

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BLOOMBERG INC.; BLOOMBERG L.P.;
BLOOMBERG FINANCE L.P.;
THE CHARLES SCHWAB CORPORATION;
CHARLES SCHWAB & CO., INC.;
E*TRADE FINANCIAL CORPORATION; E*TRADE SECURITIES LLC;
E*TRADE CLEARING LLC; OPTIONSXPRESS HOLDINGS INC.;
OPTIONSXPRESS, INC.; TD AMERITRADE HOLDING CORP.;
TD AMERITRADE, INC.; TD AMERITRADE IP COMPANY, INC.; and
THINKORSWIM GROUP INC.
Petitioner,

v.

MARKETS-ALERT PTY LTD.
Patent Owner.

Case CBM2013-00005 (JYC)
Patent 7,941,357

Before JAMESON LEE, SALLY C. MEDLEY, and JONI Y. CHANG,
Administrative Patent Judges.

MEDLEY, *Administrative Patent Judge.*

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

Bloomberg filed a petition (“Pet.”) to institute a covered business method patent review of claims 1-4 of U.S. Patent 7,941,357 (the “’357 patent”) pursuant to 35 U.S.C. § 321. Patent Owner Markets-Alert filed a preliminary response (“Prelim. Resp.”) to the petition. The Board has jurisdiction under 35 U.S.C. § 324. *See* section 18(a) of the Leahy-Smith America Invents Act, Pub. L. 112-29, 125 Stat. 284, 329 (2011) (“AIA”). For the reasons that follow, the Board has determined to institute a covered business method patent review.

BACKGROUND

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.

Bloomberg challenges the patentability of claims 1-4 of the ’357 patent under (1) 35 U.S.C. § 112, ¶ 2 as being indefinite; (2) 35 U.S.C. § 102 as being anticipated by prior art; and (3) 35 U.S.C. § 103 as obvious based on various prior art. Pet. 8. For the following reasons, and pursuant to 35 U.S.C. § 324 and section 18(a) of the AIA, Bloomberg’s request for a covered business method patent review is **GRANTED** as to claims 1-4 of the ’357 patent on the grounds explained herein.

Related Litigation

“Bloomberg” is comprised of fourteen individual entities. Pet. 58. In compliance with 37 C.F.R. § 42.302(a), Bloomberg certifies that it has been sued for infringement of the ’357 patent. Pet. 7-8. The identified related cases are in their infancy, before the U.S. District Court for the District of Delaware, and are stayed pending this review. Exs. 1018-1021 and 3001.¹ Markets-Alert does not challenge Bloomberg’s certification that it has been sued for patent infringement of the ’357 patent.

Covered Business Method Patent

A covered business method patent means “a patent that claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration or management of a financial product or service, except that the term does not include patents for technological inventions.” AIA § 18(d)(1). For purposes of determining whether a patent is eligible for a covered business method patent review, the focus is on the claims. A patent need have only one claim directed to a covered business method to be eligible for review.²

Bloomberg has shown that the ’357 patent is a patent that claims a method or corresponding apparatus for performing data processing or other operations used in

¹ Ex. 3001 is a copy of the decision to stay the related cases.

² *Transitional Program for Covered Business Method Patents – Definitions of Covered Business Method Patent and Technological Invention; Final Rule*, 77 Fed. Reg. 48734, 48736 (Aug. 14, 2012) (Response to Comment 8).

the practice, administration or management of a financial product or service. Pet.

4. Claim 1, reproduced below, is illustrative of the claimed subject matter:

1. A method of informing users of stock market events comprising the steps of:
 - (a) receiving real-time stock market data on a network of computers;
 - (b) receiving on the network of computers instructions from a user to specify watch data defining an event, the watch data including a stock market technical analysis request specifying technical analysis formulae to be applied to the real-time stock market data;
 - (c) using the network of computers to periodically apply the user-specified watch data including the stock market technical analysis formulae to the real-time stock market data in real-time to ascertain whether a valid response to the watch data has occurred based on the real-time stock market data, thereby determining an occurrence of the event defined by the user-specified watch data; and
 - (d) causing a real-time notification by the network of computers to be provided to the user via a remote communications device upon the occurrence of the event defined by the user-specified watch data, the real-time notification directed to a remote communications device of the user so that the user can then provide instructions for share market transactions on an instantaneous basis.

Claim 1, the sole independent claim, recites a method of informing user(s) of stock market events through a series of steps for monitoring stock market data and notifying the user of certain stock market events. As such, claim 1 is directed to a

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method for performing data processing or other operations used in the practice, administration or management of a financial service (informing the user of certain stock market events). Markets-Alert does not dispute that its patent claims a method for performing data processing or other operations used in the practice, administration, or management of a financial product or service. Rather, Markets-Alert argues that its patent falls under the technological invention exception and is therefore exempt from a covered business method patent review. Prelim. Resp. 9.

Technological Invention

To determine whether a patent is for a technological invention, we consider “[w]hether the subject matter as a whole recites a technological feature that is novel and unobvious over the prior art, and solves a technical problem using a technical solution.” 37 C.F.R. § 42.301(b).

Bloomberg, in its petition, asserts that the ’357 patent claims fail to recite any technological feature that is novel and unobvious over the prior art. As pointed out by Bloomberg, the claims are directed to stock market event monitoring, technical analysis and communication to a user: concepts that were known in the art at the time of the invention. Bloomberg directs attention to the following passage found in the “Background Art” section of the ’357 patent:

Stock market technical analysis is becoming increasingly sophisticated and measures of events based on technical analysis indicators e.g., “moving averages,” “RSI,” “stochastic oscillator” and the like are extensively used to analyze share-market price and time data for share portfolio management.

Col. 1:30-35.

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