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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
13/632,629	10/01/2012	Roberto A. Sirica	HARTFORD-221-US	5226
45722	7590	07/05/2018	EXAMINER	
Howard IP Law Group P.O. Box 226 Fort Washington, PA 19034			TIEDEMAN, JASON S	
			ART UNIT	PAPER NUMBER
			3626	
			NOTIFICATION DATE	DELIVERY MODE
			07/05/2018	ELECTRONIC

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte* ROBERTO A. SIRICA, SUSAN V. RYLANDER,  
and GLEN-ROBERTS PITRUZZELLO

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Appeal 2017-004320  
Application 13/632,629  
Technology Center 3600

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Before JOHN A. JEFFERY, ERIC S. FRAHM, and  
JAMES W. DEJMEK, *Administrative Patent Judges*.

JEFFERY, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants<sup>1</sup> appeal under 35 U.S.C. § 134(a) from the Examiner's decision to reject claims 1–3, 5–13, and 16–20.<sup>2</sup> We have jurisdiction under 35 U.S.C. § 6(b). We affirm.

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<sup>1</sup> Appellants identify the real party in interest as Hartford Fire Insurance Company. App. Br. 3.

<sup>2</sup> Although claims 5–8 depend from cancelled claim 4, we nonetheless presume that they were intended to depend from independent claim 1. We likewise presume that claims 16 and 17 were intended to depend from independent claim 11 despite their dependence from cancelled claim 14 and their inconsistent preambles, namely claim 16 reciting the *method* of claim 14, but claim 17 reciting the *system* of claim 14.

## STATEMENT OF THE CASE

Appellants' invention processes received conditional payment demand communications associated with multiple parties' payment obligations in connection with an injury, such as payments associated with (1) a worker's compensation insurance claim, and (2) a governmental program such as Medicare. For example, if a worker is injured and receives treatment that is paid for by Medicare, the Medicare program may recover payments from any worker's compensation plan that was obligated to cover that treatment. To process demands for such payments, a lien tracking tool is populated with information based on the received governmental information and the associated insurance claims, and a clinical assessment is arranged. Based on the results of this assessment, the system determines whether a governmental payment will be issued in connection with the insurance claim. *See generally* Abstract; Spec. ¶¶ 1–2, 13–28. Claim 1 is illustrative:

1. A system for improving data flow between disparate computer platforms to receive and process conditional payment demand communications, comprising:

an electronic document management (EDM) platform including an EDM computer processor and an EDM memory;

a demand processing platform including a demand processing computer processor, demand processing computer memory, a lien tracking tool, and a conditional payment spreadsheet tool; and

a clinical specialist computer system including a clinical specialist computer processor and a clinical specialist computer memory;

wherein the EDM memory stores program instructions adapted to be executed by the EDM computer processor to:

receive Medicare secondary payer conditional payment demand data from a Medicare secondary payer recovery contractor, the Medicare secondary payer conditional payment demand data corresponding to a plurality of Medicare secondary payer demand communications;

match each of the plurality of Medicare secondary payer demand communications of the Medicare secondary payer conditional payment demand data with a claim and its associated claim file;

responsive to matching of a Medicare secondary payer demand communications with the associated claim file, generate dual notifications corresponding to the matched conditional payment demand and claim file data;

transmit a first of the dual notifications to a claim handler device;

transmit a second of the dual notifications to a Medicare operations team device; and

transmit the matched conditional payment demand and the claim file data to the demand processing platform;

wherein the demand processing computer memory stores program instructions adapted to be executed by the demand processing computer processor to:

receive the matched conditional payment demand and claim file data from the EDM platform;

responsive to receipt of the matched conditional payment demand and claim file data, populate the lien tracking tool and the conditional payment spreadsheet tool with the matched conditional payment demand and claim file data;

transmit lien documents corresponding to the matched conditional payment demand and claim file data to a clinical specialist computer;

create entries in a clinical assessment queue to automatically arrange for a clinical assessment to be performed for each claim file of the matched conditional payment demand and claim file data;

responsive to the creation of entries in the clinical assessment queue, receive, from the clinical specialist computer, clinical assessments, including a clinical assessment for each claim file of the matched conditional payment demand and claim file data;

update the lien tracking tool with the clinical assessments;

determine, for each claim file of the matched conditional payment demand and claim file data, whether to generate an official response letter to dispute the conditional payment demand communication or issue a Medicare payment;

responsive to each of the determinations to generate an official response letter to dispute the conditional payment demand communication, automatically generate the official response letter to dispute the conditional payment demand communication, and output a draft of the official response letter to a printer; and

responsive to each of the determinations to issue a payment corresponding to the conditional payment demand communication, automatically issue the Medicare payment corresponding to the conditional payment demand communication;

generate a Medicare conditional payment analysis display which displays one of a recommended reimbursement amount or an explanation as to why conditional payment is not recommended, for display on a tablet device of one of a nurse or claim handler;

transmit the Medicare conditional payment analysis display to a tablet device of the one of the nurse or the claim handler; and

periodically generate, based on the lien tracking tool, an outstanding lien report;

wherein the clinical specialist computer memory stores program instructions adapted to be executed by the clinical specialist computer processor to:

receive entries in a clinical assessment queue thereby automatically arranging for clinical assessments to be performed in connection with each claim file of the matched conditional payment demand and claim file data, in accordance with information in the conditional payment spreadsheet tool; and

transmit, by the communication device, from the clinical specialist computer clinical assessments based on the lien documents.

### THE REJECTION<sup>3</sup>

The Examiner rejected claims 1–3, 5–13, and 16–20 under 35 U.S.C. § 101 as directed to ineligible subject matter. Final Act. 3–6.<sup>4</sup>

### FINDINGS AND CONTENTIONS

The Examiner finds that the claimed invention is directed to an abstract idea, namely determining and tracking whether to contest a lien on an insurance plan by comparing new and stored information, and using rules to identify options. Final Act. 4–5; Ans. 4, 14–15. According to the Examiner, the claimed elements do not add significantly more to the abstract

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<sup>3</sup> Because the Examiner withdrew an indefiniteness rejection (Ans. 2), that rejection is not before us.

<sup>4</sup> Throughout this opinion, we refer to (1) the Final Rejection mailed October 7, 2015 (“Final Act.”); (2) the Appeal Brief filed April 8, 2016 (supplemented August 26, 2016) (“App. Br.”); (3) the Examiner’s Answer mailed November 3, 2016 (“Ans.”); and (4) the Reply Brief filed January 3, 2017 (“Reply Br.”).

idea to render the claimed invention patent-eligible because, among other things, the claims recite generic computer structure and functions that are well-understood, routine, and conventional activities previously known to the industry. Ans. 5–6.

Appellants argue that not only are the claims not directed to an abstract idea, the claims add significantly more to the purported abstract idea to render the claims patent-eligible. App. Br. 21–27; Reply Br. 38–45. According to Appellants, the Examiner’s characterization does not include any hardware to implement the recited process, such as (1) the EDM platform, (2) the demand processing platform, and (3) a clinical specialist computer system, let alone include the requisite interactions among the disparate computer systems to process hundreds of thousands of claims timely and efficiently each quarter. App. Br. 26. The Examiner’s characterization is also said to lack the recited data flows between hardware components. *Id.*

Appellants further contend that the claimed invention not only recites limitations other than what is well-understood, routine, and conventional in the field, but also uses memory storage and computational resources efficiently to accelerate processing time. App. Br. 36–38. According to Appellants, the claimed solution is necessarily rooted in computer technology to overcome a technological problem, namely accelerated demand letter generation caused by technology and increased computer usage. App. Br. 45–46, 50. Appellants add that because the claimed invention processes paper demand letters, it is more akin to a physical process and, therefore, does not encompass an abstract idea. App. Br. 51–

52. Lastly, Appellants contend that there is no risk that the claims will preempt an existing business practice. App. Br. 57–58; Reply Br. 49–51.

### ISSUE

Has the Examiner erred in rejecting claim 1 by concluding that it is directed to ineligible subject matter under § 101? This issue turns on whether the claimed invention is directed to a patent-ineligible abstract idea and, if so, whether the claim’s elements—considered individually and as an ordered combination—transform the nature of the claim into a patent-eligible application of that abstract idea.

### ANALYSIS

To determine whether claims are patent eligible under § 101, we apply the Supreme Court’s two-step test articulated in *Alice Corp. Proprietary Ltd. v. CLS Bank International*, 134 S. Ct. 2347 (2014). First, we determine whether the claims are directed to a patent-ineligible concept: laws of nature, natural phenomena, and abstract ideas. *Id.* at 2354–55. If so, we then proceed to the second step and examine the claim’s elements—both individually and as an ordered combination—to determine whether the claim contains an “inventive concept” sufficient to transform the claimed abstract idea into a patent-eligible application. *Id.* at 2357.

#### *Alice Step One*

Applying *Alice* step one, we agree with the Examiner that the claimed invention is directed to an abstract idea, namely determining and tracking whether to contest a lien on an insurance plan by comparing new and stored information, and using rules to identify options. Final Act. 4–5; Ans. 4, 14–

15. Claim 1 recites, in pertinent part, (1) an EDM platform, (2) a demand processing platform, and (3) a clinical specialist computer system. The EDM platform can (a) receive Medicare secondary payer conditional payment demand data corresponding to associated communications; (b) match each communication with a claim and its associated claim file; (c) generate dual notifications corresponding to the matched conditional payment demand and claim file data; (d) transmit respective notifications to a claim handler device and Medicare operations team device, respectively; and (e) transmit the matched conditional payment demand and claim file data to the demand processing platform.

Responsive to receiving the data in step (e), the demand processing platform populates a lien tracking tool and conditional payment spreadsheet tool with this data. The demand processing platform also (1) transmits corresponding lien documents to a clinical specialist computer, and (2) creates entries in a clinical assessment queue to automatically arrange for a clinical assessment for each claim file. The demand processing platform then receives clinical assessments from the clinical specialist computer responsive to this entry creation, and updates the lien tracking tool accordingly.

For each claim file, the demand processing platform then determines whether to (1) generate an official response letter to dispute the conditional payment demand communication, or (2) issue a Medicare payment. Responsive to the first determination, the demand processing platform automatically generates the official response letter and outputs a draft to a printer. Responsive to the second determination, the demand processing platform automatically issues the Medicare payment.

The demand processing platform then generates a Medicare conditional payment analysis display that displays either (1) the recommended reimbursement amount, or (2) an explanation why conditional payment is not recommended, where the display is for a nurse's or claim handler's tablet device. The demand processing platform also generates periodically an outstanding lien report based on the lien tracking tool.

Claim 1 adds that the clinical specialist computer system (1) receives entries in a clinical assessment queue thereby automatically arranging for clinical assessments to be performed in connection with each claim file of the matched conditional payment demand and claim file data in accordance with information in the spreadsheet tool, and (2) transmits clinical assessments based on the lien documents.

In essence, the claimed invention processes received Medicare conditional payment demands by (1) associating them with a claim file, (2) assessing the demands, and (3) communicating the results of that assessment. Despite Appellants' arguments to the contrary (App. Br. 21–27; Reply Br. 38–51), we agree with the Examiner that claim 1 is directed to an abstract idea that, in essence, is a fundamental economic and business practice. *See* Final Act. 4–5; Ans. 4, 14–15. Such fundamental economic and business practices are often held to be abstract. *See, e.g., Alice*, 134 S. Ct. at 2356 (holding the concept of intermediated settlement is an abstract idea directed to a “fundamental economic practice long prevalent in our system of commerce”) (citation omitted); *see also buySAFE v. Google, Inc.*, 765 F.3d 1350, 1353–54 (Fed. Cir. 2014) (citing cases where contractual relations at issue constituted fundamental economic practices, and noting that forming or manipulating economic relations may involve an abstract

idea); *Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat. Ass'n*, 776 F.3d 1343, 1347 (Fed. Cir. 2014) (explaining that claims directed to “the mere formation and manipulation of economic relations” and “the performance of certain financial transactions” have been held to involve abstract ideas).

Furthermore, it is well settled that collecting information is within the realm of abstract ideas—even when the information is limited to particular content. *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016). It is also well settled that analyzing information by steps people go through in their minds, or by mathematical algorithms, without more, are essentially mental processes within the abstract idea category. *Id.* at 1354. And merely presenting the results of abstract processes of collecting and analyzing information, without more (such as identifying a particular tool for presentation), is abstract as an ancillary part of such collection and analysis. *Id.*

Similar to the claims at issue in *Electric Power*, the claimed invention here gathers, manipulates, analyzes, and presents information of a specified content, but does not use any particular inventive technology for performing those functions. That the information pertains to conditional payments and other financial data is of no consequence here, for collecting and analyzing information such information does not make the collection and analysis non-abstract. *See SAP America, Inc. v. InvestPic, LLC*, 890 F.3d 1016, 1021 (Fed. Cir. 2018).

Appellants’ reliance on *DDR Holdings, LLC v. Hotels.Com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014) on pages 45 and 46 of the Appeal Brief is unavailing. There, instead of a computer network operating in its normal,

expected manner by sending a website visitor to a third-party website apparently connected with a clicked advertisement, the claimed invention in *DDR* generated and directed the visitor to a hybrid page that presented (1) product information from the third party, and (2) visual “look and feel” elements from the host website. *DDR*, 773 F.3d at 1258–59. Given this particular Internet-based solution, the court held that the claimed invention did not merely use the Internet to perform a business practice known from the pre-Internet world, but rather was necessarily rooted in computer technology to overcome a problem specifically arising in computer networks. *Id.* at 1257.

That is not the case here. As noted previously, Appellants’ claimed invention, in essence, processes received Medicare conditional payment demands by (1) associating them with a claim file, (2) assessing the demands, and (3) communicating the results of that assessment. Although computer-based functionality is used to achieve this end, this computer-based functionality is nonetheless directed to an abstract idea that, in essence, is a fundamental economic and business practice. As in *SAP America*, the claims here are not directed to specific improvements in the way computers and networks carry out their basic functions, but rather an improved financial analysis. *See SAP America*, 890 F.3d at 1022; *see also In re Chorna*, 656 F. App’x 1016, 1022 (Fed. Cir. 2016) (unpublished) (holding ineligible claims directed to financial instruments valued using an allocation formula, traded, and cleared as directed to an abstract idea). That the Specification indicates that standard off-the-shelf computer technology is usable to implement the claimed invention in paragraphs 19 and 33 to 35 of the Specification only bolsters the notion that the claimed invention does not

focus on an improvement in computers as tools, but rather certain independently abstract ideas that use computers as tools. *See id.* (quoting *Elec. Power*, 830 F.3d at 1354).

*Alice Step Two*

Nor do the recited elements—considered individually and as an ordered combination—transform the nature of claim 1 into a patent-eligible application of the abstract idea to ensure that the claim amounts to significantly more than that idea. *See Alice*, 134 S. Ct. at 2357.

That the recited system is “for improving data flow between disparate computer platforms” in claim 1’s preamble does not change our conclusion, nor do the recited interactions and data flows between an (1) the EDM platform, (2) a demand processing platform, and (3) a clinical specialist computer system.

As the Examiner indicates, the claimed invention merely uses generic computing components to perform well-understood, routine, and conventional functions, including a variety of data manipulation functions indicated by the Examiner on pages 4 and 5 of the Answer. Ans. 4–16. *See Mortgage Grader Inc. v. First Choice Loan Services, Inc.*, 811 F.3d 1314, 1324–25 (Fed. Cir. 2016) (noting that components such as “interface,” “network,” and “database” are generic computer components that do not satisfy the inventive concept requirement); *see also Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1370 (Fed. Cir. 2015) (“[T]he interactive interface limitation is a generic computer element); *buySAFE*, 765 F.3d at 1355 (“That a computer receives and sends the information over a network—with no further specification—is not even

arguably inventive.”). Indeed, these generic computing components merely do that which can be performed mentally or with a pen and paper—exclusive functions ineligible for patent protection under § 101. *See CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1372 (Fed. Cir. 2011). That the Specification’s paragraph 18 defines the recited term “automatically” as performing at least part of a step associated with a process or service with *little* or no human intervention only bolsters the notion that at least some human intervention is contemplated by the claimed invention—even for functions performed automatically.

Nevertheless, even assuming, without deciding, that the recited components add efficiency, any speed increase comes from the capabilities of the generic computer components—not the recited process itself. *See FairWarning IP, LLC v. Iatric Systems, Inc.*, 839 F.3d 1089, 1095 (Fed. Cir. 2016) (citing *Bancorp Services, LLC v. Sun Life Assurance Co.*, 687 F.3d 1266, 1278 (Fed. Cir. 2012) (“[T]he fact that the required calculations could be performed more efficiently via a computer does not materially alter the patent eligibility of the claimed subject matter.”)). Like the claims in *FairWarning*, the focus of claim 1 is not on an improvement in computer processors as tools, but on certain independently abstract ideas that use generic computing components as tools. *See FairWarning*, 839 F.3d at 1095 (citations and quotation marks omitted).

In short, merely reciting these generic computing components cannot transform a patent-ineligible abstract idea into a patent-eligible invention. *Id.* at 2358. In other words, merely reciting an abstract idea while adding the words “apply it with a computer” does not render an abstract idea non-abstract: there must be more. *See Alice*, 134 S. Ct. at 2359. Nor does the

claimed invention improve the computer processor device's functionality or efficiency, or otherwise change the way that device functions. *Cf. Enfish LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016).

That the claimed invention transfers data from one computing component to another via a network does not change our conclusion. *Cf. Dealertrack, Inc. v. Huber*, 674 F.3d 1315, 1332–34 (Fed. Cir. 2012) (holding ineligible computer-aided method that sent application data sequentially to plural remote funding source terminal devices); *see also Audatex North America, Inc. v. Mitchell Int'l, Inc.*, 703 F. App'x 986, 987–90 (Fed. Cir. 2017) (unpublished) (holding ineligible method for obtaining automobile insurance claim valuation report by transmitting the report from a valuation server to a web server before transmitting the report to the client computer).

To be sure, the court in *Amdocs (Israel) Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288, 1299–1300 (Fed. Cir. 2016) held that a claim directed to using accounting information with which a network accounting record is correlated to *enhance* the record was held eligible because the claim involved an *unconventional* technological solution (enhancing data in a distributed fashion) to a technological problem (massive record flows which previously required massive databases). Although the court recognized that this solution used generic components, the recited enhancing function necessarily required these generic components to operate in an *unconventional* manner to achieve an improvement in computer functionality. *Id.* at 1300–01. Notably, the recited enhancement in *Amdocs* depended on not only the network's distributed architecture, but also on the network devices and “gatherers” working together in a distributed

environment. *Id.* at 1301. In reaching its eligibility conclusion, the court noted the patent’s emphasis on the drawbacks of previous systems where all network information flowed to one location making it very difficult to keep up with massive record flows from network devices and requiring huge databases. *Id.* at 1300. The court also noted similar network-based shortcomings that were overcome by similar unconventional distributed solutions in other patents at issue. *See id.* at 1305–06.

That is not the case here. Although the claimed invention uses conventional computing components that exchange data, there is no persuasive evidence on this record to prove that these generic components operate in an *unconventional* manner to achieve an improvement in computer functionality as in *Amdocs* apart from Appellants’ arguments (Reply Br. 11–12, 17–18, 20–21, 24) that have little probative value. *See In re Geisler*, 116 F.3d 1465, 1470 (Fed. Cir. 1997); *see also Enzo Biochem, Inc. v. Gen-Probe, Inc.*, 424 F.3d 1276, 1284 (Fed. Cir. 2005) (“Attorney argument is no substitute for evidence.”). That the claims recite no minimum limit on the number of processed conditional payment demands or a particular processing time period as the Examiner indicates (Ans. 20) only further undercuts Appellants’ arguments in this regard. In any event, the fact that the claimed invention transfers data from one computing component to another via a network does not add significantly more to the abstract idea as noted previously. *Cf. Dealertrack*, 674 F.3d at 1332–34; *see also Audatex*, 703 F. App’x at 987–90.

That the claimed invention can process paper demand letters as Appellants contend (App. Br. 51–52) is of no consequence here, for it is well settled that using a generic scanner and computer to recognize and store data

does not add significantly more to the abstract idea. *See Content Extraction*, 776 F.3d at 1348. We reach the same conclusion regarding the recited spreadsheet tool, for such tools are well-understood, routine, and conventional. *See Enfish*, 822 F.3d at 1340 (noting that Microsoft Excel 5.0 is a version of a well-known spreadsheet program that was in public use at latest by early 1994). That the demand processing platform outputs a draft of the official response letter to a printer likewise does not add significantly more to the abstract idea, for it is well settled that printers are generic computing components. *See Voter Verified, Inc. v. Election Systems & Software LLC*, 887 F.3d 1376, 1386 (Fed. Cir. 2018) (noting that printer is a standard component that is insufficient to transform abstract claims into patent-eligible subject matter). Moreover, sending data to a printer and tablet device as claimed is also insignificant extra-solution activity insufficient to render the claim patent-eligible. *See In re Bilski*, 545 F.3d 943, 962 (Fed. Cir. 2008) (en banc), *aff'd on other grounds*, 561 U.S. 593 (2010). As noted previously, merely presenting the results of abstract processes of collecting and analyzing information, without more (such as identifying a particular tool for presentation), is abstract as an ancillary part of such collection and analysis. *Elec. Power*, 830 F.3d at 1354. That an outstanding lien report is generated periodically under the terms of claim 1 also does not add significantly more to the abstract idea. *See SAP America*, 890 F.3d at 1019–24 (holding ineligible claim reciting providing a report of a resampled distribution).

Lastly, we find unavailing Appellants' contention that the claims do not preempt an existing business practice. App. Br. 57–58; Reply Br. 49–51. Where, as here, the claims cover a patent-ineligible concept, preemption

concerns “are fully addressed and made moot” by an analysis under the *Alice* framework. *See Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015).

For the foregoing reasons, then, the recited elements—considered both individually and as an ordered combination—do not contain an “inventive concept” sufficient to transform the claimed abstract idea into a patent-eligible application. Therefore, we are not persuaded that the Examiner erred in rejecting claim 1, and claims 2, 3, 5–13, and 16–20 not argued separately with particularity.

#### CONCLUSION

The Examiner did not err in rejecting claims 1–3, 5–13, and 16–20 under § 101.

#### DECISION

We affirm the Examiner’s decision to reject claims 1–3, 5–13, and 16–20.

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