

UNITED STATES PATENT AND TRADEMARK OFFICE

---

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

**BLOOMBERG INC.; BLOOMBERG L.P.; BLOOMBERG FINANCE L.P.;**  
**THE CHARLES SCHWAB CORPORATION;**  
**CHARLES SCHWAB & CO., INC.;**  
**E\*TRADE FINANCIAL CORPORATION; E\*TRADE SECURITIES LLC;**  
**E\*TRADE CLEARING LLC; OPTIONSXPRESS HOLDINGS INC.;**  
**OPTIONSXPRESS, INC.; TD AMERITRADE HOLDING CORP.;**  
**TD AMERITRADE, INC.; TD AMERITRADE IP COMPANY, INC.; and**  
**THINKORSWIM GROUP INC.**  
Petitioner,

v.

Patent of **MARKETS-ALERT PTY LTD.**  
Patent Owner.

---

Case CBM2013-00005 (JYC)  
Patent 7,941,357

---

Before JAMESON LEE, SALLY C. MEDLEY, JONI Y. CHANG, *Administrative Patent Judges.*

CHANG, *Administrative Patent Judge.*

**DECISION**

*Denying Motion to Submit New Testimonial Evidence*

Markets-Alert requests authorization to submit new testimonial evidence with its preliminary response. (Paper 14.) According to Markets-Alert, the proposed testimonial evidence would demonstrate that the claimed invention of its patent is a “technological invention” under 37 CFR § 42.301(b)<sup>1</sup>. (*Id.* at 2.) Markets-Alert also seeks authorization for reliance on new testimonial evidence in its preliminary response directed to other issues (*e.g.*, claim construction and prior art) to demonstrate that a trial should not be instituted. (*Id.*) For the reasons provided below, we treat Markets-Alert’s request as a motion and the motion is *denied*.

As an initial matter, it is noted that any relief must be requested in the form of a motion and a motion ordinarily will not be entered without prior Board authorization. 37 CFR § 42.20; Section II of the Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48762 (Aug. 14, 2012). Further, an unauthorized paper may be expunged with prejudice. 37 CFR §§ 42.7(a) and 42.12(b).

---

<sup>1</sup> Section 18(d)(1) of the America Invents Act (AIA) defines a “covered business method patent” as “a patent that claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service, *except that the term does not include patents for technological inventions.*” (Emphasis added.) Section 18(d)(2) of the AIA provides that “the Director shall issue regulations for determining whether a patent is for a technological invention.” Pursuant to section 18(d)(2) of the AIA, the Office promulgated 37 CFR § 42.301(b) to define the term “technological invention” for the purposes of the Transitional Program for Covered Business Methods.

The Board could treat Markets-Alert's request (Paper 14) as an improper paper because Markets-Alert did not seek prior Board authorization and the request was not filed in the form of a motion. In the interest of efficiency in this case, however, the Board exercises discretion to treat Markets-Alert's request as a motion and to decide it on the merits. 37 CFR §§ 42.1(b) and 42.5(b).

A patent owner may file a preliminary response that includes evidence other than new testimonial evidence. In particular, a patent owner preliminary response "shall not present new testimony evidence beyond that already of record, except as authorized by the Board." 37 CFR § 42.207(c). New testimonial evidence may be permitted where a party demonstrates that such evidence is in the interests of justice. Here, we find that Markets-Alert fails to demonstrate that its requested submission of new testimonial evidence to support a preliminary response is in the interests of justice.

According to Markets-Alert, Bloomberg's expert testified that the claimed invention of the subject patent is not a "technological invention" under 37 CFR § 42.301(b). (Paper 14 at 2.) Markets-Alert implies that it should also have the opportunity to submit testimony by its expert on this issue. The argument is not persuasive. The ultimate legal determination on whether a claimed invention is a "technological invention" under 37 CFR § 42.301(b) is question of law. Therefore, testimony on that issue is not helpful. In that regard, note that testimony on United

States patent law will not be admitted in this proceeding. 37 CFR § 42.65(a).

Further, to the extent that Bloomberg's testimonial evidence is directed to the issue on ultimate legal question of whether the claimed invention is a "technological invention" within the meaning of 37 CFR § 42.301(b), it is entitled to no weight in this proceeding.

Markets-Alert also argues that since Bloomberg submitted expert testimony to support their petition, permitting Markets-Alert to submit rebuttal expert testimony on the prior art and claim construction issues raised in the petition would be in the interest of justice and fairness. (Paper 14 at 2.) We do not find that argument persuasive.

Markets-Alert fails to recognize that a petitioner is required to lay out the grounds for review with supporting evidence to provide adequate notice to the patent owner. *See* 35 U.S.C. § 322(a)(3). In contrast, new testimonial evidence directed to prior art and claim construction issues should be submitted in a patent owner response filed after a trial has been instituted. *See* 35 U.S.C. § 326(a)(8). Under the statutory and regulatory framework, a patent owner would not have the burden to submit new testimonial evidence to address all of the grounds identified in a petition, but only those grounds that have not been denied at the time of institution if a trial is instituted. *See* 37 CFR § 42.208.

As the movant, Markets-Alert must sufficiently demonstrate that it is in the interest of justice to authorize Markets-Alert to submit testimonial evidence in connection with its preliminary response. To that end, Markets-Alert has not identified specific underlying facts that would warrant the authorization of testimonial evidence in support of Markets-Alert's preliminary response. (Paper 14 at 2.) Moreover, Markets-Alert has not sufficiently explained why it would be in the interest of justice to permit Markets-Alert to submit testimonial evidence in support of a preliminary response prior to initiation of trial. If the Board determines to institute a trial in this proceeding, Markets-Alert will have full opportunity to submit testimonial evidence in support of any response it files.

For the foregoing reasons, it is

**ORDERED** that Markets-Alert's motion to submit new testimonial evidence with its preliminary response is *denied*.

Case CBM2013-00005 (JYC)  
Patent 7,941,357

PETITIONER:

Michael T. Rosato  
WILSON SONSINI GOODRICH & ROSATI  
701 Fifth Avenue  
Suite 5100  
Seattle, WA 98104-7036  
Tel.: 206.883.2529  
Fax: 206.883.2699  
Email: mrosato@wsgr.com

Brian D. Range  
WILSON SONSINI GOODRICH & ROSATI  
900 South Capital of Texas Hwy  
Las Cimas IV, Fifth Floor  
Austin, TX 78746-5546  
Tel.: 512.338.5478  
Fax: 512.338.5499  
Email: brange@wsgr.com

PATENT OWNER:

Andrew Choung  
GLASER WEIL FINK JACOBS HOWARD AVCHEN & SHAPIRO LLP  
10250 Constellation Boulevard, 19th Floor  
Los Angeles, CA 90067  
Tel.: 310-553-3000  
Fax: 310-785-3506  
Email: achoung@glaserweil.com