

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GROUPON, INC.,
Petitioner,

v.

BLUE CALYPSO, LLC,
Patent Owner.

Case CBM2013-00034
Patent 8,457,670 B2

Before JONI Y. CHANG, MICHAEL W. KIM, and
BARBARA A. BENOIT, *Administrative Patent Judges*.

BENOIT, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
35 U.S.C. § 328(a) and 37 C.F.R. § 42.73

I. INTRODUCTION

Groupon, Inc. (“Petitioner”) filed a Petition requesting a covered business method patent review of claims 1-5 of U.S. Patent No. 8,457,670 B2 (Ex. 1001; “the ’670 patent”) pursuant to section 18(a) of the Leahy-Smith America Invents Act (“AIA”).¹ Paper 1 (“Pet.”). Patent Owner, Blue Calypso, LLC, filed a Preliminary Response. Paper 6 (“Prelim. Resp.”). Taking into account Patent Owner’s Preliminary Response, the Board determined that it was more likely than not that the challenged claims are unpatentable. Paper 9 (“Inst. Dec.”). Pursuant to 35 U.S.C. § 324(a), the Board instituted this trial on December 19, 2013, as to claims 1-5 of the ’670 patent on the following grounds of unpatentability.

Reference(s)	Basis	Claims Challenged
Ratsimor ²	§ 102(b)	1-5
Paul ³	§ 102(b)	1-5
Ratismor and Paul	§ 103(a)	1-5

Inst. Dec. 30.

Subsequent to institution, Patent Owner filed a Patent Owner Response (Paper 16; “PO Resp.”), and Petitioner filed a Reply (Paper 23; “Reply”). Patent Owner also filed a Motion to Exclude certain evidence.

¹ Pub. L. No. 112-29, 125 Stat. 284, 329 (2011).

² Ratsimor, Olga, et al., Technical Report TR-CS-03-27 “Intelligent Ad Hoc Marketing Within Hotspot Networks,” published November 2003 (Ex. 1006) (“Ratsimor” or “the Ratsimor paper”).

³ U.S. Patent Application Publication No. 2002/0169835 A1 (Ex. 1007) (“Paul”).

Paper 32 (“Mot.”). Petitioner filed an Opposition (Paper 37; “Pet. Opp.”), and Patent Owner filed a Reply (Paper 39; “PO Reply”).

An oral hearing was held on September 5, 2014.⁴

The Board has jurisdiction under 35 U.S.C. § 6(c). This decision is a final written decision under 35 U.S.C. § 328(a) and 37 C.F.R. § 42.73. For the reasons that follow, we determine that Petitioner has shown by a preponderance of the evidence that claims 1-5 of the ’670 patent are unpatentable, and we dismiss as moot Patent Owner’s Motion to Exclude.

A. Related Matters

In compliance with 37 C.F.R. § 42.302(a), Petitioner certifies that it has been sued for infringement of the ’670 patent. Pet. 8. The identified related court cases are before the United States District Court for the Eastern District of Texas. Pet. 4; Paper 5, 2.

Petitioner also requested review of the following patents related to the ’670 patent—U.S. Patent No. 7,664,516 B2 (“the ’516 patent”) (Case CBM2013-00035), U.S. Patent No. 8,155,679 B2 (“the ’679 patent”) (Case CBM2013-00033), U.S. Patent No. 8,438,055 B2 (“the ’055 patent”) (Case CBM2013-00046), and U.S. Patent No. 8,452,646 B2 (“the ’646 patent”) (Case CBM2013-00044). The ’670 patent issued from an

⁴ This proceeding, as well as CBM2013-00033, CBM2013-00035, CBM2013-00044, and CBM2013-00046, involve the same parties and similar issues. The oral arguments for all five reviews were merged and conducted at the same time. A transcript of the oral hearing is included in the record as Paper 44 (“Transcript”).

application that claims the benefit of the filing date of the application that issued as the '516 patent. The specification of the '670 patent includes additional disclosures not part of the '516 patent. *See, e.g.*, Ex. 1001, col. 6, l. 58 – col. 12, l. 16, Figs. 6-9.

B. The '670 Patent

The '670 patent relates to a system and method for peer-to-peer advertising between mobile communication devices. Ex. 1001, Abstract, col. 2, ll. 22-31. The '670 patent describes how advertisements may be transmitted before, or after, transmissions between peer-to-peer devices, such as cellular phones. *Id.* at col. 2, ll. 22-31, 42-49. To encourage transmission of advertisements, advertisers provide subsidies and incentives, such as reduced communication fees or product discounts, to qualified subscribers. *Id.* at col. 3, ll. 39-45. An advertiser may manage its own subsidy program or may participate in a subsidy program managed by an intermediary. *Id.* at col. 3, ll. 21-24. An intermediary may be funded by, for example, advertisers, Internet service providers, telecommunications providers, or other entities independent from the advertisers. *Id.* at col. 2, ll. 31-38.

To set up a subsidy program, an advertiser identifies subscriber characteristics that must be met for a subscriber to participate in the subsidy program, and identifies the subsidies to be received by subscribers when various performance criteria are met. *Id.* at col. 3, ll. 39-65. Examples of performance criteria relate to number and length of communication transmissions. *Id.* at col. 3, ll. 54-56. The subsidy program enables

advertisers to identify subscribers to subsidize communication fees, offer product discounts, generate and accumulate “reward points,” and mitigate or defer other types of subscriber expenses. *Id.* at col. 3, ll. 39-45.

C. Illustrative Claim

Claim 1 is the sole independent claim of the '670 patent, is illustrative of the claimed subject matter, and reads as follows:

1. A method for providing access to an advertisement from an advertiser to a source communication device possessed by a subscriber and distributing the access to the advertisement from the source communication device to a destination communication device possessed by a recipient, wherein the destination communication device is compatible with the source communication device, and the recipient having a relationship to the subscriber, the method being executed by a processor, and comprising the steps of:

comparing a desired demographic profile to a subscriber demographic profile to derive a match;

establishing a bi-lateral endorsement between the subscriber and the advertiser;

providing a subsidy program to the subscriber based on the match;

sending a token related to the advertisement to an endorsement manager activated on the source communication device;

sending, to the source communication device, information that can be used to initiate a communication session between the source communication device and the destination communication device and to transmit a message, including the token, from the source communication device to

the destination communication device contemporaneously with the communication session; and
recognizing a subsidy, according to the subsidy program, for the subscriber after a termination of the communication session.

Ex. 1001, col. 12, l. 59 – col. 13, l. 18.

II. ANALYSIS

A. *Claim Construction*

As a step in our analysis for determining the patentability of the challenged claims, we determine the meaning of the claims. In a covered business method patent review, a claim in an unexpired patent shall be given its broadest reasonable construction, in light of the specification of the patent in which it appears. 37 C.F.R. § 42.300(b). Under the broadest reasonable construction standard, claim terms generally 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). Any special definition for a claim term must be set forth in the specification with reasonable clarity, deliberateness, and precision. *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994). We must be careful not to read a particular embodiment appearing in the written description into the claim if the claim language is broader than the embodiment. *In re Van Geuns*, 988 F.2d 1181, 1184 (Fed. Cir. 1993). We construe the terms below in accordance with these principles.

1. “*subsidy*”

Independent claim 1 recites “recognizing a subsidy, according to the subsidy program, for the subscriber.” The ’670 patent does not set forth a special definition for “subsidy.” Accordingly, we look to the ordinary meaning of the term “subsidy”—financial assistance given by one to another.⁵ The ’670 patent’s use of “subsidy” is consistent with its ordinary meaning. Specifically, the ’670 patent describes an advertiser setting up a subsidy program to subsidize communication fees, offer product discounts, generate and accumulate “reward points” for subscribers, or mitigate or defer other expenses of the subscriber. Ex. 1001, col. 3, ll. 39-45 (referring to Fig. 2). These examples are financial in nature. Product discounts reduce the monetary cost of a financial transaction, reward points are a form of currency, and mitigating or deferring expenses reduces the monetary cost of a financial transaction or postpones the monetary cost of a financial transaction, respectively. Also, the ’670 describes, as part of a subscriber setup process, an intermediary presenting, to a subscriber for selection, “subsidy programs available, including the criteria for continued subsidy and levels of subsidy.” Ex. 1001, col. 4, ll. 59-65 (referring to Fig. 3); *see id.* at col. 4, ll. 16-17. In an example of a bi-directional endorsement process, the ’670 patent further describes an advertiser calculating the amount to

⁵ AMERICAN HERITAGE DICTIONARY 896 (3d ed. 1992) (defining “subsidy” as “1. Monetary assistance granted by a government to a person or group in support of an enterprise regarded as being in the public interest. 2. Financial assistance given by one person or government to another.”).

subsidize the subscriber for endorsement, noting that some subscribers may receive a larger subsidy than other subscribers. Ex. 1001, col. 8, ll. 47-53 (referring to Fig. 7a); *see id.* at col. 7, l. 56.

For these reasons, in the Decision to Institute, the Board construed “subsidy” as “financial assistance given by one to another.” Inst. Dec. 7-9. Neither party challenges this construction. Having considered whether the construction set forth in the Decision to Institute should be changed in light of evidence introduced during trial, we are not persuaded any modification is necessary. Therefore, we maintain the construction of “subsidy” as “financial assistance given by one to another.”

2. “*subsidy program*”

Independent claim 1 recites “providing a subsidy program to the subscriber.” The ’670 patent does not set forth a special definition for “subsidy program.” The ’670 patent’s use of “subsidy program” is consistent with the construction of “subsidy” to mean “financial assistance given by one to another” and the ordinary meaning of “program”—a system of services, opportunities, or projects, usually designed to meet a social need.⁶ For example, in relation to an advertiser setting up a subsidy program, the ’670 patent describes a subsidy program as enabling advertisers “to select or endorse desirable subscribers” and enabling advertisers to identify “what level of discounts, credits, points, or offerings” a subscriber

⁶ AMERICAN HERITAGE DICTIONARY 1447 (3d ed. 1992) (defining “program” as “4. A system of services, opportunities, or projects, usually designed to meet a social need”).

would receive as a subsidy. Ex. 1001, col. 3, ll. 39-45, 51-54. The '670 patent also describes an intermediary presenting, to a subscriber for selection, “subsidy programs available, including the criteria for continued subsidy and levels of subsidy.” Ex. 1001, col. 4, ll. 59-65.

Patent Owner contends that “subsidy program” should be construed as “a set of rules governing a subsidy distribution.” PO Resp. 12-13. Patent Owner indicates the subsidy program enables advertisers to identify levels of subsidy subscribers receive, in accordance with performance criteria (such as the number of communication transmissions and the length of the transmission). PO Resp. 12 (citing Ex. 1001, col. 3, ll. 39-65). Petitioner disagrees with Patent Owner’s proposed construction and contends that “subsidy program” is “a program for distributing financial assistance given by one to another.” Reply 1.

We agree with Patent Owner that the '670 patent discloses performance criteria identifying levels of subsidies provided by a subsidy program, which is an example of a set of rules governing a subsidy distribution. *See* PO Resp. 12 (citing Ex. 1001, col. 3, ll. 39-65). Patent Owner’s arguments, however, focus on a particular embodiment of an advertiser setup process described in the '670 patent. *See* Ex. 1001, col. 3, ll. 20-21 (“FIG. 2 is a flowchart of an embodiment of an advertiser setup process.”). We must be careful not to incorporate a particular embodiment appearing in the Specification into the claim if the claim language is broader than the embodiment. *Van Geuns*, 988 F.2d at 1184; *see also Phillips v.*

AWH Corp., 415 F.3d 1303, 1323 (Fed. Cir. 2005) (warning “against confining the claims to those embodiments”).

The ’670 patent also discloses that a subsidy program may include aspects, such as random or targeted advertisements (Ex. 1001, col. 4, ll. 65-66), other than performance criteria or a set of rules governing subsidy distribution. Thus, although we agree with Patent Owner that a “subsidy program” encompasses a set of rules governing a subsidy distribution, we conclude a “subsidy program” encompasses more than such a set of rules. Petitioner’s proffered construction of “a program for distributing financial assistance given by one to another” includes the construction of subsidy. Petitioner’s proffered construction, repeats, rather than construes, the other word (“program”) of the claim term “subsidy program” within its proffered construction.

For these reasons, we construe “subsidy program” as “a system of opportunities designed to give financial assistance to another.”

3. “*bi-lateral endorsement*”

Independent claim 1 recites “establishing a bi-lateral endorsement between the subscriber and the advertiser.” The parties disagree on the construction of “bi-lateral endorsement.” Pet. 10; PO Resp. 8-12.

The ’670 patent does not set forth a special definition for “bi-lateral endorsement.” In proffering constructions, neither party provides sufficient evidence of the ordinary meaning of “bi-lateral” or “endorsement.” We

determine the ordinary meaning of the terms “bi-,”⁷ “lateral,”⁸ and “endorsement”⁹ collectively mean “both sides giving approval.” The use of “bi-lateral endorsement” in independent claim 1 indicates that an endorsement occurs between two parties, a subscriber and an advertiser, which is consistent with its ordinary meaning of “both sides giving approval.” The ’670 patent provides an example of a bi-lateral endorsement in Figure 7a, which describes a bi-directional endorsement process between the subscriber and the advertiser, via an intermediary, during the enrollment process. Ex. 1001, col. 7, ll. 56-58. As part of an enrollment process, the advertiser decides whether to endorse a particular subscriber. *Id.* at col. 8, ll. 47-48. The bi-lateral endorsement is completed after the subscriber chooses at least one plan and one advertiser for endorsement. *Id.* at col. 8, l. 66 – col. 9, l. 3. The ’670 patent also describes examples of endorsement by an advertiser of a subscriber and endorsement by a subscriber of one or more advertisers. *See id.* at col. 3, ll. 39-65, col. 4, ll. 59-65. The use of bi-lateral endorsement in the ’670 patent is consistent with its ordinary meaning of “both sides giving approval.”

⁷ AMERICAN HERITAGE DICTIONARY 181 (3d ed. 1992) (defining “bi-” as “1. a. Two . . . b. Both . . . c. Both sides, parts, or directions”).

⁸ AMERICAN HERITAGE DICTIONARY 1017 (3d ed. 1992) (defining “lateral” as “1. Of, relating to, or situated at or on the side”).

⁹ AMERICAN HERITAGE DICTIONARY 608 (3d ed. 1992) (defining “endorse” as “4. To give approval of or support to, especially by public statement”); *id.* (defining “endorsement” as “1. The act of endorsing”).

Initially, Patent Owner contended a bi-lateral endorsement should be limited to “a mutual selection arrangement in which the advertiser and the subscriber each affirmatively selects or otherwise indicates approval of the other’s identity.” Prelim. Resp. 36-37 (quoting Ex. 1003, 27). In the Decision to Institute, the Board disagreed that certain terms, such as “mutual selection arrangement” and “affirmatively selects,” are limiting, because Patent Owner had not shown where these terms are set forth in the ’670 patent in a manner sufficient to supersede the ordinary meaning of the term “bi-lateral endorsement” as used in the ’670 patent. Inst. Dec. 12. Based on its use in the ’670 patent, however, the Board agreed with the Patent Owner that “bi-lateral endorsement” required each party to approve the other’s identity. *Id.* For these reasons, in the Decision to Institute, the Board construed “bi-lateral endorsement” as “approval of two parties to the identity of the other,” consistent with the term’s ordinary meaning in light of the Specification. *Id.* at 10-12. Petitioner does not challenge this construction. *See Reply 1.*

After Institution, Patent Owner contends that “bi-lateral endorsement” means “a selection of one or more potential subscribers by the advertiser, and a selection of the same advertiser by the subscriber,” or, more simply, “selections by two parties of each other.” PO Resp. 9. Patent Owner also contends that bi-lateral endorsement “requires *affirmative acts of selection* by each party of the other.” *Id.* (emphasis in original). In proffering its construction, Patent Owner appears to be asserting that its construction is narrower than that of the Board, as the Board’s construction could be met

plausibly by two parties approving of each of other without explicit affirmative acts of selection by each party of the other. For support, Patent Owner relies on various passages in the '670 patent describing the selection of subscribers and advertisers. *Id.* at 10 (citing Ex. 1001, col. 3, ll. 39-50, col. 8, ll. 62-64, col. 8, l. 66 – col. 9, l. 3, Fig. 3, step 46, col. 4, ll. 61-65).

We agree with Patent Owner that the '670 patent discloses the selection of subscribers and the selection of advertisers. We, however, are not persuaded that “bi-lateral endorsement” means “selections by two parties of each other,” as Patent Owner contends. PO Resp. 9. Patent Owner quotes “subsidy program 13 enables advertisers 10 to *select* or endorse desirable subscribers.” PO Resp. 10 (quoting with added emphasis Ex. 1001, col. 3, ll. 39-41). Presumably, Patent Owner is asserting that “select” is a synonym for “endorse.” Another plausible reading is that “select” and “endorse” are alternative actions that may be taken by advertisers. As such, we do not find the phrase “to select or endorse” provides sufficient clarity, deliberateness, and precision to change the meaning of “endorsement” from its ordinary meaning of “act of giving approval.”¹⁰ *See Paulsen*, 30 F.3d at 1480.

According to the '670 patent, Figure 7a “describes the bi-directional endorsement process between the subscriber and the advertiser via the intermediary during the enrollment process.” Ex. 1001, col. 7, ll. 56-58.

¹⁰ AMERICAN HERITAGE DICTIONARY 608 (3d ed. 1992) (defining “endorse” as “4. To give approval of or support to, especially by public statement”); *id.* (defining “endorsement” as “1. The act of endorsing”).

Patent Owner also relies on two steps in that process to support its construction of “bi-lateral endorsement” as “selections by two parties of each other.” PO Resp. 10. Specifically, Patent Owner also relies on steps 710 and 716. *Id.* “At step 710, the advertiser notifies intermediary 640 of the endorsement and subsidy opportunities for which the subscriber has been qualified.” PO Resp. 10 (quoting Ex. 1001, col. 8, ll. 62-64). “At step 716, subscriber 600 chooses at least one plan and advertiser for endorsement At this point, bi-lateral endorsement is complete.” *Id.* (quoting Ex. 1001, col. 8, l. 66 – col. 9, l. 3).

We are not persuaded from these passages that “bi-lateral endorsement” refers to an act of selecting (rather than referring to an act of giving approval) or that establishing a bi-lateral endorsement requires an affirmative act of selection by each party of the other party. Patent Owner is correct that step 716 discloses a subscriber choosing an advertiser for endorsement. Ex. 1001, col. 8, l. 66 – col. 9, l. 3. Step 716, however, also discloses a subscriber choosing a subsidy plan (*id.*), which is not required of a bi-lateral endorsement by two parties of each other. *Id.* This undermines Patent Owner’s position that bi-lateral endorsement means selection, rather than approval, because step 716 includes both selecting a plan and an advertiser. Bi-lateral endorsement only involves parties and not plans, which also are included in the selection step 716 and, thus, step 716 supports a view that “selection” is different than “endorsement/approval.” Moreover, although step 710 describes an advertiser notifying another about the endorsement, “the advertiser decides whether to endorse a particular

subscriber” earlier in step 708. Ex. 1001, col. 8, ll. 47-48. Thus, we are not persuaded that endorsement means “selecting,” rather than “giving approval,” which is in accordance with the ordinary meaning of endorsement.

Relying on a statement made during examination of a prior-filed but related application,¹¹ Patent Owner contends that “bi-lateral endorsement is a ‘*selection process*’ involving acts of selection or endorsement.” PO

Resp. 11. Patent Owner specifically relies on the following statements:

The subscriber’s *selection* process of claim 2 is different. Initially, [a] subscriber must *be selected* by a match condition based on his profile. The subscriber is then provided a corresponding subsidy plan based on the match condition. The subscriber is not limited to the highest bidding advertiser but rather *has a choice* of which advertiser(s) *to endorse*.

PO Resp. 11 (quoting Ex. 1003 at 28) (emphases added and citations omitted).

Applicants’ statements distinguished the limitations “comparing a desired demographic profile to a subscriber demographic profile to derive a match” and “providing a subsidy program to the subscriber based on the match” of claim 2 of the ’516 patent from prior art references describing

¹¹ During examination of the application that issued as U.S. Patent No. 7,664,516 B2, to which the ’670 patent claims priority, Applicants stated that “[b]i-lateral endorsement requires approval of both the subscriber and the advertiser to the identity of the other.” Ex. 1003 at 27. Applicants made this statement when an amendment added the claim limitation “establishing a bi-lateral endorsement between the subscriber and the advertiser” to a pending claim. *See id.* at 4 (claim 2 amendment).

“comparing an advertisement characterization to each consumer profile.” Ex. 1003, 27-28; *see also id.* at 4 (claim 2 amendment). Because the Applicants’ statements were not directed to the limitation “establishing a bi-lateral endorsement between the subscriber and the advertiser,” the statements have limited probative value concerning the construction of “bi-lateral endorsement.” We are not persuaded that Applicants’ statements are sufficient to supersede the ordinary meaning of the term “bi-lateral endorsement” as “both sides giving approval,” as used in the ’670 patent.

Also, Patent Owner, after Institution, proffers a construction of “bi-lateral endorsement” that does not include “identity of the other.” PO Resp. 9. Previously, in its Preliminary Response, Patent Owner had contended, relying on a statement made during examination of a prior-filed but related application,¹² that a bi-lateral endorsement should be limited to “a mutual selection arrangement in which the advertiser and the subscriber each *affirmatively selects or otherwise indicates approval of the other’s identity.*” Prelim. Resp. 37 (citing Ex. 1003 at 27) (emphasis added). We already have addressed this issue above, and, thus, our analysis need not be repeated here.

¹² As mentioned previously, during examination of the application that issued as U.S. Patent No. 7,664,516 B2, to which the ’670 patent claims priority, Applicants stated that “[b]i-lateral endorsement requires approval of both the subscriber and the advertiser to the identity of the other.” Ex. 1003 at 27. Applicants made this statement when an amendment added the claim limitation “establishing a bi-lateral endorsement between the subscriber and the advertiser” to a claim. *See id.* at 4 (claim 2 amendment).

Accordingly, we maintain the construction of “bi-lateral endorsement” as “approval of two parties to the identity of the other.”

4. *Whether the Preamble Is Limiting*

After Institution, Patent Owner contends that the preamble of independent claim 1 is limiting. PO Resp. 14-16. Patent Owner contends that the preamble provides antecedent basis for limitations in the body of independent claim 1. *Id.* at 14-15. As such, Patent Owner contends that “the preamble[] provide[s] explicit structure to the relationship of certain components of the invention that give life, meaning and vitality to the claimed invention.” *Id.* at 15.

We agree the preamble is limiting. In general, a preamble is construed as a limitation “if it recites essential structure or steps, or if it is ‘necessary to give life, meaning, and vitality’ to the claim.” *Catalina Mktg. Int’l, Inc. v. Coolsavings.com, Inc.*, 289 F.3d 801, 808 (Fed. Cir. 2002) (quoting *Pitney Bowes, Inc. v. Hewlett-Packard Co.*, 182 F.3d 1298, 1305 (Fed. Cir. 1999)). When the limitations in the body of the claim “rely upon and derive antecedent basis from the preamble, then the preamble may act as a necessary component of the claimed invention.” *Eaton Corp. v. Rockwell Int’l Corp.*, 323 F.3d 1332, 1339 (Fed. Cir. 2003).

Notably, the preamble of independent claim 1 requires “a source communication device possessed by a subscriber,” “a destination communication device possessed by a recipient,” and “an advertisement.” The body of claim 1 recites “the source communication device,” “the subscriber,” “the destination communication device,” and “the

advertisement,” all of which rely on and derive antecedent basis from the preamble of claim 1.

Accordingly, we conclude that the preamble of independent claim 1 is entitled to patentable weight.

B. Standing

Section 18 of the AIA provides for the creation of a transitional program for reviewing covered business method patents. Section 18 limits reviews to persons or their privies who have been sued or charged with infringement of a “covered business method patent,” which does not include patents for “technological inventions.” AIA §§ 18(a)(1)(B), 18(d)(1); *see* 37 C.F.R. § 42.302.

1. Financial Product or Service

Petitioner contends that the ’670 patent is a covered business method patent because the claimed subject matter is directed to providing a subsidy, which is financial in nature. Pet. 6-7. Our inquiry is controlled by whether the patent “claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service.” 37 C.F.R. § 42.301(a) (definition of a covered business method patent). To that end, independent claim 1 recites “recognizing a subsidy, according to the subsidy program, for the subscriber.” Also, as set forth above, we construe “subsidy” as “financial assistance given by one to another” and “subsidy program” as “a system of opportunities designed to give financial assistance to another.”

Accordingly, we agree with Petitioner that the subject matter of independent claim 1 is financial in nature.

Accordingly, the subject matter of independent claim 1 performs data processing or other operations used in the practice, administration, or management of a financial product or service. *See* 37 C.F.R. § 42.304(a).

2. *Exclusion for Technological Inventions*

The definition of “covered business method patent” in section 18 of the AIA expressly excludes patents for “technological inventions.” AIA § 18(d)(1). To determine whether a patent is for a technological invention, 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). The following claim drafting techniques, for example, typically do not render a patent a “technological invention”:

(a) Mere recitation of known technologies, such as computer hardware, communication or computer networks, software, memory, computer-readable storage medium, scanners, display devices or databases, or specialized machines, such as an ATM or point of sale device.

(b) Reciting the use of known prior art technology to accomplish a process or method, even if that process or method is novel and non-obvious.

(c) Combining prior art structures to achieve the normal, expected, or predictable result of that combination.

Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,764 (Aug. 14, 2012).

Petitioner contends that the '670 patent is not directed to a technological invention because the independent claim recites known components and is directed toward a business problem, not a technical solution. Pet. 7-8. We agree. Claim 1 recites the use of communication devices, which are known technologies, to perform a method, which does not render claim 1 a technological invention. *See* 77 Fed. Reg. at 48,764, item (b).

Accordingly, we determine that independent claim 1 is not directed toward a technological invention. We, therefore, conclude that the '670 patent is a covered business method patent.

*C. Whether the Ratsimor Paper is a Printed
Publication under 35 U.S.C. § 102(b)*

Petitioner asserts that claims 1-5 are unpatentable under 35 U.S.C. § 102(b)¹³ as anticipated by the Ratsimor paper, and under 35 U.S.C. § 103(a) as obvious over the Ratsimor paper and Paul. Pet. 14-19, 26-29. In its Petition, Petitioner asserts the Ratsimor paper is prior art because it is a technical report published by the Department of Computer Science and Electrical Engineering (“the Department”) of the University of Maryland, Baltimore County, in November 2003, more than one year prior to the earliest priority date claimed by the '670 patent. *See* Pet. 14; Ex. 1008 ¶¶ 2,

¹³ Paragraph (b) of 35 U.S.C. § 102 was replaced with newly designated § 102(a)(1) when § 3(b)(1) of the AIA took effect on September 16, 2012. Because the application that issued as the '670 patent was filed before that date, we will refer to the pre-AIA version of § 102.

16; *see also* Ex. 1001, col. 1, ll. 8-12 (claiming priority to a provisional application filed December 27, 2004).

To substantiate its position that the Ratsimor paper is a printed publication, Petitioner relies on a “publications” list of papers authored by Dr. Olga Ratsimor (pages i-ii) included in Exhibit 1006, along with the Ratsimor paper itself (pages 1-14), and a page that appears to be a cover page identifying the Ratsimor paper as “Technical Report TR-CS-03-27” (page iii). *See* Ex. 1006.

Petitioner also relies on the testimony of its Declarant, Anupam Joshi, Ph.D. (one of the authors of the Ratsimor paper), that the Ratsimor paper was a technical report of the Department that was “published and publicly available around November 2003,” and also was “publicly available for viewing and downloading” from the Department’s website. Pet. 14; Ex. 1008 ¶ 2. He also explains the “TR-CS-03-27” designation of the technical report on the cover page “means that this Report was the 27th report issued in 2003 by” the Department. Ex. 1008 ¶ 2; *see id.* ¶ 16.

Patent Owner counters that Petitioner has failed to prove the Ratsimor paper is a printed publication under 35 U.S.C. § 102(b) and, therefore, Petitioner has not established that Ratsimor is prior art to the ’670 patent. PO Resp. 5, 16-25. Patent Owner contends the Ratsimor paper is an unindexed, internal departmental technical report that was not accessible to those of ordinary skill in the art more than one year prior to the date of the application for patent. PO Resp. 18-20.

Having reviewed the parties' arguments and supporting evidence, we do not find sufficient evidence that the Ratsimor paper was accessible publicly and, therefore, we conclude the Ratsimor paper is not a printed publication under 35 U.S.C. § 102(b). Section 102 states: "A person shall be entitled to a patent unless . . . (b) the invention was . . . described in a printed publication . . . more than one year prior to the date of the application for patent" 35 U.S.C. § 102(b) (2011). "The statutory phrase 'printed publication' has been interpreted to give effect to ongoing advances in the technologies of data storage, retrieval, and dissemination." *In re Hall*, 781 F.2d 897, 898 (Fed. Cir. 1986). As such, a printed publication under 35 U.S.C. § 102(b) may be an electronic publication, such as the Ratsimor paper is purported to be. *See In re Wyer*, 655 F.2d 221, 226 (CCPA 1981) (holding that an electronic publication is considered to be a "printed publication" "upon a satisfactory showing that such document has been disseminated or otherwise made available to the extent that persons interested and ordinarily skilled in the subject matter or art, exercising reasonable diligence, can locate it and recognize and comprehend therefrom the essentials of the claimed invention without need of further research or experimentation").

The determination of whether a particular reference qualifies as a prior art printed publication "involves a case-by-case inquiry into the facts and circumstances surrounding the reference's disclosure to members of the public." *In re Klopfenstein*, 380 F.3d 1345, 1350 (Fed. Cir. 2004). The key inquiry is whether the reference was made "sufficiently accessible to the

public interested in the art” before the critical date. *In re Cronyn*, 890 F.2d 1158, 1160 (Fed. Cir. 1989). “A given reference is ‘publicly accessible’ upon a satisfactory showing that such document has been disseminated or otherwise made available to the extent that persons interested and ordinarily skilled in the subject matter or art exercising reasonable diligence, can locate it” *Bruckelmyer v. Ground Heaters, Inc.*, 445 F.3d 1374, 1378 (Fed. Cir. 2006). Indexing is not “a necessary condition for a reference to be publicly accessible,” but is among many factors that may bear on public accessibility. *In re Lister*, 583 F.3d 1307, 1312 (Fed. Cir. 2009).

*1. Whether the Ratsimor Paper Was
Publicly Accessible in November 2003*

Although Petitioner does provide some evidence to support its position, after considering all of the evidence regarding the facts and the circumstances surrounding the public accessibility of the Ratsimor paper, in view of the relevant case law, we determine that Petitioner has not met its burden of showing that the Ratsimor paper was publicly accessible in November 2003.

We begin our analysis with Petitioner’s supporting evidence, and specifically with Dr. Joshi’s testimony, which supports Petitioner’s contention that the Ratsimor paper was a technical report of the Department posted on the Department’s webserver and was accessible to the public for viewing and downloading in November 2003. As corroborating evidence, Petitioner presents additionally the publications list of Dr. Ratsimor, which includes the Ratsimor paper designated as a “Technical Report” and

identifies a November 2003 date with it. Ex. 1006 at i. The publications list also includes a uniform resource locator (<http://www.csee.umbc.edu/~oratsi2/publications>). *Id.* Petitioner contends that Dr. Ratsimor’s publications list “includes a link to download” the Ratsimor paper. Reply 4.

According to Petitioner, the inclusion of the Ratsimor paper in Dr. Ratsimor’s publications list supports Petitioner’s contention that Dr. Ratsimor viewed the Ratsimor paper as a publication and associated a November 2003 date with the paper. Because, as Dr. Joshi testifies, the paper was viewable and downloadable from the Department’s website, Petitioner asserts that the inclusion of the Ratsimor paper in Dr. Ratsimor’s list of publications on the Department’s website evinces an intent to make the Ratsimor paper public and further is an attempt by Dr. Ratsimor to disseminate the reference. *Cf. Wyer*, 655 F.2d at 227 (factors supporting public accessibility include an intent to publicize and disseminating activities). We agree that Dr. Ratsimor’s subjective view of the Ratsimor paper, her intent to publicize the Ratsimor paper, and her dissemination activities weigh in favor of finding the Ratsimor paper was publicly accessible. These findings, however, are not dispositive, and, indeed, are insufficient to support a legal determination that the Ratsimor paper is a printed publication.

As an initial matter, we note that there are gaps in Petitioner’s proffered evidence—foremost is Dr. Joshi’s lack of indication that the Ratsimor paper was downloaded or otherwise disseminated, or how persons

interested and ordinarily skilled in the subject matter or art, exercising reasonable diligence, could locate the Ratsimor paper on the Departmental website or otherwise locate an issued Technical Report in November 2003. Turning to the reference itself, the Ratsimor paper is a fourteen page paper, which does not provide a date or indicia of dissemination, such as the name of a journal. *See, e.g.*, Ex. 1006 at 1 (page 1 of the Ratsimor paper shows the title of the paper, author names and internet addresses, the Department's address, an abstract, keywords, and the first section of text). Nor does the cover page provide a date or indicia of dissemination of the Ratsimor paper, other than it being a technical report. *See* Ex. 1006 at iii (showing "Technical Report TR-CS-03-27," the title of the paper, author names and internet addresses, and the Department's address).

The aforementioned gaps in evidence are important because, even when we assume that the Ratsimor paper was available on the Department's website and was included in a list of publications identified by the author's name, the facts are similar to those involving the theses placed in university libraries in *In re Bayer*, 568 F.2d 1357, 1361–62 (CCPA 1978) and *In re Cronyn*, 890 F.2d 1158, 1161 (Fed. Cir. 1989). The Court held that an unshelved and uncatalogued graduate thesis placed in a university library and known only to three faculty members was not sufficient to support a finding that it was publicly accessible. *Bayer*, 568 F.2d at 1361-62. In *Bayer*, as the Court explains, the student thesis was not a printed publication under 35 U.S.C. § 102(b), because the "thesis could have been located in the university library only by one having been informed of its existence by the

faculty [members], . . . the probability of public knowledge of the contents of the [thesis] . . . was virtually nil.” *Bayer*, 568 F.2d at 1361 (citation omitted).

Perhaps even closer to our current fact pattern is *Cronyn*, in which three student theses were determined by the Court not to be accessible to the public because “they had not been either cataloged or indexed” in relationship to the subject matter of the theses. *Cronyn*, 890 F.2d at 1161. Specifically, even if we were to determine that the current fact pattern supported a finding of indexing by author, the Federal Circuit held in *Cronyn* that indexing based on author’s name was not sufficient to make the theses publicly accessible, even when the title of the theses was listed along with the author’s name. *Id.*

The Ratsimor paper also is similar to the paper that was placed “on an open FTP server and might have been available to anyone with FTP know-how and knowledge of [a particular] subdirectory,” containing information about a particular project in *SRI Int’l, Inc. v. Internet Security Sys., Inc.*, 511 F.3d 1186, 1194–97 (Fed. Cir. 2008). In *SRI*, the Court disagreed that an interested person of ordinary skill in the art would know, based on distribution of the existence of the FTP server to interested persons, that the “FTP server contained information on the [particular] project and therefore would navigate through the folders to find” the paper at issue. *SRI*, 511 F.3d at 1195. Although the paper on the FTP server was available to anyone who managed to find it, the “paper was not publicized or placed in front of an interested public.” *SRI*, 511 F.3d at 1197. Thus, the Court concluded the

paper on the FTP server was “analogous to placing posters at an unpublicized conference with no attendees” and, therefore, was not publicly accessible. *Id.*

In the instant case, like the paper placed on an FTP server that was accessible to knowledgeable persons, the Ratsimor paper was only available for “viewing and downloading” (Ex. 1008 ¶ 2) to members of the public who happened to know that the Ratsimor paper was there. Thus, comparing the totality of the current facts to the above cases, we determine that Petitioner has not met its burden of showing that the Ratsimor paper was publicly accessible.

In response, Petitioner contends that an interested and ordinarily skilled artisan aware of an October 2003 article by Dr. Ratsimor, which the parties do not dispute was publicly available, would expect additional written materials to be generated and available from the Department’s website. Reply 3 (citing Ex. 1041). According to the Petitioner, an interested and ordinarily skilled artisan, having such knowledge of the October 2003 article, then would be led to Dr. Ratsimor’s publications list (Ex. 1006 at i), which identifies the Ratsimor paper and “includes a link to download Ratsimor.” Reply 4. Thus, according to Petitioner, an interested and ordinarily skilled artisan would be able to follow the October 2003 article as a roadmap to the Ratsimor paper, in the same way that an article in *Cornell University v. Hewlett-Packard Co.*, No. 01-cv-1974, 2008 U.S. Dist. LEXIS 39343, at *24-25 (N.D.N.Y. May 14, 2008), pointed the way to an unpublished thesis that was not indexed by subject or title. In that district

court case, the article used as a roadmap was published in a seminal publication in the field of electrical engineering and included an express reference to the unpublished thesis, which was deemed by the Court to be a printed publication under 35 U.S.C. § 102(b). *Id.*, slip op. at 11 (“After weighing all the circumstances of accessibility, this court views as vitally important the citation of [the unpublished thesis] in the article [published in a seminal publication].”). The article served to guide those skilled in the art to the thesis because “the article cites to the . . . thesis in such a way as to make it accessible to any reader interested in the subject matter.” *Id.*, slip op. at 12.

Unlike the roadmap article in *Cornell*, however, the October 2003 article by Dr. Ratsimor does not include an explicit reference to the November 2003 Ratsimor paper asserted in this proceeding. Moreover, although the October 2003 article may have pointed an interested researcher to the Departmental webserver, the October 2003 article does not point an interested researcher expressly to the Ratsimor paper on the Departmental webserver. And as noted previously, insufficient evidence has been presented to establish the Department’s webserver contained an index or catalog, or any other tools for finding the Ratsimor paper based on the subject matter of the paper.

Thus, after considering the totality of the indicia of public accessibility, the evidence on this record places the Ratsimor paper on the non-accessible side of public accessibility. Therefore, we conclude the

Ratsimor paper is not a printed publication under 35 U.S.C. § 102(b) that can be used to challenge the patentability of the claims in the '670 patent.

Because we have determined that Petitioner has not shown that the Ratsimor paper was publicly accessible in November 2003, we need not consider Petitioner's evidence purporting to corroborate the date of the Ratsimor paper. *See Reply 5.*

2. Whether the Ratsimor Paper Was Publicly Accessible in November 2005

Petitioner first argues in its Reply that the Ratsimor paper was “publicly available on the Internet no later than November 2005” and so is prior art for claims 1-5 of the '670 patent “because claims 1-5 of the '670 patent have a priority date after” November 2005. Reply 5-6. For this assertion, Petitioner relies on the indication that Dr. Ratsimor's publication list was last updated as of November 2005. Reply 5. As explained previously, however, we do not need to reach the date of when the Ratsimor paper was available on the Department's webserver because insufficient evidence has been presented to establish the Department's webserver contained an index or catalog, or any other tools for finding the Ratsimor paper based on the subject matter of the paper. Therefore, the Ratsimor paper was not accessible publicly on the Department's webserver in a manner sufficient to qualify as a printed publication.

3. The Ratsimor Paper Is Not Prior Art

For the foregoing reasons, we determine that Petitioner has not demonstrated, by a preponderance of the evidence, that the Ratsimor paper is

a printed publication within the meaning of 35 U.S.C. § 102(b) and, therefore, the Ratsimor paper is not prior art to the claims of the '670 patent. Therefore, Petitioner may not rely upon the Ratsimor paper for its asserted grounds of patentability under 35 U.S.C. §§ 102(b) and 103(a). Accordingly, we conclude that Petitioner has not demonstrated that claims 1-5 are anticipated by the Ratsimor paper or that claims 1-5 would have been obvious over the combination of the Ratsimor paper and Paul.

D. Asserted Ground of Anticipation by Paul

Petitioner asserts that claims 1-5 of the '670 patent are unpatentable under 35 U.S.C. § 102(b) as anticipated by Paul. Pet. 20-26; Reply 11-13.

1. Principles of Law

To establish anticipation, each and every element in a claim, arranged as recited in the claim, must be found in a single prior art reference. *Net MoneyIN, Inc. v. VeriSign, Inc.*, 545 F.3d 1359, 1369 (Fed. Cir. 2008); *Karsten Mfg. Corp. v. Cleveland Golf Co.*, 242 F.3d 1376, 1383 (Fed. Cir. 2001). To anticipate, a prior art reference must disclose more than “multiple, distinct teachings that the artisan might somehow combine to achieve the claimed invention.” *Net MoneyIN*, 545 F.3d at 1371; *see also In re Arkley*, 455 F.2d 586, 587 (CCPA 1972) (“The [prior art] reference must clearly and unequivocally disclose the claimed [invention] or direct those skilled in the art to the [invention] without *any* need for picking, choosing, and combining various disclosures not directly related to each other by the teachings of the cited reference.”). Although the elements must be arranged

or combined in the same way as in the claim, “the reference need not satisfy an *ipsissimis verbis* test,” i.e., identity of terminology is not required. *In re Gleave*, 560 F.3d 1331, 1334 (Fed. Cir. 2009); *In re Bond*, 910 F.2d 831, 832 (Fed. Cir. 1990). Moreover, the prior art reference is read from the perspective of one with ordinary skill in the art. *In re Graves*, 69 F.3d 1147, 1152 (Fed. Cir. 1995) (“A reference anticipates a claim if it discloses the claimed invention such that a skilled artisan could take its teachings in combination with his own knowledge of the particular art and be in possession of the invention.”); *In re Preda*, 401 F.2d 825, 826 (CCPA 1968) (“[I]t is proper to take into account not only specific teachings of the reference but also the inferences which one skilled in the art would reasonably be expected to draw therefrom.”).

2. Overview of Paul

Paul discloses an Internet-based e-mail communications system that broadcasts communications to members, some of whom have cellular telephones. Ex. 1007, Abstract. The Internet-based e-mail communications system includes a campaign manager to provide a number of tool options to users. *Id.* ¶¶ 34, 51, 100. For example, one of the tool options allows the users to develop and manage an e-mail direct marketing campaign that sends personalized e-mail messages to members whose member records match parameters identified for the campaign. *Id.* ¶ 51. The personalized e-mail message includes an advertisement for a particular business, and a hyperlink to a web site of a business that, when activated, transfers the member to the web site. *Id.* ¶ 95. Another tool option in the campaign manager provides a

“refer a friend” advertising campaign that provides a coupon to a member who is successful in referring a friend to the web site of the business.

Id. ¶¶ 101-102. Specifically, the member sends the e-mail message (with the embedded hyperlink and an associated referral communication data packet, which identifies the business sponsoring the advertising campaign) to one or more friends. *Id.* ¶ 102. The “refer a friend” advertising campaign can increase member activity “by offering an economic incentive.” *Id.* ¶ 102.

3. Analysis Regarding Independent Claim 1

Petitioner asserts that claim 1 is unpatentable under 35 U.S.C. § 102(b) as anticipated by Paul. Pet. 20-25. In support, Petitioner provides detailed explanations as to how each claim limitation is met by Paul and relies on testimony by Dr. Joshi. *Id.* (citing Ex. 1008). Patent Owner disagrees with Petitioner’s assertions and relies on testimony by Vernon Thomas Rhyne, Ph.D. PO Resp. 42-47 (citing Ex. 2039).

We find Paul discloses each limitation of independent claim 1 as arranged in the claim. For example, independent claim 1 recites a method for providing access to an advertisement from an advertiser to a subscriber, and then distributing access to the advertisement from the subscriber to a recipient. Paul discloses an Internet-based e-mail communications system that sends personalized e-mail messages to members whose member records match parameters identified for the campaign. Ex. 1007 ¶ 51. The personalized e-mail message includes an advertisement for a particular business, and a hyperlink to a web site of a business. Ex. 1007 ¶ 95. The member then sends the received e-mail message (with the embedded

hyperlink and referral data) to one or more friends, as a part of a “refer a friend” advertising campaign. Ex. 1007 ¶ 102. Petitioner has shown that Paul discloses members (corresponding to the recited “subscribers”), and Paul’s description of sending personalized e-mail messages to members whose member records match parameters identified for the campaign discloses “comparing a desired demographic profile to a subscriber demographic profile to derive a match,” as recited in claim 1.

Independent claim 1 further recites “providing a subsidy program to the subscriber” and “recognizing a subsidy, according to the subsidy program, for the subscriber after a termination of the communication session.” Paul discloses the “refer a friend” advertising campaign can increase member activity “by offering an economic incentive.” Ex. 1007 ¶ 102. Petitioner also has shown that Paul’s “refer a friend” advertising campaign discloses the recited “subsidy program.”

Independent claim 1 also recites “establishing a bi-lateral endorsement between the subscriber and the advertiser.” Paul’s description of sending a personalized e-mail message to a member discloses an advertiser approving a member, as required by claim 1. Paul’s description of a member forwarding a received e-mail message to a friend discloses a subscriber approving an advertiser, as required by claim 1. As such, Paul discloses approval of the advertiser to the identity of the subscriber and approval of the subscriber to the identity of the advertiser. Thus, Petitioner has shown that Paul discloses approval of two parties to the identity of the other—bi-lateral endorsement.

Patent Owner's Contentions Regarding Independent Claim 1

Patent Owner asserts that Petitioner cannot show anticipation of independent claim 1 by a preponderance of the evidence, because in order to meet “establishing a bi-lateral endorsement between the subscriber and the advertiser” and “providing a subsidy program to the subscriber based on the match,” as recited in independent claim 1, disparate methods of Paul’s e-mail communication system must be combined, and so, Paul does not disclose all elements as arranged in the claim. PO Resp. 42-46.

Specifically, Patent Owner asserts, with support from Dr. Rhyne’s testimony, that Paul describes “two separate and distinct methods” of using the e-mail communication system—a direct e-mail campaign to send targeted advertisements based on demographics of members (as disclosed in paragraph 51 and surrounding paragraphs of Paul) and a “refer-a-friend” campaign involving incentive-based referrals (as disclosed in paragraphs 95-102). PO Resp. 44 (citing Ex. 2039 ¶¶ 82, 83, 103). Patent Owner asserts that it is improper to combine a direct e-mail campaign with a “refer-a-friend” campaign because the campaigns are unrelated. PO Resp. 44.

We disagree with Patent Owner’s characterization of Paul’s campaign manager computer program as having multiple separate and distinct methods, rather than a single comprehensive program that provides users with multiple tool options to design their marketing campaign. Paul discloses a campaign manager computer program of the e-mail communications system that “enables [a user] to develop and implement direct marketing email campaigns.” Ex. 1007 ¶ 34; *see also id.* ¶ 51 (A user

“is enabled to conduct direct marketing campaigns using a computer program generally identified as a ‘campaign manager’ herein.”). “With the campaign manager program, the [user] defines the parameters of the campaign by conducting a search through the member records based upon criteria encompassed in the member records.” *Id.* ¶ 51. Dr. Rhyne, Patent Owner’s Declarant, does not dispute that a direct e-mail campaign is developed using the campaign manager program of Paul’s e-mail communications system. Ex. 1030 at 175-77.

Paul also discloses that, under the tools option in the campaign manager, the user may select the “refer-a-friend” routine. Ex. 1007 ¶ 50; *see also id.* ¶ 100 (indicating the “refer-a-friend” campaign of the e-mail communications system may be selected “[u]nder the tools option in the campaign manager”). Thus, the campaign manager computer program is a single computer program that provides tools options for the user to develop the campaigns.

We acknowledge that Paul does not disclose expressly an example in which a direct e-mail campaign to send targeted advertisements based on demographics of members is used with a “refer-a-friend” campaign involving incentive-based referrals. We also acknowledge that Paul does not indicate expressly that any of the computer routines in the campaign manager computer program can be used with any other one of the campaign manager computer routines, a fact also acknowledged by Dr. Joshi (Ex. 2045, 189:4-24). Paul does, however, disclose expressly that the preferred embodiment of the invention “may be produced in a single

computer system having . . . elements or means combining the performance of any of the functions or steps disclosed.” Ex. 1007 ¶ 29.

Based on the above disclosures of Paul, we find that the direct e-mail campaign and a “refer-a-friend” campaign are not different methods, but are different tool options provided by the campaign manager computer program in the e-mail communications system disclosed by Paul. Accordingly, as different tool options of the campaign manager in the e-mail communications system, one of ordinary skill in the art would understand that the direct e-mail campaign tool option was to be used in conjunction with the “refer-a-friend” campaign tool option to send “refer-a-friend” e-mail message incentives to a subset of the members based on member demographic characteristics. To determine otherwise would require a finding that one of ordinary skill in the art, when reading Paul, would come to the conclusion that the only option would be to send a “refer-a-friend” e-mail to all members. We do not find that one of ordinary skill in the art would have understood Paul to be so restrictive. Rather, Paul’s disclosure of the campaign manager computer program having multiple tool options to develop marketing campaigns is analogous to a reference disclosing two functions of a word processing program—creating a document and saving a document. One skilled in the art would understand the word processing program reference to disclose how to use those functions together to create and save a document.¹⁴ Cf. Transcript 67:9 – 68:11.

¹⁴ At Oral Argument, the Board and Patent Owner’s counsel had the

Dr. Joshi confirms this understanding and explains:

While Paul does disclose the possibility of sending the referral email to all members of the system [Ex. 1007 ¶ 102], Paul further explicitly states that the referral email can alternatively be created through use of the Campaign Manager.

Ex. 1029 ¶ 76. Dr. Joshi further cites Paul’s disclosure that “[s]ponsors . . . have the ability to create numerous types of e-mail campaigns, such as ‘refer a friend’ campaign, through the campaign manager program discussed later.” *Id.* (quoting Ex. 1007 ¶ 50).

Dr. Rhyne recognizes, as do we, that Paul does not disclose expressly “having a member forward an advertising e-mail received from a sponsor during an e-mail-based advertising campaign to another member or someone who is not a member” through the “refer-a-friend” campaign. Ex. 2039

following exchange:

JUDGE KIM: So using your logic, then, in Microsoft Word, if I create a document and I save it later, but there are two different routines, I would not know to create a document and save it?

MR. CONRAD: Well, it depends on what you’re looking at as the reference. So what are you looking at to say it anticipates --

JUDGE KIM: Well, let's say it’s similar to this, you know, like on one part of the reference you have a save function and one part you have a create document function.

MR. CONRAD: Right. Well, it depends. Are you looking at anticipation or obvious? If it’s anticipation

JUDGE KIM: Anticipation.

MR. CONRAD: The reference[]s says [sic] you’ve got a routine to save the program. Then what’s the other routine you’re interested in?

JUDGE KIM: Creating a document.

Transcript 67:9-22.

¶ 87. Dr. Rhyne, however, does not address persuasively Paul’s disclosure that both the direct e-mail campaign and a “refer-a-friend” campaign use the campaign manager computer program, or how one of ordinary skill in the art would understand how the direct e-mail campaign and a “refer-a-friend” campaign are related through the campaign manager. *See generally id.*

¶¶ 77-89 (discussing Paul’s disclosure of the direct e-mail campaign and the “refer-a-friend” campaign).

We recognize that, at first glance, this case appears to be similar to the facts in *Net MoneyIN, Inc.*, 545 F.3d at 1368-71. In that case, a prior art reference was held not to anticipate a claim reciting five links in an Internet payment system, because neither of the two separate protocols for processing Internet credit card transactions disclosed all five links. *Id.* The Court concluded that the prior art reference did not show the claimed invention arranged or combined in the same way as recited in the claim. *Id.* Two additional facts in the instant case distinguish *Net MoneyIN*: (i) Paul discloses an e-mail communications system in which a particular computer program—campaign manager—has tool options to create both a direct e-mail campaign based on demographics and a “refer-a-friend” campaign involving incentive-based referrals; and (ii) Dr. Joshi’s testimony that the disclosure would be understood by one of ordinary skill in the art to mean the campaigns can be used together through the campaign manager.

Thus, we find that a direct e-mail campaign and a “refer-a-friend” campaign are not multiple, distinct teachings of the prior art reference that are unrelated to each other. Rather, we find the campaigns are tool options

to be used together, “without *any* need for picking, choosing, and combining various disclosures not directly related to each other by the teachings of the cited reference,” to anticipate the challenged claims of the ’670 patent.

Arkley, 455 F.2d at 587; *see Net MoneyIN*, 545 F.3d at 1371.

Patent Owner asserts that Paul does not disclose a member “electing” to receive a particular e-mail campaign from an advertiser, let alone approving a particular advertiser as required by independent claim 1. PO Resp. 44. We are not persuaded by Patent Owner’s assertion, because Paul discloses a member forwarding an e-mail received from a business.

Ex. 1007 ¶¶ 101-102. By forwarding the e-mail, the member is expressing approval of that business.¹⁵

Patent Owner asserts further that Paul does not disclose whether it is the same business sending (i) an e-mail message to a member in the e-mail match description, and (ii) an e-mail message to a member for forwarding in the refer-a-friend description. PO Resp. 45. Patent Owner asserts that, unless it is the same business, there can be no bi-lateral endorsement, as required by independent claim 1. *Id.* Patent Owner’s assertion is

¹⁵ We also note sending or forwarding the e-mail necessarily implies the sender makes a choice whether to send or forward the e-mail. Thus, Paul’s description of sending the e-mail to a member also discloses selecting the member to receive the e-mail, and Paul’s description of forwarding the e-mail to a friend also discloses selecting the friend to receive the e-mail. Accordingly, Paul discloses “establishing a bi-lateral endorsement between the subscriber and the advertiser” even if “bi-lateral endorsement” was construed as “selections by two parties of each other,” as urged by Patent Owner.

unavailing, because (i) we have explained above why one of ordinary skill would have understood the two tool options as being used together, and (ii) even without the direct e-mail campaign, in the “refer-a-friend” campaign, the business is approving the member by sending to the e-mail to the member, and the member is approving the business by forwarding the same e-mail to a friend.

Patent Owner asserts additionally that Paul does not disclose “providing a subsidy program to the subscriber based on the match,” as required in independent claim 7. PO Resp. 45-46. According to Patent Owner, the two campaign methods cannot be read together, because Paul discloses explicitly that the “refer-a-friend” message is sent to each and every member, which is contrary to the direct e-mail campaign in which e-mails are sent only to a subset of members. *Id.*

We do not agree with Patent Owner’s assertions because, as explained previously, one of ordinary skill would have understood the two tool options as being used together, such that the “refer-a-friend” e-mail would be sent only to a subset of members.

4. Analysis Regarding Dependent Claims 2-5

Petitioner asserts that claims 2-5 are unpatentable under 35 U.S.C. § 102(b) as anticipated by Paul. Pet. 25-26. In support, Petitioner provides detailed explanations as to how each claim limitation is met by Paul and relies on testimony by Dr. Joshi. *Id.* (citing Ex. 1008). Patent Owner disagrees with Petitioner’s assertions and relies on testimony by Dr. Rhyne. PO Resp. 47-49 (citing Ex. 2039).

Claims 2-5 depend from independent claim 1 and additionally recite further limitations regarding various steps recited in independent claim 1. Regarding dependent claim 2, which additionally recites “transmitting the token from the source communication device to the destination communication device,” Petitioner asserts, relying on Dr. Joshi’s testimony, that the recited “token related to the advertisement” is disclosed by a hyperlink included in Paul’s refer-a-friend e-mail message. Pet. 22 (citing Ex. 1007 ¶ 102; Ex. 1008 ¶¶ 70, 71, 79); *see id.* at 25. According to Dr. Joshi, the e-mail message may be sent from the subscriber device (which corresponds to the recited source communication device) to a recipient device (which corresponds to the recited destination communication device). *Id.* at 25 (citing Ex. 1008 ¶ 82). Thus, Petitioner has shown, by a preponderance of evidence, that Paul discloses the additional limitation recited by claim 2.

Claim 3 additionally recites “creating the demographic profile according to a set of advertiser criteria.” For this limitation, Petitioner relies on Paul’s description of member profiles that are completed “by business partners, suppliers, or vendors.” *Id.* at 25 (citing Ex. 1007 ¶¶ 42); *see also id.* at 21 (showing how Paul discloses the step of “comparing a desired demographic profile to a subscriber demographic profile to derive a match,” as recited by claim 1). Paul’s member profiles include annual salary information, which Paul characterizes as demographic data. *Id.* (citing Ex. 1007 ¶¶ 42, 80, tbl. 4.0 (showing member profile data)). Thus,

Petitioner has shown, by a preponderance of evidence, that Paul discloses the additional limitation recited by claim 3.

Claim 4 additionally recites “relating the subsidy to one of the group of a product discount, a reward, and a mitigation of expenses.” Petitioner relies on Paul’s “refer-a-friend” tool option that “provides a coupon to the member if the member is successful in . . . referring a friend to the sponsor.” *Id.* at 26 (quoting Ex. 1007 ¶ 101). We agree that Paul’s coupon discloses a product discount, a reward, or a mitigation of expenses. Thus, Petitioner has shown, by a preponderance of evidence, that Paul discloses the additional limitation recited by claim 4.

Regarding claim 5, which additionally recites “basing the subsidy on an acknowledgement by the destination communication device of the receipt of the token,” Petitioner asserts Paul’s description of the coupon in the “refer-a-friend” tool option also discloses the additional limitation recited in claim 5. Petitioner further relies on Paul’s “refer-a-friend” tool option in which “members, who are successful in having their friends ‘click on’ the embedded hyperlink text and have an indicator in their member records reflecting the receipt of a referral communications data packet, are rewarded by being placed in a limited pool of potential random drawing participants.” *Id.* (relying on Ex. 1007 ¶ 102). Thus, Petitioner has shown, by a preponderance of evidence, that Paul discloses the additional limitation recited by claim 5.

Patent Owner's Contentions Regarding Dependent Claims 2-5

Patent Owner challenges Petitioner's contentions regarding dependent claims 2-5 because each contention allegedly improperly mixes Paul's direct campaign tool option with the "refer-a-friend" tool option. PO Resp. 47-49. We do not agree because, as explained previously, one of ordinary skill would have understood the two tool options as being used together.

5. Conclusion

For the foregoing reasons, we find that Petitioner has proven, by a preponderance of the evidence, that claims 1-5 are unpatentable under 35 U.S.C. § 102(b) as anticipated by Paul.

E. Priority Date of Claims 1-5

We need not decide the priority date of claims 1-5, which Petitioner contends is the filing date of the application that issued as the '670 patent (Pet. 10-14), because the publication date of Paul is more than one year before the earliest filing date claimed by the '670 patent.

F. Patent Owner's Motion to Exclude

Patent Owner seeks to exclude: (i) Dr. Ratsimor's resume (Ex. 1032), her research summary (Ex. 1033), and a Departmental webpage for a research project (Ex. 1034), all of which cite the Ratsimor paper with a November 2003 publication date; (ii) three patents—U.S. Patent Nos. 8,636,608 B2 (Ex. 1035), 8,620,736 B2 (Ex. 1039), and 8,671,012 B2 (Ex. 1040), which cite the Ratsimor paper with a November 2003 date; and

(iii) results from a search engine (i.e., Google Scholar) (Ex. 1036), which list the Ratsimor paper with a November 2003 date.

We need not assess the merits of Patent Owner's Motion to Exclude. Petitioner uses the challenged exhibits to support its contention that the Ratsimor paper was published in November 2003. Reply 5. As discussed above, even without Petitioner's supporting evidence regarding the date of the Ratsimor paper, we have determined that the Ratsimor paper is not a printed publication under 35 U.S.C. § 102(b), because the Ratsimor paper was not publicly accessible as of November 2003. Notably, the evidence that Patent Owner seeks to exclude is dated between 2007 and 2014 (*see* Exs. 1032-1036, 1039, 1040) and, as such, provides little probative value regarding how an interested and ordinarily skilled artisan would have been able to locate the Ratsimor paper in November 2003. Thus, the evidence that Patent Owner seeks to exclude does not tip the scales in favor of public accessibility of the Ratsimor paper.

Accordingly, Patent Owner's Motion to Exclude certain evidence is dismissed as moot.

III. CONCLUSION

Petitioner has not proven, by a preponderance of the evidence, that claims 1-5 of the '670 patent are unpatentable under 35 U.S.C. § 102(b) as anticipated by Ratsimor.

Petitioner has proven, by a preponderance of the evidence, that claims 1-5 of the '670 patent are unpatentable under 35 U.S.C. § 102(b) as anticipated by Paul.

Petitioner has not proven, by a preponderance of the evidence, that claims 1-5 of the '670 patent are unpatentable under 35 U.S.C. § 103(a) as obvious over Ratsimor and Paul.

Patent Owner's Motion to Exclude is *dismissed* as moot.

IV. ORDER

Accordingly, it is hereby:

ORDERED that Petitioner has demonstrated by a preponderance of the evidence that claims 1-5 of U.S. Patent No. 8,457,670 B2 are unpatentable;

FURTHER ORDERED that Patent Owner's Motion to Exclude is dismissed; and

FURTHER ORDERED that, because this is a final written decision, the 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.

CBM2013-00034
Patent 8,457,670 B2

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