

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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DELL INC.,  
Petitioner,

v.

DISPOSITION SERVICES LLC,  
Patent Owner.

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Case CBM2013-00040  
Patent 5,424,944

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Before SALLY C. MEDLEY, KEVIN F. TURNER, and  
MATTHEW R. CLEMENTS, *Administrative Patent Judges*.

CLEMENTS, *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

Dell Inc. (“Petitioner”) filed a Petition (Paper 1) seeking covered business method patent review of claims 1–23 (the “challenged claims”) of U.S. Patent No. 5,424,944 (Ex. 1001, “the ’944 patent”). Disposition Services, LLC (“Patent Owner”) filed a Preliminary Response indicating that a statutory disclaimer of claim 7 had been filed and opposing institution of the review of claims 1–6 and 8–23. Paper 6 (“Prelim. Resp.”). On February 5, 2014, we instituted this trial as to claims 1–23 on one ground of unpatentability, 35 U.S.C. § 101 (Paper 7, “Dec. to Inst.”).<sup>1</sup> Patent Owner filed a Patent Owner Response (Paper 12, “PO Resp.”) and Petitioner filed a Reply (Paper 14, “Pet. Reply”).

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 Petitioner has shown by a preponderance of the evidence that claims 1–6 and 8–23 of the ’944 patent are unpatentable.

### A. *Related Proceeding*

The ’944 patent was asserted against Petitioner in *Disposition Services LLC v. Dell Inc.*, Civil Action No. 12:13-cv-00282-JRG. Pet. 2; Paper 5, 2.

### B. *The ’944 Patent*

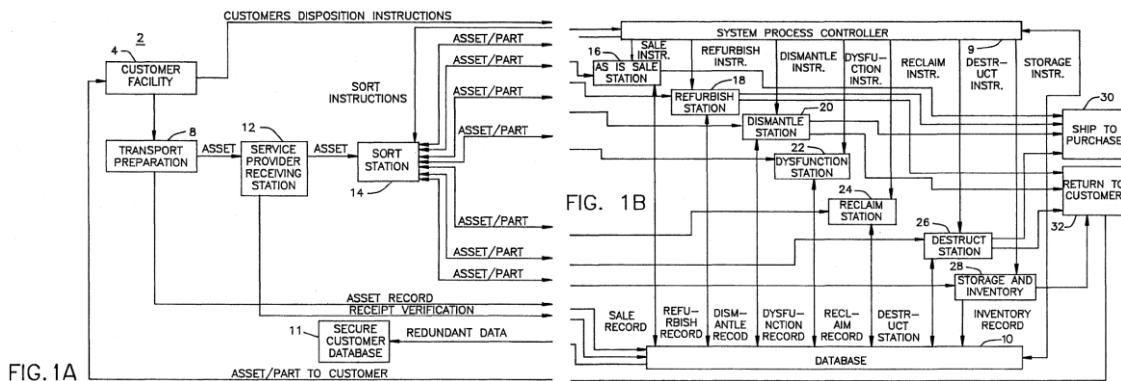
The ’944 patent “relates to a system and method for the controlled disposition of selected capital assets.” Ex. 1001, 1:6–7. According to the

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<sup>1</sup> We indicated that the disclaimer of claim 7 would be considered during the trial. Dec. to Inst. 8, n.3. The disclaimer is taken at face value. The patentability of claim 7 is, therefore, not discussed further in this decision.

'944 patent, there was a need for managing various types of dispositions of surplus or obsolete assets, such as an older model mainframe computer. *Id.* 1:20–27. It was known in the prior art to provide a surplus asset to an outside vendor for disassembly. *Id.* at 1:27–30. However, according to the '944 patent, such vendors inadvertently or fraudulently mismanaged the disassembly and disposition of the surplus asset, such that, for example, parts that should have been kept out of the market were instead sold on a black market. *Id.* at 1:30–34.

To solve these problems, the '944 patent discloses a disposition process supported by an interactive multimedia system that combines images of the assets with relevant data, audio records, and disposition instructions. *Id.* at 1:44–49. The major processes are the transport process, the receipt process, the sort process, the disposition process, and the certification or verification process. *Id.* at 2:7–10. Figures 1A and 1B are reproduced below:



Figures 1A and 1B depict a functional block diagram of the preferred embodiment of the '944 patent. *Id.* at 4:10–11. As depicted in Figure 1A, an asset to be disposed of is initially located at customer facility 4 and is first prepared for transport to the disposition facility at transport preparation station 8 that is located either at or proximate customer facility 4. *Id.* at

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4:22–26. At transport station 8, the asset is loaded onto a transport vehicle, such as an airplane, locomotive, or truck, “[t]he transport vehicle is sealed by means known in the art in order to guard against tampering with or theft of the asset during transport, and a transport record is created.” *Id.* at 4:27–32. “After arrival at the disposition facility, the transport vehicle is unsealed at the asset receiving station **12** . . . .” *Id.* at 4:63–66. After confirmation that the asset has been transported validly, the asset is routed to sort station 14. *Id.* at 5:16–17. Sort station 14 comprises system terminal 108, interactive multimedia device 110, and data capture device 104. *Id.* at 5:17–22. Disposition facility personnel operate sort station 14 in accordance with instructions previously provided by the customer regarding the desired manner of disposition of the asset, which instructions are displayed on multimedia device 110. *Id.* at 5:28–32. The asset may be routed to as-is sale station 16, refurbish station 18, dismantle station 20, dysfunction station 22, reclaim station 24, destruct station 26, storage station 28, or some combination thereof. *Id.* at 5:32–36. At the appropriate station, the asset is sold, dismantled, dysfunctioned, reclaimed, destroyed, or stored. *Id.* at 5:36–7:52. In some cases, a record of the action taken is created in database 10. *Id.* at 5:48–51, 6:45–48, 7:36–40, 7:46–51. “After disposition, the asset, component parts and/or reclaimed materials may be sold in the appropriate market to a purchaser, returned to the customer, or stored on-site for subsequent disposition.” *Id.* at 3:65–68.

### *C. Illustrative Claim*

Of the challenged claims, claims 1, 2, 15, and 16 are independent claims. Claim 1 is illustrative and is reproduced below:

1. A method for verifiably controlling the disposition of an asset, said method comprising the steps of:

(a) creating an asset record uniquely associated with said asset;

(b) securely sealing said asset in a tamper-proof transport means;

(c) creating a transport record associating said asset with said tamper-proof transport means;

(d) transporting said asset from a customer facility to a disposition facility;

(e) unsealing said asset from within said tamper-proof transport means;

(f) creating a receipt record associating said asset with said tamper-proof transport means, said receipt record being reconcilable with said transport record;

(g) sorting said asset in accordance with a preselected method of disposition; and

(h) disposing of said asset in accordance with said preselected method of disposition and creating a disposition record uniquely associated with said asset to be maintained for customer verification.

*D. Alleged Ground of Unpatentability Instituted for Trial*

Petitioner alleges that claims 1–23 of the '944 patent are unpatentable under 35 U.S.C. § 101. Patent Owner disclaimed claim 7. Prelim. Resp. 2 (citing Ex. 2001). Accordingly, we analyze the alleged ground of unpatentability with respect to only claims 1–6 and 8–23.

II. ANALYSIS

*A. Standing*

We determined, in the Decision to Institute, that the '944 patent is a covered business method as defined in § 18(a)(1)(E) of the America Invents

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