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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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EX PARTE JOHN SAVAGE, DAVID LEE, LUCY LYULKIN, and
CHARLES R. SCHADER

_____

Appeal 2017-010696
Application 12/130,497[1]
Technology Center 3600

_____

Before ST. JOHN COURTENAY III, JASON J. CHUNG, and
JOYCE CRAIG, *Administrative Patent Judges.*

CRAIG, *Administrative Patent Judge.*

DECISION ON APPEAL

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's
Final Rejection of claims 1–14, which are all of the claims pending in this
application. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

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[1] According to Appellants, the real party in interest is American
International Group, Inc. App. Br. 1.

INVENTION

Appellants' application relates "generally to a method and system for projecting the financial exposure for an insurance company and reporting the same." Spec. ¶ 2. Claim 1 is illustrative of the appealed subject matter and reads as follows:

> 1. A method for projecting resources for processing claims of a plurality of policyholders of an insurance company caused by an event, the method comprising:
>   selecting a loss event to be assessed;
>   using a computer to execute computer executable instructions of a catastrophe modeling system stored on a non-transitory tangible computer-readable medium, the catastrophe modeling system modeling the loss event to create a projected damage area;
>   identifying locations of policyholders of the insurance company in the projected damage area and the number of policies issued by the insurance company to the policyholders located in the projected damage area by using the computer to query an insurance policy database; and
>   using the computer to generate an estimate, based upon the number and locations of policyholders identified in the projected damage area, of the number of independent adjusters to use to process future claims from the policyholders of the insurance company located in the projected damage area resulting from the loss event.

App. Br. 19 (Claims Appendix).

REJECTIONS

Claims 1–14 stand rejected under 35 U.S.C. § 101 because the claimed invention is directed to patent-ineligible subject matter.

Claims 1–5 and 10–13 stand rejected under 35 U.S.C. § 103(a) as unpatentable over the combination of Ravela et al. (US 7,734,245 B2; June 8, 2010) ("Ravela"), Weinzapfel et al. (US 2007/0225915 A1; Sept. 27,

2007) ("Weinzapfel"), and Kenneth R. Gosselin and Matthew Lubanko
(*Insurers' Coffers, Armies of Adjusters Fortified Against Storms,* ProQuest
HARTFORD COURANT (Sept. 4, 2004)).

 Claims 6–9 and 14 stand rejected under 35 U.S.C. § 103(a) as
unpatentable over the combination of Ravela, Chris Anderson, *Planning For
The Worst,* Knight Ridder TRIBUNE BUSINESS NEWS, Washington, pg. 1
(Feb. 5, 2006) ("Anderson"), and Hartford.

ANALYSIS

Rejection of Claims 1–14 under 35 U.S.C. § 101

 Appellants contend the Examiner erred in concluding the claims are
directed to an abstract idea without significantly more and argue the claims
provide a method for projecting resources for processing insurance claims.
Br. 5.

 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. Alice Corp. v. CLS Bank
Int'l,* 134 S. Ct. 2347, 2355 (2014) (citing *Mayo Collaborative Servs. v.
Prometheus Labs., Inc.,* 566 U.S. 66, 76–77 (2012)). In accordance with
that framework, we first determine whether the claim is "directed to" a
patent-ineligible abstract idea. *See Alice,* 134 S. Ct. at 2356.

 If the claim 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. *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.* (internal quotations and citation omitted).

In step one of the *Alice* analysis, the Examiner concluded claims 1–14 are directed to a fundamental economic practice (i.e., projecting and reporting the financial exposure for an insurance company) and thus an abstract idea. Final Act. 4. Appellants do not present a persuasive, substantive step-one argument. *See* Br. 5.

We agree with the Examiner's conclusion that the claims are directed to the abstract idea of projecting the financial exposure of an insurance company, which is an economic practice. *See, e.g., Bancorp Serv., L.L.C. v. Sun Life Assurance Co. of Can. (U.S.)*, 687 F.3d 1266 (Fed. Cir. 2012) (managing an insurance policy); *Accenture Global Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336 (Fed. Cir. 2013) (generating rule-based tasks for processing an insurance claims); *Electric Power Group, LLC v. Alstom S.A.*, 830 F.3d 1350 (Fed. Cir. 2016) (collecting information, analyzing it, and displaying certain results) and *Classen Immunotherapies, Inc. v. Biogen IDEC*, 659 F.3d 1057 (Fed. Cir. 2011) (collecting and comparing known information). Ans. 2.

For these reasons, we are not persuaded the Examiner erred in concluding claim 1 is directed to an abstract idea.

Turning to step two of the *Alice* analysis, the Examiner found the recited computer is a general purpose computer that performs routine and conventional activities that do not transform the claim limitations to something significantly more. Ans. 3. We are not persuaded by Appellants' arguments that claim 1 recites additional elements that satisfy the machine-

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or-transformation test, or that the computer recited in claim 1 is a particularly-programmed machine. Br. 5–6.

The machine-or-transformation test is a useful and important clue, an investigative tool, for determining whether some claimed inventions are processes under § 101. *See Bilski v. Kappos*, 561 U.S. 593, 594 (2010). The machine-or-transformation test is a two-branched inquiry; an applicant may show that a process claim satisfies § 101 either by showing that his claim is tied to a particular machine, or by showing that his claim transforms an article. *Id.* at 593. The machine-or-transformation test is not, however, the sole test for deciding whether an invention is a patent-eligible process. *Id.* at 594.

We are not persuaded by Appellants' argument that the claims recite patentable subject matter because they are tied to a particular machine, in the form of the computer. *See* Br. 6. Appellants have not persuaded us that the recited computer is anything more than a general-purpose computer. Moreover, Appellants' focus on the "machine-or-transformation" test does not consider that "after *Alice*, there can remain no doubt: recitation of generic computer limitations does not make an otherwise ineligible claim patent-eligible. . . . The bare fact that a computer exists in the physical rather than purely conceptual realm is beside the point." *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1256 (Fed. Cir. 2014) (internal citations and quotation marks omitted). That is the case here. Claim 1, therefore, does not satisfy the machine prong of the machine-or-transformation test.

Appellants do not describe how the transformation prong of the test is met. *See* App. Br. 5–6. We note, however, that the transformation of one type of electronic data into another type of electronic data is not a

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"transformation or reduction of an article into a different state or thing constituting patent-eligible subject matter[.]" *See Bilski,* at 962. "The mere manipulation or reorganization of data . . . does not satisfy the transformation prong." *CyberSource Corp v. Retail Decisions, Inc.,* 654 F.3d 1366, 1375 (Fed. Cir. 2011). Therefore, claim 1 also fails to satisfy the transformation prong of the machine-or-transformation test.

We agree with the Examiner that the claimed invention does not improve a technological process but instead recites conventional functions performed on a generic computer. *See* Ans. 3–4. Like the claims at issue in *Alice,* the claims here use a computer and its existing capabilities as a tool to perform an existing conventional process. *Id.* We are not persuaded that the specific elements and steps recited in the claims improve the functioning of a computer or some other technology.

Accordingly, we sustain the Examiner's § 101 rejection of claims 1–14.

Rejection of Claims 1–5 and 10–13 under 35 U.S.C. § 103(a)

We have reviewed the rejections of claims 1–5 and 10–13 in light of Appellants' arguments that the Examiner erred. We have considered in this decision only those arguments Appellants actually raised in their Brief. Any other arguments Appellants could have made, but chose not to make in their Brief, are deemed waived. *See* 37 C.F.R. § 41.37(c)(1)(iv).

We agree with and adopt as our own the Examiner's findings of facts and conclusions as set forth in the Answer (Ans. 4–8) and in the Action (Final Act. 11–13) from which this appeal was taken. We provide the following explanation for emphasis.

With regard to claim 1, Appellants contend one skilled in the art would not have been motivated to combine Ravela, Hartford, and Weinzapfel. Br. 11.

We are not persuaded. A rejection based on obviousness need only be supported by "some articulated reasoning with some rational underpinning" to combine known elements in the manner required by the claim. *See KSR Int'l Co., v. Teleflex Co.*, 550 U.S. 398, 418 (2007). Here, the Examiner found the cited references are all analogous art and articulated that the motivation to combine the references is for additional disaster preparedness. Ans. 4. We find the Examiner provided "articulated reasoning with some rational underpinning to support the legal conclusion of obviousness." *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006).

Appellants next argue Ravela teaches away from a method for projecting resources for processing insurance claims that includes a step of "using a computer to execute computer executable instructions of a catastrophe modeling system stored on a tangible computer-readable medium, the catastrophe modeling system modeling the loss event to create a projected damage area," as claim 1 requires. Br. 11–12 (citing Ravela col. 8:34–43).

Appellants' "teaching away" argument is not persuasive because Appellants have not identified where Ravela actually criticizes, discredits, or otherwise discourages the identified limitation in claim 1. *See In re Fulton*, 391 F.3d 1195, 1201 (Fed. Cir. 2004); *DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 567 F.3d 1314, 1327 (Fed. Cir. 2009) ("A reference does not teach away, however, if it merely expresses a general preference for an alternative invention but does not 'criticize, discredit, or otherwise

discourage' investigation into the invention claimed") (citing *Fulton*). The portion of Ravela cited by Appellants does not actually criticize, discredit, or otherwise discourage the identified limitation in claim 1.

Appellants further argue Hartford does not teach or suggest the "identifying" and estimate generating steps recited in claim 1. Br. 13. In particular, Appellants argue Hartford fails to teach using a projected damage area to identify policy holders of a given insurance company, or generating an estimate of independent adjusters to use to process future claims based upon the number and location of policyholders identified in the projected damage area generated by the catastrophe modeling system. *Id.*

We are not persuaded by Appellants' arguments. Nonobviousness cannot be established by attacking the references individually when the rejection is predicated upon a combination of prior art disclosures. *See In re Merck & Co.*, 800 F.2d 1091, 1097 (Fed. Cir. 1986). Appellants attack Hartford individually (Br. 13), even though the Examiner relied on the combination of Ravela, Hartford, and Weinzapfel in rejecting claim 1 (Final Act. 11–12; Ans. 4–6). Appellants' arguments, therefore, do not address the rejection actually made by the Examiner.

The Examiner found Hartford's data processing tool compares the locations of the identified policy holders in the damage area and the locations of a set of independent adjusters, which teaches or suggests "identifying locations of policyholders of the insurance company in the projected damage area and the number of policies issued by the insurance company to the policyholders located in the projected damage area by using the computer to query an insurance policy database," as recited in claim 1. Final Act. 7; Ans. 5 (citing Hartford 1–3).

Appellants also attack Weinzapfel individually, arguing Weinzapfel does not teach or suggest

> using the computer to generate an estimate, based upon the number and locations of policyholders identified in the projected damage area, of the number of independent adjusters to use to process future claims from the policy holders of the insurance company located in the projected damage area resulting from the loss event,

as recited in claim 1. Br. 14.

The Examiner found Weinzapfel's formulation of an index for future damage based on historical damage created by storms and estimate of the damage created, and the insurer locating adjusters at a location teaches or at least suggests the disputed "using a computer to generate an estimate" limitation. Ans. 6 (citing Weinzapfel, ¶¶ 182–83).

Appellants have not presented sufficient persuasive argument or objective evidence to rebut the Examiner's findings. Moreover, Appellants did not file a Reply Brief and thus have not persuasively rebutted the Examiner's findings in the Answer regarding representative independent claim 1.

For these reasons, we are not persuaded the Examiner erred in finding the combination of the cited references teaches or suggests the disputed limitations of independent claim 1 and dependent claims 2–5 and 10–13. Accordingly, we sustain the Examiner's 35 U.S.C. § 103(a) rejection of independent claim 1 and the Examiner's 35 U.S.C. § 103(a) rejection of grouped dependent claims 2–5 and 10–13, not substantively argued separately. Br. 14. *See* 37 C.F.R. § 41.37(c)(1)(iv).

Rejection of Claims 6–9 and 14 under 35 U.S.C. § 103(a)

We sustain the Examiner's 35 U.S.C. § 103(a) rejection of independent claim 6 for essentially the same reasons discussed above for claim 1, although the Examiner relied on the combination of Ravela, Hartford, and Anderson in rejecting claim 6. The Examiner found Anderson teaches producing a sub-listing of independent adjustors based on at least one of the location of the independent adjustor relative to the locations of the identified policyholders, the previous work experience of the independent adjustors, and the preferences of the identified policyholders. Final Act. 15; Ans. 8.

Appellants contend it would not have been obvious at the time of the invention to combine Ravela, Anderson, and Hartford as proposed by the Examiner because Ravela teaches away from the proposed combination. Br. 15. Appellants made a similar argument for claim 1, which as discussed above, we do not find persuasive.

Appellants further argue the cited portions of Anderson do not teach or suggest the recited

> data-processing tool for identifying policyholders of the insurance company located in the projected damage area, the data-processing tool configured to compare the locations of the identified policyholders in the damage area and the locations of a set of independent adjusters and produce a sub-listing of independent adjustors based on at least one of the location of the independent adjustor relative to the locations of the identified policyholders, the previous work experience of the independent adjustors, and the preferences of the identified policyholders,

as recited in claim 6. *Id.* at 17.

We are not persuaded the Examiner erred. Appellants attack Anderson individually (Br. 16–17), even though the Examiner relied on the combination of Ravela, Hartford, and Anderson in rejecting claim 6 (Final Act. 14–15; Ans. 7–8). The test for obviousness is not whether the claimed invention is expressly suggested in any one or all of the references, but whether the claimed subject matter would have been obvious to those of ordinary skill in the art in light of the combined teachings of those references. *See In re Keller*, 642 F.2d 413, 425 (CCPA 1981). Appellants' arguments, therefore, do not address the rejection actually made by the Examiner.

The Examiner found Ravela teaches natural disaster prediction and modeling tools. Ans. 7–8 (citing Ravela col. 3:3–60, col. 8:20–43; and col. 25:60–col. 26:5). The Examiner also found Ravela teaches projecting damage. *Id.* The Examiner found Hartford teaches the recited data-processing tool configured to compare the locations of the identified policyholders in the damage area and the locations of a set of independent adjusters, as well as using event modeling to predict the number of claims in the disaster area. Ans. 8 (citing Hartford 1–3). The Examiner found Anderson teaches producing a sub-listing of independent adjustors based on at least one of the location of the independent adjustor relative to the locations of the identified policyholders, the previous work experience of the independent adjustors, and the preferences of the identified policyholders. *Id.* Appellants have not presented sufficient persuasive argument or objective evidence to rebut the Examiner's findings.

For these reasons, we are not persuaded the Examiner erred in finding the combination of the cited references teaches or suggests the disputed limitations of claim 6.

Accordingly, we sustain the Examiner's 35 U.S.C. § 103(a) rejection of representative independent claim 6 and the Examiner's 35 U.S.C. § 103(a) rejection of grouped dependent claims 7–9 and 14, not substantively argued separately. Br. 17. *See* 37 C.F.R. § 41.37(c)(1)(iv).

DECISION

We affirm the decision of the Examiner rejecting claims 1–14.

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