

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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ECLINICALWORKS, LLC, MEDICAL SOFTWARE SOLUTIONS, INC.,  
and NEXTGEN HEALTHCARE, INC.,  
Petitioner,

v.

DECAPOLIS LLC,  
Patent Owner.

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IPR2022-00229  
Patent 7,464,040 B2

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Before PATRICK R. SCANLON, ERIC C. JESCHKE, and  
FREDERICK C. LANEY, *Administrative Patent Judges*.

JESCHKE, *Administrative Patent Judge*.

DECISION  
Denying Institution of *Inter Partes* Review  
35 U.S.C. § 314

## I. BACKGROUND

eClinicalWorks, LLC, Medical Software Solutions, Inc., and NextGen Healthcare, Inc. (collectively, “Petitioner”) filed a Petition to institute *inter partes* review of claims 1 and 46 (the “challenged claims”) of U.S. Patent No. 7,464,040 B2 (Ex. 1001, “the ’040 patent”). Paper 1 (“Pet.”). Decapolis LLC (“Patent Owner”) filed a Preliminary Response. Paper 8 (“Prelim. Resp.”).

We have authority to determine whether to institute *inter partes* review. *See* 35 U.S.C. § 314 (2018); 37 C.F.R. § 42.4(a) (2021) (“The Board institutes the trial on behalf of the Director.”). Section 314(a) of Title 35 of the United States Code provides that *inter partes* review may not be instituted “unless . . . the information presented in the petition . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” Upon consideration of the evidence and arguments in the Petition as well as the evidence and arguments in the Preliminary Response, for the reasons below and based on the particular facts of this case, we exercise our discretion under 35 U.S.C. § 314(a) and decline to institute *inter partes* review of the ’040 patent.

### A. Related Proceedings

The parties identify several proceedings involving the ’040 patent:

- *Decapolis Systems, LLC v. Medical Software Solutions, Inc.*, No. 6:21-cv-00607-ADA (W.D. Tex.), filed June 11, 2021;
- *Decapolis Systems, LLC v. Universal Software Solutions, Inc.*, No. 6:21-cv-00656-ADA (W.D. Tex.), filed June 23, 2021;

- *Decapolis Systems, LLC v. athenahealth, Inc.*, No. 6:21-cv-00391-ADA (W.D. Tex.), filed April 22, 2021;
- *Decapolis Systems, LLC v. Conceptual MindWorks, Inc.*, No. 6:21-cv-00686-ADA (W.D. Tex.), filed June 29, 2021<sup>1</sup>;
- *Decapolis Systems, LLC v. eClinicalWorks, LLC*, No. 4:22-cv-40020-TSH (D. Mass.), filed May 14, 2021<sup>2</sup>;
- *Decapolis Systems, LLC v. NextGen Healthcare Inc.*, No. 6:21-cv-519-ADA (W.D. Tex.), filed May 21, 2021<sup>3</sup>;
- *Decapolis Systems, LLC v. University Health System Services of Texas, Inc.*, No. 6:21-cv-01252-ADA (W.D. Tex.), filed December 1, 2021;
- *Decapolis Systems, LLC v. Wise Health Services*, No. 6:21-cv-01253-ADA (W.D. Tex.), filed December 1, 2021;
- *Decapolis Systems, LLC v. Sports Medicine Associates of San Antonio*, No. 6:21-cv-01192-ADA (W.D. Tex.), filed November 16, 2021;
- *Decapolis Systems, LLC v. Lone Star Circle of Care*, No. 6:21-cv-01179-ADA (W.D. Tex.), filed November 12, 2021;
- *Decapolis Systems, LLC v. Kareo, Inc.*, No. 6:21-cv-00574-ADA (W.D. Tex.), filed June 7, 2021;

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<sup>1</sup> Like Patent Owner, we refer to the four listed proceedings ending with this proceeding, collectively, as the “WDTX Cases.”

<sup>2</sup> This proceeding was transferred from the Western District of Texas to the District of Massachusetts on March 1, 2022. *See* Prelim. Resp. 3 n.1; Paper 9 (Petitioner’s Supplemental Mandatory Notices) at 1. Like Patent Owner, we refer to this proceeding as the “DMass Case.”

<sup>3</sup> This proceeding was dismissed in December 2021. *See* Paper 9 at 1.

- *Decapolis Systems, LLC v. Cerner Corp.*, No. 6:21-cv-00496-ADA (W.D. Tex.), filed May 13, 2021;
- *Decapolis Systems, LLC v. Allscripts Healthcare, LLC*, No. 6:21-cv-00489-ADA (W.D. Tex.), filed May 10, 2021;
- *Decapolis Systems, LLC v. Epic Systems Corp.*, No. 6:21-cv-00434-ADA (W.D. Tex.), filed April 29, 2021;
- *Decapolis Systems, LLC v. DrChrono Inc.*, No. 6:21-cv-00421-ADA (W.D. Tex.), filed April 27, 2021; and
- *Epic Systems Corp. v. Decapolis Systems, LLC*, No. 9:22-cv-80173-DMM (S.D. Fla.), filed February 2, 2022.

Pet. 58–59; Paper 6 (Patent Owner’s Mandatory Notices); Paper 9.

#### *B. The '040 Patent*

The '040 patent relates to “to an apparatus and a method for processing and/or for providing healthcare information and/or healthcare-related information for a variety of healthcare and healthcare related applications.” Ex. 1001, 1:18–24.

#### *C. Challenged Claims*

Petitioner challenges claims 1 and 46, both of which are independent. Independent claim 1 is reproduced below, reformatted from the version provided in the '040 patent:

1. An apparatus, comprising:  
a receiver, wherein the receiver receives information regarding an individual, wherein the information regarding an individual is transmitted from a first computer or from a first communication device, wherein the first computer or the first communication device is associated with a healthcare provider, wherein the information regarding an individual is transmitted via, on, or over, at least one of the Internet and the World Wide

Web, wherein the information regarding an individual contains information regarding at least one of a symptom, an examination finding, a diagnosis, a treatment, an administration of a treatment, and a procedure;

a database or a memory device, wherein the database or the memory device is associated with the receiver and is located at a location remote from the first computer or remote from the first communication device, wherein the database or the memory device stores information regarding a plurality of individuals, a plurality of healthcare providers, and a plurality of healthcare insurers or healthcare payers, and further wherein the information regarding a plurality of individuals, a plurality of healthcare providers, and a plurality of healthcare insurers or healthcare payers, includes a healthcare record or a healthcare history of, for, or associated with, each individual of a plurality of individuals, including a healthcare record or a healthcare history of, for, or associated with, the individual, information regarding a healthcare practice of, and an insurance accepted by, each of the plurality of healthcare providers, including information regarding a healthcare practice of, and an insurance accepted by, the healthcare provider, information for processing or for storing information regarding a healthcare diagnosis or a healthcare treatment, and information for submitting an insurance claim to a healthcare insurer or a healthcare payer associated with the individual; and

a processing device, wherein the processing device processes the information regarding an individual, and further wherein the processing device processes information for at least one of storing the information regarding an individual in the database or the memory device and updating the healthcare record or the healthcare history of, for, or associated with, the individual, and further wherein the processing device automatically generates an insurance claim in response to the storing of the information regarding an individual in the database or the memory device or the updating of the healthcare record or the healthcare history of, for, or associated with, the individual, wherein the insurance claim is suitable for being automatically submitted to the healthcare insurer or the healthcare payer

associated with the individual or is suitable for being automatically transmitted to a second computer or to a second communication device, wherein the second computer or the second communication device is associated with the healthcare insurer or the healthcare payer associated with the individual, and further wherein the processing device transmits the insurance claim to the second computer or to the second communication device.

Ex. 1001, 46:48–47:40.

*D. Asserted Grounds of Unpatentability*

Petitioner challenges claims 1 and 46 on the following grounds:

<b>Claim(s) Challenged</b>	<b>35 U.S.C. §<sup>4</sup></b>	<b>Reference(s)/Basis</b>
1, 46	103	Crane <sup>5</sup>
1, 46	103	Peterson <sup>6</sup>

Petitioner supports its challenges with a declaration from Mr. Zaydoon Jawadi. Ex. 1003.

## II. DISCUSSION

*A. Legal Framework Under 35 U.S.C. § 314(a)*

In deciding whether to exercise discretion under § 314(a), the Board may consider “events in other proceedings related to the same patent, either

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<sup>4</sup> The Leahy-Smith America Invents Act (“AIA”) included revisions to 35 U.S.C. §§ 102, 103 that became effective on March 16, 2013. Pub. L. No. 112-29, §§ 3(b)–3(c), 3(n)(1), 125 Stat. 284, 285–87, 293 (2011). Because there is no dispute that the challenged claims of the ’040 patent have an effective filing date before March 16, 2013, we apply the pre-AIA versions of these statutes.

<sup>5</sup> US 5,748,907, issued May 5, 1998 (Ex. 1005, “Crane”).

<sup>6</sup> US 6,343,271 B1, issued January 29, 2002 (Ex. 1006, “Peterson”).

at the Office, in district courts, or the ITC.” Consolidated Trial Practice Guide 58 (Nov. 2019), <https://www.uspto.gov/TrialPracticeGuide> Consolidated. The precedential order in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020), identifies factors to consider when a patent owner raises an argument for discretionary denial due to the advanced state of a parallel proceeding:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board’s exercise of discretion, including the merits.

*Fintiv*, Paper 11 at 5–6. “These factors relate to whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding.” *Id.* at 6. There is some overlap among these factors and some facts may be relevant to more than one factor. *Id.* In evaluating the factors, the Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review. *Id.*

#### *B. Analysis*

Patent Owner argues that we should exercise our discretion to deny institution under 35 U.S.C. § 314(a) based on the WDTX Cases and the

DMass Case. Prelim. Resp. 4–11. Petitioner did not address this issue in the Petition and did not request a preliminary reply. For the reasons below, we are persuaded that we should exercise discretion to deny institution under 35 U.S.C. § 314(a) based on the parallel litigation. We discuss each *Fintiv* factor in turn below.

*1. Factor 1: whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted*

The first *Fintiv* factor requires consideration of whether the district court has stayed or may stay the proceeding pending *inter partes* review. “A district court stay of the litigation pending resolution of the PTAB trial allays concerns about inefficiency and duplication of efforts.” *See Fintiv*, Paper 11 at 6.

Patent Owner states that no parties have sought stays in the WDTX Cases or the DMass Case and surmises that, if a stay were requested, the Texas District Court would deny. *See* Prelim. Resp. 6. We will not attempt to predict, based on the facts in allegedly similar prior situations, how the Texas District Court would rule should a stay be requested in the WDTX Cases. *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 12 (PTAB May 13, 2020) (informative) (“A judge determines whether to grant a stay based on the facts of each specific case as presented in the briefs by the parties. We decline to infer, based on actions taken in different cases with different facts, how the District Court would rule should a stay be requested by the parties in the parallel case here.”). We view this factor as neutral because none of the parties in the WDTX Cases or the DMass Case have requested a stay thus far. *See id.* at 12 (determining that the first *Fintiv* factor is neutral when neither party has requested a stay and the issue has not been ruled on by the district court).



2. *Factor 2: proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision*

Under the second *Fintiv* factor, “[i]f the [district] court’s trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution.” *See Fintiv*, Paper 11 at 9.

As noted by Patent Owner, jury selection in the WDTX Cases is currently scheduled to begin on February 28, 2023. *See* Prelim. Resp. 7–8; Ex. 2003 (Scheduling Order in the WDTX Cases) at 5. Based on the date of issuance of this Decision, the beginning of the jury trial in the WDTX Cases is roughly one to two months before any final decision would have been due had *inter partes* review been instituted. This factor weighs somewhat in favor of denial. *See Fintiv*, Paper 15 at 13 (weighing this factor in a similar manner based on trial beginning two months before any final written decision).

3. *Factor 3: investment in the parallel proceeding by the court and the parties*

The third *Fintiv* factor considers “the amount and type of work already completed in the parallel litigation by the [district] court and the parties at the time of the institution decision.” *Fintiv*, Paper 11 at 9. For example, “if at the time of the institution decision, the district court has issued substantive orders related to the patent at issue in the petition, this fact favors denial.” *Id.* at 9–10. Thus, the more advanced the parallel proceeding, the less likely we are to institute *inter partes* review. *Id.* at 10.

Patent Owner argues that this factor “weighs heavily in favor of denying institution” because the “preliminary infringement contentions and [preliminary] invalidity contentions have been served in all of the WDTX

Cases and in the DMass Case” and because “claim construction briefing has been completed in the WDTX cases and a Markman hearing is scheduled for March 22, 2022.” Prelim. Resp. 8, 9 (citing Ex. 2004 (Preliminary Invalidity Contentions in the WDTX Cases and DMass Case, prior to transfer)). The final infringement and invalidity contentions in the WDTX Cases are due May 3 and May 31, 2022, respectively.<sup>7</sup> See Ex. 2003 at 4, cited at Prelim. Resp. 9. The Texas District Court has not yet issued its claim construction order.

We are not persuaded that the current circumstances show the type of significant investment such that this factor “heavily” favors denial. For example, in *Fintiv*, the panel found this factor weighed only “somewhat in favor” of discretionary denial when (1) a 34-page claim construction order had issued months prior to the decision on institution and (2) the defendants had already provided the final invalidity contentions. *Fintiv*, Paper 15 at 13–14. And in *Sand Revolution II, LLC v. Continental Intermodal Group–Trucking LLC*, IPR2019-01393, Paper 24 (PTAB June 16, 2020) (informative), the panel found this factor weighed “only marginally, if at all, in favor of exercising discretion” when (1) a two-page claim construction order had issued and (2) the defendant had provided invalidity contentions. *Sand Revolution*, Paper 24 at 10–11.

Here, Patent Owner has not identified any order by the either District Court substantively addressing the ’040 patent, including a claim construction order. See *Fintiv*, Paper 11 at 10 (“If, at the time of the institution decision, the district court has not issued orders related to the

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<sup>7</sup> The record does not include a schedule for the DMass Case.

patent at issue in the petition, this fact weighs against exercising discretion to deny institution under *NHK [Spring Co. v. Intrix-Plex Techs. Inc., IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential)]*.”).

Moreover, before trial in the WDTX Cases, the parties must exchange their final contentions, finish fact discovery, exchange expert reports, take expert depositions, complete briefing on case-dispositive issues, and prepare for trial. *See* Ex. 2003 at 4–5.

On the current record, we are not persuaded that the level and type of investment by the District Courts and the parties in the WDTX Cases and DMass Case at this time strongly supports exercising discretion to deny institution. We determine that the third *Fintiv* factor weighs slightly against exercising discretion to deny institution.

*4. Factor 4: overlap between issues raised in the petition and in the parallel proceeding*

The fourth *Fintiv* factor requires consideration of “inefficiency and the possibility of conflicting decisions.” *See Fintiv*, Paper 11 at 12. Therefore, “if the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial.” *Id.* The *Fintiv* panel stated that “the degree of overlap is highly fact dependent” and encouraged the parties to “indicate whether all or some of the claims challenged in the petition are also at issue in district court.” *Id.* at 13. For the reasons below, we view this factor overall as weighing strongly in favor of denial.

We first address the degree of overlap in issues based on the *prior art* at issue in each proceeding. *See Fintiv*, Paper 11 at 12–13 (discussing how, “if the petition includes materially different grounds, arguments, and/or evidence than those presented in the district court, this fact has tended to

weigh against exercising discretion to deny institution”). As argued by Patent Owner (Prelim. Resp. 9–10), the record indicates that *both grounds* in the Petition are included in the Preliminary Invalidity Contentions in the WDTX Cases and the DMass Case. *See* Ex. 2005 at 2 (listing Crane and Peterson among five prior art references addressing the ’040 patent), 72–96 (claims charts challenging claims 1 and 46 based on Crane), 97–112 (claims charts challenging claims 1 and 46 based on Peterson). The record does not include any indication that Petitioner has stipulated to not assert the grounds in the Petition in the parallel litigation. We find this aspect of the fourth *Fintiv* factor weighs in favor of denial.

We next address the degree of overlap in issues based on the *claims* at issue in each proceeding. *See Fintiv*, Paper 11 at 13 (“The existence of non-overlapping claim challenges will weigh for or against exercising discretion to deny institution under *NHK* depending on the similarity of the claims challenged in the petition to those at issue in the district court.”). Petitioner challenges claims 1 and 46, which are the two claims of the ’040 patent asserted in the WDTX Cases and the DMass Case. Ex. 2005 at 4. We view the overlap in claims as weighing in favor of discretionary denial. For these reasons, we view this factor overall as weighing strongly in favor of denial.

5. *Factor 5: whether the petitioner and the defendant in the parallel proceeding are the same party*

Under the fifth *Fintiv* factor, “[i]f a petitioner is unrelated to a defendant in an earlier [district] court proceeding, the Board has weighed this fact against exercising discretion to deny institution.” *See Fintiv*, Paper 11 at 13–14. As noted by Patent Owner, Petitioner Medical Software Solutions, Inc. is one of the defendants in the WDTX Cases and Petitioner eClinical Works, LLC is the defendant in the DMass Case. *See* Prelim.

Resp. 10. In addition, Petitioner NextGen Healthcare, Inc. was a defendant in the Western District of Texas, but that proceeding was dismissed. *See supra* note 3. This factor weighs in favor of discretionary denial. *See Fintiv*, Paper 15 at 15.

*6. Factor 6: other circumstances that impact the Board's exercise of discretion, including the merits*

In an analysis based on district court litigation, “all . . . relevant circumstances,” including the merits, are considered in assessing whether to exercise discretion to deny institution of *inter partes* review. *Fintiv*, Paper 11 at 14. Patent Owner does not raise any issues as to this factor, and we see none that impact the analysis. We view this factor as neutral.

*C. Conclusion*

After weighing all of the factors and taking a holistic view of the relevant circumstances of this proceeding, we determine that we should exercise our discretion to deny institution under § 314(a).

III. CONCLUSION

For the reasons above, we exercise our discretion under 35 U.S.C. § 314(a) to deny institution of *inter partes* review.

IV. ORDER

Accordingly, it is hereby:

ORDERED that the Petition is denied as to all challenged claims, and no *inter partes* review is instituted.

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