

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

JP MORGAN CHASE & CO., and
JP MORGAN CHASE BANK, N.A.,
Petitioner,

v.

MAXIM INTEGRATED PRODUCTS, INC.,
Patent Owner.

Case CBM2014-00180
Patent 5,949,880

Before TREVOR M. JEFFERSON, MITCHELL G. WEATHERLY, and
KERRY BEGLEY, *Administrative Patent Judges*.

BEGLEY, *Administrative Patent Judge*.

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

JP Morgan Chase & Co. and JP Morgan Chase Bank, N.A. (collectively, “Petitioner”) filed a Petition requesting covered business method patent review (“CBM review”) of claims 1–4 of U.S. Patent No. 5,949,880 (Ex. 1001, “the ’880 patent”). Paper 1 (“Pet.”). Maxim Integrated Products, Inc. (“Patent Owner”) filed a Preliminary Response. Paper 7 (“Prelim. Resp.”).

Pursuant to 35 U.S.C. § 324(a), CBM review may not be instituted unless “the information presented in the petition . . . , 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.” For the reasons that follow, we determine that the Petition, taking into account the Preliminary Response, demonstrates that it is more likely than not that the challenged claims of the ’880 patent are unpatentable.

I. BACKGROUND

A. RELATED PROCEEDINGS

Patent Owner asserted the ’880 patent against Petitioner in the U.S. District Court for the Western District of Pennsylvania, *Maxim Integrated Products, Inc. v. JP Morgan Chase & Co.*, No. 2:12-cv-01641-JFC (“the District Court Case”). Pet. 4–6; Paper 6, 2. This case was consolidated, with many other cases involving the ’880 patent filed in various district courts, into a multidistrict litigation proceeding in the Western District of Pennsylvania, *In re: Maxim Integrated Products, Inc.*, MDL No. 2354, Misc. No. 12-244-JFC (W.D. Pa.) (“the MDL Proceeding”). Pet. 4–6; Paper 6, 2–4. On October 20, 2014, the district court dismissed with prejudice all

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claims against Petitioner involving the '880 patent in the District Court Case, pursuant to the parties' stipulation and motion. *See* Ex. 1018.

In addition, the '880 patent was previously the subject of two petitions requesting CBM review: one petition filed by Branch Bank & Trust Co. ("BB&T") in CBM2013-00059, and another petition filed by Petitioner and PNC Bank, N.A. ("PNC") in CBM2014-00039. Pet. 1; Paper 6, 1–2. In both proceedings, the Board did not institute CBM review of the '880 patent, because institution was barred under 35 U.S.C. § 325(a)(1). *PNC Bank v. Maxim Integrated Prods., Inc.*, Case CBM2014-00039 (PTAB June 3, 2014) (Paper 19) ("CBM2014-00039 Inst. Dec."); *Branch Banking & Trust Co. v. Maxim Integrated Prods., Inc.*, Case CBM2013-00059 (PTAB Mar. 20, 2014) (Paper 12) ("CBM2013-00059 Inst. Dec.").

B. THE '880 PATENT

The '880 patent is directed to a "system, apparatus, and method for communicating valuable data," more specifically, a "cash equivalent," to and from a "portable module." Ex. 1001, [57], 1:61–63. A consumer can carry the portable module, fill it with a cash equivalent at an "add-money station," and spend the stored cash equivalent "when buying products and services in the market place." *Id.* at [57], 1:63–2:4. For example, a consumer can "take cash out of an ATM" and "put the cash value into the portable module," and can use monetary value on the portable module to "pay for a train fare." *Id.* at 7:13–35, 8:30–37.

In a preferred embodiment, portable module 102 communicates to microprocessor based device 104, which is connected to secure microprocessor based module 108. *Id.* at 1:66–2:1, 2:33–35, 2:59–61.

Portable module 102 is a “rugged read/write data carrier.” *Id.* at 3:39–41; *see id.* 3:42–4:24. Microprocessor based device 104, in turn, “can be any of an unlimited number of devices,” for example, “a personal computer, an add-a-fare machine at a train or bus station (similar to those in today’s District of Columbia metro stations), a turn style, a toll booth, a bank’s terminal, . . . or any device that controls access, or meters a monetary equivalent.” *Id.* at 2:37–45. Finally, secure microprocessor based module 108 comprises “microprocessor 12, a real time clock 14, control circuitry 16, a math coprocessor 18, memory circuitry 20, input/output circuitry 26, and an energy circuit 34.” *Id.* at 4:24–33.

C. ILLUSTRATIVE CLAIM

Claim 1, the sole independent claim of the ’880 patent, is illustrative of the claimed subject matter:

1. A method for electronically transferring units of exchange between a first module and a second module, comprising the steps of:
 - a. initiating communication between said first module and an electronic device;
 - b. passing a first value datum from said first module to said electronic device;
 - c. passing said first value datum from said electronic device to said second module;
 - d. performing a mathematical calculation on said first value datum thereby creating a second value datum;
 - e. passing said second value datum from said second module to said electronic device;
 - f. passing said second value datum from said electronic device to said first module;
 - g. storing said second value datum in said first module;and

h. discontinuing communication between said first module and said electronic device.

Ex. 1001, 24:47–67.

D. ASSERTED GROUNDS

Petitioner challenges the claims of the '880 patent on the following grounds. Pet. 22.

Challenged Claims	Basis	Reference[s]
1–4	§ 102	U.S. Patent No. 5,428,684 (issued June 27, 1995) (“Akiyama”)
1–4	§ 101	

II. ANALYSIS

A. REAL PARTY IN INTEREST — ALLEGED § 325(A)(1) BAR

Petitioner and Patent Owner dispute whether PNC—who previously filed an action challenging the validity of claims of the '880 patent—is a real party in interest in this proceeding, such that institution of review is barred under 35 U.S.C. § 325(a)(1). Pet. 1–3; Prelim. Resp. 1–25.

1. Relevant Facts

On January 25, 2012, PNC filed *PNC Financial Services Group, Inc. v. Maxim Integrated Products, Inc.*, No. 2:12-cv-00089-JFC (W.D. Pa.) (“the PNC Case”), asserting that claims of the '880 patent were invalid. CBM2014-00039 Dec. Inst. 2–3. This case and the District Court Case in which Patent Owner asserted the '880 patent against Petitioner were consolidated into the MDL Proceeding. *See* Pet. 4; Paper 6, 2.

On November 22, 2013, Petitioner and PNC jointly filed a petition for review of the '880 patent in CBM2014-00039 (“CBM2014-00039 Petition”).

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