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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte THOMAS DANAHER HARVEY

Appeal 2016-006577¹
Application 14/103,568 ²
Technology Center 3600

Before HUBERT C. LORIN, BRUCE T. WIEDER, and AMEE A. SHAH,
Administrative Patent Judges.

SHAH, *Administrative Patent Judge.*

DECISION ON APPEAL

The Appellant appeals under 35 U.S.C. § 134(a) from the Examiner’s final decision rejecting claims 19–31 under 35 U.S.C. § 101 as being directed to nonstatutory subject matter. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Throughout this opinion, we refer to the Appellant’s Appeal Brief (“Appeal Br.,” filed Feb. 6, 2016), Reply Brief (“Reply Br.,” filed June 19, 2016), and Specification (“Spec.,” filed Dec. 11, 2013), and the Examiner’s Answer (“Ans.,” mailed June 3, 2016) and Final Office Action (“Final Act.,” mailed Jan. 5, 2016).

² According to the Appellant, the real party in interest is “Thomas Danaher Harvey, the applicant of record.” Appeal Br. 3.

STATEMENT OF THE CASE

The Appellant’s invention “relates to a method of settling claims of injured victims of dangerous objects such as firearms, ballistic weapons or other similar objects, using a system that maintains dangerous object and insurer related information.” Spec. ¶ 2.

Claims 19 and 26 are the independent claims on appeal. Claim 19, which we reproduce below, is illustrative of the subject matter on appeal:

19. A method for settling insurance claims comprising:
 - producing a digital representation of an identifying physical feature of a dangerous object;
 - issuing an insurance policy contracting to pay claims directly to persons injured by the dangerous object; and
 - storing the digital representation in a database with an interface accessible to persons having a potential claim under the insurance policy: wherein said interface when searched with information sufficiently matching the digital representation reveals the identity of the issuer of the insurance policy and conceals the identity of the owner of the dangerous object.

Appeal Br. 21 (Claims App.).

ANALYSIS

Independent claims 19 and 26

The Appellant argues independent claims 19 and 26 as a group, noting that the analysis for independent claims 19 and 26 “would be almost identical” (*id.* at 13). We consider claim 19 as representative of the group; claim 26 stands or falls with claim 19. *See* 37 C.F.R. § 41.37(c)(1)(iv).

The patent statute provides that a patent may be obtained for “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.” 35 U.S.C. § 101. Yet the Supreme Court has “long held that this provision contains an important implicit

exception: Laws of nature, natural phenomena, and abstract ideas are not patentable.” *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014) (quoting *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2116 (2013)). The Court has, thus, made clear that “[p]henomena of nature, though just discovered, mental processes, and abstract intellectual concepts are not patentable, as they are the basic tools of scientific and technological work.” *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972).

The Supreme Court in *Alice* reiterated the two-step framework, set forth previously in *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1300 (2012), “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of [these] concepts.” *Alice*, 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.* If so, the second step is to consider the elements of the claims “individually and ‘as an ordered combination’” to determine whether the additional elements “‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (quoting *Mayo*, 132 S. Ct. at 1291, 1297). In other words, the second step is to “search for an ‘inventive concept’ — *i.e.*, 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.’” *Id.* (alteration in original) (quoting *Mayo*, 132 S. Ct. at 1294).

In rejecting claim 19 under 35 U.S.C. § 101, the Examiner finds that: (1) claim 19 is directed to an abstract idea, *i.e.* a method of organizing human activities, including interpersonal activities, or alternatively, a

fundamental economic practice, namely issuing an insurance policy; (2) the limitations recited in the claim involve processes that require no more than generic components to perform generic functions that are well-understood, routine and conventional activities previously known to the industry; and (3) the claim elements, when viewed both individually and in combination, do not amount to significantly more than the abstract idea itself. Final Act. 3–5; *see also* Ans. 3–5).

The Appellant contends the Examiner’s rejection is in error because: (1) the Examiner fails to make a prima facie case in that the rejection “does not identify the additional elements of the claims or explain why they do not amount to significantly more than the exception” (Appeal Br. 11); (2) “[t]he claims of this invention viewed as a whole are not directed to a judicial exception” (*id.* at 12) (emphases omitted); and (3) the claim “includes elements that are ‘significantly more’ than any judicial exception” (*id.* at 15) (emphases omitted). Upon careful review of the Appellant’s Appeal and Reply Briefs, we disagree with the Appellant’s contention for at least the reasons discussed below.

The Appellant first argues

[t]he rejections contend that two elements “issuing an insurance policy” and “data processing” are judicial exceptions but does [sic] not identify the additional elements of the claims or explain why they do not amount to significantly more than the exception. Therefore, the rejections attempt improperly to shift the initial burden to the applicant and the applicant is denied the opportunity to respond and to rebut the arguments of the examiner.

Appeal Br. 11. We find this unpersuasive at least because the Examiner clearly articulates the reasons why the claim is not statutory. The Examiner provides multiple ways in which the claim is directed to a patent-ineligible

abstract idea, and provides adequate explanation of the consideration of the elements of the claim individually and as an ordered combination in determining that the additional elements do not transform the nature of the claim into a patent-eligible application. *See* Final Act. 3–5 *and* Ans. 3–5; *see also Alice*, 134 S. Ct. at 2355.

The Appellant argues that the claim is not directed to a judicial exception, i.e., an abstract idea, and thus “passes steps 2A of the Mayo test.” (Appeal Br. 12 (emphasis omitted)), because the claim as a whole is not directed to a judicial exception (*see id.* at 12-14; *see also* Reply Br. 3–4). We disagree. The Court found in *Alice* that it need not labor to delimit the precise contours of the “abstract ideas” category in that case. *See Alice*, 134 S. Ct. at 2357. By Appellant’s own admission “[t]he claimed invention relates to guaranteeing the availability of insurance benefits for injured parties. The claim is directed towards payment of benefits, to providing only such information to potential claimants as is necessary to file claims[,] and to securing the privacy of dangerous object owners and users.” Appeal Br. at 12. The Appellant also makes clear that the goal of the invention is “protecting potential victims of the dangerous objects and compensating those actually injured.” *Id.* at 17; *see also* Reply Br. 4 (“the current claimed invention is directed to the narrow goals of making certain that insurance is available to protect victims of dangerous objects”). Whether the claim relates to guaranteeing insurance benefits, payment of such benefits, or compensating those injured, we agree with the Examiner that the claim is directed to the abstract idea of providing insurance policies and benefits, both a method of organizing human activity and a fundamental economic practice. *See Bancorp Svcs. V. Sun Life*, 687 F.3d 1266, 1278 (Fed. Cir.

2012) (finding managing of an insurance policy an abstract idea); *and Accenture Gloabs Svcs, GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1341–45 (finding the system and method claims were directed to the abstract idea of handling insurance-related information).

Citing the July 2015 Update,³ the Appellant further argues that the claim “includes elements that are ‘significantly more’ than any judicial exception,” because it includes several of the factors listed therein as “render[ing] an element significant,” and, thus, “passes step 2B of the Mayo test.” Appeal Br. 15 (emphases omitted); *see also* Reply Br. 4–5. The Appellant contends the claim: (1) adds “unconventional steps that confine the claim to a particular useful application” including identifying the insurer from a physical feature of the object, concealing the identity of the owner from a claimant, continuing insurer responsibility, and paying claims directly to injured persons; (2) transforms a particular article to a different state or thing by transforming physical features to a digital representation and physical marks to a search key; (3) includes limitations not well-understood, routine, or conventional in the field requiring insurers to remain responsible and identifying the insurer without knowing the owner; and (4) includes “meaningful limitations that do more than link an abstract idea to a technological environment” including limitations regarding dangerous objects, concealing owners, continuance of insurer responsibility, and direct payment. *Id.* at 15–16 (emphases omitted).

³ July 2015 Update on Subject Matter Eligibility,” 80 Fed. Reg. 146, 45429 (July 30, 2015). The July 2015 Update supplements the December 2014 “Interim Guidance on Patent Subject Matter Eligibility,” 79 Fed. Reg. 241, 74618, that provides examples of limitations that may comprise “significantly more.” *Id.* at 74624.

The Appellant’s argument is not persuasive. Claim 19 is directed to a method for settling insurance claims reciting steps of producing a digital image, issuing an insurance policy, and storing the representations in an accessible database that, when searched, reveals the issuer and conceals the identity of the owner (*id.* at 21) — steps that all are part of the process for providing an insurance policy, i.e., the abstract idea. The additional limitations beyond the abstract idea are directed to insurance processing. Claim 19 does not recite that the steps are performed by a computer, nor any particular computer process to implement the identifying, concealing, and paying; the steps recited can all be performed manually. Although, arguably, the steps of producing and storing the digital representation may be performed by a computer, these steps do not transform the article into a different article. The data, such as serial numbers, remain data. Further, producing, storing, and recognizing a digital representation of a physical object are “well-understood, routine, [and] conventional activities previously known to the industry.” *Content Extraction and Transmission LLC v. Wells Fargo Bank, Nat. Ass’n*, 776 F.3d 1343, 1347–49 (Fed. Cir. 2014) (“The concept of data collection, recognition, and storage is undisputedly well-known. Indeed, humans have always performed these functions. . . . the use of a scanner or other digitizing device to extract data from a document was well-known at the time of filing, as was the ability of computers to translate the shapes on a physical page into typeface characters”). The “unconventional steps” and “limitations other than those well-understood, routine and conventional” are business-related steps that simply elaborate on the abstract idea.

For at least the reasons above, we are not persuaded of Examiner error by the Appellant's argument that at least one of the elements or combination amounts to significantly more than the abstract idea. Appeal Br. 17.

In view of the foregoing, we sustain the Examiner's rejection under 35 U.S.C. § 101 of claim 19, and thus also claim 26 which falls with claim 19.

Dependent claims 20–25 and 27–31

The Appellant argues that the Examiner's rejection of dependent claims 20–25 and 27–31 under 35 U.S.C. § 101 is in error because each of the dependent claims provide "additional significant elements" that are also significantly more than the abstract idea. *See* Appeal Br. 18–19. For reasons similar to those discussed above with respect to claim 19, we disagree. Further, the elements of dependent claims 20 and 27 narrow the type of item being insured, but, contrary to the Appellant's assertion, do not specify that the limitation is performed by a specific machine. *Id.* at 18. The elements of dependent claims 21–25 and 28–31 provide additional insurance policy restrictions and specifications, but do not "link the claim to a particular technological environment" or "ensure" that the claim "is more than a drafting effort designed to monopolize the [abstract idea]." *Alice*, 134 S.Ct. at 2357 (citing *Mayo*, 132 S.Ct. at 1297).

Thus, we sustain the Examiner's rejection under 35 U.S.C. § 101 of dependent claims 20–25 and 27–31.

DECISION

The Examiner's rejection of claims 19–31 under 35 U.S.C. § 101 is AFFIRMED.

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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