

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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SEARCH AMERICA, INC.,  
Petitioner,

v.

TRANSUNION INTELLIGENCE, LLC,  
Patent Owner.

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Case CBM2013-00038  
Patent 8,185,408 B2

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Before THOMAS L. GIANNETTI, CARL M. DeFRANCO, and  
PATRICK M. BOUCHER, *Administrative Patent Judges*.

BOUCHER, *Administrative Patent Judge*.

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

## I. INTRODUCTION

### *A. Background*

On August 1, 2013, Search America, Inc. (“Petitioner”) filed a Petition (Paper 4, “Pet.”) to institute a covered business method patent review of claims 1–18 of U.S. Patent No. 8,185,408 B2 (Ex. 1001, “the ’408 patent”) pursuant to 35 U.S.C. §§ 321–329. TransUnion Intelligence, LLC (“Patent Owner”) filed a Preliminary Response (Paper 14) on November 11, 2013. Pursuant to 35 U.S.C. § 324, the Board instituted trial on February 7, 2014, as to claims 1–18 of the ’408 patent. Paper 15 (“Dec.”).

During the trial, Patent Owner timely filed a Patent Owner Response (Paper 22, “PO Resp.”), and Petitioner timely filed a Reply to the Patent Owner Response (Paper 31, “Reply”). An oral hearing was held on November 3, 2014 (Paper 56, “Tr.”).

We have jurisdiction under 35 U.S.C. § 6(c). This Decision is a Final Written Decision under 35 U.S.C. § 328(a) as to the patentability of the challenged claims. Based on the record before us, Petitioner has demonstrated by a preponderance of the evidence that claims 1–18 are unpatentable.

### *B. Related Proceedings*

In addition to this proceeding, Petitioner filed a Petition for covered business method patent review of, and we instituted trial on, claims 1–14 of U.S. Patent No. 7,333,937 B2 in *Search America, Inc. v. TransUnion Intelligence LLC*, Case CBM2013-00037 (PTAB).

The '408 patent has been asserted by Patent Owner against Petitioner in *TransUnion Intelligence, LLC v. Search America, Inc.*, Case No. 0:11-cv-01075-PJS-FLN (D. Minn.) (“the district court proceeding”). Pet. 11.

### *C. Grounds of Unpatentability*

Petitioner relies on two distinct instances of prior public use in asserting that claims of the '408 patent are unpatentable under 35 U.S.C. §§ 102 and 103: (1) a computer-implemented eligibility system operated by the Texas Department of Human Services (“the TDHS System”); and (2) a manual method performed by the John T. Mather Memorial Hospital, located in Port Jefferson, New York, in implementing a charity-care eligibility process (“the Mather Method”). In asserting that claim 17 is unpatentable under 35 U.S.C. § 103, Petitioner additionally relies on a press release, titled “REVERSE SEARCHING NOW AVAILABLE ON PC411,” bearing a date of April 9, 1996 (Ex. 1014, “PC411”).

As evidence of the structure and functionality of the TDHS System, Petitioner provides (1) a transcript (Ex. 1007) of a deposition of Kerby Spruiell, the project manager in charge of the TDHS System, taken in connection with the district-court proceeding, Pet. 17; (2) a transcript (Ex. 1008) of a deposition of Bobby Keith Graves, a corporate representative of Dallas Computer Services, Inc. (“DCS”), taken in connection with the district court proceeding, Pet. 20; and (3) a copy of a document, titled “Current System Architecture and Functional Specifications” (Ex. 1009, “CSA/FS”), which describes the functionality of various TDHS System

modules, Pet. 21–22. As evidence of the Mather Method, Petitioner provides (1) a transcript (Ex. 1015) of a deposition of James Sunyar, a corporate representative of the John T. Mather Memorial Hospital, taken in connection with the district court proceeding, Pet. 60; and (2) a copy of a “Report to the Community for the Year 2002,” produced by the John T. Mather Memorial Hospital (Ex. 1016).

The grounds on which we instituted review are summarized by the following chart. Dec. 21.

| Prior Art                  | Basis    | Claim(s)<br>Challenged         |
|----------------------------|----------|--------------------------------|
| TDHS System                | § 102(b) | 1–3, 5–8, 10–14,<br>16, and 18 |
| TDHS System                | § 103(a) | 4, 9, and 15                   |
| TDHS System and<br>PC411   | § 103(a) | 17                             |
| Mather Method              | § 103(a) | 1–16 and 18                    |
| Mather Method<br>and PC411 | § 103(a) | 17                             |

#### *D. The ’408 Patent*

The ’408 patent, titled “Health Care Financing System and Method,” is directed to “a health care financing system in which health care grant information can be analyzed to determine whether a patient qualifies for a health care grant.” Ex. 1001, col. 2, l. 66–col. 3, l. 1. A database stores patient data that may include “any suitable data useful or necessary for applying for or qualifying for health care grants,” with credit data, insurance data, and/or income data specifically identified. *Id.* at col. 3, ll. 48–52.

Qualification criteria identified by the health care grant information can include a “debt to income ratio.” *Id.* at col. 4, ll. 1–2.

Figure 2 of the '408 patent is reproduced below:

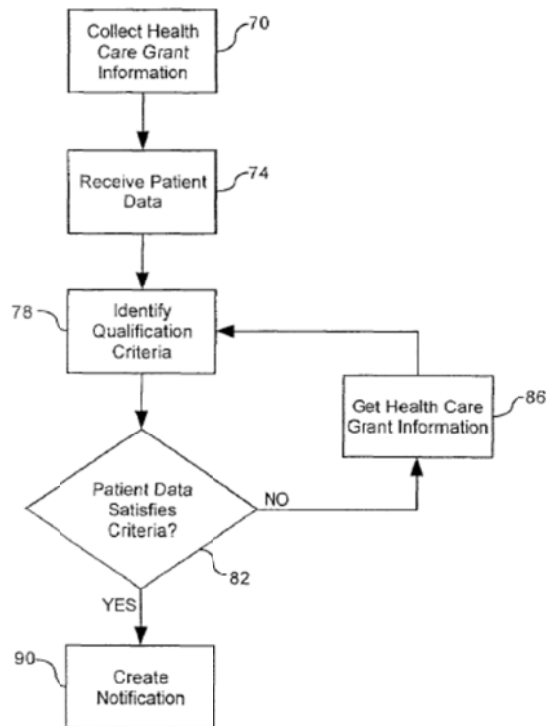


Figure 2 is a flow diagram that illustrates a health care financing method as disclosed by the patent. After health care grant information is collected at block 70 and patient data are received at block 74, qualification criteria are identified at block 78. *Id.* at col. 4, ll. 25–32. The method cycles to compare the qualification criteria with the patient data at block 82 for different health care grant systems, with a notification created at block 90 when the patient data satisfy the qualification criteria. *Id.* at col. 4, ll. 33–40.

Claim 11 is illustrative:

11. A method in a computer system having a computer server processor and a computer memory for determining eligibility of a patient to receive health care financial assistance, the method comprising the steps of:

- receiving at the computer server processor, over a communication network from a plurality of client machines, health care financial assistance information, including qualification criteria, for each of a plurality of health care financial assistance plans,

- at least a portion of the qualification criteria providing a measure to identify whether the patient has less than adequate means to pay for a health care expense associated with the patient,

- each of the plurality of health care financial assistance plans offering defrayment of at least a portion of the health care expense if the patient qualifies for the respective health care financial assistance plan;

- storing the health care financial assistance information in a database within the memory;

- receiving at the computer server processor, over a communication network from a client machine, patient data;

- receiving at the computer server processor, over a communication network from a client machine, credit information derived from a credit report of the patient;

- comparing using the computer server processor at least a portion of the patient data and at least a portion of the credit information to respective portions of qualification criteria for each of a plurality of health care financial assistance plans stored in the database within the memory;

- determining using the computer server processor if the comparison satisfies the qualification criteria for at least one of the plurality of health care financial assistance plans; and

- transmitting from the computer server processor notification of eligibility for every one of the plurality of health care financial assistance plans in which the comparison satisfied the qualification criteria.

## II. ANALYSIS

### A. *Claim Construction*

The Board interprets claims in an unexpired patent using the broadest reasonable construction in light of the specification of the patent in which they appear. 37 C.F.R. § 42.300(b); *see also* Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,766 (Aug. 14, 2012).

#### 1. “*derived*”

Independent claim 1 recites “second code instructions for receiving credit information *derived* from a credit report of the patient” (emphasis added). Patent Owner contends that “[i]n view of the specification and the plain meaning of the claim language, the broadest reasonable interpretation of ‘derived’ as used here is that some type of value -- such as a debt-to-income ratio as disclosed in an embodiment in the specification of the [']408 patent -- is being calculated from the raw data contained in the credit report.” PO Resp. 21. We disagree.

First, Patent Owner contends that the plain meaning of “derived” to one of ordinary skill in the art at the time of filing the application was “obtained by reasoning” or “calculated.” *Id.* In support of this contention, Patent Owner cites the Declaration of Stephen Gray,<sup>1</sup> which refers to one of the definitions provided by *Random House Webster’s Dictionary*, 4th ed.,

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<sup>1</sup> As discussed below, we deny Petitioner’s motion to exclude the Gray Declaration.

Ballantine Books (New York 2001). Ex. 2002 ¶ 100 (citing Ex. 2002E). But as Petitioner points out, Mr. Gray refers to the last definition in the dictionary entry, although the first definition provided for the word “derive” is “to receive or get from a source.” Reply 3.

Second, Patent Owner refers to a statement in the specification of the ’408 patent that “the debt to income ratio can be computed,” reasoning that “one of ordinary skill would understand that the credit information input into the [computer program product] of claim 1 could not have been mere data taken from a credit report but rather would have been the result of some calculation or computation.” PO Resp. 21 (citing Ex. 1001, col. 4, ll. 2–3; Ex. 2002 ¶ 100). We disagree with Patent Owner’s reasoning because the statement in the specification merely provides an *example* of a calculation. Furthermore, as Petitioner observes, Patent Owner’s position is untenable because the context of the identified statement refers to calculation of “qualification criteria” rather than of “credit information.” See Reply 3. The claim’s text distinguishes between “qualification criteria” and “credit information.” In addition, and as Petitioner also observes, the prosecution history supports that credit information need not be calculated to be input. See *id.*

We construe “derived” as “received from a source.”

## 2. “database”

Independent claims 1, 6, 11, and 18 each recite that qualification criteria and health care financial assistance information are “stored in a

database.” Petitioner does not proffer an explicit construction of the term “database,” but refers inferentially in its Petition to “an organized collection of data.” Pet. 30, 38, 44. Petitioner specifically contends that, under the broadest reasonable construction, a “database” need not be a “computer database.” Reply 12. Patent Owner points to a dictionary definition of “database” as “a collection of data, especially in electronic form that can be accessed and manipulated by computer software.” PO Resp. 33 (citing Ex. 2002 ¶ 143; Ex. 2002E) (emphasis by Patent Owner).

Patent Owner’s contention that “a person of ordinary skill in the art . . . would read the reference to ‘database’ in claim 1 as meaning a computer database” is belied by the dictionary definition that it cites. PO Resp. 33. Specifically, the emphasized portion of the definition suggests that, without more, the broadest reasonable construction of “database” is “a collection of data.”

We construe “database” as “an organized collection of data.”

#### *B. Petitioner’s Motion to Exclude*

Patent Owner supports its response with Declarations by Phillip Dolamore (Ex. 2001), Stephen Gray (Ex. 2002), and Raymond S. Sims (Ex. 2003). Petitioner moves to exclude: (1) ¶ 10 of the Dolamore Declaration as lacking personal knowledge, Paper 38, 2; (2) the entirety of the Gray Declaration as unreliable, *id.* at 2–4; and (3) the entirety of the Sims Declaration as irrelevant and unreliable, *id.* at 4–11. Although

Petitioner moves to exclude the entirety of the Sims Declaration, Petitioner provides specific focus on ¶¶ 4, 12, 13, 28–35, 37, 45, and 46. *Id.* at 11–15.

*1. Paragraph 10 of the Dolamore Declaration*

Patent Owner does not contest Petitioner’s assertion that “Mr. Dolamore is not being offered as an expert in these proceedings,” in which case the prohibition of Fed. R. Evid. 602 against testimony to a matter outside the personal knowledge of the witness applies. *See* Paper 38, 2; Paper 51, 1.

The second sentence of paragraph 10 of the Dolamore Declaration asserts that “[t]hrough Bruce Nelson, Search America was able to fairly rapidly copy [ADS Response Corp.]’s healthcare product.” This assertion is not without ambiguity, and either may be read as asserting that Search America did, in fact, “fairly rapidly copy” the referenced product or may be read as asserting only that such fairly rapid copying was within the ability of Search America “through Bruce Nelson.” Under either interpretation, we agree with Petitioner that Patent Owner has provided insufficient evidence to prove personal knowledge of the assertion. Moreover, an opinion whether Search America possessed the ability to fairly rapidly copy the referenced product “through Bruce Nelson” is outside the scope of admissible testimony for a lay witness under Fed. R. Evid. 701.

Accordingly, we exclude the second sentence of paragraph 10 of the Dolamore Declaration.

## 2. *Gray Declaration*

Petitioner contends that the Gray Declaration “is so unreliable and misleading that it should be excluded in its entirety.” Paper 38, 2. Petitioner points to certain statements in Mr. Gray’s testimony that have a level of inconsistency with statements made when he was cross-examined, particularly with respect to (1) whether the modules of the TDHS System need to be in direct communication in order to satisfy limitations recited in the claims; (2) whether the “comparing” limitation of claim 11 (and the corresponding “third code instructions” limitation of claim 1) require that credit information be extracted and combined with patient data; and (3) whether a server was implicated in the TDHS eligibility determination. *Id.* at 2–5.

Although we agree that the apparent inconsistencies affect the weight to be afforded to Mr. Gray’s testimony, the totality of his expert opinion—including statements made in his Declaration and weaknesses explored by Petitioner in his cross-examination—is helpful in deciding the issues presented to us. And as Patent Owner correctly observes, the policy considerations of *Daubert*’s gatekeeping framework are less compelling in bench proceedings such as covered business method patent reviews than in jury trials. Paper 49, 2–6 (citing *Daubert v. Merrell Dow Pharm., Inc.*, 509 U.S. 579, 595 (1973); *Volk v. United States*, 57 F. Supp. 2d 888, 896, n.5 (N.D. Cal. 1999); *In re Bay Area Material Handling, Inc.*, 1996 WL 729300, \*6 (N.D. Cal. Dec. 4, 1995)). We agree with Patent Owner that Petitioner

has not provided an adequate analysis that applies the five *Daubert* factors to support its motion.

Accordingly, we deny Petitioner's motion to exclude the Gray Declaration.

### 3. *Sims Declaration*

Petitioner contends that the Sims Declaration is irrelevant, unreliable, misleading, leads to confusion of the issues, and ultimately wastes time. Paper 38, 5–11. Petitioner specifically contends that Mr. Sims's analysis of the nexus requirement for showing commercial success of Patent Owner's product is deficient because he applied an unreliable methodology, and that Mr. Sims improperly relies on hearsay and otherwise unverified and unreliable data. *Id.*

We agree with Patent Owner that such considerations, which amount to disagreement by Petitioner with the economic techniques used by Mr. Sims in his analysis, go to the weight that should be accorded his testimony and not to the admissibility of that testimony. *See* Paper 49, 7–10. Petitioner's cross-examination of Mr. Sims (Ex. 1021) afforded Petitioner sufficient opportunity to explore weaknesses that Petitioner believes exist in Mr. Sims's testimony. We have reviewed the specific issues raised by Petitioner with respect to ¶¶ 4, 12, 13, 28–35, 37, 45, and 46 of the Sims Declaration and conclude that the concerns raised by Petitioner relate to the weight that should be afforded to the testimony and not to its admissibility.

Accordingly, we deny Petitioner's motion to exclude the Sims Declaration.

*C. Patent Owner's Motion to Exclude*

*1. CSA/FS*

As noted *supra*, Petitioner supports its Petition with evidence in the form of the CSA/FS document (Ex. 1009), which describes functionality of various TDHS System modules. With its Reply, Petitioner supplies a copy of a letter (Ex. 1027) from Robert W. Patterson, Open Records Coordinator of the Texas Health and Human Services Commission. Reply 15 n.1. Petitioner characterizes the Patterson letter as confirming enclosure of a compact disk with the CSA/FS document in response to a request under the Texas Open Records Act. Tr. 11:16–20. Petitioner contends that CSA/FS is admissible as a public record under Fed. R. Evid. 902(5). Paper 50, 10–11; Tr. 11:25–12:2.

Patent Owner moves to exclude CSA/FS as incomplete, unauthenticated, and hearsay under Fed. R. Evid. 106, 802, and 901. Paper 43, 3–5, 7–9. Patent Owner also moves to exclude the Patterson letter as untimely and as “fail[ing] to substantively authenticate the CSA/FS document.” *Id.* at 5–7.

We agree with Petitioner that Patent Owner waived its evidentiary objections to CSA/FS by failing to make a timely objection. See Paper 50, 2–4. “Any objection to evidence submitted during a preliminary proceeding must be served within ten business days of the institution of the trial.”

37 C.F.R. § 42.64(b)(1). Indeed, our Order memorializing the initial conference call specifically noted that “Patent Owner was referred to 37 C.F.R. § 42.64 regarding procedures for objecting to evidence and motions to exclude” and confirmed that “[t]he Board will require the moving party to show that the procedures have been followed in considering any motion to exclude evidence.” Paper 19, 3. When questioned at the oral hearing, Patent Owner confirmed the understanding that the Board “would be looking to [it] to challenge that document with an objection,” and that it did not serve a formal objection under the rule on objections. Tr. 32:21–33:5. Consequently, Patent Owner’s contention that it satisfied the procedural requirements through its arguments on admissibility of CSA/FS set forth in its Preliminary Response is unavailing. See Paper 43, 2–3; Paper 52, 4–5.

Accordingly, we deny Patent Owner’s motion to exclude Exhibit 1009. We also deny Patent Owner’s motion to exclude Exhibit 1027 as moot.

## *2. Babcock Deposition Transcript*

In addressing Patent Owner’s allegation that Petitioner copied a commercial embodiment of the ’408 patent, Petitioner supplies a transcript of a deposition of Kathy Babcock taken in the district court proceeding (Ex. 1025) and cites Ms. Babcock’s testimony as support for its assertion that “[Patent Owner’s] copying allegations are false speculations.” Reply 14. Patent Owner moves to exclude the transcript of Ms. Babcock’s

deposition as irrelevant and unduly prejudicial. Paper 43, 9. Patent Owner specifically contends that the Babcock transcript is irrelevant and that “the late submission of this document as evidence would unduly prejudice Patent Owner.” *Id.*

The Board is capable of evaluating whether Ms. Babcock’s testimony support’s Petitioner’s statement, and her testimony is relevant because it bears on Patent Owner’s allegation of copying raised in its Patent Owner Response. PO Resp. 1, 34, 41–45. Patent Owner also offers no reasoning to support its contention that her testimony is prejudicial.

Accordingly, we deny Patent Owner’s motion to exclude Exhibit 1025.

#### *D. Anticipation by the TDHS System*

Petitioner contends that claims 1–3, 5–8, 10–14, 16, and 18 are anticipated by the TDHS System. Pet. 14–51. As described by Petitioner, and supported by the Declaration of Mr. Spruiell, the TDHS System has its origins in a Texas program for determining eligibility for state programs such as Food Stamps and Medicaid. Pet. 16–17 (citing Ex. 1007, 13:12–15:14). Petitioner’s analysis focuses on three modules of the TDHS System as particularly relevant to the patentability of the claims of the ’408 patent.

First, a module called the “Generic Worksheet” (“GWS”) automated multiple eligibility points and “compare[d] applicant data to eligibility rules at each step for multiple programs, determine[d] eligibility, and provide[d] notification of eligibility to the user.” Pet. 18 (citing Ex. 1007, 38:2–9).

Petitioner provides a drawing on page 19 of the Petition that compares the GWS process with Fig. 2 of the '408 patent.

Second, the TDHS System later implemented the Texas Eligibility Screening System ("TESS"). This module "compared personal and financial data with qualification criteria, determined potential eligibility, and produced a notification referring the applicant to the assistance program(s) for which he or she was potentially eligible." Pet. 19–20 (citing Ex. 1007, 48:18–50:11).

Third, the TDHS System implemented credit-data functionality with the Data Broker module, which Petitioner represents was provided under contract with DCS. That module provided a report that "contained credit data taken from an applicant's credit report along with data collected from other third party sources," from which eligibility was determined by entering data from the report into GWS. Pet. 20–21 (citing Ex. 1011, 5; Ex. 1008, 54:17–55:7, 72:13–73:1).

In addition to these three modules, Petitioner notes the interaction of other modules with the TDHS System, namely the NOA, LTCMED, SAVERR FS, SAVERR TANF, and SAVERR Inter/Med modules. Pet. 21–22. Petitioner and Patent Owner differ in their characterization of the degree of integration of the various modules, with Patent Owner arguing that the modules "were only loosely associated by virtue of their selective access to a single database that stores applicant records." PO Resp. 3–4. Patent Owner particularly notes that, although TDHS administered the GWS and TESS

modules, the Data Broker module was administered by a third party. *Id.* at 4.

Whether the modules were integrated tightly as Petitioner contends or only loosely associated as Patent Owner contends is not central to our analysis. As Petitioner observes, a determination that the claims are unpatentable need be supported only by a demonstration that the claimed features were in the public's possession before the critical date. Reply 5–6 (citing *Lockwood v. Am. Airlines, Inc.*, 107 F.3d 1565, 1570 (Fed. Cir. 1997)). Patent Owner has not argued persuasively for a claim construction that requires an assessment of how tightly software modules were integrated or that the claims demand that software be contained in a single program.

We have reviewed the evidence presented by Petitioner, including the claim charts in the Petition (Pet. 23–33, 35–47), the transcript of Mr. Spruiell's deposition (Ex. 1007), the transcript of Mr. Graves's deposition (Ex. 1008), and relevant portions of CSA/FS (Ex. 1009). Notwithstanding Patent Owner's arguments, we are persuaded that Petitioner has shown by a preponderance of the evidence that the TDHS System anticipates claims 1–3, 5–8, 10–14, 16, and 18. We address specific arguments below, noting that Patent Owner concedes that the same arguments apply to each of independent claims 1, 6, 11, and 18. PO Resp. 26, 27.

1. “*code instructions for receiving credit information derived from a credit report*”

Independent claim 1 recites “second code instructions for receiving credit information derived from a credit report of the patient.” Petitioner contends that the TDHS System contained code instructions for receiving credit information derived from an applicant’s credit report, which was provided in a Combined Report by the Data Broker module. Pet. 25–27. Patent Owner responds that the credit information extracted from the applicant’s credit report is not “credit information *derived* from a credit report” (emphasis added). PO Resp. 20–21. In accordance with our construction of “derived” as “received from a source,” we disagree.

Patent Owner also focuses on the requirement of “code instructions” in contending that the limitation is not disclosed by the TDHS System: “The GWS module did not contain any code for obtaining any credit information from Data Broker. . . . Moreover, no credit information was ever entered into the GWS module.” PO Resp. 26. When questioned at oral hearing, Patent Owner clarified that its position rests on its argument that the Data Broker module is not part of the TDHS System because it was administered by DCS, a third party. Tr. 58:15–62:5 (particularly 60:11–16). This is related to Patent Owner’s argument that a tight integration of modules is necessary in the prior art to establish anticipation, an argument that we reject for the reasons explained *supra*.

We conclude that the TDHS System included “code instructions for receiving credit information derived from a credit report.”

*2. Comparison of Credit Information to Qualification Criteria*

Independent claim 11 recites “comparing . . . at least a portion of the patient data and at least a portion of the credit information to respective portions of qualification criteria for each of a plurality of health care financial assistance plans”; independent claims 1, 6, and 18 recite similar “third code instructions” for performing such a comparison. Petitioner contends the TDHS System contained code instructions for comparing at least a portion of the applicant data (e.g., patient data, such as age, sex, family size, etc.) and at least a portion of the applicant’s credit information obtained from the applicant’s credit report to qualification criteria for multiple healthcare financial-assistance plans. Pet. 27, 41. Petitioner supports this characterization of the functionality of the TDHS System with several observations that indicate that the GWS module used credit-report information in determining eligibility. *Id.* at 27–30, 41–45 (citing Ex. 1009, SA-082061–62, SA-081803, SA-081823, SA-082216–17, SA-082249; Ex. 1011, 5, 6; Ex. 1008, 65:23–66:1, 42:8–25). We have reviewed the portions of the record cited by Petitioner and conclude that, by a preponderance of the evidence, Petitioner has established that the GWS module used credit-report information in determining eligibility.

Patent Owner disputes this characterization, contending that “[u]nlike the claimed invention, the TDHS [S]ystem (namely the GWS module) merely used summary credit data to verify patient data provided by an applicant for benefits.” PO Resp. 22 (citing Ex. 2002 ¶ 103). Patent Owner

contends that, in the TDHS System, “patient data *alone* is compared to the qualification criteria,” i.e., without the “corresponding credit information” recited in the claim. Tr. 46:1–2 (emphasis added). Patent Owner presents arguments based on its characterization of the claim language as requiring that “at least a portion of th[e] derived credit information is extracted and *combined* with the patient data[, which] is then directly compared to qualification criteria . . . to determine eligibility.” PO Resp. 23 (emphasis added). Notwithstanding Mr. Gray’s supporting declaration testimony (Ex. 2002 ¶ 104) that refers to such combination, and in light of his deposition testimony that “comparing data is not the same as combining” (Ex. 1023, 101:24–25), we agree with Petitioner that the claims do not require combination of the derived credit information with the patient data. See Reply 4.

Patent Owner additionally contends that the limitation is not disclosed by the TDHS System because the “GWS module . . . determined eligibility for . . . TANF and Medicaid [but] credit information was not used in the TDHS [S]ystem to determine eligibility for Medicaid.” PO Resp. 24–25. But Petitioner’s claim chart identifies additional assistance plans that Patent Owner does not address, “including TDH County Indigent Health Care Program, Mental Health and Mental Retardation Services, TDH Primary Health Care, and TDHS Long Term Care.” Pet. 31, 45; see Reply 8.

We conclude that Petitioner has established that the TDHS System “compar[ed] . . . at least a portion of the patient data and at least a portion of

the credit information to respective portions of qualification criteria for each of a plurality of health care financial assistance plans.”

3. *“code instructions which are executable on a computer server”*

Independent claim 1 recites that the computer program product has “computer-executable code instructions which are executable on a computer server.” Patent Owner challenges Petitioner’s identification of computer-executable code instructions stored on 5¼-inch floppy disks in the TDHS System as insufficient “evidence that any computer-executable code instructions could be executed on a computer server.” PO Resp. 24 (emphasis by Patent Owner); see Pet. 24.

This argument is without merit. To the extent Patent Owner’s witness, Mr. Gray, supported Patent Owner’s contention in his declaration testimony (Ex. 2002 ¶ 95), Mr. Gray effectively recanted that position at his deposition. Ex. 1023, 105:3–25.

4. *Summary*

We conclude that Petitioner has established, by a preponderance of the evidence, that the TDHS System anticipates claims 1–3, 5–8, 10–14, 16, and 18.

*E. Obviousness Over the TDHS System*

Petitioner contends that claims 4, 9, and 15, each of which recites that “the qualification criteria includes a debt to income ratio,” would have been

obvious over the TDHS System. Pet. 53–56. Patent Owner correctly observes that Mr. Spruiell testified that TESS and GWS did not calculate the debt-to-income ratio. PO Resp. 28 (citing Ex. 1007,<sup>2</sup> 55:14–16, 88:18–20). Patent Owner further observes that Mr. Gray, “who reviewed the entirety of the technical documents in Exhibit 1009, testified that debt-to-income ratio was never calculated in the TDHS [S]ystem.” PO Resp. 28 (citing Ex. 2002 ¶ 129).

We credit the testimony of both Mr. Spruiell and Mr. Gray, but ultimately do not find them inconsistent. In particular, Mr. Spruiell made clear that calculation of the debt-to-income ratio “was something that a caseworker would do . . . . So that income-to-debt ratio would be something that you looked at prior to beginning the Generic Worksheet.” Ex. 1007, 89:3–16. Mr. Gray’s testimony does not refute unambiguously this assertion. Rather, Mr. Gray expresses an opinion that “[a]n applicant’s debt was not included in any aspect of the GWS module” and that “an eligibility worker viewing a Combined Report for a TANF applicant containing credit trade lines does not involve any calculation.” Ex. 2002 ¶ 129. The former statement is of minimal relevance because Petitioner has not advanced an anticipation ground for claims 4, 9, and 15, and Patent Owner does not explain how Mr. Gray’s observation diminishes Petitioner’s argument that it “would have been well within the knowledge of a [person of skill in the art] at the time of the invention to program a computer to calculate [a debt to

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<sup>2</sup> Patent Owner’s citations to Ex. 1006 in connection with this argument appear to be typographical errors.

income ratio] using debt data and income data” in light of Mr. Spruiell’s testimony. Pet. 55 (citing Ex. 1006 ¶ 16). The latter statement may be consistent with use of the TDHS System without calculation of the debt-to-income ratio, but does not controvert directly Mr. Spruiell’s testimony that caseworkers performed such a calculation in some instances.

Accordingly, we conclude that Petitioner has shown, by a preponderance of the evidence, that claims 4, 9, and 15 would have been obvious over the TDHS System.

*F. Obviousness Over the TDHS System and PC411*

Petitioner contends that claim 17, which recites that “the step of verifying residence information of the patient is facilitated by a reverse telephone number lookup,” would have been obvious over the TDHS System and PC411. Pet. 56–57. PC411 describes software that performs reverse telephone-number lookups. Ex. 1014, 1. Petitioner reasons that one of skill in the art would apply this teaching to the TDHS System to verify the residence information of a patient. Pet. 56–57. Patent Owner responds that claim 17 is “patentably distinguishable over the TDHS [S]ystem for the same reasons [as underlying independent claim 11]” but does not otherwise respond to Petitioner’s argument. PO Resp. 28.

We conclude that Petitioner has shown, by a preponderance of the evidence, that claim 17 would have been obvious over the TDHS System and PC411.

*G. Asserted Grounds Based on the Mather Method*

Petitioner contends that claims 1–16 and 18 would have been obvious over the Mather Method, Pet. 57–66, and that claim 17 would have been obvious over the Mather Method and PC411, *id.* at 67–68. The John T. Mather Hospital used the Mather Method as part of its Charity Care program to provide all, or a portion of, health care free to patients, “depending on person’s needs, above taking the poverty level guidelines that they would be eligible for Medicaid or some type of public assistance and multiplying it by 300 percent.” Ex. 1015, 10:15–19. We have reviewed Petitioner’s detailed analysis of the Mather Method in relation to claims 1–18 at pages 59–68 of its Petition (including the combination of the Mather Method with PC411 for claim 17) and find it persuasive. Patent Owner responds with several arguments that generally parallel its arguments for the TDHS System.

First, Patent Owner’s argument that the Mather Method fails to disclose that credit information is derived from a credit report is unpersuasive for the same reasons we express in our analysis of the TDHS System, i.e., because Patent Owner’s argument relies on a construction of “derived” that we have not adopted. See PO Resp. 29–30.

Second, Patent Owner’s argument that the Mather Method fails to disclose a comparison of credit information to provider qualification criteria for a plurality of providers is also unpersuasive. See *id.* at 30–31, 32. The testimony of Mr. Sunyar establishes the use of a credit report for comparison and for comparison with multiple charity programs. Ex. 1015, 77:7–16, 89:8–21.

Third, we are not persuaded by Patent Owner's argument that the Mather Method fails to disclose "code instructions which are executable on a computer server." See PO Resp. 31–32. Petitioner's obviousness ground does not contend that the Mather Method discloses such code instructions, but rather that "[a]dding a computer to the process in the manner claimed in the '408 patent does nothing unexpected." Pet. 62. Patent Owner's argument does not address Petitioner's reasoning.

Fourth, Patent Owner contends that the Mather Method fails to disclose limitations of the independent claims that require population of a database with some or all of the qualification criteria for the first and second health care financial assistance providers. PO Resp. 32–33. This argument is unavailing because it is inconsistent with the construction of "database" that we have adopted. As Petitioner points out, the eligibility criteria set by Mather Hospital were collected in a rate table, which is a "database" as we have construed the term. See Pet. 62; Reply 12.

Last, Patent Owner contends that no debt-to-income ratio was calculated in the Mather Method as required by claims 4, 9, and 15. PO Resp. 34. We are not persuaded by this argument for the same reasons we express *supra* in our discussion of the TDHS System.

We conclude that Petitioner has shown, by a preponderance of the evidence, that claims 1–18 would have been obvious over the Mather Method.

### *H. Secondary Considerations*

Patent Owner relies heavily on secondary considerations, including commercial success and alleged copying by Petitioner. PO Resp. 34–45. We conclude that such considerations do not outweigh Petitioner’s evidence of obviousness.

“Evidence of commercial success, or other secondary considerations, is only significant if there is a nexus between the claimed invention and the commercial success.” *Ormco Corp. v. Align Tech., Inc.*, 463 F.3d 1299, 1311–12 (Fed. Cir. 2006). To establish a proper nexus, Patent Owner must offer “proof that the sales were a direct result of the unique characteristics of the claimed invention—as opposed to other economic and commercial factors unrelated to the quality of the patented subject matter.” *In re Huang*, 100 F.3d 135, 140 (Fed. Cir. 1996) (citation omitted).

Patent Owner’s arguments regarding commercial success focus on two products, its own “Revenue Manager” and Petitioner’s “Payment Advisor Suite,” which Patent Owner characterizes as the only two software programs that compete in the “healthcare revenue cycle management market.” PO Resp. 38–39. In contending that there is a nexus between the claimed invention and commercial success of its Revenue Manager product, Patent Owner provides declaration testimony by Raymond Sims (Ex. 2003) and an analysis of “external factors”—pricing, marketing, and promotional activities—that it excludes as responsible for that commercial success. *Id.* at 40–41.

Patent Owner acknowledges that, in this instance, “the patented invention is only a component of [the] commercially successful machine or process.” *Id.* at 37. Patent Owner cites the requirement in such instances to demonstrate “a sufficient relationship between that which is patented and that which is sold,” but identifies insufficient persuasive evidence of such a relationship. *Id.* (citing *Demaco Corp. v. F. Von Langsdorff Licensing Ltd.*, 851 F.2d 1387, 1392 (Fed. Cir. 1988)). Although Patent Owner provides evidence of the commercial success of the Revenue Manager product, its analysis treats the Revenue Manager product as a whole. Patent Owner fails to identify in any precise way which specific aspects of the Revenue Manager product correspond to the claimed invention and how the overall commercial success of the product is correlated with those aspects. Patent Owner’s generic argument that “claims 1-[18] are integral to Revenue Manager because they cover the methods that Revenue Manager uses for charity care determination” lacks the precision demanded by the nexus requirement to avoid improper attribution of commercial success. PO Resp. 40.

We have reviewed the testimony of Mr. Sims and find it similarly deficient. Notably, Patent Owner repeatedly cites ¶ 34 of Mr. Sims’s testimony, which refers to the need for a “holistic solution” addressing features beyond those corresponding to the claimed invention and which concludes that because “Revenue Manager . . . *includes* the functionality of the patents, [it is] indicat[ed] that the patents are drivers of demand for the

patented product.” Ex. 2003 ¶ 34 (emphasis added). We disagree that such a conclusion inevitably follows.

### III. ORDER

Accordingly, it is

ORDERED that, based on a preponderance of the evidence, claims 1–18 of U.S. Patent No. 8,185,408 B2 are held to be unpatentable;

FURTHER ORDERED that Petitioner’s Motion to Exclude Paragraph 10 of the Dolamore Declaration (Ex. 2001) is *granted-in-part* by excluding the second sentence of Paragraph 10;

FURTHER ORDERED that Petitioner’s Motion to Exclude the Gray Declaration (Ex. 2002) and the Sims Declaration (Ex. 2003) is *denied*;

FURTHER ORDERED that Patent Owner’s Motion to Exclude the CSA/FS document (Ex. 1009) and the Babcock Deposition Transcript (Ex. 1025) is *denied*;

FURTHER ORDERED that, because this is a final written decision, parties to this proceeding seeking judicial review of our decision must comply with the notice and service requirements of 37 C.F.R. § 90.2.

CBM2013-00038  
Patent 8,185,408 B2

PETITIONER:  
Kenneth J. Sheehan  
[ksheehan@bakerlaw.com](mailto:ksheehan@bakerlaw.com)

Shawnna M. Yashar  
[syashar@bakerlaw.com](mailto:syashar@bakerlaw.com)

PATENT OWNER:  
William J. Lenz  
[wlenz@ngelaw.com](mailto:wlenz@ngelaw.com)

Robert E. Browne  
[rbrowne@ngelaw.com](mailto:rbrowne@ngelaw.com)

Lawrence James  
[ljames@ngelaw.com](mailto:ljames@ngelaw.com)

Gregory Leighton  
[gleighton@ngelaw.com](mailto:gleighton@ngelaw.com)

Thomas Campbell  
[tcampbell@ngelaw.com](mailto:tcampbell@ngelaw.com)