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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte SEAN DOHERTY, NATALIE LEHR-LOPEZ
and MARK LOPES¹

Appeal 2017-000902
Application 13/692,614
Technology Center 3600

Before CARL W. WHITEHEAD JR., JEREMY J. CURCURI, and
AARON W. MOORE, *Administrative Patent Judges*.

WHITEHEAD JR., *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants are appealing the non-final rejection of claims 1–16 under 35 U.S.C. § 134(a). Appeal Brief 2. We have jurisdiction under 35 U.S.C. § 6(b) (2012).

We affirm.

Introduction

The invention is directed to a:

[M]ethod for identifying corporate risk, implemented on a computer system, may include obtaining corporate data on

¹Appellants identify the Real Party in Interest as Tailored Solutions and Consulting, Inc. Appeal Brief 2.

computer-readable media, the corporate data comprising at least one of internal data and external data, obtaining behavioral corporate data from the corporate data on computer-readable media, the behavioral corporate data comprising at least one event data point, obtaining data indicative of risk-creating behavior from the behavioral corporate data on computer-readable media by evaluating the corporate data against a knowledge-base of characteristic risk-creating behavior, and communicating the data indicative of risk-creating behavior to a user as threat vectors with at least one dimension, the threat vectors displayed on a graphical user interface.

Specification ¶ 4.

Illustrative Claim

1. A method for identifying corporate risk, implemented on a computer system including a processor, relayed over a network, the method comprising:

obtaining corporate data on computer-readable media, the corporate data comprising at least one of quantifiable internal data and external data;

obtaining behavioral corporate data from the corporate data on computer-readable media, the behavioral corporate data derived from monitored virtual and physical interactions of actors, comprising employees, non-employees, customers, and suppliers, with an enterprise's property, the interactions comprising at least one event data point, the event is one of a singular action or a series of related actions taken by one or several of the actors, and further comprises one or more of interactions with people, facilities or infrastructure, network access, use of an RFID badge, and applying for a position;

creating a baseline of corporate data derived from quantifiable data from established business operations and a knowledge-base of characteristic risk-creating behavior, the baseline of corporate data comprising categorically specific interaction data;

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obtaining data indicative of risk-creating behavior from the behavioral corporate data on computer-readable media by evaluating the corporate data against the baseline and determining a change, rate of change, or source of change; and

displaying on a visual display associated with the computer system an output showing the data indicative of risk-creating behavior to a user as threat vectors configured for visual comparison on a graph with at least one dimension, the graph displayed on a graphical user interface.

Rejections on Appeal

Claims 1–16 stand rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter. Non-Final Action 3–4.

Claims 1–16 stand rejected under 35 U.S.C. § 103 as being unpatentable over Brohman (US Patent Application Publication 2006/0155553 A1; published July 13, 2006) and Draper (US Patent Application Publication 2009/0276257 A1; published November 5, 2009). Non-Final Action 5–10.

ANALYSIS

Rather than reiterate the arguments of Appellants and the Examiner, we refer to the Appeal Brief (filed January 15, 2016), the Answer (mailed August 11, 2016) and the Non-Final Action (mailed September 11, 2015) for the respective details.

35 U.S.C. § 101 rejection

The U.S. Supreme Court provides a two-step test for determining whether a claim is directed to patent-eligible subject matter under 35 U.S.C.

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§ 101.² In the first step, we determine whether the claims are directed to one or more judicial exceptions (i.e., law of nature, natural phenomenon, and abstract ideas) to the four statutory categories of invention (i.e., process, machine, manufacture, and composition of matter). *Id.* (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1296–97 (2012)) (“*Mayo*”). In the second step, we “consider the elements of each 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.” *Id.* at 2355 (citing *Mayo*, 132 S. Ct. at 1297–98). 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.* (citing *Mayo*, 132 S. Ct. at 1294).

Step One

Appellants contend the claimed method and system of managing corporate risk is far more than merely identifying corporate risk, and requires more than a generic computer as alleged in the outstanding Action. Rather, the present invention further requires a specifically programmed system to monitor the virtual and physical interactions of actors with an enterprise’s property.

Appeal Brief 5–6.

In the instant application, we find the invention is directed to an abstract idea because the claims differ in character from the claims in *Enfish*, where “the plain focus of the claims [were] on an improvement to computer functionality itself, not on economic or other tasks for which a computer is

² *Alice Corp. Pty. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014).

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used in its ordinary capacity.” *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1336 (Fed. Cir. 2016).³ The claims utilize a computer system as a tool that includes a processor to access and identify corporate risk. Accordingly, we find Appellants’ arguments unpersuasive and find the claims are directed to an abstract idea. *See, e.g., Elec. Power Grp. LLC v. Alstom S.A.*, 830 F.3d 1350, 1354 (Fed. Cir. 2016) (explaining that a claim to “gathering and analyzing information of a specified content, then displaying the results,” absent “any particular assertedly inventive technology for performing those functions,” is directed to an abstract idea).

Step Two

Appellants contend,

the present invention does more than “merely recite the performance of some business practice known from the pre-Internet world, along with the requirement to perform in on the Internet.” *See DDR Holdings, LLC v. Hotels.com et al.*, 113 USPQ2d 1097 (Fed. Cir. 2014). Instead, the claimed invention is necessarily rooted in computer technology in order to

³ “Therefore, we find it relevant to ask whether the claims are directed to an improvement to computer functionality versus being directed to an abstract idea, even at the first step of the *Alice* analysis.

For that reason, the first step in the *Alice* inquiry in this case asks whether the focus of the claims is on the specific asserted improvement in computer capabilities (i.e., the self-referential table for a computer database) or, instead, on a process that qualifies as an “abstract idea” for which computers are invoked merely as a tool. As noted *infra*, in *Bilski* and *Alice* and virtually all of the computer-related § 101 cases we have issued in light of those Supreme Court decisions, it was clear that the claims were of the latter type—requiring that the analysis proceed to the second step of the *Alice* inquiry, which asks if nevertheless there is some inventive concept in the application of the abstract idea. *See Alice*, 134 S. Ct. at 2355, 2357–59.” *Enfish*, 822 F.3d at 1335–36.

overcome a problem arising in the realm of computer networks (e.g. tracking an actor's interactions with an organization's property through a computer environment and identifying changes in such interactions over time).

Appeal Brief 6.

Noting that “the two stages involve overlapping scrutiny of the content of the claims,” the Federal Circuit has described “the first-stage inquiry” as “looking at the ‘focus’ of the claims, their ‘character as a whole,’” and “the second-stage inquiry (where reached)” as “looking more precisely at what the claim elements add—specifically, whether, in the Supreme Court’s terms, they identify an ‘inventive concept’ in the application of the ineligible matter to which (by assumption at stage two) the claim is directed.” *Electric Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016) (citations and quotations omitted). In considering whether a claim is directed to an abstract idea, we acknowledge, as did the Court 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. *See Enfish*, 822 F.3d at 1336.

Thus, even accepting Appellants’ argument that the claimed invention “is necessarily rooted in computer technology in order to overcome a problem arising in the realm of computer networks” there is a fundamental difference between computer functionality improvements, on the one hand, and uses of existing computers as tools to perform a particular task, on the other. Indeed, the Federal Circuit applied this distinction in *Enfish* in

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rejecting a § 101 challenge at the step one stage in the *Alice* analysis because the claims at issue focused on a specific type of data structure, i.e., a self-referential table for a computer database, designed to improve the way a computer carries out its basic functions of storing and retrieving data, and not on asserted advances in uses to which existing computer capabilities could be put. *Enfish*, 822 F.3d at 1335–36.

We find no parallel here between Appellants’ claims and the claims in *Enfish*, nor any comparable aspect in Appellants’ claims that represents “an improvement to computer functionality.” The alleged advantages that Appellants tout do not concern an improvement to computer capabilities but instead relate to identifying corporate risk by using a computer system as a tool.

Also, we cannot agree with Appellants that the pending claims are similar to the claims that the court found patent-eligible in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014) (*see* Appeal Brief 6). Appellants assert that the pending claims address a business challenge (e.g. tracking an actor’s interactions with an organization’s property through a computer environment and identifying changes in such interactions over time) that is “necessarily rooted in computer technology in order to overcome a problem arising in the realm of computer networks” (Appeal Brief 6). Yet, as the court cautioned in *DDR Holdings*, “not all claims purporting to address Internet-centric challenges are eligible for patent.” *DDR Holdings*, 773 F.3d at 1258. Thus, in *Ultrameercial, Inc. v. Hulu, LLC*, 772 F.3d 709 (Fed. Cir. 2014), although the patentee argued that its claims were “directed to a specific method of advertising and content distribution that was previously unknown and never employed on the Internet before,” 772 F.3d at 714, the court found that this alone could not render the claims

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patent-eligible where the claims merely recited the abstract idea of “offering media content in exchange for viewing an advertisement,” along with “routine additional steps such as updating an activity log, requiring a request from the consumer to view the ad, restrictions on public access, and use of the Internet.” *Id.* at 715–16.

Similarly here, we find that the invocation of the Internet is not sufficient to transform Appellants’ otherwise patent-ineligible abstract idea into patent-eligible subject matter. We find, as did the Examiner, that the claims are directed to the abstract idea of managing corporate risk. Narrowing that abstract idea to computer networks merely limits the use of the abstract idea to a particular technological environment, which the Court made clear in *Alice* is insufficient to transform an otherwise patent-ineligible abstract idea into patent-eligible subject matter. *See Alice Corp.*, 134 S. Ct. at 2358. Accordingly, we sustain the Examiner’s 35 U.S.C. § 101 rejection of claims 1–16.

35 U.S.C. §103 rejection

Appellants contend the Examiner’s obviousness rejection is erroneous because Draper fails to address the deficiency of Brohman because Draper does not disclose the aspects of the claimed invention relating to “obtaining behavioral corporate data, creating a baseline of corporate data, and obtaining data indicative of risk-creating behavior.” Appeal Brief 8.

Appellants argue:

[T]he Draper reference does not disclose obtaining data indicative of risk-creating behavior by comparing corporate data against a baseline. Rather, Draper discloses tracking a current and forecasted state of risks against a baseline. The aspect of the present invention cited, on the other hand, is directed to tracking monitored event data against a baseline of event data to identify data that could indicate risk-creating behavior, not merely

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tracking known and forecasted risks against a baseline of those risks. Consequently a fundamental difference exists between the teachings of Draper and the present invention.

Appeal Brief 9.

We do not find Appellants' arguments persuasive. The Examiner finds, and Appellants admit, that Draper "track[s] current and forecasted state of risks against a baseline." Appeal Brief 9; Non-Final Action 7 (citing Draper, paragraph 125: "The resultant residual risk enables management to make appropriate plans to mitigate risks and obtain a profile of the current state and forecast the anticipated changes in the correlated values. The ability to track against a baseline provides the opportunity to either reduce the residual risk or mitigate further increases.") We do not find there is a patentable distinction between forecasting risks against a baseline and indicating risk-creating behavior because one of ordinary skill in the art at the time of the invention would have understood that Draper's disclosure of forecasting risks suggests taking into consideration risk-creating behavior in order to reduce risk or mitigate increases to risk. *See* Draper ¶ 125. "As [the Federal Circuit's] precedents make clear . . . the analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ." *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007). Consequently, we sustain the Examiner's obviousness rejection of claims 1–16, not argued separately.

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DECISION

The Examiner's non-statutory subject matter rejection of claims 1–16 is affirmed.

The Examiner's obviousness rejection of claims 1–16 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).

AFFIRMED