

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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MOTOROLA MOBILITY, LLC,  
Petitioner,

v.

INTELLECTUAL VENTURES I, LLC,  
Patent Owner.

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Case CBM2015-00004  
Patent 6,658,464 B2

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Before JAMESON LEE, PHILLIP J. KAUFFMAN, and  
JO-ANNE M. KOKOSKI, *Administrative Patent Judges*.

KAUFFMAN, *Administrative Patent Judge*.

FINAL WRITTEN DECISION  
*35 U.S.C. § 318(a) and 37 C.F.R. § 42.73*

## I. INTRODUCTION

### A. PROCEDURAL HISTORY

Petitioner, Motorola Mobility, LLC, filed a Petition (Paper 1, “Pet.”) requesting a review of claims 1, 8, 16, and 17 (“the challenged claims”) of U.S. Patent No. 6,658,464 B2 (Ex. 1001, “the ’464 patent”). Patent Owner, Intellectual Ventures I, LLC, filed a Preliminary Response (Paper 6, “Prelim. Resp.”). We instituted review of challenged claims 1, 8, 16, and 17 as being directed to patent-ineligible subject matter under 35 U.S.C. § 101 (Paper 9, “Inst. Dec.”).

Subsequently, Patent Owner filed a Patent Owner Response (Paper 17, “PO Resp.”), and Petitioner filed a Reply (Paper 22, “Pet. Reply”).

Patent Owner did not file a motion to amend.

Petitioner filed a Motion to Exclude certain evidence, which is discussed in Section III below.

Oral hearing was held on Thursday, December 3, 2015, and a transcript of the oral hearing is included in the record. Paper 32 (“Tr.”).

We have jurisdiction under 35 U.S.C. §§ 6(b)(4) and (c), and this Final Written Decision is entered pursuant to 35 U.S.C. § 328(a). For the reasons that follow, we determine that Petitioner has shown by a preponderance of the evidence that claims 1, 8, 16, and 17 of the ’464 patent are unpatentable.

### B. RELATED MATTERS

#### *1. Other Covered Business Method Review*

The ’464 patent is related to U.S. Patent No. 6,557,054 B2 which was the subject of covered business method review CBM2015-00005, now

terminated. *See Motorola Mobility LLC, v. Intellectual Ventures LLC*, CBM2015-00005 (PTAB Apr. 23, 2015) (Paper 15).

2. *Office Proceedings*

The '464 patent is the subject of *Inter Partes* Reexamination Proceeding Control No. 95/002,093 and *Ex Parte* Reexamination Proceeding Control No. 90/013,205, which the Patent Office merged into a single proceeding on September 5, 2014. Pet. 29.

3. *Related Litigation*

Section 18 of the Leahy-Smith America Invents Act, Pub. L. No. 112–29, 125 Stat. 284 (2011) (“AIA”) provides for the creation of a transitional program for reviewing covered business method patents, and limits review to persons or their privies that have been sued or charged with infringement of a “covered business method patent.” AIA § 18(a)(1)(B); *see* 37 C.F.R. § 42.302. The parties indicate that Patent Owner asserted the '464 patent against Petitioner in *Intellectual Ventures I, et al. v. Motorola Mobility, Inc.*, Civil Action No. 11-908-SLR (D. Del.). Pet. 2 (citing Ex. 1002); Paper 5, 1.

4. *Patent Owner's Jurisdictional Termination Request*

Patent Owner asks that the Board

terminate this proceeding for lack of jurisdiction because Petitioner should not be allowed to re-litigate whether the '464 patent qualifies as a CBM patent after fully litigating that issue in an earlier CBM petition, which resulted in the Board finding that the Petitioner failed to prove that the '464 patent qualified as a CBM patent.

PO Resp. 79.

The earlier petition Patent Owner refers to is CBM2014-00084 by this Petitioner. In that case, we determined that Petitioner had not demonstrated adequately that the '464 patent is a covered business method patent. *See*

*Motorola Mobility, LLC v. Intellectual Ventures I, LLC*, Case CBM2014-00084, slip op. at 2 (PTAB Aug. 6, 2014) (Paper 18); Inst. Dec. 2–3.

Patent Owner does not cite any authority supporting a lack of jurisdiction in these circumstances, nor does Patent Owner otherwise explain persuasively why a prior petition denies the Board jurisdiction. Consequently, we deny Patent Owner’s request to terminate the proceeding on this basis.

## II. THE CLAIMED SUBJECT MATTER

### A. THE ’464 PATENT

The ’464 patent is titled “User Station Software that Controls Transport, Storage, and Presentation of Content from a Remote Source,” and relates to a method and corresponding software for operating a user station for communications with a multiplicity of independently-operated data sources via a non-proprietary network. Ex. 1001, (54); Abstract; 5:15–18, 5:25–29. We describe the patent in greater detail in the analysis that follows.

### B. CHALLENGED CLAIMS

Of the challenged claims, claim 1 is the sole independent claim, and claims 8, 16, and 17 depend from independent claim 1. Reproduced below are the challenged claims:<sup>1</sup>

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<sup>1</sup> In claim 1, we added line breaks and annotated the steps (a)–(d) to facilitate review.

1. A software product for use at a user station, the user station including a processor and a storage device, the software product comprising computer executable instructions that, when executed by the processor:

(a) enable a user at the user station to select content from each of a plurality of independent publishers;

(b) effect transport of the selected content from each of the plurality of publishers to the user station over a communications network and, without user intervention,

(c) effect storage of the transported content to the storage device such that the content is retained on the storage device upon shutting down of the user station and/or deactivation of the software product; and

(d) effect presentation of the stored content to the user at the user station with a user interface that is customized to the respective publishers.

8. The software product as set forth in claim 1, wherein the transport of the selected content to the user station is effected without user intervention.

16. The software product as set forth in claim 1, wherein the transport of the selected content to the user station is effected using a non-proprietary data transfer protocol.

17. The software product as set forth in claim 1, wherein the communications network is the Internet.

#### C. CLAIM CONSTRUCTION

In our Institution Decision, we determined that because the claims of the '464 patent have expired, the broadest reasonable construction standard does not apply. *See* Inst. Dec. 5; 37 C.F.R. § 42.300(b) (requiring the claims of an unexpired patent to be given the broadest reasonable construction in light of the specification). Neither party challenges that determination.

We also determined that the language of claim 1 demonstrates that the steps recited therein must be performed in the order written. Inst. Dec. 6–9. In making this determination, we considered the District Court claim construction submitted by Petitioner. *See* Ex. 1010, 51–54 (cited at Pet. 30–31).<sup>2</sup> Patent Owner agrees with our interpretation that the steps must be performed in the order written. PO Resp. 24 (citing Ex. 2010 ¶ 51). Petitioner contends that claim 1 does not require that the steps be performed in the order written, but does not provide an explanation for that assertion. *See* Pet. Reply 7–8. Petitioner asserts that even if claim 1 requires the steps to be performed in the order presented in the claim, the claims remain patent ineligible subject matter. *Id.*

Independent claim 1 is a method claim that does not recite an order for the steps contained therein. Our reviewing court has adopted a two-part test for determining if the steps of a method claim that do not otherwise recite an order, must nonetheless be performed in the order in which they are written. *Altiris, Inc. v. Symantec Corp.*, 318 F.3d 1363, 1369 (Fed. Cir. 2003). First, “we look to the claim language to determine if, as a matter of logic or grammar, they must be performed in the order written.” *Altiris*, 318 F.3d at 1369–70 (citations omitted); *see also Mformation Techs., Inc. v. Research In Motion Ltd.*, 764 F.3d 1392, 1398–99 (Fed. Cir. 2014) (a claim “requires an ordering of steps when the claim language, as a matter of logic or grammar, requires that the steps be performed in the order written, or the specification directly or implicitly requires” an order of steps) (quoting *TALtech Ltd. v. Esquel Apparel, Inc.*, 279 Fed. Appx. 974, 978 (Fed. Cir.

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<sup>2</sup> Petitioner cited, but did not necessarily agree with, the District Court claim construction. Pet. 30–31.

2008)). If this is not the case, then “we next look to the rest of the specification to determine whether *it* ‘directly or implicitly requires such a narrow construction.’” *Altiris*, 318 F.3d at 1370 (citations omitted).

For the reasons that follow, the language of claim 1 demonstrates that the steps must be performed in the order written.

Claim 1 is directed to a software product comprised of computer executable instructions for use at a user station that includes a processor and a storage device. Step (a) recites “enable a user at the user station to select content,” and step (b) recites “effect transport of the selected content.” Step (b) requires effecting transport of the content that was selected (i.e., “the selected content”) in step (a). Use of the past tense of select (i.e., “selected”) in step (b) indicates that selection of the content occurred before transport was effected. Consequently, the language of claim 1 indicates that step (a) (the selecting step) must occur before step (b) (the transporting step). Likewise, step (c) effects storage of “the transported content,” meaning the content transported in step (b), and step (d) requires effecting presentation of “the stored content,” meaning the content that was stored in step (c).

Accordingly, the plain language of claim 1 suggests that the steps must be performed in the order presented. *See* PO Resp. 25; *see also E-Pass Techs., Inc. v. 3Com Corp.*, 473 F.3d 1213, 1222 (Fed. Cir. 2007) (holding that where subsequent steps to completed results of the prior step, the steps of the claim must be performed in order). We consider this interpretation, in light of the specification, as interpreted by a person of ordinary skill in the art. *See Phillips v. AWH Corp.*, 415 F.3d 1303, 1316 (Fed. Cir. 2005) (en banc) (“The construction that stays true to the claim language and most

naturally aligns with the patent’s description of the invention will be, in the end, the correct construction.”).

Patent Owner’s annotated version of Figure 6 of the ’464 patent follows:

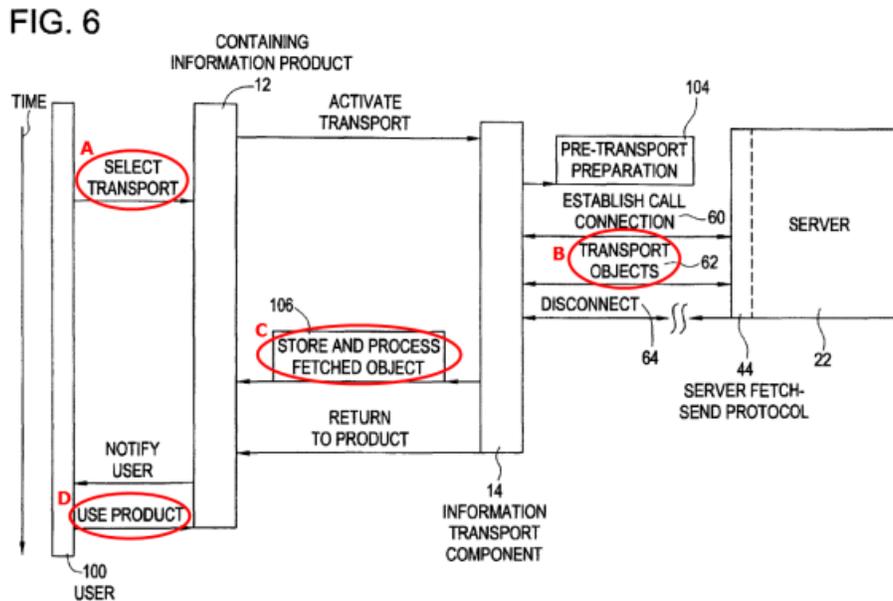


Figure 6 is a schematic diagram showing some of the benefits that can flow to a user when an information transport software component is used, with steps A–D circled and labeled by Patent Owner. PO. Resp. 27; Ex. 1001, 5:61–65 (referring to Figure 1), 5:43–48, 14:54–59.

As shown at the left edge of Figure 6, time flows from the top down, indicating that A–D, which correspond to steps (a)–(d) of claim 1, occur in sequence. In step (a), the selecting step, user 100 “selects a transport operation from a user interface screen in containing information product 12.” Ex. 1001, 15:43–45 (see circled area labeled “A” above). Information product 12 then calls information transport component 14 to activate transport. *Id.* at 15:45–46. In step (b), the transporting step, information transport component 14 executes transport object 62. *Id.* at 15:46–51 (see

circled area “B” above). Following transport, in step (c), the storage step, information transport component 14 initiates store-and-process-of-fetched object 106 and execution of the store and process operation may be passed to containing information product 12. *Id.* at 16:10–13 (see circled area “C” above). In step (d), the presenting step, the user can use the product (e.g., by effecting presentation). *Id.* at 16:13–14 (*see* circled area “D” above).

Consequently, the specification is consistent with the interpretation that the steps of claim 1 must be performed in order presented. *See* PO Resp. 27.

We interpret claim 1 to require that the claimed steps are performed in the order presented.

### III. MOTION TO EXCLUDE

#### A. INTRODUCTION

As mentioned above, Petitioner filed a Motion to Exclude certain exhibits. Paper 24 (“Mot.”). Patent Owner filed an Opposition to the Motion (Paper 26, “Opp.”), and Petitioner filed a Reply to the Opposition (Paper 29, “Opp. Reply”). For the following reasons, Petitioner’s motion is *denied*.

Petitioner seeks to exclude Exhibits 2010–2013, 2016–2018, and 2020. Mot. 1. Each of the exhibits at issue was submitted in association with Patent Owner’s Response on July 8, 2015. Petitioner’s objections to these exhibits were timely. Paper 19 (submitted July 15, 2015); 37 C.F.R. § 42.64(b)(1).

B. EXHIBIT 2010 – THE DECLARATION OF DR. SHORT

Petitioner presents five arguments that all or some of the Declaration of Dr. Short (Ex. 2010) should be excluded. Before addressing those arguments, we observe that Dr. Short’s qualifications align sufficiently with the challenged subject matter (software for use on a user station) such that his knowledge is helpful in understanding the evidence and determining facts in issue. For example, as noted by Patent Owner, Dr. Short has a Ph.D. in Electrical Engineering and more than 35 years of experience as a practicing engineer, which includes experience in computer programming. Opp. 2–3; Ex. 2010 ¶¶ 5–7; Ex. 2019 (Dr. Short’s personal data sheet).

*1. Omitted Information*

Petitioner contends that Dr. Short’s Declaration should be excluded because it fails to identify all materials that he considered in forming his opinion. Mot. 2–3; Opp. Reply 2.

This argument is unpersuasive for two independent reasons. First, Petitioner’s objections do not mention an alleged failure to identify all material relied upon, and consequently the objection did not identify the grounds for the objection with sufficient particularity to permit Patent Owner to correct in the form of supplemental evidence. *See* 37 C.F.R. § 42.64(b)(1), (c).

Second, our rules provide that the opinion of an expert witness may be given little or no weight if the expert does not disclose the underlying facts or data on which the opinion relies. *See* 37 C.F.R. § 42.65. Therefore, the absence of such underlying facts or data is a matter relating to the weight to be given such evidence rather than to the admissibility of that evidence. Further, Petitioner does not identify a Federal Rule of Evidence that supports

exclusion as requested, and Petitioner’s citation to the Federal Rules of Civil Procedure (FRCP) is unpersuasive because the Board has not adopted those rules. *See* Mot. 2; Opp. Reply 2; 37 C.F.R. § 42.62 (applying the Federal Rules of Evidence (“Fed. R. Evid.”) to *inter partes* reviews); *see generally Atlanta Gas Light Company v. Bennett Regulator Guards, Inc.*, Case IPR2013-00453, slip op. at 8 n.5 (PTAB Jan. 6, 2015) (Paper 88) (noting that the Board has not adopted the Federal Rules of Civil Procedure).

2. *Attorney Argument, Paragraph 58*

Petitioner contends that Dr. Short’s statement that the claimed software was somehow “unpredictable” should be excluded because it is attorney argument disguised as expert opinion. Mot. 3–4 (referring to Dr. Short’s statement at Ex. 2010 ¶ 58 and citing *Salas v. Carpenter*, 980 F.2d 299, 305 (5th Cir. 1992); *Romanelli v. Long Island R.R. Co.*, 898 F. Supp. 2d 626, 634 (S.D.N.Y. 2012)); Opp. Reply 2–3. This argument is unpersuasive for three independent reasons.

First, Petitioner’s objections did not mention paragraph 58, and did not allege that any portion of the Declaration is attorney argument disguised as an expert opinion. *See* Paper 19, 1–2. Consequently, the objections did not permit Patent Owner to correct in the form of supplemental evidence. *See* 37 C.F.R. § 42.64(b)(1), (c).

Second, we disagree with Petitioner’s characterization that the cited testimony is attorney argument. Rather, as explained by Patent Owner, Dr. Short was referring to the mental leap that would be required to reach the claimed subject matter. *See* Opp. 4–5.

Third, the cases cited by Petitioner do not support excluding the paragraph at issue. *Salas*, the first case cited by Petitioner, deals with expert

testimony in jury trials. *Salas*, 980 F.2d at 305. The policy considerations for excluding expert testimony, such as those implemented by the gatekeeping framework established by the Supreme Court in *Daubert v. Merrell Dow Pharms., Inc.*, 509 U.S. 579 (1993), are less compelling in bench proceedings such as *inter partes* reviews than in jury trials.

In *Romanelli*, the second case cited by Petitioner, the court stated that an expert may not testify regarding the existence of a duty, and thus Mr. Romanelli, as a lay witness, also could not do so. *Romanelli*, 898 F. Supp. 2d at 634 (citing *In re Air Disaster at Lockerbie Scot.*, 37 F.3d 804, 827 (2d Cir. 1994)). Dr. Short provides his opinion regarding the unpredictability of the claimed software instructions, not the existence of a duty. *See* Ex. 2010 ¶ 58.

### 3. *Unreliable Sources, Paragraphs 25–50*

Petitioner contends that paragraphs 25–50 of Dr. Short’s Declaration should be excluded because his testimony relies on unreliable sources, and because these paragraphs omit Dr. Short’s personal knowledge about similar technology. Mot. 4–5 (citing *Daubert*, 509 U.S. at 592).

Regarding sources, Petitioner’s Motion mentions that Exhibit 2011, referenced by Dr. Short, was published in 2009 and explains the status of the internet in 1989. Mot. 4. However, Petitioner objected to Dr. Short’s Declaration because it was “not based upon data on which experts in this field would reasonably rely.” Paper 19, 1–2. Petitioner did not specify which of the nine sources of information Dr. Short relied upon, was unreliable. *See* Ex. 2010 ¶ 9 (listing information sources). Absent such information, Patent Owner did not have sufficient opportunity to correct in the form of supplemental evidence. 37 C.F.R. § 42.64(b)(1), (c).

Further, Petitioner's observation that Exhibit 2011 was published in 2009 and explains the state of the internet in 1989 does not demonstrate persuasively that the source is unreliable. That is, the passage of time, without more, does not demonstrate the exhibit is unreliable.

Regarding the allegation that Dr. Short omitted personal knowledge about similar technology, Petitioner did not effectively object on such a basis. *See* Paper 19, 1–2; 37 C.F.R. § 42.64(b)(1), (c). Further, Petitioner does not cite, and we are not aware of, any authority for excluding expert testimony based upon a failure to identify personal knowledge of similar technology.

*4. Subject Matter Knowledge, Paragraphs 52–56*

Petitioner contends that paragraphs 52–56 of Dr. Short's Declaration should be excluded because Dr. Short admits he has little or no knowledge of the subject matter presented, and therefore, his testimony amounts to attorney argument improperly presented as expert testimony. Mot. 5–6 (citing Dr. Short's testimony at Ex. 1012, 23:6–11, 52:23–53:3); Opp. Reply 4.

Dr. Short did not admit he has little or knowledge of the subject matter presented; rather, Dr. Short stated that he is not a financial expert. *See* Ex. 1012, 23:6–11. We agree with Patent Owner that Dr. Short does not need to be a financial expert in order to competently opine on how a person having ordinary skill in the art would have understood the claims. Opp. 8. We disagree with Petitioner's characterization that Dr. Short's testimony demonstrates that he has "no idea" what solving a technical problem using a technical solution means. *See* Mot. 6; Ex. 1012, 52:23–53:3. As explained above, Dr. Short's qualifications align with the challenged subject matter

sufficiently so that his knowledge is helpful in understanding the evidence and determining facts in issue. *See* Opp. 8

*5. Reliance on Articles, Paragraphs 11–12*

Petitioner argues that the Board should exclude Dr. Short's testimony that criticizes Dr. Clark's identification of the level of skill in the art. Mot 6–7 (referring to the testimony at Ex. 2010 ¶¶ 11–12). In particular, Petitioner emphasizes that Dr. Short states he was not aware of a Bachelor of Science level software engineering program in 1994, yet, Dr. Short's employer at the time, the University of Utah, was developing a program. *Id.* at 7 (citing Dr. Short's testimony at Ex. 1012, 41:7–10).

Even accepting, for the sake of argument, that Dr. Short contradicted himself, contradictory testimony would go to the weight afforded that evidence, not its admissibility. Perhaps more importantly, we disagree with Petitioner's characterization of the evidence. Dr. Short's statement that he was unaware of any Bachelor of Science level software engineering program in 1994 is consistent with a program being in development at that time. *See* Ex. 2010 ¶ 11; Ex. 1012, 41:7–10.

*6. Conclusion*<sup>3</sup>

Consequently, Petitioner has not demonstrated that any portion of the Declaration of Dr. Short should be excluded. *See* 37 C.F.R. §§ 42.20(c), 42.22, 42.64(c).

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<sup>3</sup> Petitioner essentially repeats these arguments and argues that Dr. Short's Declaration should be given little or no weight. *See* Pet. Reply 23–25. We considered these arguments when weighing Dr. Short's Declaration.

C. EXHIBIT 2011 - EXCERPTS FROM THE INTERNET

Petitioner contends that pages 6–9 of Exhibit 2011 should be excluded as hearsay under Fed. R. Evid. 802 and for lack of proper authentication under Fed. R. Evid. 901. Mot. 8. Petitioner made corresponding and timely objections. *See* Paper 19, 2.

We agree with Patent Owner, that Exhibit 2011 contains excerpts from a textbook that qualifies as a learned treatise under Fed. R. Evid. 803(18), and, therefore, should not be excluded under Fed. R. Evid. 802. *See* Opp. 10.

We also agree with Patent Owner that the distinctive characteristics found on the title page, table of contents, and copyright page of Exhibit 2011 are sufficient to support a finding that the exhibit is what Patent Owner claims it to be. *See* Fed. R. Evid. 901(a), (b)(4). *See* Opp. 10–11; Ex. 2011, 1–9.<sup>4</sup>

Consequently, Petitioner has not demonstrated that Exhibit 2011 should be excluded. *See* 37 C.F.R. §§ 42.20(c), 42.22, 42.64(c).

D. EXHIBITS 2012, 2013, 2018, AND 2020

Exhibit	Title
2012	DYNASHUTTLE™ Corp., Product and Service Overview
2013	DYNASHUTTLE™ Corp., Company Backgrounder
2018	Teleshuttle, Teleshuttle™, Formerly Dynashuttle Corp, Announces CD-ROM/Online Hybrids For Vista Intermedia and Electronic Book Technologies (1995)
2020	Teleshuttle Corp., Teleshuttle (1996)

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<sup>4</sup> Pages 1–9 of this Exhibit are not properly numbered.

Petitioner contends that pages 1–4 of Exhibit 2012 should be excluded because they are not relevant and may lead to unfair prejudice. Mot. 8–9 (citing Fed. R. Evid. 402 and 403). Specifically, Petitioner contends that the Exhibit does not relate to whether the claims recite patent eligible subject matter under 35 U.S.C. § 101. *Id.* Petitioner also contends that pages 1–4 should be excluded as hearsay under Fed. R. Evid. 802 and for lack of proper authentication under Fed. R. Evid. 901. *Id.* Petitioner made corresponding and timely objections. *See* Paper 19, 2–3. Petitioner further contends that the entirety of Exhibits 2013, 2018, and 2020 should be excluded for the same reasons. Mot. 9–10, 12–14. Petitioner made corresponding and timely objections. *See* Paper 19, 3–5.

Patent Owner contends that the Exhibits at issue are relevant for two reasons: (1) to rebut the obviousness allegations made by Petitioner, and (2) to show that the claimed invention is directed to a concrete implementation rather than an abstract idea. Opp. 14. Regarding what Patent Owner refers to as “obviousness allegations,” a more accurate characterization is that Petitioner relies upon Ogaki to demonstrate that the ’464 patent is a covered business method patent as defined by the AIA. *See* Inst. Dec. 9–16. Whether the ’464 patent is a covered business method patent remains an issue in this case. *See* PO Resp. 28–61; Pet. Reply 7–13. Further, whether the challenged claims are directed to a concrete implementation or an abstract idea is a relevant inquiry under 35 U.S.C. § 101. Significantly, Petitioner has the burden of persuasion regarding exclusion of these exhibits, and Petitioner does not respond to Patent Owner’s reasons why the exhibits are relevant. *See* Opp. Reply; 37 C.F.R. §§ 42.20(c), 42.22.

The exhibits at issue have some tendency to make a fact of consequence in these inquiries more or less probable. Consequently, Petitioner has not persuaded us that they are not relevant.

We are persuaded by Patent Owner's assertion that the exhibits at issue have distinctive characteristics that demonstrate that the exhibits are what Patent Owner claims them to be. *See* Opp. 13–14. For example, Exhibits 2012 and 2013 have virtually identical formatting and share some descriptive text regarding the DYNASHUTTLE commercial product, and Exhibits 2018 and 2020 have the same company contact information. Opp. 14; Exs. 2012, 2013. Petitioner responds that the fact that the exhibits have common formatting, layout, and font type is not evidence that the documents are reliable. Opp. Reply 5. Patent Owner did more than point out that the exhibits have common formatting, layout, and font type. The exhibits have other distinctive characteristics that demonstrate the exhibits are what Patent Owner claims them to be. For example, Exhibits 2012 and 2013 each describe the DYNASHUTTLE product as providing simple and seamless data transport. Opp. 14; Ex. 2012, 1; Ex. 2013, 1. The Company address and phone number are also the same. *See* Opp. 14; Ex. 2012, 1; Ex. 2018, 1; Ex. 2020, 2; *see also* PO Resp. 16 (explaining that DYNASHUTTLE was renamed Teleshuttle).

Regarding hearsay, Patent Owner contends that Exhibits 2012, 2013, 2018, and 2020 are more than 20 years old and thus qualify as an exception to hearsay in this proceeding under Fed. R. Evid. 803(16). Opp. 12–13. Indeed, each of these Exhibits appears to be at least 20 years old. Ex. 2012, 1 (1994); Ex. 2013, 1 (1994); Ex. 2018, 2 (1994); Ex. 2020, 3 (January 1996). Petitioner responds that these Exhibits do not qualify for the ancient

documents exception to hearsay because authenticity has not been established. Opp. Reply 5. As explained above, Petitioner has not persuaded us that Patent Owner made an inadequate showing regarding authenticity.

Consequently, Petitioner has not demonstrated that any portion of Exhibits 2012, 2013, 2018, or 2020 should be excluded. *See* 37 C.F.R. §§ 42.20(c), 42.22, 42.64(c).

E. EXHIBITS 2016 AND 2017

Exhibit	Title
2016	Crafting a Baccalaureate Program in Software Engineering
2017	The Road We've Traveled: 12 Years of Undergraduate Software Engineering at the Rochester Institute of Technology

Petitioner contends that these Exhibits should be excluded based on relevance and hearsay, and Petitioner made corresponding, timely objections. *See* Mot. 10–12; Paper 19, 3–4. Specifically, according to Petitioner, the Exhibits have “no relevance to the matter at issue in this proceeding, whether the claims recite patent eligible subject matter,” and the exhibits are not relevant to Dr. Clark’s definition of a person of ordinary skill in the art because Dr. Clark identified a software engineering degree as an alternative degree. Mot. 11–12 (referencing Dr. Clark’s testimony regarding the level of skill in the art at Ex. 1006 ¶ 8).

As an initial matter, we note that contrary to what Petitioner’s assertion suggests, whether the claims recite patent eligible subject matter is not the sole issue in this proceeding. For example, we must determine whether the ’464 patent is a covered business method patent as defined by the AIA, and the level of skill in the art relates to that inquiry. Patent

Owner's expert, Dr. Short, testifies that Dr. Clark's definition of a person of ordinary skill in the art is unrealistic in that there were not any Bachelor of Science software engineering degree programs offered in the United States at that time. Ex. 2010 ¶ 11 (citing Exs. 2016, 2017). Exhibits 2016 and 2017 tend to make a fact related to the level of skill in the art more or less probable, and, therefore, are relevant. *See* Opp. 12.

Regarding hearsay, we agree that because Dr. Short relies on the exhibits at issue, exclusion of the exhibits as hearsay is improper. Opp. 11 (citing Fed. R. Evid. 703).

Consequently, Petitioner has not demonstrated that any portion of Exhibits 2016 and 2017 should be excluded. *See* 37 C.F.R. §§ 42.20(c), 42.22, 42.64(c).

#### IV. COVERED BUSINESS METHOD (CBM) PATENT

Section 18(a)(1)(E) of the AIA directs that the Board may institute a transitional proceeding only for a patent that is a covered business method (CBM) patent. Whether a patent is a CBM patent is a two-part inquiry: (1) whether the 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," and (2) whether the patent is a technological invention (technological inventions are not covered business methods patents). AIA § 18(d)(1); 37 C.F.R. § 42.301(a). It is Petitioner's burden to demonstrate that the '464 patent is a covered business method patent. *See* 37 C.F.R. § 42.304(a); *see also* PO Resp. 28–29 (emphasizing this point).

In our Institution Decision we determined that the '464 patent is a covered business method (CBM) patent. Inst. Dec. 9–16. Patent Owner disagrees with this determination. PO Resp. 28–61. Petitioner agrees with this determination. Pet. Reply 7–14. We determine whether the '464 patent is a CBM patent in light of the full record.

A. FINANCIAL PRODUCT OR SERVICE

1. *Claims*

Patent Owner argues that the challenged claims recite electronic content distribution operations and have no direct or indirect relationship to financial products or services. PO Resp. 29–30 (providing three supporting citations). For the reasons that follow, we are not persuaded by this argument.

First, the portion of the Federal Register quoted by Patent Owner, when viewed in context, undermines rather than supports Patent Owner's argument. See PO Resp. 29–30 (citing *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) (response to comment 4)). Comment 4 suggested that the definition of a covered business method patent, under 37 C.F.R. § 42.301(a), should be revised to clarify that the “determination of a ‘covered business method patent’ would not be satisfied by merely reciting an operating environment related to data processing or management of a financial product or service, but that eligibility should be determined by what the patent claims.” In other words, the comment sought to modify the definition of a covered business method patent to expressly exclude patents that merely recite an operating

environment related to data processing or management of a financial product or service. The Office expressly declined to adopt this suggestion, implying that patents that recite an operating environment related to data processing or management of a financial product or service, such as the '464 patent, may be covered business method patents. *See id.* (response to Comment 4).

Second, Patent Owner is correct that the Board previously stated in a routine (nonprecedential) opinion that, “[f]or purposes of determining whether a patent is eligible for a covered business method patent review, the focus is on the claims.” *See* PO Resp. 29–30 (quoting *Int’l Sec. Exch. v. Chicago Bd. Options Exch.*, Case CBM2013-00050, slip op. at 9 (PTAB Mar. 4, 2014) (Paper 16)). However, the Board’s statement that the focus is on the claims does not mean that the specification is ignored, or that the financial product or service must be explicit in a claim. Indeed, the Federal Circuit has held that a financial product or service need not be explicitly recited in the claims. *Versata Dev. Grp., Inc., v. SAP Am., Inc.*, 793 F.3d 1306, 1324–25 (Fed. Cir. 2015); *see also* Inst. Dec. 11–12; Pet. Reply 9–10 (citing analogous Board determinations).

Third, Patent Owner’s citation to Dr. Short’s Declaration is not persuasive because Dr. Short only addresses what the claims recite and does not address the claims in light of the specification. *See* PO Resp. 29–30 (citing Ex. 2010 ¶ 52).

## 2. *Particular Application*

Patent Owner argues that the proper inquiry is whether the claims have “particular application” to financial activities, and according to Patent Owner, the portion of the specification cited by Petitioner does not establish

a particular application. PO Resp. 30–35.<sup>5</sup>

To the extent that Patent Owner suggests that *Salesforce* established that the test to be applied is whether the claimed method has “particular application” to a financial activities, we disagree. As a routine (nonprecedential) opinion, *Salesforce* could not establish the appropriate standard. The holding in *Salesforce* is better understood in context. *Salesforce* did not set forth a “particular application” test as urged by Patent Owner.

In the Institution Decision in *Salesforce*, the Board determined that the patent at issue was a covered business method patent. *Salesforce*, slip op. 9–18 (Paper 16). There, the patent was directed generally to a method and apparatus for managing collaborative activity (e.g., strategic planning and project management). *Id.* at 3. When determining if the patent was a CBM patent, the Board focused on claim 8, and stated:

[a]lthough claim 8 does not expressly refer to financial activity, such as those described in the Specification, the claimed method has particular application involving financial activities. The Specification discloses that the method can be used to evaluate: (i) budgeting issues, (ii) the cost of or investment in each particular goal or initiative, (iii) the economic return anticipated for achievement of the particular goal or initiative, (iv) the ratio of return on investment, or (v) the potential profit or loss of a scalable process. Ex. 1001, col. 5, ll. 5-8; col. 14, ll. 21-29. *When applied to the activities listed above, and based on the*

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<sup>5</sup> Patent Owner refers to Petitioner’s citation to Exhibit 1001, 20:12–24 on page 6 of the Petition. Patent Owner quotes *Salesforce.com, Inc. v. VirtualAgility Inc.*, Case CBM2013-00024, slip op. at 11 (PTAB Nov. 19, 2013) (Paper 16). Patent Owner also cites *Par Pharmaceutical v. Jazz Pharmaceuticals*, Case CBM2014-00153, slip op. at 12 (PTAB Jan. 13, 2015) (Paper 11) and portions of the legislative history of the AIA found at Exhibits 2001–2003.

*legislative history that a covered business method patent is to cover activities that are financial in nature, the method of claim 8 represents a financial product or service used by an organization, which allegedly improves the financial health of the organization.*

*Id.* at 11 (emphasis added).

Taken in proper context, the inquiry in *Salesforce* was whether the claimed method used a financial product or service. This inquiry should be considered in the context that: “financial” means “relating to monetary matters,” and the statute covers a wide range of finance related activities, and application is not limited to activity by a financial institution. *See Versata*, 793 F.3d at 1325 (cited at Pet. Reply 10). Here, as in *Salesforce*, the claims do not expressly refer to financial activity, but the Specification discloses an application to financial activities. *See* Pet. 6 (citing Ex. 1001, 1:35, 20:12–24.); Pet. Reply 8 (citing Ex. 1001, 1:33–37, 20:12–24); *see also Salesforce*, Paper 47, 7–11 (upholding, in the final written decision, the determination that the patent was a CBM patent).

*Par Pharmaceutical* was also a routine (nonprecedential) decision, and could not have established a new standard for determining CBM patent review eligibility. In *Par Pharmaceutical*, the Board determined that the patent at issue was not a covered business method patent and did not institute a trial. *Par Pharmaceutical*, slip op. at 10–22 (Paper 11). There, the Board observed that the claimed method does not recite a financial product or service, and characterized the claimed method as a whole as reciting a method for controlling access to a prescription drug to guard against potential abuse and unauthorized diversion that is not particular to or characteristic of financial institutions (e.g., banks, insurance companies, and investment houses). *Id.* at 10–12. The Board determined that the claim

limitations identified by the petitioner did not recite or require an activity involving the movement of money. *Id.* at 12. Further, the petitioner did “not explain, in detail with specific analysis of the claim language, why the claimed method steps recite or require verifying insurance coverage or a patient’s ability to pay.” *Id.* at 13. In light of this, the Board concluded that the petitioner had not met its burden of demonstrating that the challenged patent claims a method “used in the practice, administration, or management of a *financial product or service*.” *Id.* at 9 (citing AIA § 18(d)(1); 37 C.F.R. § 42.304(a)). Thus, the Board’s determination was based on a failure of proof by the petitioner.

Here, in contrast to *Par Pharmaceutical*, Petitioner explains why the claimed software product for distributing content to a user station was used in the practice, administration or management of a financial product or service. Specifically, “for providing financial planning and portfolio management systems, enabling electronic tax and government filings, or to obtain current statistics, place stock orders, and the like.” Pet. 6–8 (citing Ex. 1001, 1:35, 20:12–24). Indeed, Example 5 of the Specification describes that the claimed method may be used for:

Tax or other governmental filings and exchanges: An example of the generality of the inventive information transport system for sending and fetching well-defined information objects of many kinds is in the filing of tax returns. A send information object can be created and manifested to submit electronic tax filings to the IRS, as described above, for electronic product order forms. A fetch object can be created to obtain updated tax forms and the program logic relating to them, and to get information on new regulations. Analogous uses will be apparent to those skilled in the relevant arts of, for example, financial planning and portfolio management systems, to obtain current statistics, place orders, and the like.

Ex. 1001, 20:13–25.

Regarding Patent Owner’s reliance on the legislative history in support of the contention that a particular application to a financial activity is required, that is the standard we have applied. *See* Pet. Reply 9.

Consequently, we are persuaded that Petitioner has demonstrated that at least one claim of the ’464 patent covers data processing or other operations used in the practice, administration, or management of a financial service (e.g., tax filing and financial planning).

#### B. TECHNOLOGICAL INVENTION

In our Institution Decision, we determined that the ’464 patent is not directed to a technological invention. Inst. Dec. 12–16. Patent Owner disagrees with that determination. PO Resp. 36–61.

To determine whether a patent is directed to a technological invention, and therefore ineligible for covered business method patent review, we consider: (1) whether the claimed subject matter as a whole recites a technological feature that is novel and unobvious over the prior art; and (2) solves a technical problem using a technical solution. 37 C.F.R. § 42.301(b). Before addressing these inquiries we consider the Federal Circuit’s guidance in *Versata*.

In *Versata*, the patent at issue related to a method and apparatus for pricing products in multi-level product and organizational groups and sought to reduce the need for large data tables. 793 F.3d at 1311–12. Claim 17 was directed to a method for determining a price of a product. *Id.* at 1312. The steps included arranging a hierarchy of organizational groups, arranging a hierarchy of product groups, storing pricing information in association with

those groups, retrieving applicable pricing information, sorting that information, and determining the product price using the sorted pricing information. *Id.* at 1312–13. *Versata*, the patent owner, argued that claim 17 recited a new and nonobvious technological feature, namely, a hierarchical data structure used in combination with a software-implemented pricing procedure on a computer using “denormalized” numbers that are determined in “run time.” *Id.* at 1326–27. Petitioner SAP responded that claim 17 was merely directed to a business process of determining product prices that lacked even minimal computer-related recitations. *Id.* at 1327. The Federal Circuit upheld the Board’s determination that claim 17 was subject to CBM review, noting that the use of a general purpose computer to facilitate uninventive steps did not change the fundamental character of the invention. *Id.*

In sum, claim 17 in *Versata* was directed to a business process of determining product prices that included minimal computer-related limitations, and the fact that the steps were accomplished with a general purpose computer did not change the character of the invention. *See id.*

*1. Claim 1 Does Not Recite A Technological Feature That Is Novel and Unobvious Over the Prior Art*

As noted in our Institution Decision, claim 1 recites the use of known prior art technology (a user station that includes a processor and a storage device, a communications network, and a user interface). *See* Inst. Dec. 14; Pet. 12, 14. Patent Owner does not contest that these components were known technology; rather, Patent Owner asserts that the claimed subject matter recites more than known technology in that it recites “a sequence of four detailed steps, implemented by a computer processor and using computer storage, unknown in the prior art.” PO Resp. 58–59 (citing Ex.

2010 ¶ 48). Therefore, Patent Owner concedes that claim 1 utilized known prior art technology components to accomplish a method. *See* 37 C.F.R. § 42.23(a) (in an opposition, any material fact not specifically denied may be considered admitted), § 42.120(a) (the patent owner response is an opposition).

Consequently, even if we accept as true that the sequence of four steps was unknown in the prior art, claim 1 does not avoid classification as a covered business method patent. *See Office Patent Trial Practice Guide*, 77 Fed. Reg. 48,756, 48,764 (Aug. 14, 2012) (providing examples of claim drafting techniques that do not avoid classification as a CBM patent, including “[r]eciting the use of known prior art technology to accomplish a process or method, even if that process or method is novel and non-obvious”); *see also Versata*, 793 F.3d at 1326 (approving of the Board’s reliance on this criteria in the *Office Patent Trial Practice Guide*).

For the reasons that follow, we need not determine if Ogaki anticipates or renders claim 1 obvious as Patent Owner requests that we do. *See* PO Resp. 40–58. The Federal Circuit clarified that whether the claimed subject matter as a whole recites a technological feature that is novel and unobvious over the prior art is not the same inquiry as determining if the claimed subject matter is anticipated or obvious under 35 U.S.C. § 102 or § 103. *Versata*, 793 F.3d at 1326. To a large degree, Patent Owner acknowledged this distinction by contending that the Petition performed a novelty and nonobviousness analysis rather than the required inquiry. *See* Prelim. Resp. 39–44. As well-stated in another Board case,

turning the CBM patent inquiry into an anticipation or obviousness inquiry would lead to the illogical result that the combination of purely technological features in a novel and

nonobvious way would result in a nontechnological invention. This is contrary to our Trial Practice Guide’s guidance. *See* 77 Fed. Reg. at 48,764. “The following claim drafting techniques, for example, typically do not render a patent a ‘technological invention’: . . . (c) Combining prior art structures to achieve the normal, expected, or predictable result of that combination.

*FFF Enterprises, Inc. v. Amerisourcebergen Speciality Group, Inc.*, Case CBM2014-00154, slip op. at 7 (PTAB Jan. 29, 2015) (Paper 14).

Patent Owner characterizes the Petition as asserting that computer-implemented steps can never constitute technology for purposes of assessing CBM patent eligibility. PO Resp. 59 (referring to *Salesforce* and *Par Pharmaceutical* as Board cases that denied CBM review).

The Petition does not contain an explicit statement that computer-implemented steps can never constitute a technological invention with regard to determining CBM eligibility. Nor has Patent Owner persuaded us that such a contention is reasonably suggested. More importantly, we are not making a determination regarding such a broad proposition. Our much narrower task is to determine if the ’464 patent is directed to a technological invention for purposes of CBM patent eligibility.

Further, Patent Owner’s reliance on *Salesforce* and *Par Pharmaceutical* is misplaced. As explained above, in *Salesforce* the Board determined that the patent at issue was a CBM patent. *See Salesforce*, Paper 16, 9–18; Paper 47, 7–11. In *Par Pharmaceutical*, the Board determined that the patent at issue was not a CBM patent based on the financial product or service prong of the CBM patent eligibility test and did not reach the technological invention prong. *See Par Pharmaceutical*, Paper 11, 10–22. For that reason, *Par Pharmaceutical* says nothing about application of the technological invention test.

In light of the foregoing, the claimed subject matter as a whole does not recite a technological feature.

*2. Claim 1 Does Not Solve a Technical Problem Using a Technical Solution.*

The '464 patent describes that electronic publications were commonly replicated in computer-readable form on magnetic or optical storage diskettes and distributed to retail stores or by direct mail sales. Ex. 1001, 1:32–40. The '464 patent describes the problem with this method was that it was not simple, economical, or prompt. *Id.* at 1:32–5:8 (describing other methods of distributing electronic publications). The '464 patent expressly identifies the problem it solves: “[t]his invention solves . . . the problem of enabling simple, economical and prompt mass distribution of electronic information products.” Ex. 1001, 5:12–14; *see* Inst. Dec. 13. In the context of the '464 patent, this is not a technical problem.

Patent Owner acknowledges that the '464 patent solves the problem of simple, economical, and prompt mass distribution of electronic information products. PO Resp. 38. Patent Owner adds that “the '464 patent solved the technical problems of OSPs and M2M file transfer, allowing for mass-scale distribution of electronic content from multiple independent publishers to a user over a computer network, with minimal user intervention, while maintaining each publisher’s signature look and feel by allowing for customized user interfaces.”<sup>6</sup> PO Resp. 38 (citing Ex. 2010 ¶ 56).

Patent Owner’s contention is, to a large degree, not commensurate in scope with the solution offered by the '464 patent, namely, claim 1. Claim 1

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<sup>6</sup> “OSP” refers to on-line service provider; “M2M” refers to machine-to-machine. *See* Ex. 2010 ¶¶ 27, 34.

does not address on-line service providers or machine-to-machine transfer. Nor does claim 1 require a “signature look and feel”; rather, claim 1 more broadly requires a user interface customized to the respective publisher. A closer look at claim 1 demonstrates that it does not solve a technical problem with a technical solution.

Claim 1 is directed to a software product that comprises instructions that select, transport, store, and display content.<sup>7</sup> As is discussed in greater detail in the next section, the steps of claim 1 provide a very general description of how components carry out instructions. For example, the instructions are “executed” by the processor.

The method of claim 1 is analogous to claim 17 of *Versata* in that claim 1 is directed to a business process of distribution of electronic information products that includes minimal computer-related limitations. Likewise, the fact that the steps are accomplished via a general purpose computer (a user station, communication network, and user interface) does not change the character of the invention. Just as the patent at issue in *Versata* sought to reduce the need for large data tables, so too the patent at issue here sought to solve problems related to OSPs and M2M transfers. This did not transform claim 17 in *Versata Development* into a technological invention, nor does it do so for claim 1 here.

Accordingly, the '464 patent does not solve a technical problem using a technical solution.

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<sup>7</sup> Storage is effected without user intervention, and content is presented in a user interface customized to the respective publisher.

C. CONCLUSION

Having considered Patent Owner's contentions to the contrary, we determine that Petitioner has demonstrated sufficiently that the '464 patent is a covered business method patent.

V. 35 U.S.C. § 101

In *Alice Corp.*, the Supreme Court emphasized the importance of the “*Mayo* framework,” which provides “a framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014) (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1296–97 (2012)). Under the *Mayo* framework, “[w]e must first determine whether the claims at issue are directed to a patent-ineligible concept.” *Id.* Next, “we consider the elements of each claim both individually and ‘as an ordered combination’ to determine whether the additional elements ‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (citing *Mayo*, 132 S. Ct. at 1297).

Under *Mayo*, to be patentable, a claim must do more than simply state the law of nature or abstract idea and add the words “apply it.” *Mayo*, 132 S. Ct. at 1294; *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972). Furthermore, “the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention.” *Alice Corp.*, 134 S. Ct. at 2358. “Thus, if a patent’s recitation of a computer amounts to a mere instruction to ‘implemen[t]’ an abstract idea ‘on . . . a computer,’ that addition cannot impart patent eligibility.” *Id.* (internal citation omitted).

Thus, we first analyze the claims of the '464 patent to determine whether the claims embody an abstract idea. If they do, then we proceed to determine whether the claims are meaningfully limited to a patent-eligible application of an abstract idea, or cover nothing more than the abstract idea itself.

A. ABSTRACT IDEA<sup>8</sup>

As the first step of our analysis, we must determine whether the claims at issue are directed to a patent-ineligible concept, such as an abstract idea. *See Alice*, 134 S. Ct. at 2355.

Petitioner contends that the '464 patent claims the abstract concept of selecting, transporting, storing, and displaying content. Pet. 39. According to Petitioner, these steps were well-known in the art, and are analogous to the processes of purchasing a book from a bookstore, purchasing a record by mail order, or renting a VHS tape from a video rental store. *Id.* at 39–42. According to Petitioner, the presence of a computer (user station) to carry out these steps is inconsequential. *Id.* at 41 (citing *Bancorp Servs., LLC v. Sun Life Assurance Co.*, 687 F.3d 1266, 1278–79 (Fed. Cir. 2012)).

Patent Owner contends that the concept of the '464 patent is not an abstract idea; rather, the concept is like the concept of the patent at issue in *DDR*, where the claimed solution was necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm

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<sup>8</sup> In the Institution Decision we determined that 35 U.S.C. § 101 is a proper ground to present in a CBM proceeding. Inst. Dec. 17. Patent Owner did not repeat its argument that Section 101 is an improper ground in the Patent Owner Response. *See* Tr. 48 (in response to statement that such argument was not in Patent Owner's Response, Patent Owner relied on the "briefs").

of computer networks. PO Resp. 65 (analogizing to *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257 (Fed. Cir. 2014)).

For the reasons that follow, we are persuaded by Petitioner's characterization.

The '464 patent is titled, "User Station Software that Controls Transport, Storage, and Presentation of Content from a Remote Source." Ex. 1001, 1. The invention relates to the computer-implemented transport of electronic information objects, and, more specifically to a method and corresponding software for automatically pre-fetching additional data objects referenced by a first data object. *Id.* at 1:27–31. As background, the '464 patent describes a variety of methods of distributing electronic information products and concludes that these methods are not simple, economical, or prompt. *Id.* at 1:32–5:8.

The '464 patent describes that electronic publications were commonly replicated in computer-readable form on magnetic or optical storage diskettes and distributed to retail stores or by direct mail sales. Ex. 1001, 1:32–40. Thus, the concept of distributing electronic information products (content) was known prior to the '464 patent. Further, we agree with Petitioner that distribution of publications (versus electronic publications), has long been known. Pet. 39–42 (including a chart explaining how each claimed step has a long known analogous step). Further, as explained above, the '464 patent expressly identifies the problem it solves: "This invention solves . . . the problem of enabling simple, economical and prompt mass distribution of electronic information products." *See* Ex. 1001, 5:12–14; PO Resp. 64 (acknowledging this disclosure); Pet. Reply 15.

The claims thus are directed to the idea of distributing content, an idea that was a longstanding commercial practice as Petitioner has illustrated. Even the somewhat narrow characterization of the idea as distribution of electronic content (versus content), was, as the '464 patent acknowledges, a longstanding commercial practice (such as via retail stores and direct mail sales).

In contrast, the claims at issue in *DDR* were not directed to an idea that was a longstanding commercial practice. The patent at issue in *DDR* describes a solution to the problem that prior art systems allowed third-party merchants to “lure the [host website’s] visitor traffic away” from the host website, because visitors would be taken to the third-party merchant’s website when they clicked on the merchant’s advertisement on the host site. *DDR*, 773 F.3d at 1248. The patent in *DDR* goes on to describe the solution as a system that creates a new web page that permits a website visitor, in a sense, to be in two places at the same time. *Id.* The Federal Circuit observed that the “claims address the problem of retaining website visitors that, if adhering to the routine, conventional functioning of Internet hyperlink protocol, would be instantly transported away from a host’s website after ‘clicking’ on an advertisement and activating a hyperlink.” *Id.* at 1257. Based on this, the court stated that the

claims stand apart because they do not merely recite the performance of some business practice known from the pre-Internet world along with the requirement to perform it on the Internet. Instead, the claimed solution is necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.

*Id.*

We acknowledge Patent Owner’s point that some aspects of the solution described in the '464 patent address difficulties of computer

network transport technology. *See* PO Resp. 64–67. However, the ’464 patent does not describe solving a problem necessarily rooted in computer technology. Rather, as detailed above, the ’464 patent explicitly describes the broader problem of simple, economical, and prompt mass distribution of electronic information products. Consequently, the problem in the ’464 patent is not one specifically arising in the realm of computer networks. *See DDR*, 773 F.3d at 1259 (a claim that “appl[ies] a known business process to the particular technological environment of the Internet” would not be patentable).

Accordingly, we determine that the claims are directed to the abstract concept of distributing electronic content, or more specifically, to selecting, transporting, storing, and displaying electronic content.

#### B. INVENTIVE CONCEPT

The second step of the Supreme Court’s “*Mayo* framework” requires that we consider the elements of the claim and determine whether there is an “element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Alice Corp.*, 134 S. Ct. at 2355 (quoting *Mayo*, 132 S. Ct. at 1294); *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014).

A challenged patent claim, properly construed, must incorporate enough meaningful limitations to ensure that it claims more than an abstract idea and not just a mere “‘drafting effort designed to monopolize the [abstract idea].’” *Alice Corp.*, 134 S. Ct. at 2357 (quoting *Mayo*, 132 S. Ct. at 1297). “Simply appending conventional steps, specified at a high level of

generality,” is not “*enough*” for patent eligibility. *Id.* (quoting *Mayo*, 132 S. Ct. at 1297, 1300). Step two of the “*Mayo* framework” analysis may be described as a search for an “inventive concept”—i.e., an element or combination of elements that is sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the ineligible concept itself. *Id.* (citing *Mayo*, 132 S. Ct. at 1294).

Claim 1 is directed to a software product comprised of computer executable instructions for use on a user station comprised of a processor and a storage device. The instructions, when executed by the processor: select, transport, store, and display content. Specifically, content is:

- (a) selected by a user from a plurality of independent publishers,
- (b) transported over a communications network,
- (c) stored without user intervention so that it is retained on the storage device upon shutting down or deactivation of the software product (“persistent storage”), and
- (d) presented to the user with a user interface customized to the respective publishers.

Claim 8 depends from claim 1 and adds that the transport is effected without user intervention.<sup>9</sup> Claim 16 depends from claim 1 and adds that transport is effected using a non-proprietary data transfer protocol. Claim 17 depends from claim 1 and adds that the communications network is the internet.

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<sup>9</sup> The Petition states that the additional limitation of dependent claim 8 that the content is transported without user intervention is already found in claim 1. Pet. 49, 46. This is incorrect. Claim 1 calls for *storing* the content without user intervention and claim 8 calls for *transporting* the content without user intervention. Elsewhere in the Petition, Petitioner properly acknowledges each limitation. *See, e.g.*, Pet. 15, 22, 43, 46.

For the reasons that follow, the challenged claims utilize conventional components to carry out conventional instructions.

Regarding components, the executable instructions of the software product are carried out by, or on, various components (i.e., processor, storage device, communications network/Internet, and user interface) that were generic and well-known to a person of skill in the art.<sup>10</sup> Pet. 44–45; Ex. 1006 ¶¶ 12, 15. Consequently, the steps of the claims are not tied to any particular novel machine or apparatus. *See Ultramercial*, 772 F.3d at 716; *see also Alice Corp.*, 134 S. Ct. at 2358 (“the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention”).

Regarding instructions (steps), the challenged claims provide a very general description of how the components carry out the instructions. For example, the instructions: are “executed by” the processor, “effect transport” of the selected content over a communications network, “effect storage” of the transported content without user intervention such that the content is persistently stored, and “effect presentation” of the stored content with a user interface customized to the respective publisher. The same is true of dependent claims 8, 16, and 17.

In contrast, claim 19 at issue in *DDR*, was far more specific. For example, rather than content, claim 19 recites “a computer store containing data, for each of a plurality of first web pages, defining a plurality of

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<sup>10</sup> As explained above, Patent Owner concedes that the components utilized to accomplish the claimed method were known. Patent Owner does not identify, nor do we discern, any disclosure in the ’464 patent that describes any of these components as new.

visually perceptible elements, which visually perceptible elements correspond to the plurality of first web pages.” *DDR*, 773 F.3d at 1249.

Patent Owner argues that the challenged claims solve a problem that did not exist until development of networked computers, and thus, like the patent in *DDR*, the ’464 patent claims a solution integrally tied to the realm of networked computers. PO Resp. 67. Patent Owner also argues that the brick-and-mortar analogies in the Petition are spurious. PO Resp. 69–70 (referring to Pet. 40). In particular, Patent Owner argues that Petitioner ignores that storing content without user intervention does not have an analog in the brick and mortar precursors. *Id.* at 70. These contentions relate to the first step of our inquiry, and shed little light on the inventive concept inquiry. For the reasons given above, the abstract idea here is unlike that at issue in *DDR*. Further, even if storing without user intervention does not have an analog in the brick and mortar illustrations provided by Petitioner that does not alter our determination that the claims are directed to the concept of distributing electronic content.

Patent Owner contends the Petition is flawed because it characterizes each claim element as a single verb, ignoring the language of the claim. PO Resp. 73, 75. Although at times the Petition describes a claimed step with a single word, such reference is shorthand, and the Petition is supported by Dr. Clark’s explanation that addresses the full language of each claimed step. For example, Petitioner contends “the steps of selecting, transporting, storing, and displaying content are fundamental and routine in computer applications.” Pet. 45 (citing Ex. 1006 ¶¶ 15, 19, 35–44).

Patent Owner makes a variety of contentions in support of the argument that the claims amount to significantly more than a patent on an

abstract idea. PO Resp. 67–72. Patent Owner also contends that Petitioner failed to show that the individual claim elements were conventional as of the critical date of the '464 patent. *Id.* at 72–74. Patent Owner argues that the only evidence in the Petition regarding what was conventional is Ogaki, and Petitioner has provided no evidence that Ogaki was conventional. *Id.* at 72–74. In these contentions, Patent Owner focuses on steps (c) and (d) (persistently storing the content without user intervention, and presenting the content with a user interface customized to the respective publisher).<sup>11</sup> In other words, Patent Owner argues that Petitioner has not shown that the instructions of steps (c) and (d) were conventional.

As an initial matter, we provide some context. The '464 patent describes as background that online information services permitting access to information products on line and sharing electronic content over computer networks were routine. Ex. 1001; 1:56–58, 2:6–9, 2:20–24. According to the '464 patent, the problem with known services was that those services provided their own user interface rather than one customized to the respective publisher. *Id.* at 2:29–33. In light of this, selecting content, transferring that content over a communications network, and presenting that content with a user interface was conventional.

Further, Patent Owner's expert, Dr. Short, acknowledged that the individual aspects of each claim limitation were known prior to the critical date of the '464 patent. *See* Pet. Reply 2, 18; Ex. 1012, 53:17–55:21.

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<sup>11</sup> At times Patent Owner refers to step (d) as a “look and feel” limitation. *See, e.g.*, PO Resp. 1, 68. The phrase “look and feel” is used in the '464 patent, but it is not used in the challenged claims. We treat each of Patent Owner's references to “look and feel” to mean a user interface customized to the respective publisher as claimed.

Dr. Short expressed the reservation that Petitioner took things out of context by addressing only a portion of the claim at a time:

Q. Could a file be stored on a computer in 1994?

A. Okay, you're starting to take things out of context. But the very simple answer to that is yes.

Q. Could a file be viewed on a computer in 1994?

A. Again, you're trying to extract little pieces out of claim language, but the answer is yes.

Ex. 1012, 53:17–23. However, in addressing statutory subject matter eligibility, evidence that the claimed steps, taken individually, were conventional is pertinent to the inquiry.

Regarding step (c), we are persuaded by Petitioner's explanation that Ogaki stores transported content, without user intervention, in persistent storage (a non-volatile storage device) such as a hard disk or cassette that is provided to the user. Pet. 12–13, 15–16; Ex. 1006 ¶¶ 38–40. Ogaki discloses that hard disk 33 of vending system 1 stores software programs transferred from host system 2. *See* Ex. 1011, 3:18–25, 7:64–68, Fig. 1. Further, Patent Owner does not identify, nor do we discern, any disclosure in the '464 patent describing or suggesting that persistent storage of content without user intervention was unknown prior to the '464 patent.

We are mindful that what Ogaki discloses differs from what is required by claim 1. Specifically, Ogaki's host system 2 transfers content to vending system 1, and when a user selects content, it is content that was already transferred to vending system 1. In contrast, claim 1 requires the steps to be performed in order with the content selected prior to transfer. This distinction, while meaningful in an anticipation or obviousness analysis, is not determinative here. The question we face is whether the

limitations of the challenged claims transform the nature of the claim. In light of Ogaki, step (c) of claim 1 was conventional.

Regarding step (d), we are persuaded by Petitioner’s explanation that Ogaki’s software vending system includes software unloaded from a variety of independent publishers, and this software is presented with a user interface that is customized to the respective publisher. *See* Pet. 12–24; Ex. 1006 ¶ 37. As with the prior step, we are not performing an anticipation or obviousness analysis. Petitioner has shown that Ogaki discloses that presenting content with a user interface customized to the respective publisher was conventional.

Petitioner has shown that the claimed steps individually were conventional. When considered as an ordered combination, the components add nothing that is not already present when the steps are considered separately. The challenged claims do nothing more than automate the process of selecting content and presenting it in a format with some similarity to the original format. In other words, the generic computer components make this process “simple, economical and prompt.” *See* Ex. 1001, 5:12–14.

Patent Owner’s contention that proof that steps were disclosed in Ogaki is not proof that those steps are conventional is unpersuasive. *See* PO Resp. 72. Ogaki is a patent that issued in 1987. Accordingly, it was publicly known, and we presume that it was part of the knowledge of ordinary skill in the art. *See generally In re GPAC Inc.*, 57 F.3d 1573, 1579 (Fed. Cir. 1995) (“The person of ordinary skill in the art is a hypothetical person who is presumed to know the relevant prior art.”) (citing *Custom Accessories, Inc. v. Jeffrey-Allan Indus., Inc.*, 807 F.2d 955, 962 (Fed. Cir. 1986)). Further,

Ogaki discloses that prior to Ogaki, which is well before the effective filing date of the '464 patent, it was known to distribute software from local vending machines that had been transferred to that local machine from a central host system. Ex. 1011, 1:13–23. What Ogaki added was the ability for a user to load their software into a local software vending machine and transmit that software to a central host system. *Id.* at 1:46–56. Ogaki does not describe that persistent storage without user intervention was new, nor that presenting content with a user interface customized to a publisher was new, suggesting that these aspects were known in the art even prior to Ogaki.

According to Patent Owner, several District Courts have applied the principles of *DDR* and found the claims of the patents challenged therein to be eligible for patenting under § 101. PO Resp. 71–72. Without addressing the cited cases in particular, we accept as correct that some courts have applied the guidance of *DDR* and held that patents were eligible for patenting under § 101. The converse is also true, namely, that courts have distinguished *DDR* and determined that the claims of a challenged patent were not eligible for patenting under § 101. *See, e.g., Versata*, 793 F.3d at 1333. Patent Owner's argument is not persuasive because it does not explain cogently how the claims at issue in the cited cases are analogous to the challenged claims at hand.

Patent Owner argues that the challenged claims do not preempt application of the concept; “[r]ather, they recite a specific way of fetching electronic content to a user over a computer network, with minimal user intervention, and maintaining signature look and feel by allowing for user interfaces customized to independent publishers, to solve problems faced by these publishers mass distributing their content over a network.” PO Resp.

74. Patent Owner adds that the challenged claims provide a specific way of transferring files that is different from and an improvement over the prior art. *Id.* at 75. In particular, Patent Owner emphasizes the following features as significant: the persistent storage without user intervention of claim 1, the transfer using a non-proprietary data transfer protocol limitation of claim 16, and the effecting transport over the Internet as required by claim 17. *Id.* at 75–76. According to Patent Owner, “because these challenged claims are narrow and specific, people remain free to select, transport, store, and display content in many ways after the issuance of the ’464 patent.” *Id.* at 76.

To some extent, the claims limit the abstract idea to a particular technological environment. For example, the instructions are executed on a processor, the content is transmitted over a communications network, without user intervention (claim 8), using a non-proprietary data transfer protocol (claim 16), or the communications network may be the Internet (claim 17). However, “[a]n abstract idea does not become nonabstract by limiting the invention to a particular field of use or technological environment such as the Internet.” *Intellectual Ventures I LLC v. Capital One Bank (US)*, 792 F.3d 1363, 1366 (Fed. Cir. 2015) (citations omitted); *see also Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (“While preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.”).

On this record, the challenged claims add nothing more to the abstract concept than well-understood, routine, conventional activity. *Mayo*, 132 S. Ct. at 1298. The claimed subject matter does not “improve the functioning

of the computer itself,” or “effect an improvement in any other technology or technical field,” as there is no recitation in the claims of improved computer technology or advanced programming techniques. *See Alice Corp.*, 134 S. Ct. at 2359. As is the case in *Alice*, the claims are directed to “nothing significantly more” than applying an abstract idea on a generic computer system, which is not enough to transform an abstract idea into a patent-eligible invention. *Id.* at 2360; *see also Bancorp Servs.*, 687 F.3d at 1279 (finding a claim not patent-eligible when “the computer simply performs more efficiently what could otherwise be accomplished manually”). Stated another way, we determine that the claims do not do “significantly more than simply describe that abstract method” of distributing content. *See Ultramercial*, 772 F.3d at 715. Instead, “the claims simply instruct the practitioner to implement the abstract idea with routine, conventional activity.” *Id.*

#### C. MACHINE OR TRANSFORMATION

The machine or transformation test, while not dispositive, remains a useful cue. *See, e.g., Versata*, 793 F.3d at 1335.

Patent Owner contends that the challenged claims pass the machine or transformation test. PO Resp. 77–78. Petitioner disagrees. Specifically, Petitioner contends that the method of the challenged claims is not tied to a specific machine. Pet. 48-50 (citing Ex. 1006 ¶¶ 12, 15). We agree with Petitioner. As discussed above, the steps of the challenged claims are well-known, conventional, and routine and do not transform a general purpose computer (user station comprised of a processor and storage device) into a

specific machine. Rather, the claimed instructions are the normal basic functions of a computer.

Petitioner also contends, and we agree, that “content” as claimed is electronic information that is not a physical object or limited to data representing a physical object, and the manipulation of data does not satisfy the transformation prong of the test. Pet. 51; *see also Ultramercial*, 772 F.3d at 722 (“Any transformation from the use of computers or the transfer of content between computers is merely what computers do and does not change the analysis.”).

#### D. CONCLUSION

Petitioner has demonstrated by a preponderance of the evidence that claims 1, 8, 16, and 17 are directed to patent-ineligible subject matter under 35 U.S.C. § 101.

### VI. ORDER

For the reasons given, it is:

ORDERED that claims 1, 8, 16, and 17 of U.S. Patent No. 6,658,464 B2 have been shown by a preponderance of the evidence to be unpatentable;

FURTHER ORDERED that Petitioner’s Motion to Exclude is denied; and

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



Case CBM2015-00004  
Patent 6,658,464 B2

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