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VIA FED EX

February 5, 2016

Hon. Michelle K. Lee
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office
600 Dulany St., MDW 10D44
Alexandria, Virginia 22314

Re: CBM2015-00161

Dear Director Lee:

I am writing to inform you that on January 27, 2016, the PTAB instituted a Covered Business Method (“CBM”) review in CBM2015-00161 on Section 101 grounds for the ‘304 patent. *See* CBM2015-00161, Paper 29 (P.T.A.B. January 27, 2016). You will recall that the ‘304 patent was the first CBM petition of six petitions discussed in our previous letters to you dated August 10, 2015, October 23, 2015 and October 30, 2015. The decision to institute on 101 grounds is in conflict with a 2015 decision in the U.S. District Court of the Northern District of Illinois upholding the validity of all claims of the ‘304 patent under 101—finding that the claims satisfied both prongs of the *Alice* test. The decision was set forth in a thorough and well-reasoned opinion (which is attached) reached after extensive briefing and a hearing.¹

TT again respectfully requests that you exercise the discretion provided to the Director under the AIA to intervene and terminate the CBM2015-00161 proceeding for the reasons set forth in the previous letters. TT makes this request recognizing that the exercise of Director discretion under the statute is extraordinary. However, TT believes that intervention is justified in this case.

In the next two weeks, TT plans to file a mandamus petition with the Federal Circuit requesting that the institution decision be reversed because the ‘304 patent is not a CBM patent within the jurisdictional reach of Section 18 of the AIA. Out of respect for you and the office that you hold, TT is providing prior notice of our intent to file the mandamus. If you agree with our position, it is our sincere desire that you exercise your discretion to terminate so that we do not need to pursue this course of action.

¹ TT expects that this District Court decision will be on appeal at the Federal Circuit in short order.

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Please understand that TT does not desire to proceed in an adversarial manner with the USPTO. TT prides itself on working closely with the USPTO and having a strong, cooperative relationship. However, the institution decision will force TT, a small, job-creating company attempting to compete with much larger competitors like TradeStation and Interactive Brokers to spend millions of dollars to defend patents that have already been thoroughly vetted both by the USPTO and by the Courts.

Notably, the '304 patent served the very purpose of the patent system—encouraging innovation and investment that created jobs. The '304 patent is one of the first patents that TT obtained on the technology that it commercialized in its revolutionary MD_TRADER® product which was discussed in the previous letters. This patent went through a rigorous original examination, including two quality reviews in the “second pair of eyes” program with large amounts of prior art considered, and was confirmed on reexamination with literally hundreds of additional pieces of prior art considered. This patent has also been extensively tested in years of litigation with defendants using scorched earth tactics (e.g., endless prior art discovery), has been upheld as valid after two full jury trials (one in 2006 and another in 2015), and has also been upheld by the Federal Circuit.

The patented MD_TRADER® product and the ability to protect it with the '304 patent has been essential to TT surviving as a company because it was key to TT attracting critical investments and protecting TT from having its intellectual property copied—both of which permitted TT to grow and create jobs. Without the ability to patent MD_TRADER®, TT would not be in existence today, as it could not have obtained such critical investments in the early 2000s when the company needed such capital to survive while developing and marketing the new MD_TRADER® technology.

TT finds it unbelievable that a patent like the '304 patent—TT's first patent directed to the features of a revolutionary product that changed the industry—is once again under siege by competitors 12 years after it was granted and after 12 years of being repeatedly tested and upheld in the USPTO and by the Courts in which overwhelming evidence has shown the patent to be valid.

TT thanks you for your prompt attention to this important matter. TT would appreciate hearing your thoughts on this matter.

Sincerely,



Steven F. Borsand
EVP, Intellectual Property
Trading Technologies International, Inc.

Attached: U.S. District Court Opinion Finding '304 Patent Eligible Under 101

cc: John C. Phillips (phillips@fr.com);
Robert E. Sokohl (rsokohl@skgf.com);
Erika H. Arner (erika.arnier@finnegan.com);
Vikrum Aiyer, Chief of Staff for the United States Patent and Trademark Office