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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JEFFREY A. BOWERS, KENNETH G. CALDEIRA,
ALISTAIR K. CHAN, WILLIAM H. GATES, III, RODERICK A. HYDE,
MURIEL Y. ISHIKAWA, JORDIN T. KARE, JOHN LATHAM,
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CLARENCE T. TEGREENE, and LOWELL L. WOOD, JR. ¹

Appeal 2016-005828
Application 12/006,804
Technology Center 3600

Before HUBERT C. LORIN, JOSEPH A. FISCHETTI, and
BIBHU R. MOHANTY, *Administrative Patent Judges*.

MOHANTY, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

The Appellants seek our review under 35 U.S.C. § 134 of the final rejection of claims 1, 2, 6–10, 15–16, 21–26, 31–35, 39–44, 49–54, 58–62, and 67–69 which are all the claims pending in the application. We have jurisdiction under 35 U.S.C. § 6(b).

¹ According to Appellants, the real party in interest is Searete LLC an affiliate of The Invention Science Fund I, LLC. *See* Appeal Br. 4.

SUMMARY OF THE DECISION

We AFFIRM.

THE INVENTION

The Appellants' claimed invention is directed to the purchase of storm suppression equipment at least partially through insurance premiums for the areas to be protected (Spec., para. 9). Claim 1, reproduced below, is representative of the subject matter on appeal.

1. A method comprising:
 - selling insurance policies regarding areas to be protected by water property alteration equipment, the water property alteration equipment including wave driven water temperature alteration equipment;
 - funding at least one of purchase, operation, or maintenance of the water property alteration equipment at least partially through premiums collected from the selling; and
 - inducing water temperature changes in a region using the wave driven water temperature alteration equipment in response to the funding.

THE REJECTION

The following rejection is before us for review:

Claims 1, 2, 6–10, 15–16, 21–26, 31–35, 39–44, 49–54, 58–62, and 67–69 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

FINDINGS OF FACT

We have determined that the findings of fact in the Analysis section below are supported at least by a preponderance of the evidence.²

ANALYSIS

Rejection under 35 U.S.C. § 101

The Appellants argue that the rejection of claim 1 is improper because the claims are directed to statutory subject matter (App. Br. 6–23, Reply Br. 2–7). The Appellants argue that the rejection fails to show that the claims are directed to an abstract idea (App. Br. 16, 17, Reply Br. 2–4). The Appellants also argue the rejection fails to show the claims are not “significantly more” than any abstract idea (App. Br. 17–23, Reply Br. 4–7).

In contrast the Examiner has determined that rejection of record is proper (Final Rej. 3–5, Ans. 2–9).

We agree with the Examiner. 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 judging 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*

² *See Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Patent Office).

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 determine 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.* The Court also stated that “the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention.” *Id.* at 2358.

Here, we find that the claim is directed to the concept of selling insurance policies and using the insurance premiums to take steps to prevent the insurance policy from making a payment. This is a fundamental economic practice long prevalent in our system of commerce, and is an abstract idea beyond the scope of § 101. The Specification at paragraph 9 indicates that the invention in an aspect manages risk by selling insurance policies and using the funds to purchase suppression equipment.

We next consider whether additional elements of the claim, both individually and as an ordered combination, 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 using generic computer components. We conclude that it does not. For example, the Specification at paragraph 36 discloses using well known digital signal processors (DSP’s), compact discs (CD), and computer memory.

Considering each of the claim elements in turn, the function performed by the computer system at each step of the process is purely conventional. Each step of the claimed method does no more than require a generic computer to perform a generic computer function.

For these above reasons the rejection of claim 1, and its dependent claims which were not specifically argued is sustained.

CONCLUSIONS OF LAW

We conclude that Appellants have not shown that the Examiner erred in rejecting the claims 1, 2, 6–10, 15–16, 21–26, 31–35, 39–44, 49–54, 58–62, and 67–69 under 35 U.S.C. § 101.

DECISION

The Examiner's rejection of claims 1, 2, 6–10, 15–16, 21–26, 31–35, 39–44, 49–54, 58–62, and 67–69 is sustained.

AFFIRMED