

Paper No. \_\_\_\_\_

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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CALLIDUS SOFTWARE INC.  
Petitioner

v.

VERSATA DEVELOPMENT  
GROUP, INC.  
Patent Owner

AND

VERSATA SOFTWARE, INC.  
Real Party-In-Interest

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Case CBM2013-00052  
Patent 7,904,326

Title: METHOD AND APPARATUS FOR PERFORMING COLLECTIVE  
VALIDATION OF CREDENTIAL INFORMATION

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**PATENT OWNER'S PRELIMINARY RESPONSE  
UNDER 37 C.F.R. § 42.207**

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## **I. Introduction**

Patent Owner Versata Development Group, Inc. (“Versata” or “Patent Owner”) submits the following Preliminary Response to the Corrected Petition filed by Callidus Software Inc. (“Callidus” or “Petitioner”) on September 17, 2013, requesting post-grant review of Claims 1-22 of U.S. Patent No. 7,904,326 (“the ’326 Patent”) under § 18 of the America Invents Act’s transitional program for covered business method patent review. Versata respectfully requests that the Patent Trial and Appeal Board (“Board” or “PTAB”) decline to institute post-grant review of the ’326 Patent because Callidus is statutorily barred from seeking post-grant review.

Pursuant to 35 U.S.C. § 325(a)(1), a post-grant review proceeding cannot be instituted where the petitioner, prior to the filing of a petition for post-grant review, filed a civil action challenging the validity of a claim of the patent. Over 10 months before filing its Petition for post-grant review, Callidus filed a civil action in the Northern District of California seeking a declaratory judgment of invalidity of the claims of the ’326 Patent. As a result, a post-grant review proceeding cannot be instituted.

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