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GILKEY, CARRIE STRODER

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JON WIERKS and SUSAN ALLEN

Appeal 2017-000368
Application 13/067,330
Technology Center 3600

Before BRUCE T. WIEDER, AMEE A. SHAH, and
ALYSSA A. FINAMORE, *Administrative Patent Judges*.

SHAH, *Administrative Patent Judge*.

DECISION ON APPEAL¹

The Appellants² appeal under 35 U.S.C. § 134(a) from the Examiner’s decision rejecting claims 4–11, 14–17, and 19–21, which are all of the pending claims, under 35 U.S.C. § 101 as being directed to non-statutory subject matter. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Throughout this Decision, we refer to the Appellants’ Appeal Brief (“Br.,” filed Mar. 1, 2016) and Specification (“Spec.,” filed May 25, 2011), and to the Examiner’s Answer (“Ans.,” mailed July 20, 2016) and Non-Final Office Action (“Office Act.,” mailed July 10, 2015).

² According to the Appellants, the real party in interest is “CORELOGIC SOLUTIONS, LLC.” Br. 1.

STATEMENT OF THE CASE

The Appellants' invention "relates to a property complexity scoring device and associated methodology and non-transitory computer program storage device for calculating a complexity score indicating a difficulty level in determining a property value estimate of a target property." Spec. ¶ 1.

Claims 1, 15, and 19 are the independent claims on appeal. Claim 15 (Br. 21–22 (Claims App.)) is illustrative of the subject matter on appeal, and is reproduced below:

Claim 15: A method for determining a complexity score of a target property, comprising:

receiving location information of a target property via an interface;

receiving respective property values of the target property from each of a plurality of Automated Valuation Models (AVMs) via the interface;

calculating, with a CPU, a complexity score based on a combination of the received property values, the complexity score being one of a plurality of complexity score levels and indicating a difficulty level in determining a property value estimate of the target property; and

determining a recommended type of valuation to be performed on the target property based at least in part on the calculated complexity score and a range associated with the calculated complexity score;

wherein the plurality of complexity score levels comprise at least two of:

a first complexity score level that indicates the property values received from the AVMs as the recommended type of valuation,

a second complexity score level that indicates a broker price opinion (BPO) as the recommended type of valuation,

a third complexity score level that indicates a standard manual appraisal as the recommended type of valuation, and

a fourth complexity score level that indicates a special request manual appraisal as the recommended type of valuation.

ANALYSIS

The Appellants argue claims 4–11, 14–17, and 19–21 as a group. *See* Br. 6, 16. We select claim 15 as representative of the group; claims 4–11, 14, 16, 17, and 19–21 stand or fall with claim 15. *See* 37 C.F.R. § 41.37(c)(1)(iv).

Under 35 U.S.C. § 101, a patent may be obtained for “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.” 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.*, 569 U.S. 576, 588–89 (2013)).

The Supreme Court in *Alice* reiterated the two-step framework, set forth previously in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66, 78–79 (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*, 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.* (emphasis added) (citing *Mayo*, 566 U.S. at 79). 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*, 566 U.S. at 78–79).

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*, 566 U.S. at 72–73). 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. We, therefore, look to whether the claims focus on a specific means or method that improves the relevant technology or are instead directed to a result or effect that itself is the abstract idea, and merely invoke generic processes and machinery, *i.e.*, “whether the focus of the claims is on [a] specific asserted improvement in computer capabilities . . . or, instead, on a process that qualifies as an ‘abstract idea’ for which computers are invoked merely as a tool.” *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335–36 (Fed. Cir. 2016).

Under the first step of the *Alice/Mayo* framework, we find supported and adopt the Examiner’s determination that the claim is directed to “scoring property” to make a recommendation, which is a fundamental economic practice and mathematical formula. Office Act. 2; Ans. 3–4.

The Appellants ostensibly do not disagree with the Examiner’s characterization of the claim. *See* Br. 9. Rather, the Appellants argue that the claim is not directed to one of the examples of abstract ideas identified by the Supreme Court in *Alice (id.)*, and that “the claimed features are not

concepts that have been explicitly identified as abstract ideas” (*id.* at 10). According to the Appellants, the Examiner also fails “to indicate how ‘property scoring’ is equivalent to one of the enumerated categories that have been identified by a relevant court as being abstract” (*id.*), and, thus, the Examiner “has **failed** to meet its *prima facie* case for asserting that the claims are directed to an abstract idea as is required by the USPTO guidelines” (*id.* at 11 (referring to the JULY 2015 UPDATE: SUBJECT MATTER ELIGIBILITY, 80 Fed. Reg. 45429 (“July Guidelines”), issued July 30, 2015, after the mailing date of the Office Action)). We disagree.

Here, in rejecting the claim under § 101, the Examiner analyzes the claim using the *Mayo/Alice* two-step framework. Specifically, the Examiner looks to the intrinsic evidence of the claim language and determines that the claim is directed to the abstract idea of “**scoring property.**” Ans. 3–4; Office Act. 2. The Examiner cites numerous judicial decisions, including *Alice*, thoroughly analyzes the decisions, and comprehensively compares the concept here to those found to be abstract in those decisions. Ans. 5–9, 23–26. For example, we see no error in the Examiner’s determination that the concept of “scoring property” is similar to the abstract idea of “mitigating settlement risk” in *Alice* in that both concepts mitigate risk and are fundamental economic practices long prevalent in our system of commerce. Ans. 6.

Thus, the Examiner has clearly articulated the reasons as to why the claim is directed to an abstract idea and has notified the Appellants of the reasons for the rejection “together with such information and references as may be useful in judging of the propriety of continuing the prosecution of [the] application.” 35 U.S.C. § 132. In doing so, the Examiner set forth a

prima facie case of unpatentability. *See In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011); *Chester v. Miller*, 906 F.2d 1574, 1578 (Fed. Cir. 1990) (Section 132 “is violated when a rejection is so uninformative that it prevents the applicant from recognizing and seeking to counter the grounds for rejection”). We further note that the Examiner has clearly followed the Office’s guidelines.

In response to the Appellants’ argument that the “the claims do not seek to tie up the use of the entire abstract concept to which the limitation is directed” (Br. 11; *see also id.* at 12), we note that although the Supreme Court has described “the concern that drives this exclusionary principle[, i.e., the exclusion of abstract ideas from patent eligible subject matter,] as one of preemption” (*see Alice*, 134 S. Ct. at 2354), characterizing preemption as a driving concern for patent eligibility is not the same as characterizing preemption as the sole test for patent eligibility. “The Supreme Court has made clear that the principle of preemption is the basis for the judicial exceptions to patentability” and “[f]or this reason, questions on preemption are inherent in and resolved by the § 101 analysis.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (citing *Alice*, 134 S. Ct. at 2354). Although “preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *Id.* When considering the claim in accord with the *Mayo/Alice* two-step framework, the aforementioned concept and structure claimed are not sufficiently limiting so as to fall clearly on the side of patent-eligibility. *See Ans. 9.*

We find unpersuasive of error the Appellants’ argument that the claim is not directed to an abstract idea because “the specification describes a

business challenge that is resolved by the claimed invention” (Br. 11) for the reasons provided by the Examiner in the Answer at pages 10–11. In particular, we agree with the Examiner that the “the inquiry is not *just* whether there is a business challenge resolved by the instant invention, but whether the business challenge is one rooted in technology, or one where the proposed solution is merely using computers as a tool.” Ans. 11; *see also Enfish*, 822 F.3d at 1335–36. The Appellants do not present reasoning or argument(s) why the Examiner’s determination that the problem addressed and the purported solution provided by the claimed invention do not meet the inquiry.

We further find unpersuasive of error the Appellants’ argument that “the pending claims are similar to examples of patent-eligible claims provided [in the July Update]” (Br. 12; *see also id.* at 13–14) for the reasons provided by the Examiner in the Answer at pages 11–12. In particular, we agree that the claimed invention is different from the examples provided in the July Update because “[t]he first example has computer technology at its root and is trying to solve a technical problem: computer viruses, unlike the instant invention which is directed to making a choice between various types of appraisals” (Ans. 11), and the second example was “rooted in computer technology, and in problems that arose out of computer technology [whereas t]he instant case only uses computer technology as a tool to provide information and perform calculations [and t]he claims are attempting to solve a problem that arises out of a human need to balance cost and accuracy/risk” (*id.* at 12). The Appellants do not present reasoning or argument(s) why the Examiner’s determinations are incorrect.

Under the second step of the *Alice/Mayo* framework, we find supported and adopt the Examiner’s determination that the claim limitations, taken individually or as an ordered combination, do not recite an inventive concept. *See* Office Act. 3–4; Ans. 12–22. We are unpersuaded by the Appellants’ arguments to the contrary. *See* Br. 14–16.

We find unpersuasive the Appellants’ argument that the claim is significantly more because it “recites features which are not well-understood, routine and conventional such as calculating a complexity score based on a combination of received property values and determining a recommended type of valuation to be performed on a target property, where the complexity score levels indicate various types of recommended valuations” (Br. 15; *see also id.* at 16) for the reasons provided by the Examiner in the Answer at pages 12–22. We note that the Specification provides that the method is implemented by a generic CPU operating in its ordinary and conventional manner. *See* Spec. ¶¶ 14–15, 48–54, Figs. 1, 6; *see also* Ans. 13. And, we agree with the Examiner that “[t]here is no indication that the combination of elements improves the functioning of a computer or improves any other technology.” *Id.* We further note that the Appellants do not present reasoning or argument(s) why the Examiner’s determinations regarding the Specification and the judicial decisions relied upon for support and evidence (*see id.* at 12–22) are incorrect.

Further, that “the previous rejections are withdrawn and there are no art rejections for the pending claims” (Br. 16) does not automatically indicate patent-eligible subject matter under 35 U.S.C. § 101. An abstract idea does not transform into an inventive concept just because the prior art does not disclose or suggest it. *See Mayo*, 566 U.S. at 90.

“Groundbreaking, innovative, or even brilliant discovery does not by itself satisfy the § 101 inquiry.” *Ass’n for Molecular Pathology*, 133 S. Ct. at 2117; *see also* Ans. 9–10 (quoting *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1352 (Fed. Cir. 2014)). Indeed, “[t]he ‘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.” *Diamond v. Diehr*, 450 U.S. 175, 188–89 (1981); *see also Mayo*, 566 U.S. at 90 (rejecting “the Government’s invitation to substitute §§ 102, 103, and 112 inquiries for the better established inquiry under § 101”).

Based on the foregoing, we are not persuaded that the Examiner erred in rejecting the claim 15 under 35 U.S.C. § 101. Therefore, we sustain the rejection of claim 15 and claims 4–11, 14, 16, 17, and 19–21, which fall with claim 15.

DECISION

The Examiner’s rejection of claims 4–11, 14–17, and 19–21 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