

Paper No. _____

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CALLIDUS SOFTWARE, INC.
Petitioner

v.

VERSATA DEVELOPMENT
GROUP, INC.
Patent Owner

AND

VERSATA SOFTWARE, INC.
Real Party-In-Interest

Case CBM2013-00054
Patent 7,908,304

**VERSATA'S PATENT OWNER'S RESPONSE
PURSUANT TO 37 C.F.R. § 42.220**

TABLE OF CONTENTS

I. INTRODUCTION5

II. PETITIONER’S BURDEN6

III. U.S. PATENT 7,908,304.....6

 A. Overview6

 B. The ‘304 Patent Improves on Systems That Had Long Sought to Apply Technological Solutions to Business Challenges7

 C. Section 101 is not Obviousness-lite12

 D. Broadest Reasonable Claim Construction.....14

 E. Support for Patent Owner’s Broadest Reasonable Claim Constructions....17

 1. “Commission Engine”17

 2. “Selling Agreement”19

 3. “Interface” for Obtaining a Plurality of Business Rules24

IV. PETITION DOES NOT ESTABLISH THAT CLAIMS ARE UNPATENTABLY ABSTRACT25

 A. Challenged Claims are Directed to Patent-Eligible Machines.....25

 B. Challenged Claims are not Directed to a Patent-Ineligible Abstract Idea ..26

 C. Challenged Claims Require Significantly More than the Abstract Ideas Alleged by Petitioner35

 D. System Claims Are Incapable of being Performed in the Human Mind or Using Pen and Paper46

V. TRIAL SHOULD NOT HAVE BEEN INSTITUTED, AND A FINAL WRITTEN DECISION WOULD BE IMPROPER, BECAUSE PETITIONER IS STATUTORILY BARRED FROM SEEKING POST-GRANT REVIEW52

 A. Section 325(a)(1) Defines a Statutory Bar that Pertains to the Transitional Program for Covered Business Method Review52

 B. Plain Language of § 325(a)(1) Bars Post-Grant Review53

 C. Legislative History Confirms the Meaning of § 325(a)(1)’s Plain Language; Petitioner’s Own Choice Triggers Statutory Bar55

D.	Statutory Framework is Hardly Inequitable to Patent Challenger	59
E.	Prior Judicial and Administrative Interpretations Confirm Applicability of Statutory Bar for Prior-Filed Civil Action Challenging Validity	61
F.	Statutory Language Defining the § 325(a)(1) Prior Civil Action Bar, its Legislative History and Prior Interpretations of the Statute All Dictate Non-Institution	69
VI.	CONCLUSION	70

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Alice Corp. Pty. Ltd. v. CLS Bank Int'l et al., No. 13-298, 573 U. S. ____, 2014
WL 2765283 (2014)..... passim

Anova Food, LLC v. Sandau, No. IPR2013-00114, Paper No. 17, Decision –
Denying *Inter Partes* Review (P.T.A.B. Sept. 13, 2013).....61

Association for Molecular Pathology v. Myriad Genetics, Inc., 569 U.S. ____
(2013).....26

Bilski v. Kappos, 561 U.S. 593 (2010).....30

CLS Bank Int'l et al. v. Alice Corp. Pty. Ltd., 717 F.3d 1269 (Fed. Cir. 2013)
..... passim

CyberSource Corp. v. Retail Decisions, Inc., 654 F.3d 1366 (Fed. Cir. 2011) 47, 48

Diamond v. Diehr, 450 U.S. 175 (1981)..... 13, 27, 49

Ethicon, Inc. v. Quigg, 849 F.2d 1422.....55

Gottschalk v. Benson, 409 U.S. 63 (1972).....30

Gottshalk v. Benson, 409 U.S. 63 (1972).....30

Graves v. Principi, 294 F.3d 1350, 1356 (Fed. Cir. 2002).....65

In re Translogic Tech., Inc., 504 F.3d 1249 (Fed. Cir. 2007)15

Le Roy v. Tatham, 14 How. 156 (1853).....30

Mayo Collaborative Servs. v. Prometheus Labs., Inc., 132 S.Ct. 1289 (2012)passim

Parker v. Flook, 437 U.S. 584, (1978)30

Statutes

35 U.S.C. § 326(e) 6, 32, 34, 35, 46

35 U.S.C. §101 6, 25

AIA § 18(a)(1)52

Rules

37 CFR § 42.1(d)6

I. INTRODUCTION

The claims of U.S. Patent 7,908,304 (“the ’304 Patent”) recite patent eligible subject matter. Claims 1, 12-25, 30-32, 42 and 43 are in issue in the present Covered Business Method Patent Review. Specifically, Petitioner alleged in its Petition that claims of the ’304 Patent are directed to no more than an unpatentable abstract idea.

In its Preliminary Response, Patent Owner focused on the preclusive effect of a statutory bar under 35 U.S.C. § 325(a).¹ Relying on interim orders issued in other proceedings after Patent Owner had filed its Preliminary Response, the Board found that dismissal without prejudice of Petitioner’s prior, and otherwise barring,

¹ In its Preliminary Response and subsequent Request for Rehearing, Patent Owner argued that trial should not have been instituted where the Petitioner, prior to the filing of the petition for post-grant review, filed a civil action challenging the validity of a claim of the patent. As the Board has stated that arguments from the Preliminary Response are not considered after a Decision to institute trial, Patent Owner herein repeats (*see* Section V, *infra* at 31) certain aspects of its earlier argument that Petitioner is barred under 35 U.S.C. § 325(a), solely to ensure a complete record of this proceeding, and to preserve all issues for appeal.

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