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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JAMES PATRICK STEELE

Appeal 2017-000404¹
Application 11/736,661²
Technology Center 3600

Before JOSEPH A. FISCHETTI, NINA L. MEDLOCK, and
BRADLEY B. BAYAT, *Administrative Patent Judges*.

MEDLOCK, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant appeals under 35 U.S.C. § 134(a) from the Examiner’s final rejection of claims 13–16 and 18–20. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Our decision references Appellant’s Appeal Brief (“Br.,” filed May 31, 2016) and the Examiner’s Answer (“Ans.,” mailed July 22, 2016), and Final Office Action (“Final Act.,” mailed September 30, 2015).

² Appellant identifies American International Group, Inc. as the real party in interest. Br. 1.

CLAIMED INVENTION

Appellant's claimed invention "relates generally to settlement payments, and more particularly to a program for assisting victims of personal injuries to handle their settlement payments and help to manage their lives after injury" (Spec. ¶ 2).

Claim 13, reproduced below, is the sole independent claim, and representative of the subject matter on appeal:

13. A method of assisting a personal injury client, comprising:

(a) setting up a trust program comprising at least one trust form selected from a Special Needs trust and a Medicare Set-Aside trust;

(b) transferring assets from a settlement for compensating a personal injury client to the trust program;

(c) periodically distributing funds, by the trust program and via a specialized computer support and processing system, according to a customized structured payment program for the personal injury client comprising future periodic payments;

(d) providing at least one service by the trust program to assist the personal injury client, wherein the at least one service is selected from the group consisting of home health care services, guaranteed-issue health insurance, prescription drug program services, home maintenance service, and combinations thereof;

(e) providing at least one tangible good by the trust program to the personal injury client, wherein the at least one tangible good is selected from the group consisting of home health care goods, durable products for disabled, and combinations thereof; and

(f) using a web server to execute computer executable instructions stored on a tangible computer-readable medium to perform steps of:

displaying a web page on a web site adapted to be used by the personal injury client to access the trust program, the web page including a personalized menu of services available to the personal injury client through the trust program, and

displaying a web page on the web site providing preferred pricing for at least one of goods and services included in the trust program of the personal injury client.

REJECTIONS

Claims 13–16 and 18–20 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

Claims 13–16 and 18–20 are rejected under 35 U.S.C. § 103(a) as unpatentable over Walter N. Thorp, *Special Needs — Special Plans: Estate Planning Considerations for Attorneys Representing Families with Members with Disabilities*, 13 JOURNAL OF DISABILITY POLICY STUDIES 24 (Summer 2002) (hereinafter “Thorp”), Parker (US 2003/0182290 A1, pub. Sept. 25, 2003), and Aubertin et al. (US 2006/0271436 A1, pub. Nov. 30, 2006) (hereinafter “Aubertin”).³

ANALYSIS

Non-Statutory Subject Matter

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

³ Aubertin claims priority from provisional application Serial No. 60/678,789, filed May 9, 2005 (Final Act. 5).

abstract ideas” are not patentable. *See, e.g., Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014).

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.* 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)).

In rejecting the pending claims under 35 U.S.C. § 101, the Examiner determined that the claims are directed to “managing a trust program,” i.e., to an abstract idea; and that, whether viewed individually or as an ordered

combination, the additional elements, other than the abstract idea, do not amount to significantly more than the abstract idea itself (Final Act. 3–4).

Appellant does not challenge the Examiner’s finding that the claims are directed to an abstract idea (although Appellant ostensibly does so “[w]ithout acquiescing in any way” to the Examiner’s determination that the claims are directed to an abstract idea (Br. 4)). Instead, Appellant argues that independent claim 13 is patent-eligible because the claim recites additional elements that amount to significantly more than a judicial exception (*id.* at 5).

In this regard, Appellant first argues that claim 13 is patent-eligible because the claim satisfies the *Bilski*⁴ machine-or-transformation test, i.e., the claimed method is tied to a particular machine or apparatus (*id.*). In fact, the claimed method is not tied to any particular machine or apparatus at all.

Appellant asserts that the claimed method steps “identify particular devices and require a particularly-programmed machine,” e.g., “the ‘specialized computer support and processing system’ is particularly programmed to periodically distribute funds ‘according to a customized structured payment program’” (*id.*) (emphasis omitted). But, there is no indication in the Specification that the claimed method involves any specialized hardware or that the “particular devices” recited in claim 13 are other than generic computer components, which is not enough for patent-eligibility. *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1256 (Fed. Cir. 2014) (“And after *Alice*, there can remain no doubt: recitation of

⁴ *Bilski v. Kappos*, 561 U.S. 593 (2010).

generic computer limitations does not make an otherwise ineligible claim patent-eligible.”).

We also are not persuaded of Examiner error by Appellant’s argument that claim 13 improves an existing technological process (Br. 6–7).

Appellant asserts that the method of claim 13 comprises a Comprehensive Life Needs Trust Program (“CLNT Program”) that addresses the unique physical and financial concerns of personal injury settlement clients by “providing access to the management of not only the assets received by these clients, but also to vendor goods and services to assist them in managing their lives after injury” (*id.*). Appellant maintains that “[t]his is a significant improvement over any existing technological process known at the time of the invention” (*id.* at 7). Yet, the focus of claim 13 is not on the improvement of any technological process but rather on implementation of the abstract idea itself, i.e., managing a trust program. Indeed, the Specification supports this view, disclosing that the claimed invention relates to “a program for assisting victims of personal injuries to handle their settlement payments and . . . manage their lives after injury” (Spec. ¶ 2), and that the CLNT Program is “a way to add new features and benefits to the settlement process,” including access to continuous trust management and professional experience (*id.* ¶ 8). To the extent that claim 13 provides any improvement at all, that improvement is to a business process, i.e., providing trust services to manage a structured settlement, *not* a technological process.

It also is alone insufficient to establish patent-eligibility, even accepting Appellant’s assertion, that the method of claim 13 “can be performed to create a more marketable trust program — a particularly useful application” (Br. 7). The Examiner’s rejection of claim 13 under § 101 is

not based on any alleged lack of utility. Instead, the Examiner determined that claim 13 is directed to an abstract idea. And the law is clear that the recitation of a practical application for an abstract idea is insufficient to transform the abstract idea into a patent-eligible invention. *Cf. CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1371 (Fed. Cir. 2011) (“The Court [in *Parker v. Flook*, 437 U.S. 584 (1978)] rejected the notion that the recitation of a practical application for the calculation could alone make the invention patentable.”).

We also are not persuaded of Examiner error to the extent that Appellant maintains that claim 13 is patent-eligible because the claimed invention is allegedly novel and/or non-obvious (Br. 7 (“the applied references fail to render claim 13 unpatentable and do not teach or suggest a method of assisting a personal injury client having the combination of steps and features recited in claim 13”)). A finding of novelty or non-obviousness does not automatically lead to the conclusion that the claimed subject matter is patent-eligible. 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. “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.”).

We are not persuaded, on the present record, that the Examiner erred in rejecting claim 13 under 35 U.S.C. § 101. Therefore, we sustain the Examiner’s rejection. We also sustain the Examiner’s rejection of dependent claims 14–16 and 18–20, which are not argued separately except with reference to Appellant’s arguments with respect to claim 13 (Br. 7).

Obviousness

Appellant variously argues that the Examiner erred in rejecting claim 13 under 35 U.S.C. § 103(a) (Br. 8–13). But, none of Appellant’s arguments is persuasive.

Addressing each of Appellant’s arguments in turn, we are not persuaded, as an initial matter, by Appellant’s argument that Aubertin cannot be relied on in rejecting claim 13 under § 103(a) because Aubertin is non-analogous art (*id.* at 9–10). Appellant argues that Aubertin is directed to a system and method for managing a computer network-based loyalty and benefits program for an organization, and “is not in the same field of endeavor as the subject matter of the pending claims, namely, a method of assisting a personal injury client” (*id.* at 9). Appellant also maintains that “Aubertin is not reasonably pertinent to the particular problem with which [Appellant] was involved”; therefore, according to Appellant, “it would not logically have commended itself to the Appellant’s attention in considering the problem” (*id.*).

In rejecting claim 13 under § 103(a), the Examiner relied on Aubertin as disclosing “providing preferred pricing for at least one of goods and

services included in the trust program of the personal injury client,” as recited in claim 13 (Final Act. 11). The Examiner, thus, noted that Aubertin discloses a “method for providing value-added benefits to an organizational program, wherein a web server provides preferred pricing information” (*id.* (citing Aubertin ¶¶ 41, 122)).

We agree with the Examiner that, even if Aubertin cannot reasonably be considered in the same field of endeavor, Aubertin is reasonably pertinent to the problem addressed by Appellant, i.e., “Aubertin provides preferred pricing to a subset of consumers to maintain consumer satisfaction,” which is “what is occurring with the subset of consumers affiliated with the trust program, as discounts are given as a perk to boost consumer satisfaction with the trust program” (Ans. 6–7).

We also are not persuaded of Examiner error by Appellant’s argument that none of Thorp, Parker, and Aubertin, individually or in combination, discloses or suggests “providing at least one service by the trust program to assist the personal injury client” and “providing at least one tangible good by the trust program to the personal injury client,” as recited in claim 13, i.e., limitations (d) and (e) (Br. 10–12). Instead, we agree with the Examiner that Thorp discloses the argued limitations (Final Act. 6–7 (citing Thorp, pp. 34–35)).

Thorp is entitled “Special Needs — Special Plans: Estate Planning Considerations for Attorneys Representing Families with Members with Disabilities,” and is directed to estate planning issues that arise in situations where a person with a disability is involved (*see* Thorp 25). Thorp discloses the use of a Special Needs Trust for a beneficiary with a disability (*see, e.g., id.* at 31–32), and identifies at pages 34–35, cited by the Examiner, the key

considerations in drafting the trust and sample language for each consideration. As outlined at pages 34–35, Thorp discloses that the trust is intended to supplement, rather than replace public assistance, and recommends inclusion of a provision defining the types of non-support needs (e.g., requisites for maintaining the beneficiary’s health, safety, and welfare, which are not provided by any public agency) for which trust funds may be used. Thorp discloses that these non-support needs may include, for example, extraordinary or experimental mental medical care, dental and diagnostic work, telephone and cable television services, special medical equipment, personal hygiene items, etc. i.e., various services and tangible goods (*id.* at 35).

Appellant argues that Thorp only contemplates funding a trust with money, and does not contemplate “that the trust will be a trust program which provides at least one service and at least one tangible good[,] as recited in claim 13” (Br. 11–12). Appellant, thus, maintains that, rather than providing services and/or goods, i.e., actually performing “at least one service” to assist the personal injury client and actually delivering “at least one tangible good” to the personal injury client, as called for in claim 13, the trust program, in Thorp, provides only money (*id.*).

We are not persuaded by Appellant’s argument at least because we agree with the Examiner that there is nothing in claim 13 that requires the actual performance of a service or the actual delivery of a tangible good (Final Act. 6–7; *see also* Ans. 8–9). Instead, we agree with the Examiner that “providing,” as used in claim 13, is reasonably construed, in light of Appellant’s Specification, to mean providing access to value-added benefits, including tangible goods through payments for supplemental goods and

services, which Thorp discloses (Ans. 8–9 (citing Spec. ¶ 18 (describing that a vendor services component of the CLNT Program “can offer access to various product and service distribution channels for health, nursing, handicap needs and more that are tailored to assisting clients of personal injury settlements”); ¶ 21 (describing that the CLNT Program also includes “access to direct durable medical equipment, medical services companies, a prescription drug service, and connections for home maintenance”)).

Appellant further asserts that the § 103 rejection cannot be sustained because none of the cited references, alone or in combination, discloses or suggests “the claimed web server in such a way to render claim 13 unpatentable” (Br. 12). However, that argument is not persuasive at least because Appellant’s assertion does not rise to the level of a substantive argument for patentability. *Cf. In re Lovin*, 652 F.3d 1349, 1356–57 (Fed. Cir. 2011) ((holding that the Board reasonably interpreted 37 C.F.R. § 41.37(c)(1)(vii) as requiring “more substantive arguments in an appeal brief than a mere recitation of the claim elements and a naked assertion that the corresponding elements were not found in the prior art”).

Appellant paraphrases the claim language, and summarily asserts that the proposed combination does not disclose or suggest the claim limitation (Br. 12). But, Appellant offers no persuasive argument or technical reasoning to support that position.

We are not persuaded, on the present record, that the Examiner erred in rejecting independent claim 13 under 35 U.S.C. § 103(a). Therefore, we sustain the Examiner’s rejection. We also sustain the Examiner’s rejection of dependent claims 14–16 and 18–20, which are not argued separately except based on their dependence from claim 13 (*see* Br. 13).

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DECISION

The Examiner's rejection of claims 13–16 and 18–20 under 35 U.S.C. § 101 is affirmed.

The Examiner's rejection of claims 13–16 and 18–20 under 35 U.S.C. § 103(a) 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