

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE, INC., BEST BUY STORES, LP,
and BESTBUY.COM, LLC,
Petitioner,

v.

MIRROR WORLD TECHNOLOGIES, LLC,
Patent Owner.

Case CBM2016-00019
Patent 6,006,227

Before THOMAS L. GIANNETTI, DAVID C. McKONE, and
BARBARA A. PARVIS, *Administrative Patent Judges*.

Opinion for the Board filed by *Administrative Patent Judge* GIANNETTI.

Opinion Concurring in the Result filed by *Administrative Patent Judge*
McKONE.

GIANNETTI, *Administrative Patent Judge*.

DECISION

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

Apple, Inc., Best Buy Stores, LP, and BestBuy.com, LLC (collectively, “Petitioner”) filed a Petition (Paper 1, “Pet.”) pursuant to 35 U.S.C. §§ 321–329 seeking to institute a covered business method patent review of claims 13, 14, 17, 20, 22, 42, 44, and 55 of U.S. Patent No. 6,006,227 (Ex. 1001, “the ’227 patent”). Mirror Worlds Technologies, LLC (“Patent Owner”) filed a Preliminary Response. Paper 7 (“Prelim. Resp.”). Applying the standard set forth in 35 U.S.C. § 324(a), which requires demonstration that more likely than not Petitioner would prevail with respect to at least one challenged claim, we deny Petitioner’s request to institute a covered business method review of the challenged claims.

I. BACKGROUND

A. *The ’227 patent (Ex. 1001)*

The ’227 patent is titled “Document Stream Operating System.” The Abstract describes the subject matter as follows:

A document stream operating system and method is disclosed in which: (1) documents are stored in one or more chronologically ordered streams; (2) the location and nature of file storage is transparent to the user; (3) information is organized as needed instead of at the time the document is created; (4) sophisticated logic is provided for summarizing a large group of related documents at the time a user wants a concise overview; and (5) archiving is automatic. The documents can include text, pictures, animations, software programs or any other type of data.

Ex. 1001, Abstract. The patent further describes the invention as a system for managing personal electronic information. *Id.* at col. 3, ll. 62–63. The patent uses a time-ordered stream as a storage model and stream filters to organize, locate, summarize, and monitor incoming information. *Id.* at col. 3, ll. 63–65. The patent refers to a “stream” as a time-ordered sequence

of documents. *Id.* at col. 4, ll. 66–67. The patent refers to a “substream” as a subset of the main stream document collection. *Id.* at col. 5, ll. 16–17. Although a document may belong to any number of substreams, it remains part of the main stream. *Id.* at col. 5, ll. 14–16.

This subject matter of the '227 patent is illustrated by Figure 1 of the patent, which is reproduced below:

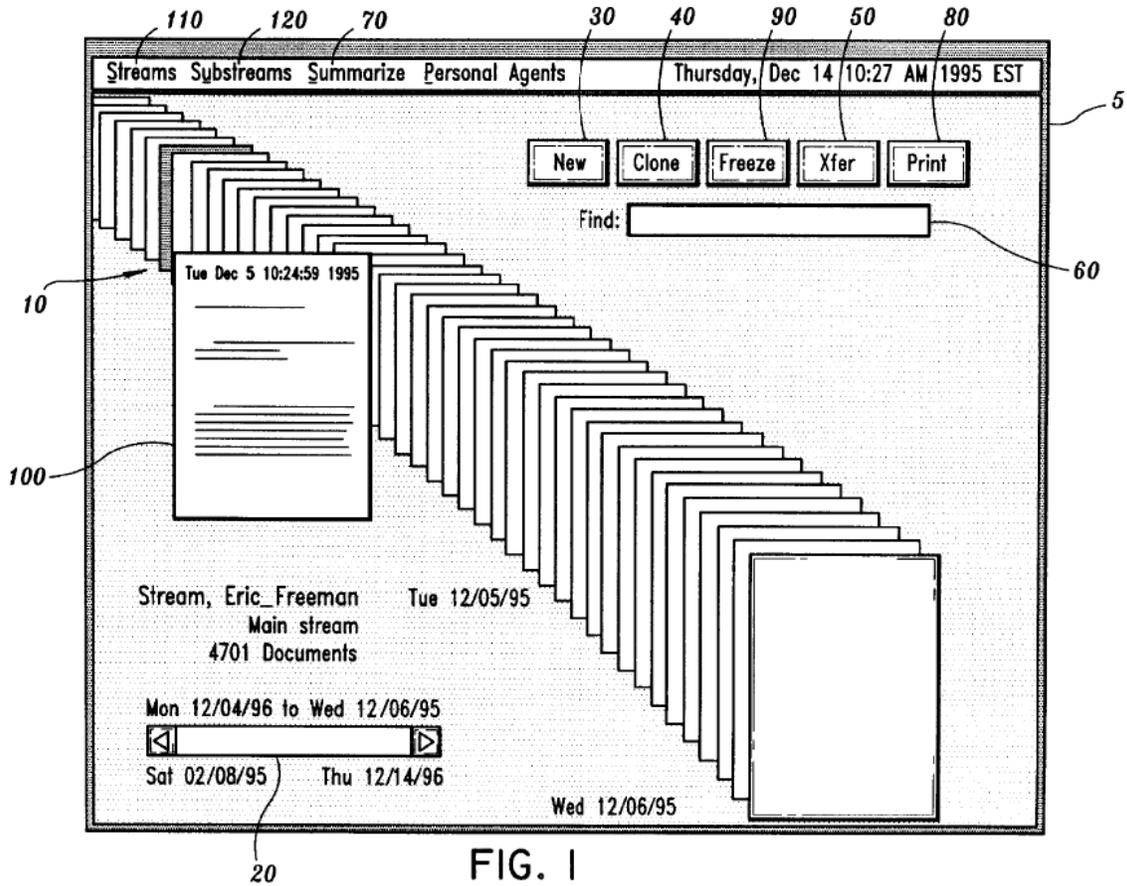


FIG. 1

Figure 1 is a block diagram showing the user interface or “viewport” for one embodiment of the invention. Ex. 1001, col. 3, ll. 36–37. “New” button 30 creates a new document and adds the document to the stream at the “present” time point. *Id.* at col. 6, ll. 56–58. The “Find” operation uses text

box 60 that allows the user to enter a Boolean search inquiry. The search results in a new substream being created and displayed. *Id.* at col 6, ll. 61–64.

B. Illustrative Claim

Challenged claim 13 is an independent claim. The other challenged claims depend, directly or indirectly, from claim 13. Claim 13 is reproduced below:

13. A method which organizes each data unit received by or generated by a computer system, comprising the steps of:

generating a main stream of data units and at least one substream, the main stream for receiving each data unit received by or generated by the computer system, and each substream for containing data units only from the main stream;

receiving data units from other computer systems;

generating data units in the computer system;

selecting a timestamp to identify each data unit;

associating each data unit with at least one chronological indicator having the respective timestamp;

including each data unit according to the timestamp in the respective chronological indicator in at least the main stream; and

maintaining at least the main stream and the substreams as persistent streams.

C. Related Proceedings

Patent Owner has asserted the '227 patent in *Mirror Worlds Technologies, LLC v. Apple, Inc. et al*, Civil Action No. 6:13-cv-00419 (E.D. Tex.), filed May 13, 2013, and *Mirror Worlds Technologies, LLC v. Dell Inc., et al.*, Civ. Action No. 6:13-cv-00941 (E.D. Tex.), filed December 10, 2013. Paper 6, 1; Pet. 79. The patent was previously asserted in *Mirror*

Worlds, LLC v. Apple Inc., Civil Action No. 6:08-cv-00088 (E.D. Tex.), filed March 14, 2008. The appeal of that case to the Federal Circuit is reported at 692 F.3d 1351 (Fed. Cir. 2012).

In addition, the '227 patent has been reexamined in *ex parte* reexamination proceedings. Ex. 1001, 17–23 (Ex Parte Reexamination Certificates US 6,006,227 C1 and US 6,006,227 C2). Patent Owner identifies a number of other related reexamination proceedings and applications. Paper 7.

D. Real Party-in-Interest

The Petition identifies Apple, Inc., Best Buy Stores, LP, and BestBuy.com, LLC, as the real parties-in-interest. Pet. 79. Patent Owner does not challenge this assertion.

E. Grounds Asserted

Petitioner challenges the patentability of claims 13, 14, 17, 20, 22, 42, 44, and 55 of the '227 patent under 35 U.S.C. § 101. Petitioner additionally challenges the patentability of these claims as indefinite under 35 U.S.C. § 112 ¶ 2.

II. ANALYSIS

A. Standing

Petitioner states that it has been sued for infringement of the '227 patent and is not estopped from challenging the patent claims. Pet. 34. Patent Owner does not contest this. Petitioner, therefore, has standing to seek review of the '227 patent under Section 18 of the AIA. *See Leahy-Smith America Invents Act*, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”) § 18(a)(1)(A); 37 C.F.R. § 42.302.

B. Financial Product or Service

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.” AIA § 18(d)(1); *see* 37 C.F.R. § 42.301(a). The parties dispute whether the ’227 patent meets this requirement.

Petitioner contends that the requirement is met because the patent specification indicates that the ’227 patent was intended “specifically to cover the organization of financial activities and/or monetary matters.” Pet. 21. In support, Petitioner identifies embodiments described in the specification where the claimed method is used to organize a user’s personal finances. *Id.* at 22–23. Those embodiments describe the use of the claimed method to track checking accounts, savings, investments, and budgets. Ex. 1001, col. 12, ll. 37. One such example describes an embodiment in which the invention is used to manage a stock portfolio. *Id.* at Figs. 8a, 8b; col. 12, ll. 37–50. Another embodiment describes use of the invention to provide a “stream-based checking account.” *Id.* at col. 12, ll. 51–60.

Patent Owner responds that eligibility of the ’227 patent for review as a covered business method patent should be based on what the patent claims and not the embodiments described in the specification. Prelim. Resp. 6–15. Patent Owner contends that claim 13 is “context neutral.” That is, no claim limitation specifies uses relating to the practice, administration, or management of a financial product or service. *Id.* at 15–18. Thus, Patent Owner contends that the Petition fails to establish eligibility of the ’227 patent for review. *Id.* at 18–23.

We are not persuaded by Patent Owner's argument. We do not interpret AIA § 18 as requiring a literal recitation of the terms data processing or financial or similar terms. The statute requires only that the patent claim a method "used in the practice, administration, or management of a financial product or service." Patent Owner does not dispute that the embodiments described in the specification relied on by Petitioner are financial in nature, or that they fall within the scope of the claims. Patent Owner's argument is that "statements in the specification (for example describing embodiments) that are not reflected in claim limitations are not sufficient to establish CBM eligibility." Prelim. Resp. 7.

Patent Owner's position is unavailing because it would require us to read into the statute the further requirement that the claims be limited by their express language only to financial products or services. That result would be inconsistent with the legislative history of the AIA, which indicates that Congress intended "financial product and service" to be interpreted broadly. As recognized in the legislative history: "[t]o meet this [eligibility] requirement [under the AIA] the patent need not recite a specific financial product or service. Rather, the patent claims must only be broad enough to cover a financial product or service." 157 Cong. Rec. S1365 (daily ed. Mar. 8, 2011) (Statement of Sen. Schumer). The legislative history continues:

For example, if a patent claims a general online marketing method but does not specifically mention the marketing of a financial product, such as a savings account, if that marketing method could be applied to marketing a financial product or service, the patent would be deemed to cover a "financial product or service."

Id.

The concurrence, like Patent Owner, concludes that the '227 patent is not eligible for review. The concurrence errs in its reading of this statute in several respects. The statute does not say that the *claims* must be used in the practice, administration, or management of a financial product or service. It says that the *data processing or other operations* performed by the claimed methods and apparatus are used in such activities or products. That difference is significant, for it shifts the focus away from a narrow examination of claim language for terms that are “explicitly or inherently financial” to the broader question of how the *operations* performed by the claimed methods and apparatus are intended to be applied. This latter question inevitably leads to examining the specification for guidance.

Furthermore, the concurrence places much reliance on the appearance of the term “used in” in the statute, contrasting this with the term “usable in.” The concurrence suggests that a claim whose language is “explicitly or inherently financial” can meet this “used in” criteria, while claims lacking such language cannot. This interpretation of the statute is not persuasive, for it suggests that the presence of certain language in a patent claim is an indication that the claim is being “used.” In fact, it is not. Moreover, the standing requirements for a covered business method patent review do not require a showing of “use,” only that the petitioner be sued or charged with infringement. AIA § 18(A)(1)(b).

Patent Owner cites a number of non-precedential Board decisions in support of its interpretation. Prelim. Resp. 21–23. We are not bound by those panel decisions, nor do we agree that the Board has “consistently held” that the claims must expressly recite a financial product or service as Patent

CBM2016-00019
Patent 6,006,227

Owner suggests. Prelim. Resp. 9. *See Global Tel*Link Corp. v. Securus Techs., Inc.*, CBM2015-00145, 2015 WL 9599136, *8 (PTAB Nov. 25, 2015) (“[W]e do not interpret the [CBM] statute as requiring the literal recitation of financial products or services in a claim.”); *Epcor Software Corp. v. Protegrity Corp.*, CBM2015-00002, Paper 45 (PTAB April 19, 2016), slip op. at 5 (same).

Moreover, our review of the decisions cited by Patent Owner (Prelim. Resp. 9–11) reveals that the determination of whether the patent is a covered business method patent is determined by the specific facts of a proceeding. For example, in *Salesforce.com, Inc. v. Applications in Internet Time, LLC*, CBM2014-00162, Paper 11 (PTAB Feb. 2, 2015), relied on by Patent Owner, the panel noted that the petitioner’s analysis did not assert that any specific claim is directed to a covered business method. Slip op. at 10. Further, the petitioner had failed to show any relationship between the two references to “finance” in the written description and the system recited in the claims. *Id.*

Similarly, Patent Owner’s reliance on *Blue Calypso, LLC v. Groupon, Inc.*, 815 F.3d 1331 (Fed. Cir. 2016), is misplaced. Prelim. Resp. 5–6. The issue of whether the claims must expressly recite a financial product or service was not before the Federal Circuit in that case. Instead, in *Blue Calypso*, the question was whether the Board panel’s construction of the term “subsidy” expressly recited in the claims provided a sufficient basis to meet the test. 815 F.3d at 1339–40. Thus, any reference by the Federal Circuit to *Salesforce.com* or other such panel decisions in *Blue Calypso* is inconclusive, for the issue presented here was not considered.

Based upon the particular facts of this proceeding, therefore, we determine that the '227 patent meets the “financial product or service” requirement.

C. Technological Invention

The AIA excludes from covered business method patent review patents for a “technological invention.” AIA § 18(d)(1). To determine whether a patent is for a “technological invention” under the statute, we consider “whether the claimed subject matter as a whole recites a technological 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 the '227 patent does not fall within the exclusion because “the only technological features recited in the '227 patent claims were well-known, generic, and conventional in 1996 when the application that issued as the '227 Patent was filed.” Pet. 26. Petitioner contends that “computer system,” recited in claim 13 “was generic and common” and “[a]ny argument by the Patent Owner that other elements of claim 13 constitute a novel or non-obvious ‘technological feature’ would be incorrect.” *Id.* at 27, 28. Petitioner provides further details regarding why it contends that none of the elements of claim 13 were technologically novel or nonobvious. *Id.* at 28–30.

Patent Owner does not direct its arguments to this exclusion under 37 C.F.R. § 42.301(b), preferring instead to argue that the definition of covered business method patent under 37 C.F.R. § 42.301(a) does not apply to the '227 patent. *See supra.*

We have reviewed Petitioner’s argument and the supporting Declaration of Arthur Keller (Ex. 1009, “Keller Decl.”) and are persuaded by them that the exclusion for technological inventions does not apply to the challenged claims. Pet. 25–34; Keller Decl. ¶¶ 65–67. We conclude, therefore, that ’227 patent is a covered business method patent eligible for review.

D. Claim Construction

In a covered business method patent review, claim terms in an unexpired patent are construed according to their broadest reasonable interpretation in light of the specification of the patent in which they appear. 37 C.F.R. § 42.300(b); Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,766 (Aug. 14, 2012). Under that standard, claim terms are given their ordinary and customary meaning, as would be understood by one of ordinary skill in the art in the context of the entire disclosure. *In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007).

Petitioner proposes construction of a number of claim terms. Pet. 15–19. For purposes of this Decision, however, we determine that “data unit” is the only term requiring an express construction in order to conduct our analysis.

This term “data unit” appears in all challenged claims. Petitioner urges us to adopt the district court’s construction for this term, which is: “an item of information that is *of direct user interest* in the user’s timeline.” Pet. 13. Patent Owner urges us to apply the broadest reasonable interpretation of “data unit,” which it contends is simply a “document.” Prelim. Resp. 62–66. Patent Owner supports its argument with many citations to the ’227 patent, specification, and prosecution history where the

terms “document” and “data unit” are used interchangeably. *Id.* at 62–63 (specification), 63–66 (prosecution history).

We are persuaded by Patent Owner’s argument, including its table of specification references (Prelim. Resp. 62), that the broadest reasonable interpretation of “data unit” is “document.”

E. Subject Matter Eligibility Under 35 U.S.C. § 101

Petitioner contends that the challenged claims are directed to an abstract idea that is not eligible subject matter for a patent under 35 U.S.C. § 101. Pet. 35–74. In *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014), the Supreme Court followed the two-step framework set forth in *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289 (2012), “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice*, 134 S. Ct. at 2355.

In the first step, “we determine whether the claims at issue are directed to one of those patent-ineligible concepts.” *Id.* “If so, we then ask, ‘[w]hat else is there in the claims before us?’” *Id.* (quoting *Mayo*, 132 S. Ct. at 1297). In the second step, 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.*

Step two of the 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).

According to Petitioner, the challenged claims of the '227 patent “are directed to the abstract idea of organizing items of information, *i.e.*, ‘data units,’ in chronological order.” Pet. 36–37. Petitioner also contends that the patent fails under the second prong of the *Alice* framework because claim 13 and the other challenged claims recite only a generic computer system, and the steps in the claimed process are conventional activities previously known to the industry. *Id.* at 44–57.

Patent Owner denies that the patent is directed to an abstract idea. Prelim. Resp. 23–45. Patent Owner responds that the “Petitioner’s summary entirely omits the core concept of the claimed invention: using a ‘main stream’ and ‘substreams.’” Prelim. Resp. 25. According to Patent Owner, “[c]laim 13 recites a main stream or substream in half the claim elements (a total of eight times).” *Id.* In support, Patent Owner’s analysis in its Preliminary Response relies mainly on *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014). *Id.* at 28–35. In addition, the Board authorized and received supplemental submissions from the parties addressing the Federal Circuit’s recent decision in *Enfish, LLC v. Microsoft Corp.*, No. 2015-1244, 2016 WL 2756255 (Fed. Cir. May 12, 2016). Papers 9, 11.

In *DDR Holdings*, the Federal Circuit rejected a patent challenge under § 101 where the claims “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.” 773 F.3d at 1257. The Federal Circuit continued: “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.* This led the Federal Circuit to

conclude: “under any . . . characterizations of the abstract idea,” the patent claims satisfied step two of the *Mayo/Alice* analysis. *Id.*

The *DDR Holdings* court distinguished the claims before it from those in such cases as *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709 (Fed. Cir. 2014), because they do not “broadly and generically” claim the use of the Internet to perform an abstract business practice with insignificant added activity. *DDR Holdings*, 773 F.3d at 1258. We are persuaded by Patent Owner’s argument that, in the context of computer systems rather than the Internet, the same distinction applies to the challenged claims of the ’227 patent.

Patent Owner contends that the challenged claims are not abstract because they address problems of organizing and finding “electronic data units.” Prelim. Resp. 29. Patent Owner further contends that these problems “specifically arose in the realm of computers and . . . did not exist in the pre-computer world of paper documents.” *Id.* at 29–30. Patent Owner supports these contentions with citations to the ’227 patent specification. *Id.* at 30–33. Specifically, Patent Owner asserts that the following problems addressed by the ’227 patent did not exist in the pre-computer world: (1) naming and locating documents based on document name; (2) enabling multi-level branching tree folder systems; (3) searching for documents created by different applications; (4) archiving electronic documents. *Id.*

Patent Owner explains that the solution to this problem set forth in the ’227 patent claims is “necessarily rooted in computer technology.” *Id.* at 33. Further, Patent Owner states the terms “main stream” and “substream” were newly coined by the inventors of the ’227 patent because these concepts were unknown prior to the application for the ’227 patent. *Id.*

Petitioner takes the opposite view, arguing that claim 13 and its dependent claims are not rooted in computer technology. Pet. 57–74. Principally, Petitioner contends that the claims “merely recite[] the use of a general purpose computer to perform an abstract process — organizing information in chronological order without claiming any technological improvement to the computer itself.” Pet. 59. We are not persuaded by this argument. In fact, Patent Owner identifies a number of problems solved by the claimed invention that did not exist in the pre-computer world. *See supra*. Nor are we persuaded by Petitioner’s argument that the steps of the claims involve “the normal, well-known functioning of a computer.” Pet. 59. As Patent Owner points out (Prelim. Resp. 30–33), the ’227 patent is directed to the way in which computers name, organize, and retrieve electronic documents and purported to distinguish the way in which conventional computers had done so.

Patent Owner criticizes Petitioner’s analysis for “isolating individual claim elements,” separately “abstracting” each step of the claim, and never considering the claim as a whole. Prelim. Resp. 37. We agree with this criticism and are persuaded that this was not the correct approach. We conclude, therefore, that Petitioner’s analysis of the claims in relation to MEMOIRS (Ex. 1018) and other art is flawed and therefore not persuasive. Pet. 48–49. Petitioner should have considered the claims as a whole in its analysis.

We are persuaded also by Patent Owner’s assertion that the claims cannot be performed entirely by the human mind or with pen or paper. Prelim. Resp. 41–45. Patent Owner demonstrates that the steps of the claims specifically call for operations that must be performed by a computer

system. *Id.* Likewise, the specification demonstrates that the '227 patent addresses a problem that “arose specifically in the realm of computer operating systems.” *Id.* at 32; Ex. 1001, col. 1, ll. 22–59. For these reasons we are not persuaded by Petitioner’s examples based on individuals with photographic memories and activities performed by court docket clerks. Pet. 40–43. We have considered Petitioner’s other arguments on this issue and find them unpersuasive also.

For the foregoing reasons, we are persuaded that the challenged '227 patent claims do not recite an abstract idea. We are supported in this conclusion by the recent decision in *Enfish, LLC v. Microsoft Corp.*, No. 2015-1244, 2016 WL 2756266 (Fed. Cir. May 12, 2016), where the Federal Circuit clarified the application of *Alice* to computers and software:

We do not read *Alice* to broadly hold that all improvements in computer-related technology are inherently abstract and, therefore, must be considered at step two. Indeed, some improvements in computer-related technology when appropriately claimed are undoubtedly not abstract, such as a chip architecture, an LED display, and the like. Nor do we think that claims directed to software, as opposed to hardware, are inherently abstract and therefore only properly analyzed at the second step of the *Alice* analysis. Software can make non-abstract improvements to computer technology just as hardware improvements can, and sometimes the improvements can be accomplished through either route. *We thus see no reason to conclude that all claims directed to improvements in computer-related technology, including those directed to software, are abstract and necessarily analyzed at the second step of Alice, nor do we believe that Alice so directs. Therefore, we find it relevant to ask whether the claims are directed to an improvement to computer functionality versus being directed to an abstract idea, even at the first step of the Alice analysis.*

Enfish, LLC, 2016 WL 2756255, at *4 (emphasis added). Like the claims under consideration in *Enfish*, we are persuaded that the challenged claims of the '277 patent are directed to an “improvement in computer functionality.” *Id.*

We are, likewise, not persuaded by Petitioner that step two of *Alice* is met. Pet. 43–56. The claims do not recite a generic computer system and, like those claims upheld in *DDR Holdings*, are “rooted” in non-abstract computer technology. Prelim. Resp. 33–36. We agree with Patent Owner that the claims are not directed generically to organizing and storing data, but instead to the particular use of streams and substreams. *Id.* at 47. We note that the district judge in the pending district court litigation reached the same conclusion. Ex. 1016, 18–19 (“[S]howing that pre-computer analogs to the claimed invention are routine and conventional is irrelevant.”). Consequently, Petitioner also has failed to persuade us that step two of *Alice* is met. We conclude, therefore, that Petitioner has not established that its § 101 challenge is more likely than not to succeed.

In reaching this determination, we have considered the arguments presented in the parties’ supplemental submissions (Papers 9 and 11), addressing *Enfish* as well as the Federal Circuit’s recent decision in *In re TLI Commc’ns LLC Patent Litg.*, Nos. 2015-1372 et al. (Fed. Cir. May 17, 2016). We are not persuaded by Petitioner’s argument that the challenged claims are “analogous” to the claims in *TLI*. Paper 11, 2. Nor do we attach significance to the fact that the claims considered in *Enfish* had means-plus-function limitations, as claim format is not the determining factor in a § 101 analysis. *Id.* at 4–5. Instead, for the reasons discussed *supra*, we are more persuaded by Patent Owner’s argument that the '227 patent claims are

directed to improving computer functionality by improving the functionality of computer operating systems. Paper 9, 2–4.

F. Indefiniteness Under 35 U.S.C. § 112 ¶ 2

Petitioner challenges claims 13, 14, 17, 20, 22, 42, 44, and 55 as indefinite. Pet. 74–80. According to Petitioner, the district court construed the term “data unit” as “an item of information that is of direct user interest in the user’s timeline.” *Id.* at 75 (citing Ex. 1008 at 6–7; Ex. 1006 at 10). Petitioner says the claims are “purely subjective” and, therefore, indefinite. *Id.* at 77. Petitioner supports its argument with citations to the specification, snippets of testimony from the co-inventor, Dr. Gelerntner, and Federal Circuit case law, mainly, *Interval Licensing LLC v. AOL, Inc.*, 766 F.3d 1364 (Fed. Cir. 2014).

For the reasons discussed *supra*, we construe the term “data unit” as a “document.” Patent Owner’s response presents a persuasive argument that thus construed, the term “document” as used in the ’227 patent is not indefinite. Prelim. Resp. 66–69. Patent Owner persuasively rebuts each of Petitioner’s indefiniteness arguments. *Id.* at 71–80. For example, Patent Owner refutes Petitioner’s argument based on user preferences by pointing out, first, that it applies, if at all, only to the District Court’s claim construction and not to the construction of “data item” adopted here. *Id.* at 71. Moreover, Patent Owner argues persuasively that the indefiniteness argument would fail even under the district court’s construction. *Id.* at 72–74. Although we do not need to decide this issue, we agree with Patent Owner that, in context, the term “direct user interest” in the district court’s construction most probably generically refers to a class of users and not the particular user who happens to be using the computer at a given moment.

Id. at 72–73. Thus, whether something is a “data unit” does not turn on whether a particular user is subjectively interested in it. Instead, it depends on whether it is an item of information for users generally (e.g., the financial documents and other examples in the specification mentioned previously).

Id. at 73–74.

III. SUMMARY

On the present record, we are persuaded that the information presented in the Petition does not demonstrate that it is more likely than not that claims 13, 14, 17, 20, 22, 42, 44, and 55 of the ’227 patent are unpatentable.

IV. ORDER

It is, therefore,

ORDERED that the Petition is denied and no covered business method patent review is instituted.

McKONE, *Administrative Patent Judge, concurring in the result.*

I am pleased to join Sections II.A, II.D, II.E, and II.F of the majority opinion. I agree that Petitioner has not demonstrated that it is more likely than not to prevail in showing that the challenged claims of the '227 patent are non-statutory under 35 U.S.C. § 101 or indefinite under 35 U.S.C. § 112 ¶ 2. Nevertheless, I disagree with the majority that the '227 patent is eligible for covered business method patent review. Thus, I do not join Sections II.B and II.C.

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.” Pub. L. No. 112-29, § 18(d)(1), 125 Stat. at 331 (emphases added); *accord* 37 C.F.R. § 42.301(a) (providing the same definition of “covered business method patent”). The plain language of the statute puts the focus on a patent’s claims and limits eligibility to methods or corresponding apparatus “used in,” not usable in, the practice, administration, or management of a financial product or service.

Examples of what I believe to be the correct framework in which to evaluate covered business method patent eligibility include *Salesforce.com, Inc. v. Applications in Internet Time LLC*, Case CBM2014-00168, 2015 WL 470747 (PTAB Feb. 2, 2015) (Paper 10); *Sega of Am., Inc. v. Uniloc USA, Inc.*, Case CBM2014-00183, 2015 WL 1090176 (PTAB Mar. 10, 2015) (Paper 11); and *FedEx Corp. v. Katz Tech. Licensing, L.P.*, Case CBM2015-00053 (PTAB June 29, 2015) (Paper 9). The Federal Circuit has cited these cases with approval, stating that “each of these cases properly focuses on the claim language at issue and, finding nothing explicitly or inherently financial

in the construed claim language, declines to institute CBM review.” *Blue Calypso, LLC v. Group, Inc.*, 815 F.3d 1331, 1340 (Fed. Cir. 2016). The Federal Circuit contrasted those cases to the claims at issue in *Blue Calypso*, noting that “the claims at issue in the instant case have an express financial component in the form of a subsidy, or financial inducement, that encourages consumers to participate in the distribution of advertisements” and that “the subsidy is central to the operation of the claimed invention.” *Id.* I believe that this is a clear directive from the Federal Circuit to seek language in the claims themselves that indicates that such claims are financial in nature, rather than to ascertain whether claims of general applicability are, in light of the specification, broad enough to be used in applications that are financial in nature.

I disagree that the legislative history commands otherwise. The majority cites to statements of Senator Schumer (157 Cong. Rec. S1365 (daily ed. Mar. 8, 2011)) in support of its position. These statements are contradicted by others in the legislative history, however. For example, Senator Leahy stated that the covered business method patent review provision “is intended to cover only those business method patents intended to be used in the practice, administration, or management of financial services or products, and not to technologies common in business environments across sectors and that have no particular relation to the financial services sector, such as computers, communications networks, and business software.” 157 Cong. Rec. S5441 (daily ed. Sept. 8, 2011) (statement of Sen. Leahy). The Federal Circuit recognized that the legislative history of the AIA has such contradictions and has counseled us to “focus on the structure and language of the act, not on what its advocates

and detractors may say about it.” *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1321 (Fed. Cir. 2015).

I also disagree that looking to the specification for examples pertaining to financial uses, when the claims themselves are silent as to such uses, is an appropriate way to distinguish eligible from ineligible patents, as it does not focus on the claims. A claim drafted broadly enough to cover a method usable in a financial institution will cover that method as used in the financial institution, regardless of whether the specification accompanying that claim gives an express example of such use. Here, for example, the majority does not contend that the description in the '227 patent Specification regarding use of the method with checking accounts or stock portfolios somehow broadens the claims to cover such uses where, absent such description, they would not. Presumably, these claims would cover such uses even absent express examples. Yet, under the majority's framework, if those examples were missing, the patent would be ineligible for review. Thus, eligibility would not depend on the scope of the claims, as the statute requires, but rather the examples described in the specification.

The claims at issue here are directed to methods of data processing applicable to technologies common in business environments across sectors and that have no particular relation to the financial services sector. As such, I would find the '227 patent ineligible for covered business method patent review.

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