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Paper 34
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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FIDELITY NATIONAL INFORMATION SERVICES, INC.,
Petitioner,

v.

DATATREASURY CORP.,
Patent Owner.

Case CBM2014-00021
Patent 5,910,988

Before MICHAEL P. TIERNEY, WILLIAM V. SAINDON, and MATTHEW R. CLEMENTS, *Administrative Patent Judges*.

TIERNEY, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
Covered Business Method Patent Review
35 U.S.C. §328(a) and 37 C.F.R. § 42.73

I. INTRODUCTION

Fidelity National Information Services, Inc. ("Fidelity" or "Petitioner") filed a petition ("Pet.") requesting review under the transitional program for covered business method patent review of claims 1–123 of U.S. Patent No. 5,910,988 ("the '988 patent") (Ex. 1001). On April 29, 2014, pursuant to 35 U.S.C. § 324, we instituted this trial as to claims 1–123 under 35 U.S.C. § 101 and claims 1–41 and 51–69 under 35 U.S.C. § 112, lack of written description (Paper 14, "Dec. to Inst."). Patent Owner DataTreasury Corp. ("Patent Owner" or "DataTreasury") filed a Patent Owner Response (Paper 25, "PO Resp."), and Petitioner filed a Reply (Paper 26, "Reply").

Patent Owner filed a Motion to Exclude Petitioner's demonstratives. Paper 32. Patent Owner subsequently withdrew its Motion to Exclude. Paper 33.

An oral hearing in this proceeding was held on December 9, 2014. A transcript of the hearing may be found in CBM2014-00020, Paper 33, "Tr.".

We have jurisdiction under 35 U.S.C. § 6(c). This Final Written Decision is issued pursuant to 35 U.S.C. § 328(a) and 37 C.F.R. § 42.73.

For the reasons that follow, we determine that Fidelity has shown by a preponderance of the evidence that claims 1–123 are unpatentable under 35 U.S.C. § 101 and claims 1–41 and 51–69 are unpatentable under 35 U.S.C. § 112, 1st paragraph,[1] for lack of written description.

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[1] Section 4(c) of the Leahy-Smith America Invents Act ("AIA") re-designated 35 U.S.C. § 112 ¶ 1 as 35 U.S.C. § 112(a). Pub. L. No. 112-29, 125 Stat. 284, 296–07 (2011). Because the '988 patent has a filing date before September 16, 2012 (effective date of § 4(c)), we refer to the pre-AIA version of 35 U.S.C. § 112, in this Decision.

A. The ’988 Patent (Ex. 1001)

The ’988 patent is directed to a system for remote data acquisition, and centralized processing and storage of the acquired data. Ex. 1001, Abstract. An object of the invention is to provide an automated system to manage and store captured electronic and paper transactions from various activities including banking and consumer applications. *Id*. at 3:30–35. Generally, the ’988 patent describes scanning documents using a scanner attached to a general purpose network computer that is connected via a carrier cloud to a server that inserts images and data received into a database. *Id*. at Figs. 1–2, 3:30–51, 4:60–67, 5:40–45, 16:38–45. Additionally, the general purpose network computer encrypts the images and data to provide a system with maximal security. *Id*. at 3:30–35, 7:31–35, 8:3–5.

Figure 1 of the ’988 patent, provided below, depicts a preferred embodiment of the system having three major operational elements:

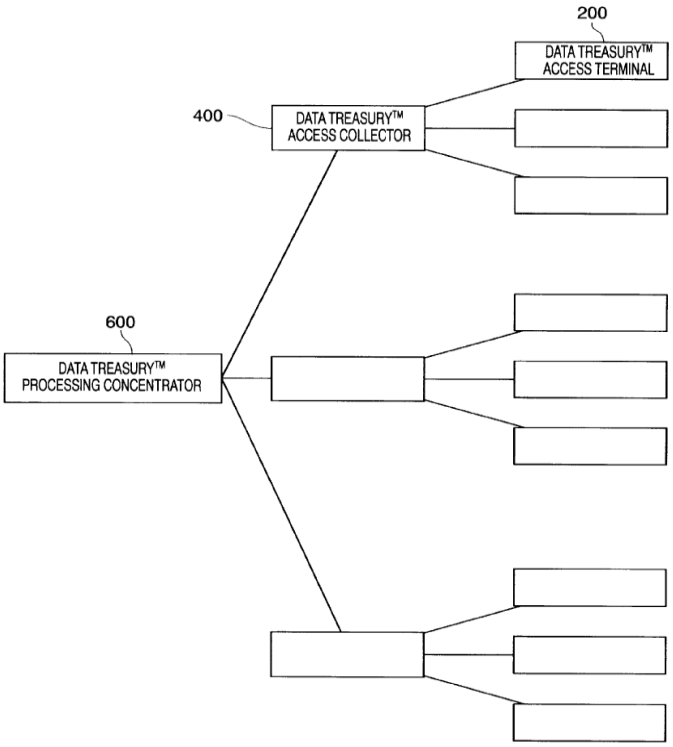

FIG. 1

The ’988 patent describes the tiered arrangement depicted in Figure 1 as follows:

> FIG. 1 shows the architecture of the DataTreasury™ System 100. The DataTreasury™ System 100 has three operational elements: the DataTreasury™ System Access Terminal (DAT) 200 (the remote data access subsystem), the DataTreasury™ System Access Collector (DAC) 400 (the intermediate data collecting subsystem), and the DataTreasury™ System Processing Concentrator (DPC) 600 (the central data processing subsystem).

Id. at 4:60–67.

Figure 2 of the ’988 patent, provided below, depicts a block diagram of the DAT (remote data access subsystem terminal):

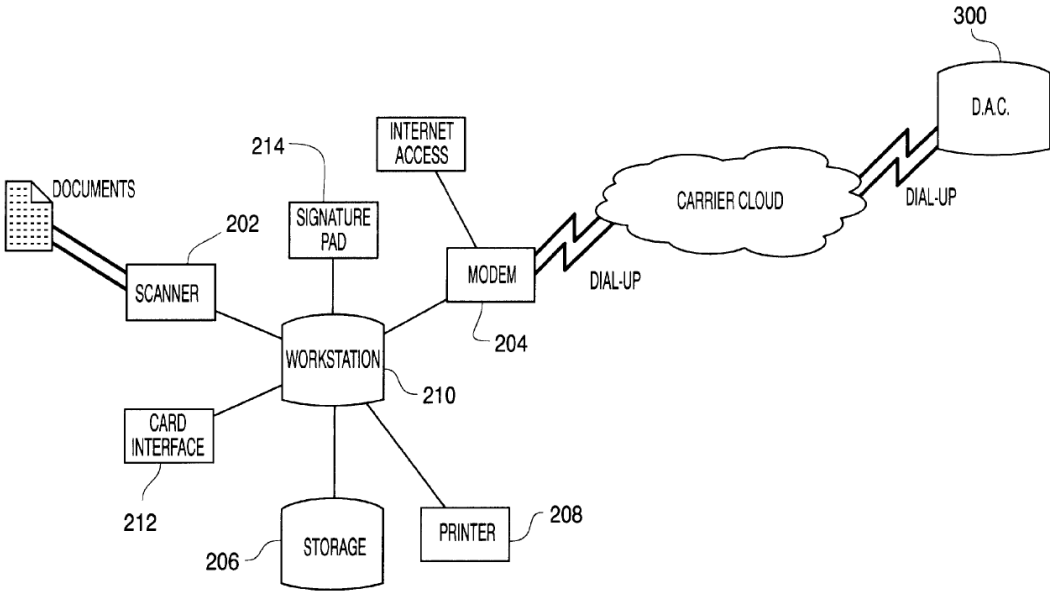

FIG. 2

As shown in Figure 2, scanner 202 is connected to workstation 210, which is connected to data system access collector 300. The workstation can be a general purpose computer and performs tasks including compressing, encrypting, and tagging a scanned bitmapped image. *Id*. at 5:40–45, 7:31–35.

The '988 patent is said to improve upon the prior art by providing an automated, reliable, secure system to process electronic and paper transactions. *Id*. at 3:25–29.

B. Illustrative Claims

Independent claims 26 and 46 are illustrative of the challenged claims in the '988 patent and are reproduced below:

> 26. A method for central management, storage and verification of remotely captured paper transactions from documents and receipts comprising the steps of:
>
> capturing an image of the paper transaction data at one or more remote locations and sending a captured images of the

transaction data;

managing the capturing and sending of the transaction data;

collecting, processing, sending and storing the transaction data at a central location;

managing the collecting, processing, sending and storing of the transaction data;

encrypting subsystem identification information and the transaction data; and

transmitting the transaction data and the subsystem identification information within and between the remote location(s) and the central location.

46. A method for transmitting data within and between one or more remote subsystems, at least one intermediate subsystem and at least one central subsystem in a tiered manner wherein each of the central subsystems communicate with at least one intermediate subsystem and each of the intermediate subsystems communicate with at least one remote subsystems comprising the steps of:

capturing an image of documents and receipts and extracting data therefrom;

transmitting data within the remote locations;

transmitting data from each remote location to corresponding intermediate location;

transmitting data within the intermediate locations;

transmitting data from each intermediate location to corresponding central locations; and

transmitting data within the central locations.

C. Related Proceedings

Petitioner indicates that the '988 patent is asserted in *DataTreasury Corp. v. Fidelity National Information Services, Inc*., No. 2:13-cv-432 (E.D. Tex.) in the U.S. District Court for the Eastern District of Texas ("the District Court"). Pet. 17. Petitioner also identifies an additional twenty-three district court proceedings involving the '988 patent. Pet. 4–6.

D. Alleged Grounds of Unpatentability Instituted in Trial

Petitioner contends that the challenged claims are unpatentable based on the following grounds:

Grounds	Claims Challenged
§ 101	1–123
§ 112, 1st paragraph, Written Description	1–41 and 51–69

II. ANALYSIS

A. Claim Construction

The Board interprets claims of unexpired patents using the "broadest reasonable construction in light of the specification of the patent in which [they] appear[]." 37 C.F.R. § 42.300(b); *see* Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,766 (Aug. 14, 2012) ("Trial Practice Guide"); *In re Cuozzo Speed Techs., LLC*, 778 F.3d 1271, 1281 (Fed. Cir. 2015); *In re Translogic Tech., Inc*., 504 F.3d 1249, 1257 (Fed. Cir. 2007); *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994). Claim terms are given their plain and ordinary meaning as would be understood by a person of ordinary skill in the art at the time of the invention and in the context of the entire patent disclosure. "There are only two exceptions to this general rule: 1) when a patentee sets out a definition and acts as his own lexicographer, or 2) when the patentee disavows the full scope of a claim term either in the specification or during prosecution." *Thorner v. Sony Computer Entm't Am. LLC*, 669 F.3d 1362, 1365 (Fed. Cir. 2012).

In the Decision on Institution, we interpreted various claim terms of the ’988 patent as follows:

Claim Term (Claims)	Interpretation
“encrypt” or “encrypting” (1, 4, 5, 26, 27, 120 and 123)	Convert into a form unreadable by anyone without a secret decryption key.
“within and between” (1, 26, 42, 46, 84, 88, 93, 97, 102, 106, 110, 114, 118, and 121)	Data is transmitted both within a given subsystem (i.e., between the various components comprising the subsystem or location) and between one subsystem or location to another subsystem or location.
“tiered manner” or “tiered architecture” (42, 46, 84, 88, 93, 97, 102, 106, 110, 114, 118, and 121)	The conceptual structure and logical organization of subsystems in a hierarchy of functional layers.

See Dec. to Inst. 7–9. The parties do not dispute these interpretations in their Patent Owner Response and Reply. We adopt the above claim constructions based on our previous analysis, and see no reason to deviate from those constructions for purposes of this decision.

B. Covered Business Method Patent

We determined, in the Decision on Institution, that the ’988 patent is a covered business method patent as defined in § 18(a)(1)(E) of the AIA, and 37 C.F.R. § 42.301, because at least one claim of the ’137 patent is directed to a covered business method. Dec. to Inst. 9–13.

The definition of “covered business method patent” in Section 18(d)(1) of the AIA excludes patents for “technological inventions.” Patent Owner contends that the Board erred in instituting this proceeding alleging

that every claim of the ’988 patent recites a technological invention. PO Resp. 11–16.

Patent Owner states that every system claim and every subsystem claim in the ’137 patent is directed to technological equipment and provides a solution to the transmission of financial information. *Id*. at 13–14. Patent Owner further contends that every method claim recites steps performed by technological equipment. *Id*. at 14. The challenged claims however, merely require the use of “off the shelf” technology, including conventional imaging scanners attached to a general purpose computer network. *Id*. at 16; Declaration of Dr. Peter Alexander,[2] Ex. 1003 ¶¶ 105–138.

Patent Owner states that its system is a technological system because its claims are directed to a three-tiered system including three subsystems, which results in a technological banking system that is new, useful, and nonobvious. Paper 24, 15–16. Patent Owner fails to explain how a three-tier system is technological. For example, the three-tier system can be viewed as reflecting a banking system having networked branch offices, regional offices and a central home office.

We have considered Patent Owner’s remaining arguments and evidence regarding its contention that all the claims of the ’988 patent are directed to a technological invention but are not persuaded that its system and method claims recite a technological feature that is novel and unobvious over the prior art. We reaffirm our determination in the Decision to Institute

[2] We conclude that Dr. Alexander is qualified to testify as to the understanding of one skill in the art in this proceeding. *See* Ex. 1003 ¶¶ 1–4.

and conclude that the ’988 patent is eligible for a covered business method patent review.

C. Grounds Based on 35 U.S.C. § 101— Claims 1–123 Are Directed to Non-Statutory Subject Matter

Petitioner challenges claims 1–123 of the ’988 patent under 35 U.S.C. § 101, as directed to patent-ineligible subject matter. Pet. 21–39. Patent Owner disagrees and maintains that its claims are directed to patent-eligible processes because the claims do not recite an abstract idea. PO Resp. 31–62. For example, Patent Owner states:

> With respect to §101, the real issue in this CBM Proceeding is whether the teaching of scanning or imaging of documents and receipts is an “abstract idea.”

Id. at 48.

1. Section 101 Subject Matter Eligibility

For claimed subject matter to be patent eligible, it must fall into one of four statutory classes set forth in 35 U.S.C. § 101: a process, a machine, a manufacture, or a composition of matter. The Supreme Court recognizes three categories of subject matter that are ineligible for patent protection: “laws of nature, physical phenomena, and abstract ideas.” *Bilski v. Kappos*, 561 U.S. 593, 601 (2010) (internal quotations and citation omitted). A law of nature or an abstract idea by itself is not patentable; however, a practical application of the law of nature or abstract idea may be deserving of patent protection. *Mayo Collaborative Servs. v. Prometheus Labs., Inc*., 132 S. Ct. 1289, 1293–94 (2012). To be patentable, however, a claim must do more than simply state the law of nature or abstract idea and add the words “apply it.” *Id*.

In *Alice Corp. Pty, Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347 (2014), the Supreme Court recently clarified the process for analyzing claims to determine whether claims are directed to patent-ineligible subject matter. In *Alice*, the Supreme Court applied the framework set forth previously in *Mayo*, "for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of these concepts." *Alice*, 134 S. Ct. at 2355. The first step in the analysis is to "determine whether the claims at issue are directed to one of those patent-ineligible concepts." *Id*. If they are directed to a patent-ineligible concept, the second step in the analysis is to consider the elements of the claims "individually and 'as an ordered combination'" to determine whether there are additional elements that "'transform the nature of the claim' into a patent-eligible application." *Id*. (quoting *Mayo*, 132 S. Ct. at 1291, 1297). In other words, the second step is to "search for an 'inventive concept'—i.e., an element or combination of elements that is 'sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.'" *Id*. (alteration in original) (quoting *Mayo*, 132 S. Ct. at 1294). Further, the "prohibition against patenting abstract ideas 'cannot be circumvented by attempting to limit the use of the formula to a particular technological environment' or adding 'insignificant postsolution activity.'" *Bilski*, 561 U.S. at 610–11 (quoting *Diamond v. Diehr*, 450 U.S. 175, 191–92 (1981)).

The patents at issue in *Alice* claimed "a method of exchanging financial obligations between two parties using a third-party intermediary to mitigate settlement risk." *Alice*, 134 S. Ct. at 2356. Like the method of hedging risk in *Bilski v. Kappos*, 561 U.S. at 628—which the Court deemed

"a method of organizing human activity"—*Alice*'s "concept of intermediated settlement" was held to be "'a fundamental economic practice long prevalent in our system of commerce.'" *Alice*, 134 S. Ct. at 2356. Similarly, the Court found that "[t]he use of a third-party intermediary . . . is also a building block of the modern economy." *Id*. "Thus," the Court held, "intermediated settlement . . . is an 'abstract idea' beyond the scope of § 101." *Id*.

2. DataTreasury's Challenged Claims Contain an Abstract Idea

a. Transferring information from one location to another where the transferred information is unreadable without a secret decoder key

Independent claim 26 is representative of the challenged claims. Claim 26 is directed to a method comprising capturing an image of documents and receipts and extracting data therefrom, and collecting, managing, encrypting subsystem identification information and the transaction data and transmitting the data to various locations within a system. Ex. 1001, 25:11–27. As apparent from claim 26, and identified in the Decision to Institute, Patent Owner's claims are, in substance, directed to the underlying idea of transferring information from one location to another where the transferred information is unreadable without a secret decoder key. Dec. to Inst. 19.[3]

Patent Owner contends that the challenged claims do not recite an abstract idea. Patent Owner argues that, unlike the algorithms in

[3] We note that claims 50 and 70–123 are even broader in that they do not require encryption (information unreadable without a secret decoder key).

Benson, encryption is patent eligible. For example, Patent Owner states:

> Encryption of data as a security measure is, in general, ubiquitous, and differs considerably from a mere mathematical algorithm or formula, and is accomplished not only in the '137 Patent, but is also accomplished in many patents, as discussed above. Class 705, Data Processing: Financial, Business Practice, Management, or Cost/Price Determination, includes a large number of patents that encrypt data in subclass 50 and subclasses that are indented under subclass 50.

PO Resp. 54. The fact that other patents have issued that relate to encrypted data fails to demonstrate that the basic concept of encryption is not abstract. An invention is not rendered ineligible for patent simply because it involves an abstract concept. *See Diamond* v. *Diehr*, 450 U.S. 175, 187 (1981).

We agree with Patent Owner that the basic concept of encryption is ubiquitous. Encryption, in general, represents a basic building block of human ingenuity that has been used for hundreds, if not thousands, of years. Like hedging, encryption in its simplest form does not require the use of technology to communicate secure messages. Specifically, encryption, in its simplest form, could be performed with pencil and paper.

Patent Owner contends that there is no indication that patents employing encryption have been held to recite an abstract idea. PO Resp. 56. Patent Owner relies upon *TQP Development, LLC v. Intuit Inc.*, No. 2:12-CV-180, 2014 WL 651935 (E.D. Tex. Feb. 19, 2014), for the proposition that a general recitation of encryption renders the

claims patent eligible and that encryption is not an abstract idea. PO Resp. 58.

The *TQP* decision concerns a motion for summary judgment of invalidity of U.S. Patent No. 5,412,730, which alleged that the asserted claims were invalid as directed to patent-ineligible subject matter. *TQP*, 2014 WL 651935, at *3. Claim 1, the only asserted independent claim, related to a method of transmitting encrypted data. The method included the steps of providing a sequence of blocks in encrypted form by providing a seed value to a transmitter and a receiver, generating a first sequence of a pseudo-random key value based on the seed value, and encrypting the data sent. Additionally, the method required the generation of a second sequence of pseudo-random key values that are produced at a time dependent upon predetermined characteristics of the data transmitted, and decrypting the data in accordance with the second sequence. *Id*. at *1–*2.

The district court in *TQP* characterized the asserted claims as directed to a "statutory process" under § 101 and proceeded to the question of whether the recited claim raised "abstractness" problems, which the court characterized as posing a risk of preempting an abstract idea. *Id*. at *6. On this point, the court stated:

> Because the claim language is generic in nature—referring to a "transmitter," a "receiver," and a "communication link," rather than more specific structures, there would appear to be some risk of unacceptable preemption.

Id. Where a risk exists, the court stated that a determination needed to be made as to whether the claims contained additional substantive limitations such that, in practical terms, the claims do not cover the

full abstract idea itself. *Id*. at *5–*6. The court reviewed the claims and held that they were drawn to a very specific encryption method, added required steps to the core idea underlying the invention, and involved a way of making computer communication itself more effective by making that communication more secure. *Id*. at *7–*14. Further, the court determined that the motion for summary judgment raised factual issues. *Id*. at *10. Based on its review, the court denied the motion for summary judgment.

We hold, as did the court in *TQP*, that the challenged claims pose a risk of unacceptable preemption as the claim language is generic in nature—referring to capturing images, managing the transaction data, collecting the data, encrypting subsystem identification information and transaction data, and transmitting data within and between a remote location and a central location. Accordingly, we review the claims for an element or combination of elements that is sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the ineligible concept itself. *Mayo*, 132 S. Ct. at 1294.

b. Imaging or scanning documents

Patent Owner attempts to recast the identified abstract idea by focusing on the imaging and scanning concepts encompassed by the challenged claims. For example, Patent Owner states:

> With respect to §101, the real issue in this CBM Proceeding is whether the teaching of scanning or imaging of documents and receipts is an "abstract idea."

PO Resp. 48. Althoughwe have identified the abstract idea as involving the transfer of information from one location to another where the transferred information is unreadable without a secret decoder key, we address Patent Owner's arguments concerning the abstractness of imaging and scanning to the extent the arguments may be of general applicability.

i. Routine business practices can be abstract

Patent Owner contends that the imaging of documents and receipts is not an abstract idea or concept. PO Resp. 39–40. According to Patent Owner, scanning or imaging documents is routine in banking and financial patents, and not abstract. *Id*. Patent Owner also states that scanning or imaging a document is not an abstract idea contending "[i]nstead, it is a practice that is essentially universal, especially in business environments such as banking or financial businesses." *Id*. at 40. The fact that a business practice is used widely does not preclude a determination that the underlying practice involves an abstract idea. For instance, risk hedging (*Bilski*) and intermediated settlement (*Alice*) are also routine business practices, but these practices have been held abstract.

ii. Presence of tangible objects does not foreclose abstractness

Patent Owner contends that imaging or scanning a check is not an abstract idea because documents and receipts are concrete objects. *Id*. at 44–45. The fact that a claim recites substantial physical limitations does not preclude a determination that the claim is effectively an unpatentable law of nature or an attempt to preempt an abstract idea. *Mayo*, 132 S. Ct. at 1297.

3. DataTreasury's Challenged Claims Do Not Contain Significant Meaningful Limitations Beyond the Abstract Idea

Petitioner contends that the '988 patent claims, when considered as a whole, fail to add anything significant to the underlying abstract idea. Pet. 23. Specifically, Petitioner states that the challenged claims add only well-known computer and imaging components in connection with the commonly-known multiple "tier" architecture. *Id*. at 23–24.

Petitioner identifies claim 46 as representative and states that the claim merely recites a method comprising the steps of capturing a check image, sending the image within and between various locations within a system. *Id*. at 25. Petitioner relies upon the testimony of Dr. Peter Alexander to support its contention that the claim adds nothing more than an arrangement of generic computer components and processes that were known to those of ordinary skill in the art, to the underlying abstract idea. Ex. 1003 ¶¶ 31–77, 105–138.

Patent Owner disagrees, and contends that claim 46 recites specific structural components that are cooperating subsystems that transmit data within and between one or more remote subsystems. PO Resp. 62–63. Patent Owner states that the specific structural components that are described in claim 46 accomplish the specific method steps of transmitting data and give life and meaning to the claim. *Id*. at 63–64.

We select independent claim 26 as illustrative of the challenged claims as opposed to independent claim 46, as claim 26 further requires encrypting subsystem identification information and the transaction data in addition to transmitting data. The apparatus and method steps recited in

claim 26 do not limit the claim in a meaningful way to avoid unacceptable preemption of the abstract idea. Patent Owner recognizes that encryption of data as a security measure is, in general, "ubiquitous." *Id*. at 54. Patent Owner also acknowledges that the subsystems recited in the challenged claims are composed of "off the shelf" technology. *Id*. at 16. Patent Owner also states that the claims do not claim any "particular" machines or components, as the invention is in the configuration of the system built from various components. Prelim. Resp. 32.

As to the "three-tier" architecture,[4] Dr. Alexander testifies that such architecture was known in the art. For example, Dr. Alexander cites U.S. Patent No. 5,373,550 to Campbell (Exhibit 1023), as describing tiered architecture with imaged checks being routed through network, such as that recited in the challenged claims. Ex. 1003 ¶¶ 208–215. Patent Owner acknowledges that the Campbell patent cited by Dr. Alexander was "old and well known long prior to the issue date of the involved patent. PO Resp. 15. We credit Dr. Alexander's testimony and find that three-tier architecture was conventional in the banking and financial services industry.

We credit Dr. Alexander's testimony and determine that the '988 patent simply arranges old well-known elements with each performing the same function it had been known to perform. *E.g.*, Ex. 1003 ¶¶ 26–28, 31, 85. Based on the record presented, we do not see how the limitations in claim 46 are significant meaningful limitations that transform the abstract

[4] Petitioner contends that the challenged claims do not recite a "three-tiered" architecture. Reply 8. For purposes of this decision, we assume the Patent Owner is correct in stating that its claims require such architecture.

idea into patent-eligible applications of these abstractions. Patent Owner's contentions focused on the alleged meaningful limitations appearing in claim 46 or the challenged claims in general. We have reviewed the remaining challenged claims and likewise are persuaded, based on the evidence presented, that the remaining claims also lack limitations that meaningfully limit the abstract idea and avoid unacceptable preemption. Reply, 1. We hold that the challenged claims recite nothing more than conventional equipment and steps, specified at a high level of generality on top of the underlying abstract concept. *Mayo*, 132 S. Ct. at 1300.

We note that Patent Owner states that imaging or scanning a document would transform the paper document into an image on film, or into data, and would satisfy the machine-or-transformation test. PO Resp. 40. Patent Owner however, also states that the machine-or-transformation test "does not have any applicability in this proceeding." *Id.* at 38. The challenged claims as a whole, however, do not result in any transformed articles. Rather, transaction (financial) data are duplicated, organized, and moved from one place to another. Ex. 1003 ¶¶ 139–141. Further, the fact that the claims involve the use of generic, well-known machines does not impart patentability under the machine-or-transformation test. *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972) (invalidating as patent-ineligible claimed processes that "can be carried out in existing computers long in use, no new machinery being necessary"). Simply appending conventional steps, specified at a high level of generality is not enough to supply an inventive concept and transform and otherwise patent-ineligible abstract idea into a patent-eligible subject matter.

We hold that the additional limitations in Patent Owner's claims that

seek to narrow the application of the abstract idea are merely an attempt to limit the use of the abstract idea to a particular field of use or add token postsolution components, which has long been held insufficient to save a claim in this context. *See Alice*, 134 S. Ct. at 2358; *Mayo*, 132 S. Ct. at 1294; *Bilski*, 561 U.S. at 610–11; *Diehr*, 450 U.S. at 191. We hold that Petitioner has shown by a preponderance of the evidence that claims 1–123 of the '988 patent are unpatentable under 35 U.S.C. § 101.

D. Grounds Based on 35 U.S.C. § 112, 1st Paragraph, Written Description—Claims 1–41 and 51–69

Petitioner contends that claims 1–41 and 51–69 are unpatentable under 35 U.S.C. 112, 1st paragraph, written description, because the '988 patent specification lacks sufficient disclosure that would have indicated to one of ordinary skill in the art that patentee possessed the claimed invention. Pet. 40–48. In particular, Petitioner contends that the '988 patent specification fails to describe "encrypting subsystem identification information." *Id*. Specifically, independent claims 1 and 26 require two different types of encrypted information: 1) encrypted paper transaction data, and 2) encrypted subsystem identification information. According to Petitioner, the '988 patent specification discloses that a compressed bitmap image (CBI) is encrypted (ECBI) and that a tag is prepended to the ECBI to form a tagged encrypted compressed bitmap image (TECBI). Pet. 42. Petitioner states that the '988 patent specification suggests that the tag prepended to the ECBI remains unencrypted. Pet. 42–43. Petitioner, and Dr. Alexander, conclude that the specification suggests that that subsystem identification information remains unencrypted. Pet. 43–44; Ex. 1003 ¶¶ 143, 149–158, 183. Patent Owner disagrees. PO Resp. 64–67.

Patent Owner directs our attention to column 6, line 30 of the '988 patent specification,[5] which states that the DAT card retrieves identification information for subsequent transmission. PO Resp. 65. Patent Owner also directs our attention to column 10, lines 58–67 of the specification, which provides that the DataTreasury System 100 can process receipts with alternate form as long as the receipt contains the appropriate information. *Id*. at 65. Patent Owner, from these cited passages, states that it is spelled out for one of ordinary skill in the art that the specification supports the encrypting subsystem identification information claim limitation. *Id*. at 67.

The test for written description is an objective inquiry into the four corners of the specification from the perspective of a person of ordinary skill in the art. Using this test, the invention must be described in a manner sufficient to demonstrate that the inventor actually invented the claimed invention. *Ariad Pharm. Inc. v. Eli Lilly & Co*., 598 F.3d 1336 (Fed. Cir. 2010). "One shows that one is 'in possession' of the invention by describing the invention, with all its claimed limitations, not that which makes it obvious." *Lockwood v. Am. Airlines, Inc*., 107 F.3d 1565, 1571 (Fed. Cir. 1997). Written description is a question of fact judged as of the relevant filing date. *Falko-Gunter Falkner v. Inglis*, 448 F.3d 1357, 1363 (Fed. Cir. 2006).

The claims require encrypting "subsystem identification information" and not merely "identification information." Patent Owner's citations to the

[5] For purposes of this decision we assume that the cited portions of the '988 patent specification appear verbatim in the originally filed specification of U.S. Application No. 08/917,761, from which the '988 patent issued.

'988 patent specification fail to demonstrate that Patent Owner possessed the invention. As recognized by Dr. Alexander, one skilled in the art would understand that the '988 patent specification does not describe any encryption to the tag headers that are prepended to the ECBI. Ex. 1003 ¶¶ 149–159. Specifically, the '988 patent specification discloses a data access terminal (DAT) having a scanner that is used to scan a financial document, such as a receipt, to create a bitmap image of the document, which can then be compressed. Ex. 1001, 7:52–60, Fig. 2. The specification states that the DAT can use well-known encryption algorithms to encrypt the compressed bitmapped image. *Id*. at 8:3–5. The specification further discloses that once the ECBI has been generated, a tag is prepended to the ECBI to form the TECBI. *Id*. at 8:14–17. This process of forming a TECBI is depicted in Fig. 3A, which provides a flowchart of the process with the tag being added after the ECBI has been encrypted.

Based on the evidence of record, we credit the testimony of Dr. Alexander and agree with Petitioner that:

> (1) the specification fails to describe encrypting the DAT_TERMINAL_ID;
> (2) generic "identification information" does not constitute the claimed subsystem identification information; and
> (3) subsystem identification information is not included in the "paper transaction data" of the disclosed receipt.

Reply 12–13. We find that Petitioner has demonstrated that claims 1–41 and 51–69 are unpatentable for lack of sufficient written description for encrypting subsystem identification information.

III. CONCLUSION

We conclude Petitioner has proven, by a preponderance of the evidence, that claims 1–123 of the ’988 patent are unpatentable under 35 U.S.C. § 101 and that claims 1–41 and 51–69 of the ’988 patent are unpatentable under 35 U.S.C. § 112, 1st Paragraph, for lack of written description.

IV. ORDER

For the reasons given, it is hereby:

ORDERED that Petitioner has established by a preponderance of the evidence that claims 1–123 of the ’988 patent are unpatentable;

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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