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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte TIMOTHY PATRICK JON PERRY,
MICHAEL DAVID METZGER, DIANE M. RUSSELL,
and RAJESH RAJARAM KADAM

Appeal 2017-010876
Application 10/777,634¹
Technology Center 3600

Before JASON V. MORGAN, ADAM J. PYONIN, and
DAVID J. CUTITTA II, *Administrative Patent Judges*.

MORGAN, *Administrative Patent Judge*.

DECISION ON APPEAL
STATEMENT OF THE CASE

Introduction

This is an appeal under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 1, 3–8, 10, 12, 14–16, and 18. Claims 2, 9, 11, 13, 17, 19, and 20 are canceled. Appeal Br. 22–23, 25, 27–28, and 30. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Appellants identify Genworth Holdings, Inc., and its parents and subsidiary companies (not specifically identified), as the real parties in interest. Appeal Br. 1.

Summary of disclosure

Appellants disclose a method “for routing and processing insurance related data” in which data entries in insurance application-related documents that are not validated as clean trigger generation of an exception task that, when resolved, enables validation of the data. Abstract.

Representative claim (key limitations emphasized)

1. A system that routes and processes insurance related data, the system comprising:

a raw data database configured to electronically store an insurance application related document, the document comprising a plurality of fields;

a rules engine configured to convert each field of the document into a plurality of respective data elements having a common format, wherein the common format is eXtensible Markup Language (XML);

the rules engine configured to:

determine whether each of the plurality of fields is blank,
and

determine whether each of the data elements is validated
as clean data;

storing², by the system, each data element determined to be clean data element in an operational database for application processing;

the rules engine further configured to perform operations upon determining that at least one data element is not a clean data element, the operations including:

² This claimed *storing* step represents a limitation directed to a method in a claim that is directed to a system. Claims that recite both a system and a method of using the system are indefinite under 35 U.S.C. § 112, second paragraph. *See, e.g., Rembrandt Data Techs., LP v. AOL, LLC*, 641 F.3d 1331, 1339 (Fed. Cir. 2011). In the event of further prosecution, Appellants and the Examiner should ensure that this issue is resolved.

(a) performing a first determination of whether the data element is not clean due to required information not being present, the first determination being performed based on determining whether the data element satisfies a first set of conditions related to whether required information is present in the data element, and the system deeming the first determination not satisfied if the data element does not satisfy the first set of conditions AND

(b) performing a second determination, separate from the first determination, of whether the one data element is not clean due to a required format of information not being present, the second determination being performed based on determining whether the data element satisfies a second set of conditions related to whether the required format of information is present in the data element, and the system deeming the second determination not satisfied if the data element does not satisfy the second set of conditions, and

determining that at least one selected from the group consisting of (a) the first determination was not satisfied and (b) the second determination was not satisfied, and

based on such determination the system deeming the data element as not clean; and

the rules engine further configured to generate an exception task upon determining that at least one data element is not clean, the rules engine generates an exception task constituted by the rules engine determining a process that is to be performed on one data element of the at least one data element that is not clean, the exception task associated exclusively to the one data element so as to process the one data element as an individual data element, and

the rules engine configured to receive a resolution for the one data element to the exception task for the one data element, upon the performance of the determined process, thereby enabling validation of the at least one data element,

the rules engine configured to review data elements of the document as the document progresses through each stage of: pending, approval, issuance and in-force.

App. Br. 21–22 (emphasis added).

Rejections

The Examiner rejects claims 1, 3–8, 10, 12, 14–16, and 18 under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter. Final Act. 2–3.

The Examiner rejects claims 1, 3–8, 10, 12, 14–16, and 18 under 35 U.S.C. § 103(a) as being obvious over Anderson et al. (US 5,235,654; issued Aug. 10, 1993) (“Anderson”), Huff (US 2002/0194033 A1; published Dec. 19, 2002), and Pepoon et al. (US 2004/0128182 A1; published July 1, 2004) (“Pepoon”). Final Act. 4–21.

35 U.S.C. § 101

Principles of law

To be statutorily patentable, the subject matter of an invention must be a “new and useful process, machine, manufacture, or composition of matter, or [a] new and useful improvement thereof.” 35 U.S.C. § 101. There are implicit exceptions to the categories of patentable subject matter identified in § 101, including: (1) laws of nature; (2) natural phenomena; and (3) abstract ideas. *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 217 (2014). The Supreme Court has set forth a framework for distinguishing patents with claims directed to these implicit exceptions “from those that claim patent-eligible applications of those concepts.” *Id.* (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66 (2012)). The evaluation follows a two-part analysis: (1) determine whether the claim is *directed to* a patent-ineligible concept, e.g., an abstract idea; and (2) if so, then determine

whether any element, or combination of elements, in the claim is sufficient to ensure that the claim amounts to *significantly more* than the patent-ineligible concept itself. *See Alice*, 573 U.S. at 217–18.

Although the second step in the *Alice/Mayo* 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*, 573 U.S. at 217–18 (citation omitted). A novel and nonobvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 566 U.S. at 90; *see also Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 591 (2013) (“Groundbreaking, innovative, or even brilliant discovery does not by itself satisfy the § 101 inquiry”).

If a claim proves to be unpatentable as a result of the two-part analysis, no additional determination regarding preemption is necessary. “While preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility,” as “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) (internal quotation marks and citation omitted).

The U.S. Patent and Trademark Office (USPTO) recently published revised guidance on the application of the two-part analysis. USPTO’s January 7, 2019 Memorandum, *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50 (Jan. 7, 2019) (“Memorandum”). Under that guidance, we first look to whether the claim recites:

(1) any judicial exceptions, including certain groupings of abstract ideas (i.e., mathematical concepts, certain methods of organizing human interactions such as a fundamental economic practice, or mental processes) (*see* Memorandum, 84 Fed. Reg. at 54 (Step 2A – Prong One)); and

(2) additional elements that integrate the judicial exception into a practical application (*see* Memorandum, 84 Fed. Reg. at 54–55 (Step 2A – Prong Two); MPEP § 2106.05(a)–(c), (e)–(h)).

Only if a claim (1) recites a judicial exception and (2) does not integrate that exception into a practical application, do we then look to whether the claim:

(3) adds a specific limitation beyond the judicial exception that are not “well-understood, routine, conventional” in the field (*see* MPEP § 2106.05(d)); or

(4) simply appends well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception.

See Memorandum, 84 Fed. Reg. at 56 (Step 2B).

Memorandum Step 2A – Prong One

Claim 1 is directed to a “system that routes and processes insurance related data” where, through use of a raw data database and rules engine, the system generates an exception task upon determination that required information in a document is missing or formatted incorrectly, receives a resolution, and thus enables review of “data elements of the document as the document processes through each stage of: pending, approval, issuance and in-force.” The Examiner determines claim 1 is directed to an abstract fundamental economic practice, comparing the claimed invention to abstract

claims directed to “processing loan information,” “managing an insurance policy,” and “generating rule based tasks.” Final Act. 2 (citing *Dealertrack, Inc. v. Huber*, 674 F.3d 1315, 1322 (Fed. Cir. 2012); *Bancorp Servs., L.L.C. v. Sun Life Assur. Co. of Canada (U.S.)*, 687 F.3d 1266, 1276 (Fed. Cir. 2012); and *Accenture Glob. Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336 (Fed. Cir. 2013)); *see also* Ans. 3.

Appellants contend the Examiner erroneously fails to “tie the particularly-recited claim language to the purported abstract idea, and hence does not present a *prima facie* case that the claims only recite an abstract idea.” Appeal Br. 13; *see also id.* at 12 (citing *Secure Access, LLC v. PNC Bank Nat’l Ass’n*, 848 F.3d 1370 (Fed. Cir. 2017), *cert. granted, judgment vacated as moot sub nom. PNC Bank Nat. Ass’n v. Secure Access, LLC*, 138 S. Ct. 1982, 201 L. Ed. 2d 243 (2018)). Appellant argues the Examiner “merely concludes, without any support or analysis, that the claims are similar to managing an insurance policy and generating rule-based tasks but fails to establish how the any prior cases support this overgeneralized allegation.” Reply Br. 4.

Appellants’ arguments are unpersuasive because even in “conventional systems for processing insurance applications agents must . . . review [application] information for completeness.” Spec. ¶ 2. That is, the type of insurance-related routing and processing claimed represents a fundamental economic practice (i.e., ensuring that all required information is obtained when processing an insurance application). Final Act. 2–3. Therefore, we agree with the Examiner that claim 1 recites abstract subject matter, as fundamental economic practices are “certain

methods of organizing human activity” pursuant to the guidelines.
Memorandum, 84 Fed. Reg. at 52.

Memorandum Step 2A – Prong Two

Appellants contend claim 1 does “not merely recite an abstract idea because there are particular limitations that confine the scope of [claim 1] to less than an abstract idea and there is no evidence on the record to establish that [the system of claim 1 is] merely an abstract idea.” Appeal Br. 13.

Claim 1, however, does not include any recitations that limit the process implemented by the claimed system in a manner that—aside from implementation using generic computer technologies discussed below—differs from what a human insurance application reviewer would do in routing and processing insurance related data. *Cf. McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1316 (Fed. Cir. 2016) (citing *Myriad*, 569 U.S. at 595–96) (a method with limited rules reflecting a specific implementation that was “a patentable, technological improvement over . . . existing . . . techniques”). That is, a human would have looked at each insurance application entry during processing of the application and, in response to entries being incomplete or improperly formatted (i.e., not “clean”), request clarification and additional documentation as appropriate (i.e., create an exception task). Spec. ¶ 2.

Appellants argue that the additional limitations of claim 1 make the claim substantially more than any underlying abstract idea because “the claimed computer processor is integral to the claimed invention.” Appeal Br. 15. Specifically, Appellants contend “it is *not possible* for the steps of the claims to be performed without a computer.” *Id.*

Appellants' contention is unpersuasive because simply introducing a computer into a claim does not "supply the necessary inventive concept." *Alice*, 573 U.S. 208, 222. It is a tautology that a claim that includes a computer or steps executed on a computer cannot be performed without a computer. Nonetheless, "mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention." *Id.* at 223. That is, "[a]n inventive concept that transforms the abstract idea into a patent-eligible invention must be significantly more than the abstract idea itself, and cannot simply be an instruction to implement or apply the abstract idea on a computer." *BASCOM Global Internet Services, Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1349 (Fed. Cir. 2016) (citing *Alice*, 573 U.S. at 223–24).

Appellants argue that,

[l]ike the claims in *Bascom*, the claims here recite improvements to conventional systems and methods that require specific computer components including "a raw data database" that a specific "rules engine" configured to convert each field of the document into a plurality of respective data elements having a common format, wherein the common format is eXtensible Markup Language (XML).

Reply Br. 5. Thus, Appellants contend claim 1 sets forth an "**ordered combination**" of the claim elements [that] results in **significantly more** than an abstract idea. *Id.* at 3.

Appellants' arguments are unpersuasive because the computer technology recitations such as "a raw data database" and a "common format . . . eXtensible Markup Language" merely limit the abstract idea to a narrower field without introducing a patent-eligible inventive concept. *See Intellectual Ventures I LLC v. Erie Indem. Co.*, 850 F.3d 1315, 1328–29

(Fed. Cir. 2017) (limiting a claimed index to XML tags narrowed the scope of a claims still directed to patent-ineligible subject matter).

The Specification shows that the “raw data” database preserves each received document in “the native format in which the document was received” (Spec. ¶ 19) while the claimed conversion of received data into data having a generic format in the form of XML obviates the need “to convert the data into a variety of different formats each time it moves through the different steps in the overall process” (*id.* ¶ 20). These elements merely serve to provide insignificant data-gathering features that “add nothing of practical significance to the underlying abstract idea.”

Ultramercial, Inc. v. Hulu, LLC, 772 F.3d 709, 716 (Fed. Cir. 2014) (citing *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1370 (Fed. Cir. 2011)).

For these reasons, Appellants’ arguments and the record before us fail to demonstrate that the invention of claim 1 integrates the underlying abstract idea into a patent-eligible practical application.

Memorandum Step 2B

Furthermore, neither claim 1 nor the Specification ascribes any specific computer technology to the claimed *rules engine*. Rather, “the rules engine converts . . . raw data . . . into data having a generic formation” (Spec. ¶ 20) and includes “procedures to check for certain conditions and, based on the results make decisions regarding information flow and exception handling” (*id.* ¶ 24). *See also id.* ¶¶ 21, 26–27, Figs. 1–3. Thus, the rules engine does not represent an additional limitation that makes the claimed invention significantly more than the underlying abstract idea, but

instead represents generic computer technology for implementing the abstract idea.

Because claim 1 does not include additional recitations that make claim 1 significantly more than the underlying abstract idea, we sustain the Examiner's 35 U.S.C. § 101 rejection of claim 1, and claims 3–8, 10, 12, 14–16, and 18, which Appellants do not argue separately.

35 U.S.C. § 103(A)

In rejecting claim 1 as obvious, the Examiner finds that Anderson's advanced data capture system teaches or suggests *a rules engine configured to convert each field of the document into a plurality of respective data elements having a common format*. Final Act. 5 (citing Anderson col. 2, l. 7–col. 3, l. 12, col. 12, l. 25–col. 2, l. 13, col. 26, ll. 34–39, Figs. 4A, 7A–E). The Examiner relies on Huff's disclosures related to extraction and analysis of data information to teach or suggest the claimed rules engine determinations. Final Act. 6–7 (citing Huff ¶¶ 14, 50). The Examiner relies on information review and decision-making disclosures in Pepoon to teach or suggest configuring the rules engine *to review data elements of the document as the document progresses through each stage of: pending, approval, issuance and in-force*. Final Act. 7–8 (citing Pepoon ¶¶ 6, 17, 25, 28, 30, 33).

Appellants contend the Examiner erred because “Anderson's ‘advanced data capture system’ is merely a scanner that performs character recognition.” Appeal Br. 7; *see also* Reply Br. 6. Appellants argue the claimed rules engine is *substantially more* than Anderson's advanced data capture system because, for example, the Specification discloses a rules

engine that continually reviews data. Appeal Br. 17 (citing Spec. ¶¶ 24, 28–29).

Appellants’ arguments are unpersuasive because they rely, in-part, on features described in the Specification that are not claimed (e.g., *continual* review of data). See Ans. 6. Furthermore, Appellants’ argument attacks Anderson individually even though the Examiner relies on Anderson, in combination with Huff and Pepoon, to teach or suggest the disputed recitations. See Final Act. 6–8; Ans. 6. In particular, Appellants’ contentions do not show error in the Examiner’s reliance on Huff’s data extraction and analysis disclosures to teach or suggest modifying Anderson to further address recitations related to case processing. Compare Appeal Br. 17 with Final Act. 6–7.

Similarly, Appellants contend “Pepoon fails to describe a rules engine or even mention the term ‘rules’ in the specification.” Appeal Br. 17. But Appellants do not explain how the claimed rules engine, itself, is patentably distinct over the prior art computing devices (all of which, necessarily, implement rules). More importantly, the Examiner relies on Anderson and Huff to teach or suggest a *rules engine*. Final Act. 5–7. The Examiner merely relies on Pepoon to teach or suggest modifying a rules engine *to review data elements of the document as the document progresses through each stage of: pending, approval, issuance and in-force*. Final Act. 7–8 (citing Pepoon ¶¶ 6, 17, 25, 28, 30, 33).

Appellants further contend the Examiner “makes only conclusory statements that fail to provide any reason for making the proposed modifications.” Appeal Br. 18; see also Reply Br. 7. Appellants fail, however, to show error in the Examiner’s conclusion that it would have been

obvious to modify Anderson using Huff’s teachings for purposes of “determining whether offers of insurance should be made to clients seeking insurance coverage.” Final Act. 7 (citing Huff ¶ 14). Nor do Appellants show error in the Examiner’s conclusion that it would have been obvious to further modify Anderson in light of Pepoon’s disclosed processing stages “because missing information or information with errors frequently stalls or delays the processing of insurance documents.” Final Act. 8 (citing Pepoon ¶ 6). Appellants do not address the merits of the Examiner’s proffered reasons, which we find reasonable. Instead, Appellants assert, without persuasive analysis, that the Examiner merely restates “the features and advantages of the cited references.” Reply Br. 7; *see also* Appeal Br. 18–19.

For these reasons, we sustain the Examiner’s 35 U.S.C. § 103(a) rejection of claim 1, and claims 3–8, 10, 12, 14–16, and 18, which Appellants do not argue separately. Appeal Br. 19.

DECISION

We affirm the Examiner’s decision rejecting claims 1, 3–8, 10, 12, 14–16, and 18.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 41.50(f).

AFFIRMED