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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|-----------------|-------------|----------------------|---------------------|------------------|
| 10/784,105 | 02/20/2004 | Craig P. Luftig | TZG0007 | 6924 |

93261 7590 11/15/2018
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| ART UNIT | PAPER NUMBER |
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3626

| NOTIFICATION DATE | DELIVERY MODE |
|-------------------|---------------|
|-------------------|---------------|

11/15/2018

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte CRAIG P. LUFTIG

Appeal 2017-004871
Application 10/784,105
Technology Center 3600

Before JEAN R. HOMERE, AMBER L. HAGY, and
MICHAEL M. BARRY, *Administrative Patent Judges*.

HOMERE, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant appeals under 35 U.S.C. § 134(a) from a Final Rejection of claims 1, 3, 4, 6, 7, 10–15, 17, 18, 21, 33, and 34, which constitute all claims pending in this application.¹ App. Br. 2. Claims 2, 5, 8, 9, 16, 19, 20, and 22–32 have been canceled. Claims App’x. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

¹ Appellant identifies the real party in interest as TriZetto Corp. App. Br. 2.

Introduction

According to Appellant, the claimed subject matter relates to a method and system for integrating a defined contribution plan (e.g., a Health Reimbursement Arrangement (HRA) account or a Flexible Spending Account (FSA)) with a health plan (e.g., Aetna or Blue Cross Blue Shield). Spec. ¶¶ 31–33, Fig. 2. In particular, the health plan (100) includes a claim processing system software module (250) linked to a health plan management system software module (220) for processing claims, and determine claim payment for a member based on established allocation rules, amounts, and explanation codes for the defined contribution plan. *Id.* ¶¶ 38–43.

Representative Claim

Independent claim 1 is representative, and reads as follows:

1. A computing system to integrate a defined contribution plan with a health plan comprising:
 - a claim processing system software module including a claim processing defined contribution software module;
 - a health plan management software module including a health plan management defined contribution software module;
 - wherein the health plan management defined contribution software module is integrated with the health plan management software module in order to:
 - create a defined contribution application for the health plan to allow for the entry of information for the defined contribution plan, the defined contribution plan being either a Health Reimbursement Arrangement (HRA) account or a Flexible Spending Account (FSA) account;
 - link defined contribution plan information to the health plan; and
 - establish allocation rules, amounts, and explanation codes for the defined contribution plan

including selection from at least two different user-defined explanation codes for claims disallowed due to the HRA or FSA account being exhausted and selection from at least two different user-defined explanation codes for claims disallowed due to run-out periods being exceeded, for the HRA, determining whether HRA allocated amounts are to be carried over, and, for the FSA, defining parameters including a claim submission method considered during FSA claim processing; further wherein the claim processing defined contribution software module is integrated with the claim processing system software module to:

- perform claim processing: and
- determine a claim payment for a member based on the established allocation rules, amounts, and explanation codes for the defined contribution plan.

*Rejection on Appeal*²

Claims 1, 3, 4, 6, 7, 10–15, 17, 18, 21, 33, and 34 stand rejected under 35 U.S.C. § 101 as being directed to patent-ineligible material (an abstract idea, without reciting significantly more). Final Act. 4–5.

ANALYSIS³

The U.S. Supreme Court provides a two-step test for determining whether a claim is directed to patent-eligible subject matter under 35 U.S.C. § 101. *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014). In the first step, we determine whether the claims are directed to one

² The Examiner withdrew the obviousness rejections previously entered against the pending claims. Ans. 2.

³ Rather than reiterate all the arguments of Appellants and all the Examiner’s findings and conclusions, we refer to the Appeal Brief (filed July 1, 2016) (“App. Br.”), the Reply Brief (filed January 31, 2017) (“Reply Br.”), and the Answer (mailed December 1, 2016) (“Ans.”), and the Final Office Action (mailed December 4, 2015) (“Final Act.”) for the respective details.

or more judicial exceptions (e.g., law of nature, natural phenomenon, and abstract ideas) to the four statutory categories of invention (i.e., process, machine, manufacture, and composition of matter). *Id.* at 2355 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1296–97 (2012)). In the second step, we “consider the elements of each claim both individually and ‘as an ordered combination’ to determine whether the additional elements ‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (citing *Mayo*, 132 S. Ct. at 1298, 1297). In other words, the second step is to “search for an ‘inventive concept’—*i.e.*, an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Id.* (citing *Mayo*, 132 S. Ct. at 1294).

Alice/Mayo Analysis, step I (Abstract Idea)

We consider Appellant’s arguments *seriatim*, as they are presented in the Appeal Brief, pages 8–14, and the Reply Brief, pages 2–7.

Appellant argues the Examiner erred in rejecting claims 1, 3, 4, 6, 7, 10–15, 17, 18, 21, 33, and 34 as being directed to an abstract idea because the Examiner has not made a *prima facie* case under 35 U.S.C. § 101. App. Br. 8. In particular, Appellant argues that the Examiner does not “compare the claim[s] to claims already found to be directed to an abstract idea in a previous court decision.” *Id.* at 9; Reply Br. 3. According to Appellant, the Examiner instead “describe[es] a claim at a high level of abstraction untethered from the language of the claim when determining the focus of the claimed invention,” and then “parses this high level abstraction into individual parts and attempts to define the individual parts as being individually abstract.” App. Br. 9 (brackets in original). Appellant contends

“[t]he present claims are directed to the integration of defined contribution accounts into processing systems of health plans.” *Id.* Appellant further identifies a federal district court decision, in which the court, having evaluated the alleged abstractness of patent claims regarding health care claims and related processing, found such health care processing claims are not directed to an abstract idea. *Id.* at 10 (citing *StoneEagle Servs., Inc. v. Pay-Plus Solutions, Inc.*, 113 F. Supp. 3d 1241 (M.D. Fl. 2015)). Therefore, similar to the claims in *StoneEagle*, Appellant submits that because the claims in the present appeal are “limited to a particular industry (healthcare) and cover a specific method of processing the payment of claims by particular individuals,” they are not directed to, and do “not preempt or grant a monopoly to an abstract idea.” *Id.*

These arguments are not persuasive. As an initial matter, we agree with the Examiner that *StoneEagle* is not a precedential decision, and is therefore not binding upon us. Ans. 3. Further, we do not agree with Appellant that the Examiner has not established a prima facie case of patent ineligibility. In particular, we note the Examiner initially concluded that the claims are directed to the abstract idea of “comparing new and stored information and using rules to identify options.” Final Act. 4. Then, following Appellant’s after-final response, the Examiner asserted that the comparison of new information (entry of defined contribution information) to existing information (health plan) is a mere organization of human activities using rules to identify options (determining if there is carryover and defining parameters for claim submission). Adv. Act. 2. Subsequently, the Examiner submits that the claims are directed to a processing system integrating a defined contribution plan with a traditional health plan, which

has been held as being patent ineligible. Ans. 3 (citing *In re Grams*, *In re Karpf*, and *SmartGene*⁴). In our view, the afore-cited explanation provided by the Examiner, including a comparison of the claim language with similar concepts in the cited authorities, suffices to establish a prima facie case of patent ineligibility under the first step of the *Mayo* analysis.

Although the Examiner does not cite to a litany of authorities to support the rejection, it is undisputed that the claimed subject matter as whole is directed a processing system that integrates a defined contribution plan with a health plan. As correctly noted by Appellant, our reviewing court has consistently held that such systems directed to mental steps people regularly perform in their heads are patent ineligible. Reply Br. 4 (citing *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.2d 1366, 1373 (Fed. Cir. 2011)). Likewise, the court has consistently held that mere characterizations of human activities within the stream of commerce are not patent eligible. *See, e.g., Elec. Power Grp. v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016) (claims directed to collection, manipulation, and display of data); *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1370 (Fed. Cir. 2015) (customizing information and presenting it to users based on particular characteristics). That these claims are directed to an abstract idea is confirmed by the fact that they involve the processing of a claim submission to determine payment for a member based on established rules, amounts, and explanation codes for a defined contribution plan, which is a type of activity that is traditionally performed manually. *See*

⁴ *SmartGene, Inc. v. Advanced Biological Laboratories SA*, 555 F. App'x 950 (Fed. Cir. 2014).

CyberSource, (“[A] method that can be performed by human thought alone is merely an abstract idea and is not patent-eligible under § 101.”).

Further, we do not agree with Appellant that the Examiner’s characterization of the claim language is a high level of abstraction untethered from the claim language. As noted above, the Examiner characterizes the claims as being directed to a processing system integrating a defined contribution plan with a health plan for processing a claim submitted by a plan member in accordance with established allocation rules, amounts, and explanation codes for the defined plan. The summary of the claim language provided by the Examiner is consistent with Appellant’s summary of the claimed invention as set forth at page 3 of the Appeal Brief, and paragraphs 31 through 34 of the Specification. Although the Examiner’s summary does not recite all the claim limitations, we would not reasonably expect a summary of the claim language to recite every single claim limitation. We are, thus, satisfied that the Examiner’s characterization of the claim language sufficiently and reasonably captures the essence of Appellant’s claimed subject matter. Furthermore, Appellant’s arguments asserting that the claims do not block others from using the abstraction do not persuade us that the claims are directed to patent eligible material.

Preemption is not a separate test.

To be clear, the proper focus is not preemption *per se*, for some measure of preemption is intrinsic in the statutory right granted with every patent to exclude competitors, for a limited time, from practicing the claimed invention. *See* 35 U.S.C. § 154. Rather, the animating concern is that claims should not be coextensive with a natural law, natural phenomenon, or abstract idea; a patent-eligible claim must include one or more substantive limitations that, in the words of the Supreme Court, add “significantly more” to the basic principle, with the result

that the claim covers significantly *less*. See *Mayo* 132 S. Ct. at 1294. Thus, broad claims do not necessarily raise § 101 preemption concerns, and seemingly narrower claims are not necessarily exempt.

CLS Bank Int'l v. Alice Corp. Pty. Ltd., 717 F.3d 1269, 1281 (Fed. Cir. 2013); see also *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (“While preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.”). Because we find the claimed subject matter covers patent-ineligible subject matter, the preemption concern is necessarily addressed. “Where a patent’s claims are deemed only to disclose patent ineligible subject matter under the *Mayo* framework, . . . preemption concerns are fully addressed and made moot.” *Ariosa Diagnostics*, 788 F.3d at 1379.

Alice/Mayo Analysis, step II (Significantly More than Abstract Idea)

Next, Appellant argues that the Examiner has not considered whether all elements of the claims amount to significantly more than the alleged abstract idea of organizing human activities. App. Br. 10–11. Appellant contends “the claims recite more than ‘generically recited computer products,’” but instead recite a processing system using multiple software modules integrating the defined contribution plan and the traditional health plan to process a claim submitted by a member of the plan. *Id.* at 10 (no citation provided by Appellant for the internal quotation). Appellant argues those specially programmed components and the required ordered combination of elements elevate the claims to significantly more than the identified and oversimplified abstract idea stated by the Examiner. *Id.* at 11; Reply Br. 4–5. According to Appellant, although these features may use a

computer's inherent capabilities, using a computer alone is insufficient to negate patentability. *Id.*

These arguments are not persuasive. We agree with the Examiner that the cited claim elements, as a whole, do not amount to significantly more than the abstract idea of integrating a defined contribution plan with a traditional health plan for processing a claim submitted by a member of the plan. Ans. 4 (citing *see Accenture Global Services, GMBH and Accenture LLP v. Guidewire Software, Inc.*, 728 F.3d 1336 (Fed. Cir. 2013)). Appellant is reminded that “the ‘inventive concept’ [under step two of the *Mayo/Alice* test] cannot be the abstract idea itself” and “*Berkheimer* . . . leave[s] untouched the numerous cases from this court which have held claims ineligible because the only alleged ‘inventive concept’ is the abstract idea.” *Berkheimer v. HP Inc.*, 890 F.3d 1369, 1374 (Fed. Cir. 2018) (Moore, J., concurring). “It has been clear since *Alice* that a claimed invention’s use of the ineligible concept to which it is directed cannot supply the inventive concept that renders the invention ‘significantly more’ than that ineligible concept.” *BSG Tech LLC v. BuySeasons, Inc.*, 899 F.3d 1281, 1290 (Fed. Cir. 2018). We, therefore, agree with the Examiner that the computer functions recited in the claims are generic, and it is well established that using a generic computer to expedite and automate processes traditionally performed manually or that are otherwise abstract is a well-understood, routine, and conventional use of such computers. Final Act. 4; Ans. 4; *see also, e.g., Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1321 (Fed. Cir. 2016) (utilizing an intermediary computer to forward information); *Bancorp Servs., L.L.C. v. Sun Life Assurance Co.*, 687 F.3d 1266, 1278 (Fed. Cir. 2012) (“The computer required by some of Bancorp’s

claims is employed only for its most basic function, the performance of repetitive calculations, and as such does not impose meaningful limits on the scope of those claims.”). Appellant is further reminded that “relying on a computer to perform routine tasks more quickly or more accurately is insufficient to render a claim patent eligible.” *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1363 (Fed. Cir. 2015) (citing *Alice*, 134 S. Ct. at 2359 (“use of a computer to create electronic records, track multiple transactions, and issue simultaneous instructions” is not an inventive concept)). Therefore, the functions recited in claim 1 do not add any meaningful limitations beyond generally linking the abstract idea to the particular technological environment. *Id.*⁵

Accordingly, we are not persuaded of error in the Examiner’s conclusion that claim 1 is directed to patent-ineligible subject matter.

Regarding claims 3, 4, 6, 7, 10–15, 17, 18, 21, 33, and 34, Appellant reiterates substantially the same patent eligibility arguments of claim 1 discussed above. App. Br. 11–14. We are similarly not persuaded of error

⁵ Considerations for determining whether a claim with additional elements amounts to “significantly more” than the judicial exception itself include improvements to another technology or technical field (*Alice*, 134 S. Ct. at 2359–60 (citing *Diehr*, 450 U.S. at 177–78)); adding a specific limitation other than what is well-understood, routine, and conventional in the field, or adding unconventional steps that confine the claim to a particular useful application (*Mayo*, 566 U.S. at 82, 87); or other meaningful limitations beyond generally linking the use of the judicial exception to a particular technological environment (*Alice*, 134 S. Ct. at 2360). *See also, e.g., Intellectual Ventures I LLC*, 792 F.3d at 1370 (“[M]erely adding computer functionality to increase the speed or efficiency of the process does not confer patent eligibility on an otherwise abstract idea.”).

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in the Examiner's conclusion that claims 3, 4, 6, 7, 10–15, 17, 18, 21, 33, and 34 are directed to patent-ineligible subject matter.

DECISION

For the above reasons, affirm the patent ineligibility rejection of claims 1, 3, 4, 6, 7, 10–15, 17, 18, 21, 33, and 34.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a).

AFFIRMED