

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

DAVID W. GILLMAN, TALON TRANSACTION
TECHNOLOGIES, INC., and NEXPAY, INC
Petitioner

v.

STONEEAGLE SERVICES, INC.
Patent Owner

Case CBM2013-00047
Patent RE43,904

Before KEVIN F. TURNER, JUSTIN T. ARBES, and
MIRIAM L. QUINN, *Administrative Patent Judges*.

TURNER, *Administrative Patent Judge*.

DECISION

Denying Institution of Covered Business Method Patent Review
37 C.F.R. § 42.208

I. BACKGROUND

Petitioners David W. Gillman, Talon Transaction Technologies Inc., and Nexpay, Inc. (“Petitioner”) filed a Petition (Paper 1; “Pet.”) to institute a covered business method patent review of claims 1-7, 9, 10, 12, 17, and 22 of U.S. Patent No. RE43,904 (the “’904 Patent”) pursuant to 35 U.S.C. §§ 321-329. Patent Owner StoneEagle Services, Inc. (“Patent Owner”) filed a preliminary response (Paper 10; “Prelim. Resp.”).¹ We have jurisdiction under 35 U.S.C. § 324.

The standard for instituting a covered business method patent review is set forth in 35 U.S.C. § 324(a):

THRESHOLD —The Director may not authorize a post-grant review to be instituted unless the Director determines that the information presented in the petition filed under section 321, if such information is not rebutted, would demonstrate that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.

Petitioner challenges claims 1-7, 9, 10, 12, 17, and 22 as unpatentable under 35 U.S.C. §§ 102 and 103. For the reasons that follow, the Petition is *denied*.

A. The ’904 Patent (Ex. 1001)

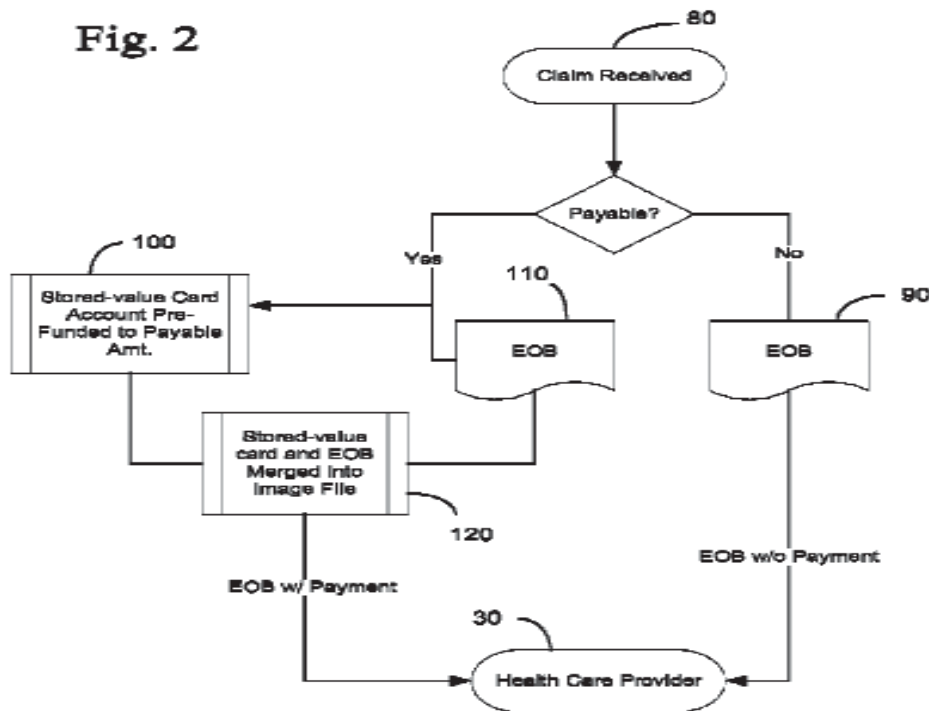
The ’904 Patent, titled “Medical Benefits Payment System,” issued on January 1, 2013, and is a reissue of U.S. Patent No. 7,792,686 (“the ’686 Patent”), issued September 7, 2010. The latter patent, in turn, was based on

¹ Patent Owner is reminded that all papers filed in this proceeding must comply with the Board’s rules regarding font size. *See* 37 C.F.R. § 42.6(a)(2)(ii).

U.S. Patent Application No. 11/566,930, filed December 5, 2006. The reissued '904 Patent issued with claims 1-26, claims 1, 2, 6, 7, 12, 17, and 22 being independent.

The '904 Patent relates to facilitating payments for medical benefits, and to streamlining payment of health care providers by administrators and insurance carriers that handle claims adjudication and payment to these providers. Ex. 1001 at 1:18-22. An embodiment of the invention includes the step of electronically transmitting a stored-value card account payment of an authorized benefit amount concurrently with an explanation of benefits. *Id.* at 1:48-57. Stored-value card accounts also include finance cards, debit cards, and electronic funds transfer (EFT) cards. *Id.*

Figure 2, reproduced below, shows a flowchart depicting the method of deploying the paid benefits system:



The '904 Patent discloses:

In FIG. 2, claim 80 is received. Claim 80 is then evaluated to determine whether it is payable under the terms of an applicable policy. If claim 80 is not even partially payable, then non-payment EOB [explanation of benefits] 90 is generated and transmitted to health care provider 30 without payment. However, if claim 80 is at least partially payable, then stored-value card account 100 is loaded with funds equal to the amount of the payable benefit. Payment EOB 110 is merged with stored-value card account 100 to generate image file 120. Image file 120 includes payment EOB 110 and a computer-generated facsimile of a physical stored-value card complete with the card number, expiration date and security verification code. Image file 120 is transmitted to health care provider 30 by a suitable transmission medium including, but not limited to, fax, SMTP, SMS, MMS, HTTP, HTTPS, and FTP.

Id. at 3:32-46.

B. Related Matters

The '904 Patent previously was asserted in the following proceedings: *StoneEagle Services, Inc. v. Pay-Plus Solutions, Inc.*, Civil Case No. 8:2013cv02240 (M.D. Florida); *StoneEagle Services, Inc. v. Valentine*, Civil Case No. 3:12-CV-01687-P (N.D. Texas); and *Valentine v. Allen*, Civil Case No. 4:13-CV-00104-RAS (E.D. Texas). Paper 9 at 2. The '904 Patent currently is being asserted in *StoneEagle Services, Inc. v. David Gillman*, Civil Case No. 3:11-CV-02408-P (N.D. Texas). Paper 9 at 2.

C. Exemplary Claim

Claim 1 of the '904 Patent is exemplary of the claims at issue:

1. A method of facilitating payment of adjudicated health care benefits to a health care provider on behalf of a payer comprising the steps of:

loading a unique, single-use, stored-value card account with an amount equal to a single, authorized benefit payment, the card account only chargeable through a medical services terminal;

generating an explanation of benefits associated with the payment;

creating a computer-generated image file containing the stored-value card account number, the amount, a card verification value code, an expiration date, and the explanation of benefits;

transmitting the image file by fax to the health care provider; and

reconciling the charged card account to confirm that the health care provider has received payment.

D. Asserted References

In its Petition, Petitioner asserts the following references:

Moreau	US 5,590,196	December 31, 1996	Ex. 1012
Doggett	US 5,677,955	October 14, 1997	Ex. 1014
Bednar	US 5,832,460	November 3, 1998	Ex. 1023
Spurgeon	US 5,890,129	March 30, 1999	Ex. 1020
DiRienzo	US 6,003,007	December 14, 1999	Ex. 1019
Ganesan	EP 1 049 056 A2	November 2, 2000	Ex. 1013
Kessler	US 2001/0034618 A1	October 25, 2001	Ex. 1011
Smith	US 2002/0194027 A1	December 19, 2002	Ex. 1024
Baaren	US 2004/0249745 A1	December 9, 2004	Ex. 1009
Hogan	US 2005/0033604 A1	February 10, 2005	Ex. 1006
Allen	US 2005/0209964 A1	September 22, 2005	Ex. 1021
Rosenberger	US 2005/0261944 A1	November 24, 2005	Ex. 1025
Kossol	US 2006/0010016 A1	January 12, 2006	Ex. 1022
Bush	US 2006/0106650 A1	May 18, 2006	Ex. 1008

Kennedy	US 2007/0005402 A1	January 2, 2007	Ex. 1015
Fredman	US 7,380,707	June 3, 2008	Ex. 1018
Guest	US 2009/0222353 A1	September 3, 2009	Ex. 1010
Spear	US 7,752,134	July 6, 2010	Ex. 1017

“Visa Commercial Solutions: Merchant Category Codes for IRS Form 1099-MISC Reporting,” Visa U.S.A. Inc., 2004 (Ex. 1016, “MCC”).

“AP vPayment XML Supplier Training,” GE Corporate Payment Services, containing a date of January 26, 2005 (Ex. 1007, “AP vPayment”).

E. Asserted Grounds of Unpatentability

Petitioner challenges the patentability of claims 1-7, 9, 10, 12, 17, and 22 of the '904 Patent based on the following asserted grounds of unpatentability:

Reference(s)	Basis	Claims challenged
Hogan	§ 102	1-7, 9, 10, 12, 17, and 22
Hogan and AP vPayment	§ 103	1-7, 9, 10, 12, 17, and 22
Bush, Baaren, MCC, Spear, Guest, and (Fredman or DiRienzo or Spurgeon) and (Kessler or Moreau) and (Allen or Kossol or Bednar) and (Ganesan or Doggett) and (Smith or Rosenberger)	§ 103	1, 2, 6, 7, 12, 17, and 22
Kennedy and AP vPayment	§ 103	1, 2, 5, 6, 7, 12, 17, and 22

II. ANALYSIS

A. (1) Financial Product or Service

A “covered business method patent” is a patent that “claims a method or corresponding apparatus for performing data processing or other

operations used in the practice, administration, or management of a financial product or service, except that the term does not include patents for technological inventions.” Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”) § 18(d)(1); *see* 37 C.F.R. § 42.301(a). For purposes of determining whether a patent is eligible for a covered business method patent review, the focus is on the claims. *See* Transitional Program for Covered Business Method Patents—Definitions of Covered Business Method Patent and Technological Invention, 77 Fed. Reg. 48,734, 48,736 (Aug. 14, 2012) (Final Rule)(“CBM Rules”). A patent need have only one claim directed to a covered business method to be eligible for review. *Id.*

In promulgating rules for covered business method patent reviews, the Office considered the legislative intent and history behind the AIA’s definition of “covered business method patent.” *Id.* at 48735-36. The “legislative history explains that the definition of covered business method patent was drafted to encompass patents ‘claiming activities that are financial in nature, incidental to a financial activity or complementary to a financial activity.’” *Id.* (citing 157 Cong. Rec. S5432 (daily ed. Sept. 8, 2011) (statement of Sen. Schumer)). The legislative history indicates that “financial product or service” should be interpreted broadly. *Id.*

Claim 1 is addressed to “[a] method of facilitating payment of adjudicated health care benefits to a health care provider,” and “loading a unique, single-use, stored-value card account with an amount equal to a single, authorized benefit payment.” In other words, the method involves the data processing of a single use payment card in the administration of a

medical insurance benefit. Therefore, the '904 Patent claims “a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service.” *See* AIA § 18(d)(1); 37 C.F.R. § 42.301(a).

Additionally, claim 1 is directed to subject matter that is financial by nature. Adjudicating an insurance claim and processing payment for that claim are inherently financial activities.

Claim 1 meets the “financial product or service” component of Section 18(d)(1) of the AIA.

A.(2) Technological Invention

The definition of “covered business method patent” in Section 18(d)(1) of the AIA does not include patents for “technological inventions.” To determine whether a patent is for a technological invention, we consider “whether the claimed subject matter as a whole recites a technological feature that is novel and unobvious over the prior art; and solves a technical problem using a technical solution.” 37 C.F.R. § 42.301(b). The following claim drafting techniques, for example, typically do not render a patent a “technological invention”:

- (a) Mere recitation of known technologies, such as computer hardware, communication or computer networks, software, memory, computer-readable storage medium, scanners, display devices or databases, or specialized machines, such as an ATM or point of sale device.

- (b) Reciting the use of known prior art technology to accomplish a process or method, even if that process or method is novel and non-obvious.

(c) Combining prior art structures to achieve the normal, expected, or predictable result of that combination.

Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,763-64 (Aug. 14, 2012).

We are persuaded that claim 1 as a whole does not recite a technological feature that is novel and unobvious over the prior art. In particular, claim 1 only recites the presence of well-known physical technologies in support of the claimed method. “Medical service terminals” were well-known data-entry-computer systems used in a medical office at the time of invention. *See* Ex. 1001 at 2:24-27. “Computer generated image files” also were known in the art at the time of invention, as was the media used for facilitating the transmission of such files between electronic systems. *See id.* at 2:44-49.

The structures used in the method of claim 1 are thus “known technologies, such as computer hardware, communication or computer networks, software, memory, [or] computer-readable storage medi[a],” and do not define a technological invention within the meaning of 37 C.F.R. § 42.301(b).

A single claim is sufficient to institute a covered business method patent review. In view of the foregoing, we conclude that the presence of claim 1 means that the ’904 Patent is a covered business method patent under AIA Section 18(d)(1).

B. Consideration of AIA § 18(a)(1)(C)

AIA § 18(a)(1)(C) requires that a challenge to a claim in a covered business method patent be supported by prior art that is (i) described by pre-

AIA 35 U.S.C. § 102(a), or (ii) (I) that discloses the invention more than one year before the date of application for patent in the United States and (II) would be described by pre-AIA 35 U.S.C. § 102(a) if the disclosure had been made by another before the invention thereof by the applicant for patent.

Certain references cited in the Petition are prior art to the challenged claims of the '904 Patent only under 35 U.S.C. § 102(e). Under Section 18(a)(1)(C) of the AIA, these references are not available for consideration in a covered business method patent review proceeding. The application that issued as the '686 Patent was filed December 5, 2006. Consequently, Kennedy, Fredman, Guest, and Spear, based on their publication or issuance dates, may not be the basis for a covered business method patent review challenge to the '904 Patent. This removes Petitioner's last asserted ground, based on Kennedy and APvPayment, from consideration, as discussed below.

C. Claim Construction

During a review before the Board, we construe the claims in accordance with the broadest reasonable interpretation in light of the specification. 37 C.F.R. § 42.300(b); 77 Fed. Reg. 48,680 48,697-98 (Aug. 14, 2012). The claim language should be read in light of the specification as it would be interpreted by one of ordinary skill in the art. *In re Am. Acad. of Sci. Tech. Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004). The Office must apply the broadest reasonable meaning to the claim language, taking into account any definitions presented in the specification. *Id.* (citing *In re Bass*,

314 F.3d 575, 577 (Fed. Cir. 2002)).

Both parties seek specific constructions for certain claim terms. For Petitioner, the terms are: “medical services terminal,” “stored value card” or “stored value card account,” “reconciling,” “intercepting,” and “image file;” Pet. 9-11. For Patent Owner, the terms are: “single-use,” “single, authorized benefit payment,” “loading . . . with funds,” “loading . . . with an amount,” “prefunded with an amount,” “funding . . . with an amount,” and “fund . . . with an amount;” Prelim. Resp. 2-3. We need not provide an interpretation of each of the above limitations to decide whether to institute a covered business method patent review, and we rely on the broadest reasonable interpretation consistent with the specification of the claim terms not specifically discussed herein, for purposes of this decision.

Medical services terminal (claims 1 and 6)

Petitioner argues that the proper interpretation of “medical services terminal” is “a credit or debit card machine for charging medical services,” Pet. 9-10, relying on citations to the specification of the ’904 Patent. Patent Owner does not propose an interpretation for the term. We agree with Petitioner except that we conclude that the term should be construed as “a machine for charging medical services.” This comports with the language of claim 1, which recites, in part, that “the card account [is] only chargeable through a medical services terminal.” While the section of the specification cited by Petitioner recites that the “terminal may be coupled to a computer-implemented communications network as is known in the art for credit and

debit card transactions,” Pet. 10; Ex. 1001 at 2:25-27, we are not persuaded that this language limits the claim to a credit or debit card machine.

Stored-value card / stored-value card account (claims 1, 2, 6, 7, 12, 17, and 22)

Petitioner argues that the proper interpretation of a “stored-value card” is a “credit card, debit card, or EFT card” and a “stored-value card account” is a “credit card account, debit card account, or EFT card account.” Pet. 10. Petitioner cites to the specification of the ’904 Patent, which provides that “[f]or the purposes of this patent specification, stored-value cards and stored-value card accounts shall also include financial instruments known as credit cards, debit cards and EFT cards.” Ex. 1001 at 1:54-57. Patent Owner does not propose an interpretation for the terms. We are persuaded that Petitioner’s proposed interpretation of “stored-value card” and “stored-value card account” is consistent with the use of the terms in the specification and the claims.

Image file (claims 1, 2, and 6)

Petitioner argues that the proper interpretation of “image file” is “an electronic file that contains an image.” Pet. 11. Patent Owner does not appear to object to such an interpretation. Prelim. Resp. 2. Applying the broadest reasonable interpretation of the term, we adopt Petitioner’s interpretation of “image file” because it is consistent with the use of the terms in the specification and the claims.

Single-use (claims 1, 2, 6, 7, 12, 17, and 22)

Patent Owner argues that “single-use” means “associated with a benefit payment to a health care provider – and not any other type of payment.” Prelim. Resp. 2. Claim 1, for example, recites “loading a unique, single-use, stored-value card account with an amount equal to a single, authorized benefit payment, the card account only chargeable through a medical services terminal.” Petitioner does not propose an interpretation for the term. The ’904 Patent provides that “the stored-value card account payment *may only be charged through a medical services terminal.*” Ex. 1001 at 2:23-24 (emphasis added). Claim 1, for example, recites a similar limitation. We agree that “single-use” would have been understood to mean that an account was associated with a *single type* of card to be used with a *single type* of services terminal and no other type of payment terminal, but we are not persuaded that “single-use” should be constrained to benefit payments or health care providers. The claims provide for the methods being used for “health care benefits” and “health care providers,” such that the claim term “single-use” need not be so constrained.

D. Analysis of Available Grounds of Unpatentability

Anticipation by Hogan

Petitioner asserts that claims 1-7, 9, 10, 12, 17, and 22 are anticipated by Hogan. Pet. 11. Hogan discloses that System 45 receives a claim from healthcare provider 20, and provides claim adjudication with insurance company 30 in order for the patient to obtain services. Ex. 1006 ¶ 45. The payments of claims between health care providers and health care third party

payers are adjudicated and effected by utilizing credit card administration systems. *Id.* ¶ 12. System 45 electronically transmits to the healthcare provider a “super bill” that includes an explanation of benefits (EOB) and verification of the payer data. *Id.* ¶¶ 82, 88.

Patent Owner argues that Hogan fails to disclose a number of limitations, namely “loading a unique, single-use, stored-value card account with an amount equal to a single, authorized benefit payment,” and “creating a computer-generated image file containing the stored-value card account number, the amount, a card verification value code, an expiration date, and the explanation of benefits,” of claim 1. Prelim. Resp. 4. Patent Owner also provides recitations in independent claims 2, 6, 7, 12, 17, and 22 that contain similar limitations. Prelim. Resp. 8-10. We are persuaded that Hogan fails to disclose all of the elements of the challenged claims and, therefore, deny Petitioner’s asserted ground of anticipation.

As Patent Owner argues, Prelim. Resp. 5, Hogan does not disclose a single-use, stored-value card account. The Petition relies upon credit cards and “standard operating procedures of retail credit card transactions,” Pet. 13, but does not cite any express disclosure in Hogan of a single-use, stored-value card account. Although Hogan details that the client “can also use a smart card for retail credit in any store that accepts retail credit cards,” to eliminate the client having multiple cards, Ex. 1006 ¶ 55, this is not the same as loading a unique, single-use, stored-value card account with an amount equal to a single, authorized benefit payment. In addition, the Petition cites to the EOB, which contains the insurance company card number, approval code, and other data, Pet. 13-14; Ex. 1006 ¶ 152, for this

element of claim 1, but we are not persuaded that the EOB itself is equivalent to “a single-use, stored-value card account,” or that the disclosure of the EOB means that Hogan uses a single-use, stored value card account.

In addition, as Patent Owner points out, the super bill of Hogan provides the information of the charged credit card to which payment was made. Prelim. Resp. 5-6. We agree with Patent Owner that:

[t]he superbill disclosed in Hogan provides a confirmation that the payment was made, whereas the computer image file of the present invention includes a unique, single-use, stored-value card account, wherein the funds associated with that account have *not yet been deposited* to the healthcare provider, and will be deposited only when the healthcare provider charges the stored-value card account.

Prelim. Resp. 6.

Additionally, Petitioner has not pointed out where in Hogan a “card verification value code,” claimed as part of the computer-generated image file, is disclosed. Indeed, the claim charts in the Petition cite to AP vPayment for this element, Pet. 15-16, for claim 1.

Thus, we are not persuaded that the information presented in the Petition alleging that claims 1-7, 9, 10, 12, 17, and 22 are anticipated by Hogan demonstrates that it is more likely than not that the challenged claims are unpatentable.

Obviousness over Hogan and AP vPayment

With respect to this alternative ground, Petitioner argues that if elements of the claims are not found in Hogan, they can be found in AP vPayment. Pet. 12. Patent Owner argues that Petitioner has failed to show

that AP vPayment qualifies as a prior art printed publication. Prelim. Resp.

11. We agree with Patent Owner, as discussed below.

To determine whether to deny a ground on the basis that a reference is not a “printed publication,” we decide each case on the basis of its own facts. More specifically, the determination of whether a given reference qualifies as a prior art “printed publication” involves a case-by-case inquiry into the facts and circumstances surrounding the reference’s disclosure to members of the public. *In re Klopfenstein*, 380 F.3d 1345, 1350 (Fed. Cir. 2004). “A reference is publicly accessible upon a satisfactory showing that such document has been disseminated or otherwise made available to the extent that persons interested and ordinarily skilled in the subject matter or art exercising reasonable diligence, can locate it.” *Kyocera Wireless Corp. v. ITC*, 545 F.3d 1340, 1350 (Fed. Cir. 2008) (internal citation and quotation marks omitted).

AP vPayment is a set of slides titled “AP vPayment XML Supplier Training,” purportedly created by “GE Corporate Payment Services.” *See* Ex. 1007 at 1. As noted by Patent Owner, Prelim. Resp. 11, the only date provided on the AP vPayment document is “Last updated: 12/26/2005,” on its first page. Such a designation does not suggest publication and/or presentation on that date. Rather, it suggests that the document was updated on that date and says nothing about dissemination of the document. The only discussion of the status of AP vPayment in the Petition is that the reference is “dated January 26, 2005,” Pet. 12, and Petitioner provides no other evidence or discussion of why AP vPayment should be considered art that can be applied in the instant proceeding. Under the circumstances, we

are not persuaded that a date, standing alone, with no additional corroboration, on a set of slides is sufficient to demonstrate that the slides constitute a “printed publication” under 35 U.S.C. § 102.

Because Petitioner has not met its burden to demonstrate that AP vPayment qualifies as a prior art printed publication, the proposed ground based on Hogan and AP vPayment must be denied.

Obviousness over Bush, Baaren, MCC, Spear, Guest, and (Fedman or DiRienzo or Spurgeon) and (Kessler or Moreau) and (Allen or Kossol or Bednar) and (Ganesan or Doggett) and (Smith or Rosenberger)

Petitioner contends that claims 1, 2, 6, 7, 12, 17 and 22 would have been obvious over combinations of Bush, Baaren, MCC, Spear, Guest, and (Fredman or DiRienzo or Spurgeon) and (Kessler or Moreau) and (Allen or Kossol or Bednar) and (Ganesan or Doggett) and (Smith or Rosenberger). Pet. 33-56². Of those cited references, as discussed above, Spear, Guest, and Fredman cannot be applied in unpatentability grounds in the instant proceeding. The effect of their unavailability on the instant ground is discussed below.

Bush is directed to a system for adjudicating insurance claims by a provider, where the provider receives a determination of a dollar value of the claim from an adjuster and uses that value to issue an account accessible by

² Although the ground listed in the Petition provides that Bush may be considered “either alone or in combination with other prior art references identified below,” Pet. 33, given that the citations to Bush alone do not teach or suggest all of the elements of the claims, as provided in the claim charts, we review this ground of unpatentability as being over Bush and some combination of other references.

the policyholder through a card. Ex. 1008, Abstract. The results of the claim adjudication process typically are communicated to the insured by means of a printed explanation of benefits (EOB). *Id.* at ¶ 4. Bush is directed to automobile insurance claims, but other insurance scenarios, such as for medical treatment, are disclosed as possible applications. *Id.* at ¶ 12. Petitioner argues that although Bush discloses payments made from an insurer to a policyholder, it would have been obvious to extend the system to have payments made from an insurer to a health care provider. Pet. 34. We agree that the process of making payments by insurers would be analogous and within the skill of ordinarily skilled artisans.

Bush also discloses that “[o]nce a non-zero dollar value for the claim has been determined, the insurance company will open a card-accessible account, such as a debit card account for the policyholder,” and “the insurance company will fund the debit account with the dollar value of the claim.” Ex. 1008 ¶ 15. The insurance company also collects information regarding how the debit account was used. *Id.* at ¶ 16.

In the alleged ground of unpatentability, Fredman is asserted in the alternative, along with DiRienzo and Spurgeon, such that its unavailability does not affect the ground unless DiRienzo or Spurgeon do not teach what they have been asserted to teach by Petitioner. *See* Pet. 35-36. Upon review of Petitioner’s arguments, we are persuaded that Spurgeon discloses what has been alleged. *Id.* at 36. Spurgeon details that its system transmits an electronic EOB to the provider, along with an electronic payment to the provider’s financial account. Ex. 1020 at 10:38-44. We are further persuaded, per the Petition, Pet. 35, that it would have been obvious to

modify Bush to have combined the payment and EOB, and send both together to the payee, per Spurgeon.

Guest is cited in the instant ground to show that it would have been obvious to modify the system of Bush to create an image of the debit/credit card. Pet. 36-37, 42, 44-46. As discussed above, Guest is unavailable to be applied against the instant claims. Nevertheless, Petitioner alleges that it would have been obvious to modify Bush to create an image of the debit/credit card “for simplicity of use by the recipient,” based on the recipient’s prior experience using physical debit/credit cards. Pet. 36, 41-42. Claim 1, for example, recites, in part, “creating a computer-generated image file containing” specific data. Patent Owner argues, however, that “Petitioner ignores that there is a myriad of methods of transmitting a payment via fax that do not require” the claimed step. Prelim. Resp. 21. We agree with Patent Owner.

The interpretation of “image file” that we have accepted requires an image, and an electronic file with no images would not satisfy the interpretation. We are not persuaded that Petitioner’s proffered rationale, i.e., that simplicity of use based on prior experience of using a credit/debit card, Pet. 36, 41-42, would result in modifying Bush to include an “image file.” Seeking simplicity for a user may not result in modifying the technology to include an “image file” when, as Patent Owner points out, there are many other ways to transmit a payment. Prelim. Resp. 21. Without more, we are not persuaded that the incorporation of an image file to be transmitted would have been obvious in view of Bush. The information transmitted, i.e., account number, amount, card verification

value code, and expiration date, could have been transmitted in the system of Bush without any image used. Accordingly, we are not persuaded that Petitioner has demonstrated that it would have been obvious for the system in Bush to have created a computer-generated image file containing the required data.

Based on the foregoing, Petitioner has not persuaded us that Petitioner has demonstrated that it is more likely than not that claim 1 is unpatentable over Bush and the other cited prior art references. Additionally, claims 2 and 6 include similar recitations, and we also are persuaded that Petitioner has not demonstrated that those claims are unpatentable over Bush and the other cited prior art references for the same reasons.

The remaining independent claims asserted to be unpatentable under this ground, namely claims 7, 12, 17, and 22, do not recite “creating a computer-generated image file,” but rather provide the use of “a computer-generated file,” or equivalent, i.e., without the “image” limitation. We consider the instant ground with respect to those claims below.

Spear is asserted along with Baaren and MCC in the discussion of a “medical services terminal” and its use, Pet. 34, with respect to claim 1, and cited in related discussions of other claims in this ground. Putting aside Spear, which is not available as prior art, we must determine if Baaren and MCC sufficiently teach or suggest the element(s) of the claims for which they are cited.

We are persuaded that MCC discloses that Merchant Category Codes (MCCs) were generally known, Ex. 1016 at 12-13, and that card processors used those codes to define the type of business the entities conduct. Ex.

1009 ¶ 9. Accepting those teachings, we are persuaded, based on the record presented, that using Bush's system specifically with a medical services terminal would have been obvious to persons of ordinary skill in the art. Pet. 34.

We are not persuaded, however, by Petitioner's arguments and the evidence cited in the Petition that restricting use of the stored-value card *only* to medical service terminals is taught or suggested by the references. Claims 7, 12, and 17 all recite, in part, "a unique, single-use stored-value card account," and claim 22 recites, in part, "a single-use stored-value card account." Based on the claim construction discussed above, "single-use" means associated with a single type of services terminal and no other type of payment terminal. We are not persuaded that Petitioner has shown that this limitation is taught or suggested by the references.

Baaren provides: "cards may be filtered by MCC and cardholders may be provided details about where they can use their card . . . [and this] tracking allows the system and method to monitor this activity to help detect misunderstandings on the individual's part or potential fraud attempts." Ex. 1009 ¶ 141. However, filtering and tracking is not the same as what Petitioner has alleged, namely "to limit use of the stored-value card account only to medical services terminals to prevent fraud or other misuse." Pet. 35. The cited section of Baaren does not disclose that a card should be used with only a single MCC, but rather describes restricting use to eligible merchants. Petitioner does not point to any citation in Baaren where restricting use to a single type of services terminal is disclosed. Based on

Petitioner's citation, we are not persuaded that Baaren teaches or suggests what Petitioner has alleged.

Additionally, in fact, as pointed out by Patent Owner, Bush is not concerned with limiting the uses of its debit cards. Prelim. Resp. 19. Bush provides that "the policyholder may decide that it is more advantageous to live with the reduced value of the damaged vehicle and use the claim money for other things." Ex. 1008 ¶ 19. Therefore, we are not persuaded that restricting the use of the stored-value card in Bush to a single type of services terminal would have been obvious, based on Petitioner's arguments provided in the Petition. Accordingly, Bush, even if taken with MCC, does not teach or suggest the cited element of claims 7, 12, 17, and 22.

Thus, we are persuaded that Petitioner has not demonstrated that claims 7, 12, 17, and 22 are more likely than not unpatentable over Bush and the other cited prior art references.

III. CONCLUSION

For the foregoing reasons, we determine that the information presented in the Petition does not establish that it is more likely than not that Petitioner would prevail in establishing the unpatentability of any of the challenged claims of the '904 Patent.

IV. ORDER

Accordingly, it is

It is ORDERED that the Petition is denied as to all challenged claims.

It is FURTHER ORDERED that no covered business method
patent review is instituted.

Case CBM 2013-00047
Patent RE43,904

For Petitioner:

John T. Mockler
Brooks W. Taylor
CARTER STAFFORD ARNETT HAMADA & MOCKLER, PLLP
CBM-Petition@carterstafford.com

For Patent Owner:

Anton J. Hopen
Andriy Lytvyn
SMITH & HOPEN, P.A.
anton.hopen@smithhopen.com
andriy.lytvyn@smithhopen.com