

# Oral Hearing Presentation of Patent Owner

CBM2013-00054

October 29, 2014

Versata Exh. 2017  
Callidus v. Versata  
CBM2013-00054

# Express Lexicography

"commission engine"



"In accordance with one embodiment of the invention DMSS is built on top of a commission engine configured to model and calculate commission for the sales force. **A commission engine takes two inputs, a commission model and a set of transactions, and generates ledger items (that correspond to payments) as output.** Each transaction represents a physical sales transaction, such as distributor selling a life insurance policy. The commission model represents two critical pieces of data: the sales team hierarchy and the commission schedules. The sales team hierarchy comprises a hierarchy of all sales people that will be responsible for a transaction. The commission schedules define formula for translating transactions into ledger items. Commission schedules may be modeled through quota, bonus, and plan objects. "

Patent Owner's Response (Paper No. 32), pp. 17-19.  
'304 Patent, Exh. 1001, 7:1-17

# Claim Construction: “commission engine”

32. A system for managing relationships between a first party and a second party comprising:

an interface for obtaining a plurality of business rules defining relationships between a product provider and at least one distributor;

a database source comprising a plurality of data objects representative of said at least one distributor, at least one **selling agreement** and at least one license or appointment associated with said at least one distributor;

a **commission engine** configured to determine a commission amount associated with said at least one distributor by evaluating said at least one **selling agreement data object**;

a plurality of modules comprising, a distributor administration module for managing said plurality of data objects;

said plurality of modules comprising, a licensing and appointment module configured to determine if said at least one license or

appointment data object associated with said at least one distributor is in compliance with a set of industry regulations;

said plurality of modules comprising, a selling agreements module configured to enable said product provider to define and create a **selling agreement** with said at least one distributor; and

said plurality of modules comprising, a payment module configured to determine said commission amount to said at least one distributor.

*“an engine that takes two inputs, a commission model and a set of transactions, and generates ledger items (that correspond to payments) as output”*

*Patent Owner's Response (Paper No. 32), pp. 17-19.  
'304 Patent, Exh. 1001, 7:1-17*

# Express Lexicography

“selling agreement”

“The engines and modules of DMSS may, for example, be configured to perform at least the following functions:

... Model[] agreements or contracts between the financial services company or provider and the distributors who sell the products. These agreements are termed ‘Selling Agreements’. *A selling agreement defines a hierarchy of sales people that can sell products under that contract, it defines what products can be sold in that agreement, it defines what commission schedules can be used in that agreement, and it defines which sales people participate in which commission schedule.* The DMSS may utilize the terms defined in selling agreements to calculate compensations for all distributors.”

5 In an embodiment of the invention, the DMSS allows for  
 6 calculating compensations, providing financial services  
 7 companies a vehicle for issuing and tracking their explicit  
 8 commission schedules used to compensate their sales force.  
 9 The DMSS provides modeling capabilities for agreements  
 10 and contracts between a financial services company or provider  
 11 and the distributors who sell products. In an embodiment  
 12 of the invention, the DMSS calculates compensations for all  
 13 distributors, processes payment and charge applications.  
 14 In an embodiment of the invention, the DMSS comprises  
 15 several components comprising: acquisition module, a  
 16 backend, one or more data processing engines, database,  
 17 and storage management components. The backend allows  
 18 for data exchange between components of the DMSS comprising  
 19 middle-tier engine and application-layer data exchange.  
 20 In an embodiment of the invention, the DMSS comprises  
 21 data processing engines. These system components are  
 22 designed to store information from the DMSS database,  
 23 process the information, and store the result in a database for  
 24 further use by the DMSS modules and engines.  
 25 In an embodiment of the invention, the DMSS is composed  
 26 of several modules comprising: a distributor administration  
 27 module, a license and agreement module, a selling agreement  
 28 module, a debt management module, and a report module.  
 29 These modules interact with the backend and engines  
 30 to maintain relationships between financial services  
 31 institutions and their distributors.

DESCRIPTION OF THE DRAWINGS

FIG. 1 shows a block diagram representing an embodiment  
 of a system for selling the Database Management System  
 (DMSS).  
 FIG. 2 comprises a flowchart showing the process of communication  
 between modules, the data processing engines, the  
 DMSS backend and the database in an embodiment of the  
 invention.  
 FIG. 3 shows a block diagram representing an example  
 application operating within DMSS modules and engines  
 in an embodiment of the invention.  
 FIG. 4 shows a chart illustrating a method for calculating one  
 or more aspects of the invention.

DETAILED DESCRIPTION

The present invention provides methods and systems for managing  
 distributor information. In the following description, unless  
 specifically defined, the terms “sell” and “sellable” are  
 understood without these specific details. In other instances,  
 well-known features have not been described in detail in order  
 to avoid unnecessarily obscuring the invention.

An embodiment of the invention comprises an electronic  
 method for managing relationships between institutions of  
 suppliers’ manufacture of a product or service and the  
 distributors of their product. Aspects of the invention are  
 targeted at industries where there is multiple channel selling,  
 a high volume and regulatory constraints upon production.  
 For example, financial institutions for issuing private  
 way to manage the agreements that financial services companies  
 make with the distributors who sell their products.  
 These organizations such as life insurance companies may  
 utilize embodiments of the invention to manage the sale and

US 7,908,304 B2

# Claim Construction: “selling agreement”

32. A system for managing relationships between a first party and a second party comprising:

...

a database source comprising a plurality of data objects representative of said at least one distributor, at least one **selling agreement** and at least one license or appointment associated with said at least one distributor;

a **commission engine** configured to determine a commission amount associated with said at least one distributor by evaluating said at least one **selling agreement** data object;

a plurality of modules comprising, a distributor administration module for managing said plurality of data objects;

said plurality of modules comprising, a licensing and appointment module configured to determine if said at least one license or appointment data object associated with said at least one distributor is in compliance with a set of industry regulations;

said plurality of modules comprising, a selling agreements module configured to enable said product provider to define and create a

**selling agreement** with said at least one distributor; and

said plurality of modules comprising, a payment module configured to determine said commission amount to said at least one distributor.

*“ a representation of an agreement or contract between parties that defines a hierarchy of sales people that can sell products under that contract, defines what products can be sold in that agreement, defines what commission schedules can be used in that agreement, and defines which sales people participate in which commission schedule”*

*Patent Owner's Response (Paper No. 32), pp. 17-19.  
'304 Patent, Exh. 1001, 7:1-17*

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