

THIS OPINION WAS NOT WRITTEN FOR PUBLICATION

The opinion in support of the decision being entered today (1) was not written for publication in a law journal and (2) is not binding precedent of the Board.

Paper No. 32

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES  
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**Ex parte** NARDIN L. BAKER

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Appeal No. 94-0570  
Application 07/389,382<sup>1</sup>  
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ON BRIEF  
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Before KRASS, BARRETT, and CARMICHAEL, **Administrative Patent Judges**.

CARMICHAEL, **Administrative Patent Judge**.

**DECISION ON APPEAL**

This is an appeal from the final rejection of Claims 18-28, which constitute all the claims remaining in the application.

Claim 18 reads as follows:

18. A computer for managing a pension plan's portfolio of assets, comprising:

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<sup>1</sup> Application for patent filed August 2, 1989.

Appeal No. 94-0570  
Application 07/389,382

computer hardware means for ascertaining a standard actuarial index in terms of characteristic future each payments discounted to present value based on a range for at least one of discount rate values and wage inflation values;

computer hardware means for ascertaining the past behavior of current pension plan liabilities projected backwards in time;

computer hardware means for determining a particular portfolio of equity stocks having an optimized combination of risk and financial return for tracking said standard actuarial index;

said computer hardware means for determining a particular portfolio of equity stocks having:

(a) means for performing computer programming commands for selecting a starting portfolio of equity stocks;

(b) means for performing computer programming commands for making a plurality of incremental changes in weight percentages of at least some of said starting portfolio of equity stocks;

(c) means for performing computer programming commands for determining a correlation of the past behavior of said pension plan liabilities with said financial return of said incrementally changed portfolio of equity stocks over the same time period as said past pension plan liabilities; and

(d) means for performing computer programming commands for reaccessing (b) and (c) until reaching said particular portfolio of assets having said optimized correlation with said standard index.

The Examiner's Answer cites no prior art.

**OPINION**

Appeal No. 94-0570  
Application 07/389,382

The pending claims (Claims 18-28) all stand rejected under 35 U.S.C. § 101 as being drawn to non-statutory subject matter. Claims 24 and 25 additionally stand rejected under 35 U.S.C.

§ 112, first paragraph, as lacking a written description.

***Rejection for non-statutory subject matter***

The relevant law is stated in ***State St. Bank v. Signature Fin. Group***, 149 F.3d 1368, 1373, 47 USPQ2d 1596, 1601 (Fed. Cir. 1998), ***cert. denied*** 1999, U.S. App. LEXIS 493 (U.S. Jan. 11, 1999):

Today, we hold that the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price, constitutes a practical application of a mathematical algorithm . . .

The present claims, all drafted in means-plus-function format, are directed to apparatus for determining an optimized portfolio of equity stocks. Appellant's disclosed means is an IBM compatible personal computer (386-20Mhz CPU, 80387 co-processor) programmed with the computer programs listed in Appendices I through IV of the Specification.

Thus, similar to the invention in ***State Street***, the claimed invention uses a certain computer to transform data

Appeal No. 94-0570  
Application 07/389,382

through a series of mathematical calculations and thereby determine an optimized portfolio of equity stocks. We conclude that the present claims are directed to statutory subject matter under **State Street** and the rejection will not be sustained.

The examiner's last substantive paper filed in this appeal was the Supplemental Examiner's Answer filed October 22, 1996 (Paper No. 28), in which the examiner stated that the issues on appeal were "similar, if not identical" to the issues in **State Street**. At that time, however, the examiner did not have the benefit of the Federal Circuit decision, instead relying on the (now reversed) District Court decision.

**Rejection for lack of written description**

Claims 24 and 25 stand rejected as lacking a written description in the specification as originally filed. The standard for whether the written description requirement is satisfied is laid out in **In re Wilder**, 736 F.2d 1516, 1520, 222 USPQ 369, 372 (Fed. Cir. 1984):

it is not necessary that the claimed subject matter be described identically, but the disclosure originally filed must convey to those skilled in the art that applicant had invented the subject matter later claimed.

Appeal No. 94-0570  
Application 07/389,382

In the present case, Claims 24 and 25 recite the use of read only memory and random access memory as part of computer hardware means for performing the required numeric processing. The examiner correctly points out that the specification does not mention any read only memory or random access memory, but merely mentions a particular computer.

The examiner concedes that the disclosed computer had read only memory and random access memory. Supplemental Examiner's Answer (Paper No. 23) at 3. We find that those skilled in the art took for granted that the disclosed computer had such memories. In other words, the specification's identification of an IBM compatible personal computer employing a 386 processor conveyed to the skilled artisan that applicant had invented a computer having the recited memories. Therefore, under *Wilder*, the rejection will not be sustained.

#### **CONCLUSION**

The rejection of Claims 18-28 under 35 U.S.C. § 101 as being drawn to non-statutory subject matter is not sustained.

The

Appeal No. 94-0570  
Application 07/389,382

rejection of Claims 24 and 25 under 35 U.S.C. § 112, first  
paragraph, as lacking a written description, is not sustained.

**REVERSED**

ERROL A. KRASS	)	
Administrative Patent Judge	)	
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	)	
	)	
	)	BOARD OF PATENT
LEE E. BARRETT	)	
Administrative Patent Judge	)	APPEALS AND
	)	
	)	INTERFERENCES
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JAMES T. CARMICHAEL	)	
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