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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte GEOFFREY CLARKE, STEPHEN J. BASSETT,
MICHAEL KUANG-CHUNG YANG and
ALAN HARRISON KEEFER

Appeal 2019-006232
Application 12/802,589
Technology Center 3600

Before CAROLYN D. THOMAS, CARL W. WHITEHEAD JR. and
IRVIN E. BRANCH, *Administrative Patent Judges*.

WHITEHEAD JR., *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE¹

Appellant² is appealing the final rejection of claims 1–8, 11, 13–19, 22, 24, and 25 under 35 U.S.C. § 134(a). Appeal Brief 1. Claims 1, 15, and

¹ Rather than reiterate Appellant’s arguments and the Examiner’s determinations, we refer to the Appeal Brief (filed February 6, 2019), the Reply Brief (filed August 21, 2019), the Final Action (mailed September 6, 2018) and the Answer (mailed June 24, 2019), for the respective details.

² We use the word Appellant to refer to “applicant” as defined in 37 C.F.R. § 1.42(a). Appellant identifies Guidewire Software, Inc., as the real party in interest. Appeal Brief 1.

25 are independent. Claims 9, 10, 12, 20, 21, and 23 are cancelled. *See* Claim Appendix. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

Introduction

According to Appellant, the invention is directed to managing insurance information wherein:

[C]ertain information that can be shared across several policies is stored at the account level. The information is selectively set to be versioned or non-versioned. When policy information is obtained, non-versioned information is linked to the policy so that when there is change to the non-versioned information, the policy is automatically updated to reflect the change. Versioned information is copied from the account to the policy. When there is change to the versioned information, a stored version of the policy information is saved at the policy level and the part of the policy that corresponds to the versioned information is updated. In some embodiments, whether a piece of information is versioned or non-versioned depends on the context, such as which job is being executed or which role a contact is assigned.

Specification ¶ 11.

Claim 1 is reproduced below for reference (bracketed step lettering added):

*Representative Claim*³

1. A method, comprising:

³ For the § 101 rejection, Appellant argues claims 1–8, 11, 13–19, 22, 24, and 25 as a group, focusing on subject matter common to independent claims 1, 15 and 25. *See* Appeal Brief 7. We select independent claim 1 as the representative claim. *See* 37 C.F.R. § 41.37(c)(1)(iv).

[a] obtaining account information, wherein the account information includes information pertaining to an insurance account, and wherein at least some of the account information is shared across one or more insurance policies;

[b] wherein the account information is stored in an account level data store;

[c] designating a first portion of the account information as versioned information, wherein the first portion of the account information designated as versioned information includes historical values affecting terms of an insurance policy;

[d] designating a second portion of the account information as non-versioned information, wherein the second portion of the account information designated as non-versioned information includes information that does not affect the terms of the insurance policy; and

[e] wherein the designating of the first and second portions of the account information as versioned and non-versioned information, respectively, is performed automatically based at least in part on at least one of a type of job being executed and a type of role associated with a contact;

[f] obtaining policy information associated with the insurance policy, wherein at least some of the policy information is associated with corresponding account information, wherein obtaining the policy information includes synchronizing the policy information and the account information, and wherein the synchronizing includes:

[f1] copying at least some of the first portion of the account information designated as versioned information to a

first portion of the insurance policy, wherein the copying includes copying the at least some of the versioned information from the account level data store to a policy level data store; and

[f2] establishing a link between at least some of the second portion of the account information designated as non-versioned information and a second portion of the insurance policy, wherein the at least some of the non-versioned information is stored in the account level data store, wherein the link comprises a reference, a pointer, or both to the at least some of the non-versioned information stored in the account level data store, and wherein the at least some of the non-versioned information is not stored in the policy level data store;

[g] receiving an update to the at least some of the non-versioned information stored in the account level data store; and

[h] displaying, in a user interface, at least a portion of the insurance policy, including displaying the at least some of the versioned information stored in the policy level data store and using the link to display the updated at least some of the non-versioned information stored in the account level data store.

Rejection on Appeal

Claims 1–8, 11, 13–19, 22, 24, and 25 stand rejected under 35 U.S.C. § 101 because the claimed invention is directed to patent–ineligible subject matter. Final Action 2–12.

PRINCIPLES OF LAW

A. Section 101

An invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101. However, the U.S. Supreme Court has long interpreted 35 U.S.C. § 101 to include implicit exceptions: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *E.g.*, *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014).

In determining whether a claim falls within an excluded category, we are guided by the Court’s two-part framework, described in *Mayo* and *Alice*. *Alice* at 217–18 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 75–77 (2012)). In accordance with that framework, we first determine what concept the claim is “directed to.” *See Alice*, 573 U.S. at 219 (“On their face, the claims before us are drawn to the concept of intermediated settlement, *i.e.*, the use of a third party to mitigate settlement risk.”); *see also Bilski v. Kappos*, 561 U.S. 593, 611 (2010) (“Claims 1 and 4 in petitioners’ application explain the basic concept of hedging, or protecting against risk.”).

Concepts determined to be abstract ideas, and thus patent ineligible, include certain methods of organizing human activity, such as fundamental economic practices (*Alice*, 573 U.S. at 219–20; *Bilski*, 561 U.S. at 611); mathematical formulas (*Parker v. Flook*, 437 U.S. 584, 594–95 (1978)); and mental processes (*Gottschalk v. Benson*, 409 U.S. 63, 67 (1972)). Concepts determined to be patent eligible include physical and chemical processes, such as “molding rubber products” (*Diamond v. Diehr*, 450 U.S. 175, 191 (1981)); “tanning, dyeing, making waterproof cloth, vulcanizing India

rubber, smelting ores” (*id.* at 182 n.7 (quoting *Corning v. Burden*, 56 U.S. 252, 267–68 (1853))); and manufacturing flour (*Benson*, 409 U.S. at 69 (citing *Cochrane v. Deener*, 94 U.S. 780, 785 (1876))).

In *Diehr*, the claim at issue recited a mathematical formula, but the Court held that “a claim drawn to subject matter otherwise statutory does not become nonstatutory simply because it uses a mathematical formula.” *Diehr*, 450 U.S. at 187; *see also id.* at 191 (“We view respondents’ claims as nothing more than a process for molding rubber products and not as an attempt to patent a mathematical formula.”). Having said that, the Court also indicated that a claim “seeking patent protection for that formula in the abstract . . . is not accorded the protection of our patent laws, and this principle cannot be circumvented by attempting to limit the use of the formula to a particular technological environment.” *Id.* (citation omitted) (citing *Benson* and *Flook*); *see, e.g., id.* at 187 (“It is now commonplace that an *application* of a law of nature or mathematical formula to a known structure or process may well be deserving of patent protection.”).

If the claim is “directed to” an abstract idea, we turn to the second part of the *Alice* and *Mayo* framework, where “we must examine the elements of the claim to determine whether it contains an ‘inventive concept’ sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application.” *Alice*, 573 U.S. at 221 (quotation marks omitted). “A claim that recites an abstract idea must include ‘additional features’ to ensure ‘that the [claim] is more than a drafting effort designed to monopolize the [abstract idea].’” *Id.* (alterations in original) (quoting *Mayo*, 566 U.S. at 77). “[M]erely requir[ing] generic computer implementation[] fail[s] to transform that abstract idea into a patent-eligible invention.” *Id.*

B. USPTO Section 101 Guidance

In January 2019, the U.S. Patent and Trademark Office (USPTO) published revised guidance on the application of § 101. 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50 (January 7, 2019) (“2019 Revised Guidance”).⁴ “All USPTO personnel are, as a matter of internal agency management, expected to follow the guidance.” *Id.* at 51; *see also* October 2019 Update at 1.

Under the 2019 Revised Guidance and the October 2019 Update, 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 activity such as a fundamental economic practice, or mental processes) (“Step 2A, Prong One”); and
- (2) additional elements that integrate the judicial exception into a practical application (*see* MPEP § 2106.05(a)–(c), (e)–(h) (9th ed. Rev. 08.2017, Jan. 2018)) (“Step 2A, Prong Two”).⁵

2019 Revised Guidance at 52–55.

⁴ In response to received public comments, the Office issued further guidance on October 17, 2019, clarifying the 2019 Revised Guidance. USPTO, *October 2019 Update: Subject Matter Eligibility* (the “October 2019 Update”) (available at https://www.uspto.gov/sites/default/files/documents/peg_oct_2019_update.pdf).

⁵ This evaluation is performed by (a) identifying whether there are any additional elements recited in the claim beyond the judicial exception, and (b) evaluating those additional elements individually and in combination to determine whether the claim as a whole integrates the exception into a practical application. *See* 2019 Revised Guidance at 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, under Step 2B, 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.

2019 Revised Guidance at 52–56.

ANALYSIS

The Examiner determines claims 1–8, 11, 13–19, 22, 24, and 25 are patent ineligible under 35 U.S.C. § 101. *See* Final Action 2; *see Alice*, 573 U.S. at 217 (describing the two-step framework “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts”).

We are not persuaded the Examiner’s rejection is in error. Unless otherwise indicated, we adopt the Examiner’s findings and conclusions as our own. We add the following primarily for emphasis and clarification with respect to the Revised Guidance.

Step 2A–Prongs 1 and 2 identified in the 2019 Revised Guidance

Prong One

The Examiner determines, in the Answer, after the publishing of the 2019 Revised Guidance, “The recited abstract idea falls within one or more of the three enumerated 2019 [Revised Guidance] categories of patent ineligible subject matter, to wit: certain methods of organizing human

activity, which includes **fundamental economic practices or principles** (e.g., insurance --determining data to be copied into an insurance policy).”

Answer 6. Appellant argues:

[T]he claims do not recite a method of organizing human activity, such as a fundamental economic concept, commercial and legal interactions, or managing interactions between people. For instance, the claims do not recite the fundamental economic principle or practice of insurance itself. Rather, the claims are directed to a specific implementation of a process for managing account information using versioned and non-versioned information.

Appeal Brief 8; Reply Brief 2.

The Specification discloses:

Managing insurance information is disclosed. In some embodiments, certain information that can be shared across several policies is stored at the account level. The information is selectively set to be versioned or non-versioned. When policy information is obtained, non-versioned information is linked to the policy so that when there is change to the non-versioned information, the policy is automatically updated to reflect the change. Versioned information is copied from the account to the policy. When there is change to the versioned information, a stored version of the policy information is saved at the policy level and the part of the policy that corresponds to the versioned information is updated. In some embodiments, whether a piece of information is versioned or non-versioned depends on the context, such as which job is being executed or which role a contact is assigned.

Specification ¶11.

Claim 1 recites obtaining insurance account information and designating the first and second portions automatically as versioned and non-versioned information in limitations [a]-[e]. Claim 1 further recites

synchronizing the insurance policy information with account information and copying the some of the versioned information from the account level data store to the policy level data store; linking the non-versioned information to a second portion of the insurance policy where some of the non-versioned information is stored in the account level and policy level data stores in limitations [f]-[f2]. Claim 1 also recites displaying some of versioned information stored in the policy level data store and displaying some of the non-versioned information stored in the account level data store in limitations [g]-[h].

These steps comprise fundamental economic principles or practices (including hedging, insurance, mitigating risk); thus, the claim recites the abstract idea of “certain methods of organizing human activity.” *See* 2019 Revised Guidance, Section I (Groupings of Abstract Ideas). Our reviewing court has found claims to be directed to abstract ideas when they recited similar subject matter. *See Bancorp Services, L.L.C. v. Sun Life Assurance Co. of Canada (U.S.)*, 687 F.3d 1266, 1280 (Fed. Cir. 2012) (concluding that “managing a stable value protected life insurance policy by performing calculations and manipulating the results” is an abstract idea). Therefore, we conclude the claims recite an abstract idea pursuant to Step 2A, Prong One of the 2019 Revised Guidance. *See* 2019 Revised Guidance, Section III(A)(1) (Prong One: Evaluate Whether the Claim Recites a Judicial Exception)).

Prong Two

Under Prong Two of the 2019 Revised Guidance, we must determine “whether the claim as a whole integrates the recited judicial exception

into a practical application of the exception.” 2019 Revised Guidance, Section III(A)(2). It is noted that a “claim that integrates a judicial exception into a practical application will apply, rely on, or use the judicial exception in a manner that imposes a meaningful limit on the judicial exception, such that the claim is more than a drafting effort designed to monopolize the judicial exception.” 2019 Revised Guidance, Section III(A)(2).

We acknowledge that some of the considerations at Step 2A, Prong 2, properly may be evaluated under Step 2 of *Alice* (Step 2B of the Office guidance). For purposes of maintaining consistent treatment within the Office, we evaluate them under Step 1 of *Alice* (Step 2A of the Office guidance). See 2019 Revised Guidance at 55 nn. 25, 27–32.

Appellant argues, “[t]he claims are not directed to a judicial exception at least because the claims, when considered as a whole, reflect an improvement in the functioning of a computer, or an improvement to other technology or technical field, and are more than a drafting effort designed to monopolize the exception.” Appeal Brief 9. Appellant contends, “the claims, similarly to those in *Core Wireless*^[6], are directed to an improvement to user interfaces over existing insurance policy management systems, at least in part by eliminating duplicative data entry and achieving greater flexibility in the use and display of information as compared with existing insurance policy management systems.” Appeal Brief 10. We do not find Appellant’s arguments persuasive because any alleged improvement to the efficiency, speed, and accuracy, arise out of the conventional advantages of

⁶ *Core Wireless Licensing S.A.R.L. v. LG Elecs., Inc.*, 880 F.3d 1356 (Fed. Cir. 2018).

using the claimed computing device as a tool, and not a particular improvement to the computing device itself (*see Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1370 (Fed. Cir. 2015) (“[M]erely adding computer functionality to increase the speed or efficiency of the process does not confer patent eligibility on an otherwise abstract idea”)); *see* 2019 Revised Guidance at 55; *see also Trading Techs. Int’l, Inc. v. IBG LLC*, 921 F.3d 1084, 1090 (Fed. Cir. 2019) (“This invention makes the trader faster and more efficient, not the computer. This is not a technical solution to a technical problem.”). Further, as the Federal Circuit has explained, a “claim for a *new* abstract idea is still an abstract idea.” *Synopsis, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1151 (Fed. Cir. 2016). Even assuming the technique claimed was “[g]roundbreaking, innovative, or even brilliant,” that would not be enough for the claimed abstract idea to be patent eligible. *See Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 591 (2013). Claim 1’s method does not recite any improvement to the claimed user interface, instead the method only uses the user interface device to display the updated insurance policy information. *See* Appeal Brief 10.

Claim 1 recites:

displaying, in a user interface, at least a portion of the insurance policy, including displaying the at least some of the versioned information stored in the policy level data store and using the link to display the updated at least some of the non-versioned information stored in the account level data store.

Thus, the claim’s recitation of displaying data is unlike patent-eligible claims directed to displaying data such as the claimed user interface in *Core Wireless*. In *Core Wireless*, the court held that claims which recited an

interface were patent eligible because the claims recited specific limitations of the interface such as: an application summary that can be reached through a menu, the data being in a list and being selectable to launch an application, and additional limitations directed to the actual user interface displayed and how it functions. *Core Wireless*, 880 F.3d at 1363. The court found that the claims were directed to an improved user interface and not the abstract concept of an index as the claim “limitations disclose a specific manner of displaying a limited set of information to the user, rather than using conventional user interface methods to display a generic index on a computer.” *Core Wireless* at 1363; *see also Trading Tech v. CQG, Inc.*, 675 Fed. App’x 1001 (Fed. Cir. 2017) (Holding that a user interface with a prescribed functionality directly related to the interface’s structure, that is addressed to and resolves a problem in the art, is patent eligible.). In Appellant’s claim 1, there are no limitations directed to a specific manner of displaying a limited set of information to the user or to how the user interacts with the displayed data and, therefore, we find Appellant’s arguments unpersuasive.

Appellant contends, “the specific implementation of a process for managing insurance information using versioned and non-versioned data recited in the claims does not monopolize an abstract idea that falls within any of the groupings of abstract ideas enumerated in Section I of the 2019 [Revised Guidance].” Appeal Brief 13. Appellant reasons the data recited in “the claims does not monopolize an abstract idea” are supported by reciting the “groupings of subject matter” in the 2019 Revised Guidance, Section I and simply stating “the claims does not monopolize the abstract idea exceptions” of the subject matter groupings. *See* Appeal Brief 13. We

do not find Appellant’s reasoning persuasive because as the Supreme Court has described “the concern that drives this exclusionary principle [i.e., the exclusion of abstract ideas from patent eligible subject matter] as one of preemption.” *Alice*, 573 U.S. at 216. However, characterizing preemption as a driving concern for patent eligibility is not the same as characterizing preemption as the sole test for patent eligibility. As our reviewing court has explained, “[t]he Supreme Court has made clear that the principle of preemption is the basis for the judicial exceptions to patentability,” and “[f]or this reason, questions on preemption are inherent in and resolved by the § 101 analysis.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (citing *Alice*, 573 U.S. at 216). And, although “preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *Id.* Moreover, “[w]here a patent’s claims are deemed only to disclose patent ineligible subject matter under the [*Alice/Mayo*] framework . . . , preemption concerns are fully addressed and made moot.” *Id.*; 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.”).

Additionally, we detect no additional element (or combination of elements) recited in Appellant’s representative claim 1 that integrates the judicial exception into a practical application. See 2019 Revised Guidance, Section III(A)(2). For example, Appellant’s claimed additional element (e.g., user interface) does not: (1) improve the functioning of a computer or other technology; (2) is not applied with any particular machine (except for a

generic computer device); (3) does not effect a transformation of a particular article to a different state; and (4) is 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).

Accordingly, we determine the claim does not integrate the recited judicial exception into a practical application. *See* 2019 Revised Guidance, Section III(A)(2) (Prong Two: If the Claim Recites a Judicial Exception, Evaluate Whether the Judicial Exception Is Integrated Into a Practical Application)).

Step 2B identified in the 2019 Revised Guidance

Next, we determine whether the claim includes additional elements that provide significantly more than the recited judicial exception, thereby providing an inventive concept. *Alice*, 573 U.S. at 217–18 (*quoting Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 72–73 (2012)).

Appellant contends, “the claims recite other than what is well-understood, routine, and conventional in the field, and add unconventional steps that confine the claims to a particular useful application because they are analogous to the claims of *Core Wireless*, which were found to be patent-eligible under 35 U.S.C. §101 by the Federal Circuit.” Appeal Brief 15. As we discussed above, we find the claims in the instant application to be distinguished from the claims of *Core Wireless*. Also, we find the claims do not include a specific limitation or a combination of elements that amounts to significantly more than the judicial exception itself. *See* 2019 Revised Guidance, Section III(B) (Step 2B: If the Claim Is Directed to a

Judicial Exception, Evaluate Whether the Claim Provides an Inventive Concept).

Further, in *Bascom*, our reviewing court found that while the claims of the patent were directed to an abstract idea, the patentee alleged an “inventive concept can be found in the ordered combination of the claim limitations that transform the abstract idea of filtering content into a particular, practical application of that abstract idea.” *Bascom Global Internet Services, Inc., v. AT&T Mobility LLC* 827 F.3d 1341, 1352 (Fed. Cir. 2016). In particular, the patent in *Bascom* claimed “a technology-based solution (not an abstract-idea-based solution implemented with generic technical components in a conventional way) to filter content on the Internet that overcomes existing problems with other Internet filtering systems.” *Bascom* at 1351. Claim 1 is distinguishable, as it recites an abstract-idea-based solution, that is, a method of updating insurance information and receiving the results on a generic technical component (e.g., user interface), in a conventional way. *See generally* Specification. Therefore, we are not persuaded that ordered combinations of steps in representative claim 1 provide an inventive concept. *See* 2019 Revised Guidance at 56.

Accordingly, we conclude claims 1–8, 11, 13–19, 22, 24, and 25 are directed to fundamental economic principles or practices (including hedging, insurance, mitigating risk); thus, the claim recites the abstract idea of “certain methods of organizing human activity” identified in the 2019 Revised Guidance; and thus, an abstract idea with the claims failing to recite limitations that amount to significantly more than the abstract idea itself. We sustain the Examiner’s § 101 rejection of claims 1–8, 11, 13–19, 22, 24, and 25.

CONCLUSION

Claims Rejected	35 U.S.C. §	Reference(s)/Basis	Affirmed	Reversed
1-8, 11, 13-19, 22, 24, 25	101	Eligibility	1-8, 11, 13-19, 22, 24, 25	
Overall Outcome			1-8, 11, 13-19, 22, 24, 25	

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). *See* 37 C.F.R. § 1.136(a)(1)(v).

AFFIRMED