

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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GOOGLE INC. and APPLE INC.,  
Petitioners,

v.

CONTENTGUARD HOLDINGS, INC.,  
Patent Owner.

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Case CBM2015-00040<sup>1</sup>  
Patent 7,774,280 B2

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Before MICHAEL R. ZECHER, BENJAMIN D. M. WOOD, and  
GEORGIANNA W. BRADEN, *Administrative Patent Judges*.

ZECHER, *Administrative Patent Judge*.

DECISION ON REMAND  
Covered Business Method Patent Review  
*35 U.S.C. § 144 and 37 C.F.R. § 42.5(a)*

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<sup>1</sup> Case CBM2015-00160 has been joined with this proceeding.

## I. BACKGROUND

### A. Introduction

We address this case on remand after a decision by the U.S. Court of Appeals for the Federal Circuit in *Apple Inc. v. ContentGuard Holdings, Inc.*, 740 F. App'x 714 (Fed. Cir. 2018) (Paper 39, “*ContentGuard*”).

As background, Google Inc. (“Google”) filed a Petition requesting a review under the transitional program for covered business method patents of claims 1, 5, 11, 12, and 22 of U.S. Patent No. 7,774,280 B2 (“the ’280 patent,” Ex. 1001). Paper 1 (“Pet.”). ContentGuard Holdings, Inc. (“Patent Owner”) filed a Preliminary Response. Paper 8 (“Prelim. Resp.”). Taking into account the arguments presented in the Preliminary Response, we determined that the information presented in the Petition establishes that claims 1, 5, and 11 of the ’280 patent are more likely than not unpatentable under 35 U.S.C. §§ 102(b) and 103(a). We, however, determined that the information presented in the Petition did not establish that claims 1, 5, 11, 12, and 22 are more likely than not directed to non-statutory subject matter under 35 U.S.C. § 101, or that claims 12 and 22 are more likely than not unpatentable under §§ 102(b) and 103(a). Pursuant to 35 U.S.C. § 324 and § 18(a) of the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284, 329–31 (2011) (“AIA”),<sup>2</sup> we instituted this covered business

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<sup>2</sup> Section 18(a)(1) of the AIA provides that the transitional program for covered business method patents will be regarded as a post-grant review under chapter 32 of title 35 United States Code and will employ the standards and procedures of a post-grant review, subject to certain exceptions.

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method patent review proceeding on June 24, 2015, only as to claims 1, 5, and 11 of the '280 patent and only on the grounds based on §§ 102(b) and 103(a). Paper 9 (“Dec. on Inst.”).

After instituting this proceeding, we considered a Petition filed by Apple Inc. (“Apple”) in Case CBM2015-00160 that challenged the same claims of the '280 patent at issue in this proceeding based on the same grounds of unpatentability. The Petition in Case CBM2015-00160 was accompanied by a Motion for Joinder that requested we join Apple as a party to this proceeding. Pursuant to § 324 and § 18(a) of the AIA, we instituted another covered business method patent review proceeding only as to claims 1, 5, and 11 of the '280 patent and only on the grounds based on §§ 102(b) and 103(a), and granted Apple’s Motion for Joinder. Paper 14.

During the course of trial, Patent Owner filed a Response to the Petition (Paper 15, “PO Resp.”), and a Motion to Amend (Paper 16, “Mot. to Amend”). Google and Apple (collectively, “Petitioners”) filed a Reply to the Patent Owner Response (Paper 21, “Pet. Reply”), and an Opposition to the Motion to Amend (Paper 22, “Opp. to Mot.”). Thereafter, Patent Owner filed a Reply to the Opposition to the Motion to Amend. Paper 25 (“Reply to Mot.”). Patent Owner also filed Observations regarding certain cross-examination testimony of Petitioners’ rebuttal witness, Benjamin Goldberg, Ph.D. (Paper 28, “Obs.”), and Petitioners filed a Response (Paper 30, “Obs. Resp.”). An oral hearing was held on February 24, 2016, and a transcript of the hearing is included in the record. Paper 33 (“Tr.”).

On June 21, 2016, we issued a Final Written Decision in this proceeding in accordance with 35 U.S.C. § 328(a) and 37 C.F.R. § 42.73.

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Paper 34 (“Final Dec.”). We concluded that Petitioners demonstrated by a preponderance of the evidence that claims 1, 5, and 11 of the ’280 patent are unpatentable under §§ 102(b) and 103(a). Final Dec. 73. We also granted Patent Owner’s Motion to Amend. *Id.* Petitioners appealed our grant of Patent Owner’s Motion to Amend to the Federal Circuit. Papers 35, 36. Patent Owner cross-appealed our determination that the ’280 patent is a covered business method patent eligible for review. Paper 37.

In its remand decision that issued on July 11, 2018, the Federal Circuit acknowledged that, since we issued the Final Written Decision in this case, it had rejected the “incidental to” or “complementary to” standard for determining whether a patent qualifies as a covered business method patent eligible for review. *ContentGuard*, 740 F. App’x at 716 (citing *Unwired Planet, LLC v. Google Inc.*, 841 F.3d 1376, 1379 (Fed. Cir. 2016)). The Federal Circuit then vacated our Final Written Decision because we relied on this incorrect legal standard in determining whether the ’280 patent is a covered business method patent eligible for review. *Id.* The Federal Circuit remanded this case for us to determine whether the ’280 patent qualifies as a covered business method patent eligible for review, without relying on the “incidental to” or “complementary to” standard. *Id.* at 717. The Federal Circuit’s mandate issued on September 4, 2018. Paper 40.

On October 1, 2018, we issued an Order that modified our Decisions on Institution in Cases CBM2015-00040 and CBM2015-00160 to include review of all challenged claims and all grounds set forth in the respective Petitions, we authorized the parties to file a Joint Motion to Limit the Petitions by removing the previously non-instituted claims and grounds, and

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we authorized the parties to file a ten-page opening brief narrowly tailored to address whether the '280 patent qualifies as a covered business method patent eligible for review followed by a five-page responsive brief. Paper 41. On October 11, 2018, we granted the parties' Joint Motion to Limit the Petitions by removing the previously non-instituted claims and grounds. Paper 43. On October 19, 2018, the parties filed their opening briefs. Papers 44, 45. On November 9, 2018, the parties filed their responsive briefs. Papers 46, 47.

We have reconsidered the record anew by reviewing the parties' positions on remand as to whether the '280 patent qualifies as a covered business method patent eligible for review, without relying on the "incidental to" or "complementary to" standard. For the reasons discussed below, we hold that Petitioners have demonstrated by a preponderance of the evidence that (1) the '280 patent is a covered business method patent eligible for review; and (2) claims 1, 5, and 11 of the '280 patent are unpatentable under §§ 102(b) and 103(a). We also *grant* Patent Owner's Motion to Amend.

#### *B. Related Matters*

The parties indicate that the '280 patent has been asserted in the following three district court cases: (1) *ContentGuard Holdings, Inc. v. Google Inc.*, No. 2:14-cv-00061-JRG-RSP (E.D. Tex.); (2) *Google Inc. v. ContentGuard Holdings, Inc.*, No. 3:14-cv-00498-WHA (N.D. Cal.); and (3) *ContentGuard Holdings, Inc. v. Amazon.com Inc.*, No. 2:13-cv-01112-

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