

Paper No. _____

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VOLUSION, INC.
Petitioner

v.

VERSATA DEVELOPMENT
GROUP, INC.
Patent Owner

AND

VERSATA SOFTWARE, INC.
Real Party-In-Interest

Case CBM2013-00017
Patent 6,834,282

**PATENT OWNER'S SUBSTITUTE REPLY TO
PETITIONER'S OPPOSITION TO MOTION TO AMEND**

The Board authorized this limited filing in its Order entered April 25, 2014 (Paper No. 36). Per the Board's Order, this substitute reply is submitted only to meet the page limit of 37 CFR 42.24, and

While Patent Owner bears movant's burden under 37 C.F.R. § 42.20(c), 35 U.S.C. § 326(e) requires the Petitioner to carry the "burden of proving a proposition of unpatentability by a preponderance of the evidence." As Petitioner's Opposition ("Opp.") and evidence do not satisfy this burden, Patent Owner's proposed claims should be substituted if contingencies are triggered.

I. Petitioner Misstates the Requirement of Showing the Proposed Amendments are Responsive

Petitioner alleges that "Patent Owner does not explain why certain changes and deletions are even necessary at all and thus fails to carry its burden." Opp., p. 3. But a piecewise explanation of each individual change is neither contemplated by the statute and rules, nor is it consistent with the Office's interpretation of an "amendment." The Office's rules and prior practice are clear: an "amendment" is the entire set of changes (additions and deletions) to a claim. *See e.g.*, 37 C.F.R. § 1.121. Rule 42.221(a)(2)(i) does not state that responsiveness of each addition or deletion must be inventoried piecewise, but rather, that the amendment be responsive to a ground of unpatentability. Petitioner does not (and cannot) point to any requirement for piecewise inventory of how each individual change to a claim affects patentability. Proposed amendments as a whole are *not only* responsive to the § 101 grounds on which trial was instituted, *but indeed* overcome such grounds as detailed in the Motion to Amend (at pp. 12-15) and supported by Dr. Nettles' testimony (Exh. 2004, ¶¶ 15-18, 30-53).

II. The Motion to Amend Properly Identifies Written Description Support

Petitioner alleges that Patent Owner failed to comply with 37 C.F.R. § 42.221(b)(1). Opp., pp. 3-4. As previously stated by the Board, the written description requirement is satisfied when the original disclosure "reasonably conveys to a person of ordinary skill in the art that the inventor had

possession of the claimed subject matter.” *Nichia Corp. v. Emcore Corp.*, IPR2012-00005, Final Written Decision, Paper No. 68, at 54. (PTAB Feb. 11, 2014), *citing Ariad Pharms., Inc. v. Eli Lilly & Co.*, 598 F.3d 1336, 1351 (Fed. Cir. 2010).

For each and every limitation of proposed claims 24-33, Patent Owner identified support in the '180 application, and Dr. Nettles confirmed that a person of ordinary skill in the art would recognize that the inventor had possession of claims 24-33. Exh. 2004, ¶¶ 54-88. Petitioner's declarant has not alleged that the '180 application does not convey to him that the inventor had possession of the claimed subject matter.¹ Nor does he perform a substantive analysis of specification support, and his sole allegation (Exh. 1018, ¶ 102) is that Dr. Nettles fails to identify support for the claim limitation that the browse hierarchy “specif[ies] a hierarchically defined organization of a plurality of items stored in a database.” This allegation is demonstrably false. Exh. 2004, ¶¶ 56, 74. Indeed, the Petitioner's “evidence” boils down to a mere conclusory “disagree[ment] that [Dr. Nettles] has cited the necessary support.” Exh. 1018, ¶ 101. Petitioner's arguments are unpersuasive and fail to rebut the patentability of claims 24-33.

III. Patent Owner's Motion to Amend Construed All Relevant Terms

Petitioner alleges the construction of “browse activated one of the nodes” is “critical to

¹ Though Petitioner belatedly presents a proposed level of ordinary skill in the art that differs from Patent Owner's, the difference is irrelevant, as Petitioner's declarant confirmed during cross-examination that his opinions and analysis would have been the same had they been based on Patent Owner's timely-proposed level of skill in the art. Exh. 2009 at 56:12-21.

determining whether the proposed substitute claims are patentable.” Opp. at 5-8. However, Petitioner does not allege that the term is ambiguous, or that the construction of the term is unclear, nor does Petitioner’s declarant specify any confusion regarding “browse activated one of the nodes.” Quite to the contrary, construction of “browse activated one of the nodes” is clear: a node activated during browsing. The ’282 Patent supports such a construction: “[f]or each leaf *node activated during the browse process...*” Exh. 1001 at 6:20. Dr. Nettles cited portions of the ’180 Application that discuss and support such a browse activation: “[f]or example, according to the ’180 application, ‘whenever a leaf node is selected (i.e. activated), the constraints specified by the leaf node and all of its ancestors are ANDed together...” Ex. 2004 at ¶ 39. Petitioner’s conclusory argument to the contrary is simply inadequate.

IV. Petitioner’s Patentable Subject Matter Analysis is Flawed

Earlier in the proceeding, Petitioner and the Board each posited different abstract ideas. Petitioner suggested that claims 1-20 attempt to claim “the abstract idea of organizing product-related data to facilitate catalog browsing.” Pet. at 25, Decision at 15. The Board posited that claim 11 is “drawn to the abstract idea of representing a plurality of items in a database hierarchically.” Decision at 15. Dr. Nettles addressed both in his declaration. Exh. 2004, ¶ 17.

When asked about the Board’s abstract idea, Dr. Greenspun stated that original claim 11 of the ’282 Patent *would not pre-empt all practical implementations of the Board’s abstract idea*. “[t]he Board’s summary of the abstract idea is a broader abstract idea than the one that I used for my analysis. I think it is possible that that would cause there to be some...practical implementations of the Board’s abstract idea summary that would not be preempted by claim 11.”

Exh 2009 at 116:12-21. As proposed substitute claim 29 is necessarily narrower than claim 11 for which it is proposed as a replacement, Dr. Greenspun thus confirms that proposed claim 29 and dependent claims 30-33 **do not** preempt all practical applications of the Board's abstract idea. Nor does Dr. Greenspun state that proposed claim 24 preempts all practical applications of the Petitioner's original abstract idea or the Board's abstract idea. Indeed, notwithstanding an apparent view (Exh. 1018, ¶¶ 91-94) that any feature standing alone is well-known, routine and conventional, his limited analysis of proposed claim 24 fails to consider many of its added features which restrict the claim to a practical application and not merely an abstract idea.

Instead of properly limiting the opposition to the abstract ideas in the record, Petitioner and its declarant have belatedly decided that a *third* (and newly posited) abstract idea is relevant to the claims. Specifically, Dr. Greenspun asserts that the "abstract idea of the claims includes at least the following: (1) organizing product-related data to facilitate catalog browsing by representing a plurality of items in a database hierarchically and (2) an organization that uses logical and constraint based representations of the items." Exh. 1018 at ¶ 75. Dr. Greenspun indicated that this abstract idea was used throughout his analysis. Exh. 2009 at 116:22-25. But this alleged abstract idea cannot be found in either the Petition or the Institution Decision. Petitioner claims that its Opposition of the proposed claims is based on "the abstract idea at issue"², but this is clearly

² Petitioner also alleges that proposed claim 27 requires "nothing more than an abstract idea of searching for and identifying catalog information which includes identifiers for each item" and that proposed claim 28 implements "the abstract idea of browsing catalog data." Opp. at 12, 14.

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