

Demonstratives for Oral Hearing: *Callidus v. Versata*, CBM2014-00054 (U.S. Patent No. 7,908,304)

*October 29, 2014, 1:00PM
Patent Trial and Appeal Board
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Callidus Ex. 1026
CBM2013-00054
Callidus v. Versata

Claims Directed to Abstract Ideas are Unpatentable

Section 101 of Title 35, United States Code, provides that: “Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.”

The Supreme Court recognizes three exceptions to these statutory classes: “laws of nature, natural phenomena, and **abstract ideas**.” *Bilski v. Kappos*, 130 S. Ct. 3218, 3220 (2010).

- **Institution Decision at 18.**

Alice v. CLS Bank Provides the Standard for Patent Eligibility under § 101.

III. CLAIMS 1, 12, AND 32 ARE DIRECTED TO ABSTRACT IDEAS

The Supreme Court in *Alice* was very clear about the standard that should be used to determine patent eligibility under § 101: “First, we determine whether the claims at issue are directed to one of those patent-ineligible concepts. . . . If so, we then ask, ‘[w]hat else is there in the claims before us?’” *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014) (quotations omitted). The Institution

- Petitioner’s Reply at 7.

'304 Patent Overview

<p>(12) United States Patent Chao et al.</p>	<p>(10) Patent No.: US 7,908,304 B2 (45) Date of Patent: Mar. 15, 2011</p>
<p>(54) METHOD AND SYSTEM FOR MANAGING DISTRIBUTOR INFORMATION</p> <p>(75) Inventors: David Chao, Austin, TX (US); Brian Blount, Austin, TX (US); Charles Erickson, Cedar Park, TX (US); Shari Gharavy, Austin, TX (US); Cheng Zhou, Austin, TX (US); Joshua Toub, Austin, TX (US)</p> <p>(73) Assignee: Versata Development Group, Inc., Austin, TX (US)</p> <p>(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 1198 days.</p> <p>(21) Appl. No.: 09/810,514</p> <p>(22) Filed: Mar. 15, 2001</p> <p>(65) Prior Publication Data US 2002/0133383 A1 Sep. 19, 2002</p> <p>(51) Int. Cl. G06F 17/30 (2006.01)</p> <p>(52) U.S. Cl. 707/945; 235/376; 705/7</p> <p>(58) Field of Classification Search 707/9, 999.001, 707/999.009, 923, 930, 944, 945, 950, 999.945, 707/999.93; 711/1; 705/7, 10, 26; 235/375, 235/376</p>	<p>5,515,524 A 5/1996 Lynch et al. 5,692,206 A 11/1997 Shirley et al. 5,708,798 A 1/1998 Lynch et al. 5,732,263 A 3/1998 Havens et al. 5,790,677 A 8/1998 Fox et al. 705/78 5,825,651 A 10/1998 Gupta et al. 5,832,268 A 11/1998 Anderson et al. (Continued)</p> <p style="text-align: center;">FOREIGN PATENT DOCUMENTS</p> <p>EP 0817017 A2 1/1998</p> <p style="text-align: center;">OTHER PUBLICATIONS</p> <p>Contractmaker, http://web.archive.org/web/20010204115100/http://www.digicontracts.com, dated Feb. 4, 2001. (Continued)</p> <p><i>Primary Examiner</i> — Andrew Joseph Rudy (74) <i>Attorney, Agent, or Firm</i> — Hamilton & Terrile, LLP; Kent B. Chambers</p> <p>(57) ABSTRACT An embodiment of the invention provides a system that enables financial services companies to manage and track information about a sales force. The system includes components for managing distributors information, for validating and tracking licenses and credentials, for creating customized contracts, and for maintaining compensation structures. The system allows for configuring compensations, providing financial services companies a toolkit for creating and modeling their complex commission schedules used to compensate the sales force for the system and modeling</p>

- '304 Patent (Exh. 1001).

'304 Patent – Claim 12

12. A system for managing relationships between parties to a selling agreement, the system comprising:

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

a distributor management engine configured to obtain at least one of said plurality of data objects from said database source and determine whether said at least one distributing party conforms with said at least one selling agreement and said at least one license or appointment is valid to allow the at least one distributing party to sell one or more products of the first party in accordance with the selling agreement.

- '304 Patent Claim 12.

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