UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
14/280,472	05/16/2014	Joan Christensen	87188-907763(098210US)	1254

20350 7590 10/31/2019

KILPATRICK TOWNSEND & STOCKTON LLP
Mailstop: IP Docketing - 22
1100 Peachtree Street
Suite 2800
Atlanta, GA 30309

EXAMINER	
SEREBOFF, NEAL	

ART UNIT	PAPER NUMBER
3626	

NOTIFICATION DATE	DELIVERY MODE
10/31/2019	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):

KTSDocketing2@kilpatrick.foundationip.com
ipefiling@kilpatricktownsend.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JOAN CHRISTENSEN and LEEANN HUMBLE

Appeal 2018-006590
Application 14/280,472
Technology Center 3600

Before JOHN A. JEFFERY, DAVID C. McKONE,
and JOHN P. PINKERTON, *Administrative Patent Judges*.

McKONE, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant[1] appeals under 35 U.S.C. § 134(a) from the Examiner's final rejection of claims 1–9, 11–17, 19, and 21, which constitute all the claims pending in this application. Final Act. 2; Appeal Br. 24–30.[2] Claims 10, 18, and 20 are cancelled. Final Act. 2; Appeal Br. 26, 29. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

---

[1] We use the word "Appellant" to refer to "applicant" as defined in 37 C.F.R. § 1.42. Appellant identifies the real party in interest as First Data Corporation. Appeal Br. 3.

[2] In this Decision, we refer to the October 6, 2017, Final Action ("Final Act."), the March 2, 2018, Appeal Brief ("Appeal Br."), the April 12, 2018, Examiner's Answer ("Ans."), and the June 11, 2018, Reply Brief ("Reply Br.").

THE INVENTION

Appellant's invention is directed to "a network/system and method for automatic processing of secondary medical claims." Spec. ¶ 7. When a patient seeks healthcare, and a portion of a healthcare charge is not paid by an insurance plan, the unpaid portion can be submitted for payment by a financial account such as a health savings account (HSA), conventionally via a financial transaction card such as a debit card (e.g., VISA, MasterCard, or Discover card). *Id.* ¶ 5. According to the Specification, the card industry requires specific steps be taken by a healthcare provider when storing debit and credit card information, and many healthcare providers do not have the desire or resources to take these steps. *Id.*

In an embodiment of the invention, a patient gives to a medical provider identification cards for both the insurance plan and a transaction processing entity (TPE) associated with the HSA. *Id.* ¶ 19. Each card includes a payer ID, which identifies a primary insurance company or the TPE for the HSA, and a member ID, e.g., a social security number, which "is a unique identifier used by the insurance company and by the TPE partner [] to identify the consumer." *Id.* The provider first submits a primary medical claim through a clearinghouse to the primary insurance entity. *Id.* ¶ 20. After that claim is adjudicated (and not paid in full), the medical provider submits a secondary claim for payment through the clearinghouse to the TPE. *Id.*

The provider is not provided with the HSA account number. Rather, it is provided with the member ID, which "is included on the card presented by the member, and permits the provider to submit a claim (through its clearinghouse) without having knowledge or access to the actual

account/card number associated with the financial account (e.g., HSA)." *Id.* ¶ 28. According to the Specification, "[b]y having the card number concealed from the provider, the provider is not burdened with maintaining financial account information and having to take precautions for its safekeeping, as would be required if the account/card number itself were given to the provider." *Id.*

Claim 1, reproduced below, is illustrative of the invention:

> 1. A method for paying a charge from a provider of healthcare services, wherein the services are subject to a healthcare plan administered by a payer, and wherein a patient portion of the charge may not be covered by the healthcare plan, the method comprising:
>
> establishing, at a card transaction processing system, a patient financial account funded for paying the patient portion, wherein the patient authorizes, at the time of establishing the patient financial account, payment to be made from the patient financial account for paying the patient portion, wherein establishing a patient financial account includes issuing a member ID for the patient, the member ID identifying the patient and the patient financial account at the transaction processing system;
>
> receiving, at a healthcare provider system, information relating to the patient, including identification for the healthcare plan and the patient;
>
> electronically submitting a first claim from the provider system to a first payer system;
>
> adjudicating the first claim at the first payer system in order to determine an amount to be paid by the first payer and the amount of the patient portion;
>
> after adjudicating the first claim, returning data to the provider system that indicates the amount of the patient portion;
>
> electronically submitting a second claim from the provider system to a second payer system, for automatic

payment of the amount of the patient portion from the patient financial account, wherein the second claim identifies the patient but not the financial patient account, wherein the second claim includes the member ID, and wherein the second payer system identifies the financial patient account based on the member ID; and

paying at least some of the amount of the patient portion from the patient financial account to the provider.

REJECTIONS[3]

Claims 1–9, 11–17, 19, and 21 are rejected under 35 U.S.C. § 101 as directed to patent-ineligible subject matter.[4] Final Act. 3–5.

Claims 1–9, 11, 15–17, 19, and 21 stand rejected under 35 U.S.C. § 102(a)(1) as being anticipated by Romanini (US 2011/0145007 A1, June 16, 2011).[5] *Id.* at 7–15.

Claims 12 and 13 stand rejected under 35 U.S.C. § 103 as being obvious over Romanini and Harrison (US 2010/0070409 A1, Mar. 18, 2010). *Id.* at 15–17.

Claim 14 stands rejected under 35 U.S.C. § 103 as being obvious over Romanini and Applicant Admitted Prior Art (specifically, Specification ¶¶ 6, 36). *Id.* at 17–18.

[3] The Final Action also lists a rejection under 35 U.S.C. § 112(b) (post-AIA) or § 112, ¶ 2 (pre-AIA). Final Act. 6–7. The Examiner indicates that this rejection has been withdrawn. Ans. 10.
[4] The Examiner also lists claim 18 as rejected under Section 101. Final Act. 3. As noted above, however, claim 18 is cancelled. Appeal Br. 29.
[5] The Examiner also lists claim 18 as rejected under Section 102. Final Act. 7, 15. As noted above, however, claim 18 is cancelled. Appeal Br. 29.

ANALYSIS

I. Section 101 Rejection

A. Principles of Law

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 Supreme Court has long interpreted § 101 to include implicit exceptions: "[l]aws of nature, natural phenomena, and abstract ideas" are not patentable. *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 Supreme Court's two-step framework, described in *Alice* and *Mayo*. *See id.* 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." *Id.* 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, 67–68 (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 water-proof cloth, vulcanizing

India rubber, smelting ores" (*id.* at 182 n.7 (quoting *Corning v. Burden*, 56 U.S. (15 How.) 252, 267–68 (1854))); and manufacturing flour (*Benson*, 409 U.S. at 69 (citing *Cochrane v. Deener*, 94 U.S. 780, 785 (1876))).

If the claim is "directed to" an abstract idea, we turn to the second step 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 (citation 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.*

The PTO recently published revised guidance on the application of § 101. *See* USPTO, *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50 (Jan. 7, 2019) ("Guidance").[6] Under that guidance, 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 activities such as a fundamental economic practice, or mental processes); 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)).

[6] We note that the Guidance was not available to the Examiner and Appellant during the prosecution of the instant Application.

Only if a claim (1) recites a judicial exception and (2) does not integrate that exception into a practical application, do we then look 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.

See Guidance, 84 Fed. Reg. at 56.

B. The Examiner's Rejection

The Examiner finds that the claims recite the abstract idea of "using a clearinghouse," similar to that found to be abstract in *Dealertrack, Inc. v. Huber*, 674 F.3d 1315 (Fed. Cir. 2012). Final Act. 3–4. The Examiner further finds that the claims do not recite improvements to another technology, technical field, or the functioning of a computer, and do not include additional elements that are sufficient to amount to significantly more than the judicial exception. *Id.* at 5.

Appellant argues that the claims do not recite a clearinghouse and are not similar to those in *Dealertrack*. Appeal Br. 8–12. Appellant further argues that the claims recite significantly more than an abstract idea because they recite special purpose computers programmed to perform unique functions and include extensive rules and algorithms. *Id.* at 13–16 (citing, *inter alia*, *BASCOM Global Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016), and *Amdocs (Israel) Limited v. Openet Telecom, Inc.*, 841 F.3d 1288 (Fed. Cir. 2016)).

The Examiner and Appellant treat all the claims together, without making separate findings or arguments for separate claims. Final Act. 3–5; Appeal Br. 7–16; Ans. 3–10; Reply Br. 2–3. For purposes of this rejection, we treat claim 1 as representative.

C. Judicial Exception (Step 2A,[7] Prong 1)

Viewing the Examiner's rejection through the lens of the Guidance, we first consider whether the claim recites a judicial exception. Guidance, 84 Fed. Reg. at 51. The USPTO has synthesized the key concepts identified by the courts as abstract ideas into three primary subject-matter groupings: mathematical concepts, certain methods of organizing human activities (e.g., a fundamental economic practice), and mental processes. *Id.* at 52. As explained below, the claims recite certain methods of organizing human activities (fundamental economic principles or practices, including insurance and mitigating risk), which are identified by the Guidance as abstract ideas. *Id.*

The Examiner finds that "the abstract idea is shown to be using a clearinghouse," similar to the idea found to be abstract in *Dealertrack*. Final Act. 3. According to the Examiner, "a clearinghouse is an agency that collects and distributes or a bankers' establishment where checks and bills from member banks are exchanged." *Id.* As the Examiner notes, the Specification describes the invention as including "a TPE partner" that "acts

[7] The Guidance refers to "Step One" as determining whether the claimed subject matter falls within the four statutory categories identified by 35 U.S.C. § 101: process, machine, manufacture, or composition of matter. This step is not at issue here, as Appellant's claims recite methods (processes).

as a clearinghouse/intermediary and co-ordinates, validates and initiates payments/authorizations" and "a provider clearinghouse [] through which the medical provider submits medical claims to both the primary insurance entity [] or other healthcare payers and to the transaction processing entity [] (through the TPE partner [])." *Id.* at 3–4 (quoting Spec. ¶ 18). Thus, the Examiner finds, even if the claims do not recite the word "clearinghouse," "the claim language of 'submitting,' 'adjudicating,' and 'paying' describe the functions of a clearinghouse." *Id.* at 4. In *Dealertrack*, the Federal Circuit determined that claims to a "clearinghouse concept" were "directed to an abstract idea preemptive of a fundamental concept or idea that would foreclose innovation in this area." 674 F.3d at 1333.

Claim 1 recites: (1) establishing a patient account (including issuing a member ID identifying the patient and patient financial account) at a card transaction processing system; (2) receiving an identification for the healthcare plan and patient at a healthcare provider system; (3) submitting a first claim from the provider system, to a payer system; (4) adjudicating the first claim and sending data to the provider system indicating the amount a patient is expected to pay; (5) submitting a second claim (including the member ID but not the patient financial account number) to a second payer system, which identifies the patient financial account based on the member ID; and (6) paying at least some of the patient portion to the healthcare provider. Under a broadest reasonable interpretation, claim 1 recites submitting health insurance claims to multiple entities, the submission to the second entity not including a patient financial account number. This is a fundamental economic practice. *See* Guidance, 84 Fed. Reg. at 52 (listing "insurance" and "mitigating risk" as examples of fundamental economic

principles or practices). The Specification's Background of the Invention notes "the increasing use of 'consumer-driven' healthcare insurance policies or plans" such as HSAs and the need to submit claims to multiple entities. Spec. ¶¶ 2–6. Federal Circuit cases have found similar inventions to be ineligible. For example, in *Bancorp Services, L.L.C. v. Sun Life Assurance Co. of Canada (U.S.)*, 687 F.3d 1266, 1280–81 (Fed. Cir. 2012), the Federal Circuit determined that claims that "broadly claim the unpatentable abstract concept of managing a stable value protected life insurance policy" were ineligible, even with recitations of computer limitations. Similarly, in *Bilski*, the Supreme Court determined that "the basic concept of hedging, or protecting against risk," is an ineligible fundamental economic practice. 561 U.S. at 611. *See also* Guidance, 84 Fed. Reg. at 52 (citing *Bancorp* and *Bilski* as examples addressing insurance and mitigating risk).

Appellant argues that their claims are not similar to those in *Dealertrack*, do not recite the word "clearinghouse," and are not directed to using a clearinghouse. Appeal Br. 9–10. As to the references to clearinghouses in the Specification, Appellant argues that "the claims are not about either the 'clearinghouse' feature of the TPE partner [] or the provider clearinghouse []." *Id.* at 10. Appellant argues that the Examiner's focus on the "submitting," "adjudicating," and "paying" steps of claim 1 ignores numerous other steps in the claim. *Id.* According to Appellant, the clearinghouses described in the Specification do not perform these three steps. *Id.* Appellant argues that the invention is much different from a clearinghouse because it requires a card transaction processing system, a healthcare provider system, a first payer system, and paying the patient

portion from the account established at the card transaction processing system. *Id.* at 11.

We are not persuaded by Appellant's arguments. As the Examiner states, "if the invention acts like a clearinghouse then the description is appropriate." Ans. 4. As noted by the Federal Circuit, "Dealertrack's claimed process in its simplest form includes three steps: receiving data from one source (step A), selectively forwarding the data (step B, performed according to step D), and forwarding reply data to the first source (step C)." *Dealertrack*, 674 F.3d at 1333. Claim 1 recites receiving data identifying a healthcare plan and patient, submitting a claim to a first payer system, adjudicating the claim, returning the result, submitting a second claim, and paying some of the second claim. This is indeed similar to the clearinghouse the Federal Circuit determined to be a fundamental economic practice in *Dealtertrack*. Moreover, even if a clearinghouse were not an accurate characterization of claim 1, as explained above, these steps recite submitting health insurance claims to multiple entities, the submission to the second entity not including a patient financial account number, which is a fundamental economic practice.

Accordingly, we find that claim 1 recites an abstract idea, namely a certain method of organizing human activity (a fundamental economic practice, specifically insurance and mitigating risk). For the same reasons, claims 2–9, 11–17, 19, and 21 recite abstract ideas.

D. "Directed to" the Judicial Exception (Step 2A, Prong 2)

Because the claims recite an abstract idea, we now proceed to determine whether the recited judicial exception is integrated into a practical

application. *See* Guidance, 84 Fed. Reg. at 51. Specifically, we look to "whether the claim recites additional elements that integrate the exception into a practical application of that exception." *Id.* at 54. Limitations that are indicative of integration into a practical application include additional elements that reflect an improvement in the functioning of a computer, or an improvement to other technology or technical field. *Id.* at 55. When a claim recites a judicial exception and fails to integrate the exception into a practical application, the claim is "directed to" the judicial exception. *Id.* at 51.

The Examiner finds that the abstract idea in the claims is recited as performed using generic computer hardware, as evidenced by the generic description of computer equipment in the Specification. Final Act. 5 (citing Spec. ¶ 38). According to the Examiner, the additional elements in claim 1, "(i.e. card transaction processing system, healthcare provider system, payer system) are not improvements to another technology or technical field and are not improvements to the functioning of the computer itself." *Id.*

Appellant argues that, when the claims are viewed at the correct level of abstraction, they recite improvements in computer functionality. Appeal Br. 11–12 (citing *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016), and *McRO, Inc. v. Bandai Namco Games America Inc.*, 837 F.3d 1299 (Fed. Cir. 2016)). Although Appellant cites *Enfish* and *McRO*, these cases

> were relied on not because the claims or inventions in those cases are similar to the present application, but rather because of their statement of law that the Examiner is required to consider the claims *as a whole* and *not ignore individual claim elements* when determining whether the claims are directed to an abstract idea.

Reply Br. 2–3.

In *Enfish*, the Federal Circuit determined that claims to a self-referential table for a computer database were not directed to an abstract idea because "they are directed to a specific improvement to the way computers operate, embodied in the self-referential table," and "the self-referential table recited in the claims on appeal is a specific type of data structure designed to improve the way a computer stores and retrieves data in memory." 822 F.3d at 1336, 1339. In *McRO*, the Federal Circuit determined that a claim to automatic lip synchronization and facial expression animation were "directed to a patentable, technological improvement over the existing, manual 3–D animation techniques" because "[t]he claim uses the limited rules in a process specifically designed to achieve an improved technological result in conventional industry practice." 837 F.3d at 1316 (citation omitted). Appellant argues that their claims are more detailed than the high level of abstraction found by the Examiner and that when those details are considered ("including issuing a member ID for identifying both the patient and the patient financial account at the card transaction processing system, where a second claim for payment of a patient portion of a healthcare provider charge includes the member ID (rather than an account number) for identifying a financial patient account at a second payer system"), the invention "*overcome[s] the cost and burden of securing the patient financial account number at the healthcare provider system* (an improvement in computer functionality)." Appeal Br. 12; *accord* Reply Br. 2 ("[T]he primary purpose and problem to which the invention is directed is the improvement in speed and efficiency of payments by the processing system and the elimination of the cost and burden associated with maintaining card

account information at a provider system."). Appellant contends that the Examiner ignores the functional limitations of the claims. Reply Br. 3.

We agree with the Examiner. Unlike the claimed invention in *McRO* that improved how a physical display operated to produce better quality images, the claimed invention here merely uses generic computing components to submit health insurance claims to multiple entities. In particular, the individual steps of claim 1 are recited as performed by generic computer equipment, including "a card transaction processing system," "a healthcare provider system," "a first payer system," and "a second payer system." The Specification describes the invention as implemented on generic computer equipment. Spec. ¶¶ 38 (e.g., "one or more central processing units 510, one or more input devices 520 (e.g., a mouse, a keyboard, etc.), and one or more output devices 530 (e.g., a display device, a printer, etc.)."), 40 (e.g., "The computer system 500 may also comprise software elements, shown as being located within a working memory 580, including an operating system 584 and/or other code 588."), 41 ("It should be appreciated that alternative embodiments of a computer system 500 may have numerous variations from that described above. For example, customized hardware might also be used and/or particular elements might be implemented in hardware, software (including portable software, such as applets), or both.").

Simply reciting generic computer hardware for performing an abstract idea does not integrate that abstract idea into a practical application. *See Alice*, 573 U.S. at 225–26 ("Viewed as a whole, petitioner's method claims simply recite the concept of intermediated settlement as performed by a generic computer. The method claims do not, for example, purport to

improve the functioning of the computer itself. Nor do they effect an improvement in any other technology or technical field. Instead, the claims at issue amount to 'nothing significantly more' than an instruction to apply the abstract idea of intermediated settlement using some unspecified, generic computer." (internal citations omitted)); *Dealertrack*, 674 F.3d at 1333 ("Simply adding a 'computer aided' limitation to a claim covering an abstract concept, without more, is insufficient to render the claim patent eligible."); *Credit Acceptance Corp. v. Westlake Services*, 859 F.3d 1044, 1055 (Fed. Cir. 2017) ("The invention's 'communication between previously unconnected systems—the dealer's inventory database, a user credit information input terminal, and creditor underwriting servers,' . . . does not amount to an improvement in computer technology."). The claimed invention does not focus on improving computers as tools, but rather certain independently abstract ideas that use computers as tools. *See Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1354 (Fed. Cir. 2016).

Moreover, we do not find that the Examiner is viewing the claims at an inappropriate level of abstraction or is ignoring functional limitations. Rather, the Examiner finds that "[t]he instant invention is a collection of functional statements, written at a high level, and applied to a computer." Ans. 5. The Examiner evaluates those functional limitations, and their implementation on generic computers, and finds that they do not recite a technical or technological improvement. *Id.* at 5–6. For the reasons given above, we agree with the Examiner's findings.

The Guidance also discusses other ways that additional elements can integrate the judicial exception into a practical application—e.g., a particular

machine or manufacture, a particular transformation, and a particular treatment of a disease. *See* Guidance, 84 Fed. Reg. at 55. Claim 1 also lacks such features.

Appellant further argues that "the claims at issue do not attempt to preempt every application of the abstract idea as characterized by the Examiner ('using a clearinghouse')." Appeal Br. 16. The Federal Circuit has counseled, however, that "[a] narrow claim directed to an abstract idea, however, is not necessarily patent-eligible, for '[w]hile preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.'" *Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1321 (Fed. Cir. 2016) (quoting *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015)). This argument is unpersuasive.

Accordingly, claim 1 does not integrate the recited abstract ideas into a practical application. For the same reasons, claims 2–9, 11–17, 19, and 21 do not integrate the recited abstract ideas into practical applications.

E. Inventive Concept (Step 2B)

To determine whether a claim provides an inventive concept, the additional elements are considered—individually and in combination—to determine whether they (1) add a specific limitation beyond the judicial exception that is not "well-understood, routine, conventional" in the field or (2) simply append well-understood, routine, conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception. Guidance, 84 Fed. Reg. at 56. Also, we reevaluate

our conclusions about the additional elements discussed in the previous step. *Id.*

The Examiner finds the additional recitations beyond the abstract idea "(i.e. card transaction processing system, healthcare provider system, payer system)" to be "simply appending well-understood, routine, and conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception." Final Act. 5. According to the Examiner, "[t]here is no indication that the combination of elements improves the functioning of a computer or improves any other technology. Their collective functions merely provide conventional computer implementation." *Id.*

Appellant argues that the Examiner has not explained adequately why courts have recognized, or why those in the filed would recognize, the additional elements when taken both individually and as a combination to be well-understood, routine, conventional activities. Appeal Br. 13–14 (citing MPEP §§ 2106.05(d), 2106.07(a)). Appellant argues that the Examiner has not met his burden under *Berkheimer v. HP Inc.*, 881 F.3d 1360 (Fed. Cir. 2018). *Id.* at 14. After *Berkheimer*, the USPTO issued an April 19, 2018, Memorandum entitled "Changes in Examination Procedure Pertaining to Subject Matter Eligibility, Recent Subject Matter Eligibility Decision (*Berkheimer v. HP, Inc.*)" ("*Berkheimer* Memo.").[8] According to the *Berkheimer* Memorandum, Examiners must provide specific types of evidence to support a finding that an additional element of a claim is well-

[8] The *Berkheimer* Memorandum is available at https://www.uspto.gov/sites/default/files/documents/memo-berkheimer-20180419.PDF.

understood, routine, and conventional, such as: (1) a citation to the Specification or statement made by the applicant during prosecution that demonstrates the well-understood, routine, conventional nature of the additional element; (2) a citation to court decisions discussed in MPEP § 2106.05(d)(II) as noting the well-understood, routine, conventional nature of the additional element; (3) a citation to a publication that demonstrates the well-understood, routine, conventional nature of the additional element; and (4) a statement that an examiner is taking official notice of the well-understood, routine, conventional nature of the additional element. *Id.* at 3–4.

Here, as discussed *infra*, the Examiner has pointed to evidence in the Specification that the components implementing the claimed invention are generic and conventional. In particular, the generic computing functionality of the additional recited elements, namely the recited "card transaction processing system," "healthcare provider system," "first payer system," and "second payer system," is well-understood, routine, and conventional. *See, e.g.*, *Alice*, 573 U.S. at 225–26 (holding that "implement[ing] the abstract idea . . . on a generic computer" was not sufficient "to transform an abstract idea into a patent-eligible invention"); *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1368 (Fed. Cir. 2015) (noting that a recited user profile (i.e., a profile keyed to a user identity), database, and communication medium are generic computer elements); *Mortg. Grader, Inc. v. First Choice Loan Servs., Inc.*, 811 F.3d 1314, 1324–25 (Fed. Cir. 2016) (noting that components such an "interface," "network," and "database" are generic computer components that do not satisfy the inventive concept requirement); *buySAFE, Inc. v. Google, Inc.*, 765 F.3d

1350, 1355 (Fed. Cir. 2014) ("That a computer receives and sends the information over a network—with no further specification—is not even arguably inventive.").

As the Examiner points out, paragraph 42 of the Specification describes the hardware and software components of the system as conventional: "with respect to particular structural and/or functional components for ease of description, methods of the invention are not limited to any particular structural and/or functional architecture but instead can be implemented on any suitable hardware, firmware, and/or software configuration," and that "while various functionalities are ascribed to certain individual system components, unless the context dictates otherwise, this functionality can be distributed or combined among various other system components in accordance with different embodiments of the invention." Ans. 7. The Specification continues, stating that "while the various flows and processes described herein (e.g., those illustrated in Fig. 2, 3 and 4) are described in a particular order for ease of description, unless the context dictates otherwise, various procedures may be reordered, added, and/or omitted in accordance with various embodiments of the invention." Spec. ¶ 43.

Appellant argues that "the recited combination of computer systems and software functions of Appellant's claimed invention . . . implement special purpose computers *programmed* to perform the unique functions and algorithms recited." Appeal Br. 14–15 (citing *Amdocs*). In particular, Appellant argues that the Specification describes "very extensive rules and algorithms for implementing the invention" and contend that "the claimed invention involves a unique and novel arrangement of computer hardware

components and functions that, *in combination*, perform *nonconventional* functions." *Id.* at 15 (citing *BASCOM*). In *Amdocs*, the Federal Circuit determined that a claim to correlating two network accounting records to "enhance" the first record was eligible, despite recitation of generic computing components, because it "entails an unconventional technological solution (enhancing data in a distributed fashion) to a technological problem (massive record flows which previously required massive databases)" and "requires that these generic components operate in an unconventional manner to achieve an improvement in computer functionality." 841 F.3d at 1299–1301. In *BASCOM*, the Federal Circuit determined that claims to filtering content on the Internet, including "limitations of the claims, taken individually, recit[ing] generic computer, network and Internet components, none of which is inventive by itself," was eligible because of its "non-conventional and non-generic arrangement" of the components, specifically, "the installation of a filtering tool at a specific location, remote from the end-users, with customizable filtering features specific to each end user," which "gives the filtering tool both the benefits of a filter on a local computer and the benefits of a filter on the ISP server." 827 F.3d at 1349–50.

Unlike the claims in *BASCOM*, Appellant's claims do not recite unconventional or non-generic arrangements of components that improve computer functionality or a technological area. Rather, as the Examiner finds, "no 'rules and algorithms' are disclosed" in the Specification and, to the extent Appellant relies on flow diagrams such as Figures 2–4, those simply disclose functional blocks, rather than rules, evidencing that "the non-disclosed rules must be well-known and therefore the algorithm itself is

a collection of well-known business rules." Ans. 9. We agree with the Examiner that "[t]he 'software' and 'computer' are described in a non-limiting, generic nature." *Id.* at 7. Nor does Appellant's invention entail, like *Amdocs*, any "unconventional technological solution (enhancing data in a distributed fashion) to a technological problem (massive record flows which previously required massive databases)" that "improve[s] the performance of the system itself." *Amdocs*, 841 F.3d at 1300, 1302.

It appears that Appellant contends that the non-conventional aspect of their claims is a combination that includes the submission of a claim for the patient portion of a medical charge to the second entity, with that submission not including a patient financial account number. However, this is nothing more than the abstract idea itself. The law is clear that the claim element to be considered under *Alice* step 2B cannot be the abstract idea itself. *See Berkheimer v. HP Inc.*, 890 F.3d 1369, 1374 (Fed. Cir. 2018) (Moore, J., concurring) ("*Berkheimer* . . . leave[s] untouched the numerous cases from [the Federal Circuit] which have held claims ineligible because the only alleged 'inventive concept' is the abstract idea."); *BSG Tech LLC v. BuySeasons, Inc.*, 899 F.3d 1281, 1290 (Fed. Cir. 2018) ("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."); *Aatrix Software, Inc. v. Green Shades Software, Inc.*, 890 F.3d 1354, 1359 (Fed. Cir. 2018) "[T]he 'inventive concept' cannot be the abstract idea itself.").

Although Appellant recognizes that novelty and obviousness are inquiries separate from eligibility, they nevertheless argue that the features of the claims "are clearly more than limitations that 'the courts have

recognized, or those in the art would recognize, as elements that are well-understood, routine, and conventional'" because "among other things, the Examiner has not identified prior art that discloses or suggests the recited features *as a whole* and in particular has not identified any prior art (see arguments below regarding rejections under 35 U.S.C. § 102 and 35 U.S.C. §103)." Appeal Br. 13; *see also id.* at 15 ("Even if one were to assume, for purposes of argument, that the various individual recited features in the claims are 'conventional and generic computer' functions that *individually* might be conventional, Appellant points out that the claimed invention involves a unique and novel arrangement of computer hardware components and functions that, in *combination*, perform *nonconventional* functions."). However, the Federal Circuit has "previously explained that merely reciting an abstract idea by itself in a claim—even if the idea is novel and non-obvious—is not enough to save it from ineligibility." *Solutran, Inc. v. Elavon, Inc.*, 931 F.3d 1161, 1169 (Fed. Cir. 2019); *see also Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 716 (Fed. Cir. 2014) ("That some of the eleven steps were not previously employed in this art is not enough—standing alone—to confer patent eligibility upon the claims at issue."). Thus, this argument is unpersuasive.

In sum, the limitations of claim 1, considered individually and in combination, do not provide an inventive concept. For the same reasons, claims 2–9, 11–17, 19, and 21 do not provide inventive concepts.

F. Conclusion

We sustain the rejection of claims 1–9, 11–17, 19, and 21 under 35 U.S.C. § 101.

II. Section 102 Rejection

The Examiner rejects claims 1–9, 11, 15–17, 19, and 21 as being anticipated by Romanini. Romanini describes "the automated payment of insurance claims via a debit card, after adjudication, through real-time information exchange between an insurance carrier or another third-party adjudicator and a financial institution." Romanini ¶ 1. In Romanini's system, a healthcare provider transmits information relating to an insurance claim for payment to an insurance provider, which transmits reimbursement to the healthcare provider. *Id.* ¶ 30. The patient sets up a HSA at a primary bank, which maintains the HSA. *Id.* ¶¶ 24–25, 34. A membership system server associated with the insurance provider receives and processes HSA information from the primary bank. *Id.* ¶ 26. If the insurance provider will not cover the entire insurance claim, the membership server communicates with the primary bank to obtain the remaining funds from the primary bank, those funds are transmitted to the insurance provider's bank, and are ultimately sent to the healthcare provider as part of the originally negotiated payment. *Id.* ¶¶ 38–39.

The Examiner and Appellant dispute, *inter alia*, whether Romanini discloses

> electronically submitting a second claim from the provider system to a second payer system, for automatic payment of the amount of the patient portion from the patient financial account, *wherein the second claim identifies the patient but not the financial patient account,* wherein the second claim includes the member ID, and wherein the second payer system identifies the financial patient account based on the member ID,

as recited in claim 1 (emphasis added). The Examiner finds this limitation disclosed by Romanini's description of the membership server associated

with the insurance provider (not the healthcare provider) communicating with the patient's primary bank to determine whether the patient's HSA has sufficient funds to cover the patient's portion of the healthcare charge. Final Act. 10 (citing Romanini ¶¶ 38–40, Fig. 6). The Examiner also cites to "Paragraph 30, HSA submission," but does not further explain this finding. *Id.* Paragraph 30 of Romanini describes the insurance provider as connected to healthcare provider through a network and to the patient's primary bank via its financial institution. However, it does not describe submitting a second claim.

As to whether the second claim identifies the patient, but not the patient financial account, the Examiner finds that "figure 1, #140, paragraph 26 Membership system server facilitates processing including reimbursement." Final Act. 10. Paragraph 26 of Romanini states that "[m]embership system server 140 facilitates processing claims information related to claims adjudication, including reimbursement once the adjudication process has been completed," and, "being a network server, includes a processing module for processing HSA enrollment information received from primary bank 115, and for processing information regarding payment options selected by member 105 once the HSA associated with member 105 has been created." However, the Examiner does not explain how this discloses a second claim that identifies the patient, but not the patient financial account.

Appellant contends that the Examiner points to the description of membership system server 140 (Romanini ¶¶ 26, 28, 37, 39) as describing this step of claim 1 and argue that "nowhere in Romanini is there described the membership system server 140 as processing a second claim that

'identifies the patient but not the financial patient account,' as recited in claim 1." Appeal Br. 19–20.

In response, the Examiner finds that this claim limitation is only described in the Summary of the Invention section of the Specification and originally-filed claim 1 and that "[s]ince the claim describes how something shouldn't occur but omits how something must occur and the originally filed disclosure matches the claimed limitation, the Examiner again interprets the feature broadly." Ans. 11. According to the Examiner, "the disclosure is silent regarding what is required," and "[t]he Appellant's argument as to whether or not a feature is shown is left to disagreements upon broadest reasonable interpretation in light of silence within the specification." *Id.* at 11–12.[9] The Examiner then concludes that "the Examiner's Romanini interpretation is applicable as it provides a way to positively show the membership ID without showing financial information." *Id.* at 11. The Examiner further concludes that "the specification does not limit what 'financial information' is or must be and so the omitting of any information correctly meets the claim boundaries." *Id.*

We agree with Appellant that the Examiner has not shown that Romanini discloses the disputed limitation of claim 1. As noted above, the

[9] We note that claim 1 recites "establishing . . . a patient financial account" and, later, "wherein the second claim identifies the patient but not the financial patient account," reversing the order of "financial" and "patient." Although the Examiner does not clearly state this, the Examiner might be interpreting "financial patient account" as something different from "patient financial account" and something not described in detail in the Specification. The second instance, "financial patient account," is clearly a typographical error, and "patient financial account" plainly was intended. Thus, if the Examiner is attempting to draw this distinction, we are not persuaded.

Examiner has not stated his interpretation of Romanini or explained what the Examiner finds in Romanini to be the "second claim" of claim 1. Although the Examiner states that a lack of appropriate description in the Specification justifies a broad interpretation of the claim limitation in question, the Examiner does not state what his interpretation is. Nor does the Examiner state what information Romanini's purported second claim omits. In any case, as Appellant points out (Reply Br. 4), the Specification describes this feature in detail. Spec. ¶¶ 28–30, Fig. 4.

The Examiner also concludes that "the financial information is never explicitly used within the claims and therefore describes non-functional descriptive information." Ans. 11. However, claim 1 recites "the second payer system identifies the financial patient account based on the member ID" and "paying at least some of the amount of the patient portion from the patient financial account to the provider." Here, claim 1 recites using the patient financial account information to affect payment. Thus, the patient financial account is not non-functional descriptive matter.

In sum, the Examiner has not shown that Romanini discloses

> electronically submitting a second claim from the provider system to a second payer system, for automatic payment of the amount of the patient portion from the patient financial account, wherein the second claim identifies the patient but not the financial patient account, wherein the second claim includes the member ID, and wherein the second payer system identifies the financial patient account based on the member ID,

as recited in claim 1. Accordingly, the Examiner does not show persuasively that claim 1, or claims 2–9 and 11, which depend therefrom, are anticipated by Romanini.

Independent claim 15 similarly recites "a second member ID that identifies the consumer to the second payer but that does not identify the account number of the financial account" and "electronically submitting a second claim from the provider system to a second payer system using the second payer ID and second member ID, wherein the second payer system determines the account number for the financial account based on the member ID." Independent claim 21 recites "wherein the plan information for the second plan provided to the provider does not reveal the account number to the provider" and "electronically submitting a second claim, including the plan information for the second plan, from the provider system to the second payer system, wherein the second payer system uses at least the portion of the plan information for the second plan identifying the consumer in order to determine the account number." The Examiner does not make separate findings for claims 15 and 21. Final Act. 14–15. For the same reasons as given for claim 1, the Examiner does not show persuasively that claims 15 and 21, or claims 16, 17, and 19, which depend from claim 15, are anticipated by Romanini.

We do not sustain the rejection of claims 1–9, 11, 15–17, 19, and 21 under § 102(a)(1).

III. Section 103 Rejections

Claims 12–14 depend from claim 1. The Examiner rejects claims 12 and 13 as obvious over Romanini and Harrison. Final Act. 16–17. The Examiner further rejects claim 14 as obvious over Romanini and allegedly admitted prior art (AAPA), specifically ¶¶ 6 and 36 of the Specification. *Id.* at 17–18. The Examiner does not find that Harrison or the AAPA teach

the limitation missing for claim 1, as detailed above. *Id.* 16–18. For the same reasons as given for claim 1, the Examiner has not shown that claims 12–14 would have been obvious over Romanini and Harrison or Romanini and AAPA.

Thus, we do not sustain the rejections of claims 12–14 under § 103.

CONCLUSION

Claims Rejected	35 U.S.C. §	References(s)/Basis	Affirmed	Reversed
1–9, 11–17, 19, 21	101	Eligibility	1–9, 11–17, 19, 21	
1–9, 11, 15–17, 19, 21	102(a)(1)	Romanini (US 2011/0145007 A1, June 16, 2011)		1–9, 11, 15–17, 19, 21
12, 13	103	Romanini and Harrison (US 2010/0070409 A1, Mar. 18, 2010)		12, 13
14	103	Romanini and Applicant Admitted Prior Art (specifically, Specification ¶¶ 6, 36)		14
Overall Outcome			1–9, 11–17, 19, 21	

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