

**IN THE UNITED STATES PATENT TRIAL AND APPEAL BOARD**

In re *CBM Review of:* )  
)  
U.S. Patent 7,958,024 ) U.S. Class: 705  
)  
Issued: June 7, 2011 ) Group Art Unit: 3691  
)  
Inventor: David Chao et al. ) Confirmation No. 7510  
)  
Application No. 09/810,012 ) Petition filed:  
)  
Filed: March 15, 2001 )  
) FILED ELECTRONICALLY  
For: METHOD AND APPARATUS ) PER 37 C.F.R. § 42.6(B)(1)  
FOR PROCESSING SALES )  
TRANSACTION DATA )  
)  
)

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**DECLARATION OF JOSEPH E. DEHAVEN IN SUPPORT OF PETITION  
FOR COVERED BUSINESS METHOD PATENT REVIEW OF  
U.S. PATENT NO. 7,958,024**

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Callidus Ex. 1011  
CBM2013-00053

## **I. BACKGROUND AND QUALIFICATIONS**

1. My name is Joseph E. DeHaven. I am currently a Senior Principal Consultant in the Customer Solutions group at Callidus Software.

2. I am over the age of eighteen and otherwise competent to make this declaration. I make this declaration from my personal knowledge and if called to testify to the contents of it, could and would do so competently.

3. I am a salaried Callidus employee. My compensation does not depend in any way on the outcome of this proceeding. I have not been offered any payment, incentive or inducement to provide this declaration.

4. In preparing this Declaration, I reviewed US Patent No. 7,908,304 dated March 15, 2011, US Patent No. 7,958,024 dated June 7, 2011, and US Patent No. 7,904,326 dated March 8, 2011.

5. I have worked in or have been associated with the insurance industry for more than 40 years. A copy of my resume is attached as Exhibit A.

6. I started my career at The Prudential on or about July 1970. From July 1970 through August 1971, I was a Trainee (Level 5) in Newark, NJ. My initial assignment was to learn the legacy IBM 705 and IBM 1401 policy administration systems. These systems were used by The Prudential to administer life insurance policy functions — such as administering loans, accepting premium payments, processing premium changes, distributing dividends — and were known as the Policy Administration System. After a rotation through a few assignments in this legacy policy administration system, I was a trainee for the new AOS policy administration system. The AOS policy administration system was a more advanced system to administer the same life insurance policy functions listed above.

7. On or about August 1971 to March 1973, I was promoted a number of times to Supervising Accounting Examiner (Levels 5 through 10). I was

responsible for a section of the Ordinary Records and Control division in the Central Accounting Unit that submitted daily policy accounting to the company ledger system. At this time, I was located in Fort Washington, Pennsylvania.

8. On or about March 1973 to April 1977, I was a Payroll Technician (Level 11). I was the lead technical resource for a field payroll operation for local offices throughout the regional home office territory (Pennsylvania, Maryland, Delaware and Washington, D.C.). At this time, I was located in Fort Washington, Pennsylvania.

9. On or about April 1977, I was promoted to Compensation Consultant (Level 20) and transferred to The Prudential's corporate office in the Compensation Unit of the Ordinary Agencies Department. In this role, I was responsible for the design and modeling (used to estimate the price compensation) of compensation plans and component changes with the Actuarial Department. At this time, I was located in Newark, New Jersey.

10. On or about 1982, I became a Compensation Systems Analyst (Level 28). In this role, I helped design compensation components including plan pricing. I was also a business liaison to the systems unit in Roseland, New Jersey. As a business liaison, I was responsible for conveying the details of new or modified compensation plans and/or compensation component changes to the Compensation Systems Programming Area and negotiate delivery timelines. Additionally, I ensured that any unit tests performed met the requirements of our new or modified plans and/or component changes.

11. On or about 1984, I was promoted to Manager, Compensation Systems (Level 60). In this role, I had responsibilities similar to those listed in Paragraphs 9 and 10.

12. On or about 1989, I transferred to the Planning and Analysis Unit of the Ordinary Agencies Department in the corporate office as Manager, Planning

and Analysis (Level 60). In this role, I was responsible for performance analysis and monitoring. Specifically, I was responsible for analyzing and monitoring key performance measures of the Ordinary Agencies Department. I was also responsible for maintaining the department budget for all operations.

13. On or about 1993, I transferred to the Accounting Unit within Prudential Preferred Financial Services (formerly known as Ordinary Agencies Department) as Manager, Accounting (Level 60). In this role, I was responsible for detailed budget management of the Corporate Department.

14. On or about January 1995, I transferred to the Business Management Consultants group as a Senior Business Management Consultant (Level 60). I helped with all budget and financial matters throughout the Western United States. For example, in this role, I was responsible for business operations and analyzing and monitoring key performance metrics of Western region offices. I worked directly with the Managing Directors and Business Managers of each local office. During this time, I was located in Scottsdale, Arizona. I held this position until I retired from The Prudential on or about June 1999.

15. I joined Callidus Software on or about November 1999 as a Compensation Consultant in the Customer Solutions group. In this role, I was responsible for gathering business requirements from clients and implementing those requirements within Callidus's TrueComp solution.

16. On or about 2002, I was promoted to Principal Consultant within the Customer Solutions Department. In this role, I had substantially the same role as described in Paragraph 15.

17. On or about 2003, I was promoted to Principal Consultant and Project Manager in the Customer Solutions Department. In this role, I continued my responsibilities as Principle Consultant and assumed the role of Project Manager.

18. On or about July 2005, I was promoted to Senior Architect in the Solutions Architecture group. In this role, I was responsible for visiting clients on short term assignments, analyzing their needs, and making changes to their implementations as needed. Additionally, I served as a business expert and resource for numerous projects.

19. On or about 2007, I was promoted to Principal Architect within the Solutions Architecture group. I continued to perform the role of Senior Architect, but the promotion recognized my contribution and professional growth in my assignment.

20. On or about January 2011, I returned to the Customer Solutions group as Senior Principal Consultant in the Customer Solutions group.

21. Over the years, I have earned several professional designations. On or about 1981, I earned the Chartered Life Underwriter (CLU) designation from The American College. On or about 1981, I earned the Fellow Life Management Institute (FLMI) designation from the Life Office Management Association. On or about 1984, I earned the Chartered Financial Consultant (ChFC) designation from The American College.

## **II. CALCULATING COMMISSIONS MANUALLY**

22. When I was at The Prudential, management payroll from 1973 to 1975 was manual (i.e., it was done by hand). At the time, The Prudential had two different management commission schemes or plans, one of which was the New Manpower Development Manager (NMDM) plan. Our group had a system for managing this commission scheme by manually processing transactions for the sale of various insurance products and services.

23. Each week, my section in the Ordinary Agencies payroll unit calculated compensation under NMDM plan by hand. Generally, the NMDM plan managed commissions for managers responsible for new agent recruiting,

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