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Paper 36
Entered: November 18, 2015

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CARECLOUD CORPORATION,
Petitioner,

v.

ATHENAHEALTH, INC.,
Patent Owner.

Case CBM2014-00143
Patent 7,617,116 B2

Before MICHAEL W. KIM, RICHARD E. RICE, and CARL M. DeFRANCO, JR., *Administrative Patent Judges*.

RICE, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
35 U.S.C. § 328(a) and 37 C.F.R. § 42.73

I. INTRODUCTION

A. Background

CareCloud Corporation ("Petitioner") filed a Petition (Paper 1, "Pet.") seeking institution of a covered business method patent review of claims 1–20 of U.S. Patent No. 7,617,116 B2 (Ex. 1001, "the '116 Patent") pursuant to 35 U.S.C. § 321. Petitioner submitted the Declaration of Bryan P. Bergeron, M.D. (Ex. 1013) with the Petition. Athenahealth, Inc. ("Patent Owner") filed a Preliminary Response (Paper 6, "Prelim. Resp."). Upon considering the Petition, the Preliminary Response, and the evidence of record at that stage of the proceeding, we instituted trial as to claims 1–20 of the '116 Patent. Paper 7 ("Institution Decision").

After institution, Patent Owner filed a Response (Paper 17, "PO Resp."), and Petitioner filed a Reply (Paper 20, "Pet. Reply"). Patent Owner submitted the Declaration of Richard M. Goodin, P.E. (Ex. 2012) with the Response, and Petitioner filed the Supplemental Declaration of Dr. Bergeron (Ex. 1029) with the Reply. In addition, Petitioner submitted a transcript of Mr. Goodin's deposition (Ex. 1028), and Patent Owner submitted transcripts of Dr. Bergeron's two depositions (Exs. 2011, 2024). An Oral Hearing was held on July 30, 2015. A transcript of the argument at the Oral Hearing has been entered into the record as Paper 35 ("Hearing Tr.").

We have jurisdiction under 35 U.S.C. § 6(c). This Final Written Decision is entered pursuant to 35 U.S.C. § 328(a).

For the reasons that follow, we conclude that Petitioner has demonstrated by a preponderance of the evidence that claims 1–20 of the '116 Patent are unpatentable because they are directed to patent-ineligible

subject matter under 35 U.S.C. § 101. We further conclude that Petitioner has *not* demonstrated by a preponderance of the evidence that claims 1–3, 5, 8, 11–13, 15, 17, 18, and 20 are unpatentable under 35 U.S.C. § 103(a).

B. Related Proceeding

Petitioner states that it was sued for infringement of the '116 Patent in *athenahealth, Inc. v. CareCloud Corp.*, No. 1:13-cv-10794 (D. Mass.). Pet. 2.

C. The '116 Patent

The '116 Patent relates to the management of medical practices and, more specifically, to a medical practice management and billing automation system. Ex. 1001, 1:14–16. According to the Specification, errors in health insurance claims submitted by medical practices to insurance companies result in substantial waste and inefficiency. *Id.* at 1:25–67.

As a specific example, the Specification states that a medical professional (e.g., a receptionist) can verify the insurance eligibility of a patient by using a web portal electronically connected to the insurance company's web page. *Id.* at 1:31–36. The receptionist types information about the patient into the web portal, transmits the information to the insurance company's web server, retrieves a response, and manually enters this information into a computer of the medical practice. *Id.* at 1:36–40. "Due to the large number of steps involved for this task and also due to the heavy workload frequently placed on the professionals performing these tasks, data entry errors often occur." *Id.* at 1:40–43.

In order to reduce such errors, the "invention automatically and repeatedly interacts with an insurance company system and/or applies rules

to efficiently manage a medical practice and provide insurance claims with a reduced number of errors." *Id.* at 2:3–6. Figure 1 of the '116 Patent is reproduced below.

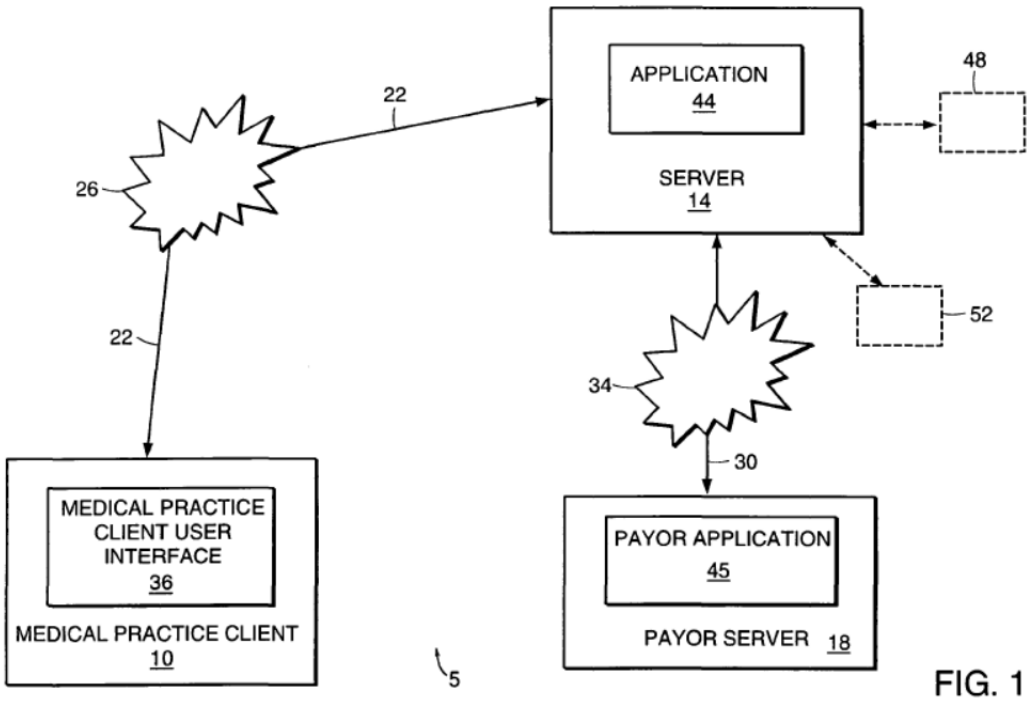

FIG. 1

Figure 1 illustrates a block diagram of an embodiment of medical practice management system 5. *Id.* at 2:61–62, 3:62–63. The system depicted in Figure 1 comprises three types of computers—medical practice client 10, medical practice management ("MPM") server 14, and payor server 18. *Id.* at 3:62–66. As depicted in Figure 1, medical practice client 10 is in communication with MPM server 14 over path 22 and network 26; and MPM server 14 is also in communication with payor server 18 over communication path 30 and network 34. *Id.* at 3:66–4:7.

MPM server 14 includes workflow processing engine 56 and rules engine 60. *Id.* at 5:22–24. In one embodiment, the rules engine includes rules database 66. *Id.* at 5:25–26; Fig. 2A. "To ensure that the rules database 66 contains current rules, the rules database 66 is frequently updated." *Id.* at 6:27–28. "In one embodiment, individual payors transmit rule updates/creations to the [MPM] server 14 via their payor server 18." *Id.* at 6:28–31.

As described in the Specification, a medical care provider submits a completed claim form to the MGM server via the medical practice client, and the rules engine then "'scrubs' the claim," i.e., "examines the claim for errors." *Id.* at 13:32–33. "Claim errors can include, without limitation, typographical errors, formatting errors (based on a format that each payor defines for their claims), incomplete information, and the like." *Id.* at 13:33–36. In one embodiment, workflow processing engine 56 "transmits a claim edit screen to the medical practice client 10 to enable the medical care provider to correct the claims that have errors." *Id*. at 14:58–60.

D. Illustrative Claim

Claims 1, 18, and 20 are independent. Claim 1 is illustrative and is reproduced below:

> 1. A computerized method for managing a medical practice comprising:
>
> storing by a medical practice management server in a rules database a plurality of insurance rules comprising one or more classes of rules, each class of rules being associated with one of a plurality of payor servers;
>
> receiving by the medical practice management server data indicative of a completed

claim submission for a claim from a medical practice client, the claim being associated with a payor server; and

automatically interacting with the completed claim submission by the medical practice management server to correct an error in the completed claim submission, wherein the error is resolved by the medical practice client before processing the completed claim submission, by applying one or more rules from a class of rules associated with the payor server, wherein the one or more rules comprises a new rule, an updated rule, or both received from the payor server, the interacting step comprising:

the medical practice management server automatically associating a first claim status with the completed claim submission indicative of the claim not satisfying one of the one or more rules;

the medical practice management server transmitting data indicative of a claim edit screen to the medical practice client, the claim edit screen comprising a claim edit section for editing the completed claim submission and a claim error explanation portion to explain one or more errors in the completed claim submission to a medical care provider;

the medical practice management server receiving data indicative of an updated completed claim submission from the medical practice client;

the medical practice management server correcting the completed claim submission based on the updated completed claim submission; and

the medical practice management server automatically associating a second claim status with the completed claim submission indicative of the completed claim submission satisfying all of the one or more rules.

Ex. 1001, 20:2–42.

E. The Asserted References

Petitioner relies upon the following references:

Reference	**Patent No.**	**Date**	**Exhibit**
Rieker	US 5,832,447	Nov. 3, 1998	Ex. 1011
Holloway	US 5,253,164	Oct. 12, 1993	Ex. 1012
Barber	US 4,858,121	Aug. 15, 1989	Ex. 1020
Magill	US 5,367,664	Nov. 22, 1994	Ex. 1023

F. The Grounds for Trial

The grounds on which we instituted trial are as follows:

References	**Basis**	**Claims Challenged**
	§ 101	1–20
Barber, Holloway, Rieker, and Magill	§ 103(a)	1–3, 5, 8, 11–13, 15, 17, 18, and 20

II. ANALYSIS

A. Claim Construction

The Board gives claim terms in an unexpired patent their broadest reasonable interpretation ("BRI") in light of the specification of the patent in which they appear. 37 C.F.R. § 42.300(b); *see also In re Cuozzo Speed Techs., LLC*, 793 F.3d 1268, 1278, 1279 (Fed. Cir. 2015) ("We conclude that Congress implicitly approved the [BRI] standard in enacting the AIA" and "the standard was properly adopted by PTO regulation."). Under the

BRI standard, and absent any special definition, claim terms are given their ordinary and customary meaning, as would be understood by one of ordinary skill in the art in the context of the entire disclosure. *In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007). Any special definition for a claim term must be set forth with reasonable clarity, deliberateness, and precision. *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994).

Petitioner's Declarant, Dr. Bergeron, provides the following definition of a person of ordinary skill in the art ("POSA"):

> [A] POSA in the 2000 time frame would have had a Bachelor's degree in computer science or the equivalent, or commensurate industry experience of at least four to five years of experience with computer programming and general knowledge of database technologies and networking or similar fields. A POS[A] in the 2000 time frame would also have at least two years of experience in the healthcare, or healthcare-related, industry.

Ex. 1013 ¶ 16. Patent Owner's Declarant, Dr. Goodin, agrees with Dr. Bergeron's definition (Ex. 2012 ¶ 41). We agree with and adopt this definition for the purposes of our Final Written Decision.

In the Institution Decision, we interpreted explicitly four claim terms, as summarized below:

Claim Term	Claim Interpretation	Claims
completed claim submission	information that a medical care provider has finished entering for a claim, and that is transmitted to the MPM server for processing	1–3, 5, 6, 8–13, and 15–20
class of rules being associated with one	a group of rules that is applied to claims processed by a particular	1, 18, and 20

Claim Term	Claim Interpretation	Claims
of a plurality of payor servers	payor server of a plurality of payor servers	
automatically	without human intervention	1, 15, 18, and 20
claim edit screen . . . comprising a claim edit section . . . and a claim error explanation portion . . .	a "claim edit screen" that includes both a "claim edit section" and a "claim error explanation portion"	1, 18, and 20

Neither party proposes any change to the interpretations set forth above, and our review of the evidence does not indicate that any change is necessary. Consequently, we maintain our interpretations.

Patent Owner proposes constructions for two additional claim terms—"rule" and "database." PO Resp. 10. With respect to "rule," Patent Owner proposes the definition set forth expressly in the Specification, i.e., "a rule is coded logic that evaluates data and then performs an action." *Id.* (citing Ex. 1001, 5:59–60). Petitioner does not dispute Patent Owner's proposed construction of "rule," and we agree that it is the broadest reasonable interpretation consistent with the Specification.

For the claim term "database," Patent Owner relies on Mr. Goodin's statement, based on a dictionary definition, that a "database" is a "collection of data with a given structure for accepting, storing, and providing, on demand, data for multiple users." *Id.* (citing Ex. 2012 ¶ 44); *see* Ex. 2015, 21. We note Mr. Goodin's additional testimony that a POSA "would understand a 'database' is a stored collection of data" (Ex. 2012 ¶ 45), and

that the Specification "contrasts a database, consisting of stored data, which can be updated on demand, with a set of rules that are hard coded into a software application" (*id.* ¶ 46, citing Ex. 1001, 6:27–28). Petitioner does not propose a construction for "database" or challenge Mr. Goodin's testimony, discussed above.

Based on the above, we determine that the broadest reasonable interpretation consistent with the Specification of "database" is a stored collection of data that can be updated on demand.

B. Asserted Unpatentability under 35 U.S.C. § 101

1. Preliminary Issue

Patent Owner argues that the Board lacks jurisdiction to consider challenges to patentability under 35 U.S.C. § 101 in covered business method patent reviews. PO Resp. 79–80. Our reviewing court, however, recently put that argument to rest. *Versata Dev. Grp. v. SAP Am., Inc.*, 793 F.3d 1306, 1330 (Fed. Cir. 2015) (confirming that the Board is permitted to consider § 101 patentability challenges in covered business method patent reviews).

2. Legal Principles

Under 35 U.S.C. § 101:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

The Supreme Court, however, has "long held that this provision contains an important implicit exception: Laws of nature, natural phenomena, and abstract ideas are not patentable." *Alice Corp. Pty. Ltd. v.*

CLS Bank Int'l, 134 S. Ct. 2347, 2354 (2014) (quoting *Assoc. for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2116 (2013)). "The 'abstract ideas' category embodies the longstanding rule that '[a]n idea of itself is not patentable.'" *Alice*, 134 S. Ct. at 2355 (quoting *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972) (quotations omitted)).

In *Alice*, the Supreme Court emphasized the importance of the so-called "*Mayo* framework," which provides "a framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts." *Id.* (citing *Mayo Collaborative Svcs. v. Prometheus Labs, Inc.*, 132 S. Ct. 1289, 1296–97 (2012)). Under the *Mayo* framework, "[w]e must first determine whether the claims at issue are directed to a patent-ineligible concept." *Id*. Next, "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 1297). This second step is 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.* (alteration in original) (quoting *Mayo*, 132 S. Ct. at 1294).

Under *Mayo*, to be patentable, a claim must do more than simply state the law of nature or abstract idea and add the words "apply it." *Mayo*, 132 S. Ct. at 1294; *Benson*, 409 U.S. at 67. Furthermore, "the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention." *Alice*, 134 S. Ct. at 2358. "Thus, if a

patent's recitation of a computer amounts to a mere instruction to 'implemen[t]' an abstract idea 'on . . . a computer,' that addition cannot impart patent eligibility." *Id*. (internal citation omitted).

Thus, we first analyze the claims of the '116 Patent to determine whether the claims embody an abstract idea. If they do, then we proceed to determine whether the claims are meaningfully limited to a patent-eligible application of an abstract idea, or cover nothing more than the abstract idea itself.

3. Claims 1–20 are Directed to an Abstract Idea

Petitioner contends that claims 1–20 "merely recite the abstract concept of 'scrubbing' medical claims before submission," i.e., pre-processing medical claims to identify and correct errors. Pet. 16; Pet. Reply 3 (citing Ex. 1029 ¶¶ 7–9). Petitioner additionally asserts that this abstract concept includes the following pre-processing steps:

> [T]his abstract concept includes pre-processing a medical claim submission using an arrangement of stored data (*i.e.*, the storage of rules into classes associated with a payor) and interacting with submitted data (*i.e.*, claim submissions) based on the stored data (*i.e.*, rules) to detect errors and request correction before submitting the claim to a payor.

Pet. 16.

In its Response, Patent Owner argues that Petitioner's

> lengthy description of what "scrubbing medical claims before submission" allegedly "includes" is actually a combination of the multiple distinct claim concepts of: (1) using rules to pre-process a medical claim; (2) using rules stored as an arrangement of data; (3) using rules specifically organized into different classes for different payors; (4) detecting errors; and (5) requesting correction before submitting the claim to a payor.

PO Resp. 52 (citing Ex. 2012 ¶ 193). With this predicate, Patent Owner then raises a number of issues with Petitioner's contentions. *Id.* at 52–60. For example, Patent Owner argues that "Petitioner's claim-limitation-filled 'abstract idea' is lengthy, detailed, narrow, and looks nothing like the broad fundamental concepts the courts have found to be patent-ineligible abstract ideas." *Id.* at 54.

We are not persuaded by Patent Owner's argument that the concept of "scrubbing medical claims before submission" must implicitly include certain claim limitations. In our Institution Decision, we stated that Petitioner asserts that the claims of the '116 Patent cover the abstract concept of "'scrubbing' medical claims before submission." Institution Decision 18 (citing Pet. 16). At that stage of the proceeding, we concluded that "Petitioner's articulation of the abstract concept covered by the claims of the '116 Patent is correct, and that there is no meaningful distinction under § 101 between the abstract concept of intermediated settlement at issue in *Alice* and the concept of 'scrubbing medical claims before submission' at issue here." *Id.* In reaching that conclusion, we did not consider the broad concept of scrubbing medical claims before submission as needing or including any limitations from the patent claims. Patent Owner's arguments attempting to read claim limitations into that broad concept are not persuasive for the reasons that follow.

Patent Owner may be arguing that Petitioner's assertion, that the abstract concept includes certain pre-processing steps, indicates that Petitioner meant for those pre-processing steps to be an express part of the articulation of the abstract concept, and that when that articulation is

considered as a whole, it is too "lengthy, detailed, narrow, and looks nothing like the broad fundamental concepts the courts have found to be patent-ineligible abstract ideas." PO Resp. 54. As an initial matter, Patent Owner's argument is misplaced, as regardless of the length of the abstract concept intended by Petitioner, we determined already that Petitioner's "shorter" version was accurate and adequately supported. Moreover, even if we were to consider it relevant, we disagree that Petitioner intended for the abstract concept to be so lengthy, detailed, and narrow. Instead, we discern that Petitioner was merely clarifying that certain pre-processing steps are predicates to implementing the abstract concept of "'scrubbing' medical claims before submission," much like the concepts of hedging and intermediated settlement have their own predicate steps, and not that those pre-processing steps should be included in the articulation of the abstract concept itself.

Patent Owner also has not persuaded us that Dr. Bergeron's testimony in his Supplemental Declaration on the § 101 issue should be excluded. *E.g.*, Tr. 38. Patent Owner's Response, including the Declaration of Mr. Goodin, invited that testimony in reply. *Compare* PO Resp. 50–60 and Ex. 2012 ¶¶ 193–229 *with* Ex. 1029 ¶¶ 7–21, 27. Further, we credit Dr. Bergeron's testimony on the § 101 issue over that of Mr. Goodin, who, like Patent Owner, unpersuasively incorporated claim limitations into his analysis of the concept of scrubbing medical claims before submission. *See*, *e.g.*, Ex. 2012 ¶ 193.

On this record, we are persuaded that claims 1–20 are directed to the broad concept of scrubbing medical claims before submission, i.e., pre-

processing medical claims to identify and correct errors. *See* Pet. 16; Pet. Reply 3. In particular, the patent claims all require

> automatically interacting with the completed claim submission by the medical practice management server *to correct an error in the completed claim submission*, wherein the error is resolved by the medical practice client *before processing the completed claim submission*, by applying one or more rules from a class of rules associated with the payor server, wherein the one or more rules comprises a new rule, an updated rule, or both received from the payor server.

Ex. 1001, 20:12–20 (claim 1), 22:24–32 (claim 18), 23:11–19 (claim 20) (emphases added).

Further, the concept of scrubbing medical claims before submission is consistent with the '116 Patent Specification, which explains: "Given the extent of wasted time and money associated with the process [for filing and processing health insurance claims], there exists a need to manage a medical practice in a more efficient manner and [to] provide insurance claims with fewer or no errors." *Id.* at 1:64–67. According to the Specification, "[t]he present invention automatically and repeatedly interacts with an insurance company system and/or applies rules to efficiently manage a medical practice and provide insurance claims with a reduced number of errors." *Id.* at 2:3–6. In a preferred embodiment, rules engine 60 applies rules to the claim entry form and thereby "scrubs" the claim before submission. *Id.* at 13:31–59; *see* Ex. 1001, 13:33–34, Fig. 3F ("The rules engine 60 'scrubs' the claim (step 390), or examines the claim for claim errors."); Pet. 28 n.2. Given these disclosures, we are unpersuaded that any specific claim limitations need to be added to the above articulated abstract concept, as we

discern that they merely provide support to the abstract concept of scrubbing medical claims before submission.

Despite Patent Owner's arguments to the contrary, we see little difference between scrubbing medical claims before submission and the type of fundamental economic practice considered to be an abstract idea by the Supreme Court in *Alice*.[1] As established by the record, scrubbing medical claims before submission is a practice that existed long before the '116 Patent. *See*, *e.g.*, Ex. 1001, 1:31–40; Ex. 1012, 2:27–39; Ex. 1013 ¶¶ 33–34; Ex. 1024,[2] 107–108; Ex. 1029 ¶¶ 10–12, 14, 27. That the claims recite using a database of updated rules, multiple computers, and a claim edit screen, for scrubbing medical claims before submission, does not render the claims any less abstract. *See Intellectual Ventures I LLC v. Capital One Bank (US)*, 792 F.3d 1363, 1367 (Fed. Cir. 2015) (holding that "while the claims recite budgeting using a 'communication medium' (broadly including

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[1] In *Alice*, the Supreme Court determined that the claims at issue were "drawn to the concept of intermediated settlement," i.e., the use of a third party to mitigate settlement risk. 134 S. Ct. at 2356. The Supreme Court also determined that "[l]ike the risk hedging in *Bilski* [*Bilski v. Kappos*, 561 U.S. 593 (2010)], the concept of intermediated settlement is 'a fundamental economic practice long prevalent in our system of commerce.'" 134 S. Ct. at 2356 (citations omitted). With respect to the first step of the "*Mayo* framework," the Supreme Court concluded in *Alice* that "there is no meaningful distinction between the concept of risk hedging in *Bilski* and the concept of intermediated settlement" in *Alice,* and that "[b]oth are squarely within the realm of 'abstract ideas' as we have used that term." *Alice.*, 134 S. Ct. at 2357.

[2] *Bringing Health Care Online: The Role of Information Technologies,* U.S. Congress, Office of Technology Assessment (Sept. 1995).

the Internet and telephone networks), that limitation does not render the claims any less abstract"). We conclude, therefore, that Petitioner has demonstrated that the '116 Patent claims, like the claims in *Alice*, are directed to an abstract idea, namely, scrubbing medical claims before submission.

4. Claims 1–20 Do Not Claim an Inventive Concept

As discussed above, the second step of the Supreme Court's *Alice/Mayo* framework requires that we "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." *Alice*, 134 S. Ct. at 2355 (alteration in original) (quoting *Mayo*, 132 S. Ct. at 1294). As Patent Owner acknowledges in its Response, "the analysis is not," however, "an evaluation of novelty or non-obviousness." PO Resp. 48 (citing *Alice*, 134 S. Ct. at 2355).

Rather, a challenged patent claim, properly construed, must incorporate enough meaningful limitations to ensure that it claims more than just an abstract idea and is not just a "'drafting effort designed to monopolize the [abstract idea].'" *Alice*, 134 S. Ct. at 2357 (alteration in original) (quoting *Mayo*, 132 S. Ct. at 1297). "[I]f a patent's recitation of a computer amounts to a mere instruction to 'implemen[t]' an abstract idea 'on . . . a computer,' that addition cannot impart patent eligibility." *Id.* at 2358 (internal citation omitted). Step two of the *Alice/Mayo* framework, therefore, may be described as a search for an "inventive concept." *Id.* at 2355 (citing *Mayo*, 132 S. Ct. at 1294).

Petitioner asserts, *inter alia*, that the recitation in the claims of basic "servers, database, and client features" adds "nothing more" to the abstract idea of scrubbing medical claims before submission. Pet. 18–22.[3] Petitioner adds that "even storing, sending, or receiving data to or from other computers is a well-known concept as acknowledged by the inventor." *Id.* at 23 (citing Ex. 1001, 1:31–63).

Patent Owner responds as follows:

> Petitioner does not properly apply the second prong because (1) it does not identify a single allegedly abstract idea and analyze all of the claim limitations to determine whether they recite significantly more; (2) it fails to analyze numerous limitations in the claims at all; (3) for claim clauses it purports to analyze, it ignores critical limitations that result in the clause reciting significantly more; (4) it fails to address the claim limitations as an ordered combination and seeks to dismiss each individually; and (5) it cites no evidence to support its assertion that the claim limitations recite only conventional features.

PO Resp. 61.

Patent Owner argues that "[t]here are numerous limitations in the claims, in addition to those improperly 'included' in Petitioner's 'abstract idea[,]' that the record nowhere establishes are routine or conventional." *Id.* at 66. Patent Owner further states: "Each [limitation] results in the claims not reciting a generic computer implementation that preempts the abstract concept of scrubbing a medical claim before submission and limits the claims to a specific technical way of accomplishing this result." *Id.* As

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[3] We note that the Petition was filed prior to the *Alice* decision. *See* Pet. Reply 2 n.3.

examples of such limitations, Patent Owner specifies "in a rules database," "one or more classes of rules, each class of rules being associated with one of a plurality of payor servers," and a "claim edit screen comprising a claim edit section for editing the completed claim submission and a claim error explanation portion to explain one or more errors." *Id.* at 66–71. Further, Patent Owner asserts that: "[t]he claims are limited to one specific technical way of updating the rules—receiving new and/or updated rules from a payor server"; "the MPM server (e.g., rather than the medical practice client) perform the correction"; and "all the claims require a set of actions be performed by an MPM server that operates in a computer system environment that includes a medical practice client and payor server(s)." *Id.* at 71–73.

Patent Owner concludes that "[w]hen considered as an ordered combination, the claims do not preempt any abstract idea and are not directed to a combination that is well-known or conventional." *Id.* at 76. As emphasized at the Oral Hearing, Patent Owner contends that the recited "rules database," "rules . . . received from the payor server," and "claim edit screen," in particular, provide the required "inventive concept" under step 2 of the *Alice/Mayo* framework. Tr. 54:17–62:5; *see*, *e.g.*, Ex. 1001, 20:4–5, 19–20, 27 (claim 1). Patent Owner adds that "[t]he Petition nowhere alleges that any feature in any dependent claim is well known or conventional, and submits no evidence." *Id.* at 78.

The Federal Circuit considered similar arguments in *Intellectual Ventures I LLC v. Capital One Bank (US)*, which presented patent eligibility issues with respect to two patents—the '137 patent[4] and the '382 patent.[5] 792 F.3d at 1366. The court first analyzed the '137 patent, stating that claim 5, set forth below, was representative:

> A method comprising:
> storing, in a database, a profile keyed to a user identity and containing one or more user-selected categories to track transactions associated with said user identity, wherein individual user-selected categories include a user pre-set limit; and
> causing communication, over a communication medium and to a receiving device, of transaction summary data in the database for at least one of the one or more user-selected categories, said transaction summary data containing said at least one user-selected category's user pre-set limit.

Id. at 1367 (citation omitted). In analyzing the second step of the *Alice/Mayo* framework with respect to the '137 patent, the court determined "it is clear that the claims contain no inventive concept." *Id.* at 1368. The court explained that "[t]he recited elements, e.g., a database, a user profile . . . and a communication medium, are all generic computer elements." *Id.* The recited generic computer elements did not confer patent eligibility because "*[i]nstructing one to 'apply' an abstract idea and reciting no more than generic computer elements performing generic computer tasks does not make an abstract idea patent-eligible.*" *Id.* (emphasis added; citations

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[4] U.S. Patent No. 8,083,137.

[5] U.S. Patent No. 7,603,382.

omitted).

Next, the Federal Circuit analyzed the '382 patent. The court stated that claim 1, set forth below, was representative:

> A system for providing web pages accessed from a web site in a manner which presents the web pages tailored to an individual user, comprising:
> an interactive interface configured to provide dynamic web site navigation data to the user, the interactive interface comprising:
> a display depicting portions of the web site visited by the user as a function of the web site navigation data; and
> a display depicting portions of the web site visited by the user as a function of the user's personal characteristics.

Id. at 1369 (citation omitted). With respect to the '382 patent, the court again determined that "there is no inventive concept that would support patent eligibility." *Id.* at 1370. Rejecting Intellectual Ventures's argument that "the 'interactive interface' is a specific application of the abstract idea that provides an inventive concept," the Federal Circuit stated:

> [N]owhere does Intellectual Ventures assert that it invented an interactive interface that manages web site content. Rather, the interactive interface limitation is a generic computer element. . . . [T]he "interactive interface" simply describes a generic web server with attendant software, tasked with providing web pages to and communicating with the user's computer.

Id.

For reasons that parallel those articulated by the Federal Circuit in *Intellectual Ventures I*, we determine, contrary to Patent Owner's arguments, that claims 1–20 of the '116 Patent do *not* incorporate an inventive concept. *See Alice*, 134 S. Ct. at 2355; *Intellectual Ventures I*, 792 F.3d at 1368–70.

Rather, the steps and limitations in the claims, whether considered individually or as an ordered combination, amount to a mere instruction to implement the abstract idea on a computer. *See Alice*, 134 S. Ct. at 2358. Like the claims at issue in *Alice* and *Intellectual Ventures I*, the '116 Patent claims all recite generic computer elements (servers, rules, database, interactive screen, etc.) performing generic computer tasks such as storing rules in a database, receiving data, performing automated operations, and transmitting data. *See*, *e.g.*, Ex. 1001, 20:2–42 (claim 1); *see Alice*, 134 S. Ct. at 2359; *Intellectual Ventures I*, 792 F.3d at 1368, 1370; Ex. 1001, 4:27–57 (servers), 5:60–61 (rule), 5:66–6:8 (rules database), 14:62–65 (interactive screen); Ex. 1013 ¶¶ 54, 56, 57, 62; Ex. 1029 ¶¶ 22–27; Ex. 2011, 158:23–159:5; Ex. 2024, 94:4–17.

Patent Owner's argument, on page 76 of the Response, that the claims necessarily contain an "inventive concept" because they (allegedly) are "novel and non-obvious" misapprehends the *Alice* decision.[6] Elsewhere in its Response, Patent Owner correctly states: "Although branded a search for an 'inventive concept,' *the analysis is not an evaluation of novelty or non-obviousness*, but rather, a search for '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.'" PO Resp. 48 (emphasis added) (quoting *Alice*, 134 S. Ct. at 2355). As reflected in that

[6] Specifically, Patent Owner argues: "[T]the claims recite a novel and non-obvious combination (§IV) and necessarily recite an 'inventive concept' that is something more that any alleged abstract concept." PO Resp. 76 (citing *Alice*, 134 S. Ct. at 2355).

statement, but disregarded by Patent Owner's argument on page 76 of the Response, a novel and nonobvious claim directed to a purely abstract idea is, nonetheless, patent-*ineligible*. *See Mayo*, 132 S. Ct. at 1304.

Furthermore, we are not persuaded by Patent Owner's argument at the Oral Hearing that the determinative issue under § 101 is whether the claims "preempt every practical application of the alleged abstract idea." *See* Tr. 55:7–9. As the Federal Circuit explained in *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015), "questions on preemption are inherent in and resolved by the § 101 analysis." Thus, "[w]hile preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility." *Id.*; *see OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015) ("that the claims do not preempt all price optimization . . . do[es] not make them any less abstract"). Accordingly, Patent Owner's argument based on asserted lack of complete preemption is unavailing.

Finally, we address Patent Owner's argument that computer-implemented "functional limitations must be considered in determining whether the claims recite significantly more than an abstract idea," relying on the Federal Circuit's decision in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257–58 (Fed. Cir. 2014). *See* PO Resp. 63. Patent Owner's argument overlooks the Federal Circuit's subsequent decision in *Versata*. As explained by the Federal Circuit in *Versata*, *DDR Holdings* "found that claims reciting a solution that was necessarily rooted in computer technology to overcome a problem specifically arising in the realm of computer networks were eligible." *Versata*, 793 F.3d at 1333. On that

basis, the court in *Versata* distinguished its decision in *DDR Holdings*, holding that "the claims at issue are not sufficiently similar to the claims in . . . *DDR Holdings* to demonstrate that Versata's claims are patent eligible." *Id.* at 1334. Similarly, here, given that the underlying abstract concept of the claims is scrubbing medical claims before submission, a concept which does not appear to be rooted in computer technology, Patent Owner has not shown persuasively that the claims recite a solution that is necessarily rooted in computer technology to overcome a problem specifically arising in the realm of computer networks, or anything remotely similar. Accordingly, Patent Owner's reliance on *DDR Holdings* is misplaced.

In summary, Petitioner has demonstrated, by a preponderance of the evidence, that claims 1–20 are *not* patentable because they are directed to ineligible subject matter under 35 U.S.C. § 101.

C. Asserted Unpatentability under 35 U.S.C. § 103(a)

Petitioner asserts that claims 1–3, 5, 8, 11–13, 15, 17, 18, and 20 are unpatentable as obvious over the combination of Barber, Holloway, Rieker, and Magill. Pet. 52–80. In support of its position, Petitioner relies on the Declaration of Dr. Bergeron filed with the Petition. *See* Ex. 1013 ¶¶ 154–266. Petitioner also relies on the Supplemental Declaration of Dr. Bergeron filed with the Reply. *See* Pet. Reply 10–15; Ex. 1029 ¶¶ 27–48.

1. Legal Principles

A claim is unpatentable for obviousness "if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject

matter pertains." 35 U.S.C. § 103(a).[7] A patent claim composed of several elements, however, is not proved obvious merely by demonstrating that each of its elements was known, independently, in the prior art. *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007). In analyzing the obviousness of a combination of prior art elements, it can be important to identify a reason that would have prompted one of skill in the art to combine the elements in the way the claimed invention does. *Id.* A precise teaching directed to the specific subject matter of a challenged claim is not necessary to establish obviousness. *Id.* Rather, "any need or problem known in the field of endeavor at the time of invention and addressed by the patent can provide a reason for combining the elements in the manner claimed." *Id.* at 420. The question of obviousness is resolved on the basis of underlying factual determinations, including: (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of skill in the art; and (4) objective evidence of nonobviousness, i.e., secondary considerations, when in evidence. *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966).

2. Overview of Barber, Holloway, Rieker, and Magill

Barber (Ex. 1020) is directed to a medical payment system. Ex. 1020, 3:27–40; Fig. 1. Figure 1 of Barber is reproduced below.

[7] Pub. L. No. 112-29, effective March 16, 2013, changed § 103. Because the '116 Patent has an effective filing date before March 16, 2013, we have quoted the unchanged version of § 103.

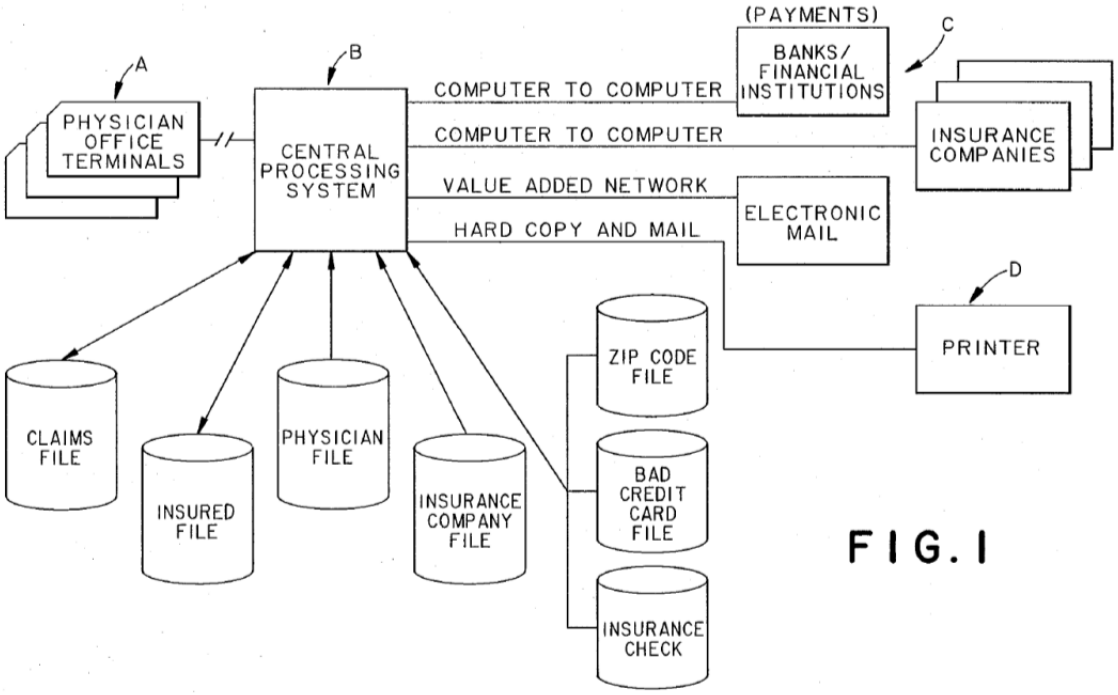


FIG. 1

Figure 1 of Barber is an overview of a medical payment system that includes remote terminals A (located in a physician's office or other medical facility), which are connected to central processing system B, and computerized equipment C (located, for example, at one or more insurance companies), which also is connected to the central processing system. Ex. 1020, 2:56–57, 3:27–40. According to Petitioner, Barber discloses that "the central processing system receives and files claim information (*e.g.*, information about the patient, physician, medical service fee, insurance company, and other identifications)" (Pet. 53, citing Ex. 1020, 6:29–32); "interacts with the claim information in order to validate and format the information" (*id.*, citing Ex. 1020, 6:32–45); and "transmits a message to the remote terminal to provide an indication on the display means that the

transaction is complete or, if appropriate, that there was an error in the received data" (*id.* at 53–54, citing Ex. 1020, 6:45–49 and Ex. 1013 ¶ 157).

Holloway (Ex. 1012) is directed to a computer system that utilizes rules to assign codes to medical claims. Ex. 1012, 3:17–67. In its background section, Holloway explains that two known coding methods are the American Medical Association's "Current Procedural Terminology, Fourth Edition (CPT-4)," and the "California Relative Value Studies (CRVS)." Holloway discloses using expert-derived rules for assigning appropriate CPT-4 codes to surgical procedures. *Id.* at 3:38–67. According to Petitioner, Holloway discloses post-submission claims processing by the entity from which payments are requested. Pet. 54 (citing Ex. 1012, 4:23–27).

Rieker (Ex. 1011) relates to "method and apparatus for automatically determining in real-time whether a patient at a health care facility has health insurance coverage." Ex. 1011, 1:6–10. Figure 2 of Rieker is reproduced below.

Fig. 2

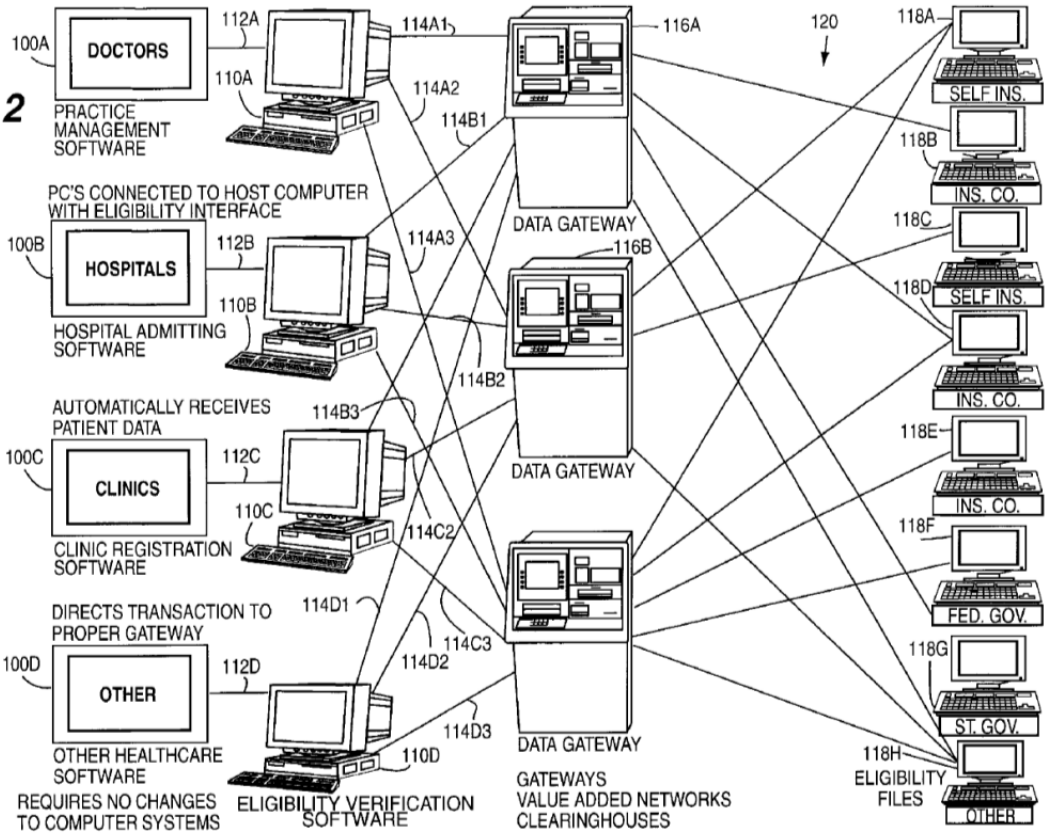


Figure 2 of Rieker is "a schematic illustration of an exemplary real-time health insurance eligibility verification 'network.'" *Id.* at 5:25–28. As shown in Figure 2, health care providers 100 are each provided with real-time eligibility verification system 110, which establishes real-time telecommunications links to data gateways 116, which in turn provide information about insurance eligibility received from insurance payors 118 via data link 120. *Id.* at 5:28–6:3. According to Petitioner, "[t]he data gateways of Ri[e]ker 'have access to and provide information about insurance eligibility,' which is supplied 'by one or more health care insurance payors.'" Pet. 56 (citing Ex. 1011, 5:65–6:1; Ex. 1013 ¶ 160).

Magill (Ex. 1023) is directed to a method for pre-production translation testing of electronic data interchange (EDI) document files. Ex. 1023, 2:46–48. Magill teaches use of an edit screen that identifies an error and permits an operator to correct it. *Id.* at 2:52–55; *see id.* at 5:62–6:21, Fig 4.

3. Overview of the Parties' Competing Arguments

Petitioner asserts that "[t]he system and methods of Holloway could have been used to improve Barber." *Id.* 54–55 (citing Exhibit 1013 ¶¶ 157–159). Petitioner asserts that including the rules and methods of Holloway's system in Barber's system would "maintain productivity and incorporate medical judgment into Barber's system," and would provide "a more efficient, cost-effective manner of processing medical claims":

> An improvement to the system of Barber may be to incorporate the rules, analysis using the rules, and methods of Holloway in order to provide a cost-effective automated data processing system to ach[ie]ve desired results associated with medical claims. The improvements of Holloway *maintain productivity and incorporate medical judgment into Barber's system* to include additional decision rules that can be used in Barber's automated review of claims.
>
> Also, Holloway teaches a comparable system to that of Barber. Specifically, Holloway and Barber disclose systems for automated processing of claims data. The improvements provided by Holloway, discussed above, improve the system of Barber in the same way as the alleged improvements in the '116 Patent, by providing *a more efficient, cost-effective manner of processing medical claims*.
>
> Not only is the improvement the same, but one of ordinary skill in the art could have applied the improvements of

> Holloway to Barber's claims processing system by including the rules and methods of Holloway into the claims processing and verification procedures of Barber. One of ordinary skill in the art could have applied the improvements taught by Holloway to the displays taught by Barber by including the displays of Holloway into the displays of Barber. The results of the combination of Holloway and Barber would have been predictable to one of ordinary skill in the art.

Id. at 55–56 (emphasis added; citations omitted).

Similarly, Petitioner asserts that "[t]he embodiments of Rieker could have been used to improve Barber." *Id.* at 56 (citing Ex. 1013 ¶¶ 160-163). The reasons given for including elements of Rieker's system in Barber's system are providing "a cost-effective automated data processing system for achieving automated, time-conscious methods" and "a more efficient, cost-effective manner of processing medical claims":

> An improvement to the system of Barber may be to incorporate insurance data, rules, and automatic transfer of data of Rieker in order to provide *a cost-effective automated data processing system for achieving automated, time-conscious methods*.
>
> Moreover, Rieker teaches a comparable system to that of Barber. Specifically, Rieker and Barber disclose systems for automated processing of claims data. . . .
>
> The improvements provided by Rieker, discussed above, improve the system of Barber in the same way as the alleged improvements in the '116 Patent seek to improve existing methods, by providing *a more efficient, cost-effective manner of processing medical claims*. . . .
>
> Not only is the improvement the same, but one of ordinary skill in the art could have applied the improvements taught by Rieker to the claims processing system of Barber by

> including the data, rules, responses and methods of Ri[e]ker into the claims processing and verification procedures performed by the claims processing system of Barber.

Id. at 57–58 (emphasis added; citations omitted).

Petitioner provides a claim chart identifying portions of one or more of Barber, Holloway, and Rieker that allegedly disclose or suggest every limitation of the challenged claims. Pet. 52–78. For example, Petitioner cites portions of Barber and Rieker (but not Holloway) as disclosing or suggesting the limitation "wherein the one or more rules comprises a new rule, an updated rule, or both received from the payor server." *Id.* at 61.

To the extent not disclosed or suggested by Barber, Holloway, or Rieker, Petitioner argues, alternatively, that Magill discloses or suggests the limitation "a claim edit screen . . . comprising a claim edit section for editing the completed claim submission and a claim error explanation portion to explain one or more errors in the completed claim submission." *Id.* at 78–80. Petitioner argues that combining the teachings of Magill and Barber would have amounted to nothing more than applying a known technique to yield predictable results. *Id.* at 80.

In response, Patent Owner argues that the Petition fails to articulate a sufficient rationale for modifying Barber to meet the claim requirements. PO Resp. 22–23. Patent Owner asserts that "[m]erely lining up the references' disclosures with claim limitations without explaining how or why a 'combination' of the references meets the claims as a whole is insufficient." *Id.* at 22. Patent Owner further asserts: "No effort is made to explain how a POSA allegedly would have gone about combining the

disparate elements of the references, or what modifications a POSA would have made to combine them." *Id.* at 23.

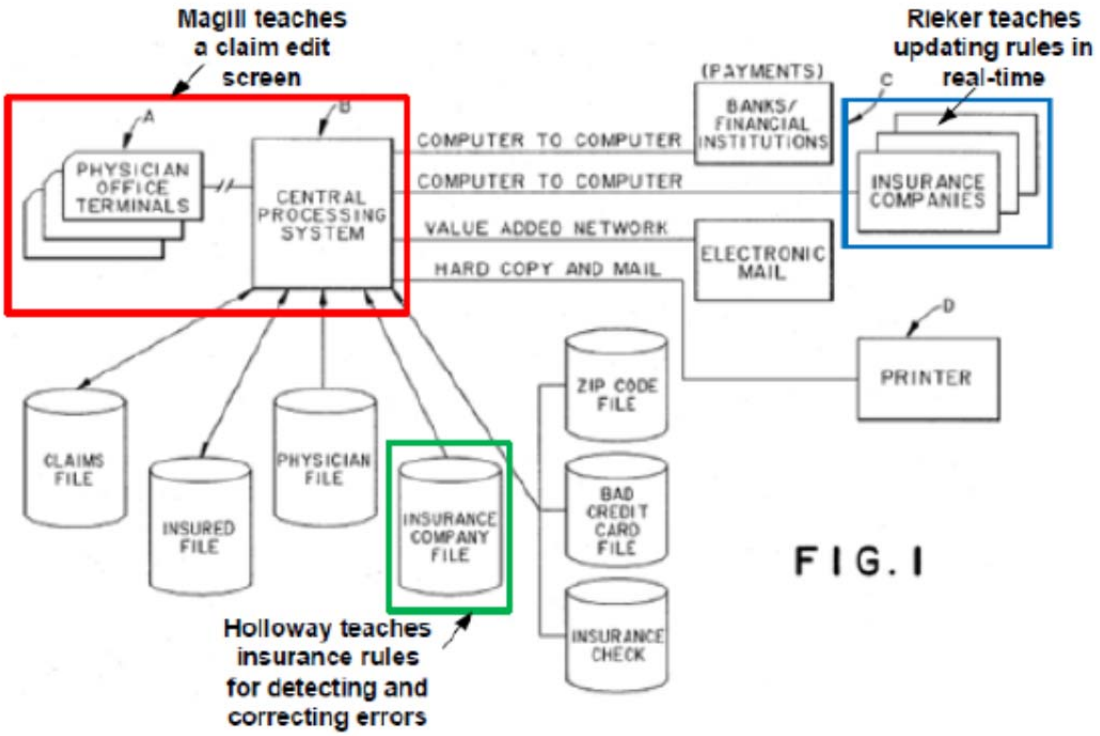
More specifically, Patent Owner proffers that "[t]he claim limitations relating to the application of 'one or more rules' to a completed claim submission are illustrative." *Id.* at 23. These claim limitations, according to Patent Owner, include the following five requirements:

> (1) they must be stored in a rules database, (2) they must be stored in one or more classes each associated with one of a plurality of payors, (3) they must be applied to a completed claim submission to correct an error; (4) they must comprise a new rule and/or an updated rule; and (5) the new and/or updated rule must be received from a payor server.

Id. at 23–24.

Patent Owner argues that "[n]one of the elements in any of the references that the Petition alleges is a rule . . . meets all the claim requirements of the 'one or more rules'" (*id.* at 39), and that "Petitioner *nowhere alleges that any of these elements would have been modified in any way* in the 'combination' and nowhere describes any such modification" (*id.* at 39–40, emphasis added). For example, Patent Owner argues, with respect to Barber, that (i) the only portion of Barber's system alleged in the Petition to meet the "new and/or updated rule" requirement is Barber's "formatting" element (*id.* at 37; *see*, *e.g.*, Pet. 61–62), but (ii) Petitioner does not allege that the formatting element meets the "to correct an error" requirement (*id.* at 36; *see*, *e.g.*, Pet. 60–61) or demonstrate that combining the teachings of Barber, Holloway, Rieker, and Magill would cure that deficiency (*id.* at 39–40).

In reply, Petitioner presents an annotated Figure 1 of Barber, reproduced below, to illustrate its obviousness positions.



Pet. Reply 13.

As shown in Petitioner's annotated figure above, Petitioner asserts that "Holloway teaches insurance rules for detecting and correcting errors" and "Rieker teaches updating rules in real-time." *Id.* at 13. Petitioner argues that "[i]t would have been obvious to include Holloway's rules in Barber to correct identified errors" and that "[i]t would have been obvious to include Rieker's real-time determination for each payor in Barber to enhance Barber's error detection function with updated information from payors." *Id.* at 14 (citing Ex. 1013 ¶¶ 156–164).

At the Oral Hearing, Patent Owner objected to Petitioner's "new" and "changed" obviousness positions. Tr. 65–70. Patent Owner asserted, for example, that Petitioner has changed its reason for combining Barber and Holloway—from incorporating medical judgment and achieving cost-effectiveness, as set forth in the Petition, to correcting errors identified by Barber's system, as set forth in the Reply. *Id.* at 69–70. Patent Owner also argued that Petitioner's new reason to combine Barber and Holloway lacks rational underpinning, because Barber's system identifies formatting errors, but Holloway's system corrects a different type of error, i.e., coding errors. *Id.* at 70. Petitioner replied at the Oral Hearing that Barber's Figure 16B (element 836) and the associated discussion in Barber's specification disclose correcting "any errors," and thus Barber's teaching is not limited to identifying formatting errors, as Patent Owner contends. Tr. 84–85.

4. Analysis

We agree with Patent Owner that Petitioner has not set forth a sufficient rationale for combining the teachings of Barber, Holloway, Rieker, and Magill to meet the claim requirements. *See* PO Resp. 22–23; *KSR*, 550 U.S. at 418 (explaining the necessity of "determin[ing] whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue"). We are persuaded that Petitioner has merely mapped the claim requirements to elements disclosed individually in the four references, without providing an adequate rationale to explain why or how the disparate elements predictably would have been combined by a POSA to meet every aspect of any particular claim limitation at issue. *See* Pet. 52–78; PO Resp. 11–46. More specifically, Petitioner appears to admit

that no single disclosure from any specific reference meets certain claim limitations, but by placing several disparate disclosures from several different references as corresponding to the same claim limitation in the claim chart, appears to be asserting that in the aggregate, those disclosures suggest the corresponding claim limitation. In doing so, however, Petitioner has failed to show adequately how those disparate disclosures are to be combined to meet that particular claim limitation. Normally, an obviousness analysis under *Graham v. John Deere Co.*, 383 U.S. at 17–18, involves an identification of the differences between a claim limitation and a prior art reference, followed by an analysis as to why modifying the prior art reference to meet that claim limitation would have been within the abilities of one of ordinary skill, usually with support from another reference. For numerous claim limitations, Petitioner has failed to identify such differences, and instead, by placing several disparate disclosures from several different references as corresponding to the same claim limitation in the claim chart, appears to be inviting the Board to make such a determination on its own. Going further, even when it can be said that Petitioner plausibly identified specific differences between the claimed invention and specific prior art, Petitioner appears to be further inviting the Board to provide *sua sponte* rationales for modifying that specific prior art to meet those differences, presumably based on those same disclosures identified in the claim chart. We decline to perform such *sua sponte* analyses, as the burden is on Petitioner, and not on the Board, to show that a claim is unpatentable, and for the Board to do otherwise would impermissibly place us in the role of advocate and not arbiter. At best, Petitioner appears to argue generally that a

POSA would have "included" or "incorporated" the entirety of the teachings of Holloway and Rieker in Barber for general benefits, such as "maintain[ing] productivity," "incorporat[ing] medical judgment," and achieving "a more efficient, cost-effective manner of processing medical claims." *See id.* at 55–58; PO Resp. 18–21. Perhaps in certain circumstances, such an argument is sufficient to satisfy an obviousness analysis. Here, however, we are unpersuaded that it is, for merely folding wholesale each of the separate teachings into a single system would not render any claim obvious, because Petitioner has not shown adequately that certain claim requirements are taught by any of the references, even given such wholesale incorporation. *See* PO Resp. 35–39.

As an example, we discuss Petitioner's contentions with respect to the following step, required by all the challenged claims, involving application of one or more rules to correct an error in a completed claim submission:

> automatically interacting with the completed claim submission by the medical practice management server to correct an error in the completed claim submission, wherein the error is resolved by the medical practice client before processing the completed claim submission, by applying one or more rules from a class of rules associated with the payor server, wherein the one or more rules comprises a new rule, an updated rule, or both received from the payor server.

Ex. 1001, 20:12–20, 22:24–32, 23:11–19. Included in this step are three interrelated error correction limitations: (1) automatically interacting with the completed claim submission by the medical practice management server to correct an error, wherein the error is resolved by the medical practice client before processing the completed claim submission, (2) by applying

one or more rules from a class of rules associated with the payor server, (3) wherein the one or more rules comprises a new or updated rule received from the payor server.

In its claim chart, Petitioner maps the first and second error correction limitations to elements disclosed individually in Barber, Holloway, and Rieker. Petitioner maps the first and second limitations to Barber's verification process for verifying information on a claim header[8] (Pet. 60–61, citing Ex. 1020, 6:29–37, 50–55, 15:8–12, 26–27, Figs. 16A–16B), and to Barber's change process for changing an individual line item of a claim[9] (Pet. 61, citing Ex. 1001, 15:33–59). Petitioner acknowledges, however, that Barber's verification and change processes do not teach the aspect of the second limitation requiring rules "associated with the payor server." *Id.* at 60 (omitting that claim language from the quotation on the right side of the claim chart identifying what "Barber teaches"). In mapping the first and second limitations to Holloway, Plaintiff acknowledges that Holloway does not teach all requirements of either limitation. *Id.* at 61 (asserting on the right side of the claim chart that "Holloway teaches" only certain aspects of each of the two limitations). Finally, Petitioner maps the first and second

---

[8] Barber's claim header comprises "basic claim information including patient, physician, medical service fee, insurance company and other identifications." Ex. 1001, 6:29–32. Information about the patient or the insured, such as "the patient identification, zip code, or the like" is compared with data stored in a patient or insured file at the central processor. *Id.* at 6:33–36.

[9] Claim change information is verified and a revised claim payment amount is determined. Ex. 1001, 15:33–59.

error correction limitations to Rieker's process for verifying insurance eligibility. *Id.* (citing Ex, 1011, 8:50–9:3, 11:52–55, Figs. 7A–7G). Petitioner acknowledges, however, that Rieker does not teach all requirements of the first limitation. *Id.* (asserting that "Rieker teaches" "automatically interacting with insurance eligibility data to correct an error," as opposed to "automatically interacting with the completed claim submission by the medical practice management server to correct an error in the completed claim submission, wherein the error is resolved by the medical practice client before processing the completed claim submission," as required by the claims).

Further, we credit the testimony of Patent Owner's expert, Mr. Goodin, that Rieker does not teach the first error correction limitation. Ex. 2012 ¶¶ 136– 137. In deposition, Petitioner's expert, Dr. Bergeron, confirmed that Rieker does not teach "correcting any error." Ex. 2011, 134:4–9. We also credit Mr. Goodin's testimony that Rieker does not disclose "rules received from a payor server," as required by the third limitation (discussed below). Ex. 2012 ¶ 133:

> Rieker does not explicitly describe using any "rule" (coded logic) to match insurance eligibility information obtained from the data gateway with patient-specific information stored in the transaction request table. To the extent Rieker's system uses any coded logic to perform such a matching, Rieker does not describe how such coded logic is implemented. A POSITA would have recognized that it is likely that such coded logic is hard coded into the source code of Rieker's system. In any event, Rieker does not mention any such coded logic being "received from the payor server," as required by all of the '116 claims.

We credit the testimony of Mr. Goodin over that of Dr. Bergeron on this point because Dr. Bergeron did not apply the correct definition of "rules," requiring coded logic, when he prepared his original Declaration. *See* Ex. 2024, 101:20–102:9; Tr. 71–73; *see also* Ex. 2011, 126:11–127:7 (where Dr. Bergeron acknowledges that Rieker does not disclose insurance "rules," contrary to his testimony in paragraph 161 of his original Declaration).

Petitioner maps the third error correction limitation to elements disclosed individually in Barber and Rieker, but does not cite Holloway for the third limitation. *Id.* at 61–62. Petitioner maps the third limitation to Barber's insurance company file for storing appropriate formats for medical claims for each of a plurality of participating insurance companies.[10] (Pet. 61–62 (citing Ex. 1020, Abstract, Fig. 1). Notably, Petitioner does not map the third limitation to Barber's verification and change processes, discussed above in connection with the first and second limitations. Petitioner also maps the third limitation to Rieker's transmission, from insurance providers to the gateway, of information about insurance eligibility. *Id.* at 62 (citing Ex. 1011, 5:6–12).

Thus, Petitioner merely maps the claim requirements to elements disclosed individually in the three references, without providing an adequate rationale to explain why or how the disparate elements predictably would have been combined by a POSA to meet the claim limitation at issue.

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[10] "The services, physician, and patient identifications are reformat[t]ed into the appropriate format for claims of the identified insurance carrier." Ex. 1020, 3:53–55.

Indeed, Petitioner relies on elements of Barber to meet the first and second error correction limitations (Barber's verification and change processes) that are entirely different from the element of Barber on which Petitioner relies to meet the third error correction limitation (Barber's formatting file). Further, Petitioner acknowledges that not all requirements of the error correction limitations are taught by any single reference.

Petitioner has not persuaded us, moreover, that Barber's deficiencies would have been remedied by combining the teachings of Barber with the teachings of Holloway, Rieker, and Magill. *See*, *e.g.*, PO Resp. 18–29, 35–40. Patent Owner argues, and we agree, that Petitioner does not assert in the Petition that a POSA would have modified any specific element in Barber's system to correct the deficiencies. *See id.* at 39–40. We are unpersuaded that merely including or incorporating elements of Holloway, Rieker, and Magill in Barber's system, as proposed in the Petition, would have cured the deficiencies in Barber, such as those noted above. *See* Pet. 54–58.

Petitioner's new obviousness arguments, set forth in the Reply, violate 37 C.F.R. § 42.23(b) and, in any event, are insufficient to show that the challenged claims would have been obvious over Barber, Holloway, Rieker, and Magill. *See* Pet. Reply 12–15; *Office Patent Trial Guide*, 77 Fed. Reg. 48,756, 48,767 (Aug. 14, 2012) ("[A] reply that raises a new issue or belatedly presents evidence will not be considered . . . ."). Petitioner did not assert in its Petition that a POSA would have included Holloway's rules in Barber to correct identified errors, or that a POSA would have included Rieker's real-time determination for each payor in Barber to enhance Barber's error detection function with updated information from payors. In

any event, Petitioner's new argument that a POSA would have included Holloway's rules in Barber to correct identified errors is unpersuasive, because it does not explain sufficiently why a POSA would have utilized Holloway's expert-derived CPT-4 coding rules to correct the types of errors identified in in Barber, such as formatting errors. *See* Tr. 70. Further, we are not persuaded that including Rieker's real-time determination for each payor in Barber to enhance Barber's error detection function with updated information cures any of the deficiencies in Barber, discussed above.

In summary, Petitioner has *not* demonstrated, by a preponderance of the evidence, that claims 1–3, 5, 8, 11–13, 15, 17, 18, and 20 are unpatentable as obvious over Barber, Holloway, Rieker, and Magill under 35 U.S.C. § 103(a).

III. CONCLUSION

For the reasons given above, we are persuaded that Petitioner has shown, by a preponderance of the evidence, that each of claims 1–20 of the '116 Patent is unpatentable under 35 U.S.C. § 101 as directed to ineligible subject matter; but has not shown, by a preponderance of the evidence, that claims 1–3, 5, 8, 11–13, 15, 17, 18, and 20 of the '116 Patent are unpatentable under 35 U.S.C. § 103(a) as obvious over Barber, Holloway, Rieker, and Magill.

IV. ORDER

Accordingly, it is

ORDERED that claims 1–20 of the '116 Patent are unpatentable; and

FURTHER ORDERED that this is a Final Decision. Parties to the proceeding seeking judicial review of the decision must comply with the notice and service requirements of 37 C.F.R. § 90.2.

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