IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMERICAN EXPRESS COMPANY, AMERICAN EXPRESS TRAVEL RELATED SERVICES COMPANY, INC., COMPASS BANK, DISCOVER FINANCIAL SERVICES, DISCOVER BANK, DISCOVER PRODUCTS INC., NAVY FEDERAL CREDIT UNION, AND STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY[1]
Petitioner,

v.

MAXIM INTEGRATED PRODUCTS, INC.
Patent Owner.

Case No. CBM2015-00098
Patent No. 5,940,510

Petitioners' Reply to Patent Owner's Preliminary Response

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[1] On June 26, 2015, the Board granted a joint motion filed by Maxim and Navy Federal Credit Union ("NFCU") to terminate the proceeding with respect to NFCU pursuant to 35 U.S.C. § 327(a). Paper 12.

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I. INTRODUCTION

Despite disclaimer of claim 2 and contrary to Patent Owner's arguments in its Preliminary Response,[2] all of the remaining claims of the '510 Patent are eligible for covered business method review ("CBMR"). Petitioner's Petition establishes the remaining claims are CBMR eligible because at least their parent, independent claim 1 claims a financial product or service. The subject matter of claim 2 remains illustrative of the financial nature of claim 1. Nor does the disclaimer remove from the specification the financial product and service embodiments covered by claim 1, as shown in the Petition at p. 14. Disclaimer also does not prevent the Board from considering the 30-plus lawsuits asserting claim 1 against financial products in determining CBMR eligibility. The Board should find the '510 Patent CBMR eligible even though claim 2 has been disclaimed and can no longer be asserted.

II. DISCLAIMER OF DEPENDENT CLAIM 2 HAS NO AFFECT ON THE CBMR ELIGIBILITY OF INDEPENDENT CLAIM 1.

Patent Owner's disclaimer removes dependent claim 2 from the '510 Patent and prevents future enforcement of claim 2, but the financial *subject matter* of dependent claim 2 remains part of the patent and is illustrative of the financial nature of independent claim 1. Even with the loss of claim 2, the '510 Patent remains "a

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[2] Petitioner's Reply is limited to the disclaimer issue pursuant to correspondence with the Board. Petitioner does not acquiesce to the other non-meritorious arguments in Patent Owner's Preliminary Response.

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patent that claims a[n] . . . apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service," and thus remains CBMR eligible. *See* AIA § 18(d)(1).

A. Despite the disclaimer, the subject matter of claim 2 remains illustrative of the financial nature of its parent claim 1.

Patent Owner essentially argues that the *subject matter* claimed by now-disclaimed dependent claim 2 is not relevant in determining the subject matter of its parent, independent claim 1. Response at 7-12. The Board has previously considered and rejected this argument. *J.P. Morgan Chase & Co. v. Intellectual Ventures II LLC*, CBM2014-00157, Paper 11, at 2 (PTAB Feb. 18, 2015) (hereinafter "*J.P. Morgan I*").

In *J.P. Morgan I*, the petition argued that dependent claim 12, which depended from independent claim 1, conferred CBMR eligibility. *Id.*, Paper 8, at 11-14 (PTAB Jan. 14, 2015). The Board agreed and instituted CBMR based solely on dependent claim 12. *Id.* Patent owner scrambled to disclaim dependent claim 12 to avoid CBMR eligibility. *See id.*, Paper 11, at 2. Even though claim 12 was the sole basis for CBMR standing, the Board found that disclaimer of claim 12 would have been ineffective to remove CBMR standing of the remaining claims explaining that "standing for [CBMR] remains because disclaimer of claim 12 does not change the scope of independent claim 1, from which it depends." *Id.* at 3.

Case law underscores the soundness of the Board's *J.P. Morgan I* decision. For example, in *Allergen Sales LLC v. Sandoz, Inc.*, 2013 WL 4854786 (E.D. Tex. Sep. 5,

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