

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 CBM2013-00054  
Patent 7,908,304

Title: METHOD AND SYSTEM FOR MANAGING DISTRIBUTOR  
INFORMATION

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

**TABLE OF CONTENTS**

I. Introduction .....5

II. Trial Cannot Be Instituted Because Petitioner is Statutorily Barred from Seeking Post-Grant Review.....6

    A. Section 325(a)(1) Defines a Statutory Bar that Pertains to the Transitional Program for Covered Business Method Review .....6

    B. Callidus Failed to Identify Its Civil Action Challenging Validity in its Required Mandatory Notices .....7

    C. Plain Language of § 325(a)(1) Bars Post-Grant Review .....8

    D. Legislative History Confirms the Meaning of § 325(a)(1)’s Plain Language; Petitioner’s Own Choice Triggers Statutory Bar .....10

    E. Statutory Framework is Hardly Inequitable to Patent Challenger .....13

    F. Prior Judicial and Administrative Interpretations Confirm Applicability of Statutory Bar for Prior-Filed Civil Action Challenging Validity .....15

    G. Statutory Language Defining the § 325(a)(1) Prior Civil Action Bar, its Legislative History and Prior Interpretations of the Statute All Dictate Non-Institution .....23

III. Claim Construction.....24

    A. Petitioner’s Proposed Constructions of Certain Claim Terms Fail to Comport with the Broadest Reasonable Interpretation Standard Applicable in Proceedings before the PTAB .....24

        1. “Backbone” .....25

        2. “Interface” .....26

        3. “Generate a Selling Agreement” .....27

    B. Patent Owner Opposes the Constructions Proposed by Callidus insofar as they Diverge from the ’304 Patent Specification, Include Inappropriate and Extraneous Limitations and are Inconsistent with a Broadest Reasonable Interpretation .....27

IV. Conclusion .....28

Certificate of Service .....31

**TABLE OF AUTHORITIES**

**FEDERAL CASES**

*Ethicon, Inc. v. Quigg*, 849 F.2d 1422 (Fed. Cir. 1998).....10  
*Hoechst Aktiengesellschaft. v. Quigg*, 917 F.2d 522 (Fed. Cir. 1990) .....9  
*Graves v. Principi*, 294 F.3d 1350 (Fed. Cir. 2002).....20  
*InVue Sec. Prods., Inc. v. Merch. Techs., Inc.*, 2012 U.S. Dist. LEXIS 92097  
(W.D.N.C. July 3, 2012).....17  
*Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc).....24  
*Procter & Gamble Co. v. Team Techs., Inc.*, No. 12-cv-552, 2013 U.S. Dist.  
LEXIS 128949 (S.D. Ohio Sept. 10, 2013).....15

**REGULATORY CASES**

*Anova Food, LLC v. Sandau*, No. IPR2013-00114, Paper No. 17, Decision –  
Denying *Inter Partes* Review (P.T.A.B. Sept. 13, 2013).....16  
*BAE Systems Information and Electronic Systems Integration, Inc. v. Cheetah  
Omni, LLC*, No. IPR2013-00175, Paper No. 15, Decision – Institution of *Inter  
Partes* Review (P.T.A.B. July 3, 2013).....21  
*InVue Sec. Prods., Inc. v. Merch. Techs., Inc.*, No. IPR2012-00122, Paper No. 17,  
Decision – Institution of *Inter Partes* Review (P.T.A.B. June 27, 2013) .... 18, 20  
*Macauto U.S.A. v. BOS GmbH & KG*, No. IPR2012-00004, Paper No. 18, Decision  
– Institution of *Inter Partes* Review (P.T.A.B. Jan. 24, 2013)..... 20, 21

**FEDERAL STATUTES**

35 U.S.C. § 325(a)(1)..... *passim*  
35 U.S.C. § 325(a)(3).....14  
AIA § 18(a)(1) .....6

**REGULATIONS**

37 CFR § 42.8(b)(2).....7  
37 CFR § 42.302(a).....18

**LEGISLATIVE HISTORY**

153 Cong. Rec. E774 .....10  
157 Cong. Rec. S1041.....12  
157 Cong. Rec. S1363.....13

Patent Owner's Preliminary Response  
CBM2013-00054 (Patent 7,908,304)

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157 Cong. Rec. S1375.....	11
157 Cong. Rec. S5428.....	13
157 Cong. Rec. S5429.....	14
157 Cong. Rec. S952.....	13
154 Cong. Rec. S9987.....	11

**OTHER AUTHORITIES**

77 Fed. Reg. 48,612, 48,617 .....	7
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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, 12-25, 30-32, and 42-43 of U.S. Patent No. 7,908,304 (“the ’304 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 ’304 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 ’304 Patent. As a result, a post-grant review proceeding cannot be instituted.

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