

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GREAT WEST CASUALTY COMPANY,
BITCO GENERAL INSURANCE CORPORATION, and
BITCO NATIONAL INSURANCE COMPANY,
Petitioner,

v.

INTELLECTUAL VENTURES II LLC,
Patent Owner.

Case CBM2015-00171
Patent 7,516,177 B2

Before MICHAEL W. KIM, PETER P. CHEN and
ROBERT A. POLLOCK, *Administrative Patent Judges*.

KIM, *Administrative Patent Judge*.

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

I. INTRODUCTION

A. *Background*

Great West Casualty Company, BITCO General Insurance Corporation, and BITCO National Insurance Company (collectively “Petitioner”) filed a Petition to institute a covered business method patent review of claims 1–20 of U.S. Patent No. 7,516,177 B2 (Ex. 1001, “the ’177 patent”). Paper 1 (“Pet.”). Intellectual Ventures II LLC (“Patent Owner”) filed a Preliminary Response (Paper 7; “Prelim. Resp.”), in which Patent Owner indicated that it had filed a statutory disclaimer under 37 C.F.R. § 1.321(a) of claims 1–10 of the ’177 patent. Prelim. Resp. 13 (citing Ex. 2002). For the reasons given below, we determine that Petitioner, on this record, has not shown sufficiently that the ’177 patent is a covered business method patent under § 18(d)(1) of the Leahy-Smith America Invents Act (“AIA”)¹, and thus we do not institute a covered business method patent review in this proceeding.

B. *Related Proceedings*

Petitioner and Patent Owner identify the following district court proceedings concerning the ’177 patent: *Intellectual Ventures II LLC v. BITCO General Insurance Corporation f/k/a Bituminous Casualty Corporation*, Civ. No. 6-15-cv-00059 (E.D. Tex.); *Intellectual Ventures II LLC v. Great West Casualty Company*, Civ. No. 6-15-cv-00060 (E.D. Tex.); and *Intellectual Ventures I LLC v. HCC Insurance Holdings, Inc.*, Civ. No. 6-15-cv-00660 (E.D. Tex.). Pet. 2; Paper 5, 1. Petitioner and Patent Owner identify also the following requests for *inter partes* review of the ’177 patent

¹ Pub. Law 112–29, 125 Stat. 284, 331 (Sept. 16, 2011).

involving the same parties: IPR2015-01706; IPR2015-01707. Pet. 2; Paper 5, 1.

C. The '177 patent

The '177 patent, titled, “Apparatus for Distributing Content Object to a Personalized Access Point of a User Over a Network-Based Environment and Method,” discloses the following under the heading “Technical Field:

This invention pertains to electronic commerce and business. More particularly, the present invention relates to aggregating, enhancing, and distributing content objects with customers over a network-based environment such as via the Internet or some other form of interactive network.

Ex. 1001, 1:22–26. The '177 patent asserts that the storage and retrieval of information has evolved from storing and retrieving information in textbooks and libraries, to storing and retrieving information from online networks such as the Internet. Ex. 1001, 1:30–33. According to the '177 patent, while such advances have led to a significant increase in information available to users, the users now have the problem of being overwhelmed by the amount of information, resulting in a failure to find specific information or losing track of the information that had already been found. Ex. 1001, 1:33–46. Thus, the '177 patent asserts that there is a need to provide improvements in the way demand for information is identified, content is generated in response to a defined demand, and the way in which users access desired information. Ex. 1001, 2:23–26.

D. Illustrative Claim

Petitioner challenges claims 1–20 of the '177 patent, of which claims 1–10 have been disclaimed. Prelim. Resp. 13 (citing Ex. 2002). Claims 11

and 16 are the only remaining independent claims. Independent claim 11 is illustrative of the challenged claims and is reproduced below:

11. An apparatus for distributing content through one or more distributed information access points to a centralized access point of a user, comprising:

at least one server operative to store one or more of: a) content, b) links to content, c) information about content, and d) information about users including information about which content a user has chosen;

a centralized access point of a user accessible via a communications link and operative to provide the user with access to content chosen by or for the user;

at least one distributed information access point accessible via a communications link and operative to implement one or more of: a) list one or more content objects, b) allow a user to choose content for addition to their centralized access point, and c) provide the user with logon access to their centralized access point; and

an administrative interface in communication with the server and operative to create groupings of content into one or more distributed information access points;

wherein a user is enabled with the capability to log on to their centralized access point from one or more distributed information access point(s) and access content chosen from one or more distributed information access point(s).

E. Asserted Ground of Unpatentability

Petitioner challenges claims 1–20 as unpatentable under 35 U.S.C. § 101, of which claims 1–10 have been disclaimed. Prelim. Resp. 13 (citing Ex. 2002).

II. ANALYSIS

A. *Claim Construction*

In a covered business method patent review, claim terms in an unexpired patent are interpreted according to their broadest reasonable construction in light of the specification of the patent in which they appear. 37 C.F.R. § 42.300(b); *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1328 (2015) (affirming use of the broadest reasonable construction standard in a covered business method patent review). Under that standard, and absent any special definitions, we give claim terms their ordinary and customary meaning, as would be understood by one of ordinary skill in the art at the time of the invention. *In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007).

For the purposes of this Opinion, only the following terms require construction.

1. “*content object*”

Independent claim 11 recites “content object.” Petitioner asserts that “content object” should be construed as “a discrete unit of information that can be selected by the user such as: a tutorial, article, advertisement, or link to a web page.” Pet. 7–8 (citing Ex. 1001, Fig. 53, 2:35–40, 23:20–26, 25:3–28, 32:22–25; Ex. 1003 ¶¶ 46–50). On this record, we agree with Petitioner’s proposed construction of “content object.”

2. “*distributed information access point*”

Independent claims 11 and 16 each recite “distributed information access point.” Petitioner asserts that “distributed information access point” should be construed as “an access point that makes information visually perceptible to multiple users, such as a web page or a login page.” Pet. 9–10

(citing Ex. 1001, 6:60–7:10, 14:43–52, 17:22–29; Ex. 1003 ¶¶ 67–71). On this record, we agree with Petitioner’s proposed construction of “distributed information access point.”

B. Whether the '177 Patent Is a Covered Business Method Patent

1. Applicable Law

37 C.F.R. § 42.304(a) requires that “[t]he petitioner must demonstrate that the patent for which review is sought is a covered business method patent.” The AIA defines “covered business method patent” as “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, except that the term does not include patents for technological inventions.” AIA § 18(d)(1); *see* 37 C.F.R. § 42.301(a).

In promulgating rules for covered business method patent review, the Office considered the legislative intent and history behind the AIA’s definition of “covered business method patent.” *See* Transitional Program for Covered Business Method Patents—Definitions of Covered Business Method Patent and Technological Invention, 77 Fed. Reg. 48,734, 48,735–36 (responses to comments 1, 3, 4, and 8). The “legislative history explains that the definition of covered business method patent was drafted to encompass patents ‘claiming activities that are financial in nature, incidental to a financial activity or complementary to a financial activity.’” *Id.* at 48,735 (quoting 157 Cong. Rec. S5432 (daily ed. Sept. 8, 2011) (statement of Sen. Schumer) (hereinafter “finance-related”)).

In determining whether a patent qualifies as a covered business method patent, we focus on the claims. *Id.* at 48,736 (stating that the

definition of a covered business method patent “is based on what the patent claims”). A patent needs only one claim directed to a covered business method to be eligible for review. *Id.*

2. *Claims 1–10*

As noted above, Patent Owner has indicated that it filed a statutory disclaimer under 37 C.F.R. § 1.321(a) of claims 1–10. Prelim. Resp. 13 (citing Ex. 2002). Thus, the question is whether we should consider now-statorily disclaimed claims 1–10 in determining whether or not the ’177 patent is a covered business method patent for the purposes of instituting a covered business method patent review. We determine that we should not.

37 C.F.R. § 1.321(a) is the rule promulgated by the Office for creating a procedure for a patentee to avail itself of the provisions of 35 U.S.C. § 253. *See* Manual of Patent Examining Procedure § 1490. Our reviewing court has held that a patent with a statutory disclaimer is to be treated as though the disclaimed claims never existed. *See Guinn v. Kopf*, 96 F.3d 1419, 1422 (Fed. Cir. 1996) (“A statutory disclaimer under 35 U.S.C. § 253 has the effect of canceling the claims from the patent and the patent is viewed as though the disclaimed claims had never existed in the patent.”).

Accordingly, for the purposes of whether or not to institute a covered business method patent review, we treat claims 1–10 as never having existed. *See Google Inc. v. SimpleAir, Inc.*, CBM2015-00019 slip op. at 14–15 (PTAB May 19, 2014) (Paper 11); *but see J.P. Morgan Chase v. Intellectual Ventures*, Case CBM2014-00157 slip op. at 12–15 (PTAB Jan. 12, 2016) (Paper 40) (although the panel states that “petitioner’s standing to file a petition for covered business method patent review is evaluated based on the time the petition was filed,” in this proceeding, Patent Owner

disclaimed dependent claim 12 after institution of trial, and so the panel's actions are consistent with § 18(a)(1)(E), which only requires that a patent be a covered business method patent at institution).

We acknowledge that other panels of the Board have taken the caveat that an otherwise statutorily disclaimed dependent claim, which includes finance-related subject matter, may still be considered, to the extent that the still pending independent claim from which it depends may include claim limitations that encompass the finance-related subject matter of that dependent claim. *See American Express Co. v. Maxim Integrated Prods., Inc.*, CBM2015-00098 slip op. at 8–13 (PTAB Sept. 22, 2015) (“we understand the Petition to use claim 2 as an example, and the Petition’s arguments regarding the financial product or service requirement to apply more broadly to the subject matter of all claims of the ’510 patent. Accordingly, we consider whether Petitioner has shown that the remaining claims of the ’510 patent—claims 1 and 3–6—demonstrate that the patent meets the financial product or service requirement”); *J.P. Morgan Chase v. Intellectual Ventures*, Case CBM2014-00157 slip op. at 2–3 (PTAB Feb. 18, 2015) (Paper 11) (“[e]ven assuming that Patent Owner disclaims dependent claim 12, which recites ‘payment requirements,’ standing for covered business method patent review remains at least because disclaimer of claim 12 does not change the scope of independent claim 1, from which it depends”). We observe that it may even be reasonable to extend that logic one step further, and impute any finance-related subject matter from a statutorily disclaimed dependent claim to any other still pending claim which recites limitations that clearly encompass the finance-related subject matter of that dependent claim. Here, however, Petitioner has identified

little relevant overlap between claims 1–10 and claims 11–20, in that the more overt finance-related subject matter of claims 1–10 identified by Petitioner – “selection client” of claims 2 and 6, and “retrieval client” of claim 7 – are not recited in claims 11–20.² Accordingly, we determine that in this proceeding, a proper analysis as to whether the ’177 patent is a covered business method patent should focus exclusively on claims 11–20.

3. *Claims 11–20*

Independent claim 11 recites an apparatus for implementing the method of independent claim 16. Claims 12–15 each depend from independent claim 11, and recite further limitations in the apparatus. Independent claim 16 recites a method for “distributing content through distributed access points.” Claims 17–20 each depend ultimately from independent claim 16, and recite further limitations on how the content is accessed. Petitioner asserts claims 11–20 are finance-related, because various structures and steps recited in claims 11–20 are incidental to or complementary to a financial activity, namely, structure and steps taken to accomplish the sale of access to content objects. Pet. 21–25. We disagree that Petitioner has shown sufficiently that claims 11–20 are finance-related.

Most of the claim recitations cited by Petitioner as providing the basis for showing that claims 11–20 are finance-related, are general in nature, in that we are unable to ascertain, by the claim limitation alone, how the claim recitation is finance-related. For example, Petitioner asserts that the recitation of a “server” in each of independent claims 11 and 16 is incidental to or complementary to a financial activity. Independent claim 11 recites “at

² For the claim limitations that are recited expressly in both sets of claims, those claim limitations are considered in our analysis of claims 11–20.

least one server operative to store one or more of: a) content, b) links to content, c) information about content, and d) information about users including information about which content a user has chosen.” This claim limitation appears to be related to storing any and all types of content, and we are unclear as to how storing content is finance-related. More specifically, “finance” is “the way in which money is used and handled; . . . 2: the system that includes the circulation of money, the granting of credit, the making of investments, and the provision of banking facilities.” *Finance Definition*, MERRIAM-WEBSTER, available at <http://www.merriam-webster.com/dictionary/finance> (last visited Feb. 6, 2016). We are unpersuaded that storing content relates to how money is used or handled.

In another example, Petitioner asserts that the recitation of “distributed information access points” in each of independent claims 11 and 16 is incidental to or complementary to a financial activity. As set forth above, we construe “distributed information access point” as “an access point that makes information visually perceptible to multiple users, such as a web page or a login page.” Again, we are unpersuaded that making information visually perceptible to users is finance-related, i.e., related to how money is used or handled.

Because Petitioner makes similar assertions concerning specific limitations of dependent claims 12–15 and 17–20, we also are unpersuaded those claims are finance-related.

The only plausible claim limitation of independent claims 11 and 16 identified by Petitioner that could possibly be characterized as finance-related, is “content objects,” which we construed above as “a discrete unit of information that can be selected by the user such as: a tutorial, article,

advertisement, or link to a web page.” Even that connection is tenuous at best, however, because “content objects” by itself includes all types of information, and even the only potential commerce related example of “advertisements” requires several leaps of logic in order to relate it to how money is used or handled. Accordingly, we determine that the claims are not finance-related on their face, and thus we turn to see if any claim limitation of otherwise general applicability should be construed as finance-related in light of the Specification.

To that end, Petitioner identifies several portions of the Specification as showing the finance-related nature of the claimed invention. Pet. 14–21. We find, however, that the Specification as a whole is directed to technology of general applicability, and that the finance-related portions identified by Petitioner are insufficient to convert the otherwise general terminology of claims 11–20 into finance-related subject matter. For example, the Technical Field of the ’177 patent discloses the following:

This invention pertains to electronic commerce and business. More particularly, the present invention relates to aggregating, enhancing, and distributing content objects with customers over a network-based environment such as via the Internet or some other form of interactive network.

Ex. 1001, 1:20–26 (emphasis added). The commerce and business centric disclosure of the first sentence, however, is tempered by the fact that (1) its relationship as to how money is used or handled is not immediately apparent, (2) Petitioner does not identify a clear tie between commerce/business and a limitation of claims 11–20, and (3) the balance of the paragraph involves a generic application.

Petitioner then identifies various webpages disclosed in the Specification as being finance-related, because the webpages include content

such as advertisements, links to a merchant's webpage, prices charged for access to content, and "Buy Now" hyperlinks. Nominally, these webpages are related to the claim limitation "distributed information access points," and at least the prices charged for access to content and the "Buy Now" hyperlink are related to how money is used or handled. When this disclosure is considered in context, however, we discern that the prices charged for access to content in access field 184 of the Specification is part of the discussion of otherwise general "content objects link" listing box 158, and is not elaborated on further, and the "Buy Now" hyperlink is part of the discussion of otherwise general "other embedded content" box 160, and also is not elaborated on further. This leads us to the determination that the prices charged for access to content and "Buy Now" hyperlinks are merely non-limiting examples of otherwise general content to be displayed on the recited "distributed information access points." We are unpersuaded that such general, non-limiting examples are sufficient to convert the claim limitation "distributed information access points" of otherwise general applicability into something specifically finance-related.

Petitioner identifies further portions of the Specification that disclose that access to content via content objects requires payment of a fee. Presumably then, the relevant claim limitation is "content objects." We are unpersuaded, however, that the disclosure of access to content, via content objects requiring payment of a fee, changes the nature of the claim limitation "content objects," of otherwise general applicability, to one that encompasses how money is used or handled. In other words, we are unpersuaded that "a discrete unit of information that can be selected by the user such as: a tutorial, article, advertisement, or link to a web page"

becomes about how money is used or handled, just because a fee is charged. For example, we are unpersuaded that a newspaper article becomes something other than a newspaper article because a fee is charged to access it.

Petitioner also identifies portions of the Specification that are more clearly finance-related, such as Fig. 32C and columns 38 to 40, in that hosting and accessing content may involve payment of fees. These disclosures, however, are but a small portion of the Specification, and in any case, Petitioner has not shown how they inform our analysis of a specific claim limitation of claims 11–20, as is required to make a determination that the '177 patent is a covered business method patent. *See* 77 Fed. Reg. at 48,736 (stating that the definition of a covered business method patent “is based on what the patent claims”). At best, these portions of the Specification may be related to the claim limitation “content,” however, we are unpersuaded that charging a fee for “content” changes the nature of that “content” to one that encompasses how money is used or handled.

C. Conclusion

For the reasons given above, based on the present record and particular facts of these cases, we are not persuaded that the information presented in the Petition establishes that any existing claim in the '177 patents qualifies as a covered business method patent under § 18(d)(1) of the AIA. Petitioner, therefore, has failed to satisfy the jurisdictional requirements of Section 18.

III. ORDER

For the reasons given, it is ORDERED that no trial is instituted.

CBM2015-00171
Patent 7,516,177 B2

For PETITIONER:

Joseph Micallef
jmicallef@sidley.com

Russell Cass
rcass@sidley.com

Erik Carlson
ecarlson@sidley.com

For PATENT OWNER:

Brenton Babcock
2BRB@knobbe.com

James Hietala
jhietala@intven.com

Tim Seeley
tim@intven.com

Ted Cannon
2tmc@knobbe.com

Bridget Smith
2bzs@knobbe.com