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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte RON ZARRELLA, ELLIOT MELIS, JOSEPH A. PETRINI,
WILLIAM MORELLO, and YOURI MATIOUNINE

Appeal 2017-001141
Application 13/623,185
Technology Center 3600

Before ELENI MANTIS MERCADER, NORMAN H. BEAMER, and
ADAM J. PYONIN, *Administrative Patent Judges*.

MANTIS MERCADER, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants¹ appeal under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 1, 3–11, and 13–22, which constitute are all the claims pending in this application. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

¹ Appellants identify New York Life Insurance Company of New York, New York as the real party in interest (App. Br. 2).

THE INVENTION

Appellants' claimed invention is directed to a method of providing life insurance using "a term policy where, at predefined intervals, the policy owner may increase the policy value without requiring additional underwriting" (Abstract).

Independent claim 1, reproduced below, is representative of the subject matter on appeal (with emphasis added):

1. A computer implemented method of providing life insurance comprising:

servicing, via a computing device communicatively coupled to a storage device, electronic data in the storage device associated with a term life insurance policy for at least two insureds, the term life insurance policy having at least two face amount limits and one premium amount, a first of the at least two face amount limits representing a minimum face amount and a second of the two face amount limits representing a maximum face amount that is greater than the minimum face amount, the term life insurance policy provisioned for the insureds to separately purchase additional coverage up to the maximum face amount and to convert a portion of a face amount of the term life insurance policy into permanent life insurance, wherein the electronic data associated with the term life insurance policy limits the portion of the face amount of the term life insurance policy that can be converted into permanent life insurance to an amount equal to a difference between the face amount of the term life insurance policy and the minimum face amount;

determining, via the computing device, a plurality of predefined time intervals from issuance of the term life insurance policy;

at one or more of a plurality of predefined time intervals from issuance of the term life insurance policy, *increasing, via the computing device, the face amount of the term life insurance policy by an incremental unit in the electronic data associated with the term life insurance policy without triggering additional underwriting procedures that reference electronic data tables,* the increasing in response to an election to increase the face amount of the term life insurance policy and wherein the increasing is up to the maximum face value;

electronically receiving, via the computing device, at one or more of a plurality of times during the term of the term life insurance policy, a request to convert a given portion of the face amount of the term life insurance policy into permanent life insurance for each of the at least two insureds;

calculating, via the computing device, the difference between the face amount of the term life insurance policy and the minimum face amount;

determining, via the computing device, that the given portion does not exceed the calculated difference; and

converting, via the computing device, the given portion of the face amount of the term life insurance policy into the permanent life insurance separately for the at least two insureds in the electronic data associated with the term life insurance policy upon determining that the given portion does not exceed the calculated difference, wherein the permanent life insurance is up to two times the maximum face amount of the term life insurance policy.

REJECTION

The Examiner made the following rejections:

Claims 1, 3–11, and 13–22 stand rejected on the grounds of nonstatutory double patenting as being unpatentable over claims 1–29 of U.S. Patent 8,296,166. Final Act. 2.²

Claims 1, 3–11, and 13–22 stand rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter. Final Act. 3.

ISSUE

The pivotal issue is whether the Examiner erred in finding claims 1, 3–11, and 13–22 are directed to non-statutory subject matter.

ANALYSIS

We adopt the Examiner’s findings in the Answer and Final Office Action and we add the following primarily for emphasis. We note that if Appellants failed to present arguments on a particular rejection, we will not unilaterally review those uncontested aspects of the rejection. *See Ex parte Frye*, 94 USPQ2d 1072, 1075 (BPAI 2010) (precedential); *Hyatt v. Dudas*, 551 F.3d 1307, 1313–14 (Fed. Cir. 2008) (the Board may treat arguments Appellants failed to make for a given ground of rejection as waived).

Appellants argue the Examiner erred because “the Examiner provided no evidence that ‘routine and conventional’ activity is the same as the process required by the claims” (Reply Br. 4, citing *McRO, Inc. v Bandai*

² Appellants do not address the double patenting rejection in the Briefs. Accordingly, we summarily affirm this rejection.

Namco Games America Inc., 837 F3d 1299, 1314 (Fed. Cir. 2016)).

Appellants contend that the claims at issue are similar to those in *McRO*, because “[i]t is the incorporation of the claimed bypassing of procedures that reference electronic data tables, ‘not the use of the computer, that ‘improved [the] existing technological process’ by allowing the automation of further tasks” (Reply Br. 4, quoting *McRO* at 1314).

Appellants further contend that “[t]he timing and processing of data ‘without triggering additional . . . procedures that reference electronic data tables’ reduce the performance demands on the system” and thus

overcomes a challenge in a specific field of computing that addresses a reduction in processing operations in modifying data in data structures that would normally require electronic table lookups and computation procedures

(Reply Br. 7–8, emphasis added), and the resulting improvement of “existing technological processes” (Reply Br 8), makes the claims “amount to significantly more than an abstract idea” (Reply Br. 7).

We are not persuaded by Appellants’ arguments. Whether an invention is patent-eligible is an issue of law, which we review de novo. 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 implicit exceptions: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *E.g., Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014).

In determining whether a claim 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 Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 75–79 (2012)).

We must first determine whether the claim 1 is “directed to” a patent-ineligible abstract idea. *See Alice*, 134 S. Ct. at 2356 (“On their face, the claims before us are drawn to the concept of intermediated settlement, *i.e.*, the use of a third party to mitigate settlement risk.”); *Bilski v. Kappos*, 561 U.S. 593, 611 (2010) (“Claims 1 and 4 in petitioners’ application explain the basic concept of hedging, or protecting against risk.”); *Parker v. Flook*, 437 U.S. 584, 594–595 (1978) (“Respondent’s application simply provides a new and presumably better method for calculating alarm limit values”).

Appellants’ claim 1 is directed to providing life insurance. With regard to the first step in *Alice*, a “computing device” is used to perform a variety of steps involved in servicing a “term life insurance policy.” *See for example*, Figures 1 and 4. The term policy, while “underwritten in a typical fashion,” contractually permits an increase in “policy face amount(s) without requiring additional underwriting” and “the policy owner is presented additional options to manage the allocation of the death benefits between the term policy and a permanent policy” (Spec. ¶ 11).

Here, the Examiner finds, and we agree, that the claim “is directed to servicing a term life insurance policy” (Final Act. 4) and that the claim limitations recite “activity [that] is considered both a mathematical formula/relationship and a method of organizing human activities” (Final Act. 4–5).³

³ *See, e.g., CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1373 (Fed. Cir. 2011) (finding the claims were directed to the abstract idea of verifying credit card transactions); *Credit Acceptance Corp. v. Westlake Servs.*, 859 F.3d 1044, 1054 (Fed. Cir. 2017) (“the abstract idea of ‘processing an application for financing a purchase’”); *buySAFE, Inc. v.*

Appellants contend that “the Examiner has not considered the claims as a whole” (App. Br. 9) with regard to the first step in Alice. Particularly, Appellants contend “the claims include several technical limitations” that are “ignored by the Examiner” (App. Br. 9). However, the Examiner finds, and we agree, that the “limitations in the claims that describe abstract ideas are ‘servicing,’ ‘determining,’ ‘. . . increasing,’ ‘. . . receiving’ ‘calculating,’ ‘determining,’ and ‘converting.’” (Ans. 11). The Examiner further finds, and we agree, that “the computerization” of claim 1, which recites

increasing [, via the computing device,] the face amount of the term life insurance policy by an incremental unit [in the electronic data associated] with the term life insurance policy without triggering additional underwriting procedures [that reference electronic tables . . .]

and

converting [, via the computing device,] the given portion of the face amount of the term life insurance policy into the permanent life insurance separately for the at least two insureds . . .

(Ans. 12) are examples of a “mathematical formula/relationship” in which the computer components “are not explicitly recited and therefore must be construed to the highest level of generality” (Ans. 12). We conclude the Examiner’s analysis presented in the Answer (*see* Ans. 10–13) considers the claims as a whole because the Examiner identifies the portions of the claimed method that are abstract and further considers the functions

Google, Inc., 765 F.3d 1350, 1354–55 (Fed. Cir. 2014) (finding the claims were directed to the abstract idea of “creating a contractual relationship”).

performed by the claimed computer components in implementing the method.

Therefore, since claim 1 is “directed to” a patent-ineligible abstract idea, we then consider the elements of the claim—both individually and as an ordered combination—to assess whether the additional elements transform the nature of the claim into a patent-eligible application of the abstract idea as required by step two of *Alice*. *Alice*, 134 S. Ct. at 2355. 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.* “[T]he relevant question is whether the claims here do more than simply instruct the practitioner to implement the abstract idea . . . on a generic computer.” *Alice*, 134 S. Ct. at 2359. We conclude that they do not.

Taking the claim elements separately, the function performed by the computer at each step of the process is conventional. Using computers to receive input and generate information from the input to provide the resulting information (i.e., transfer data to manage a financial transaction) constitute basic computer functions. Each method step does no more than require a generic computer to perform generic computer functions.

When taking the claim elements as an ordered combination, Appellants contend the Examiner erred, because

there is no evidence to show that to modify data in a manner that bypasses procedures that reference electronic data tables when modifying electronic data associated with a face amount of a term life insurance policy, that would have otherwise been triggered, is a conventional activity

(Reply Br. 4, citing *McRO* at 1314). We disagree. Here, the Examiner identifies the cited procedure above as the

condition of increasing face amount of insurance policy by an incremental amount at one or more of plurality of predefined interval from issuance of the term insurance policy without requiring insurability is contractual term of an insurance policy (also known as an insurance rider)

(Ans. 12), which, in itself, is a conventional activity having a name (an “insurance rider”) in the insurance business. The Examiner’s findings are additionally supported by Appellants’ disclosure, which identifies no technical problem to be solved, but instead describes the invention as filling “a need for a more flexible insurance protection product that allows families to adjust their protection to better conform to changes in the family or its needs or lifestyle” (Spec. ¶ 9), and further describes the insurance policy as “underwritten in a typical fashion” (Spec. ¶ 11).

Additionally, the “reduction in processing operations” argued by Appellants as making the claims “significantly more” than the abstract idea is not the result of any technological improvement afforded by the invention, but instead is a byproduct of the contractual provision that “the policy owner may increase policy face amount(s) without requiring additional underwriting.” (Spec. ¶ 11; *see also* Spec. ¶¶ 19–25 and App. Br. 3). The claimed “without triggering additional underwriting procedures that reference electronic data tables” is a limitation contractually built-in to the policy, so it is the policy itself responsible for the “reduction in processing operations” that may would have otherwise occurred.

Unlike the claims in *McRO*, when taken together as an ordered combination, Appellants’ claims are not “directed to a patentable,

technological improvement over the existing . . . techniques” (*McRO*, 837 F3d. at 1316), because the purported technological improvement arises as a byproduct of an underlying contractual provision. Appellants’ claims “are instead directed to a result or effect that itself is the abstract idea and merely invoke generic processes and machinery” (*Id.* at 1314).

Accordingly, we sustain the ineligible subject matter rejection of claims 1, 3–11, and 13–22.

CONCLUSION

The Examiner did not err in finding claims 1, 3–11, and 13–22 are directed to non-statutory subject matter.

DECISION

The Examiner’s decision rejecting claims 1, 3–11, and 13–22 on the grounds of nonstatutory double patenting is affirmed.

The Examiner’s decision rejecting claims 1, 3–11, and 13–22 as directed to non-statutory subject matter 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