

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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PAY-PLUS SOLUTIONS, INC.,  
Petitioner,

v.

STONEEAGLE SERVICES, INC.,  
Patent Owner.

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Case IPR2014-01414  
Patent RE43,904 E

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Before MEREDITH C. PETRAVICK, JAMES P. CALVE, and  
JAMES B. ARPIN, *Administrative Patent Judges*.

ARPIN, *Administrative Patent Judge*.

DECISION  
Denying Institution of *Inter Partes* Review  
37 C.F.R. § 42.108

## I. INTRODUCTION

### A. Background

Pay-Plus Solutions, Inc. (“Petitioner”) filed a Corrected Petition (Paper 4; “Corr. Pet.”) to institute an *inter partes* review of claims 1–26 of Patent No. US RE43,904 E (Ex. 1002; “the ’904 patent”) pursuant to 35 U.S.C. §§ 311–319. Corr. Pet. 2–3. StoneEagle Services, Inc. (“Patent Owner”) filed a Preliminary Response (Paper 8; “Prelim. Resp.”). We have jurisdiction under 35 U.S.C. § 314,<sup>1</sup> which provides that an *inter partes* review may not be instituted “unless . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a).

Petitioner relies upon the following references, document, and declaration in support of its grounds for challenging the identified claims of the ’904 patent:

Exhibit Nos.	References, Document, and Declaration
1001	Declaration of Thomas N. Turi (“Turi Declaration”)
1005	Patent Application Publication No. US 2007/0005403 A1 to Kennedy <i>et al.</i> , filed on June 30, 2006 (“Kennedy”)
1006	Patent No. US 5,991,750 to Watson, filed on October 24, 1997, issued on November 23, 1999 (“Watson”)
1007	LeRoy H. Graw, Purchasing Credit Cards Introduction, <a href="http://www.ipscmi.org/tipsandsolutions/purchasingcredit.php">www.ipscmi.org/tipsandsolutions/purchasingcredit.php</a> (retrieved from August 19, 2006 archive at <a href="https://web.archive.org/web/20060819120418/www.ipscmi.org/tipsandsolutions/purchasingcredit.php">https://web.archive.org/web/20060819120418/www.ipscmi.org/tipsandsolutions/purchasingcredit.php</a> ) (“vPayment Interview”)
1010	Viewpointe and Payformance Collaborate To Provide Image

<sup>1</sup> See Section 6(a) of the Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 116 Stat. 284, 300 (2011).

	Statement Products, <a href="http://www.payformance.com/contactus/press/ViewpointePayformanceIS.pdf">http://www.payformance.com/contactus/press/ViewpointePayformanceIS.pdf</a> (dated September 30, 2002; retrieved from March 22, 2006 archive at <a href="https://web.archive.org/web/20060322175410/http://www.payformance.com/contactus/press/ViewpointePayformanceIS.pdf">https://web.archive.org/web/20060322175410/http://www.payformance.com/contactus/press/ViewpointePayformanceIS.pdf</a> ) (“Image Statement Products”)
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Petitioner asserts that the challenged claims are unpatentable on the following grounds (Corr. Pet. 2–3, 13–59):

Ground	References	Challenged Claims
35 U.S.C. § 103(a)	Kennedy, Watson, vPayment Interview, and Image Statement Products	1–5, 7, 8, 10–13, 15–18, 20–23, 25, and 26
35 U.S.C. § 103(a)	Kennedy, Watson, vPayment Interview, Image Statement Products, and knowledge of one of ordinary skill in the art (“Knowledge”)	6, 9, 14, 19, and 24

For the reasons set forth below, we determine that, on this record, Petitioner fails to demonstrate a reasonable likelihood of prevailing in showing the unpatentability of any of the challenged claims. Accordingly, we *deny* institution of *inter partes* review as to claims 1–26 of the ’904 patent.

#### *B. Related Proceedings*

The parties indicate that the ’904 patent is the subject of *StoneEagle Services, Inc. v. Pay-Plus Solutions, Inc., et al.*, Civil Action No. 8:13-cv-2240-T-33MAP (M.D. Fla.), and *StoneEagle Services, Inc. v. David Gillman et al.*, Civil Case No. 3:14-cv-03120-M (N.D. Tex.). Corr. Pet. 1; *see* Paper

6, 2. In addition, the '904 patent previously was the subject of petition for covered business method (CBM) patent review, for which institution was denied. *See David W. Gillman v. StoneEagle Services, Inc.*, Case CBM2013-00047, slip op. at 13–22 (PTAB Feb. 18, 2014) (Paper 11) (Ex. 1004).

*C. The '904 Patent*

The '904 patent relates to “[a] method of facilitating payment of health care benefits [on] behalf of a payer comprising the step of electronically transmitting a stored-value card account payment of the authorized benefit amount concurrently with an explanation of benefits.” Ex. 1002, Abstract. The '904 patent purports to solve problems of cost and delay associated with “Payers” (e.g., third party administrators (TPAs), insurance companies) having to print checks and explanation of benefit (EOB) forms to be mailed to health care providers. *Id.* at col. 1, ll. 26–44. The claimed systems and methods streamline the process of submitting payments from an insurance company (or another third party payer) to healthcare providers.

For health care claims “adjudicated” to be payable,<sup>2</sup> the '904 patent discloses loading a stored-value card account with funds or money equal to the amount of the payable benefit, merging a payment explanation of benefits (“EOB”) with the stored-value card account information to generate an image file, and then electronically transmitting the image file to a provider. *Id.* at col. 3, ll. 36–46. The '904 patent states that, “[f]or the

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<sup>2</sup> The preambles of each of independent claims 1, 2, 6, 7, 12, 17, and 22 describe systems and methods “for payment of *adjudicated* health care benefits” (emphasis added).

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.” *Id.* at col. 1, ll. 54–57.

The systems and methods of the ’904 patent make a benefits payment to a health care provider by sending to the health care provider an image file that includes at least a stored-value card account number, payment amount, card verification code, and an expiration date and EOB information. *Id.* at claims 1, 2, 6, 7, 12, 17, and 22 (each of the challenged independent claims); *see id.* at col. 3, ll. 58–61. The ’904 patent further discloses an embodiment in which the “stored-value card account is chargeable only on a medical services terminal and it cannot be charged over the amount loaded onto it.” *Id.* at col. 3, ll. 56–58; *see id.* at Fig. 4 (reproduced below). The health care provider enters the stored-value card account number into a point of sale/services (“POS”) terminal, e.g., a medical services terminal, to receive the adjudicated payment via known financial networks. *See id.* at Claims 1, 5, 6, 11, 16, 21, and 26. Thus, the healthcare provider immediately can reconcile its financial records because the EOB contemporaneously provided with the payment instrument facilitates associating that payment instrument with the corresponding rendered services.

Another feature of the recited invention is that the file transmitted to the health care provider may include a computer-generated image of a physical card displaying the information necessary to process the payment using the stored-value card account. Annotated Figure 4 is reproduced below:

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