not provided sufficient persuasive evidence that Appellant's claim 1 recites additional elements that are well-understood, routine, and conventional with respect to Step 2B of the *Alice/Mayo* framework in the Revised Guidance. Accordingly, we are constrained by the record to reverse the Examiner's rejection of claims 2, 5, 6, and 22–30 under 35 U.S.C. § 101 on procedural grounds.

Obviousness Rejections of Claims 2, 5, 6, and 22–30

⁷ Memorandum from Robert W. Bahr, entitled “Changes in Examination Procedure Pertaining to Subject Matter Eligibility, Recent Subject Matter Eligibility Decision (*Berkheimer v. HP, Inc.*),” dated April 19, 2018 (“*Berkheimer* Memo”). The *Berkheimer* Memo is available at <https://www.uspto.gov/sites/default/files/documents/memo-berkheimer-20180419.PDF> (last visited Jan. 28, 2019).

Appellant argues independent claim 27, and dependent claims 2, 5, 6, 22–26, and 28–30, together as a group with respect to the 35 U.S.C. § 103(a) rejection. *See* Appeal Br. 17–20. We select independent claim 27 as representative of Appellant’s arguments with respect to claims 2, 5, 6, and 22–30. 37 C.F.R. § 41.37(c)(1)(iv).

The Examiner rejects claims 2, 5, 6, 22–26, and 28–30 over Park and Dedrick. *See* Non-Final Act. 5–12; Ans. 5–7. Specifically, with respect to claim 27 (*see* Final Act. 5–7), the Examiner explains that Park describes all the features of Appellant’s claim with the exception of “explicitly teach[ing] monetizing [the] contact information so that the contact information is displayed upon receiving from the central server information indicating that a consideration has been assessed to the account for the user” (Non-Final Act. 7), which is described by Dedrick. *See* Non-Final Act. 5–7. The Examiner provides a rationale for combining Park and Dedrick—“It would have been obvious to one of ordinary skill in the art at the time of invention to apply the teachings of Dedrick discussing charging users for electronically consuming units of information to the seller contact information taught by Park because the combination would lead to increased revenue” (Non-Final Act. 7) , i.e., the combination would be “more efficient” and “results in a process that is more desirable for the charging entity” (Ans. 6). *See* Non-Final Act. 5–7; Ans. 5–7.

Appellant does not dispute the Examiner’s substantive findings with respect to Park and Dedrick. *See* Appeal Br. 17–18; Reply Br. 6–7. Instead, Appellant contends the Examiner has not “establish[ed] a non-hindsight specific reason for” combining Park and Dedrick, and Dedrick is not in the same field as Park or the instant application claims—“[t]he distinct [field] of

Dedrick is completely irrelevant to the specific claim context of the claimed subject matter.” Appeal Br 18; *see* Appeal Br. 17–18; Reply Br. 6–7.

We find the Examiner has provided a sufficient rationale for combining Park and Dedrick. Appellant does not persuasively explain why the references are incompatible (not analogous or not in the same field of endeavor—both references describe providing data to a user interface (*see* Park, col. 9, ll. 2–31; Dedrick, col. 3, ll. 29–31), nor does Appellant argue that the references teach away from one another. In contrast to Appellant’s arguments (*see* Appeal Br. 17–18; Reply Br. 6–7) the Examiner need not explain how to bodily combine the features of the prior art references—

[t]he test for obviousness is not whether the features of a secondary reference may be *bodily incorporated* into the structure of the primary reference Rather, the test is what the combined teachings of the references would have suggested to those of ordinary skill in the art.

In re Keller, 642 F.2d 413, 425 (CCPA 1981) (emphasis added). *See In re Mouttet*, 686 F.3d 1322, 1332–33 (Fed. Cir. 2012). Here, Appellant argues the references individually and does not address the specific arguments set out by the Examiner. The references cited by the Examiner must be read, not in isolation, but for what each fairly teaches in combination with the prior art as a whole. *See In re Merck & Co.*, 800 F.2d 1091, 1097 (Fed. Cir. 1986) (one cannot show non-obviousness by attacking references individually where the rejections are based on combinations of references).

Additionally, the Supreme Court has held that in analyzing an obviousness rationale, the Examiner “need not seek out precise teachings directed to the specific subject matter of the challenged claim . . . [and may] 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,

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418 (2007). Also, the Examiner may consider “the background knowledge possessed by a person having ordinary skill in the art.” *KSR*, 550 U.S. at 418 (quoting *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006)). Further, an artisan is presumed to possess both skill and common sense. *See KSR*, 550 U.S. at 421 (“A person of ordinary skill is also a person of ordinary creativity, not an automaton.”).

We further find that it would have been within the skill of an ordinarily skilled artisan to have combined Park’s local item matching process with Dedrick’s process of providing information to a user interface based on payment. *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.”). We are not persuaded 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).

Accordingly, Appellant’s contentions do not persuade us of error in the Examiner’s obviousness rejection of representative independent claim 27. Therefore, we affirm the Examiner’s rejection of representative claim 27, and dependent claims 2, 5, 6, 22–26, and 28–30, not separately argued with particularity (*supra*).

CONCLUSION

For the reasons discussed above, we find Appellant has not shown that the Examiner erred in rejecting claims 2, 5, 6, and 22–30 under 35 U.S.C. § 103(a). Appellant has, however, shown that the Examiner erred in rejecting claims 2, 5, 6, and 22–30 under 35 U.S.C. § 101. We affirm the Examiner’s rejection of claims 2, 5, 6, and 22–30 because we sustain at least one ground of the Examiner’s rejection.

DECISION SUMMARY

In summary:

Claims Rejected	35 U.S.C. §	Reference(s)/ Basis	Affirmed	Reversed
2, 5, 6, 22–30	101	Patent Eligible Subject Matter		2, 5, 6, 22–30
2, 5, 6, 22–30	103(a)	Park, Dedrick	2, 5, 6, 22–30	
Overall Outcome			2, 5, 6, 22–30	

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)(1)(iv). *See* 37 C.F.R. § 41.50(f).

AFFIRMED