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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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SAP AMERICA, INC.
Petitioner

v.

PI-NET INTERNATIONAL, INC.
Patent Owner

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Case CBM2013-00013
Patent 8,037,158

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Before, KARL D. EASTHOM, JONI Y. CHANG, and
BRIAN J. McNAMARA, *Administrative Patent Judges*.

McNAMARA, *Administrative Patent Judge*.

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

## BACKGROUND

Pursuant to 35 U.S.C. § 321 and § 18 of the America Invents Act (AIA), SAP America, Inc. ("Petitioner") requests that the Patent Trial and Appeal Board initiate a Covered Business Method Patent Review to review claims 1-6, and 11 ("the challenged claims") of U.S. Patent 8,037,158 ("the ´158 Patent"). We have jurisdiction under 35 U.S.C. § 324. The standard for instituting a Covered Business Method Review is the same as that for a Post-Grant Review. § 18(a)(1) of the AIA. The standard for instituting Post-Grant Review is set forth in 35 U.S.C. § 324(a), which provides the following:

> THRESHOLD – The Director may not authorize a post-grant review to be instituted unless the Director determines that the information presented in the petition filed under [35 U.S.C. §] 321, if such information is not rebutted, would demonstrate that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.

Petitioner contends that pursuant to 37 C.F.R. §§ 42.301 and 42.304(a), the ´158 Patent meets the definition of a covered business method patent and does not qualify as a technological invention. (Pet. 5-8). Petitioner further contends that claims 1-6, and 11 fail to comply with the patentable subject matter requirements of 35 U.S.C. § 101 (Pet. 13-20), that the challenged claims are invalid under 35 U.S.C. § 103 (Pet. 24-61) and under 35 U.S.C. § 112(b). (Pet. 75-80).

We institute a covered business method patent review based on Petitioner's challenges to claims 1-3 and 11 as unpatentable under 35 U.S.C. § 101 and 35 U.S.C. § 103 and based on Petitioner's challenges to claims 1-6 and 11 under 35 U.S.C. § 112(b).

## PENDING LITIGATION

A person may not file a petition for a Covered Business Method Patent Review "unless the person or the person's real party in interest or privy has been sued for infringement of a patent or has been charged with infringement under that patent." (§18 (a)(1)(B) of the AIA). The ´158 Patent is the subject of a number of cases pending in U.S. District Courts in Delaware, the Central District of California, and the Northern District of California.

## STANDING

Petitioner argues that it has standing to petition for covered business method patent review because Patent Owner sued Petitioner's customer, Citizens Financial Group ("Citizens"), accusing Citizens of infringing claims 1-6 and 11 of the ´158 Patent in the U.S. District Court for the District of Delaware. Pet. 9. In addition, Petitioner has sought declaratory judgment of non-infringement of the ´´158 patent in a separate action filed by Petitioner in the U.S. District Court for the Northern District of California (the declaratory judgment action).

Patent Owner argues that Petitioner does not have standing under 37 C.F.R. § 42.302, stating that SAP is not a privy of Citizens and that the Petitioner's standing to bring the declaratory action is in dispute. Prelim. Resp. 2-4.

"The core functions of the 'real party-in interest' and 'privies' requirement is to assist members of the Board in identifying potential conflicts, and to assure proper application of the statutory estoppel provisions. *Office Patent Trial Practice Guide*, 77 Fed. Reg. 48756 (Aug. 14, 2012). "The latter, in turn, seeks to protect patent owners from harassment via successive petitions by the same or related parties, to prevent parties from having a ''second bite at the apple,'' and to protect the integrity of both the USPTO and Federal Courts by assuring that all issues are promptly raised and vetted." *Id.* "Whether a party who is not a named

participant in a given proceeding nonetheless constitutes a 'real party-in interest' or 'privy' to that proceeding is a highly fact-dependent question." *Id.* "Such questions will be handled by the Office on a case-by-case basis taking into consideration how courts have viewed the terms 'real party-in-interest' and 'privy." *Id.*

The legislative history, which directly addresses the issue raised by the Patent Owner in this case, supports Petitioner's standing to petition for covered business method patent review.[1] At 157 Cong. Rec. S5432 (daily ed. Sept. 8, 2011), Senator Schumer explained that "privy" "effectively means customers of the petitioner." Senator Schumer stated as follows:

> Section 18 of the America Invents Act, of which Senator Kyl and I were the authors, relates to business method patents. As the architect of this provision, I would like to make crystal clear the intent of its language. . . As originally adopted in the Senate, subsection (a)(1)(B) only allowed a party to file a section 18 petition if either that party or its real parties in interest had been sued or accused of infringement. In the House, this was expanded to also cover cases where a "privy" of the petitioner had been sued or accused of infringement. A "privy" is a party that has a direct relationship to the petitioner with respect to the allegedly infringing product or service. In this case, it effectively means customers of the petitioner. With the addition of the word "privy," a company could seek a section 18 proceeding on the basis that customers of the petitioner had been sued for infringement.

Patent Owner does not dispute Petitioner's assertion that the defendant in the Delaware litigation, Citizens, is a customer of Petitioner. Petitioner also represents

[1] Our decision is limited to this proceeding, which is brought under Section 18 of the AIA, and the facts of this case.

that Citizens has requested Petitioner indemnify Citizens for legal fees and losses. Pet. 9. In view of the foregoing statements of legislative intent, as well as Citizen's request for indemnification by Petitioner, we are persuaded that Petitioner has standing to bring the subject petition.

## BACKGROUND AND RELATED PATENTS

The present Petition concerning the ´158 Patent is one of three filed by Petitioner concerning related patents. U.S. Patent 8,108,492 (the ´492 Patent) is the subject of a petition for an *inter partes* review in proceeding IPR2013-00194 and U.S. Patent 5,987,500 (the ´500 Patent) is the subject of a petition for *inter partes* review in proceeding IPR2013-00195. The ´492 Patent, entitled "Web Application Network Portal,", the ´500 Patent, entitled "Value-Added Network System for Enabling Real-Time, By-Directional Transactions on a Network," (bold font omitted) and the ´158 Patent, entitled "Multimedia Transactional Services," (collectively, "the Subject Patents") share substantially the same specification, but claim different subject matter.

The Subject Patents disclose "a method and apparatus for providing real-time, two-way transactional capabilities on the Web." ´492 Patent, Abstract. *See also,* ´500 Patent, Abstract; ´158 Patent Abstract. The ´158 Patent discloses a method for "enabling service management of the value-added network service, to perform [Operations, Administration, Maintenance & Provisioning] (OAM&P) functions on the services network." ´158 Patent, Abstract, col. 8, ll. 56-67. The claims recite a banking application based on a user's selection of a point-of-service application from a Web page. *See id.*, claims 1-6.

The ´500 Patent discloses a value-added network switch, which includes a system for switching to a transactional application that provides transactional services managed by a value-added network service provider which keeps the

transaction flow captive, and performs the transactional services interactively and in real-time, in response to a user specification from a network application, a system for transmitting a transaction request from the transactional application and a system for processing the transaction request. ´500 Patent, Abstract, claim 1.

The ´492 Patent also describes a method for enabling object routing that involves creating a virtual information store containing information entries and attributes associating each of the information entries and the attributes with an object identity and assigning a unique network address to each of the objects identified. The claims of the ´492 Patent generally recite a system and method in which a Web server lists on a Web page one or more Web applications (each of which can request a real-time Web transaction) as point-of-service applications; a value-added network switch that enables the real-time Web transactions; a service network that connects the Web server to a back-end transactional application; and a computer that executes the back-end transactional application for processing the transaction in real-time. *See* ´492 Patent, Abstract, claim 1.

## THE ´492 PATENT

The ´492 Patent is illustrative of the disclosure in the Subject Patents.[2] The invention purports to facilitate real-time two-way transactions, as opposed to deferred transactions, e.g., e-mail. ´492 Patent, col. 1, ll. 39-48. The invention also purports to be an improvement over browse-only transactions, *id.*, col. 1, ll. 49-64, and limited two-way services on the Web through Common Gateway Interface (CGI) applications customized for particular types of applications or services. *Id.*, col. 1, l. 65-col. 2, l. 45.

[2] The specification of the ´158 Patent is the same as that of the ´492 Patent. In this section of the decision only, column and lines references are those of the ´492 Patent. Remaining column and lines references in this decision refer to the ´158 Patent.

The ´492 Patent describes a service network running on top of the Internet, having five interacting components: an exchange agent, an operator agent, a management agent, a management manager, and a graphical user interface (GUI). *Id.*, col. 6, ll. 1-5.

As shown in Figure 8, a user connects to a Web server. *Id.*, col. 9, ll. 25-26. The Web server runs the exchange component. *Id.* Exchange 501 creates and allows for the management or distributed control of the service network, operating within the boundaries on an internet protocol (IP) facilities network. *Id.*, col. 6, ll. 28-30.

A user connected to the Web server running the exchange component issues a request for a transactional application. *Id.* col. 9, ll. 25-26. The Web server receiving the user's request to perform a real-time transaction hands the request over to the exchange agent the Web server is running. *Id.*, col. 6, ll. 8-11, col. 9. ll. 27-29. The exchange 501 includes a Web page 505 that uses a GUI to display a list of point-of-service (POSvc) applications 510 accessible to the user by the exchange. *Id.*, col. 6, ll. 18-20, ll. 39-41, col. 9, ll. 28-30. The POSvc applications are transactional applications that can execute the type of transaction the user is interested in performing. *Id.*, col. 6, ll. 22-23, ll. 41-44. Exchange 501 also includes a switching component and an object routing component. *Id.*, col. 6, ll. 20-22. When the user selects a POSvc application, the switching component in the exchange switches the user to the selected POSvc application. *Id.*, col. 9, ll. 32-33. The object routing component executes the user's request. *Id.*, col. 9, ll. 34-35. The exchange and a management agent thus perform the switching, object routing, application and service management functions. *Id.*, col. 6, ll. 30-38, col. 9, ll. 32-34.

The Exchange 501 and management agent together constitute a value-added network (VAN) switch, which provides multi-protocol object routing via a proprietary TransWeb™ Management Protocol (TMP), depending upon the services chosen. *Id.*, col. 7, ll. 52-54, ll. 62-65; col. 8, ll. 41-42. In one embodiment, TMP and distributed on-line service information data bases (DOLSIBs) perform object routing. *Id.*, col. 8, ll. 3-5, col. 9, ll. 34-37. In DOLSIBs, which are virtual information stores optimized for networking, information entries and attributes are associated with a networked object identity that identifies the information entries and attributes in the DOLSIB as networked objects. *Id.*, col. 8, ll. 7-13. Each networked object is assigned an internet address based on the IP address of the node at which the networked object resides. *Id.*, col. 8, ll. 13-15. As a result, networked objects branch from a node in a hierarchical tree structure that establishes the individual object as an "IP-reachable" node on the internet, so that TMP can use this address to access the object from the DOLSIB. *Id.*, col. 8, ll. 16-26. "Each object in the DOLSIB has a name," which is "an administratively assigned object ID specifying an object type." *Id.*, col. 8, ll. 27-29. The object type, together with the object instance, uniquely identifies a specific instantiation of the object, e.g., an instance of an object about car models, and provides the user with specific information about a particular model. *Id.*, col. 8, ll. 31-35. Each object in the DOLSIB also has a syntax, which defines the abstract data structure corresponding to that object type, and an encoding that defines "how the object is represented by the object type syntax while being transmitted over the network." *Id.*, col. 8, ll. 36-39.

The VAN switch 520 has a layered architecture as shown in Fig. 7. Boundary service 701 provides the interface between the VAN switch, the Internet and the Web, and multi-media end user devices and the interface to an on-line

service provider. *Id.*, col. 8, ll. 42-48. Switching service 702, which is an OSI application layer switch, represents the core of the VAN switch. *Id.*, col. 8, ll. 52-54. "Interconnected application layer switches form the application network backbone" and are described as a significant aspect of the Subject Patents. *Id.*, col. 8, ll. 60-63. Switching service 702 routes user connections to remote VAN switches and facilitates connectivity with the Internet (a public switched network) and private networks, including back office networks, such as banking networks. *Id.*, col. 8, ll. 57-60. Management service 703 contains tools used by the end users to manage network resources, including VAN switches, and provides applications that perform OAM&P functions, such as "security management," "fault management," "performance management," and "billing management." *Id.*, col. 8, l. 64-col. 9, l. 8. "[A]pplication service 704 contains application programs that deliver customer services," including POSvc applications for banking, multi-media messaging, conferencing, financial services. *Id.*, col. 9, ll. 9-14. Depending upon the type of VAN service, the characteristics of the network elements will differ. *Id.*, col. 9, ll. 19-20.

## ILLUSTRATIVE CLAIM

Independent claim 1 is illustrative:

1. A method for performing a real time Web transaction from a Web application over a digital network atop the Web, the method comprising:
    providing a Web page for display on a computer system coupled to an input device;
    providing a point-of-service application as a selection within the Web page, wherein the point-of-service application provides access to both a checking and savings account, the point-of-service application operating in a service network atop the World Wide Web;
    accepting a first signal from the Web user input device to select the point-of-service application;

accepting subsequent signals from the Web user input device; and
transferring funds from the checking account to the savings account in real-time utilizing a routed transactional data structure that is both complete and non-deferred, in addition to being specific to the point-of-service application, the routing occurring in response to the subsequent signals.

## BASIS OF PETITION

Petitioner asserts the following challenges to the patentability of claims 1-6 and 11:

Claims 1-6 and 11 are unpatentable for failing to recite statutory subject matter under 35 U.S.C. § 101.

The combination of Lawlor[3] and Computerworld[4] renders claims 1-6 and 11 unpatentable under 35 U.S.C. §103(a).

The combination of Electronic Banking[5] and Applicant's Admitted Prior Art (AAPA) renders claims 1-6 and 11 unpatentable under 35 U.S.C. §103(a).

The combination of SFCU[6] and Electronic Banking renders claims 1-6 and 11 unpatentable under 35 U.S.C. §103(a).

Claims 1-6 and 11 are unpatentable under 35 U.S.C. § 112(b).

## CLAIM CONSTRUCTION

The claim constructions proposed by Petitioner and Patent Owner are summarized in the following Table.

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[3] Lawlor et al. ("Lawlor"), U.S. Patent 5,220,501 issued Jun. 15, 1993.
[4] The Cyberbanks, *Computerworld*, ProQuest Telecommunications, pg. 80 (1995).
[5] Lipis, A.H. et al., Electronic Banking, The Stock Market, 4th Edition, John Wiley & Sons, New York (1985).
[6] www.thefreelibrary.com/_/print/PrintArticle.aspx?id=17104850, Stanford Federal Credit Union Pioneers Online Financial Services, 03/15/13.

| CLAIM TERM/CLAIM | PETITIONER'S PROPOSAL | PATENT OWNER'S PROPOSAL[7] |
|---|---|---|
| Web application/1-4, 11 | A Web application is defined broadly as encompassing at least, for example, a Web browser, Web server software, or CGI scripts. Sirbu Decl. ¶ 18. Pet. 13-14 | A POSvc Application is a Web application displayed on a Web page, corresponding to a back-end transactional application, and displaying an "object" data structure with attributes and information entries corresponding to the selected Web transaction request. Prelim. Resp. 25 |
| Service network atop the World Wide Web/1 | Service network atop the World Wide Web means a network (e.g., hardware and/or software) that provides a service between two or more computers over or involving the Web, for example involving Web client or Web server software. Sirbu Decl. ¶ 22; Pet. 15 | A service network atop the world Wide Web means an online service network running on top of a physical network such as the Web, Internet or email networks or an "online service network running on top of a facilities network such as the Web." Prelim Resp. 59 |
| Web user input device/1 | "[T]he previously recited 'computer system' coupled to an input device." OR | |

[7]Ex. 2010, the Declaration of Michael Bardash (Bardash Declaration), filed in the U.S. District Court for the District of Delaware, asserts claim constructions for certain terms. Patent Owner cites to the Bardash Declaration only once, i.e., at page 54 of the Preliminary Response, when arguing the claims are not indefinite. It is not clear whether Patent Owner is asserting the same constructions for all the terms in this proceeding as those proposed in the Bardash Declaration. We have reviewed and considered the statements in the Bardash Declaration.

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| | indefinite under 35 U.S.C. § 112(b) as lacking antecedent basis. Pet. 15-16 | |
| Routed transactional data structure that is both complete and non-deferred/1 | "Complete" should be construed to be a data structure used to complete a transaction. (Sirbu Decl. ¶ 24.), Pet. 16; "non-deferred" should be construed to describe any transaction or data structure that is processed immediately without any delay. Sirbu Decl. ¶ 25; Pet. 17 | "[R]outed transactional data structure refers to object routing." Prelim Resp. 57<br><br>"[O]bject is an encapsulated whole with its information entries and attributes specific to a [POS] application . . . that gets routed as a 'complete,' encapsulated whole in 'object routing' in a 'non-deferred,' 'real-time' Web transaction." Prelim. Resp. 58.<br><br>Non-deferred is the opposite of deferred – what the ´158 patent calls "real-time." Prelim Resp. 58 |
| Routing occurring in response to the subsequent signals/1 | Routing occurring in response to the subsequent signals means the transferring of funds occurring in response to the subsequent signals. OR indefinite under 35 U.S.C. § 112(b) as lacking antecedent basis. Pet. 17 | |
| Object routing/4 | encompassing actions or data that execute a user's request, which may | Object routing means communicating between a POSvc Application and a |

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|---|---|---|
| | include sending an object from one point to another. An object in the context of object routing could include a message. Sirbu Decl. ¶26; Pet. 18 | back-end transactional application individual data structure with information entries and attributes (i.e., objects) over the application layer of the OSI model. Prelim. Resp. 24 |
| Distributed on-line service information bases/5 | Distributed on-line service information bases are any data store on or available over a network. Sirbu Decl., ¶ 27; Pet. 18 | Should be construed with the meaning ascribed in the record. Prelim. Resp. 24 |
| Virtual information store/6 | A virtual information store is any data store that contains, for example, information entries and attributes. Sirbu Decl. ¶ 28; Pet. 19 | Should be construed with the meaning ascribed in the record. Prelim Resp. 24 |

Web application. Patent Owner's proposed construction is not supported in the specification. Patent Owner cites Fig. 5D as demonstrating that the POSvc application incorporates the transactional data structure or "object." Prelim. Resp. 6, 25. The ´158 Patent states that "FIG. 5D illustrates a user selecting a bank POSvc application from the POSvc application list." Ex. 1001, col. 3, ll. 20-21. The description of Fig. 5D at column 6, ll. 46-67 makes no mention of an "object." Patent Owner cites the locations where the "point-of service" or POScv appears in the specification. Prelim. Resp. 25, 57. These references to a point-of-service application in the ´158 Patent do not describe an "object," but instead describe an exchange 501 that performs "object routing" and an embodiment which performs

such object routing. *See, id.,* col. 6, ll. 9-16, 30-35; col. 6, l. 42 - col. 7, l. 31; col. 7, l. 61- col. 8, l.31; col. 9, ll. 1-27; Figs. 5B, 5C, 5D, 6A. The ´158 Patent does not describe a POSvc displaying an "object" data structure with attributes and information entries corresponding to the selected Web transaction request. The ´158 Patent discloses an object routing embodiment in which a networked object identity identifies the information entries and attributes in distributed on-line service information bases as individualized network objects. *Id.,* col. 7, l. 61- col. 8, l. 7. However, this is not a description of a Web application.

Petitioner's proposed construction is overly broad because it encompasses more than an application and includes a browser.

The ´158 patent discloses a system for switching to a transactional application in response to a user specification from a World Wide Web application, Ex. 1001, Abstract. The description of Figure 8 refers to a user connecting to a Web server running an exchange and then issuing a request for a transactional application. *Id.,* col. 9, ll. 16-31. However, there is no definition of a "Web application" in the ´158 Patent. Claim 1 of the ´492 Patent recites offering one or more Web applications as point-of-service applications. Not only does this recitation not define a Web application, it suggests that Web application encompass more than point-or-service applications. We also note that we construed the term "network application" in IPR2013-00195. *See* IPR2013-00195, Paper No. 10, Decision to Institute, Claim Construction. The use of different terms in the claims indicates the drafter intended a different meaning.

Therefore, we construe "Web application" to mean *a software program, that can be accessed by an internet user*.

Service network atop the World Wide Web. Patent Owner proposes alternative constructions, each of which attempts to distinguish a services network

from a facilities network. The ´158 Patent discloses that five components interact to provide service network functionality, i.e., real-time transactional capabilities to access a merchant's services via the Web. Ex. 1001, col. 5, l. 45-col. 6, l. 7. The service network operates within the boundaries of an IP-based facilities network, namely the Internet, the Web, or e-mail networks. *Id.*, col. 5, ll. 49-50; col. 6, ll. 23-24. Petitioner's proposed construction, which appears to include the Web itself, does not address the transactional nature of the claimed service network. In IPR2013-00194, we construed "service network" to mean a network on which services other than underlying network communication services are provided. *See*, IPR2013-00194, Paper No.12, Decision To Institute, Claim Construction. Therefore, we construe "service network running atop the World Wide Web" to mean *a network on which services other than underlying network communications services are provide over the internet.*

Web user input device. We construe "the Web user input device" to mean the same input device as that coupled to the computer system that provides the Web page for display, recited earlier in claim 1.

(Utilizing) a routed transactional data structure that is both complete and non-deferred. Patent owner does not propose a construction for the entire term, but cites to the prosecution history to describe arguments made concerning parts of the term. Prelim. Resp. 53-59. Petitioner proposes constructions for "complete" and "non-deferred." Petitioner does not propose a construction of "a routed transactional data structure."[8] The use of the term "non-deferred" in claim 1 of the ´158 Patent to describe a data structure is understood only in the context of the remainder of the limitation, which recites "transferring funds" among accounts "in

[8] Petitioner also challenges the claims as indefinite under 35 U.S.C. § 112(b) based on their use of the terms "routed transactional data structure," "complete," and "non-deferred." *Infra.*

real time utilizing a routed transactional data structure." In IPR2013-00194, we construed "real time" as non-deferred. IPR2013-00194, Decision To Institute, Paper No. 12, Claim Construction. In this context, non-deferred means processed immediately. *See* Ex. 1001, col. 7, ll. 2-14, 30-41.

As previously noted, there is no support in the specification for Patent Owner's contention that the ´158 Patent identifies the transactional data structure as the "object," although Patent Owner cites to arguments related to this position in the prosecution history. Prelim. Resp. 25, 57. *See* supra claim construction – Web application. Instead, the ´158 Patent discloses multi-protocol object routing and in one embodiment uses networked object identities. Ex. 1001, col. 7, l. 53- col. 8, l. 6.

The specification does not support Patent Owner's contention that "complete" refers to an encapsulated whole with its information entries and attributes specific to a point-of-service application displayed on a Web page in a real-time Web transaction that gets routed as a complete encapsulated whole in "object routing" in a "non-deferred," real-time Web transaction. Prelim. Resp. 58. A "complete" routed transactional data structure provides the information to accomplish the routing to perform switching.

Therefore, we construe "utilizing a routed data structure that is both complete and non-deferred" to mean *using a data structure that facilitates switching a user who selects a transactional application to a service provider program that provides immediate processing*.

The routing occurring in response to the subsequent signals. We understand "the routing" to be routing resulting from "utilizing a routed transactional data structure" previously recited in claim 1. We understand "the subsequent signals" to be the subsequent signals from the Web user input device recited in claim 1,

accepted after a first signal from the Web user input device to select the point-of-service application.

Object Routing. As Patent Owner points out, Petitioner's proposed construction, which includes a message as an object in the context of object routing, encompasses e-mail and does not recognize the specific meaning of object routing as used in the ´158 Patent. Patent Owner's proposed construction refers to communicating between a POSvc application and "a back-end transactional application individual data structure" with individual entries and attributes. Prelim. Resp. 24. However, the ´158 Patent identifies point-of-service applications as transactional applications. The ´158 Patent describes object routing as an embodiment to accomplish switching between transactional point-of-service applications and service provider processing using networked object identities. Ex. 1001, col. 6, ll. 11-16, 56-59, col. 8, ll. 1-15. The networked objects identify information entries and attributes in a distributed on-line service information base as individual networked objects.. *Id.* Therefore, we construe "object routing" to mean *the use of individual network objects to route a user from a selected transactional application to the processing provided by the service provider.*

Distributed on-line service information bases. Petitioner's proposed construction as any data store available over a network does not take into consideration the description of that term in the ´158 Patent at column 7, line 65-66 through column 8, line 1. Therefore, we construe "distributed on-line service information bases" to mean *virtual information stores optimized for networking.*

Virtual information store. In view of the disclosure in the ´158 Patent at column 7, line 66 – column 8, l. 1, we construe "virtual information store" to mean *an information store in which information entries and attributes are associated with a networked object identity.*

## THE ´158 PATENT IS NOT A PATENT FOR A TECHNOLOGICAL INVENTION

A covered business method patent is "a patent that *claims* a method or corresponding apparatus for performing data processing" or other operations used in the practice, administration, or management of a financial product or service. 37 C.F.R. § 42.301(a). A covered business method patent "does not include patents for technological inventions." *Id.* A technological invention is determined by considering whether the claimed subject matter as a whole recites a technical feature that is novel and unobvious over the prior art, and solves a technical problem using a technical solution. 37 C.F.R. § 42.301(b).

Petitioner asserts that, because the claims recite providing a point-of-service application that provides access to both a checking account and a savings account, the ´158 Patent claims an activity that is entirely financial in nature. Pet. 5-6. Petitioner further asserts that the claims qualify for a covered business method proceeding because they are not directed to a technological invention, i.e., they are not concerned with a technical problem, which is solved by a technical solution, even if they recite some *de minimus* technical feature. Pet. 7-8. Noting that transferring funds among accounts is not a technical problem, Petitioner also asserts that providing a Web page for display, providing a point-of-service application for selection within the Web page and accepting a signal from the Web input device to select the Web application are not novel or non-obvious technical features of a technical solution. Pet. 8.

Patent Owner argues that the ´158 Patent claims are pure technology claims implemented for financial transactions and that the technology disclosed in the ´158 Patent operates the same in financial and non-financial transactions. Pet. 12-

13. We are not persuaded by Patent Owner's argument that Fig. 5D of the ´158 Patent exemplifies an "object" as a transactional data structure. Claim 1, from which claims 2-6 and 11 depend, recites transferring funds in real time utilizing a "routed transactional data structure." We have construed this to mean using a data structure that facilitates switching a user who selects a transactional application to a service provider program that provides immediate processing. Claim 1 does not recite a particular technology. Because claim 1 recites only using a data structure that facilitates switching so that a financial transaction can occur, we are not persuaded that claim 1 recites a technical solution to a technical problem. Therefore, the ´158 Patent is eligible for covered business method patent review. 37 C.F.R. § 42.301.

ASSERTED GROUNDS UNDER 35 U.S.C. § 101

Petitioner contends that, like the subject matter found unpatentable in *Bilski v. Kappos*, 130 S. Ct. 3218, 3231 (2010), the claims of the ´158 Patent are drawn to abstract functionality, i.e., transferring funds between accounts, and that the mere pairing of such abstract ideas with a computer system and input means is insufficient to render patentable subject matter. Pet. 19-20. Noting that the issue is whether the claims include meaningful limitations restricting them to an application, rather than merely an abstract idea, Patent Owner argues that the claims do not cover every possible way of transferring funds via a computer, but are limited to a method that incorporates a POSvc application. Prelim. Resp. 21-22. Patent Owner predicates its argument on its construction of a point-of-service application as requiring an "object" data structure. *Id.* Patent Owner's construction of point-of-service application is not supported by the specification. *See* supra, Claim Construction, Web application. *See also* IPR2013-00194, Paper No. 12, Decision To Institute, Claim Construction, point-of-service application.

Citing *Bilski*,130 S. Ct. at 3227, Patent Owner argues that a claim is limited, meaningfully, if it requires a particular or specific machine implementing a process or a particular transformation of matter. Prelim. Resp. 21. The claims are drawn to a "method for performing a real time Web transaction" and recite transferring funds in real time using a "routed transactional data structure," i.e., one that facilitates switching a user who selects a transactional application to a service provider program, and, in this case, provides immediate processing. *See supra*, Claim Construction, utilizing a routed transactional data structure. This claim limitation uses structural language (a routed transactional data structure) to perform a function, i.e., routing a user from a point-of-service application selected through a Web interface to a service provider program, so that that the user can transfer funds among accounts.

> In order for the addition of a machine to impose a meaningful limit on the scope of a [method] claim, it must play a significant part in permitting the claimed method to be performed, rather than function solely as an obvious mechanism for permitting a solution to be achieved more quickly.

*SiRF Technology, Inc. v. International Trade Commission*, 601 F.3d 1319, 1333 (Fed. Cir. 2010). Claim 1 recites an abstract concept without limiting the transactional data structure. Therefore, we are persuaded that Petitioner has demonstrated that it is more likely than not that claim 1 recites unpatentable subject matter under 35 U.S.C. § 101. We are persuaded similarly as to claims 2, 3, and 11.

Claim 4 in the ´158 Patent recites that "object routing is used to complete the transfer of funds." Our construction of object routing requires the use of individual network objects to route a user from a selected transactional application to the processing provided by the service provider. *See supra*, claim construction –

"object routing." "[O]bject routing," as we have construed the term, is a specific technique that plays a significant part in carrying out the invention recited in claim 4. The relevant inquiry is whether the object routing in claim 4 as a whole is a meaningful limitation restricting claim 4 to an application, rather than merely an abstract idea. *See*, *Ultramercial, Inc. v. Hulu, LLC*, 722 F.3d 1335, 1344 (Fed. Cir. 2013).

Petitioner argues that object routing is an abstract idea that lacks any ties to a particular machine. Pet. 23. In addition to object routing, claim 4 incorporates the limitations of claim 1, i.e., providing a Web page for display on a computer system, providing point-of-service application as selections within the Web page, and transferring funds utilizing a routed transactional data structure. If a claim covers all practical applications of an abstract idea, it is not meaningfully limited. *Id.* at 1345. Pre-emption is only a subject matter eligibility problem when a claim preempts all practical use of an idea. *Id.* at 1346. Claim 4 does not cover all practical applications of object routing. Claim 4 does not cover all practical methods of performing real time Web transactions. Claim 4 further limits performing a real time Web transaction to completing the funds transfer by object routing. Claim 4 would not cover methods that do not use object routing to complete the transfer of funds in a software program that can be accessed by an internet user, i.e., a Web application, as we have construed that term. Thus, the recitation of object routing in claim 4 meaningfully limits the claimed method for performing a real time Web transaction. Petitioner has not persuaded us it is more likely than not that claim 4 is unpatentable under 35 U.S.C. § 101. We similarly are not persuaded that claims 5 and 6, which depend from claim 4, are more likely than not unpatentable under 35 U.S.C. § 101.

In view of the foregoing, we institute a covered business method patent review based on Petitioner's challenges to claims 1-3 and 11 under 35 U.S.C. § 101. We decline to institute covered business method patent review based on Petitioner's challenges to claims 4-6 under 35 U.S.C. § 101.

## ART CITED IN PETITION

Electronic Banking – Ex. 1004

Electronic Banking ("EB") generally discloses retail and wholesale banking services and discusses future directions of the financial services industry and electronic funds transfer at the time of its publication in 1985. Ex. 1004, pp. 10-11 (Preface, Table of Contents);[9] Pet. 42. Pages 123-146 of Electronic Banking disclose home banking developments from a telephone bill payment system to a video home banking system. Electronic Banking identifies four categories of service (information retrieval, transactions, electronic messaging and computation), EB, p. 124-5, four major processing functions, (customer information preparation, network control, session management and after-session transaction processing), EB 128, and five major system elements (terminals, communications link, operating center, database and standards). EB, p. 124-5.

Electronic Banking discloses that when a customer accesses the system, this customer is the network controller's customer and can access many different services the network controller offers, including a bank's services, by selecting from categories listed on an index menu. EB, p. 129. When the customer selects banking, the network controller sets up a direct connection between the customer

[9] Page number references in the Petition refer to the page number of the Electronic Banking publication, rather than the pages numbers of Ex. 1004. For consistency, further references in this decision are to the page numbers of Electronic Banking, rather than the page numbers of Ex. 1004.

and the financial switch (FS) bank, at which point the FS bank takes over the session management function and prompts the customer through the transaction, thereby capturing the customer oriented transaction and providing the bank complete control over the customer's transaction. *Id.* When the customer signs off, the customer is returned to the network controller's main menu from which the customer may select another service, such as news or games. *Id.*

Stanford Federal Credit Union ("SFCU") – Ex. 1005

SFCU discloses that, following a 100 member trial in 1994, in 1995 Stanford Federal Credit Union became the first bank to offer customers services beyond access to information over the Internet, by providing its customers the ability to withdraw or transfer funds from one account to another, and conduct day-to-day business online, using its home page and World Wide Web server. Ex. 1005, p. 1-2.

Lawlor – Ex. 1006

Lawlor discloses a system for remote delivery of banking services. Ex. 1006, Abstract. In Lawlor, contact is established between portable terminals and a central computer operated by a service provider over a telephone or packet data network. *Id.* Users are connected to their banks by linking the digital packet network, accessible through a dial-up gateway, to an ATM network. Ex. 1006, Abstract; col. 7, ll. 30-36, 40-48. The central computer acts as a Point of Sale (POS) or Automated Teller Machine (ATM). *Id.*, Abstract. The bank's data processing system communicates with other banks through specialized ATM networks and digital switches, so that a user of one bank's ATM can access an account in another bank. *Id.*, col. 4, 12-23. Funds transfers can be accomplished in real time. *Id.*, col. 7, ll. 19-22.

Computerworld – Ex. 1007

Computerworld discloses that in June 1995 Security First Network Bank was approved to provide services including the ability to make money transfers over the Internet. Ex. 1007.

## ANALYSIS OF PETITIONER'S PRIOR ART CHALLENGES

### Grounds based on the combination of Lawlor and Computerworld

Patent Owner argues that Lawlor precedes the Web, but acknowledges that Lawlor discloses an invention that "piggybacks" on evolving ATM and telephone company communications networks. Prelim. Resp. 27. Petitioner cites Computerworld as disclosing the implementation of such networks on the Internet and argues that Lawlor and Computerworld address the same problem as that addressed in the ´158 Patent, i.e., providing real-time transactional capabilities. Pet. 25, 40. Lawlor discloses the existence of point-of-sale (POS) terminals that dial a central computer, which reformats a request into a standardized debit request message and transmits it over an ATM network causing an immediate debit of the purchaser's bank account. Ex. 1006, col. 5, ll. 25-46. Such ATM networks are digital packet-switched network banks used to communicate with one another. *Id.*, col. 4, ll. 14-23. Therefore, we agree with Petitioner's contention that a person of ordinary skill in the art would have a reason to combine Lawlor, which deals with the remote delivery of retail banking services over interconnected networks, e.g., the telephone network and an interbank ATM network, with the disclosure in Computerworld that certain institutions were pursuing delivery of such services using the Internet, including using the Netscape Navigator browser. Pet. 40-42.

#### Claim 1

As discussed above, Lawlor discloses the subject matter of independent claim 1, i.e., a method for performing a real-time transaction over a digital

network. The preferred embodiment of Lawlor's invention processes information through the public data network (PDN) and "piggybacks" on an evolving ATM network, Prelim. Resp. 27. *See* Ex. 1006, col. 7, l. 64 – col. 8, l. 5; col. 11, ll. 22-42. Lawlor discloses linking two networks, i.e., the digital packet network accessible through dial-up telephone gateway and an ATM network for the purpose of home banking. *Id.*, col. 7, ll. 45-48. Thus, when combined, the disclosure in Computerworld and Lawlor describe and suggest a service network atop the Web.

Based on its narrow construction of "Web application," "real-time transaction from a Web application," "point-of-service application," and "service network atop the world wide Web," Patent Owner contends that Lawlor and Computerworld are missing these elements. Prelim. Resp. 27-30.

In IPR2013-00194, we construed a point of service application to mean a software program that facilitates execution of transactions requested by a user. *See* IPR2013-00194, Decision To Institute, Paper No. 12, Claim Construction. Computerworld's discussion of accessing banking services over the Internet and using Netscape Navigator in such transactions, Ex. 1007, discloses a Web page displayed on a computer screen and a Web application, i.e., a software program that can be accessed by an Internet user. Lawlor discloses that with an alpha keyboard, a terminal user can access not only banking services, but also e-mail and other "alpha-dominated" services via the PDN. Ex. 1006, col. 10, ll. 34-43; col. 7, l. 64-col. 8, l.5. Lawlor discloses displaying advertising to a consumer based on the consumer's past history, Ex. 1006, col. 32, ll. 15-65, and a menu from which a user selects a type of banking service, e.g., bill paying, account transfer, account information, or other services. *Id.*, col. 32, l. 65- col. 33, l.2 , col. 41, ll. 35-40. The claimed access to both a savings and checking account is encompassed by

Lawlor's disclosure of account transfer and account information options. *See, id.*, col. 10, ll. 34-43.

Lawlor further discloses that, following the user's selection of the particular type of transaction, sub-options are displayed and discloses that the software is responsive to further inputs from the user. *Id.*, col. 41, ll. 57-60. Funds transfers, such as payments, can be accomplished immediately, in real time, and the transactions can be routed through the originating ATM network or another ATM network. *Id.* at col. 7, ll. 49-53, col. 22, ll. 28-52, col. 50, ll. 44-59 . Lawlor also discloses that a central processor transmits through an interchange a debit to the source account and a credit to the receiving account. Pet. 33. Lawlor further discloses a banking module 80H that conducts funds transfers between accounts. Ex. 1006, col. 20, ll. 59-63. We agree with Petitioner that funds transfers can be made between checking and savings accounts. Pet. 32. Lawlor further discloses a routing module that permits efficient routing of transactions to the appropriate module for servicing. *Id.*, col. 20, ll. 27-29. Thus, we are persuaded that Lawlor discloses utilizing a routed transactional data structure that is both complete and non-deferred, i.e., using a structure that facilitates switching a user who selects a transactional application to a service provider program that provides immediate processing.

In view of the foregoing, we are persuaded that it is more likely than not that Petitioner will prevail in demonstrating that claim 1 of the ´158 Patent is unpatentable under 35 U.S.C. § 103 over the combination of Lawlor and Computerworld. Therefore, we institute a covered business method patent review of claim 1based on Petitioner's challenge to claim 1 as unpatentable over the combination of Lawlor and Computerworld.

Claims 2, 3, and 11

Claim 2 recites "an exchange over the Web" completes the transfer of funds, and claim 3 recites that "a management agent is used to complete" the exchange. While Lawlor does not disclose the exchange over the Web, as previously discussed, Lawlor discloses a customer using a PDN, such as a packet-switched telephone communication network, to interface with an ATM network, to transfer funds. We agree with Petitioner that the use of the Internet and a Web browser to perform financial transactions is disclosed by Computerworld. Pet. 35-36.

Lawlor further discloses that the manager 80A in CPU 80 schedules and coordinates the flow of transactions through various system modules by sending the transactions to the appropriate module, e.g., settlement module and the banking module, "for processing and control of interactions with the external environment." *Id.*, col. 20, ll.11-16, col. 20, l. 26 – col. 21, l.10. Thus, the central computer serves as a management agent used to complete the transfer of funds as recited in claim 3.

Claim 11 depends from claim 1 and recites that "the Web transaction is accessing an account across the Web from a Web application." As discussed above, Computerworld discloses the added limitation of accessing accounts through the Internet using a Web browser.

In view of the foregoing, we are persuaded that Petitioner has demonstrated it is more likely than not that claims 2, 3, and 11 of the ´158 Patent are unpatentable under 35 U.S.C. § 103 over the combination of Lawlor and Computerworld. Therefore, we institute a covered business method patent review of claims 2, 3, and 11 based on Petitioner's challenge to claims 2, 3, and 11 as unpatentable over the combination of Lawlor and Computerworld.

Claims 4 -6

We have construed the "object routing" recited in claim 4 to mean the use of individual network objects to route a user from a selected transactional application

to the processing provided by the service provider. Petitioner has not identified any such object routing in either Lawlor or Computerworld. Therefore, we do not find it more likely than not that claim 4 is unpatentable over the combination of Lawlor and Computerworld, and we do not institute a covered business method patent review of claim 4 on that basis. Because claim 5 depends from claim 4 and incorporates its limitations, we do not institute a covered business method review of claim 5 based on the same prior art challenge as that asserted against claim 4.

Claim 6 depends from claim 1 and recites a virtual information store, which we have construed to mean an information store in which information entries and attributes are associated with a networked object entity. Petitioner's reference to databases in Lawlor identifies no databases with the characteristics of a virtual information store. Therefore, we do not find that Petitioner has demonstrated it is more likely than not that claim 6 is unpatentable over the combination of Lawlor and Computerworld, and we do not institute a covered business method patent review of claim 6 on that basis.

Grounds Based on Electronic Banking and SFCU

Patent Owner argues that neither EB nor SFCU discloses at least the claimed "Web application," "a method for performing a real time web transaction from a web application," "point-of-service application as a selection within the Web page," "the point-of-service application operating in a service network atop the World Wide Web," and "service network atop the Web." Prelim Resp. 40-44. Patent Owner further argues that, like Lawlor and Computerworld, EB recounts the use of physical networks and dial-up lines in the decade preceding the Web and discloses only a physical facilities network. *Id.*, 35-36. In addition, Patent Owner contends that neither SFCU nor EB discloses an object or transactional data structure. Prelim. Resp. 45.

Petitioner argues that EB and SFCU teach techniques for performing real time, two-way transactions, with SFCU explicitly teaching these capabilities on the web. Pet. 73. SFCU discloses that home banking can be accessed through a Web site on the Internet and that users can transfer money from one account to another. Ex. 1005. We understand the ability to transfer funds between accounts includes the ability to transfer funds between savings and checking accounts. Thus, we agree that EB and SFCU address the same problems.

Claim 1

EB discloses performing real-time transactions through a network that a user, who initially is a customer of the network controller, enters to access various services, such as banking, news or games. EB, p. 129. The network controller may be the user's cable company. *Id.* Although Patent Owner contends that the capabilities of the Web are limited, e.g., as a result of the limitations of CGI script execution, SFCU discloses that one such known network is the Web and that a software program can be accessed by an Internet user. Ex. 1005.

EB discloses four categories of banking services (transactions the bank can perform), EB, p. 124-5, which are provided by a point-of service application, i.e., a software program that facilitates execution of transactions requested by a user. When a user selects electronic banking, the network controller sets up a direct connection between the financial switch (FS) bank and the customer, at which point the bank takes over the session management. *Id.*, p. 129. The session manager task may also be performed by the network provider rather than the bank. *See id.* at 131, discussing several examples of banks delegating certain session management functions to cable companies or other communications service providers. Therefore, we agree that EB discloses a service network, i.e., a network on which services, other than underlying network communications services, are

provided and that, when combined with SFCU, it would be obvious to one of ordinary skill to provide the point-of-service application in a service network atop the World Wide Web.

EB discloses accepting a signal from the user to select the desired service from the categories listed on an index (or point-of service application) and accepting subsequent signals from the user input device, e.g., response to the bank's computer generated prompts for customer input. *Id.*, p. 129. SFCU provides the disclosure that the user input is provided from a Web user input device.

As previously discussed, EB discloses processing transactions, which we understand to include transferring funds, e.g., for bill payment. EB, p. 125. As Petitioner notes, EB also discloses using terminals to perform ATM functions, and that these functions include transferring funds between checking and savings accounts. Pet. 46-47.

We also are persuaded that EB discloses utilizing a routed transactional data structure that is complete and non-deferred. We have construed this term to mean a data structure that facilitates switching a user who selects a transactional application to a service provider program that provides immediate processing. As discussed above, EB discloses that when a user selects electronic banking, the network controller sets up a direct connection between the financial switch (FS) bank and the customer, at which point the bank takes over the session management. *Id.*, p. 129. EB also discloses the need for a bank to possess software to extract home banking customer account information to set a cutoff time to for updating accounts during or after the session. *Id.* 134 (emphasis added). EB further discloses the Fed Wire network which transfers credits and debits that immediately affect an institution's available funds. *Id.*, p. 165. Thus, EB discloses

routed transactions that are both complete and non-deferred, and specific to the point-of-service application.

In view of the foregoing, we are persuaded that Petitioner has demonstrated it is more likely than not that claim 1 of the ´158 Patent is unpatentable under 35 U.S.C. § 103 over the combination of Electronic Banking and SFCU. Therefore, we institute a covered business method patent review of claim 1based on Petitioner's challenge to claim 1 as unpatentable over the combination of Electronic Banking and SFCU.

Claims 2, 3, and 11

Claim 2 recites "an exchange over the Web" completes the transfer of funds, and claim 3 recites that "a management agent is used to complete" the exchange. EB in combination with SFCU discloses both of these features. EB discloses that transaction instructions and processing to complete banking transactions, such as the exchange of funds, EB, p. 125, and accessing the transactional capabilities through a network, *id.*, p. 129. SFCU discloses that the network used to access such transactions may be the Web. EB also teaches that a computer performing session management functions manages the transactions. *Id.*, p. 120-131.

Claim 11 depends from claim 1 and recites that the "Web transaction is accessing an account across the Web from a Web application." As discussed above, SFCU discloses the added limitation of accessing accounts through the Internet using a Web browser.

In view of the foregoing, we are persuaded that Petitioner has demonstrated it is more likely than not that claims 2, 3, and 11 of the ´158 Patent are unpatentable under 35 U.S.C. § 103 over the combination of Electronic Banking and SFCU. Therefore, we institute a covered business method patent review of

claims 2, 3, and 11 based on Petitioner's challenge that these claims are as unpatentable over the combination of Electronic Banking and SFCU.

Claims 4-6

We have construed the object routing recited in claim 4 to mean the use of individual network objects, to route a user from a selected transactional application to the processing provided by the service provider. Petitioner has not identified any such object routing in either Electronic Banking or SFCU. Therefore, we do not find that Petitioner has demonstrated that it is more likely than not that claim 4 is unpatentable over the combination of EB and SFCU, and we do not institute a covered business method patent review of claim 4 on that basis. Because claim 5 depends from claim 4 and incorporates its limitations we do not institute a covered business method review of claim 5 based on the same prior art challenge as that asserted against claim 4.

Claim 6 depends from claim 1 and recites a virtual information store, which we have construed to mean an information store in which all information entries and attributes are associated with a networked object entity. Petitioner's reference to databases in Electronic Banking identifies no databases with the characteristics of a virtual information store. Therefore, we do not find that Petitioner has demonstrated it is more likely than not that claim 6 is unpatentable over the combination of EB and SFCU and we do not institute a covered business method patent review of claim 6 on that basis.

Grounds Based on Applicant's Admitted Prior Art and Electronic Banking

Our application of the disclosure in EB to the claims of the ´158 Patent is discussed above. *Supra,* Grounds Based on Electronic Banking and SFCU.

Petitioner argues that EB discloses video home banking systems could be implemented over various networks and that the AAPA in the ´158 Patent

discloses that banking transactions could be performed over the Web, so that one of ordinary skill would understand that the teachings of EB could be adapted to the Web. Pet. 60. As this ground is redundant to the grounds based on EB and SFCU, we do not institute an *inter partes* review on any of the claims based on the combination of Electronic Banking and AAPA.

## CHALLENGES UNDER 35 U.S.C. § 112

Petitioner asserts that claims 1-6 and 11 are unpatentable under 35 U.S.C. § 112(b) because the terms "routed transactional data structure," "non-deferred," "complete," and "service network atop the World Wide Web" are indefinite. Pet. 75-80. Patent Owner counters that the terms "routed data structure," "non-deferred," and "complete" are not indefinite in light of the intrinsic evidence. Prelim Resp., 53-59. Patent Owner asserts that the term "service network atop the World Wide Web" is defined explicitly in the specification at column 5, lines 49-51 and column 6, lines 22-24. Prelim Resp. 59.

We considered the terms "routed transactional data structure," "non-deferred," and "complete" in context in our construction of the claim limitation "(Utilizing) a routed transactional data structure that is both complete and non-deferred." Petitioner contends that "routed transactional data structure" has no known meaning in the art, Pet. 76-77, is not defined in the specification, Pet. 75, and that its scope is not defined in the prosecution history, Pet. 76. We have already determined that the portions of the specification cited by Patent Owner, Prelim. Resp. 57, do not provide describe a routed transactional data structure as object routing, as proposed by Patent Owner. *Supra,* Claim Construction.

Patent Owner extensively argues the prosecution history provides a suitable definition. Prelim. Resp. 53-59. We discern no definition of the term "routed

transactional data structure" in the portions of the prosecution history cited by Patent Owner. Page 116 of Exhibit 2009, cited by Patent Owner at page 57 of the Preliminary Response, attempts to distinguish a reference, DeBettencourt, by arguing that an "application," in DeBettencourt is different from a transactional Web application with an "object" or transactional data structure that connects to a transactional Point-of-Service application across a service network atop the World Wide Web. There is no definition of a "routed transactional data structure" in the cited argument.

A claim is indefinite if, when read in light of the specification, it does not reasonably apprise those of ordinary skill in the art of the scope of the invention. *Amgen, Inc. v. Hoechst Marion Roussel, Inc.*, 314 F.3d 1313, 1342 (Fed. Cir. 2003). Even if a claim's terms can be reduced to words, the claim is still indefinite if a person of ordinary skill cannot translate the definition into a meaningfully precise claim scope. *Halliburton Energy Services, Inc. v. M-I LLC*, 514 F.3d 1244, 12511255 (Fed. Cir. 2008). Although we have construed the claim to give it the broadest reasonable interpretation, as a result of the presence of the term "routed transactional data structure," we are not persuaded that a potential competitor could determine whether or not he is infringing. *Morton Int'l. v. Cardinal Chemical Co.*, 5 F. 3d 1464, 1470 (Fed. Cir. 1993). Thus, we are persuaded it is more likely than not that claim 1 is unpatentable under 35 U.S.C. § 112(b).

We are not persuaded that the terms "non-deferred" and "complete" are similarly indefinite. While we have not adopted the constructions proposed by either Petitioner or Patent Owner, the ordinary meaning of these terms can be applied in construing the subject limitation. Thus, in IPR2013-00194, we construed "real-time" to mean "non-deferred "and in this case, we have construed "non-deferred" to mean "processed immediately." We have further construed a

"complete" routed transactional data structure to provide all the information necessary to perform switching. *Id.*

We do not agree with Patent Owner that the term "service network atop the Web" is defined expressly in the specification. Prelim. Resp. 59. However, the ´158 Patent discloses five components that provide service network functionality and states that the service network operates within the boundaries of an IP-based facilities network. At least with respect to this term, we are persuaded that one of ordinary skill would understand the bounds of the claim when read in light of the specification. *Exxon Research & Eng'g. Co. v. United States,* 265 F.3d 1371, 1375 (Fed, Cir. 2001). Therefore, we are not persuaded that the term "service network atop the Web" is indefinite.

The indefinite term "routed transactional data structure" is used in claim 1. All the remaining claims depend from claim 1. In view of the foregoing, we are persuaded that it is more likely than not Petitioner will prevail in demonstrating that claims 1-6 and 11 are unpatentable under 35 U.S.C. § 112(b). Therefore, we institute a covered business method patent review based on Petitioner's challenge to claims 1-6 and 11 as unpatentable under 35 U.S.C. § 112(b).

## SUMMARY

I. The Petition is GRANTED as to the grounds asserting that claims 1-3 and 11 are unpatentable under 35 U.S.C. § 101.

II. The Petition is GRANTED as to the following grounds asserted under 35 U.S.C. § 103:

Claims 1-3 and 11 as obvious over the combination of Lawlor and Computerworld; and

Claims 1-3 and 11 as obvious over the combination of Electronic Banking and SFCU.

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III. The Petition is GRANTED as to the grounds asserting claims 1-6 and 11 are unpatentable under 35 U.S.C. § 112(b).

IV. We do not authorize a covered business patent review on the following grounds asserted under 35 U.S.C. § 103:

Claims 4-6 as obvious over the combination of Lawlor and Computerworld;

Claims 4-6 as obvious over the combination of Electronic Banking and SFCU; and

Claims 1-6 and 11 as obvious over the combination of Electronic Banking and Applicant's Admitted Prior Art.

V. We do not authorize covered business method patent review on grounds asserting that claims 4-6 are unpatentable under 35 U.S.C. § 101.

ORDER

In consideration of the foregoing, it is hereby:

**ORDERED** that the Petition is granted.

**FURTHER ORDERED** that pursuant to 35 U.S.C. § 324(a) a covered business method patent review of the ´158 Patent is hereby instituted, commencing on the entry date of this Order, and pursuant to 35 U.S.C. § 324(d) and 37 C.F.R. § 42.4, notice is hereby given of the institution of a trial.

**FURTHER ORDERED** that the trial is limited to the grounds identified in Section I, II, and III of the above Summary, and no other grounds are authorized.

**FURTHER ORDERED** than an initial conference call with the Board is scheduled for 2 PM Eastern Time on October 21, 2013. The parties are directed to

the Office Trial Practice Guide, 77 Fed. Reg. 48756, 48765-66 (Aug. 14, 2012) for guidance in preparing for the initial conference call, and should come prepared to discuss any proposed changes to the scheduling order entered herewith and any motions the parties anticipate filing during the trial.

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