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- rlord@fbfk.law
jhathaway@fbfk.law
docketing@fbfk.law

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JEFRE E. FUTCH, ANDREW J. GONCZI,
ROBERTA J. MASON, and INGRID C. STUCKENBERG

Appeal 2016-004753
Application 11/346,015
Technology Center 3600

Before MURRIEL E. CRAWFORD, MICHAEL C. ASTORINO, and
MATTHEW S. MEYERS, *Administrative Patent Judges*.

CRAWFORD, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant(s) seek our review under 35 U.S.C. § 134 of the Examiner's final decision rejecting claims 11–29. We have jurisdiction over the appeal under 35 U.S.C. § 6(b).

We REVERSE.

Claim 11 is illustrative:

11. A computer system for selecting an information technology (IT) risk for treatment, comprising:

a processor;

a memory; and

software instructions stored in the memory and configured to be executed by the processor to perform a method, the method comprising:

identifying a plurality of IT risks to one or more hardware servers, wherein the plurality of IT risks are risks of outages of a hardware server of the one or more hardware servers, and wherein each of the plurality of IT risks is based on a known problem and is associated with one of a plurality of IT asset classifications and one of a plurality of IT consequence classifications;

for each of the plurality of IT risks:

determining a probability value (P) to measure a probability of the IT risk occurring,

determining a severity value (S) to measure a severity of an impact of IT risk,

calculating a subclass IT risk exposure index based on a square root of $(P^2 + S^2)$,

obtaining a subclass significance value for the subclass IT risk exposure index quantifying the significance of the subclass IT risk to a parent IT risk,

calculating a composite IT risk exposure index for the parent IT risk based on a plurality of IT risk exposure indexes and a plurality of

significance values, wherein the subclass IT risk exposure index is one of the plurality of IT risk exposure indexes, wherein the subclass significance value is one of the plurality of significance values, and wherein the composite IT risk exposure index is a first quantitative score associated with the IT risk,

generating a business impact index based on the composite IT risk exposure index and at least one business impact associated with the IT risk, wherein the business impact index is a second quantitative score associated with the IT risk, and

generating a risk treatment index based on the business impact index and at least one factor affecting an ability to treat the IT risk, wherein the risk treatment index is a third quantitative score associated with the IT risk;

prioritizing the plurality of IT risks based on the risk treatment index of each IT risk; selecting at least one of the plurality of IT risks for treatment based upon the priority of each of the plurality of IT risks and at least one risk acceptance policy; and

treating the at least one of the plurality of IT risks selected by changing one or more system parameters on the hardware server implicated by the at least one of the plurality of IT risks, wherein the one or more system parameters address a corresponding known problem associated with the at least one of the plurality of IT risks causing an outage of the hardware server.

Appellant(s) appeal the following rejection:

Claims 11–29 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

PRINCIPLES OF LAW

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 implicit exceptions: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *E.g.*, *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S.Ct. 2347, 2354 (2014).

In determining whether a claim 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. *See Alice*, 134 S. Ct. at 2356 (“On their face, the claims before us are drawn to the concept of intermediated settlement, *i.e.*, the use of a third party to mitigate settlement risk.”); *Bilski v. Kappos*, 561 U.S. 593, 611 (2010) (“Claims 1 and 4 in petitioners’ application explain the basic concept of hedging, or protecting against risk.”); *Diamond v. Diehr*, 450 U.S. 175, 184 (1981) (“Analyzing respondents’ claims according to the above statements from our cases, we think that a physical and chemical process for molding precision synthetic rubber products falls within the § 101 categories of possibly patentable subject matter.”); *Parker v. Flook*, 437 U.S. 584, 594–595 (1978)

(“Respondent’s application simply provides a new and presumably better method for calculating alarm limit values.”); *Gottschalk v. Benson*, 409 U.S. 63, 64 (1972) (“They claimed a method for converting binary-coded decimal (BCD) numerals into pure binary numerals.”).

The patent-ineligible end of the spectrum includes fundamental economic practices, *Alice*, 134 S. Ct. at 2357; *Bilski*, 561 U.S. at 611; mathematical formulas, *Flook*, 437 U.S. at 594–95; and basic tools of scientific and technological work, *Benson*, 409 U.S. at 69. On the patent-eligible side of the spectrum are physical and chemical processes, such as curing rubber, *Diamond*, 450 U.S. at 184 n.7, “tanning, dyeing, making waterproof cloth, vulcanizing India rubber, smelting ores,” and a process for manufacturing flour, *Gottschalk*, 409 U.S. at 69.

If the claim is “directed to” a patent-ineligible abstract idea, 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. *Alice*, 134 S. Ct. at 2355. 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.*

In addition, the Federal Circuit has held that if a method can be performed by human thought alone, or by a human using pen and paper, it is merely an abstract idea and is not patent-eligible under § 101. *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1373 (Fed. Cir. 2011) (“[A] method that can be performed by human thought alone is merely an abstract idea and is not patent-eligible under § 101.”).

ANALYSIS

Appellants argue that the Examiner failed to properly consider the second step of the two part analysis of *Alice Corp.* App. Br. 12. The Appellants direct our attention to the recitation in claim 11 of treating the at least one plurality of IT risks selected by changing one of the system parameters on the hardware server implicated by the at least one of the plurality of IT risks. App. Br. 14. Appellants argue that the claim addresses technical challenges among computer networks by treating risks of outages of a hardware server by changing one or more system parameters on the hardware server and that this is done by software instructions. This, according to the Appellants is rooted in computer technology. App. Br. 14, 16.

The Examiner finds in the Final Action that the claim is nothing more than a purely conventional computerized implementation of applicant's formula for determining what parameters should be changed on hardware. In regard to the recitation of changing the one or more parameters on the hardware server based on prioritization, the Examiner finds that these changes appear to be done manually and are not controlled by the computer determining the solution to the formula. Final Act. 3; Ans. 4. The Examiner concludes that the claims do not amount to significantly more than the judicial exception itself. Final Act. 3; Ans. 4.

Claim 11 recites in pertinent part:

“a processor” and “software instructions . . . configured to be executed by the processor to perform the method, the method comprising . . . treating the at least one of the plurality of IT

risks selected by changing one or more system parameters on the hardware server”

We agree with the Appellants that claim 11 recites that it is the processor that changes the one or more system parameters. Independent claim 18 includes a similar recitation.

As the Examiner’s rejection is based on an erroneous construction of claims 11 and 18, we will not sustain this rejection. In this regard, the Examiner has not established that the recitation of a processor which changes the system parameters on a hardware server is not a recitation of significantly more than the abstract idea.

DECISION

We reverse the Examiner’s § 101 rejection.

ORDER

REVERSED