

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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TRULIA, INC.  
Petitioner,

v.

ZILLOW, INC.  
Patent Owner.

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Case CBM2014-00115  
Patent 7,970,674

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Before JAMESON LEE, JOSIAH C. COCKS, and MICHAEL W. KIM,  
*Administrative Patent Judges.*

KIM, *Administrative Patent Judge.*

DECISION  
Institution of Covered Business Method Patent Review  
*37 C.F.R. § 42.208*

## I. INTRODUCTION

Trulia, Inc. (“Petitioner”) filed a Petition (“Pet.”) requesting a review of U.S. Patent No. 7,970,674 (Ex. 1001, “the ’674 patent”) under the transitional program for covered business method patents. Paper 3. The Petition includes a Motion for Joinder under 37 C.F.R. § 42.222 (Paper 4; “Motion”). Zillow, Inc. (“Patent Owner”) has waived the opportunity to file a preliminary response. Paper 7. The Board has jurisdiction under 35 U.S.C. § 324.<sup>1</sup>

The standard for instituting a covered business method patent review is set forth in 35 U.S.C. § 324(a), which provides as follows:

**THRESHOLD**—The Director may not authorize a post-grant review to be instituted unless the Director determines that the information presented in the petition filed under section 321, if such information is not rebutted, would demonstrate that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.

Petitioner challenges the patentability of claims 2, 5, 15-25, and 40 of the ’674 patent under 35 U.S.C. §§ 102 and 103. We determine that the information presented in the Petition demonstrates that it is more likely than not that claims 2, 5, 15-24, and 40 are unpatentable. We determine also that the information presented in the Petition does not demonstrate that it is more likely than not that claim 25 is unpatentable. Pursuant to 35 U.S.C. § 324,

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<sup>1</sup> See section 18(a) of the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284, 329 (2011) (“AIA”).

we authorize a covered business method patent review to be instituted as to claims 2, 5, 15-24, and 40 of the '674 patent.

*A. The '674 Patent*

The '674 patent states:

[The invention] is directed to the field of electronic commerce techniques, and, more particularly, to the field of electronic commerce techniques related to real estate.

Ex. 1001, 1:9-12. As explained in the '674 patent, it is difficult to determine accurately the value of real estate properties. The most reliable method for valuing a home, if it recently was sold, is to regard its selling price as its value. Ex. 1001, 1:25-26. However, only a small percentage of homes are sold at any given time. Ex. 1001, 1:26-30. Another widely used approach is professional appraisal. Ex. 1001, 1:33-34. However, appraisals are subjective, and they “[are] expensive, can take days or weeks to complete, and may require physical access to the home by the appraiser.” Ex. 1001, 1:37-44. Moreover, designing automatic valuation systems that only consider information available from public databases may be inaccurate. Ex. 1001, 1:45-51. Accordingly, the '674 Patent discloses an approach where valuing homes is responsive to owner input, allegedly resulting in a more accurate, inexpensive, and convenient valuation. Ex, 1001, 1:52-56.

*B. Related Matters*

Petitioner identifies the following related district court proceeding involving the '674 patent: *Zillow, Inc. v. Trulia, Inc.*, Case No. 2:12-cv-01549-JLR (W.D. Wash.). Pet. 63. Petitioner identifies also the following

*inter partes* review before the Patent Trial and Appeal Board involving the '674 patent: IPR2013-00034. Pet. 63. Petitioner identifies further the following covered business method patent review before the Patent Trial and Appeal Board involving the '674 patent: CBM2013-00056. Pet. 63. Petitioner requests joinder of this proceeding with the proceeding in CBM2013-00056. Motion 2.

*C. Illustrative Claim*

Claims 2 and 15 are the only independent claims challenged, and read as follows:

2. A computer readable medium for storing contents that causes a computing system to perform a method for procuring information about a distinguished property from its owner that is usable to refine an automatic valuation of the distinguished property, the method comprising:

displaying at least a portion of information about the distinguished property used in the automatic valuation of the distinguished property;

obtaining user input from the owner adjusting at least one aspect of information about the distinguished property used in the automatic valuation of the distinguished property; and

displaying to the owner a refined valuation of the distinguished property that is based on the adjustment of the obtained user input.

15. A method in a computing system for refining an automatic valuation of a distinguished home based upon input from a user knowledgeable about the distinguished home, comprising:

obtaining user input adjusting at least one aspect of information about the distinguished home used in the automatic valuation of the distinguished home;

automatically determining a refined valuation of the distinguished home that is based on the adjustment of the obtained user input; and

presenting the refined valuation of the distinguished home.

*D. The Alleged Grounds of Unpatentability*

The information presented in the Petition sets forth Petitioner’s contentions of unpatentability of claims 2, 5, 15-25, and 40 of the ’674 patent based on the following specific grounds (Pet. 10-62):

Reference(s)	Basis	Challenged Claims
Foster <sup>2</sup>	§ 102(b)	2, 5, 15-18, 25, and 40
Weiss <sup>3</sup> or Foster, Keyes <sup>4</sup> , and Calhoun <sup>5</sup>	§ 103	19-24

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<sup>2</sup> U.S. Patent Application Publication 2004/0073508, published Apr. 15, 2004 (Ex. 1013) (“Foster”).

<sup>3</sup> U.S. Patent Application Publication 2002/0035520, published Mar. 21, 2002 (Ex. 1005) (“Weiss”).

<sup>4</sup> U.S. Patent Application Publication 2001/0044766, published Nov. 22, 2001 (Ex. 1014) (“Keyes”).

<sup>5</sup> Charles A. Calhoun, *Property Valuation Methods and Data in the United States*, 16 HOUSING FINANCE INTERNAT’L J. 12 (2001) (Ex. 1008) (“Calhoun”).

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