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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte MARK L. MOERDLER, CHRISTOPHER S. BOSWELL,
GALINA DATSKOVSKY, MURALI SWAMINATHAN,
BRYAN R. DIEBOLD, YING DING,
and JOHN D. BENTON

Appeal 2016-004132
Application 12/337,894
Technology Center 3600

Before ALLEN R. MACDONALD, DENISE M. POTHIER, and
IRVIN E. BRANCH, *Administrative Patent Judges*.

POTHIER, *Administrative Patent Judge*.

DECISION ON APPEAL
STATEMENT OF THE CASE

Appellants^{1,2} appeal under 35 U.S.C. § 134(a) from the Examiner's final rejection of claims 1–3, 5–10, 12–17, and 19–21. Br. 6. Claims 4, 11, 18, and 22–24 have been canceled. *Id.* at 27, 30, 33–34 (Claims App.). We have jurisdiction under 35 U.S.C. § 6(b). We affirm.

¹ Throughout this Opinion, we refer to the Final Office Action (Final Act.) mailed December 31, 2014, the Appeal Brief (Br.) filed June 30, 2015, and the Examiner's Answer (Ans.) mailed October 16, 2015.

² The real party in interest is listed as CA, Inc. and Computer Associates Think, Inc. Br. 4.

Invention

Appellants' invention relates to a technique for "help[ing] manage the risks, business objectives, and compliance requirements associated with doing business." Spec. 2:3–4. A company may use controls 122 (e.g., a company procedures) to achieve business objectives 124 (e.g., a -oriented goal, such as collecting \$20 million per year from sales), to mitigate risk 128 (e.g., whether or not an employee follows a company's code), or to comply with regulations (e.g., Health Insurance Portability and Accountability Act (HIPAA) or Sarbanes-Oaxley Act (SoX)). *Id.* at 2:5–10, 3:5–6, 14:28–29, 41:28–29, 43:25–44:21, Figs. 3, 15; *see id.* at 19:15–20, 21:11–17, 37:22–23, Figs. 5, 11. System 120 may justify or rationalize including a particular control 122 within a company's control portfolio, such as using a "strong" control over a "weak" control, thereby optimizing the portfolio. *Id.* at 12:19–13:3, Fig. 3.

Claim 1 is reproduced below with emphasis:

1. A method for governance, risk, and compliance management, comprising:

 providing, using a processor, an interface for defining a compensating control to be added to a control portfolio and used to reach a goal of an organization, the compensating control providing a procedure to be followed by the organization, wherein the goal comprises mitigating a plurality of risks and complying with a plurality of requirements, and wherein the compensating control complies with first particular requirements in the plurality of requirements;

 providing the interface for defining a metric for tracking a progress of the organization towards reaching the goal using the compensating control;

 receiving, based on the defined metric, metric data from an information governance system, the metric data including a document link for accessing one or more documents

corresponding to the compensating control, the one or more documents being located at the information governance system; providing the interface for accessing, using the document link, the one or more documents corresponding to the compensating control, the one or more documents being accessed in such a way as to prevent the one or more documents from losing their status as original;

determining, using the processor, a weak control from the control portfolio, wherein the weak control mitigates a first quantity of risks and complies with a second quantity of second particular requirements, wherein the first quantity of risks is less than a threshold risk quantity, and wherein the second quantity of requirements is less than a threshold requirement quantity;

determining that the first particular requirements include each of the second particular requirements;

determining a justification for maintaining one of either the weak control or the compensating control in the control portfolio based on the first quantity of risks mitigated by the weak control, the second quantity of requirements complied with by the weak control, and a third quantity of the first particular requirements complied with by the compensating control; and

eliminating the weak control based on the justification.

The Examiner relies on the following as evidence of unpatentability:

Ciaramitaro	US 2005/0004950 A1	Jan. 6, 2005
Shea	US 2005/0197952 A1	Sept. 8, 2005

Phil Pinder, *Preparing Information Security for legal and regulatory compliance (Sarbanes-Oxley and Basel II)*, 11 INFO. SECURITY TECHNICAL REP. 32–38 (2006).

The Rejections

Claims 1–3, 5–10, 12–17, and 19–21³ are rejected under 35 U.S.C. § 101 as being directed to patent ineligible subject matter. Final Act. 5–10.

Claims 1–3, 5–10, 12–17, and 19–21 are rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement. *Id.* at 10–11.

Claims 1–3, 5–10, 12–17, and 19–21 are rejected under 35 U.S.C. § 112, second paragraph, as being indefinite. *Id.* at 12–14.

Claims 1–3, 5–10, 12–17, and 19–21 are rejected under 35 U.S.C. § 103(a) as unpatentable over Ciaramitaro, Shea, and Pinder. *Id.* at 14–55.

We review the appealed rejections for error based upon the issues identified by Appellants in their Appeal Brief, and in light of the arguments and evidence produced. *Cf. Ex parte Frye*, 94 USPQ2d 1072, 1075 (BPAI 2010) (precedential) (citing *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992)). “Any arguments or authorities not included in the appeal brief will be refused consideration by the Board for purposes of the present appeal.” 37 C.F.R. § 41.37(c)(1)(iv).

Except where noted, we adopt the Examiner’s findings and conclusions as our own. Final Act. 5–55; Ans. 3–12.

³ Although omitting claim 21 from the heading and the discussion (Final Act. 8–10), similar limitations are rejected under § 101. *Id.* at 7–8 (addressing claims 7 and 14, which include similar limitations to claim 21). We determine the Examiner’s omission was harmless and include dependent claim 21 for completeness.

THE PATENT-INELIGIBILITY REJECTION

The Examiner states the pending claims are “directed to an abstract idea, specifically eliminating controls that comply with requirements that are already ‘included’ with requirements of other controls. This is a method of human activity and accordingly, is viewed as an abstract idea.” Final Act. 5–6. The Examiner further states the additional elements (e.g., an instruction to apply the idea, an interface, and the processors) or the combination of elements in the claims do not amount to significantly more than the abstract idea and do not provide meaningful limitations to make the idea patent eligible. *Id.* at 6. Lastly, the Examiner determines the claims are not an improvement to a technology, a technical field, or a computer function and merely link the abstract idea to a particular field. *Id.*

Appellants disagree. Br. 18. Appellants argue eliminating controls that comply with requirements is not a method of human activity or of organizing human activity. *Id.* Appellants further assert, even if claim 1 is directed to an abstract idea, the claim’s combination amounts to significantly more. *Id.* at 19. Appellants assert the combination has meaningful limitations like those referenced in *Alice Corp. Pty. Ltd v. CLS Bank Int’l*, 134 S. Ct. 2347 (2014). *Id.* Appellants further argue the claimed features link the elimination of weak controls to a justification, which is more than merely linking an abstract idea to a technological field. *Id.*

ISSUE

Under § 101, has the Examiner erred in determining the claims are directed to patent ineligible subject matter under 35 U.S.C. § 101?

ANALYSIS

Based on the record, we are not persuaded the Examiner erred. Appellants argue claims 1–3, 5–10, 12–17, and 19–21 as group. Br. 17–20. We select claim 1 as representative. *See* 37 C.F.R. § 41.37(c)(1)(iv).

The Patent Act defines patent-eligible subject matter broadly: “Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.” 35 U.S.C. § 101. In *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66, 70 (2012), and *Alice* (134 S. Ct. at 2354), the Supreme Court explained that § 101 “contains an important implicit exception” for laws of nature, natural phenomena, and abstract ideas. *See Diamond v. Diehr*, 450 U.S. 175, 185 (1981).

In *Mayo* and *Alice*, the Court set forth a two-step analytical framework for evaluating patent-eligible subject matter. First, “determine whether the claims at issue are directed to” a patent-ineligible concept, such as an abstract idea. *Alice*, 134 S. Ct. at 2355. If so, “consider the elements of each claim both individually and ‘as an ordered combination’ to determine whether the additional elements” add enough to transform the “nature of the claim” into “significantly more” than a patent-ineligible concept. *Id.* at 2355, 2357 (quoting *Mayo*, 566 U.S. at 79); *see Affinity Labs of Tex., LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1257 (Fed. Cir. 2016).

Mayo/Alice Step 1

Step one in the *Mayo/Alice* framework involves looking at the “focus” of the claims at issue and their “character as a whole.” *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016); *Enfish, LLC v.*

Microsoft Corp., 822 F.3d 1327, 1335 (Fed. Cir. 2016). According to the Examiner, claim 1 is directed to the abstract idea of eliminating controls that comply with already-included requirements of other controls and is a method of human activity. Final Act. 5. We agree.

Claim 1 recites a series of steps for “governance, risk, and compliance management” (preamble) involving tracking an organization’s progress toward a goal. Br. 26 (Claims App.). These steps include defining compensating controls and weak controls (“providing . . . an interface for defining a compensating control to be added to a control portfolio and used to reach a goal of an organization, . . . wherein the compensating control complies with first particular requirements in the plurality of requirements” and “determining . . . a weak control from the control portfolio, wherein the weak control mitigates a first quantity of risks and complies with a second quantity of second particular requirements”), “determining the first particular requirements include each of the second particular requirements,” “determining a justification for maintaining one of either the weak control or the compensating control” based on three factors, and “eliminating the weak control based on the justification.” *Id.* at 26–27 (Claims App.). The Specification explains these steps maximize or optimize an organization’s control portfolio by tracking information. Spec. 12:19–13:3, *cited in part in* Br. 9–10.

Contrary to Appellants’ assertions (Br. 18), this concept of optimizing controls in a control portfolio by eliminating ones that already exist in another control is a method of tracking and organizing information, which can be done by a human (e.g., a method of organizing human activity). For example, collecting and analyzing information have been found to be an

abstract idea. *See Elec. Power.*, 830 F.3d at 1353. The above steps in claim 1 are analogous to tracking and analyzing steps that people go through in their minds without more—essentially mental processes or human activity. *Id.* at 1354. Moreover, similar to claim 1, “the idea of collecting information in classified form,[and] then separating . . . that information according to its classification, is an abstract idea that is not patent-eligible.” *Cyberfone Sys., LLC v. CNN Interactive Group, Inc.*, 558 F. App’x 988, 992 (Fed. Cir. 2014).

Claim 1 is also directed to a fundamental business practice of “manag[ing] the risks, business objectives, and compliance requirements associated with doing business.” Spec. 2:3–4. That is, claim 1 recites a process of “governance, risk, and compliance management” (preamble) using controls to mitigate risks. Br. 26 (Claims App.). Similarly, Appellants state, “[c]ontrols provide a procedure to be followed by an organization to be used to reach a goal of the organization. The goal comprises mitigating a plurality of risks and complying with a plurality of requirements.” Br. 18.

The Specification further explains:

Organizations ranging from large corporations to small businesses often institute numerous policies, processes, and procedures to help manage the risks, business objectives, and compliance requirements associated with doing business. For instance, a corporation may institute numerous internal controls in order to comply with one or more federal regulations (e.g., the Health Insurance Portability and Accountability Act “HIPPA” or the Sarbanes-Oaxley Act “SoX”), to achieve particular business objectives (e.g., to implement a business objective developed by the organization), or to mitigate particular business risks (e.g., to prevent an identified risk from harming the organization).

Id. at 2:2–10. Thus, the disclosure illustrates corporations managing risks using controls in order to comply with regulations is an existing business practice, similar to hedging or protecting against risks discussed in *Bilski v. Kappos*, 561 U.S. 593, 611 (2010) or exchanging financial obligations to mitigate risks addressed in *Alice*, 134 S. Ct. at 2356.

Claim 1 merely articulates a commercial practice of governance, risk, and compliance (GRC) management by “providing the interface for defining a metric for tracking a progress of the organization towards reaching the goal using the compensating control,” “the goal comprises mitigating a plurality of risks and complying with a plurality of requirements,” and “receiving, based on the defined metric, metric data from an information governance system.” Br. 26 (Claims App.). Moreover, this technique of GRC management using controls to mitigate business risks and to comply with requirements is analogous to “contractual relations” to which our reviewing court has spoken. *See buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1353–54 (Fed. Cir. 2014).

Mayo/Alice Step 2

Because claim 1 is directed to an abstract idea, we consider the elements of claim 1 both individually and as combination to determine whether the additional elements add enough to transform the claim into significantly more than a patent-ineligible concept. Step two involves the search for an “inventive concept.” *Alice*, 134 S. Ct. at 2355 (internal citation and quotations omitted); *Elec. Power*, 830 F.3d at 1353. An “inventive concept” requires more than “well-understood, routine, conventional activity already engaged in” by the relevant community. *Rapid Litig. Mgmt. Ltd. v.*

CellzDirect, Inc., 827 F.3d 1042, 1047 (Fed. Cir. 2016) (quoting *Mayo*, 566 U.S. at 79–80). We conclude claim 1 recites no more than generic computer implementations and fails to transform the above abstract idea into a patent-eligible invention.

As indicated in *Alice*, 134 S. Ct. 2347, the mere recitation of a generic computer (e.g., a processor or an interface recited in claim 1) cannot transform a patent-ineligible abstract idea into a patent-eligible invention. *See id.* at 2359. Like *Alice*, claim 1’s use of “a processor” to perform its recited steps uses the processor to perform generic processing functions and does not make claim 1’s steps or its combination amount to significantly more than an abstract idea. *See id.* The fact that claim 1 uses a “processor” (e.g., “determining, using the processor, a weak control”) in this process of optimizing controls “does not render claim[1] any less abstract.” *See Intellectual Ventures I LLC v. Cap. One Bank*, 792 F.3d 1363, 1368 (Fed. Cir. 2015).

Also, when viewing claim 1 as a whole and as discussed previously, claim 1 simply recites the concept of GRC management optimizing controls in a control portfolio that mitigate business risks and comply with requirements in a control portfolio. Br. 26–27 (Claims App.). This claimed invention does not purport to improve the functioning of the processor or the interface. *See id.*; *see also* Final Act. 6 and Ans. 8. Nor does claim 1 allege to improve technology of a technical field. *Id.* Rather, claim 1 (as well as the other claims) merely uses generic computers (e.g., processor and interface) to apply the abstract idea of (1) optimizing controls in a control portfolio and (2) GRC management to mitigate business risks and to comply

with requirements through controls. *See Alice*, 134 S. Ct. at 2359–60, *cited in Ans.* 8–9.

Appellants repeat five limitations in claim 1, asserting these recitations “represent precisely the type of meaningful limitations referenced in *Alice Corp.*” Br. 19. Yet, Appellants do not elaborate on how these limitations are similar to those meaningful limitations addressed in *Alice*. *See id.* Without further explanation, such arguments are not persuasive.

Also, although not separately arguing the remaining claims, *Alice*, 134 S. Ct. 2347, further includes that reciting a system, like claim 8, or computer-readable medium, like claim 15, do not offer meaningful limitations beyond generally linking the use of a method to a particular environment using computers and fails to transform an abstract idea into something significantly more. *See id.* at 2360.

Regarding Appellants’ assertion that the claimed features link the elimination of weak controls to a justification and is more than merely linking an abstract idea to a technological field (Br. 19), we agree with the Examiner that claim 1, at best, describes an algorithm for comparing control information to identify options. Ans. 9. Claim 1 determines to maintain either a weak or compensating control and eliminates the weak control based on three factors (e.g., a first risk quantity and a second requirement quantity associated with a weak control and a third requirement quantity associated with a compensating control) and possibly using an algorithm (e.g., linking a weak control elimination to a justification). *See* Br. 26–27 (Claims App.). Similar to *Bilski*, 130 S. Ct. at 3230–31, claim 1 is at best a method of organizing human behavior and a fundamental economic practice described and reduced to an algorithm. Courts have found that “[w]ithout additional

limitations, a process that employs mathematical algorithms to manipulate existing information to generate additional information is not patent eligible.” *Digitech Image Techs., LLC v. Elecs. for Imaging, Inc.*, 758 F.3d 1344, 1351 (Fed. Cir. 2014).

Appellants have not demonstrated sufficiently claim 1’s process includes additional limitations that transform the claim 1’s abstract idea into something significantly more.

Based on the above reasons, Appellants have not persuaded us of error in determining claim 1 and claims 2–3, 5–10, 12–17, and 19–21, which are not separately argued, are directed to patent-ineligible subject matter under 35 U.S.C. § 101.

THE LACK OF WRITTEN DESCRIPTION REJECTION

The Examiner determines the recited

determining a justification for maintaining one of either the weak control or the compensating control in the control portfolio based on the first quantity of risks mitigated by the weak control, the second quantity of requirements complied with by the weak control, and a third quantity of the first particular requirements complied with by the compensating control

in representative claim 1⁴ fails to have written description support. Final Act. 10–11. Specifically, the Examiner contends the Specification’s pages 12 and 13 describe weak controls related only to requirements—not risks as recited—and fails to describe justifying either a weak control or

⁴ Claims 1–3, 5–10, 12–17, and 19–21 are argued as a group. Br. 15–16. We select claim 1 as representative. *See* 37 C.F.R. § 41.37(c)(1)(iv).

compensating control based on the three components recited in claim 1. *See* Ans. 4–5; *see also* Final Act. 11 (citing Spec. 12–13 (referring to ¶ 52⁵)).

Appellants respond, contending pages 12 and 13 of the disclosure describe comparing strong and weak controls. Br. 16 (citing Spec. 12:19–13:3). Appellants also assert weak controls are identified after determining strong control and based on mitigating less than a threshold number of risks and satisfying less than a threshold number of requirements. *Id.*

The issue before us is whether the Specification satisfies the written description for the limitation

determining a justification for maintaining one of either the weak control or the compensating control in the control portfolio based on the first quantity of risks mitigated by the weak control, the second quantity of requirements complied with by the weak control, and a third quantity of the first particular requirements complied with by the compensating control

in claim 1 by describing this disputed recitation in sufficient detail that one skilled in the art can reasonably conclude that the inventor had possession of the claimed invention.

Based on the record, Appellants’ arguments are unavailing. The relevant portions of the Specification states system 120 justifies or rationalizes maintaining a particular control 122 in its portfolio. Spec. 12:19–21, Figs. 1–2. In particular, the disclosure explains a “strong” control, which is relied upon heavily by organization, may be more justifiable than a “weak” control, which is not relied upon heavily by an

⁵ The Examiner refers to a published application, presumably U.S. 2009/0319312 A1 (publ. Dec. 24, 2009). *See* Ans. 11.

organization. *Id.* at 12:21–24. Yet, the ensuing lines in this paragraph describe only justifying maintaining a strong/compensating control and do not describe how a weak control may be maintained over a strong/compensating control, such that the Specification has written description support for “determining a justification for maintaining one of *either the weak control or the compensating control*” as recited in claim 1 (emphasis added). *See id.* at 12:24–13:3.

In addition, as noted by the Examiner (Ans. 4; *see also* Final Act. 11), the Specification describes strong controls mitigate four risks 128 *or* comply with at least four specific requirements 132 and weak controls satisfy only one or two specific requirements 132—not risks. *Id.* at 12:24–30. As such, the disclosure only discusses basing a justification to maintain the strong/compensating controls based on (1) risks associated with strong controls as well as requirements associated with weak controls or (2) requirements associated with both strong/compensating and weak controls. *Id.* at 12:24–3; *see* Final Act. 11. This passage does not support the recited step of “determining a justification for maintaining” either of the above controls based on *all* of the three recited criteria—“the first quantity of risks mitigated by the weak control, the second quantity of requirements complied with by the weak control, and a third quantity of the first particular requirements complied with by the compensating control” as recited in claim 1. *See id.*

Lastly, Appellants argue weak controls are identified after determining strong controls and, thus, are identified based on mitigating a risk number and complying with a requirement number. *See* Br. 16. Even presuming this is correct, both the risk and requirements numbers are

associated with the compensating control—not the weak control as required by claim 1. Br. 27 (Claims App.). *See* Ans. 4–5; Final Act. 11.

Appellants have not directed us to another passage or figure that support claim 1’s language in dispute. *See* Br. 15–16. There being no Reply Brief, Appellants also fail to dispute the Examiner’s findings in the Answer.

Based on the record and the foregoing reasons, Appellants have not persuaded us of error in the lack of written description rejection of independent claim 1 and claims 2–3, 5–10, 12–17, and 19–21 not separately argued.

THE INDEFINITENESS REJECTION

The Examiner additionally argues, “determining a justification for maintaining one of either the weak control or the compensating control” in claim 1 is indefinite. Citing the same passages discussed above (Spec. 12–13) as well as pages 8 and 9 of the disclosure, the Examiner asserts it is not clear how the three components are used in “determining a justification for maintaining” a control based on (1) the first quantity of risks mitigated by the weak control, (2) the second quantity of requirements complied with by the weak control, and (3) a third quantity of the first particular requirements complied with by the compensating control. Final Act. 12–13. Pointing to the same passage of the Specification as the Examiner (i.e., page 12, line 19 through page 13, line 3), Appellants assert the recited “feature points out and distinctly claims the subject matter regarded as the invention.” Br. 17.

We agree with the Examiner. As noted above, the disclosure fails to describe how the recited, three components are used to justify maintaining

either of a weak control or a strong control. Spec. 12:19–13:3. At best, this portion of the disclosure addresses basing a justification to maintain the strong/compensating controls on (1) risks associated with strong controls as well as requirements associated with weak controls or (2) requirements associated with both strong/compensating and weak controls. *See id.* Further, the Specification provides no corresponding disclosure of maintaining a weak control. *See id.*

To be sure, the Specification provides a general discussion of controls 122 representing procedures or activities to achieve both compliance of regulatory requirements 126 and/or mitigation of risks 128 and controls can simultaneously be associated with requirements 126 and risks 128. Spec. 8:31–9:9, *cited in* Final Act. 13. There is no further explanation of how a control is maintained. *See id.* In light of the Specification, one skilled in the art would not have reasonably understood how maintaining one of either a weak control or a compensating control is justified based on the three recited components as recited step in claim 1, such the claim’s scope is clear.

The Examiner further determines the recited steps of “determining a justification for maintaining one of either the weak control or the compensating control in the control portfolio” and the “eliminating the weak control based on the justification” collectively in claim 1 are indefinite. Final Act. 12. In particular, the Examiner contends these statements are “inconsistent.” *Id.* Appellants argue these limitations are consistent because a weak control is one option set forth in the “determining” step. Br. 16–17.

However, Appellants’ response fails to consider the entire scope of claim 1. *See* Ans. 5. In particular, the Examiner indicates (*id.*) the scope of the disputed “determining” step in claim 1 includes not only maintaining the

compensating control but, alternatively, maintaining the weak control. Br. 27 (Claims App.) (reciting “determining a justification for maintaining *one of either* the weak control *or* the compensating control in the control portfolio”) (italics added). In the scenario where the weak control is maintained, the additional step of “eliminating the weak control based on the justification” does not follow. *See id.* Specifically, the scope of claim 1 is not clear and, thus, does not claim distinctly the subject matter regarding as the invention.

Moreover, although the Specification describes eliminating weak controls after justifying maintaining strong/compensating controls (Spec. 12:24–13:3), there is no corresponding discussion of when to maintain the weak control. In particular, in the latter situation, claim 1 requires *both* (1) *maintaining a weak control* during determining a justification *and* (2) *eliminating the weak control based on the justification*. *See id.* Given the instant disclosure, one skilled in the art would not have been reasonably apprised of the full scope of the disputed “determining” and “eliminating” steps in claim 1.

For the above reasons, Appellants have not persuaded us of error in the indefiniteness rejection of independent claim 1 and claims 2–3, 5–10, 12–17, and 19–21, which are not separately argued.

THE OBVIOUSNESS REJECTION

Regarding representative claim 1,⁶ Appellants argue Ciaramitaro, Shea, and Pinder fail to teach or suggest (1) the “determining . . . a weak

⁶ Claims 1–3, 5–10, 12–17, and 19–21 are argued as a group. Br. 20–25. We select claim 1 as representative. *See* 37 C.F.R. § 41.37(c)(1)(iv).

control” step and (2) the “determining a justification for maintaining one of either the weak control or the compensating control in the control portfolio” step as recited. Br. 22–24. For the disputed step (2), Appellants assert the Office admits Shea and Ciaramitaro do not teach this feature and turn to Pinder. *Id.* at 22. Appellants contend Pinder only teaches determining areas of “over-control” (e.g., duplication of same control in organizational areas) and consolidating controls, which fails to teach determining a justification for maintaining one of two different controls. *Id.* As for the argued step (1), Appellants argue Shea fails to teach determining a weak control based on any threshold level and Pinder’s consolidating overlapping controls does not describe determining weak controls based on a threshold level. *Id.* at 23–24. Lastly, Appellants assert Ciaramitaro does not cure the purported deficiencies of Shea and Pinder. *Id.* at 24.

ISSUE

Under § 103, has the Examiner erred in rejecting claim 1 by finding Ciaramitaro, Shea, and Pinder collectively would have taught or suggested

(I) determining . . . a weak control from the control portfolio, wherein the weak control mitigates a first quantity of risks and complies with a second quantity of second particular requirements, wherein the first quantity of risks is less than a threshold risk quantity, and wherein the second quantity of requirements is less than a threshold requirement quantity

and

(II) “determining a justification for maintaining one of either the weak control or the compensating control in the control portfolio”?

ANALYSIS

Based on the record, we are not persuaded the Examiner erred.

I.

The Examiner finds Shea teaches determining a weak control related to risk and requirements and provides evidence of control success/failure in meeting institutional objectives. Final Act. 22–23 (citing Shea ¶¶ 12, 20–21, 26, 30–31, 33, 59, 98, 104, 146, Figs. 5, 25 and Pinder 36); *see also* Ans. 10–11. Specifically, Shea teaches using controls to mitigate risks and scoring individual controls. Shea ¶¶ 20, 33, 59, 98. Shea, thus, describes determining a control from a control portfolio (e.g., scoring a control) and the control mitigates an amount or quantity of risks. *See id.*

Additionally, Shea teaches its system relates risks to regulatory requirements (*id.* ¶¶ 30–31) and its risks management takes into account business objectives, including compliance with regulations (e.g., Sarbanes-Oaxley and Basel II) (*id.* ¶¶ 12, 20–21). For example, Shea’s Figure 25 shows various risks (e.g., “Investments Disclosure” and “Investments – Rights & Obligations”) associated with regulations (e.g., “FDICIA; Sarbanes-Oaxley”). *See id.* at Fig. 25. As such, Shea teaches and suggests a control (e.g., “Booking and valuation”) mitigates risks and further complies with requirements (e.g., “mitigates a first quantity of risks and complies with a second quantity of second particular requirements” as recited in claim 1)

based on the association of a given risk (e.g., “Investment Disclosure”) to regulations (e.g., FDICIA and Sarbanes-Oxley). *See also* Ans. 10–11.

Moreover, Figure 25 shows Shea’s system rates controls (e.g., “Ineffective,” “Effective,” or “Partly Effective”), which are associated with risks and regulations as previously discussed. *Id.* ¶ 146, Fig. 25. As the Examiner indicates (*see* Ans. 11), one skilled in the art would have recognized that each of the control ratings (e.g., “Effective,” “Partly Effective,” or “Ineffective”) in Figure 25 is determined based on some threshold level. Moreover, given the controls are associated with risks and regulations (*see* ¶¶ 20, 33, 59, 98, 146, Fig. 25), Shea further suggests to one skilled in the art at least some of the determined control ratings (e.g., “Partly Effective”) mitigate a risk and comply with requirements less than certain thresholds and are considered “weak” controls. *See id.* Contrary to Appellants’ assertions (Br. 23–24), we, thus, disagree Shea does not teach or suggest determining a weak control based on threshold levels.

Pinder further supports this position. *See* Ans. 11 (citing Pinder 33–34, 36–37); *see also* Final Act. 23. Pinder teaches organizations implement systems to mitigate risks associated with regulations (e.g., Basel II). Pinder 33–34. Pinder further teaches consolidating controls where there is overlap to reduce inefficiencies (*id.* at 36–37), suggesting to one skilled in the art determining duplicate (e.g., weak) controls based on comparison to other controls. Unlike Appellants assert (Br. 23–24), we also agree with the Examiner Pinder teaches or suggest examining multiple controls (Ans. 12 (citing Pinder 36–37)) and reports control effectiveness (Pinder 37). Notably, the “pervasive control” discussion is just one example of how controls are consolidated in Pinder. *See id.* When combining Pinder’s

teaching with Shea, one skilled in the art would have recognized such a control comparison would examine both the control's risks and requirements to determine overlap. *See* Ans. 11 (stating “[f]or controls to be overlapping, the different controls are greater than a threshold value of risks and regulatory . . . requirements”).

Notably, the Examiner's additional findings and conclusions in the Examiner's Answer are uncontested.

In summary, the Examiner has not erred in finding Shea and Pinder teach or suggest determining a weak control based on a threshold level as argued.

II.

Following the above discussion of Pinder, we also agree with the Examiner Pinder and Shea collectively teach or suggest determining “a justification for maintaining” a control (e.g., weak or compensating) in a control portfolio. Ans. 9–10 (citing Spec. 12:19–24, 12:32–13:3 and Pinder 36–37). During examination of a patent application, a claim is given its broadest reasonable construction “in light of the specification as it would be interpreted by one of ordinary skill in the art.” *In re Am. Acad. of Sci. Tech Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004) (internal citation and quotations omitted). As such, we turn to the Specification, as did the Examiner (Ans. 9–10), to construe the “determining a justification” limitation.

The Specification describes justifying or rationalizing “its reasons for including a particular control 122 in its control portfolio” (Spec. 12:20–21) involves identifying weak controls (*id.* at 12:27–30) and determining whether compensating control is in place for the requirements met by a weak control (*id.* at 12:30–13:3). If compensating control exists, the system

maintains the compensating control and eliminates the weak control. *Id.* at 12:32–13:3. The Specification also discusses a “controls rationalization” between departments involves a system looking for “overlapping controls 122” and when “such controls 122 are redundant, one of such controls may be eliminated.” *Id.* at 11:20–24; *see id.* at 29:21–23. Thus, the recited step of “determining a justification for maintaining one of either the weak control or the compensating control in the control portfolio,” when construed in light of the disclosure, includes determining whether (1) a compensating control is in place for the requirements of a weak control or (2) overlapping controls for different organizational departments exists.

Similarly, as discussed above, Pinder teaches a technique for complying with regulations (e.g., Sarbanes-Oxley and Basel II) in a cost effective manner by implementing controls to mitigate risks. Pinder 32 (Abstract), 33. Pinder explains an organization can avoid repeated compliance projects by determining areas where work is duplicated in different organization parts (e.g., over-control), providing compensating controls, and consolidating controls to improve efficiency. *Id.* at 36–37. Pinder, thus, teaches and suggests determining whether a compensating control exists and whether overlapping controls for different departments exist (e.g., over-control) to improve efficiency. When combining this teaching with Shea, which includes determining a weak control as previously discussed, Shea and Pinder suggest “determining a justification for maintaining” a compensating control (e.g., a consolidated control that includes overlapping controls) over a weak control “in . . . [a] control portfolio” as broadly recited in claim 1 to improve system efficiencies.

Notably, the Examiner's additional findings and conclusions in the Examiner's Answer are uncontested.

Accordingly, the Examiner has not erred in determining Shea and Pinder teach or suggest, "determining a justification for maintaining one of either the weak control or the compensating control in the control portfolio" as recited in claim 1.

DECISION

We affirm the Examiner's rejections of claims 1–3, 5–10, 12–17, and 19–21 under § 101, § 112, first paragraph, § 112, second paragraph, and § 103.

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