UNITED STATES PATENT AND TRADEMARK OFFICE

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte DYLAN J. TYSON[1]

Appeal 2018-002187
Application 13/875,981
Technology Center 3600

Before CARL W. WHITEHEAD JR., MICHAEL J. STRAUSS, and
IRVIN E. BRANCH, *Administrative Patent Judges*.

STRAUSS, *Administrative Patent Judge*.

DECISION ON APPEAL

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[1] According to Appellant, the real party in interest is The Prudential
Insurance Company of America. *See* App. Br. 2.

STATEMENT OF THE CASE

Appellant appeals under 35 U.S.C. § 134(a) from a rejection of claims 1–20. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.[2]

THE INVENTION

According to Appellant, the claims are directed to market-based adjustment of premium amounts for the generation of an annuity based on a pension plan. Spec., Title. Claim 14, reproduced below with reference labels added in brackets, is representative of the claimed subject matter:

> 14. A method, comprising:
> [(a)] receiving, by one or more processors, data indicative of a plurality of participants in a pension plan;
> [(b)] determining, by the one or more processors, a premium amount associated with a generation of an annuity based on the pension plan;
> [(c)] receiving, by the one or more processors, data indicative of one or more reference portfolios, each of the one or more reference portfolios comprising a plurality of assets indicative of assets that, when transferred, satisfy payment of the premium amount;
> [(d)] for each of the one or more reference portfolios:
> [(i)] calculating, by the one or more processors and at a first time, an expected market value of the reference portfolio at a second time, the second time occurring after the first time;
> [(ii)] based on one or more rules, removing, by the one or more processors, one or more assets from the reference portfolio;

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[2] We refer to the Specification, filed May 2, 2013 as amended on October 30, 2014 ("Spec."); Final Office Action, mailed October 27, 2016 ("Final Act."); Appeal Brief, filed June 27, 2017 ("App. Br."); Examiner's Answer, mailed October 20, 2017 ("Ans.") and Reply Brief, filed December 20, 2017 ("Reply Br.").

[(iii)] re-weighting, by the one or more processors, one or more of the remaining assets in the reference portfolio based at least in part upon the aggregate value of assets of the same type as the removed one or more assets;

[(iv)] calculating, by the one or more processors and at the second time, an actual market value of the reference portfolio at the second time; and

[(v)] based on the actual market value and the expected market value of the reference portfolio, calculating, by the one or more processors, an adjustment value of the reference portfolio, the adjustment value comprising a ratio of the actual market value at the second time and the expected market value that was calculated at the first time;

[(e)] adjusting the premium amount by multiplying the premium amount by the adjustment value of each of the one or more reference portfolios;

[(f)] communicating, by the one or more processors, the adjusted premium amount for display.

REFERENCES

The following prior art is relied upon by the Examiner in rejecting the claims on appeal:

Gardner	US 2009/0048958 A1	Feb. 19, 2009
Long	US 2011/0196705 A1	Aug. 11, 2011
Kotelba	US 2012/0150768 A1	June 14, 2012

REJECTIONS

The Examiner made the following rejections:

Claims 1–20 stand rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter. Final Act. 2–8.

Claims 1–20 stand rejected under 35 U.S.C. § 103 as being unpatentable over Long, Kotelba, and Gardner. Final Act. 8–20.

ANALYSIS

§ 101

Section 101 defines patentable subject matter: "Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title." 35 U.S.C. § 101. The U.S. Supreme Court, however, has "long held that this provision contains an important implicit exception" that "[l]aws of nature, natural phenomena, and abstract ideas are not patentable." *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 70 (2012) (quotation omitted). "Eligibility under 35 U.S.C. § 101 is a question of law, based on underlying facts." *SAP Am., Inc. v. InvestPic, LLC*, 898 F.3d 1161, 1166 (Fed. Cir. 2018).

To determine patentable subject matter, we undertake a two part test. "First, we determine whether the claims at issue are directed to one of those patent-ineligible concepts" of "laws of nature, natural phenomena, and abstract ideas." *Alice Corp. v. CLS Bank Int'l*, 573 U.S. 208, 217 (2014). "The inquiry often is whether the claims are directed to 'a specific means or method' for improving technology or whether they are simply directed to an abstract end-result." *RecogniCorp, LLC v. Nintendo Co.*, 855 F.3d 1322, 1326 (Fed. Cir. 2017). A court must be cognizant 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), and "describing the claims at . . . a high level of abstraction and untethered from the language of

the claims all but ensures that the exceptions to § 101 swallow the rule."
Enfish, LLC v. Microsoft Corp., 822 F.3d 1327, 1337 (Fed. Cir. 2016).
Instead, "the claims are considered in their entirety to ascertain whether their
character as a whole is directed to excluded subject matter." *Internet
Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015).

If the claims are directed to an abstract idea or other ineligible
concept, then we continue to the second step and "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." *Alice*, 573 U.S. at 217 (quoting *Mayo*, 566 U.S.
at 79, 78). The Court describes the second step as a 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.* (quoting *Mayo,* 566
U.S. at 72–73).

The Office recently published revised guidance on the application of
§ 101. *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed.
Reg. 50 (Jan. 7, 2019) ("Guidance").[3] Under that guidance, we look to
whether the claim recites

(1)   a judicial exception, such as a law of nature or any of the
following groupings of abstract ideas:

(a)   mathematical concepts, such as mathematical formulas;

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[3] This guidance supersedes previous guidance memoranda. *See 2019
Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. at 51 ("All
USPTO personnel are, as a matter of internal agency management, expected
to follow the guidance.").

(b) certain methods of organizing human activity, such as a

fundamental economic practice; or

(c) mental processes, such as an observation or evaluation

performed in the human mind;

(2) any additional limitations that integrate the judicial exception

into a practical application (*see* MPEP § 2106.05(a)–(c), (e)–(h));

and

(3) any additional limitations beyond the judicial exception that,

alone or in combination, were not "well-understood, routine,

conventional" in the field (*see* MPEP § 2106.05(d)).

See Guidance 52, 55, 56. Under the Guidance, if the claim does not recite a

judicial exception, then it is eligible under § 101, and no further analysis is

necessary. *Id.* at 54. Similarly, under the Guidance, "if the claim as a whole

integrates the recited judicial exception into a practical application of that

exception," then no further analysis is necessary. *Id.* at 53, 54.

Appellant contends the Examiner:

> grossly mischaracterize[s] the claim language by asserting that it is
> related to the abstract idea of "determining a premium amount
> associated with a generation of an annuity based on a pension plan." In
> doing so, the Examiner erroneously strips away the technical details of
> the claim and reduces the claim to a single clause.

App. Br. 7 (citation to Final Act. 2 omitted). Appellant argues "determining

a premium amount associated with a generation of an annuity is merely a

preliminary step in the process of transforming an existing pension plan into

an annuity." *Id.* at 8. According to Appellant, "[t]he pending claims are

patent-eligible because they recite an unconventional system and method for

transforming an existing pension plan into an annuity" and "do not attempt

to cover every possible way of transforming a pension plan into an annuity."
Id. Appellant further argues "transforming an existing pension plan into an annuity [is a] physical transformation of data . . . constitut[ing] a transformation under *Bilski*[4] and thus renders the claims patent-eligible." Appellant further contends "determining an adjusted premium for an annuity as recited in the pending claims improves the memory and processor usage associated with other, conventional ways of transforming a pension into an annuity" and, therefore, "[t]he claims are patent-eligible because they provide a technological improvement." *Id.* at 9. Appellant also contends "the claimed system and method are associated with a number of advantages over the known methods of generating an annuity from an existing pension [and, accordingly], the claims . . . recite an inventive concept and thus amount to significantly more than an abstract idea." *Id.*

The Examiner determines the claims are directed to determining a premium amount which is a fundamental economic practice and, therefore, an abstract idea. In particular, according to the Examiner:

> [T]he claims are directed to determining a premium amount associated with a generation of an annuity based on a pension plan, which is considered to be an abstract idea inasmuch as such activity is considered to be a fundamental economic practice (i.e., determining a premium amount associated with a generation of an annuity based on a pension plan is a fundamental economic practice of the banking/financial/insurance industries), a method of organizing human activity by providing a method to determine a premium amount associated with a generation of an annuity based on a pension plan (particularly as limitations of the claims may be broadly interpreted as involving human activity, e.g., involving human manipulation and recognition of data), and an algorithm to determining a premium amount associated with a generation of an annuity based on a pension plan (for example,

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[4] *Bilski v. Kappos*, 561 U.S. 593 (2010).

> determining a premium amount associated with a generation of an annuity based on a pension plan at least implies calculating financial criteria based on mathematical relationships of formulas, e.g., interest rate, premium, payment schedule, etc.).

Final Act. 3. The Examiner favorably compares the concept of determining a premium amount associated with generating an annuity based on a pension plan to fundamental economic practices found to be abstract ideas in *Bilski*,[5] *buySAFE*,[6] *Dealertrack*,[7] *Bancorp*,[8] and *Freddie Mac*.[9] *Id.* at 3–4. The Examiner determines the additional operations recited by the claims merely implement the concept of determining a premium amount and are similar to operations failing to render similar claims patent-eligible in *Classen*,[10] *CyberSource*,[11] *Bilski*, *Freddie Mac*, *Bankcorp*, and *SmartGene*.[12] *Id.* at 4–5.

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[5] Claims directed to basic concept of hedging, or protecting against risk.

[6] *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1354–55 (Fed. Cir. 2014) (claims directed to creating a contractual relationship—a "'transaction performance guaranty'" deemed abstract).

[7] *Dealertrack, Inc. v. Huber*, 674 F.3d 1315, 1333 (Fed. Cir. 2012) (claims directed to abstract idea of processing loan information through a clearinghouse).

[8] *Bancorp Servs., L.L.C. v. Sun Life Assurance Co. of Can. (U.S.)*, 687 F.3d 1266 (Fed. Cir. 2012) (claims directed to managing an insurance policy).

[9] *Federal Home Loan Mortg. Corp. v. Graff/Ross Holdings, LLP*, 604 F. Appx 930 (Mem) (Fed. Cir. 2015) (claims directed to computing a price for the sale of a fixed income asset and generating a financial analysis output).

[10] *Classen Immunotherapies, Inc. v. Biogen IDEC*, 659 F.3d 1057, 1067 (Fed. Cir. 2011) (claim involving "the idea of collecting and comparing known information," without more, is directed to an abstract idea).

[11] *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1370 (Fed. Cir. 2011) (computer-implemented system for "verifying the validity of a credit card transaction over the Internet" directed to patent-ineligible abstract idea of obtaining and comparing intangible data).

[12] *SmartGene, Inc. v. Advanced Biological Laboratories, S.A.*, 555 F. App'x 950, 954–56 (Fed. Cir. 2014) (claims drawn to abstract idea of comparing new and stored information and using rules to identify options).

The Examiner finds the claimed "generically computer-implemented solution to a business-related, financial, or economic problem" uses computer functions that are well-known, understood, routine, and conventional. *Id.* at 6. Accordingly, the Examiner determines:

> The additional elements of the claim(s) other than the abstract idea(s), taken individually and in combination, do not include additional elements that are sufficient to amount to significantly more than the judicial exception because the elements do not effect an improvement to another technology or technical field; the claim elements do not amount to an improvement to the functioning of a computer itself; and the claim elements do not move beyond a general link of the use of an abstract idea to a particular technological environment.

Id. at 5–6.

We agree with the Examiner for the reasons discussed below.

USPTO Step 2A, Prong 1

Claim 14 recites, in part, (a) receiving . . . data indicative of a plurality of participants in a pension plan; (b) determining . . . a premium amount associated with a generation of an annuity based on the pension plan; (c) receiving . . . data indicative of one or more reference portfolios, each of the one or more reference portfolios comprising a plurality of assets indicative of assets that, when transferred, satisfy payment of the premium amount; (d) for each of the one or more reference portfolios: (d)(i) calculating . . . an expected market value of the reference portfolio at a second time, the second time occurring after the first time; (d)(ii) based on one or more rules, removing . . . one or more assets from the reference portfolio; (d)(iii) re-weighting . . . one or more of the remaining assets in the reference portfolio based at least in part upon the aggregate value of assets

9

of the same type as the removed one or more assets; (d)(iv) calculating, . . .
at the second time, an actual market value of the reference portfolio at the
second time; and (d)(v) based on the actual market value and the expected
market value of the reference portfolio, calculating . . . an adjustment value
of the reference portfolio, the adjustment value comprising a ratio of the
actual market value at the second time and the expected market value that
was calculated at the first time; (e) adjusting the premium amount by
multiplying the premium amount by the adjustment value of each of the one
or more reference portfolios; and (f) communicating . . . the adjusted
premium amount for display. Thus, claim 14 is directed to determining a
premium amount (the premium amount of step (b) and the adjusted premium
amount of steps (e) and (f)) associated with the generation of an annuity for
a pension plan.

We agree with the Examiner that determining an annuity premium is a
fundamental economic practice of the banking/financial/insurance industries.
Final Act. 3. Consistent with case law and the Guidance, such fundamental
economic principles or practices constitute an abstract idea. *E.g.*, *Bancorp*,
687 F.3d at 1280 (concluding that "managing a stable value protected life
insurance policy by performing calculations and manipulating the results" is
an abstract idea). Furthermore, the determining, calculating, re-weighting,
and adjusting steps involve mathematical calculations, i.e., mathematical
concepts, which are themselves abstract ideas.

We disagree the Examiner has mischaracterized the claims as merely
directed to determining a premium amount associated with a generation of
an annuity based on a pension plan. *See* App. Br. 7. The claims require the
performance of steps related to determining and adjusting a premium

10

amount consistent with the Examiner's determination. Furthermore, the Examiner's determination is consistent with Appellant's Specification entitled "MARKET-BASED ADJUSTMENT OF PREMIUM AMOUNTS FOR THE GENERATION OF AN ANNUITY BASED ON A PENSION PLAN" and the Technical Field of the invention described as "retirement plans and more particularly to a market-based adjustment of premium amounts for the generation of an annuity based on a pension plan." Spec. 1. Other than the recited memory and processor, which are fully considered by the Examiner under step 2B and herein below, we are unable to ascertain what aspects of the claims have been stripped away as alleged by Appellant.

USPTO Step 2A, Prong 2

Appellant argues the claims "recite a specific, unconventional implementation of transforming an existing pension into an annuity" that do not preempt all ways of performing the claimed invention and, therefore, are not abstract. App. Br. 8, Reply Br. 3. Such argument is unpersuasive. Although preemption "'might tend to impede innovation more than it would tend to promote it,' thereby thwarting the primary object of the patent laws" (*Alice*, 573 U.S. at 216 (quoting *Mayo*, 566 U.S. at 71)), "the absence of complete preemption does not demonstrate patent eligibility" (*Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015)). *See also OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015) ("[T]hat the claims do not preempt all price optimization or may be limited to price optimization in the e-commerce setting do not make them any less abstract.").

Appellant further contends "[t]he claims are not abstract because they solve a problem in the state of art. Reply Br. 4. According to Appellant, the

11

claims address "problems [that] may arise as a result of an agreement for an annuity being signed at a first time and the annuity generation and premium payment not occurring until a later second time." *Id.* at 5. However, the problem identified by Appellant is not a technological problem, but a problem rooted in fundamental economic practices wherein financial conditions are subject to change over time requiring making adjustments due to fluctuating asset values. Thus, we agree with the Examiner:

> [the] additional elements of the claims other than the abstract idea(s), taken individually and in combination, do not include additional elements that are sufficient to amount to significantly more than the judicial exception because the elements do not effect an improvement to another technology or technical field; the claim elements do not amount to an improvement to the functioning of a computer itself; and the claim elements do not move beyond a general link of the use of an abstract idea to a particular technological environment.

Ans. 24. As articulated by the Examiner, "the claim as a whole provides a generically computer-implemented solution to a business-related, financial, or economic problem (i.e., determining a premium amount associated with a generation of an annuity based on a pension plan)." *Id.* at 25.

We are also unpersuaded by Appellant's argument that converting a pension plan into an annuity is a "physical transformation of data" rendering the claims patent-eligible. App. Br. 8 (citing *Bilski*). Although the machine-or-transformation test can indicate whether additional elements integrate the exception into a practical application[13], such is not the case here. Under the machine-or-transformation test, a claimed process is patent-eligible if: (1) it

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[13] See Guidance, 84 Fed. Reg. at 55 (citing MPEP § 2106.05(c)); accord *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 716 (Fed. Cir. 2014) (quoting *Bilski v. Kappos*, 561 U.S. 593, 594 (2010)).

is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing. *In re Bilski*, 545 F.3d 943, 954 (Fed. Cir. 2008), *aff'd sub nom. Bilski*, 561 U.S. at 593. The transformation (1) must transform an underlying article to a different state or thing, and (2) must be central to the purpose of Appellant's claimed process. *Id.* at 962. Although an underlying article can be intangible, such as electrical signals, and the transformation can include data transformation, the data must represent a physical object or an article. *Id.* at 962-63 (citing *In re Abele*, 684 F.2d 902, 908-09 (CCPA 1982)). In the instant appeal, the subject data represents financial information, not a physical object. "The mere manipulation or reorganization of data . . . does not satisfy the transformation prong." *CyberSource*, 654 F.3d at 1375. Therefore, we conclude method claim 14 fails to satisfy the transformation prong of the *Bilski* machine-or-transformation test. *See* MPEP § 2106.05(c) "Particular Transformation."

Appellant's reliance on the Board's opinion in Institution Decision of Covered Business Method Patent Review, *PNC Bank et al. v. Secure Axcess, LLC*, CBM2014-00100 (Sep. 9, 2014), is misplaced. Reply Br. 6. We note the Board's decision in *PNC Bank* is not precedential and, therefore, not binding. Furthermore, Appellant mischaracterizes that decision as applying to transforming data in general rather than the specific transformation addressed, i.e., a transformation of data "by inserting an authenticity key to create formatted data, enabling a particular type of computer file to be located and from which an authenticity stamp is retrieved." *PNC Bank* at 20. Instead, in *PNC Bank* the Board agreed the manipulation or reorganization of data that can be performed in the human mind does not

satisfy the transformation prong. *Id.* at 22. In the present appeal Appellant does not identify any manipulation or reorganization of data recited by the claims that cannot be performed by the human mind. Therefore, we disagree the claims recite a transformation of the type determined to be patent-eligible in *Bilski*.

We are also unpersuaded "[t]he claims are patent-eligible because they provide a technological improvement." App. Br. 9. In particular, Appellant's argument that "determining an adjusted premium for an annuity as recited in the pending claims improves the memory and processor usage associated with other, conventional ways of transforming a pension into an annuity" (App. Br. 9) is conclusory and without sufficient evidentiary support. *See* Ans. 27–28. Instead, we agree with the Examiner that any improvement is to determining an adjusted premium for an annuity, not to a technical aspect such as the argued memory or processor implementing the method. *See id.*

For the reasons discussed, we agree with the Examiner the claims do not include additional elements that are sufficient to amount to significantly more than the judicial exception because the additional elements do not effect an improvement to another technology, technical field, or to the functioning of a computer itself. Thus, we conclude that claim 1 does not integrate the judicial exception into a practical application. We determine claim 14 does not recite:

(i)   an improvement to the functioning of a computer;

(ii)   an improvement to another technology or technical field;

(iii)   an application of the abstract idea with, or by use of, a particular machine;

    (iv)   a transformation or reduction of a particular article to a different state or thing; or

    (v)   other meaningful limitations beyond generally linking the use of the abstract idea to a particular technological environment.

See MPEP §§ 2106.05(a)–(c), (e)–(h). Instead, any improvement is to the underlying abstract idea of determining a premium amount associated with a generation of an annuity based on a pension plan. Thus, claim 14 does not integrate the judicial exception into a practical application. *See* Guidance 54–56; MPEP § 2106.05(a)–(c), (e)–(h).

USPTO Step 2B

Finally, we agree with the Examiner that:

> [T]he additional elements of the claim(s) other than the abstract idea(s) [in steps (a)-(f), above] serve to receive, determine, calculate, remove, re-weight, adjust, and communicate data by using computing devices recited at a high level of generality (i.e., one or more processors). Thus, the claim as a whole may be considered to merely apply the abstract idea of determining a premium amount associated with a generation of an annuity based on a pension plan to being performed using generic computing devices, with the additional elements adding insignificant extra-solution activity (e.g., mere data gathering and well-understood, routine, and conventional computing activities). In other words, the claim as a whole provides a generically computer-implemented solution to a business-related, financial, or economic problem (i.e., determining a premium amount associated with a generation of an annuity based on a pension plan).

Final Act. 6. We note, for example, the Specification discloses:

> Calculation device 114 may include a network server, any remote server, a mainframe, a host computer, a workstation, a web space

> server, a personal computer, a file server, or any other device
> operable to provide calculations and/or adjustments associated
> with premium amounts for a generation of an annuity 30 based
> on a pension plan 22.

Spec. p. 17, ll. 9–13. Similarly, processor 122 is disclosed as "a programmable logic device, a microcontroller, a microprocessor, any processing device, or any combination of the preceding" and memory 126 is disclosed as "random access memory (RAM), read only memory (ROM), magnetic storage devices, optical storage devices, or any other information storage device or a combination of these devices." Spec. p. 18, ll. 7–9, 13–15. As the Federal Circuit has held, "the use of conventional computer components, such as a database and processors, operating in a conventional manner" "do[es] not confer patent eligibility." *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1371 (Fed. Cir. 2015). This is because "mere automation of manual processes using generic computers does not constitute a patentable improvement in computer technology." *Credit Acceptance Corp. v. Westlake Servs.*, 859 F.3d 1044, 1055 (Fed. Cir. 2017).

We, therefore, determine that the limitations of claim 14 do not add significantly more to the patent-ineligible abstract idea.

Accordingly, the claims are directed to a fundamental economic practice, which is one of certain methods of organizing human activity identified in the Memorandum and thus an abstract idea, and the claims do not recite limitations that amount to significantly more than the abstract idea itself. We sustain the rejection of independent claim 14 under 35 U.S.C. § 101 and, for the same reasons, the rejection of independent claims 1 and 8,

together with dependent claims 2–7, 9–13, and 15–20, which are not argued separately with particularity.

§ 103

Appellant contends the rejection under U.S.C. § 103 is improper, arguing the prior art fails to teach (i) removal of assets from the reference portfolio, (ii) re-weighting of remaining assets, and (iii) calculation of an adjustment value of the reference portfolio as required by the claims. App. Br. 10. Appellant argues, "[i]nstead of teaching the removal of assets from the reference portfolio, . . . Kotelba teaches adjusting the weights of exchange traded products (ETPs)." *Id.*

The Examiner responds, finding Kotelba's ETP weighting value of "none" teaches removal of the asset from the reference portfolio. Ans. 30. Addressing the argued reweighting limitation, the Examiner finds:

> Kotelba at ¶ 0058 teaches that "The optimization is performed with a constraint that the sum total of the ETP security weights in the reference portfolio be equal to 100%" and thus the re-weighting assets after removal based on shared ETP asset characteristics in view of Kotelba at ¶¶ 0059–0060 demonstrates that the degree of fit of the same type of ETP asset has to add up to 100%, which reads on 'based at least in part upon the aggregate value of the same type as the removed one or more assets' as claimed.

Id. Finally, the Examiner finds it is the combination of Kotelba with Gardner, not Kotelba alone as argued, that teaches the disputed calculation step. *Id.*

Appellant replies, arguing the Examiner's conclusion "that Kotelba's disclosure of 'none positions' amounts to disclosure of removing assets" is conclusory in the absence of sufficient supporting explanation and,

17

therefore, cannot support the rejection. Reply Br. 10. In connection with the reweighting limitation, Appellant argues because Kotelba fails to teach removal of ETPs from the reference portfolio, there is also no disclosure of adjusting the remaining ETPs. *Id.* Appellant further argues "[a]t most, . . . Kotelba teaches that the sum of the weights must equal 100%; this language has nothing to do with the aggregate value of ETPs or adjusting the weight of an ETP based on an aggregate value of ETPs." *Id.* at 10–11.

Appellant's arguments are unpersuasive. In the absence of sufficient evidence to the contrary, we agree with the Examiner in finding Kotelba's "none position" (i.e., a weight of zero) teaches removal of the asset from the reference portfolio. In connection with the reweighting limitation, because we disagree with Appellants' premise that Kotelba fails to teach removal of ETPs from the reference portfolio, we are not persuaded of Appellant's conclusion that there is also no disclosure of adjusting the *remaining* ETPs. We are also unpersuaded Kotelba requirement that the sum of weights equal 100% fails to teach or suggest adjusting the weight on an ETP based on an aggregate value of the ETPs. In particular, because the weights must total 100%, individual adjustments cannot result in the total exceeding the 100% limit thereby, under a broad but reasonable interpretation, teaching or suggesting the disputed limitation of adjusting the weight of an ETP based on an aggregate value of ETPs. Finally, Appellant's argument attacking the Kotelba reference as failing to disclose the disputed calculating step is unpersuasive as failing to address the Examiner's rejection. As explained by the Examiner, the disputed limitation is taught or suggested by the combination of Kotelba and Gardner, not by Kotelba alone as argued. Ans. 30. Thus, Appellant's argument is an improper attack on the references

individually where the rejection is based on the combination of references. *See In re Keller*, 642 F.2d 413, 426 (CCPA 1981); *In re Merck & Co., Inc.*, 800 F.2d 1091, 1097 (Fed. Cir. 1986).

For the reasons discussed, we are unpersuaded of Examiner error. Accordingly, we sustain the rejection of independent claims 1, 8, and 14 under Claims 1–20 stand rejected under 35 U.S.C. § 103 together with the rejection of dependent claims 2–7, 9–13, and 15–20 which are not argued separately with particularity.

DECISION

We affirm the Examiner's decision to reject claims 1–20 under 35 U.S.C. §§ 101 and 103.

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). *See* 37 C.F.R. § 41.50(f).

AFFIRMED