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BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte BETH TAYLOR, DENIS BARRETTE,
RICHARD LAVOIE, MICHEL BARRETTE,
and FREDERIC D. BERSOT

Appeal 2015-002254¹
Application 11/823,371²
Technology Center 3600

Before JOSEPH A. FISCHETTI, JAMES A. WORTH, and
MATTHEW S. MEYERS, *Administrative Patent Judges*.

MEYERS, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner’s final rejection of claims 2–11. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

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1. Our decision references Appellants’ Appeal Brief (“Appeal Br.,” filed July 16, 2014) and Reply Brief (“Reply Br.,” filed January 5, 2015), the Examiner’s Answer (“Ans.,” mailed November 4, 2014), and Final Office Action (“Final Act.,” mailed April 11, 2014).
 2. Appellants identify Audatex North America, Inc. as the real party in interest (Appeal Br. 2).

CLAIMED INVENTION

Appellants' claimed invention relates to "a method and system for reviewing insurance estimates" (Spec. 1).

Claims 2 and 7 are the independent claims on appeal. Claim 7, reproduced below, with added bracketed notations and paragraphing, is illustrative of the subject matter on appeal:

7. A method for processing an insurance estimate, comprising:

[a] creating an insurance estimate of a vehicle at an estimating station that generates at least a portion of said insurance estimate with a program that is operated by the estimating station;

[b] reviewing the insurance estimate at a reviewer station;

[c] requesting a reinspection by selecting a graphical user interface displayed by the reviewing station;

[d] transmitting the request to a reinspection station; and,

[e] reviewing the insurance estimate of the vehicle at a reinspection station.

REJECTIONS

Claims 2–11 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.³

Claims 2–11 are rejected under 35 U.S.C. § 103(a) as unpatentable over Obora (US 2005/0246206 A1, pub. Nov. 3, 2005) and Aquila (US 2002/0035488 A1, pub. Mar. 21, 2002).

³ Appellants indicate that "[t]he Answer included a new ground rejecting claims 7–11 under 35 U.S.C. § 101" (Reply Br. 1). However, the Examiner Answer indicates that claims 2–11 are rejected, and specifically addresses claims 2–6 at page 4 of the Answer.

ANALYSIS

Non-statutory subject matter

In rejecting claims 2–11 under 35 U.S.C. § 101, the Examiner concludes that the claims, considered as a whole, are directed to an abstract idea of “processing an insurance estimate” without additional elements that transform it into a patent-eligible application of that idea (*see* Ans. 3–5).

Appellants do not appear to dispute the Examiner’s finding that claim 7 is directed to an abstract idea. Instead, Appellants argue that the rejection is improper because “claims 7–11 do not amount to a monopoly on the concept of processing insurance” (Reply Br. 2).

Under 35 U.S.C. § 101, an invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101. The Supreme Court, however, has long interpreted § 101 to include an implicit exception: “laws of nature, natural phenomena, and abstract ideas” are not patentable. *See, e.g., Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014).

In determining whether claim 1 falls within the excluded category of abstract ideas, we are guided in our analysis by the Supreme Court’s two-step framework, described in *Mayo* and *Alice*. *Id.* at 2355 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1296–97 (2012)). In accordance with that framework, we first determine whether the claim is “directed to” a patent-ineligible abstract idea. If so, we then consider the elements of the claim — both individually and as an ordered combination — to assess whether the additional elements transform the nature of the claim into a patent-eligible application of the abstract idea. *Id.* This is a search for an “inventive concept” — an element or combination of

elements sufficient to ensure that the claim amounts to “significantly more” than the abstract idea itself. *Id.*

Here, we agree with the Examiner that claim 1 is directed generally to “processing an insurance estimate” (Ans. 4). This concept amounts to a method of organizing human activity, which, like the concept of risk hedging in *Bilski*, falls squarely within the realm of abstract ideas. *See Alice Corp.*, 134 S. Ct. at 2356; *Bilski*, 561 U.S. 593, 611 (2010); *see also Accenture Glob. Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1339 (Fed. Cir. 2013) (claim to maintaining an “insurance transaction database containing information related to an insurance transaction decomposed into a plurality of levels” and “allowing an authorized user to edit . . . and to update the information related to the insurance transaction” held to be an abstract idea). We also find that “processing an insurance estimate” is a fundamental economic concept because it directly affects the solvency of both the insured and the insurer.

We next consider whether additional elements transform the nature of the claim into a patent-eligible application of the abstract idea, e.g., whether the claim does more than simply instruct the practitioner to implement the abstract idea on generic computer components. We conclude that it does not.

Independent claim 7 is directed to “[a] method for processing an insurance estimate” and includes steps which “creat[e] an insurance estimate,” “review[s] the insurance estimate,” “request[s] a reinspection by selecting a graphical user interface,” “transmit[s] the request,” and “review[s] the insurance estimate.” Here, considering each of the claim elements in turn, we find them all to be directed to well-understood, routine,

conventional activities previously known to the industry. And, when viewed as a whole, the computer components (e.g., “estimating station,” “reviewer station,” “reinspection station”) of Appellants’ method add nothing that is not already present when the steps are considered separately.

Appellants argue that “[t]he claims recite a specific way to request a reinspection, by selecting a graphical user interface, that does not pre-empt all means of such a request” (Reply Br. 2–3 (citing *DDR Holdings LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed Cir. 2014))). At the outset, we find the use of a graphical user interface is also well-known and conventional and disagree with Appellants’ contention that independent claim 7 is like those at issue in *DDR Holdings*. In *DDR Holdings*, the Federal Circuit found that the claims were directed to patentable subject matter because they “specify how interactions with the Internet are manipulated to yield a desired result—a result that overrides the routine and conventional sequence of events ordinarily triggered by the click of a hyperlink.” *DDR Holdings*, 773 F.3d at 1258. Significantly, the Federal Circuit identified this limitation as differentiating from claims that “recite a commonplace business method aimed at processing business information, applying a known business process to the particular technological environment of the Internet, or creating or altering contractual relations using generic computer functions and conventional network operations” and were, thus, found directed to patent-ineligible subject matter. *Id.* at 1258–59.

Here, independent claim 7 does not purport to improve the functioning of the computer system itself. Nor does it effect an improvement in any other technology or technical field. Instead, independent claim 7 amounts to nothing significantly more than an

instruction to implement the abstract idea of “processing an insurance estimate” using generic computer components. This is insufficient to transform an abstract idea into a patent-eligible invention.

We also note that Appellants’ preemption argument does not alter our § 101 analysis. Preemption concerns are fully addressed and made moot where a patent’s claims are deemed to disclose patent ineligible subject matter under the two-part framework described in *Mayo* and *Alice*. *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015). “While preemption may signal patent ineligible matter, the absence of complete preemption does not demonstrate patent eligibility.” *Id.*

In view of the foregoing, we sustain the Examiner’s rejection of independent claims 7–11 under 35 U.S.C. § 101.

In rejecting claims 2–6 under 35 U.S.C. § 101, the Examiner found independent claim 2 is “directed to the system for performing the method steps [of independent claim 7, and] is rejected for substantially the same reasons, in that the generically recited computer components in the system claim adds nothing of substance to the underlying abstract idea” (Ans. 4).

Appellants do not provide any response to the Examiner’s rejection of claims 2–6 under 35 U.S.C. § 101. However, as the Examiner points out, there is no meaningful distinction between independent claim 7 and independent claim 2.

In view of the foregoing, we sustain the Examiner’s rejection of independent claims 7–11 under 35 U.S.C. § 101.

Obviousness

Appellants argue claims 2–11 as a group (Appeal Br. 4–5). We select independent claim 7 as representative. The remaining claims stand or fall with independent claim 7. *See* 37 C.F.R. § 41.37(c)(1)(iv).

We are not persuaded by Appellants’ argument that the Examiner erred in rejecting independent claim 7 under 35 U.S.C. § 103(a) because the combination of Ohora and Aquila does not disclose or suggest “requesting a reinspection by selecting a graphical user interface displayed by the reviewing station,” as recited by limitation [c] of independent claim 7 (*see* Appeal Br. 4–5; *see also* Reply Br. 3). Instead, we agree with, and adopt the Examiner’s findings and rationale as set forth at pages 5–7 of the Answer.

In making this determination, we note that Ohora is directed “a method and system of reinspecting individual insurance claims from the initial claim filing to post-completion of the final settlement, as well as overall management and control of the reinspection process” (Ohora ¶ 2). Ohora discloses that its “insurance claim appraisals are each contained within a respective electronic workfile, each of the workfiles holding all pertinent data for processing an insurance claim” (*id.* ¶ 7). Ohora further discloses that its “insurance claim workfiles includes a loss estimate section, an appraisal section and a reinspection section, the reinspection section contains data on a reinspection of an insurance claim estimate” (*id.* ¶ 8; *see also id.* ¶¶ 20, 23). Ohora also discloses that its “reinspection tool is preferably stored in a computer readable medium residing on a second computer. The second computer is in communication with the first computer over the wide area network” (*id.* ¶ 8; *see also id.* ¶¶ 20–21). In this regard, Ohora discloses that its “system 10 includes a communications

server **12** in communication with various remote computers **14**, including those located at vendors, body shops, salvage yards, insurance companies, and other terminals which may be used in an insurance processing environment” (*id.* ¶ 19), which enables “insurance company managers, claims office personnel, and reinspectors and others involved in the insurance claims process” to access insurance claim workfiles (*id.* ¶¶ 20–21).

Obora discloses

a remote terminal **14** for use by a reinspector includes several customizable databases for storing predetermined exception rules **63**, calculations **65**, status reminders **67**, and report forms **68** for each insurance company utilizing the system **10**. The exception rules **63**, as explained in greater detail below, are guidelines for determining whether an appraisal meets with a particular insurance company’s practice.

(*Id.* ¶ 26). Obora further discloses

report forms database **68** preferably contains electronic forms customized to each insurance company's standards for the reinspector to use in preparing reports to appraisers and repair shops on their performance. The report forms database **68** may also contain forms for the reinspector to prepare and send directly to an insurance company concerning the performance of appraisers/repair shops performing work for the insurance company.

(*Id.*). Obora also discloses that its communications server routes the assignment of each claim to the “appropriate appraiser/adjuster or body shop who will handle the claim (at step **72**)” and “also routes a copy of the assignment to the responsible reinspector who will handle the reinspection of the claim (at step **74**)” (*id.* ¶ 28; *see also id.* at Fig. 6). “[W]hen an assignment is completed by the appraiser or shop, the completed workfile is uploaded to the communications server (at step **80**). The communications

server routes this completed workfile to the responsible reinspector's mailbox and performs an electronic appraisal review **82** of the workfile (at steps **82, 84**)" (*id.* ¶ 28; *see also id.* at Fig. 6). Following the electronic appraisal review **82** of the workfile, the "results of the electronic appraisal review are routed to the responsible reinspector's mailbox in a report format (at step **88**)" (*id.* ¶ 32) and the reinspector selects a workfile, i.e., insurance claims, to review and reinspect at the user interface on the reinspector's terminal **14** (*id.* ¶¶ 30–35).

We also note that Aquila is directed to insurance claim processing system which administers, tracks and manages insurance claim processing (Aquila ¶ 3). Aquila's system includes "[an] audit sub-system applies insurance carrier specific business rules, government regulations, and comprehensive trending analysis to detect and rectify any inconsistencies and irregular processing of claims, by auditing internal processes or user or service providers submitted data" (*id.* ¶ 23). More particularly, Aquila discloses that "[a]ccording to certain business rules, the audit sub-system **240** can remove claims from the automated process and refer them back to the insurance carrier for personal attention" (*id.* ¶ 267). Aquila also discloses that "the audit sub-system **240** and the automated audit process can be initiated by a human participant such as a[n] insurance carrier appraiser after a certain amount of human auditing has already taken place. In one embodiment, claim data can be sent directly to the audit sub-system **240** directly" (*id.* ¶ 269).

In their Reply Brief, Appellants contend that "[t]he Examiner concedes that Obora does not disclose the claimed graphical user interface" and instead relies on "paragraphs 0266–0269 in Aquila for disclosure of the

claimed graphical user interface” (Reply Br. 3). Based on this contention, Appellants now argue that because “Aquila discloses the network as being the Internet [t]he means for initiating the audit process may include entering a URL, not the selection of a graphical user interface as required by the claims” (*id.* (citing Aquila ¶ 71)).

Initially, we note that the Examiner does not concede that Obora fails to disclose a “graphical user interface;” (Ans. 5–7); but instead, the Examiner acknowledges that “Obora et al. does not explicitly disclose the limitation that the request for reinspection is given from a graphical user interface displayed by the reviewing station” (*id.* at 5). And, to address this deficiency, the Examiner turns to Aquila as disclosing a “user send[ing] the request for re-inspection through the audit sub-system interface” (*id.* 5–7(citing Aquila ¶¶ 125, 266–269)). Furthermore, Obora discloses that its “system 10 includes a communications server 12 in communication with various remote computers 14, including those located at vendors, body shops, salvage yards, insurance companies, and other terminals which may be used in an insurance processing environment” (*id.* ¶ 19), which enables “insurance company managers, claims office personnel, and reinspectors and others involved in the insurance claims process” to access and update insurance claim workfiles (*id.* ¶¶ 20–21, 34–35). Obora further discloses that its system includes a

graphic user interface not only permits a user to enter and retrieve information from a workfile, but also permits the user to execute tasks involved in reinspection processing such as manipulating a plurality of claim workfiles, opening a specific work file and working on estimate data or correspondence related to the open file.

(*Id.* ¶ 38). Thus, Appellants' argument is not persuasive to show error in the Examiner's rejection of independent claim 7.

In view of the foregoing, we sustain the Examiner's rejection of independent claim 7 under 35 U.S.C. § 103(a). We also sustain the Examiner rejection of claims 2–6 and 7–11 which were not separately argued, and as such, fall with independent claim 1.

DECISION

The Examiner's rejection of claims 2–11 under 35 U.S.C. § 101 is sustained.

The Examiner's rejection of claims 2–11 under 35 U.S.C. § 103(a) is sustained.

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