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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
13/919,102	06/17/2013	Robert McHugh	TR01-004-02	5748
12394	7590	03/20/2018	EXAMINER	
Travelers Companies c/o Fincham Downs LLC 90 Grove Street Suite 205 Ridgefield, CT 06877			SUBRAMANIAN, NARAYANSWAMY	
			ART UNIT	PAPER NUMBER
			3695	
			NOTIFICATION DATE	DELIVERY MODE
			03/20/2018	ELECTRONIC

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte ROBERT MCHUGH, KEEFE KIRSHEN, and CAROL SWIRSKY

Appeal 2016-004381¹
Application 13/919,102²
Technology Center 3600

Before MURRIEL E. CRAWFORD, ANTON W. FETTING, and
TARA L. HUTCHINGS, *Administrative Patent Judges*.

HUTCHINGS, *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 1–17. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Our decision references Appellants’ Appeal Brief (“App. Br.,” filed Oct. 10, 2015) and Reply Brief (“Reply Br.,” filed Mar. 21, 2016), and the Examiner’s Answer (“Ans.,” mailed Jan. 22, 2016) and Final Office Action (“Final Act.,” mailed Mar. 11, 2015).

² Appellants identify The Travelers Indemnity Company as the real party in interest. App. Br. 3.

CLAIMED INVENTION

Appellants' claimed invention relates to a method that reduces the time from a work-related injury to a report of a workers compensation claim into the insurance carriers system. *See* Spec. ¶ 100.

Claims 1–4 are the independent claims on appeal. Claim 1, reproduced below, is illustrative of the claimed subject matter:

1. An apparatus for processing a workers compensation insurance claim comprising:

a claim reporting computing system operable to receive, electronically over a network and from a remotely located insurance medical liaison, a report of a workers compensation claim for a work-related injury; and

a claim management computing system, the claim management computing system operable to communicate with the claim reporting computing system for processing a workers compensation claim and comprising:

a processing device; and

a memory device in communication with the processing device, the memory device storing instructions that when executed by the processing device result in:

receiving, electronically over a network, an electronic version of a medical report from a treating physician, the medical report indicating an evaluation of an injury of an injured worker;

extracting from the electronic version identifying information that allows a search of records in a database accessible to the processing device;

determining, based on the identifying information and by searching the database, that a report of a claim for the injury has previously been received by the claim reporting computing system from a medical liaison; and

authorizing, prior to a report of the claim by either an employer of the injured worker or the injured worker when the report of the claim has previously been received from the medical

liaison, a progression of an investigation of the claim by a claim professional based on the medical report,

wherein authorizing the progression of the investigation comprises:

(a) generating an electronic message to the claim professional, the electronic message including an indication of the medical report and the identifying information; and

(b) activating at least one field of a user interface used by the claim professional in processing the claim, such that data can be input to the at least one field by the claim professional after the activating.

REJECTION

Claims 1–17 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

ANALYSIS

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: “[l]aws 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) (citing *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2116 (2013)).

The Supreme Court, in *Alice*, reiterated the two-step framework previously set forth in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66 (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 Corp.*, 134 S. Ct. at 2355. The first step in that analysis is to “determine whether the claims at

issue are directed to one of those patent-ineligible concepts.” *Id.* (citation omitted). If the claims are not directed to a patent-ineligible concept, e.g., an abstract idea, the inquiry ends. Otherwise, the inquiry proceeds to the second step where the elements of the claims are considered “individually and ‘as an ordered combination’” to determine whether there are additional elements that “‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (quoting *Mayo*, 566 U.S. at 79, 78).

The Court acknowledged in *Mayo*, that “all inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas.” *Mayo*, 566 U.S. at 71. Therefore, the Federal Circuit has instructed that claims are to be considered in their entirety to determine “whether their character as a whole is directed to excluded subject matter.” *McRO, Inc. v. Bandai Namco Games Am., Inc.*, 837 F.3d 1299, 1312 (Fed. Cir. 2016) (quoting *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015)).

Here, the Examiner determines that the claims are directed to processing a workers compensation insurance claim, which is a fundamental economic practice and a method of organizing human activity by authorizing. Specifically, with respect to the latter category, the Examiner finds that prior to a report of the claim by either an employer or an injured worker, the claimed invention authorizes a progression of an investigation of the claim based on the medical report by a claim professional. Final Act. 3. The Examiner further finds that the elements considered individually (e.g., receiving, extracting, determining, and authorizing, wherein authorizing includes generating an electronic message and activating at least one field of a user interface) execute in a manner routinely and conventionally expected

of these elements. *Id.* at 3–4. The elements together “undertake their roles in performance of their activities according to their generic functionalities[,] which are well-understood, routine and conventional.” *Id.* at 4.

Appellants argue that the § 101 rejection cannot be sustained because the Examiner has provided no evidence that the subject matter of the claims is sufficiently similar to at least one concept the courts have identified as an abstract idea. App. Br. 14, 19–23. Notably, Appellants acknowledge that “claims 1 – 17 recite an apparatus for processing a workers compensation insurance claim.” *Id.* at 20. But Appellants charge that

[t]he claims do not recite a mathematical algorithm, a method for mitigating settlement risk, establishing a contractual relationship, nor a fundamental economic or longstanding commercial practice. The claims do not recite any of the concepts courts have found to be abstract ideas, much less a fundamental economic practice or method of organizing human activity, as was alleged in the Final Office Action.

Id. at 21. And Appellants contend that the claims are “directed to a very specific event which occurs in response to another specific event within the context of a claim management computing system: generating an electronic message using information extracted from an electronic report and activating a field in a user interface based on the received electronic report.” *Id.*; *see also id.* at 22 (asserting that the claims “address a challenge (increasing the speed and efficiency of processing . . . a workers compensation claim from time of injury to finalization of the claim investigation) that is particular to the field of workers compensation insurance claims).

Yet, the first step in the *Alice/Mayo* inquiry asks whether the focus on the claims is on a specific improvement in computer capabilities or technology or, instead, on a process that qualifies as an abstract idea for

which computers are invoked merely as a tool. *See Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335–36 (Fed. Cir. 2016). Here, the problem identified by Appellants falls into the latter category, i.e., an improvement in the abstract idea of processing workers compensation claims that uses technology as a tool. The Specification supports this conclusion. For example, the Specification describes how employers often are remiss in timely reporting a workers compensation (“WC”) claim to the insurance company in a timely manner, resulting in inefficient resources, anxiety, excess costs, and lengthy return-to-work times. Spec. ¶ 100. Appellants recognized that the processing of a WC claim could be improved by entering the WC claim into the insurance provider’s system “earlier rather than later” to initiate more timely investigation of the WC claim. *Id.* ¶ 102.

With this desired improvement to business methodology in mind, the inventors created an alternate reporting mechanism for WC claims by embedding an insurance medical liaison into the process. *Id.* ¶ 107. The insurance medical liaison could be a live or virtual person affiliated with the insurance company to interface with and evaluate injured workers. *Id.* The Specification identifies benefits achieved by providing an insurance medical liaison as an alternate source for claim reporting, including minimizing delay in the process, obtaining information directly from the worker soon after the injury, and observing physical and mental state of the worker. *Id.* ¶ 109. Thus, the Specification frames the problem and solution of the invention as one related to an improvement to the methodology for processing workers compensation claims, not technology.

Consistent with this framing, claim 1, for example, recites an apparatus for processing a workers compensation claim comprising a claim

reporting computing system, and a claim management computing system operable to communicate with the claim reporting computing system. The apparatus for processing a workers compensation claim results in authorizing a progression of an investigation of the claim prior to a report of the claim by an employer of the injured worker or the injured worker. Specifically, the claim management computing system includes a processing device operable to receive a report over a network, and a memory device with instructions that when executed by the processing device result in: (1) receiving a report, (2) extracting information from the report, (3) determining that a report has been received, and (4) authorizing a progression of an investigation by a claim professional based on the medical report prior to a report of the claim by an employer or injured worker when the report of the claim has been previously received from the medical liaison. Independent claims 2–4 similarly each recite an apparatus for processing the workers compensation claim that focuses on improving the process via alternative reporting mechanisms, where claim 2 results in authorizing a finalization of the investigation and claims 3 and 4 result in authorizing an initiation of the investigation. Together, the claims and Specification support the Examiner’s determination that the claims focus on an improved process for processing workers compensation claims.

Appellants charge that fundamental economic practices, per USPTO guidelines, constitute “concepts relating to the economy and commerce, such as agreements between people in the form of contracts, legal obligations, and business relations.” App. Br. 21 (citation omitted). Appellants next assert that “claims 1 – 17, on their face, do not fit into any of these examples or broader category [sic] as defined by the Office.” *Id.* Notwithstanding that

the Board reviews Appellants' arguments against case law and not USPTO guidance, Appellants cannot reasonably deny that processing workers compensation claims squarely falls within the description cited by Appellants for a fundamental economic practice. Appellants' Specification, for example, describes that WC insurance companies receive reports of claims related to injuries sustained by workers while on a job for an employer, and then investigate the claim to determine whether to accept and pay benefits under the policy. Spec. ¶ 100. In other words, claims processing sets forth contractual and legal obligations of the parties and relates to the economy and commerce. Moreover, we observe that the Applicant and real party in interest (i.e., The Travelers Indemnity Company) admits that such claims processing is a long-standing and ubiquitous economic practice. *See, e.g., Workers compensation insurance for today's unique risks*, TRAVELERS, <https://www.travelers.com/business-insurance/workers-compensation> (touting that Applicant "has been providing workers compensation coverage for *more than 100 years*" and that most states require employers to carry workers compensation insurance — even for temporary or seasonal workers (emphasis added)).

We also are not persuaded of Examiner error by Appellants' arguments regarding preemption. App. Br. 22–23. "Where a patent's claims are deemed only to disclose patent ineligible subject matter under the *Mayo* framework, as they are in this case, preemption concerns are fully addressed and made moot." *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015). In addition, "the absence of complete preemption does not demonstrate patent eligibility." *Id.* (citing *Alice Corp.*, 134 S. Ct. at 2354).

In the Reply Brief, Appellants assert that “the Office . . . has made the *streamlined eligibility analysis* a part of the two-part test under Alice.”

Reply Br. 5. As an initial matter, the Board evaluates Appellants’ arguments against case law, even if guidance goes beyond the case law and is more restrictive on the Examiner than the case law. Nonetheless, here, guidance does not go beyond the case law to impose a streamlined eligibility analysis, as argued by Appellants. Instead, the guidance provides the streamlined analysis as an optional tool for Examiners to use at their discretion. *See 2014 Interim Guidance on Patent Subject Matter Eligibility*, 79 Fed. Reg. 74618, 74625 (Dec. 16, 2014) (“[A] streamlined eligibility analysis *can be used*.” (emphasis added)). Further, “if there is doubt as to whether the applicant is effectively seeking coverage for a judicial exception itself, *the full analysis should be conducted*.” *Id.* (emphasis added). Here, the Examiner's decision to perform a full § 101 analysis does not constitute error.

To the extent Appellants argue that the claims are patent-eligible because the claimed invention is novel and non-obvious in view of the prior art (*see* App. Br. 22), that argument is unpersuasive. A finding of novelty or non-obviousness does not automatically lead to the conclusion that the claimed subject matter is patent-eligible. “Groundbreaking, innovative, or even brilliant discovery does not by itself satisfy the § 101 inquiry.” *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 591 (2013). A novel and non-obvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 566 U.S. at 90; *see also Diamond v. Diehr*, 450 U.S. 175, 188–89 (1981) (“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.”).

Turning to step two of the analysis, Appellants argue that the claims “improve the field of data processing by providing a mechanism which allows a workers compensation claim investigation to be initiated and progressed even before a report of the claim is reported by an injured worker or an employer of the injured worker.” App. Br. 24 (citing benefits of invention as improved return-to-work time frames, improved productivity for employer, improved medical care for worker, and decreased costs to employer). This argument is not persuasive for reasons similar to those we articulated under step one.

Appellants assert that the invention provides an improvement by “electronically receiv[ing] a report of a workers compensation claim from a remotely located insurance medical liaison who is neither the injured worker nor an employer of the injured worker.” *Id.* at 25. Yet, the claimed step of receiving is devoid of any implementation details or technical description that would permit us to conclude that the claim as a whole is directed to something more than the abstract idea identified by the Examiner. *See Secured Mail Sols. LLC v. Universal Wilde, Inc.*, 873 F.3d 905, 912 (Fed. Cir. 2017) (concluding that claims do not satisfy step two where “[t]he claim language does not provide any specific showing of what is inventive about the [limitation in question] or about the technology used to generate and process it”).

Appellants further assert that the claimed process is “not already well known in the art, as evidenced by the lack of any rejection under either of 35

U.S.C. §§ 102 or 103.” App. Br. 25. But, Appellants seemingly misapprehend the controlling precedent.

Although the second step in the *Mayo/Alice* framework is termed a search for an “inventive concept,” the analysis is not an evaluation of novelty or non-obviousness, but rather, a search for “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 Corp.*, 134 S. Ct. at 2355 (alteration in original) (citation omitted). As described above, a novel and nonobvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 566 U.S. at 90.

Appellants argue that “the claims are applied to a particular machine that is not a general purpose computer.” App. Br. 25. Specifically, Appellants contend that the claimed apparatus requires “two specialized modules which interface together to more efficiently process a workers compensation claim in a manner different from what was known in the art.” *Id.* Yet, we find no indication in the record, nor do Appellants point to anything in the record to indicate, that the claim reporting computing system and claim management computing system require any specialized computer hardware or other inventive computer components, invoke any inventive programming, or that the claimed invention is implemented using other than generic computer components to carry out the claimed operations. Instead, claim 1 recites only generic computer components and features: a “claim reporting computing system” and a “claim management computing system” comprising a “processing device” and a “memory device,” and the Specification describes the use of generic components. *See, e.g.*, Spec.

¶¶ 139–148. The Supreme Court made clear in *Alice* that “[s]tating an abstract idea while adding the words ‘apply it with a computer’” does not transform a patent-ineligible abstract idea into a patent-eligible invention. *Alice Corp.*, 134 S. Ct. at 2358.

Appellants argue that the claims each include a limitation other than what is well-understood, routine, or conventional in the field, or adding unconventional steps that confine the claim to a particular useful application. App. Br. 26. Specifically, Appellants assert that the steps of receiving a report, communicating the report, and authorizing “an initiation (claim 1),”³ “progression (claim 2),”⁴ or “finalization (claims 3 and 4)”⁵ based on the report are novel steps that provide a more efficient system for processing WC claims. *Id.* However, Appellants conflate the search for an “inventive concept” at the second step of the *Alice/Mayo* analysis with an evaluation of novelty or non-obviousness. The second step is a search for “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 Corp.*, 134 S. Ct. at 2355 (alteration in original) (citation omitted). Here, the steps of receiving, communicating and authorizing relate to an improvement to the abstract idea of processing the workers compensation claim. Appellants do not identify, and we do not find, anything in the claims or Specification to indicate an element or combination of elements that amounts to significantly more than the abstract idea.

³ Claim 1 recites authorizing the progression, not an initiation.

⁴ Claim 2 recites authorizing a finalization, not progression.

⁵ Claims 3 and 4 each recites authorizing an initiation, not a finalization.

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We are not persuaded for the foregoing reasons that the Examiner erred in rejecting claims 1–17 under 35 U.S.C. § 101. Therefore, we sustain the Examiner’s rejection.

DECISION

The Examiner’s rejection of claims 1–17 under 35 U.S.C. § 101 is affirmed.

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