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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte CRAIG SCHULZ

Appeal 2018-003122
Application 13/622,994
Technology Center 3600

Before MAHSHID D. SAADAT, ALLEN R. MacDONALD, and JOHN P. PINKERTON, *Administrative Patent Judges*.

MacDONALD, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF CASE

Appellant appeals under 35 U.S.C. § 134(a) from a final rejection of claims 1–6, 8–13, 15–18, and 20–23. Claims 7, 14, and 19 have been cancelled. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm-in-part. [1]

Representative Claims

Representative claims 1 and 5 under appeal read as follows (emphasis added):

> 1. A method including:
>
> (a) receiving product identifying information at a system of one or more data processing devices included in an evaluation system, the product identifying information identifying a damaged product;
>
> (b) receiving a section input from a user device, the section input being received at the system of one or more data processing devices included in the evaluation system and identifying a damaged section of the damaged product;
>
> (c) under control of the system of one or more data processing devices included in the evaluation system, ***causing a grid to be displayed at the user device along with a representation of the identified damaged section, the grid defining a number of grid segments with each grid segment located over a respective portion of the representation of the identified damaged section, the grid and representation of the identified damaged section being displayed together with a number of predefined damage severity indicators, each of the number of predefined damage severity indicators indicating a***

[1] Herein, we refer to the Specification, filed Sept. 19, 2012 ("Spec."); Final Office Action, mailed May 19, 2016 ("Final Act."); Appeal Brief, filed Jan. 19, 2017 ("App. Br."); and the Examiner's Answer, mailed Apr. 19, 2017 ("Ans.").

different level of damage and being associated with a predefined representation of that respective level of damage;

(d) ***receiving a respective damage severity level input from the user device for each of the grid segments encompassing damage which is to be considered in an overall repair cost estimate for the identified damaged section, each respective damage severity level input being received at the system of one or more data processing devices included in the evaluation system and including a user-selected damage severity indicator selected from the number of predefined damage severity indicators displayed at the user device;***

(e) at the system of one or more data processing devices included in the evaluation system, for each respective damage severity level input, retrieving damage estimate data from one or more data storage devices, the retrieved damage estimate data being specified at least in part by (i) that respective grid segment and by (ii) the user-selected damage severity indicator for that respective damage severity level input; and

(f) at the system of one or more data processing devices included in the evaluation system, applying the retrieved damage estimate data to produce the overall repair cost estimate for the identified damaged section.

5. The method of claim 1 further including:

(a) causing a photograph of the identified section of the damaged product to be displayed at the user device as the representation of the identified damaged section;

(b) under control of the system of one or more data processing devices included in the evaluation system, ***causing the user device to display an outline for the grid, the outline for the grid being separate from the representation of the identified damaged section and matching a peripheral shape of the representation of the identified damaged section;***

(c) ***causing a sizing and alignment interface to be displayed at the user device, and prompting the user to use the***

sizing and alignment interface to size and align the photograph to the outline for the grid.

App. Br. 24–26 (Claims Appendix).

Rejections on Appeal

1. The Examiner rejected claims 1–6, 8–13, 15–18, and 20–23 under 35 U.S.C. § 101 for being directed to patent-ineligible subject matter.[2] *See* Ans. 2.

2. The Examiner rejected claims 1–2, 4–6, 8–13, 15–18, and 20–23 under 35 U.S.C. § 103(a) as being unpatentable over Holden (US 2009/0138290 A1; published May 28, 2009) ("Holden") and Xu et al. (US 2012/0109660 A1; published May 3, 2012) ("Xu").[3] *See* Ans. 2.

3. The Examiner rejected claim 3 under 35 U.S.C. § 103(a) as being unpatentable over Holden, Xu, and Edmunds.com Homepage, Internet Archive Wayback Machine, http://web.archive.org/web/20090326083630/http://www.edmunds.com/ (March 26, 2009) ("Edmunds").[4] *See* Ans. 2.

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[2] We select claim 1 as representative. Separate patentability, in compliance with 37 C.F.R. § 41.37(c)(iv), is not argued for claims 2–6, 8–13, 15–18, and 20–23. *See* App. Br. 9–15. Accordingly, except for our ultimate decision, the rejection of claims 2–6, 8–13, 15–18, and 20–23 under 35 U.S.C. § 101 is not discussed further herein.

[3] The Examiner's Answer incorrectly indicated that claims 7, 14, and 19 were also rejected. *See* Ans. 2. However, as previously indicated, these claims have been cancelled. (*See* Preliminary Amdt., dated Feb. 12, 2016.) Further, the patentability of claims 2, 6, 9–13, 15–18, 20–21, and 23 is not separately argued from that of claim 1. *See* App. Br. 15–22. Accordingly, except for our ultimate decision, the rejection of claims 2, 6, 9–13, 15–18, 20–21, and 23 under 35 U.S.C. § 103(a) is not discussed further herein.

[4] The patentability of claim 3 is not separately argued from that of claim 1. *See* App. Br. 15–22. Accordingly, except for our ultimate decision, the rejection of claim 3 under 35 U.S.C. § 103(a) is not discussed further herein.

Issues on Appeal

Did the Examiner err in rejecting claim 1 as being directed to patent-ineligible subject matter?

Did the Examiner err in rejecting claims 1, 2, 4, 5, 8, and 22 as being obvious?

ANALYSIS

A. *Section 101 Case Law*

Under 35 U.S.C. § 101, a patent may be obtained "for any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof." The Supreme Court has "long held that this provision contains an important implicit exception: Laws of nature, natural phenomena, and abstract ideas are not patentable." *Alice Corp. Pty. Ltd. 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)). The Supreme Court in *Alice* reiterated the two-step framework previously set forth in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66 (2012), "for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts." *Alice*, 573 U.S. at 217. The first step in that analysis is to "determine whether the claims at issue are directed to one of those patent-ineligible concepts," such as an abstract idea. *Id.* The Court acknowledged in *Mayo* 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. Therefore, we look to whether the claims focus on a specific means or method that improves the relevant technology

or are instead directed to a result or effect that itself is the abstract idea and otherwise merely recite generic processes and machinery. *See Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1336 (Fed. Cir. 2016). If the claims are not directed to an abstract idea, the inquiry ends. Otherwise, the inquiry proceeds to the second step, in which the elements of the claims are considered "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).

B. *USPTO Section 101 Guidance*

The United States Patent and Trademark Office (USPTO) recently published revised guidance on the application of 35 U.S.C. § 101. USPTO's January 7, 2019 Memorandum, *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50, 50–57 (Jan. 7, 2019) ("Revised Guidance"). Under the Revised Guidance, we first look to whether the claim recites:

> (1) (Step 2A – Prong One) any judicial exceptions, including certain groupings of abstract ideas (*i.e.*, mathematical concepts, certain methods of organizing human activity such as a fundamental economic practice, or mental processes); and
>
> (2) (Step 2A – Prong Two) additional elements that integrate the judicial exception into a practical application (*see* MPEP § 2106.05(a)–(c), (e)–(h)).[5]

[5] We acknowledge that some of these considerations may be properly evaluated under Step 2 of *Alice* (Step 2B of Revised Guidance). Solely for purposes of maintaining consistent treatment within the Office, we evaluate

See Revised Guidance 54–55. 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, 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* Revised Guidance 56.

C. *Examiner's § 101 Rejection; Alice/Mayo – Steps 1 and 2*

C.1. *USPTO Revised Guidance Step 2A – Prong One*

Applying step 1 of the *Alice/M*ayo analysis, the Examiner concludes claim 1 is directed to an abstract idea.

> Claims 1-6, 8-13, 15-18, and 20-23 are directed to ***an abstract idea of evaluating damage to a vehicle***, specifically, directed towards receiving product identifying information, receiving a section input, displaying a grid, receiving a severity level indicator, retrieving damage estimates, and applying the retrieved damage estimate to produce an overall repair cost estimate, ***which is (i) a fundamental economic practice, (ii) a method of organizing human activities, (iii) an idea of itself, or (iv) a mathematical relationship or formula***. . . . In this case, the claimed invention is directed to ***(i) a fundamental economic practice and (ii) a mathematical relationship or formula because the claimed invention is simply using severity damage estimates to produce an overall repair cost, which results in it***

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it under Step 1 of *Alice* (Step 2A of Revised Guidance). *See* Revised Guidance 54–55.

> ***being (i) a fundamental economic practice and (ii) a mathematical relationship or formula.***
>
> Additionally, ***the claims are directed towards the abstract idea of evaluating damage to a vehicle***. The Examiner asserts that the claimed invention, as presented, is nothing more than being directed towards ***the already recognized abstract ideas of using damage information to produce an overall repair cost estimate***, i.e. receiving product identifying information, receiving a section input, displaying a grid, receiving a severity level indicator, retrieving damage estimates, and applying the retrieved damage estimate to produce an overall repair cost estimate.

Final Act. 2–3 (emphasis added); *see also* Ans. 2–5.

C.2. *USPTO Revised Guidance Step 2A – Prong Two*

Applying step 2 of the *Alice/M*ayo analysis, the Examiner concludes:

> The elements in the instant claims, when taken in combination, together ***do not offer "significantly more" than the abstract idea*** itself because the ***claims do not recite an improvement to another technology or technical field, an improvement to the functioning of the computer itself, or provide meaningful limitations beyond generally linking an abstract idea to a particular technological environment***.

Final Act. 4 (emphasis added).

> The Examiner asserts that the claimed invention ***does not further or improve upon the technology or the technical field*** as merely having a general purpose device to perform the steps of the abstract idea is nothing more than having the general purpose device perform the well-understood, routine, and conventional activities already known in evaluating damage to a vehicle, which results in the claimed invention ***not amounting to being significantly more than the judicial exception***. The Examiner further notes that the decision of *DDR Holdings* does not apply as, unlike *DDR Holdings*, ***the claimed invention is not "deeply rooted in the technology"*** since: 1.) humans have, for some time, longed been known to perform the well-understood, routine, and

> conventional activities in the field of evaluating damage to a vehicle, e.g., receiving identifying information, receiving input, displaying a grid, receiving additional input, retrieving damage estimate data, and producing an estimate, and the like; and 2.) the well-understood, routine, and conventional activities of the abstract idea does not change, alter, or improve upon how the technology, i.e. the one or more data processing devices, fundamentally functions.

Ans. 6 (emphasis added).

C.3 *USPTO Revised Guidance Step 2B*

Further applying step 2 of the *Alice/M*ayo analysis, the Examiner concludes:

> The claims ***require no more than a generic computer to perform generic computer functions that are well-understood, routine and conventional activities previously known to the industry***. The gathering, comparing, and evaluating of data is in itself is a well-known and fundamental computing function, and as such is not viewed as an improvement to the field.

Final Act. 4 (emphasis added).

> In the case of the instant invention, the Examiner asserts that the specification lacks any disclosure of evidence to demonstrate that the invention is seeking to improve upon the technology or, more specifically, that the claimed invention is directed towards addressing and improving upon an issue that arose from the technology, but merely demonstrating that ***the claimed invention is directed towards the abstract idea and merely applying or utilizing generic computing devices performing their generic functions to carry out the well-understood, routine, and conventional activities in the technical field of evaluating damage to a vehicle due to the benefits that computing devices provided, i.e. faster, more efficient, and etc.***

Ans. 9–10 (emphasis added).

D. *Appellant's § 101 Arguments*

D.1. *Step 2A – Prong One*

Claim 1 recites, in relevant part, a method including "produc[ing] an overall repair cost estimate for [an] identified damaged section [of a damaged product]." Producing a repair cost estimate for repair services is a well-known and prevalent economic practice, as admitted by Appellant in Appellant's Specification:

> Damage estimation is ***commonly required*** for vehicles that have been involved in some sort of accident or have otherwise suffered damage. Damage estimates have ***historically been prepared*** by experienced and skilled personnel such as insurance adjusters, writers, estimators, or appraisers. The person preparing the estimation reviews the damage, commonly in person, and prepares ***an estimate of the anticipated costs for repair or replacement*** based on their own judgment and experience, or with the aid of a computer program which stores repair cost information. Once the estimate is produced, the consumer may take the vehicle to a repair shop where ***the estimate is used as a basis for an approved payment to the repair shop in exchange for the repair of the vehicle***.

Spec. 1:11–19. Thus, like the concept of mitigating settlement risk in *Alice*, and the concept of hedging against risk in *Bilski v. Kappos*, 561 U.S. 593, 611 (2010), the concept of producing a repair cost estimate for repair services "is a fundamental economic practice long prevalent in our system of commerce." *Alice*, 573 U.S. at 216 (citations and internal quotation marks omitted). Accordingly, we conclude claim 1 recites a fundamental economic practice, which is one of certain methods of organizing human activity in the Revised Guidance, and thus, is an abstract idea.

Further, claim 1 additionally recites, in relevant part, "receiving product identifying information . . ., the product identifying information

identifying a damaged product," "receiving a section input . . ., the section input . . .identifying a damaged section of the damaged product," "retrieving damage estimate data," and "applying the retrieved damage estimate data to produce the overall repair cost estimate for the identified damaged section." The aforementioned elements of claim 1 recite evaluating information in order to evaluate damage to a product and identify a cost estimate to repair the damage. Thus, claim 1 also recites an "evaluation," which is also one of the mental processes in the Revised Guidance, and thus, is also an abstract idea.[6]

To the extent that any of Appellant's arguments assert claim 1 does not recite an abstract idea, we disagree for the reasons *supra*.[7]

D.2. *Step 2A – Prong Two*

Also as to claim 1, Appellant contends claim 1 includes "many and significant limitations in additional to any fundamental economic practice, mathematical relationship or formula, or the purported abstract idea of evaluating damage to a vehicle." App. Br. 12. Appellant particularly contends:

> [E]lement (c) of claim 1 requires causing a grid to be displayed at a user device along with a representation of the identified damaged section and a number of predefined damage severity indicators each indicating a different level of damage and being

[6] We do not address the Examiner's finding that claim 1 is directed to a mathematical equation or formula (*see* Final Act. 3), as it is not necessary to reach this issue to resolve the appeal.

[7] We do not address the details of any such assertions as they are moot in light of our ultimate conclusion, as described *infra* in the next section, that claim 1 integrates the abstract idea into a practical application, and thus, is *not directed to* the abstract idea.

> associated with a predefined representation of that respective level of damage. The method then includes at element (d) receiving one or more damage severity level inputs each including a damage severity indicator selected from the displayed predefined damage severity indicators. Element (e) of claim 1 then requires retrieving damage estimate data from a storage device for each respective damage severity level input. This retrieved damage estimate data is specified at least in part by (i) the respective grid segment and by (ii) the user-selected damage severity indicator. These limitations ***are more than any fundamental economic practice, mathematical relationship, or evaluating damage to a vehicle***[.]

App. Br. 12–13 (emphasis added).

Appellant's argument is persuasive. Claim 1 recites, in relevant part:

> (c) under control of [a] system of one or more data processing devices . . . ***causing a grid to be displayed at [a] user device along with a representation of the identified damaged section***, the grid defining a number of grid segments ***with each grid segment located over a respective portion of the representation of the identified damaged section***, ***the grid and representation of the identified damaged section being displayed together with a number of predefined damage severity indicators***, each of the number of predefined damage severity indicators indicating a different level of damage and being associated with a predefined representation of that respective level of damage;
>
> (d) ***receiving a respective damage severity level input from the user device for each of the grid segments*** encompassing damage which is to be considered in an overall repair cost estimate for the identified damaged section, ***each respective damage severity level input being received at the system of one or more data processing devices . . . and including a user-selected damage severity indicator selected from the number of predefined damage severity indicators displayed at the user device***;
>
> (e) at the system of one or more data processing devices . . ., for each respective damage severity level input, ***retrieving damage estimate data from one or more data storage devices, the retrieved damage estimate data being specified at least in part***

> ***by (i) that respective grid segment and by (ii) the user-selected damage severity indicator for that respective damage severity level input***; and
>
> (f) at the system of one or more data processing devices . . ., ***applying the retrieved damage estimate data to produce the overall repair cost estimate for the identified damaged section***.

App. Br. 24 (emphasis added). Rather than being directed to the concept of producing a repair cost estimate for repair services, these elements are directed to: (1) displaying a representation of an identified damaged section of a product along with a grid and predefined damage severity indicators, where each grid segment is located over a respective portion of the identified damage section, and the grid and representation of the identified damaged section are displayed together with the predefined damage severity indicators; (2) receiving user-selected input related to the displayed predefined damage severity indicators corresponding to a displayed grid segment; (3) retrieving damage estimate data from the storage devices that is specified by the respective grid segment and the user-selected input; and (4) applying the retrieved damage estimate data to provide an overall repair cost estimate. In other words, the additional elements are directed to a specific graphical representation of the damaged product and assessed damage that encompass functionalities beyond generally linking the concept of producing a repair cost estimate for repair services to a general purpose computer. Accordingly, we conclude that these additional elements impose meaningful limits that integrate the abstract idea into a practical application. We, therefore, also conclude that claim 1 is not directed to an abstract idea.

Because we conclude that claim 1 integrates the abstract idea into a practical application, and thus, is not directed to the abstract idea, we do not

need to proceed to Step 2B of the Revised Guidance. Therefore, we are persuaded the Examiner erred in finding claim 1 recites patent-ineligible subject matter. Accordingly, we do not sustain the rejection of claim 1 under 35 U.S.C. § 101.

E. *Section 103 Case Law*

The mere existence of differences between the prior art and the claim does not establish non-obviousness. *See Dann v. Johnston*, 425 U.S. 219, 230 (1976). Instead, the relevant question is "whether the difference between the prior art and the subject matter in question is a [difference] sufficient to render the claimed subject matter unobvious to one skilled in the applicable art." *Dann*, 425 U.S. at 228 (internal quotations and citations omitted). Indeed, the Supreme Court made clear that when considering obviousness, "the analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ." *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007).

Further, it is well settled that "a determination of obviousness based on teachings from multiple references does not require an actual, physical substitution of elements." *In re Mouttet*, 686 F. 3d 1322, 1332 (Fed. Cir. 2012) (citations omitted). Nor is the test for obviousness whether a secondary reference's features can be bodily incorporated into the structure of the primary reference. *In re Keller*, 642 F.2d 413, 425 (CCPA 1981). Rather, the test is what the combined teachings of the references would have suggested to those of ordinary skill in the art. *Id.*

Additionally, non-functional descriptive material is generally not given patentable weight when determining patentability of an invention over the prior art. *In re Gulack*, 703 F.2d 1381, 1385 (Fed. Cir. 1983). The PTO may not disregard claim limitations comprised of printed matter. *See Gulack*, 703 F.2d at 1384; *see also Diamond v. Diehr*, 450 U.S. 175, 191 (1981). However, the Examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583–84 (Fed Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338 (Fed. Cir. 2004). *See also Ex parte Mathias*, 84 USPQ2d 1276, 1279 (BPAI 2005) (informative) ("[N]onfunctional descriptive material cannot lend patentability to an invention that would have otherwise been anticipated by the prior art."), *aff'd*, 191 Fed.Appx. 959 (Fed. Cir. 2006) (Rule 36); *Ex parte Curry*, 84 USPQ2d 1272, 1274 (BPAI 2005) informative) ("Nonfunctional descriptive material cannot render nonobvious an invention that would have otherwise been obvious."), *aff'd*, No. 06-1003 (Fed. Cir. Jun. 12, 2006) (Rule 36). Non-functional descriptive material refers to the content of data that does not exhibit a functional interrelationship with a substrate and does not affect the way a computing process is performed. *See* MPEP § 2106.01. An expanded panel of the Board held that descriptive material that does not "functionally affect the [claimed] process" is non-functional material. *Ex parte Nehls,* 88 USPQ2d 1883, 1887 (BPAI 2008) (precedential).

F. *Appellant's § 103 Arguments*

F.1. *Claim 1*

Regarding claim 1, the Examiner found:

> In sum, Holden discloses a method, system, and computer program for determining cost estimation of a damaged vehicle based on comparing two images, one of the damaged vehicle with that of the same, but undamaged vehicle. A grid system is placed on top of each of the images to determine any differences in the respective images based on any differences in the grids. Then, a cost estimation is made based on the differences in the grid. ***The only difference between Holden and the claimed invention is that Holden does not discloses a predefined severity indicator or receiving a damage severity level input from the user, while using both the grid and the damage severity indicator to determine the damage estimate.***

Final Act. 8 (emphasis added). The Examiner further found that Xu "is directed to an integrated process and system for cosmetic vehicle repair," where Xu teaches "obtaining individual damage data of [cosmetic defects]," and further teaches "entering the individual damage data into computing device," where the damage data "[refers] to visible defects of a vehicle body, including coat and paint defects, dents of a vehicle body, vehicle exterior surface damages, etc.," and where these defects "are damage severity level indicators because they indicate the severity of damage." Final Act. 9–10. The Examiner further found Xu teaches that "descriptive data on the size of the defect or type of defect, such as dent, can be entered into the portable computing device by tapping the corresponding areae of the diagram." Final Act. 10. According to the Examiner, "it would have been obvious to a person having ordinary skill in the art at the time of the invention to modify the system and method of Holden to include the above-mentioned limitations of Xu to allow for a repairman to accurately determine the cost of a repair." *Id.*

Appellant raises the following argument in contending that the

Examiner erred in rejecting claim 1 under 35 U.S.C. § 103(a):

> Appellant respectfully submits that the rejections in view of Holden and Xu are in error because the two references apply ***fundamentally incompatible processes***, and thus there was ***no apparent reason to combine the references*** as proposed in the OA. In particular, Holden discloses a system in which damage repair estimates are generated based on a comparison of an image/model of a damaged vehicle and an image/model of the undamaged vehicle to identify differences between the two images/models which indicate damage. Holden discloses using a grid with the images of the vehicle to facilitate a comparison of images and identify a level of damage based on the presence or absence of portions of the vehicle in a given grid section. On the other hand, Xu discloses a system for repairing cosmetic damage to vehicles and relies on entry of "[descriptive] data on the damage of the coating" .... The notion of receiving a damage severity level input of any type from a user device on a grid segment by grid segment basis (as required at element (d) of claim 1 for example) ***is foreign to both Holden and Xu***. Also, considering that Holden operates on an image comparison basis, ***there would be no reason in the Holden system to receive user-supplied damage information as disclosed in Xu, and certainly not such information on a per grid segment basis.***
>
> . . .
>
> Also, the Holden system employs the disclosed grid simply as a tool in the comparison of images of a damaged and undamaged vehicle, while the grid in the present claims is displayed for the purpose of associating user-entered damage information with a particular location on the product. Thus the rejections in view of the combination of Holden and Xu are based on ***applying the grid disclosed in Holden in a completely different way from that reference.***

App. Br. 16–17 (Appellant's citations omitted; panel emphasis added).

We are not persuaded by this argument. Both Holden and Xu teach systems that assess damage to a vehicle and determine a cost estimate for repairing the damage based on the assessed damage, where Holden's system

compares a display of an image of the damaged vehicle depicted within a grid with a display of an image of an undamaged vehicle also depicted within the grid, and where Xu's system receives user-input descriptive data of the damage of a vehicle, where the input is received via user-selected indicators depicted over a displayed diagram of the vehicle. *See* Final Act. 5–10 (citing Holden ¶¶ 53, 55–56, 63, 69, 77–78; Xu ¶¶ 11–12, 47, 115). Rather than teaching incompatible processes as argued by Appellant, Holden and Xu teach similar processes of determining a cost estimate for repairing damage to a vehicle, where the two similar processes are based on two different types of damage data (*i.e.*, image data superimposed on a grid at taught by Holden and user-input data received via indicators as taught by Xu). However, consistent with the Examiner's findings, a person of ordinary skill in the art would be motivated to modify the system in Holden to use the user-input data taught by Xu in addition to the image data and the grid taught by Holden, as the system could use both types of data in order to arrive at a more accurate estimate of damage. *See* Final Act. 10; *see also* Ans. 15. Further, we are not persuaded by Appellant's argument that the combination of Holden and Xu is based on applying the grid disclosed in Holden in a way that is completely different from the way the grid is applied as taught by Holden. Even assuming *arguendo* that Appellant is correct, claim 1 merely requires the display of a grid including grid segments, which, as the Examiner found, is taught by Holden. *See* Final Act. 6 (citing Holden ¶¶ 53, 77).

Regarding claim 1, the Examiner also found, while neither reference teaches displaying the grid and representation of the identified damaged section together with a number of predefined damage severity indicators, the

representation of the severity indicators together with the grid represents non-functional descriptive material that does not impart a patentable distinction to the claim. *See* Final Act. 10–11. In response to this finding, Appellant also raises the following argument in contending that the Examiner erred in rejecting claim 1 under 35 U.S.C. § 103(a):

> [T]he claim requirement that the predefined damage severity indicators and grid are displayed together is ***clearly a functional requirement*** because it is that arrangement which allows receiving the damage severity level input on a grid segment by segment basis. Appellant therefore respectfully submits that the limitations in the claims regarding the display of the grid and predefined damage severity indicators are limitations that ***must be considered in the obviousness analysis and in fact serve to distinguish the claims from the cited art*** (that is, the cited art which the Final Office Action concedes does not disclose the limitations).

App. Br. 18–19 (Appellant's emphasis omitted; panel emphasis added).

We are not persuaded by this argument either. We agree with the Examiner that the display of the grid and representation of the identified damaged section together with the predefined damage severity indicators does not change the functionality of the functional steps of claim 1. *See* Ans. 18. Thus, we agree with the Examiner that the element "the grid and representation of the identified damaged section being displayed together with a number of predefined damage severity indicators," as recited in claim 1, is non-functional descriptive material that does not patentably distinguish the claim from the cited prior art.

Accordingly, Appellant has not shown the Examiner erred in rejecting claim 1 under 35 U.S.C. § 103(a).

F.2. *Claim 2*

Claim 2 recites "wherein the number of predefined damage severity

indicators includes at least three predefined damage severity indicators." App. Br. 25. In arguing that claim 2 is patentable, Appellant relies upon its previous argument regarding claim 1 (*i.e.*, that the combination of Holden and Xu fails to teach or suggest damage severity indicators displayed together with a grid and predefined representation of the respective level of damage). *See* App. Br. 19. This argument is not persuasive for the reasons previously discussed regarding claim 1. Accordingly, Appellant has not shown the Examiner erred in rejecting claim 2 under 35 U.S.C. § 103(a).

F.3. *Claim 4*

Appellant raises the following argument in contending that the Examiner erred in rejecting claim 4 under 35 U.S.C. § 103(a):

> [Claims 4, 11, and 17] require that the sectional representation comprises a representation of the entire product divided into the number of different sections which are separately selectable, and further require that the section input indicates a respective section selected from the sectional representation. Furthermore, in order to meet the limitations of these claims, the prior art must show that different sections are displayed and are separately selectable. ***Simply displaying a section of a vehicle on a display screen does not make that section or any other section selectable. Neither Holden nor the other references of record teach or suggest the 2 divided section representation required by claims 4, 11, and 17 as amended (and illustrated for 3 example in Appellant's FIGS. 5 and 6 at ref no. 501).***

App. Br. 20–21 (emphasis added); *see also* Reply Br. 6–7.

We are not persuaded by this argument. As found by the Examiner, Holden discloses a system that assesses damage to a vehicle where damage estimations take into account the make and model of a given vehicle, and further discloses that the system displays front and side views of the vehicle.

See Final Act. 12–13 (citing Holden ¶¶ 56, 78). Thus, Holden teaches "causing a product sectional representation to be displayed at the user device based on the received product identifying information, the product sectional representation comprising a sectional representation specific to the particular model of product indicated by the received product identifying information and including a representation of the entire product identified by the product identifying information divided into a number of different sections of the product," as recited in claim 4.

As further found by the Examiner, Xu discloses a system that assesses damage to a vehicle, where the system displays a diagram of the vehicle for document locations and other descriptions of those defects and damages. *See* Final Act. 10, 15 (citing Xu ¶ 115). As illustrated in Figures 6A and 6B of Xu, reproduced below in annotated format, diagrams representing different sections of the vehicle can be selected using a portable computing device that the diagrams are displayed within:

FIG. 6A

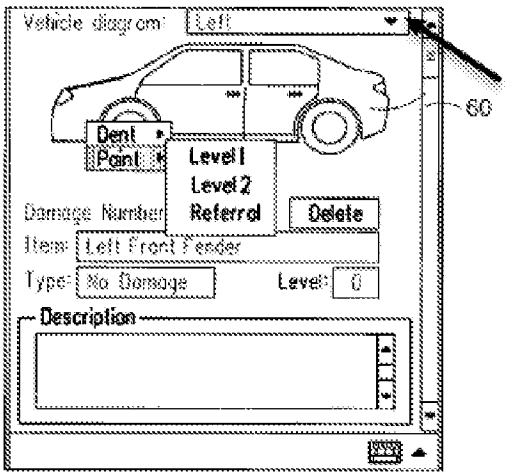

FIG. 6B

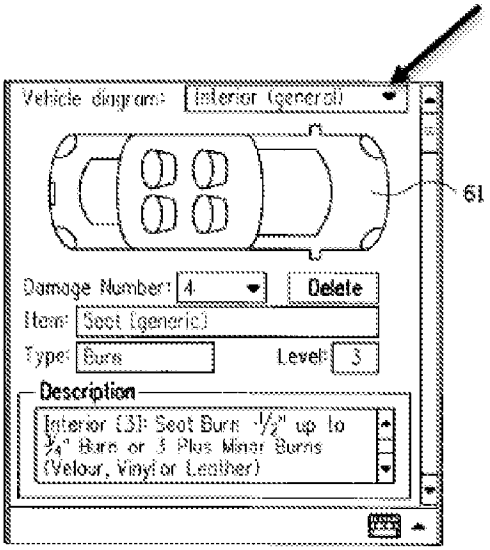

Figure 6A depicts a display of an exterior diagram representing the body style of a vehicle, and Figure 6B depicts a display of an interior diagram representing the interior layout of the vehicle. *See* Xu ¶ 115. As annotated above with corresponding arrows, the portable computing device displays a user-selection interface that allows a user to select a diagram representing a section of the vehicle to be displayed within the portable computing device. *See* Xu at Figs. 6A, 6B. Thus, Xu teaches "causing a

product sectional representation to be displayed at the user device based on the received product identifying information . . . the product identifying information divided into a number of different sections of the product where each of the sections is separately selectable through the user device, and wherein the section input indicates a respective section selected from the sectional representation," as recited in claim 4.

Therefore, we agree with the Examiner's finding that "causing a product sectional representation to be displayed at the user device based on the received product identifying information, the product sectional representation comprising a sectional representation specific to the particular model of product indicated by the received product identifying information and including a representation of the entire product identified by the product identifying information divided into a number of different sections of the product where each of the sections is separately selectable through the user device, and wherein the section input indicates a respective section selected from the sectional representation," as recited in claim 4, would have been obvious to one of ordinary skill in the art in light of the combination of Holden and Xu. Accordingly, Appellant has not shown the Examiner erred in rejecting claim 4 under 35 U.S.C. § 103(a).

F.4. *Claim 5*

Appellant raises the following argument in contending that the Examiner erred in rejecting claim 5 under 35 U.S.C. § 103(a):

> [Nothing] in Holden, including paragraph 0053, suggests or discloses ***the outline matching the peripheral shape of the representation of the identified damaged section*** as set out in claims 5, 12, and 18. Fig. 8 of Holden shows an image of a

> damaged vehicle on a grid, ***but does not disclose or suggest providing an outline for the grid to which the representation of the product is to be sized***. . . . Appellant maintains that [] Holden does not teach or suggest the limitations set out in claims 5, 12, and 18, and ***the fact that Holden simply discloses an image of the damaged vehicle and a grid is entirely immaterial to the limitations of claims 5, 12, and 18***, and to Appellant's argument.

App. Br. 21 (Appellant's emphasis and citations omitted; panel emphasis added).

We are persuaded by this argument. Although we agree with the Examiner that Holden teaches a grid and further teaches altering a relative size of an image of a damaged vehicle (*see* Final Act. 14–15 (citing Holden ¶¶53–54)), we agree with Appellant that Holden fails to teach or suggest "causing the user device to display ***an outline for the grid, the outline for the grid . . . matching a peripheral shape of the representation of the identified damaged section***" and "prompting the user to use the sizing and alignment interface to size and align the photograph ***to the outline for the grid***," as recited in claim 5. Further, the Examiner has not shown, on this record, that Xu cures the deficiencies of Holden.

Accordingly, Appellant has shown the Examiner erred in rejecting claim 5 under 35 U.S.C. § 103(a).

F.5. *Claim 8*

As characterized by Appellant, claim 8 "include[s] limitations similar to those set out in [independent claim 1], but [is] directed to the invention as applied to additional damages sections of the damaged product." App. Br. 22. Accordingly, in arguing the patentability of claim 8, Appellant relies upon its previous argument regarding claim 1. *See id.* This argument is not

persuasive for the reasons previously discussed regarding claim 1. Accordingly, Appellant has not shown the Examiner erred in rejecting claim 8 under 35 U.S.C. § 103(a).

F.6. *Claim 22*

Claim 22 recites "causing the user device to display an inquiry for additional information in response to the user-selected damage severity indicator for a respective damage severity level input." Appellant argues that "paragraph [30] of Xu refers to a selection of repairs to be made and does not suggest displaying anything **in response** [to] the user-selected damage severity indicator for a respective damage severity level input." App. Br. 22. We are not persuaded by this argument. We agree with the Examiner that paragraph 30 of Xu discloses displaying a repair selection question. *See* Final Act. 16–17 (citing Xu ¶ []30); *see also* Ans. 20. As previously discussed with respect to claim 1, Xu further discloses user-selected indicators depicted over a displayed diagram of a vehicle that receives damage data. *See* Xu ¶ 115. In light of Xu's disclosure, we agree with the Examiner that "causing the user device to display an inquiry for additional information in response to the user-selected damage severity indicator for a respective damage severity level input," as recited in claim 22, would have been obvious to one of ordinary skill in the art in light of the combination of Holden and Xu.

Accordingly, Appellant has not shown the Examiner erred in rejecting claim 22 under 35 U.S.C. § 103(a).

CONCLUSIONS

(1) The Examiner erred in rejecting claims 1–6, 8–13, 15–18, and 20–23 under 35 U.S.C. § 101.

(2) The Examiner has not erred in rejecting claims 1–4, 6, 8–11, 13, 15–17, and 20–23 under 35 U.S.C. § 103(a).

(3) The Examiner has erred in rejecting claims 5, 12, and 18 under 35 U.S.C. § 103(a).

(4) Claims 1–4, 6, 8–11, 13, 15–17, and 20–23 are not patentable.

(5) On this record, claims 5, 12, and 18 have not been shown to be unpatentable.

DECISION

We reverse the Examiner's rejections of claims 1–6, 8–13, 15–18, and 20–23 under 35 U.S.C. § 101.

We affirm the Examiner's rejections of claims 1–4, 6, 8–11, 13, 15–17, and 20–23 under 35 U.S.C. § 103(a).

We reverse the Examiner's rejections of claims 5, 12, and 18 under 35 U.S.C. § 103(a).

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-IN-PART