UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
14/676,485	04/01/2015	William F. MARVIN	D04-015-01558-01-US	4116

79340 7590 11/02/2018 MANNAVA & KANG, P.C. 3201 Jermantown Road SUITE 525 FAIRFAX, VA 22030	EXAMINER NIQUETTE, ROBERT R

ART UNIT	PAPER NUMBER
3696	

NOTIFICATION DATE	DELIVERY MODE
11/02/2018	ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

ASHOKM@MANNAVAKANG.COM
docketing@mannavakang.com

UNITED STATES PATENT AND TRADEMARK OFFICE

_____

BEFORE THE PATENT TRIAL AND APPEAL BOARD

_____

Ex parte WILLIAM F. MARVIN and
CHRISTOPHER D. SEIB

_____

Appeal 2017-008664
Application 14/676,485[1]
Technology Center 3600

_____

Before CARL W. WHITEHEAD JR., MICHAEL M. BARRY, and
PHILLIP A. BENNETT, *Administrative Patent Judges.*

BENNETT, *Administrative Patent Judge.*

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's final
rejection of claims 1, 3–15, 26, 28, 39, and 40. We have jurisdiction under
35 U.S.C. § 6(b).

We affirm.

_____

[1] Appellants' Brief ("App. Br.") identifies Accenture Global Services
Limited as the real party in interest. App. Br. 3.

CLAIMED SUBJECT MATTER

The claims are directed to a direct connectivity system for healthcare administrative transactions. Claim 1, reproduced below, is illustrative of the claimed subject matter:

1. A service provider data processing system comprising:
a communication interface;
a memory comprising:
transaction files;
transaction file configuration data comprising configuration entries that associate transaction file attributes with multiple payers;
payer connection data comprising payer communication addresses for the multiple payers;
a transaction file submission program comprising
transaction file attribute analysis instructions that determine, based on an analysis of the transaction file configuration data, a selected payer communication address in the payer connection data for an analyzed transaction file of the transaction files, and
transmission instructions that initiate transfer of the analyzed transaction file to the selected payer communication address through the communication interface, thereby bypassing transaction file processing intermediaries; and
a response acceptance program comprising
response reception instructions that receive a response to the transfer of the analyzed transaction file from the selected payer communication address, and
response push instructions that configure the response for a practice management program in the service provider data processing system; and
a processor coupled to the memory that executes the transaction file submission program.

App. Br. 26 (Claims Appendix).

REJECTIONS

Claims 1, 3–15, 26, 28, 39, and 40 stand rejected under 35 U.S.C. § 101 as being directed to patent ineligible subject matter.

DISCUSSION

35 U.S.C. § 101 REJECTION

Legal Standard for Patent Eligibility

In issues involving subject matter eligibility, our inquiry focuses on whether the claims satisfy the two-step test set forth by the Supreme Court in *Alice Corp. v. CLS Bank Int'l*, 134 S. Ct. 2347 (2014). The Supreme Court instructs us to "first determine whether the claims at issue are directed to a patent-ineligible concept," *id*. at 2355, and, in this case, the inquiry centers on whether the claims are directed to an abstract idea. If the initial threshold is met, we then move to the second step, in which 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*. (*quoting Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 79, 78 (2012)). The Supreme Court describes the second step as a 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*. (quoting *Mayo*, 566 U.S. at 72–73).

Examiner's Findings

The Examiner rejects the claims under the two-step *Alice/Mayo* framework. Under the first step, the Examiner determines the claims are directed to the abstract idea of "using a computer system to transmit

3

insurance claim information to a payer in order to bypass intermediaries."
Final Act. 4. The Examiner notes "the limitations of a memory comprising
transaction files, file configuration data and payer connection data [are] mere
data storage and has been addressed by the Supreme Court has being
unpatentable." Final Act. 4 (citing *Alice*, 134 S. Ct. at 2360). The Examiner
further finds the recited transmission instructions, response reception
instructions and response push instructions amount only to "information
being sent back and forth and has also been held [ineligible under § 101]."
Final Act. 4 (citing *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1355
(Fed. Cir. 2014)). The Examiner also determines the recited "transaction file
attribute analysis instructions" amounts to only a "processor doing what it
has been programmed to do which is executing algorithms" and that the
courts have found these types of limitations to be within the realm of
abstract ideas. Final Act. 5 (quoting *TLI Commc'ns LLC v. AV Auto., L.L.C.
(In re TLI Commc'ns LLC Patent Litig.)*, 823 F.3d 607, 615 (Fed. Cir. 2016)
("In sum, the recited physical components behave exactly as expected
according to their ordinary use.")).

　　　With respect to the second *Alice/Mayo* step, the Examiner determines
the claims do not amount to significantly more than the abstract idea because
"[a]lthough the computer acts as the intermediary in the claimed method, the
claims do no more than analyze claim data, match a payer address with a
transaction file and submit information electronically." Final Act. 6. The
Examiner finds "[a]ll of these computer functions are 'well understood,
routine, conventional activities" previously known to the industry." *Id.* The
Examiner further finds the claims do not pass muster under *Alice/Mayo* step
2 because they "do not purport to improve the functioning of the computer

itself, or to improve any other technology or technical field . . . [because the] [u]se of an unspecified computer does not transform an abstract idea into a patent-eligible invention." *Id.* In the Answer, the Examiner provides further explanation in support of the abstract idea determination, noting the Specification describes the invention as avoiding the use of costly third-party clearinghouses and error-prone administrative transaction portals by providing a system whereby the practitioner files a claim directly with an insurance company. Ans. 4 (citing Spec. ¶¶ 7–8). The Examiner further explains:

> This is clearly not a problem that is rooted in internet-centric computer technology, nor do the claims improve the functioning of a computer. It is a solution to a business problem rather than a technological one. The computer in the instant case is used merely for what it is supposed to do - speed up processes and reduce error. In consideration of this, the examiner maintains all grounds of rejection in the final action.

Ans. 4–5.

Appellants' Contentions

Appellants present several arguments in favor of eligibility—three arguments focusing on *Alice/Mayo* step 1 and three arguments asserting error in the *Alice/Mayo* step 2 determination. First, Appellants argue the Examiner has overgeneralized and oversimplified the claims in the abstract idea determination. App. Br. 10; Reply Br. 4–8. Second, Appellants argue the claims are not similar to inventions found to be abstract by courts in other cases. App. Br. 14–15; Reply Br. 8. Third, Appellants contend the claims should be found eligible because they pose no risk of preempting analyzing and sending information. App. Br. 16–17; Reply Br. 9–10.

Fourth, Appellants argue the *Alice/Mayo* step 2 is in error because the combination of claim elements amount to significantly more than the abstract idea because they are not well-known, routine, and conventional. App. Br. 17–18; Reply Br. 11–15. Fifth, Appellants argue the claims are rooted in technology, and are therefore similar to those found eligible in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014). App. Br. 22–23; Reply Br. 15–17. Sixth, Appellants argue the claims amount to significantly more than the abstract idea itself because they are patentable over the prior art. App. Br. 23; Reply Br. 17–18.

Analysis

We do not find Appellants' arguments persuasive. We agree with the Examiner's determination that, at its core, Appellants' invention is directed to the concept of healthcare providers submitting claims to and receiving responses from payers such as insurance companies while bypassing intermediaries such as clearinghouses and transaction portals. Ans. 4. We agree with the Examiner's determination that such a process is a fundamental economic practice because it is a solution to a business problem and not a technological one because the computer is used merely as a tool to speed up the billing process and reduce billing errors. Ans. 4–5. Appellants' Specification supports this determination in various respects. For example, the Specification does not describe the problem solved by the invention as one being rooted in technology. Instead, it describes the disadvantages of the business practice of using clearinghouses and problem as being "costly to both the provider and payer" and suffering from poor communication because "the clearinghouses sometimes took days to

electronically submit claims, failed to submit claim rejections to the provider, and submitted duplicate or 'dirty' claims." Spec. ¶ 5.

We also agree with the Examiner's determination that the claims do not amount to significantly more than the abstract idea itself. Although the limitations recited in the claim involve computer-based operations, all of the recited operations merely carry out the abstract idea of submitting medical claims without the need for an intermediary. The process is carried out using generic computers and software already known in the art. For example, the Specification describes the recited "transaction files" as being compliant with existing data modeling standards. Spec. ¶ 23 ("The transaction files may adhere to the National Standard Format (NSF), ANSI X12 file format, or any other claim file format."). The recited "transaction file configuration data comprising configuration entries" is described as being part of the practice management software (Spec. ¶ 36 ("claim file configuration data 214 may represent internal software settings configured in the PMS software 212")), which, according to the Specification is a conventional commercially available software system. Spec. ¶ 25 ("For example, the POMIS may be implemented with the Amicore Practice Management (TM) software available from Amicore, Inc. of Andover, MA."). The recited "transaction file submission program" is described at a high level, and only in terms of the function it performs—namely, submitting transactions to payers while bypassing intermediaries. Spec. ¶ 42 ("The transaction file submission program may 238 may include claim file attribute analysis instructions that consult a local copy of the claim file configuration data 214 to match a claim file characteristic [ ] to a payer."). The "transactions file submission program" is further described as being part

of a "direct connection gateway" implemented on conventional hardware using conventional Internet technologies. Spec. ¶ 49 ("[T]he gateway may be a Microsoft Windows (TM) machine executing the .NET (TM) framework, employing MSXML Core Services for local data stores, or employing SQL server technology."). In sum, the elements of the claim are described in the Specification as being implemented using conventional technologies to carry out the abstract concept of billing insurance companies without using an intermediary. The Federal Circuit has repeatedly held that where conventional and generic computers are merely used as a tool implement the abstract idea, as is the case here, it is insufficient to supply an inventive concept under the second step of the *Alice* inquiry. *TLI Commc'ns LLC v. AV Auto., L.L.C. (In re TLI Commc'ns LLC Patent Litig.)*, 823 F.3d 607, 614 (Fed. Cir. 2016).

Turning to Appellants' arguments, we address each in turn. With respect to Appellants' first argument, that the Examiner has overgeneralized and oversimplified the claims in the abstract idea determination, we disagree. The Specification itself summarizes the invention as "provid[ing] automated administrative transaction submission from service providers directly." Spec. ¶ 8. In describing the technical field of the invention, the Specification describes the invention as particularly "relat[ing] to direct communication of healthcare administrative information and related data between service provider computer system and payer computer systems." Spec. ¶ 2. As we noted above, the components and steps recited in the claims are merely types of operations that would logically be needed to carry out the abstract idea of directly billing payers—reading transaction files to determine where and how to send electronically the claim (the recited

"transaction file submission program") and an interface to receive return communications and handle them accordingly (the recited "response acceptance program"). As such, we are not persuaded the Examiner has overgeneralized the claims.

Appellants' second argument—that the claims are not similar to claims previously found abstract—is also unpersuasive. Our reviewing court instructs us that the "decisional mechanism" for determining whether a claim is directed to an abstract idea compares the claim to those claims previously found to have been directed to abstract ideas in other cases. *Amdocs (Isr.) Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288, 1294 (Fed. Cir. 2016) ("[T]he decisional mechanism courts now apply is to examine earlier cases in which a similar or parallel descriptive nature can be seen—what prior cases were about, and which way they were decided."). Here, we find the claims are closely similar to those found ineligible in *Accenture Glob. Servs. v. Guidewire Software, Inc.*, 728 F.3d 1336 (Fed. Cir. 2013) ("*Accenture*").

In *Accenture*, the Federal Circuit considered claims directed to system for processing insurance claims and transactions. *Id* at 1343. The patent owner "contend[ed] that the claim is patent-eligible because the [ ] patent implements the general idea of generating tasks for insurance claim processing, but narrows it through its recitation of a combination of computer components including an insurance transaction database, a task library database, a client component, and a server component, which includes an event processor, a task engine, and a task assistant." *Id.* at 1344. The court rejected this argument, determining that "limitations of claim 1 are essentially a database of tasks, a means to allow a client to access those

tasks, and a set of rules that are applied to that task on a given event," *id.* at 1345, and that despite the detailed recitation of components in the claim, "[t]he abstract idea at the heart of system claim 1 of the [ ] patent is 'generating tasks [based on] rules . . . to be completed upon the occurrence of an event.'" *Id.* at 1344.

Similarly here, Appellants' claims are essentially a collection of transaction data and payer data, a means for accessing that data, and rules that define how to transmit the transaction data directly to the appropriate payer. And despite the detailed recitation of computer components in the claims, the abstract idea "at the heart" of the system is using a computer to transmit insurance claims to a payer in order to bypass intermediaries. Thus, we are not persuaded by Appellants' argument that the claims are not abstract because they are dissimilar to those previously found abstract by courts.

Appellants' third argument, that the claims pose no risk of preemption, is also not persuasive. Appellants' argument essentially is that because the claims are very specific, there is no risk of preemption. However, this argument is not persuasive because our reviewing court has held that lack of preemption is not dispositive of the abstract idea inquiry. *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."). Accordingly, we are not persuaded by Appellants' third argument.

As we noted above, Appellants' fourth argument focuses on the second step of the *Alice* inquiry. In particular, Appellants argue the combination of claim elements amount to significantly more than the

abstract idea because they are not well-known, routine, and conventional. App. Br. 17–18; Reply Br. 11–15. However, as we discussed in detail above, the elements of the claim are described in the Specification as being implemented using conventional technologies to carry out the abstract concept of billing insurance companies without using an intermediary. Accordingly, we are not persuaded by Appellants' fourth argument.

Appellants' fifth argument—that the claims are rooted in technology, and are therefore similar to those found eligible in *DDR Holdings*—is also unpersuasive. The claims here are distinguishable from those in *DDR Holdings* because the claims there related to preventing website visitors from being directed away to third party websites. *DDR Holdings*, 773 F.3d at 1257 ("claims address the problem of retaining website visitors that, if adhering to the routine, conventional functioning of Internet hyperlink protocol, would be instantly transported away from a host's website after 'clicking' on an advertisement and activating a hyperlink"). Appellants' argument is not persuasive because the critical factor in *DDR Holdings* was that the problem of retaining website visitors only arose with the advent of the Internet and there was no offline analog. Here, the problems identified in the Specification including excessive costs, inefficiencies, and inaccuracies associated with clearinghouses have offline analogs—error-prone manual entry (inaccuracies), delays in delivery of paper files (inefficiencies), and higher costs (commissions). Accordingly, we are not persuaded *DDR Holdings* requires a conclusion of eligibility in this case.

Appellants' sixth argument that the claims amount to significantly more than the abstract idea itself because they are patentable over the prior art is also unpersuasive. This argument lacks merit because it presupposes

11

that any claim found to be novel and non-obvious over prior art cannot be found to be lacking an inventive concept in the *Alice/Mayo* framework. We are aware of no case supporting this proposition, nor do Appellants cite to any.

Patent-eligibility under 35 U.S.C. § 101 is a threshold requirement that must be satisfied *in addition to* being novel, nonobvious, and fully and particularly described. *See Bilski v.* Kappos, 561 U.S. 593, 602 (2010). A finding of novelty or non-obviousness does not necessarily lead to the conclusion that subject matter is patent-eligible. Indeed, "[g]roundbreaking, innovative, or even brilliant discovery does not by itself satisfy the § 101 inquiry." *Ass'n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2117 (2013). Appellants' approach to the *Alice/Mayo* step 2 search for an inventive concept is inconsistent with the legal framework established in the Patent Act, as it would limit the application of 35 U.S.C. § 101 to only those claims found to be otherwise unpatentable under other sections of the Act (e.g., 35 U.S.C. §§ 102, 103, 112). Accordingly, we are not persuaded by Appellants' sixth argument.

SUMMARY

Because Appellants' claims are directed to an abstract idea and the claims contain no additional elements that transform the nature of the claims into a patent-eligible application of the abstract idea, we affirm the rejection under 35 U.S.C. § 101.

Appellants do not present separate arguments for patentability of any other claims. Accordingly, we treat claim 1 as representative, and we sustain the rejections of the remaining claims for the same reasons.

DECISION

We affirm the Examiner's rejection of claims 1, 3–15, 26, 28, 39, and 40.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 1.136(a)(1)(iv).

<u>AFFIRMED</u>