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Paper 24
Entered: August 17, 2015

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAP AMERICA, INC.,
Petitioner,

v.

LAKSHMI ARUNACHALAM,
Patent Owner.

Case IPR2014-00414
Patent 8,346,894 B2

Before KARL D. EASTHOM, WILLIAM V. SAINDON and BRIAN J. McNAMARA, *Administrative Patent Judges*.

McNAMARA, *Administrative Patent Judge*.

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

BACKGROUND

In this proceeding we instituted a trial on the following challenges asserted by SAP America, Inc. ("Petitioner") to the patentability of claims 1–19 of U.S. Patent 8,346,894 B2 ("the '894 Patent", Ex. 1001) under 35 U.S.C. § 103: claims 1–6, 8–12, and 15–18 as unpatentable over the combination of the '779 Application and Chaterjee (Exs. 1004 and 1005, respectively); claims 7 and 13 as unpatentable over the combination of the '779 Application, Chaterjee, and Drumm (Ex. 1006); claim 14 as unpatentable over the combination of the '779 Application, Chaterjee and Le; and claim 19 as unpatentable over the combination of the '779 Application, Chaterjee, and Amstutz (Ex. 1008). Paper 11 ("Dec. to Inst."), 28. Lakshmi Arunachalam ("Patent Owner") disputes our claim constructions and contends that claims 1–19 are patentable because "***None*** of the art relied upon by the [Petitioner] is eligible as prior art under Sections 102 or 103." Paper 18 ("PO Resp.") 41 (emphasis in original). Patent Owner also contends that the Petition exceeds the permissible scope of review because Petitioner's challenge "raises issues related to a purported failure of the written description requirement, which is the realm of 35 U.S.C. § 112(a) and ***not*** a prior art challenge under Sections 102 or Sections 103." *Id.* at 42. Patent Owner does not offer any other substantive response to Petitioner's challenges on which we instituted trial. For the reasons discussed herein, we conclude that claims 1–19 are unpatentable.

PATENT OWNER'S REQUEST FOR RECUSAL

On December 5, 2014, in response to repeated unauthorized filings, we limited Patent Owner to paper filings and barred her from electronic

filing through the Patent Review Processing System ("PRPS"). Paper 21("Order") 4–7. We also considered and denied Patent Owner's unauthorized motions to recuse Judge McNamara, stating that Patent Owner's theories concerning mutual fund ownership are not the law and that Patent Owner had not demonstrated any conflict of interest by any judge in the proceedings involving Patent Owner. *Id.* at 3.

Patent Owner has raised the issue again in the Patent Owner Response. PO Resp. 48–49. A patent owner may file a response to the petition addressing any ground for unpatentability not already denied. 37 C.F.R. § 42.120(a). Thus, the scope of a patent owner response does not include Patent Owner's request for recusal. Nevertheless, because Patent Owner has repeatedly raised this issue, I[1] address it here before proceeding to substantive matters.

I join a long list of judges, including judges of the Court of Appeals for the Federal Circuit and the U.S. District Court for the District of Delaware, as well as other professionals and attorneys,[2] who have been the subject of similar allegations by Patent Owner. *See Leader Tech. v. Facebook, Inc.*, 2012 U.S. App. LEXIS 17259 (Aug. 10, 2012); *Pi-Net Int'l Inc. v. Citizens Fin. Grp.* Case 1:12-cv-00355, slip op. (Memorandum Order, Docket Entry 120) (D. Del., filed March 18, 2015). Patent Owner contends

[1] References in this section to "I" or "my" refer to Judge McNamara.
[2] Patent Owner has filed accusations of financial conflicts against at least 5 judges of the U.S. Court of Appeals for the Federal Circuit, 3 judges of the District Court for the District of Delaware, and the Clerk of the Federal Circuit. In addition, in *Pi-Net International, Inc. v. JPMorgan Chase & Co.*, No. 1:12-cv-00282 in the District of Delaware and related cases, Patent Owner has filed numerous papers alleging misconduct by opposing counsel and her own attorneys.

that my financial holdings, which include the Fidelity Contra Fund, the Vanguard Institutional Index Fund, and a small amount of Microsoft stock, create a financial conflict of interest in my presiding over cases involving Patent Owner, her predecessor-in-interest (Pi-Net International), or Petitioner. PO Resp. 48. The funds Patent Owner identifies are broad diversified funds, whose holdings are in no way influenced by me. Both the Federal Circuit and District Court for the District of Delaware have addressed similar issues in the decisions identified above, and I will not repeat the analysis here. *See also*, 5 C.F.R. 2640.201(a) (exempting ownership in diversified mutual funds as a basis for recusal).

Turning to Microsoft, Patent Owner alleges that "Microsoft is involved in three re-exams in the CRU (central reexamination unit) against three patents in the same patent portfolio in the same priority chain as the '894 patent." PO Resp. 49. Microsoft's involvement in reexaminations of other patents in the CRU has no relevance to my involvement in any proceeding in which Patent Owner has appeared before me.

First, Microsoft is not a party to this *inter partes* review. Indeed, Microsoft has not been a party to *any* of the proceedings in which Patent Owner has appeared before me.

Second, our rules provide that parties file a Mandatory Notice identifying any Related Proceedings. One reason we require such a notice is "to assist members of the Board in identifying potential conflicts." *See* Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48759 (Aug. 14, 2012). Patent Owner has not filed any notice in any proceeding identifying the re-exams as "Related Proceedings." In her Patent Owner Response, Patent Owner still does not identify the re-exams to which she refers. *Id.*

Third, Patent Owner admits that the re-exams involving Microsoft do not pertain to the patents that are the subject of these proceedings. PO Resp. 49. At the initial conference in this proceeding, Patent Owner stated explicitly that the '894 Patent before this panel is not the subject of any reexamination proceedings. Paper 17, 3. The re-exams in the CRU concern different patents with different claims.

Fourth, the reexams are being conducted independently by different personnel in a different administrative arm of the U.S. Patent and Trademark Office. Even if the patents being reexamined in the CRU stem from the same priority chain, they are not patents that are before this panel. The reexamination of different patents by different personnel based on a request filed by a different third party requestor, is not relevant to our inquiry in this proceeding.

Fifth, not having been notified of these reexams, we have not ordered that any reexam proceedings concerning any of Patent Owner's patents in CRU be stayed.

Sixth, Patent Owner has not sought my recusal in a proceeding in which she prevailed when we denied a petitioner's request for covered business method patent review of the '894 Patent. *GSI Commerce Sols., Inc. v. Pi-Net, Inc.* Case CBM2014-00101, Paper 10 (Denial of Institution of Covered Business Method Patent Review) (PTAB October 7, 2014). Patent Owner only raised these allegations in November 2014, after becoming disgruntled at the institution of this and a related proceeding and unsuccessful outcomes in IPR2013-00194, IPR2015-00195, and CBM2013-00013.

Seventh, having reviewed my financial disclosure, Patent Owner is well aware that even if Microsoft were a party to these proceedings, the *de minimis* value of stock I own in Microsoft, is far below the $15,000 recusal threshold. 5 C.F.R. § 2640.202(a). Patent Owner's allegations of a financial conflict of interest in this proceeding are unjustified and not supported by any evidence.

Finally, after obtaining my financial disclosure, it appears that Patent Owner arranged to publish it, along with a threatening photo of me superimposed on a target with a skull and crossbones, on an Internet site of uncertain ownership and operation. *See*, Paper 21, 2 (describing public release of this information on November 26, 2014). These actions suggest an attempt to intimidate. In any case, Patent Owner's conduct has not influenced and will not influence the outcome of any proceeding before us. Thus, to the extent that Patent Owner has supplemented her Motion to Recuse, Patent Owner's Motion is DENIED.

RELATED PROCEEDINGS

The '894 Patent contains substantially the same disclosure as that in U.S. Patent No. 8,037,158 B2 ("the '158 Patent"),[3] U.S. Patent 5,987,500 ("the '500 Patent"),[4] and U.S. Patent No. 8,108,492 ("the '492 Patent").[5] On May 19, 2014, the U S. District Court for District of Delaware reported to

[3] The '158 Patent is the subject of a Final Written Decision in CBM2013-00013 and CBM2014-00018, in which we also have denied requests for rehearing.

[4] The '500 Patent is the subject of a Final Written Decision and a denial of a request for rehearing in IPR2013-00195.

[5] The '492 Patent is the subject of a Final Written Decision and a denial of a request for rehearing, in IPR2013-00194.

the United States Patent and Trademark Office that, five days earlier, in *Pi-Net International, Inc. v. JPMorgan Chase & Co.*, No. 1:12-cv-00282 (D. Del. May 14, 2014), the district court granted defendant's motion for summary judgment of invalidity of the '158 Patent, the '500 Patent and the '492 Patent. Ex. 3001. The patent owner at the time, Pi-Net International, Inc., who was also the original patent owner in this proceeding, filed an appeal to the U.S. Court of Appeals for the Federal Circuit ("the Appeal"). The present proceeding continued while the Appeal was pursued. Prior to this Final Written Decision, the '894 Patent was assigned to current Patent Owner, Lakshmi Arunachalam, who joined in the Appeal.

On April 20, 2015, the U.S. Court of Appeals for the Federal Circuit dismissed the Appeal. *Pi-Net Int'l, Inc. and Dr. Lakshmi Arunachalam v. JPMorgan Chase & Co.*, 2015 U.S. App. LEXIS 7126 (Fed. Cir. Apr. 20, 2015). (Ex. 3002). On June 25, 2015, the Federal Circuit denied Patent Owner's request to hear the matter en banc, ordering that a mandate would issue on July 2, 2015. (Ex. 3005). The mandate has now issued. Ex. 3006.

In the district court, defendants had moved for summary judgment that the asserted claims of the '158 Patent, the '500 Patent, and the '492 Patent are invalid for indefiniteness, lack of enablement, and lack of written description.[6] Ex. 3003. The May 14, 2014 District Court's Memorandum Opinion states that among several motions before the court was defendant's motion for summary judgment "for invalidity of the patents-in-suit." *Pi-Net*

[6] Defendants moved for summary judgment of invalidity of claim 4 of the '158 Patent, claims 1–6, 10–12, 14–16, and 35 of the '500 Patent and claims 1–8 and 10–11 of the '492 Patent on the same grounds.

Int'l, Inc. v. JPMorgan Chase & Co., 42 F. Supp. 3d 579 (D. Del. 2014), (Ex. 3004 at 1).

The District Court's Memorandum Opinion states that the common specification of the '158 Patent, the '500 Patent and the '492 Patent describes the VAN switch in "conflicting and overlapping ways," "provides no usable description or structure" for numerous terms coined by the inventor,[7] provides no algorithms, source code or guidance as to how to configure a VAN switch to perform real-time transactions using TMP or any other protocol, provides no description of point-of-service applications other than block diagrams labeled bank, car dealer, and pizzeria, lacks any details as to how a VAN switch would accomplish allowing a user to connect to a point-of-service application and does not disclose how real time user transactions occur. *Id.* at 594. (Ex. 3004, 20–21). The Memorandum Opinion states therefore that "[t]he court concludes that *the patents-in-suit are invalid for lack of written description*." *Id.* (Ex. 3004 at 21) (emphasis added).

Although the '894 Patent that is the subject of this proceeding was not before the district court, as noted above, the specification of the '894 Patent is substantially the same as the specification of the '158 Patent, the '500 Patent and the '492 Patent and therefore suffers the same infirmities under 35 U.S.C. § 112.

Petitioner cannot assert a challenge to the claims of the '894 Patent under 35 U.S.C. § 112 in an *inter partes* review. 35 U.S.C. § 311(b). Recognizing that the '894 Patent itself was not before the district court, we

[7] The terms cited by the district court include switching service 702, management service 703, boundary service 701, and application service 704.

consider the arguments raised by the parties in the context of the scope of this proceeding, which concerns Petitioner's challenges under 35 U.S.C. § 103.

THE '894 PATENT

The invention purports to facilitate real-time two-way transactions, as opposed to deferred transactions, e.g., e-mail. Ex. 1001, col. 1, ll. 39–48. The invention also purports to be an improvement over browse-only transactions, (*id.* at col. 1, ll. 40–62), and limited two-way services on the Web through Common Gateway Interface (CGI) applications customized for particular types of applications or services. *Id.* at col. 1, l. 65–col. 2, l. 48.

The 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.* at col. 5, l. 61–col. 6, l. 7. As shown in Figure 8, a user connects to a Web server. *Id.* at col. 9, ll. 29–30. 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.* at col. 6, ll. 33–36.

A user connected to the Web server running the exchange component issues a request for a transactional application. *Id.* at col. 9, ll. 29–31. The Web server receiving the user's request to perform a real-time transaction hands the request over to an exchange. *Id.* at col. 6, ll. 14–16, col. 9, ll. 31–32. 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. 21–22, ll. 43–44, and col. 9, ll. 33–35. The

POSvc applications are transactional applications that can execute the type of transaction the user is interested in performing. *Id.* at col. 6, ll. 25–26, ll. 44–46. Exchange 501 also includes a switching component and an object routing component. *Id.* at col. 6, ll. 23–25. When the user selects a POSvc application, the switching component in the exchange switches the user to the selected POSvc application. *Id.* at col. 9, ll. 35–37. The object routing component executes the user's request. *Id.* at col. 9, ll. 38–39. The exchange and a management agent thus perform the switching, object routing, application, and service management functions. *Id.* at col. 6, ll. 36–41.

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.* at col. 7, ll. 55–57, col. 7, l. 61–col. 8, l. 2, col. 8, ll. 44–46. In one embodiment, TMP and distributed on-line service information bases (DOLSIBs) perform object routing. *Id.* at col. 8, ll. 6–9, col. 9, ll. 36–38. In DOLSIBs, which are described as 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.* at col. 8, ll. 11–16. Each networked object is assigned an internet address based on the IP address of the node at which the networked object resides. *Id.* at col. 8, ll. 16–17. 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.* at col. 8, ll. 20–30. Each object in the

DOLSIB has a name, which is an administratively assigned object ID specifying an object type. *Id.* at col. 8, ll. 31–33. 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, provides the user with specific information about a particular model. *Id.* at col. 8, ll. 33–39. 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.* at col. 8, ll. 39–42.

The VAN switch 520 disclosed has a layered architecture, as shown in Fig. 7. Boundary service 701 provides the interface between the VAN switch, the Internet and the Web, multi-media end user devices and the interface to an on-line service provider. *Id.* at col. 8, ll. 48–52. Switching service 702, which is described as an OSI application layer switch, represents the core of the VAN switch. *Id.* at col. 8, ll. 56–58. Interconnected application layer switches form the application network backbone and are described as a significant aspect of the subject patents. *Id.* at col. 8, ll. 64–65. 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.* at col. 8, ll. 61–64. Management service 703 contains tools used by the end users to manage network resources, including VAN switches, and provides applications that perform Operations, Administration, Maintenance & Provisioning (OAM&P) functions, such as security management, fault management, performance management, and billing management. *Id.* at col. 9 ll. 1–12. Application service 704 contains

application programs that deliver customer services, including POSvc applications for banking, multi-media messaging, conferencing, financial services. *Id.* at col. 9, ll. 13–19. Depending upon the type of VAN service, the characteristics of the network elements will differ. *Id.* at col. 9, ll. 23–24.

ILLUSTRATIVE CLAIM

1. A computer-implemented method for completing a real-time Web transaction from a Web application in an on-line service over a digital network on the Web, the method comprising:

displaying at least one Web application specific to an online service over a digital network on the Web, wherein the Web application is a point-of-service (POSvc) Web application, and further wherein the digital network is an overlay service network running on top of an IP-based facilities network selected from a group consisting of the physical TCP/IP-based Internet, the Web and email networks, wherein the facilities network is a physical network;

accepting a first signal comprising a request from the point-of-service (POSvc) Web application for a real-time Web transaction specific to a Web merchant's value-added network service on the Web offered as the online service over the digital network on the Web;

utilizing one or more objects in the Web application and the information entries and the attributes of the one or more objects, wherein the one or more objects are one or more individual data structures in and specific to the POSvc Web application in said request, wherein the individual data structure in the POSvc Web application is an object identity with the information entries and attributes specific to the Web transaction request from the Web application, to connect in real-time to the value-added network service of the Web merchant without executing Common Gateway Interface (CGI) scripts;

executing said connection at the OSI application layer, utilizing application layer routing of the object identity with the information entries and attributes over the service network on the Web, and

further wherein the object in the POSvc Web application is not an SNMP object;

routing the one or more individual data structures in the POSvc Web application together with said information entries and attributes from said Web application over the service network on the Web, wherein the routing the one or more individual data structures in the POSvc Web application together with said information entries and attributes from said Web application over the service network on the Web is object routing on the World Wide Web performed as OSI application layer routing, distinct from routing at the transport layer of the OSI model or network layer of the OSI model or lower layers of the OSI model;

managing the connection between said Web transaction request from the POSvc Web application and the Web merchant's services from end-to-end in real-time; and

completing a real-time Web transaction from said Web application, wherein the online service is a loan Web application.

CLAIM CONSTRUCTION

This *inter partes* review concerns the same patent and the same claims as those we addressed in related case *SAP America v. Lakshmi Arunachalam*, Case IPR2014-00413. In that proceeding, we addressed the parties' claim constructions proposals extensively. In this proceeding, we apply the same constructions as those we applied in IPR2014-00413.

PRIORITY DATE OF THE '894 PATENT

The priority date of the subject matter claimed in the '894 Patent is at issue. Petitioner contends that the earliest possible priority date for each of the claims of the '894 Patent is the actual filing date of the application that matured into the '894 Patent, i.e., November 30, 2009. Pet. 4. Petitioner notes that the '894 Patent issued from an application filed on November 30, 2009, that is a division of the '158 Patent. The face of the '894 Patent

identifies a number of related U.S. applications extending back to provisional application 60/006,634 filed in Nov. 13, 1995 ("the Provisional Appl."). Ex. 1001. Petitioner argues that, because the subject matter of claims 1–19 of the '894 Patent is not disclosed in the manner required by the first paragraph of 35 U.S.C. § 112 in the parent '158 Patent application, the claims of the '894 Patent are not entitled to the priority claimed in the '158 Patent. *Id.* Specifically, Petitioner contends that the claims recite certain negative limitations not mentioned in the specification. *Id.* at 4–6.

The first of these negative limitations recites "wherein the object of the POSvc Web application is not an SNMP object." *Id.* at 4. (emphasis added). This limitation is found in clams 1, 2 and 4–19, i.e., all the claims except claim 3. Petitioner points out that the term SNMP is mentioned only once in the specification, when describing that object routing is provided via a proprietary protocol, i.e., the TransWeb™ Management Protocol (TMP), which incorporates the same security features as SNMP. *Id.* at 4–5. Petitioner contends that rather than disclose excluding SNMP, the specification implies that object routing with TMP actually incorporates SNMP concepts. *Id.* at 5. Thus, according to Petitioner, the first disclosure of excluding SNMP is in the claims of the application filed on November 30, 2009.

Patent Owner contends that the Provisional Application "is profuse in its disclosures about SNMP and its shortcomings, and in particular, about the shortcoming of the SNMP object." PO Resp. 44–45 (citing Ex. 2008, at 3, 9–14, 15–26, 33–44, 46–72, and Figs. 1–11, and stating that these "all discuss the shortcomings of SNMP and the improvements over SNMP object in the inventions"). Patent Owner does not explain what material in

any of these 53 pages and 11 Figures actually supports her contentions concerning the disclosure of SNMP's shortcomings. Patent Owner also states that the '178 specification discloses SNMP, that this was well known in the art in 1995, and that the "citations are too numerous to recite in this paper, but the PTAB is pointed to this entire document and see for themselves that the issues raised by Petitioner over this SNMP and the priority date is totally frivolous." *Id.* at 45. The Board gives consideration to the arguments, and the evidence cited in support of those arguments, that the parties make. The Board will not scour the record in search of evidence relevant to a particular issue, nor will it attempt to fit evidence together into a coherent explanation that supports an argument. *Corning Inc. v. DSM IP Assets B.V.*, Case IPR2013-00049, slip op. at 14 (PTAB May 9, 2014) (Final Written Decision).

Patent Owner also quotes from a passage at page 3 of Exhibit 2007, which appears to be from the Cyberman Business Plan, submitted as part of the Provisional Application. *Id.* Although this passage makes no mention of SNMP, it states that Cyberman extends the same paradigms as are traditionally used to manage routers and network devices, to interactively reach and manage information. *Id.* Contrary to Patent Owner's arguments, when taken in the context of Patent Owner's argument that SNMP was well known in 1995, without any further explanation this passage tends to support the proposition that the Priority Application did not disclose the newly claimed feature "wherein the object of the POSvc Web application is not an SNMP object."

Petitioner raises a similar issue concerning the limitation "utilizing an object in the Web application . . . to connect in real time to the value added-

network service off the Web merchant without executing Common Gateway Interface (CGI) scripts." Pet. 5 (emphasis omitted). This limitation is found in all the claims of the '849 Patent. Petitioner acknowledges that the specification implies reasons to exclude the use of CGI scripts for processing transactions for each service, but argues that in such cases CGI scripts are executed after the connection to the Web server is established. *Id.* at 6. Citing the disclosure of activating a Bank POSvc application to connect to bank services and utilize the application to perform banking transactions, Petitioner argues that the disclosure does not describe any reason why a CGI script would be excluded from the process of setting up a connection. *Id.* at 5–6. Petitioner notes that the written description provides no examples of how such a connection actually is achieved. *Id.*

Patent Owner refers us to CR2 (a reference to another portion of the Patent Owner Response at pages 19–21) and Exhibits 2007[8] and 2008[9] for a detailed analysis on CGI and the Davison paper that is included in Exhibit 2009. PO Resp. 47. Once again, Patent Owner does not identify any specific material supporting her contention that the negative limitation "without executing Common Gateway Interface (CGI) scripts" is disclosed in the cited material and we will not scour the record for it. *Id.* at 5. CR2 is a discussion incorporated into Patent Owner's arguments concerning the construction of POSvc Web application. PO Resp. 15–24. Here Patent Owner cites to the discussion of object identities as different from an HTML page with URL links, noting that an object is different from an HTML page

[8] The Patent Owner Response identifies Ex. 2007 as "Provisional Application with S/N 60,006,634 dated November 13, 1995." PO Resp. iv.
[9] The Patent Owner Response identifies Ex. 2008 as "Complete Prosecution History of priority U.S. Patent No. 5,778,178." PO Resp. iv.

that is accessed via a URL and that the Davison reference describes only how to create a standard HTML form, without routing capability. *Id.* at 19–20. CR2 also cites the '894 Patent at column 5, ll. 42–56, which states that "CGI scripts provide only limited two way capabilities, as described above." *Id.* at 20–21.

The text cited by Patent Owner acknowledges that CGIs provide two-way capabilities, albeit limited. CGIs are also discussed in the specification of the '894 Patent at column 2, lines 1–26. According to the '894 Patent, each CGI application is limited because it is customized for a particular type of application or service, requiring the service provider, e.g., a bank, to create individual scripts to offer users access to each of its services, e.g. checking and lending. Ex. 1001, col. 2, l. 1–26. In a three way transaction, for example, a car purchase, the specification states that, as a result of limited two-way interaction with the car dealer and the lack of interaction with a bank, a user cannot purchase a car and arrange financing via a CGI application. *Id.* at col. 2, ll. 27–48.

Petitioner's declarant, Dr. Sirbu disputes much of the disclosure concerning the deficiencies of CGI. For example, Dr. Sirbu notes that a checking application is different from a loan application and would require different software to perform the necessary processing, regardless of the use of CGI. Ex. 1002 ¶ 39. The specification also discloses an Exchange comprising a Web page displaying POSvc applications the user can select for different Web merchants accessible via the Exchange, e.g., a Bank application, a Car Dealer application, or a Pizzeria application. Ex. 1001, col. 6, ll. 21–64. These services would require entirely different software.

The ’894 Patent states that CGI is a standard interface for running external programs on a Web server and that when the server receives a request for a document, the server dynamically executes the CGI script and transmits the output of the execution back to the Web browser. Ex. 1001, col. 2, ll. 3–10. Petitioner concedes that the parent ’158 Patent implies reasons to exclude the use of CGI scripts for processing transactions for a service, although Petitioner contends these reasons are not valid. Pet. 6. The claim limitation explicitly recites “to connect in real time to the value-added network service of the Web merchant without executing Common Gateway Interface (CGI) scripts.” Thus, the issue is whether there is a written description that supports connecting to the Web merchant’s services in real time without the use of CGI scripts.

Petitioner emphasizes that the purportedly disadvantageous CGI scripts are executed after the connection to the Web server has been established, and that there is no explicit statement in the ’894 Patent (or correspondingly, the ’158 Patent) that CGI scripts cannot be used to set up the connection to the Web server or provide any reason why a CGI script would be excluded from the process of setting up a connection. Pet. 6. In addition, the declaration of Dr. Sirbu (“Sirbu Decl.”) states that, when a user desires to make a purchase, e.g., of an automobile, the purchase signal can cause a dealer’s server, via CGI, to launch an external program that can communicate with a bank’s computer in many ways, such as by using HTTP or CORBA. Ex. 1002 ¶ 40. Dr. Sirbu further notes that “nothing prevents the external application from communicating with multiple servers before it completes the transactions. When the transaction is complete, a result is returned to the user from the external application via the CGI interface, to

the http server software and then to the user. *Id.* The fact that the car dealer's application was launched via CGI is irrelevant to how the car dealer application will communicate with the bank." *Id.*

Petitioner's position is consistent with the material Patent Owner cites from the prosecution of the '178 patent, which states "if a Web merchant decides to offer a POSvc application that allows access to checking and savings accounts, the object identities according of the claimed invention refer to the individual checking and savings accounts, not to the POSvc application Web page." PO Resp. 20–21 (citing Ex. 2004).[10] Petitioner points to the disclosure in the specification that the connection between a user and bank services is managed by the Exchange. Pet. 5 (citing col 6, ll. 55–66 of the '158 Patent). Dr. Sirbu notes that, although the specification suggests that the Exchange software runs on a Web server, the specification does not disclose how the http server software, which must be present to receive requests from browsers, relates to the Exchange software or what software on the Web server receives the request. Ex. 1001 ¶ 42. Dr. Sirbu notes, however, CGI software is a standardized method for an http server software program to communicate with an external program running on the same machine. *Id.*

To provide support for a negative claim limitation, the written description must describe, at a minimum, a reason to exclude the relevant limitation. *Santarus, Inc. v. Par Pharm., Inc.*, 694 F.3d 1344, 1351 (Fed. Cir. 2012). As discussed above, Petitioner has demonstrated that the specification essentially is silent on excluding CGI to connect to the value

[10] Patent Owner does not cite a specific page, but appears to be referring to page 6 of Ex. 2004).

added service provided by the Web merchant. Patent Owner has not rebutted Petitioner's contentions. Thus, the earliest written description of the limitation "to connect in real time to the value-added network service of the Web merchant without executing Common Gateway Interface (CGI) scripts" is in the claims of the application for the '894 Patent.

For the reasons discussed above, the claimed subject matter in the '894 Patent is entitled to a priority date of Nov. 30, 2009. *See X2Y Attenuators, LLC v. Int'l Trade Comm'n*, 757 F.3d 1358, 1366 (Fed. Cir. 2014) ("[E]ntitlement to priority is decided on a claim-by-claim basis, and various claims may be entitled to different priority dates.").

SCOPE OF THE PETITION

Patent Owner argues that the Petition improperly exceeds the scope of *inter partes* review under 35 U.S.C. § 102 and § 103 by incorporating an improper analysis of compliance with written description requirements under 35 U.S.C. § 112. PO Resp. 42–43.

We note the difference between compliance with the requirements of 35 U.S. C. § 112 and assessing the earliest priority date for a claim. Petitioner does not argue that the claims of the '894 Patent are unpatentable for failure to comply with the written description requirement of 35 U.S.C. § 112, nor do we reach that issue. Petitioner argues only that, because certain features appear for the first time in the application filed on November 30, 2009, the claims, which may constitute their own disclosure, are entitled to November 30, 2009, as their earliest priority date. November 30, 2009 is actual filing date of the application that led to issuance of the '894 Patent. In order to rely on an earlier filing date, the subject matter for which the earlier

filing date is relied upon must be shown to be in the earlier disclosure. Thus, the issue is not whether there is a sufficient written description in the '894 Patent, but whether the written description in the earlier applications supports Patent Owner's claim to priority.

Patent Owner cites Petitioner's references to *LizardTech, Inc. v. Earth Res. Mapping, Inc*., 424 F.3d 1336 (Fed. Cir. 2005), and *Santarus, Inc. v. Par Pharm., Inc*., 694 F.3d 1344 (Fed. Cir. 2012) as evidence of an analysis under 35 U.S.C. § 112 that is improper in an *inter partes* review. Prelim. Resp. 3. Petitioner cites *LizardTech* for the proposition that the specification must convey to one of ordinary skill in that art that the patentee had possession of the claimed invention at the time of the application. Pet. 4–5. Petitioner does not assert that Patent Owner never had possession of the claimed features. Petitioner argues only that there is no description of these features until the application filed on November 30, 2009. *Id*. A review of the disclosure for purposes of identifying the priority date for the claimed subject matter is appropriate and within the scope of *inter partes* review. *Nissan N. Am., Inc. v. Bd. of Regents, Univ. of Tex. Sys.*, IPR2012-00037, slip op. at 14–16 (PTAB March 19, 2013) (Paper 24).

Petitioner cites *Santarus* for the proposition that support for a negative limitation, such as the one precluding SNMP, requires at least a description of a reason to exclude the relevant limitation. *Id*. at 4. Petitioner argues that the specification discloses the desirability of including the SNMP security features in the proprietary TransWeb™ protocol. *Id*. at 4–5. As discussed above, Patent Owner has identified no disclosure in the specification of a reason for excluding the relevant limitation. We conclude that that the limitation precluding SNMP first appeared in the application that Patent

Owner filed on November 30, 2009. The limitation precluding SNMP objects is found in claims 1 and 2 of the '894 Patent, but is not in claim 3. All other claims in the '894 Patent depend from claims 1 and 2. On this basis, Petitioner has shown that claims 1, 2, and 4–19 of the '894 Patent, are entitled to the November 30, 2009 priority date. *See X2Y Attenuators, LLC*, 757 F.3d at 1366. ("[E]ntitlement to priority is decided on a claim-by-claim basis, and various claims may be entitled to different priority dates.").

All of the claims in the '894 Patent recite a limitation that requires connecting in real-time to the value-added network service of the Web merchant using objects, without executing CGI scripts. Claim 1 recites "utilizing objects . . . to connect in real-tine to the value-added network service" and that objects are one or more individual data structures specific to the POSvc Web application. Claim 1 also recites that the individual data structure in the POSvc Web application is an object identity with information entries and attributes specific to the Web transaction request. Thus, the limitation "without executing CGI scripts" in claim 1 recites that an "object" is used to connect in real-time to the Web merchant's value added network service without executing CGI scripts.[11] As discussed above, the specification does not address whether the objects, as further limited by the claim language describing the objects and the individual data structures, cannot use CGI scripts to connect to a Web merchant's value added network service. All the claims of the '894 Patent recite this limitation. Thus, we conclude that priority date for the subject matter of all the claims of the '894 Patent is November 30, 2009.

[11] Claim 1 does not specify what connects in real-time to the Web merchant's value added network service.

CONCLUSION

Patent Owner does not respond specifically to the grounds on which we instituted this *inter partes* review. Having reviewed the Patent Owner Response and Petitioner Reply, and in consideration of the matters discussed above and in the Decision to Institute, we conclude that Petitioner has established by a preponderance of the evidence that claims 1–19 are unpatentable for the reasons stated in our Decision to Institute.

ORDER

It is ORDERED, that claims 1–19 of the ’849 Patent are unpatentable;

FURTHER ORDERED that Patent Owner’s Motion to Recuse remains DENIED;

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

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