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BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JACQUELINE RENEE GENTRY VONBERGEN,
ERIK RANNALA, GEORGE LIANG, MAURA K. RANDALL,
DAVID RACCAH, and JENNIFER KOZENSKI

Appeal 2019-006539
Application 14/637,174
Technology Center 3600

Before ADAM J. PYONIN, MICHAEL M. BARRY,
and PHILLIP A. BENNETT, *Administrative Patent Judges*.

BARRY, *Administrative Patent Judge*.

DECISION ON APPEAL

Pursuant to 35 U.S.C. § 134(a), Appellant¹ appeals from the Examiner’s decision to reject claims 1–12 and 14–19, which are all of the pending claims. *See* Appeal Br. 8–27.² We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

¹ We use “Appellant” to refer to “applicant” as defined in 37 C.F.R. § 1.42. Appellant identifies the real party in interest as eBay Inc. Appeal Br. 2.

² We refer herein to the Final Office Action mailed Dec. 19, 2018 (“Final Act.”), Appeal Brief filed May 29, 2019 (“Appeal Br.”), Answer mailed July 3, 2019 (“Ans.”), Reply Brief filed Sept. 3, 2019 (“Reply Br.”), and the Specification filed Mar. 3, 2015 (“Spec.”).

Introduction

The Specification states “[t]he present application relates generally to network-based commerce, more particularly to network-based commerce facility offer management methods and systems.” Spec. ¶ 4. Claim 1 is representative:

1. A method comprising:
 - at a server machine, retrieving, from a database, a record related to an item to be transacted via a computer network, the record including:
 - a published item price at which a seller is willing to sell the item under a buyout transaction format, and
 - an offer indication that the seller of the item is willing to accept an offer for the item under an offer transaction format;
 - generating, by the server machine, a user interface, using the record, the user interface comprising:
 - the published item price,
 - a first user-selectable interface component that is selectable by a user to initiate purchase of the item at the published item price during the buyout transaction format, and
 - a second user-selectable interface component that is selectable by the user to initiate submission of an offer for the item to the seller under the offer transaction format;
 - causing presentation of the user interface on a computer system, the published item price, the first user-selectable interface component, and the second user-selectable interface component being presented concurrently within the user interface; and
 - responsive to user-selection of the second user-selectable interface component, causing presentation, on the computer system, of a further user interface component for submitting the

offer, the further user interface component including an offer price input field and a third user-selectable interface component that is selectable by the user to submit the offer to the seller at a price entered into the offer price input field.

Appeal Br. 23 (Claims App'x).

*The Pending Rejection*³

The Examiner rejected claims 1–12 and 14–19 under 35 U.S.C. § 101 as directed to a judicial exception, without reciting significantly more. Final Act. 2–7.

ANALYSIS

Appellant argues all claims together as a group. *See* Appeal Br. 8–22. We select claim 1 as representative. *See* 37 C.F.R. § 41.37(c)(1)(iv).

We have reviewed the Examiner's rejections in light of Appellant's contentions of reversible error. We disagree with Appellant's conclusions. Instead, as consistent with our discussion below, we adopt the Examiner's findings and reasons as set forth in the Final Office Action from which this appeal is taken and as set forth in the Answer. We highlight the following for emphasis.

In issues involving subject matter eligibility, our inquiry focuses on whether the claims satisfy the two-step test set forth by the Supreme Court in *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 573 U.S. 208 (2014). The Court instructs us to “first determine whether the claims at issue are directed to a patent-ineligible concept.” *Id.* at 218. In this case, the inquiry centers on whether the claims are directed to an abstract idea. If the initial threshold is met, we then move to the second step, in which we “consider the elements of

³ The Examiner's Answer withdrew a provisional rejection of all pending claims on the ground of nonstatutory double patenting. Ans. 3.

each 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.” *Id.* at 217–18 (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 79, 78 (2012)). The Court describes the second step as a search for “an ““inventive concept””—*i.e.*, an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Id.* (quoting *Mayo*, 566 U.S. at 72–73).

In 2019, the USPTO published revised guidance on the application of § 101 consistent with *Alice* and subsequent Federal Circuit decisions. *See* 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50–57 (Jan. 7, 2019) (“Guidance”) *see also* October 2019 Patent Eligibility Guidance Update, 84 Fed. Reg. 55942–53 (Oct. 17, 2019) (providing “examples as well as a discussion of various issues raised by the public comments” to the Guidance). Under the 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) (referred to as Step 2A, prong 1 in the Guidance); and
- (2) additional elements that integrate the judicial exception into a practical application (*see* MPEP § 2106.05(a)–(c), (e)–(h)) (referred to as Step 2A, prong 2 in the Guidance).

See Guidance, 84 Fed. Reg. at 52–55.

Only if a claim (1) recites a judicial exception and (2) does not integrate that exception into a practical application, do we then move to Step 2B of the Guidance, in which 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.

See Guidance, 84 Fed. Reg. at 56.

*Alice/Mayo Step One, 2019 Guidance Step 2A, Prong One
(Does Claim 1 Recite a Patent-Ineligible Concept?)*

For our prong one analysis, we set aside the recitations for the “server machine,” “database,” “via a computer network,” “computer system,” and the technological aspect of “user interface”⁴ (“UI”). In view of the claim as a whole, we consider these computer technology aspects as “additional elements” (individually and in combination) in our analyses below under prong two of step 2A and under step 2B. Setting those aside, claim 1 recites:

[a] retrieving . . . a record related to an item to be transacted . . . , the record including:

[i] a published item price at which a seller is willing to sell the item under a buyout transaction format, and

[ii] an offer indication that the seller of the item is willing to accept an offer for the item under an offer transaction format;

[b] generating . . . [an] interface, using the record, the [] interface comprising:

[i] the published item price,

⁴ “User interface” is a computer-related term of art. *See, e.g.*, MICROSOFT COMPUTER DICTIONARY 544 (5th ed. 2002); [http://www.merriam-webster.com/dictionary/user interface](http://www.merriam-webster.com/dictionary/user%20interface) (last accessed May 26, 2020). For our prong one analysis, we substitute the more generic “interface” for the computer-related term “user interface.”

[ii] a first user-selectable interface component that is selectable by a user to initiate purchase of the item at the published item price during the buyout transaction format, and

[iii] a second user-selectable interface component that is selectable by the user to initiate submission of an offer for the item to the seller under the offer transaction format;

[c] causing presentation of the [] interface . . . , the published item price, the first user-selectable interface component, and the second user-selectable interface component being presented concurrently within the [] interface; and

[d] responsive to user-selection of the second user-selectable interface component, causing presentation . . . of a further user interface component for submitting the offer, the further user interface component including an offer price input field and a third user-selectable interface component that is selectable by the user to submit the offer to the seller at a price entered into the offer price input field.

Step (a) describes retrieving a transaction record that has “a published item price at which a seller is willing to sell the item under a buyout transaction format” (“buyout price”) and “an offer indication that the seller of the item is willing to accept an offer for the item under an offer transaction format” (“invitation to make an offer”). Retrieving information for a buyout price and an invitation to make an offer are basic steps for a commercial transaction. The 2019 Guidance explains that such limitations are abstract in the category of certain methods of organizing human activity. *See* 84 Fed. Reg. at 52. Further, these limitations encompass performance by a person instructed to retrieve a paper record with the recited information, i.e., a human interaction following rules or instructions, which the 2019

Guidance also identifies as an abstract sub-category of certain methods of organizing human activity. *Id.*

Steps (b) and (c) describe using the information from step (a) to present a user with the buyout price along with two “user-selectable interface components,” one to initiate purchase of the item at the buyout price and the other to initiate submitting an offer to buy the item. As with step (a), steps (b) and (c) are abstract because they describe part of a commercial transaction, i.e., one of certain methods of organizing human activity. *Id.* Also, continuing with the example of step (a) encompassing human retrieval of a paper record, steps (b) and (c) encompass using the information from the retrieved record to create a paper form that has a two checkboxes, one for use to initiate purchase at the buyout price and the other to initiate submission of an offer. By placing the checkboxes on a single-page form, the information is “presented concurrently,” as recited. A person can perform these limitations using only pen and paper to create such a form and, thus, steps (b) and (c) also are abstract for reciting a mental process. *Id.*

Step (d) describes presenting a “further user-selectable interface component” in response to a user selecting the option to make an offer, allowing the user to input an offer price and select a “third user-selectable interface component” to submit the offer. As with the previous three steps (a)–(c), step (d) is abstract because it describes a basic activity for a commercial transaction. *Id.* Consistent with the prior example, this step can be carried out using a paper form in which a person enters an offer price and checks a “submit offer” box. Accordingly, step (d) is also abstract because it describes a human interaction (following rules or instructions) and/or a mental process (that can be carried out using only pen and paper). *Id.*

Thus, claim 1 recites one or more judicial exceptions. “Adding one abstract idea . . . to another abstract idea . . . does not render the claim non-abstract.” *RecogniCorp, LLC v. Nintendo Co. LTD.*, 855 F.3d 1322, 1327 (Fed. Cir. 2017); *see also FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1093–94 (Fed. Cir. 2016) (patent-ineligible claims were directed to a combination of abstract ideas). We proceed to prong two.

Alice/Mayo Step One, 2019 Guidance Step 2A, Prong Two
(Does Claim 1 Integrate the Abstract Idea into a Practical Application?)

We next consider whether the claim integrates the abstract idea into a practical application. 2019 Guidance, 84 Fed. Reg. at 54. To determine this, we identify whether there are “*any additional elements recited in the claim beyond the judicial exception(s)*” and evaluate those elements to determine whether they integrate the judicial exception into a practical application. 84 Fed. Reg. at 54–55 (emphasis added); *see also* MPEP § 2106.05(a)–(c), (e)–(h).

Here, as discussed above, in addition to the abstract idea, claim 1 recites the additional elements of a “server machine,” “a database,” “via a computer network,” “a computer system,” and “a user interface.” Ordinarily skilled artisans would recognize from the Specification that all these components describe generic computer technology. *See* Spec. ¶¶ 9, 29–31, 33–35, 53–61, 69, 73, 81–93, Figs. 1, 3, 5. Although these claim elements add a certain level of specificity to claim 1, they do not, alone or in combination, constitute an improvement to a technology or technical field. Instead, they constitute generic recitations of those technologies for automating performance of the abstract idea. Thus, they do not constitute an improvement to “the functioning of the computer itself” or “any other

technology or technical field.” See MPEP § 2106.05(a) (quoting *Alice*, 573 U.S. at 225). Neither do these computer limitations qualify as applying the judicial exception with “a particular machine,” because these components provide their conventional functions and require no more than general purpose computer equipment. See MPEP § 2106.05(b); see also *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 716–17 (Fed. Cir. 2014); *TLI Commc’ns LLC v. AV Automotive LLC*, 823 F.3d 607, 613 (Fed. Cir. 2016) (explaining that mere recitation of concrete or tangible components is not an inventive concept).

Appellant’s arguments similarly do not persuade us that claim 1 effects a transformation of any recited articles, which are simply used for their ordinary purposes, or that claim 1 includes any other meaningful (technological) limitations, i.e., limitations beyond simply “linking the use” of the abstract idea to generic technology. See MPEP § 2106.05 (c), (e)–(f); see also *id.* at (g)–(h) (use of well-known limitations beyond the judicially excepted matter constitutes “insignificant extra-solution activity” (g) and claim limitations “merely indicating a field of use or technological environment in which to apply a judicial exception do not amount to significantly more” (h)).

Accordingly, we determine the recited judicial exception is not integrated into a practical application, and that the Examiner did not err in determining claim 1 is directed to an abstract idea. We proceed to step two of the *Alice/Mayo* analysis (2019 Guidance Step 2B).

Alice/Mayo Step Two; 2019 Guidance Step 2B
(Does Claim 1 Recite Significantly More than the Abstract Idea?)

In step two of the *Alice/Mayo* analysis, we consider whether there are additional limitations that individually, or as an ordered combination, ensure the claims amount to “significantly more” than the abstract idea. *Alice*, 573 U.S. at 217–18 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. at 72–73, 77–79 (2012)). As the 2019 Guidance explains, many of the considerations to determine whether a claim amounts to “significantly more” under step two of the *Alice* framework are already considered as part of determining whether the judicial exception has been integrated into a practical application. 84 Fed. Reg. at 56. Thus, at this point of our analysis, we determine if claim 1 adds a specific limitation, or combination of limitations, that is not well-understood, routine, conventional activity in the field; or whether it simply recites well-understood, routine, conventional activities at a high level of generality. *Id.*

Here, as the Examiner finds, and we agree, claim 1 does not recite any limitations or combination of limitations (in addition to those that recite the abstract idea) that are beyond what were known to those of ordinary skill in the art to be well-understood, routine, and conventional prior to the invention. Final Act. 5–6; Ans. 20–21. The high-level, generic disclosure of such computer automation features in Appellant’s Specification related to claim 1 confirms this. *See Spec.* ¶¶ 9, 29–31, 33–35, 53–61, 69, 73, 81–93, Figs. 1, 3, 5.

Appellant’s Arguments

Appellant’s arguments of error in the § 101 rejection are unpersuasive in view our above determination under the 2019 Guidance that claim 1 is

directed to an abstract idea, without reciting significantly more. Regardless, for clarification, we next discuss some of those arguments.

Appellant contends claim 1’s similarity to the patent-eligible claims at issue in *Core Wireless Licensing S.A.R.L. v. LG Electronics, Inc.*, 880 F.3d 1356 (Fed. Cir. 2019) compels a determination that claim 1 is patent eligible. *See* Appeal Br. 10–12; Reply Br. 2. In particular, Appellant contends that, just as the *Core Wireless* specification confirmed those claims were directed to an improved user interface, Appellant’s Specification also “sets forth improvements to electronic commerce mechanisms provided by the ‘user interface’ recited in the claims at issue.” Appeal Br. 11 (citing Spec. ¶ 7).

Appellant’s comparison with *Core Wireless* is unavailing. In *Core Wireless*, the claims at issue were “directed to a particular manner of summarizing and presenting information in electronic devices” that addressed identified user interface deficiencies for electronic devices with small screens. 880 F.3d at 1362; *see also id.* at 1359–60 (setting forth exemplary claims), 1363 (highlighting discussion in the specification of improvements over conventional user interfaces). The focus of the *Core Wireless* claims was on a specific user interface improvement that included a particular limitation for “un-launched” software applications. *Id.* The user interface functionality recited in Appellant’s claim 1, on the other hand, includes only generic technological “interface component” limitations and otherwise is abstract (e.g., as discussed above, claim 1’s limitations for displaying a particular arrangement of information on a single page display is abstract). Claim 1 is similarly distinguishable from the claims at issue in *Enfish*, *see* 822 F.3d at 1336–37 (claim at issue included software technology limitation for a “self-referential” database table), and *McRO*, *see*

837 F.3d at 1307–08, 1315–16 (claim at issue included limitations related to “sub-sequences of phonemes, timing, and the weight to which each phoneme is expressed visually at a particular timing (as represented by [a] morph weight set”).

Appellant also contends claim 1 is akin to the patent-eligible claims at issue in *DDR Holdings*, 773 F.3d 1245 (Fed. Cir. 2014). *See* Appeal Br. 15–19. Appellant’s comparison with *DDR Holdings* is similarly unavailing. In *DDR Holdings*, the patent-eligible claim at issue addressed a technological business challenge—i.e., it recited limitations particular to a composite web page based on a link activation occurring at a remote computer—in order to address “a challenge particular to the Internet.” 773 F.3d at 1257–58 (“We caution, however, that not all claims purporting to address Internet-centric challenges are eligible for patent.”). Claim 19 includes no limitations analogous to those of the claim in *DDR Holdings*; instead it simply recites routine high level technological limitations that amount to applying the abstract idea using generic computer technology.

Appellant also argues claim 1 amounts to significantly more than an abstract idea because of its “particularities” and that it does not preempt “the alleged abstract idea of ‘selling items with different options . . . and providing formats to the users with user-selectable options to initiate a purchase as per the selected option.’” Appeal Br. 19–20 (ellipsis in original). This argument is unpersuasive. “While preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015). Because we find the claimed subject matter covers patent-ineligible subject matter, the pre-emption

concern is necessarily addressed. “Where a patent’s claims are deemed only to disclose patent ineligible subject matter under the *Mayo* framework, [] preemption concerns are fully addressed and made moot.” *Ariosa Diagnostics*, 788 F.3d at 1379.

Appellant further “note[s] the apparent contradiction between the finding in the *Final Action* that the claims do not amount to ‘significantly more’ than the alleged abstract idea and the finding that the claims are defined over the prior art.” Appeal Br. 20 (quoting citing Final Act. 3); *see also id.* at 21. This argument is also unpersuasive. “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). “It has been clear since *Alice* that a claimed invention’s use of the ineligible concept to which it is directed cannot supply the inventive concept that renders the invention ‘significantly more’ than that ineligible concept.” *BSG Tech LLC v. BuySeasons, Inc.*, 899 F.3d 1281, 1290 (Fed. Cir. 2018). A novel and nonobvious claim directed to a purely abstract idea is, absent significantly more, patent ineligible. *See Mayo*, 566 U.S. at 90.

§ 101 Conclusion

Accordingly, we sustain the § 101 rejection of claim 1 and, along with it, claims 2–12 and 14–19, which Appellant argues are patent eligible for the same reasons as for claim 1 (*see* Appeal Br. 8–22).

CONCLUSION

In summary:

Claim(s) Rejected	35 U.S.C. §	Basis	Affirmed	Reversed
1-12, 14-19	101	Eligibility	1-12, 14-19	

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