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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
14/321,905	07/02/2014	David Alan Clark	AU140213USNP	8740

57572 7590 09/17/2019

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ART UNIT	PAPER NUMBER
3694	

NOTIFICATION DATE	DELIVERY MODE
09/17/2019	ELECTRONIC

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte DAVID ALAN CLARK and JUSTIN N. SMITH

Appeal 2018-002794
Application 14/321,905[1]
Technology Center 3600

Before ERIC B. CHEN, HUNG H. BUI, and ADAM J. PYONIN, *Administrative Patent Judges*.

BUI, *Administrative Patent Judge*.

DECISION ON REQUEST FOR REHEARING

Appellant filed a Request for Rehearing ("Request") under 37 C.F.R. § 41.52 for reconsideration of our Decision on Appeal, mailed on June 4, 2019 ("Decision"). In that Decision, we affirmed the Examiner's final rejection of claims 1–4 and 6 under 35 U.S.C. § 101. We have considered the arguments presented by Appellant in the Request, but we are not persuaded that any points were misapprehended or overlooked by the Board in affirming the Examiner's final rejection of claims 1–4 and 6 under 35 U.S.C. § 101. We have provided herein additional explanations, but decline to change our decision in view of Appellant's arguments.

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[1] We use the word "Appellant" to refer to "applicant(s)" as defined in 37 C.F.R. § 1.42. According to Appellant, the real party in interest is Applied Underwriters, Inc. App. Br. 2.

DISCUSSION

The applicable standard for a Request for Rehearing is set forth in 37 C.F.R. § 41.52(a)(1), which provides in relevant part, "[t]he request for rehearing must state with particularity the points believed to have been misapprehended or overlooked by the Board."

In this case, Appellant requests a rehearing not on the basis of any points believed to have been misapprehended or overlooked by our Decision, but on the basis of Appellant's alleged lack of "a fair opportunity to react to the Board's *de novo* analysis." Request 2. In particular, Appellant argues the Examiner failed to consider certain "adjustment" limitations recited in the claims in the Final Office Action ("Final Act.") dated on August 15, 2016 and the Examiner's Answer ("Ans.") dated on November 15, 2017, including:

> [i] "asymptotically transform[ing] said fraud risk rating to give an estimate of the probability of said claim being fraudulent;"
>
> [ii] "quantif[ing] the false positives and false negatives of said system using said estimate of the probability of a claim being fraudulent;" and
>
> [iii] "adjust[ing] said threshold based on said quantified false positives and false negatives."

Id.

Appellant acknowledges that "[t]he Board, however, has heavily relied on its analysis of the Adjustment Limitations in its affirmance of the Examiner's rejection." *Id*. Because the alleged lack of "a fair opportunity to react to the Board's de novo analysis," Appellant requests that "the Board designate the Decision as a new ground of rejection." *Id*.

Appellant's arguments misapprehend the standard for a request for rehearing set forth in 37 C.F.R. § 41.52(a)(1) and, as such, are not an appropriate basis for a rehearing request or request to designate the Decision as a "new ground of rejection" because the Board already addressed these arguments on pages 9–10 and 12 of the Decision. Under 37 C.F.R. § 41.52(a)(4), "new arguments that the Board's decision contains an undesignated new ground of rejection are permitted." However, there is no such rule or regulation that would afford Appellant "a fair opportunity to react to the Board's *de novo* analysis." Instead, "the ultimate criterion of whether a rejection is considered 'new' . . . is whether appellants have had fair opportunity to react to the thrust of the rejection." *In re Kronig*, 539 F.2d 1300, 1303 (CCPA 1976).

The purpose of designating the Board's decision as containing a "new ground of rejection" is to ensure that all appellants are afforded due process. In cases that come before the Board, "due process" means that the Board must ensure that appellants are given a fair opportunity to respond to the thrust of a rejection. *See In re Kumar*, 418 F.3d 1361, 1368 (Fed. Cir. 2005) (citing *In re Kronig*, 539 F.2d at 1302). For example, if the Board affirms an adverse decision of an examiner based on new evidence (such as a new prior art reference) or a new rationale, the Board must consider whether this decision changes the examiner's decision in such a way that the appellant has not been given a fair opportunity to respond to the thrust of the rejection. In such cases, the Board should consider designating the Board's decision as containing a new ground of rejection.

However, it is generally not a new ground of rejection, if the Board's decision responds to appellant's arguments using different language, or

restates the reasoning of the rejection in a different way, so long as the evidence relied upon is the same and the "basic thrust of the rejection" is the same. *In re Kronig*, 539 F.2d at 1303; *see also In re Noznick*, 391 F.2d 946, 949 (CCPA 1968) (no new ground of rejection made when "explaining to appellants why their arguments were ineffective to overcome the rejection made by the examiner").

In this case, the basic thrust of the rejection at the Examiner and Board level is the same, that is, the § 101 rejection of claims 1–4 and 6 applies because these claims are directed to calculating fraud risk associated with an insurance claim, which falls under multiple categories of abstract ideas, including (1) "certain methods of organizing human activity" such as a fundamental economic practice involving an insurance claim; (2) "mental processes [that could be performed in the human mind or by a human using a pen and paper];" or (3) "mathematical concepts" and, thus, an abstract idea. Final Act. 4; Decision 7–10. Our discussion of the "adjustment" limitations in response to Appellant's arguments does not change this basic thrust. Additionally, we note that, regardless of the Examiner's position, Appellant had ample opportunities to argue that the "adjustment" limitations recited in the claims would transform an otherwise judicial exception into a patent-eligible subject matter, which Appellant did argue in both briefs (*see* App. Br. 6–9; Reply Br. 2–3).

Patent eligibility is a question of law that is reviewable *de novo*. *Dealertrack, Inc. v. Huber*, 674 F.3d 1315, 1333 (Fed. Cir. 2012). As recognized by Appellant, we reviewed the Examiner's § 101 determination concerning patent eligibility under this standard, and already considered those "adjustment" limitations in affirming the Examiner's § 101 rejection.

Accordingly, Appellant has not made a sufficient showing in the Request that designation as a new ground is warranted in this case.

CONCLUSION

We have considered the arguments raised by Appellant in the Request, but find none of these arguments persuasive that our original Decision misapprehended or overlooked any points raised by Appellants resulting in error. It is our view, Appellant has not identified any points the Board misapprehended or overlooked, or demonstrated that Appellant has not had a fair opportunity to react to the thrust of the § 101 rejection. We decline to grant the relief requested. This Decision on Appellant's "**REQUEST FOR REHEARING**" is deemed to incorporate our earlier Decision by reference. *See* 37 C.F.R. § 41.52(a)(1).

DECISION

We have granted Appellant's request to the extent that we have reconsidered our Decision, but we deny the request with respect to making any changes therein. The Examiner's decision rejecting claims 1–4 and 6 under 35 U.S.C. § 103(a) remains 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).

REHEARING DENIED