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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* KEITH E. GOLEMBIEWSKI, PHILIP W. MICHALOWSKI,  
and DAVID P. WILAND

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Appeal 2018-000630  
Application 12/505,155  
Technology Center 3600

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Before MAHSHID D. SAADAT, DAVID M. KOHUT, and  
BETH Z. SHAW, *Administrative Patent Judges*.

SAADAT, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant<sup>1</sup> appeals under 35 U.S.C. § 134(a) from the Examiner's final rejection of claims 1 and 3–21, which constitute all the claims pending in this application.<sup>2</sup> We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

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<sup>1</sup> According to Appellant, the real party in interest is The Prudential Insurance Company of America. App. Br. 2.

<sup>2</sup> Claims 2 and 22–30 have been canceled previously.

## STATEMENT OF CASE

### *Introduction*

Appellant's Specification describes systems and methods for financial planning wherein one of challenges "in connection with savings for life events, such as a college education or wedding for a child, is that the purchase of term life insurance to provide for replacement of contributions to a fund by a wage earner may involve unnecessary expense." Spec. ¶ 22.

Exemplary claim 1 under appeal reads as follows:

1. A computer system for administering a plan for providing term life insurance associated with an education savings program, comprising:

a processor;

a memory storage device in communication with the processor;

the processor adapted to:

receive and store data relating to the plan, including:

a date of establishment of the plan;

data identifying a savings account administered by a financial institution;

a target balance of the savings account at a target date at least 10 years after the establishment of the plan;

a death benefit under a term life insurance policy issued by an issuer different from the financial institution and applicable to a death of an insured occurring after a deferral period of at least about three years and before the target date, the death benefit amount being less than the target balance at all times;

a plurality of dates associated with a plurality of planned payments by the insured, each of the plurality of planned payments to provide a planned contribution to the savings account and a premium for a death benefit;

a plurality of actual payments associated with the plurality of planned payments, the plurality of actual payments being made by the insured at the plurality of dates; and

wherein during a period from expiration of the deferral period to the target date, the death benefit decreasing at each of the plurality of dates by an amount equal to the planned contribution to the savings account;

responsive to receiving data indicative of a death of the insured, determine whether the death occurred after the deferral period and before the target date;

responsive to determining that the death occurred after the deferral period and before the target date, determine that the plurality of actual payments correspond to the plurality of planned payments for each of the plurality of dates occurring before a date of death;

responsive to determining that the death occurred after the deferral period and before the target date and that the plurality of actual payments correspond to the plurality of planned payments, determine a death benefit amount based on the date of death, the target balance, an actual balance of the savings account, and a planned balance of the savings account, the planned balance of the savings account based on the plurality of planned contributions, the actual balance of the savings account based on the plurality of actual payments; and

provide an output signal indicative of the death benefit amount and instructions to make a payment to the savings account equal to the death benefit amount.

*Rejection on Appeal*

Claims 1 and 3–21 stand rejected under 35 U.S.C. § 101 for being directed to patent-ineligible subject matter. *See* Ans. 2–7.<sup>3</sup>

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<sup>3</sup> The Examiner has substituted the 35 U.S.C. § 101 rejection of claims 1 and 3–21 with a new § 101 rejection and has withdrawn the 35 U.S.C. § 103 rejection of claims 1 and 3–21. *See* Ans. 3–8.

## ANALYSIS

Appellant argues the pending claims as a group. App. Br. 8–10; Reply Br. 2–4. As permitted by 37 C.F.R. § 41.37, we decide the appeal based on claim 1. *See* 37 C.F.R. § 41.37(c)(1)(iv).

### *Arguments*

The Examiner determines that the claims are directed to “a judicial exception (i.e., a law of nature, a natural phenomenon, or an abstract idea) without significantly more.” Ans. 3 (citing *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014)). The Examiner adds that the claims are directed to an abstract idea because they are directed to “administering a plan for providing term life insurance, which is similar to the commercial practices that have been found by the courts to be abstract ideas.” Ans. 3, 5 (citing *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1351–55 (Fed. Cir. 2014) (creating a contractual relationship) and *Bancorp Servs., LLC v. Sun Life Assurance Co. of Can. (U.S.)*, 687 F.3d 1266, 1277 (Fed. Cir. 2012) (administering and tracking life-insurance-policy values)). With respect to the additional elements and whether they amount to significantly more than the judicial exception, the Examiner finds:

The claims do not include limitations that are “significantly more” than the abstract idea because the claims do not include an improvement to another technology or technical field, an improvement to the functioning of the computer itself, or meaningful limitations beyond generally linking the use of an abstract idea to a particular technological environment. Note that the limitations, in the instant claims, are done by the generically recited computer products. The generically recited computer elements such as “processor, memory storage device” do not add a meaningful limitation to the abstract idea because they would be routine in any computer implementation. The steps do not add a meaningful limitation to the method as they

would be routinely used by those of ordinary skill in the art in order to apply the abstract idea.

Ans. 5–6 (emphasis omitted). The Examiner further finds that the recited computer components or “the generic application of the computing devices similarly does not make the invention patent-eligible.” Ans. 7. Based on these determinations, the Examiner concludes that the claims are ineligible under § 101.

Appellant argues that the Examiner has not identified an abstract idea in rejecting the claims and merely characterizes the claims as being directed to “administering a plan for providing term life insurance.” Reply Br. 2; *see also* App. Br. 8–9. According to Appellant, “the claims here are directed to a tangible system that manages a particular type of life insurance in a particular way, not an abstract idea” and, as a result, “the claims are not directed to a method of organizing human activity and are unlike arbitration, processing loan information, and mitigating settlement risk.” Reply Br. 3; *see also* App. Br. 9. Appellant also contends that “the claims recite ‘a plurality of dates associated with a plurality of planned payments by the insured, each of the plurality of planned payments to provide a planned contribution to the savings account and a premium for a death benefit,[.]’” which is “an improvement over prior art data processing systems because prior art data processing systems did not involve life insurance payments that provide a planned contribution to the savings account and a premium for a death benefit, thereby conserving computation resources that would be required for separate payments.” Reply Br. 3; *see also* App. Br. 9–10.

*Principles of Law*

Section 101 of the Patent Act provides that “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof” is patent eligible. 35 U.S.C. § 101. But the Supreme Court has long recognized an implicit exception to this section: “Laws of nature, natural phenomena, and abstract ideas are not patentable.” *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014) (quoting *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 589 (2013)). To determine whether a claim falls within one of these excluded categories, the Court has set out a two-part framework. The framework requires us first to consider whether the claim is “directed to one of those patent-ineligible concepts.” *Alice*, 573 U.S. at 217. If so, we then examine “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.” *Alice*, 573 U.S. at 217 (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 78, 79 (2012)). That is, we examine the claims for an “inventive concept,” “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 (alteration in original) (quoting *Mayo*, 566 U.S. at 72–73).

In January 2019, the USPTO published revised guidance on the application of § 101. *See* 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50 (Jan. 7, 2019) (“Guidance”). 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 activities such as a fundamental economic practice, or mental processes); and
  - (2) additional elements that integrate the judicial exception into a practical application (*see* MANUAL OF PATENT EXAMINING PROCEDURE (MPEP) §§ 2106.05(a)–(c), (e)–(h) (9th ed. Rev. 08.2017, Jan. 2018)).
- 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 is not well-understood, routine, and conventional in the field (*see* MPEP § 2106.05(d)); or
  - (4) simply appends well-understood, routine, and conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception.

*See* Guidance, 84 Fed. Reg. at 56.

#### *Discussion*

Independent claim 1 is directed to an abstract idea because the claim recites a method of organizing human activity, one of the abstract idea groupings listed in the Guidance. *See*, 84 Fed. Reg. at 52, 53 (listing “[c]ertain methods of organizing human [activities such as] fundamental economic principles or practices (including hedging, insurance, mitigating risk) [and] commercial or legal interactions (including agreements in the form of contracts; legal obligations; advertising, marketing or sales activities or behaviors; business relations)” as some of the “enumerated groupings of abstract ideas”).

The claimed computer system provides “administering a plan for providing term life insurance associated with an education savings program” by receiving and storing “data identifying a savings account administered by a financial institution,” “a target balance of the savings account,” “a death benefit under a term life insurance policy,” a plurality of “dates associated with a plurality of planned payments by the insured” and actual payments “associated with a plurality of planned payments.” App. Br. A-1 (Claims App’x.). Claim 1 recites a processor and a memory, which are adapted to perform the recited functions discussed above.

To determine whether a claim recites an abstract idea, we (1) identify the claim’s specific limitations that recite an abstract idea, and (2) determine whether the identified limitations fall within certain subject matter groupings, namely (a) mathematical concepts; (b) certain methods of organizing human activity; or (c) mental processes.

*Abstract Idea*

Here, apart from the processor and memory, every limitation of claim 1 recites an abstract idea, namely organizing human activity, or fundamental economic principles or practices (including hedging, insurance, mitigating risk) by receiving information related to a date, a savings account, a target balance, a death benefit, a plurality of payment dates and a plurality of actual payments. Therefore, contrary to Appellant’s argument that the claims “are directed to a tangible system that manages a particular type of life insurance in a particular way,” every recited function is directed to managing an insurance policy and its planned payments. *See* Reply Br. 3. Additionally, the claimed receiving and storing data relating to the plan do not require a machine, let alone a particular machine, to implement, and, therefore, fits

squarely within the human activity organization category of the agency's guidelines. *See* Guidance, 84 Fed. Reg. at 52 (listing exemplary methods of organizing human activity including (1) commercial interactions, and (2) managing interactions between people including following rules or instructions).

Although claim 1 recites an abstract idea based on these methods of organizing human activity, we nevertheless must still determine whether the abstract idea is integrated into a practical application, namely whether the claim applies, relies on, or uses the abstract idea in a manner that imposes a meaningful limit on the abstract idea, such that the claim is more than a drafting effort designed to monopolize the abstract idea. *See* Guidance, 84 Fed. Reg. at 54–55. We, therefore, (1) identify whether there are any additional recited elements beyond the abstract idea, and (2) evaluate those elements individually and collectively to determine whether they integrate the exception into a practical application. *See id.*

Here, the processor, memory, and output signal are the only recited elements beyond the abstract idea, but these additional elements do not integrate the abstract idea into a practical application when reading claim 1 as a whole. We are not persuaded that the claimed invention improves the computer or its components' functionality or efficiency, or otherwise changes the way those devices function. In another words, contrary to Appellant's assertion (Reply Br. 3), the claimed invention considers different dates associated with a planned payment to improve the distribution of death benefits rather than improving the data processing systems that are used for performing the recited functions. In other words, the claims here merely use generic computing components to provide the

related data used in determining the planned payments and the corresponding contributions, but also does not improve a display mechanism as was the case in *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299 (Fed. Cir. 2016).

Furthermore, the remaining elements recited in claim 1 do not integrate these abstract ideas into a practical application. In addition to the steps discussed above, claim 1 recites a “target balance of the savings account,” “a death benefit under a term life insurance,” “a plurality of dates,” and “a plurality of actual payments.” The written description discloses that the recited processor, system, and memory storage encompass generic components, such as a general-purpose computer. *See, e.g.*, Spec. ¶ 23, Fig. 1. Simply adding generic hardware and computer components to perform abstract ideas does not integrate those ideas into a practical application. *See* Guidance, 84 Fed. Reg. at 55 (identifying “merely includ[ing] instructions to implement an abstract idea on a computer” as an example of when an abstract idea has not been integrated into a practical application).

Thus, the claims do not integrate the judicial exception into a practical application. The claims do not (1) improve the functioning of a computer or other technology, (2) are not applied with any particular machine (except for a generic computer), (3) do not effect a transformation of a particular article to a different state, and (4) are not applied in any meaningful way beyond generally linking the use of the judicial exception to a particular technological environment, such that the claim as a whole is more than a drafting effort designed to monopolize the exception. *See* MPEP §§ 2106.05(a)–(c), (e)–(h).

*Inventive Concept*

Because we determine claim 1 is “directed to” an abstract idea, we consider whether claim 1 recites an “inventive concept.” As discussed above, the additional elements recited in the claim include a “computer system,” a “processor,” and a “storage memory.” The claim recites these elements at a high level of generality, and the written description indicates that these elements are generic computer components. *See, e.g.*, Spec. ¶ 23. Using generic computer components to perform abstract ideas does not provide the necessary inventive concept. *See Alice*, 573 U.S. at 223 (“[T]he mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention.”). Thus, these elements, taken individually or together, do not amount to “significantly more” than the abstract ideas themselves.

We again disagree with Appellant’s argument that various elements recited in the claim provide the necessary “inventive concept” by improving the data processing of the prior art. *See Reply Br.* 3–4. These elements form part of the recited abstract ideas and thus are not “additional elements” that “‘transform the nature of the claim’ into a patent-eligible application.” *Alice*, 573 U.S. at 217 (quoting *Mayo*, 566 U.S. at 78); *see also* Guidance, 84 Fed. Reg. at 55 n.24 (“USPTO guidance uses the term ‘additional elements’ to refer to claim features, limitations, and/or steps that are recited in the claim *beyond the identified judicial exception.*” (Emphasis added)). As such, Appellant’s claims can be distinguished from patent-eligible claims such as those in *McRO* and *BASCOM Glob. Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016)) (*See App. Br.* 13–14), that

are directed to “a specific means or method that improves the relevant technology” (*McRO*, 837 F.3d at 1314).

*Conclusion*

For at least the above reasons, we agree with the Examiner that claim 1 is “directed to” an abstract idea and does not recite an “inventive concept.” Accordingly, we sustain the Examiner’s rejection of claim 1 and the remaining claims which fail to include additional elements that add significantly more to the abstract idea, under 35 U.S.C. § 101.

DECISION

We affirm the Examiner’s rejection of claims 1 and 3–21 under 35 U.S.C. § 101.

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).

In summary:

<b>Claims Rejected</b>	<b>Basis</b>	<b>Affirmed</b>	<b>Reversed</b>
1, 3–21	§ 101	1, 3–21	

AFFIRMED