UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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TRADESTATION GROUP, INC. and
TRADESTATION SECURITIES, INC.,
Petitioner,

v.

TRADING TECHNOLOGIES INTERNATIONAL, INC.,
Patent Owner.

_____

Case CBM2015-00172
Patent No. 7,783,556 B1

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Before SALLY C. MEDLEY, MEREDITH C. PETRAVICK, and
JEREMY M. PLENZLER, *Administrative Patent Judges*.

PETRAVICK, *Administrative Patent Judge*.

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

I. INTRODUCTION

A. Background

TradeStation Group, Inc. and TradeStation Securities, Inc.

(collectively, "Petitioner") filed a Petition (Paper 2, "Pet.") on August 12,

2015, that requests review under the transitional program for covered

business method patents of the AIA[1] of U.S. Patent No. 7,783,556 B1 (Ex. 1001, "the '556 patent"). Petitioner challenges the patentability of claims 1–22 ("the challenged claims") of the '556 patent under 35 U.S.C. § 101. Trading Technologies International, Inc. ("Patent Owner") filed a Revised Preliminary Response on November 30, 2015. Paper 16 ("Prelim. Resp.").

We have jurisdiction under 35 U.S.C. § 324, which provides that a post-grant review may not be instituted "unless . . . the information presented in the petition . . . would demonstrate that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable."

We determine that the Petition demonstrates that it is more likely than not that the challenged claims are unpatentable under 35 U.S.C. § 101, and we institute a covered business method patent review of claims 1–22 of the '556 patent.

B. Related Matters

The '556 patent is the subject of numerous related U.S. district court proceedings. Pet. 2–3; Paper 5, 2–6.

Numerous patents are related to the '556 patent, and the related patents are or were the subject of numerous petitions for covered business method patent review and reexamination proceedings. The table in the attached appendix indicates the related patents and corresponding proceedings.

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[1] Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284, 329 (2011) ("AIA").

C. The '556 Patent

The '556 patent is titled "System and Method for Displaying Order Information in Relation to a Derivative of Price" and issued from an application filed on March 12, 2004. Ex. 1001, [54], [22]. The '556 patent discloses that electronic exchanges provide data feeds to connected traders. *See id.* at col. 1, ll. 13–44. The data feeds are displayed to traders using "a variety of different formats, any of which would be known to one of ordinary skill in the art." *Id.* at col. 1, ll. 45–47. The '556 patent depicts two examples of typical displays or graphical user interfaces ("GUI") in Figures 1 and 2. *Id.* at col. 1, l. 47–col. 2, l. 17.

Figure 2 depicts an example prior art trading screen that is similar to a commercially available trading screen. *Id.* at col. 2, ll. 6–9. Figure 2 is reproduced below.
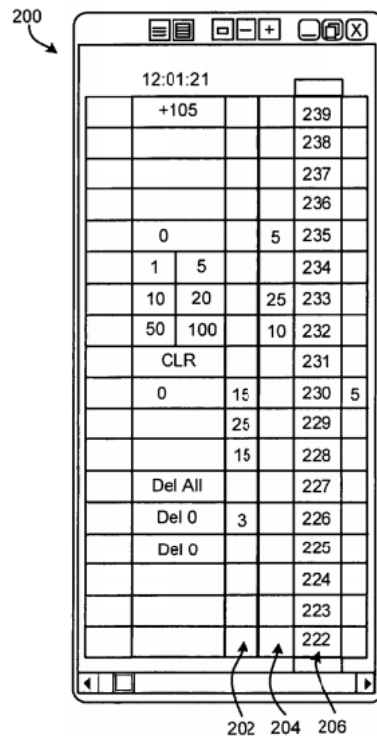

FIG. 2
Prior Art

Figure 2 depicts trading screen 200, which displays tradeable object information. *Id.* at col. 2, ll. 5–14. The tradeable object information includes bids 202 and offers 204 in association with a price values along axis 206. *Id.* To place an order, a trader simply clicks on certain areas of the screen, such on one of bids 202. *See id.* at col. 2, ll. 14–17.

The '556 patent discloses that traders are often interested in information not normally provided in an exchange's data feed or displayed on a trading screen and discloses that the traders must make "quick mental calculations, use charting software, or look to other sources" for this information. *Id.* at col. 2, ll. 18–33. The '556 patent, thus, discloses "a system and method for display, on a trading screen, order information in relation to a derivative of price." *Id.* at col. 2, ll. 34–38. A derivative of price is "anything that has some dependence on or relationship to price." *Id.* at col. 3, ll. 33–34.

Figure 8 of the '556 patent is reproduced below.

FIG. 8

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                    ▤▤  ▭▭⊞  ◯◉Ⓧ      810
                                            Map Market
     12:01:21                               Data to Value
        +105                  239  +114         Axis
806                           238  +113
                              237  +112
                              236  +111
        0           5         235  +110
        1    5                234  +109
       10   20      25  233  +108
       50   100     10  232  +107
        CLR            231  +106        808
        0       15     230  +105  5
                25     229  +104
                15     228  +103
       Del All         227  +102
       Del 0    3      226  +101
       Del 0           225  +100
                       224   +99
802    Update          223   +98        804
                       222   +97        810
     ◄ ▯                            ►
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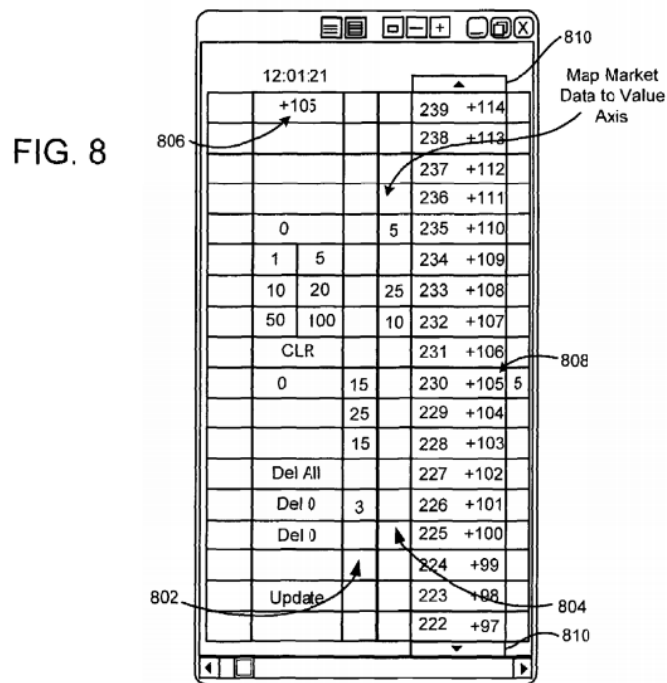
Figure 8 depicts an embodiment of a trading screen similar to trading screen 200 depicted in Figure 2, except that the value axis depicted in Figure 8 includes price derivative information. The example price derivative information shown in Figure 8 is net change. *Id.* at col. 9, l. 51–col. 10, l. 6. Net change is the value at a current point minus value at a reference point. *Id.* at col. 9, ll. 63–64. For the example depicted in Figure 8, the reference point is set at yesterday's settlement price in unit of ticks (i.e., the minimum change in a price value that is set by the exchange for each tradable object), which was "125." *Id.* at col. 9, ll. 53–57. The last traded price, indicated by the "5" in the last traded quantity indicator column, is "230" and, thus, the net change is 230–125 or +105 at the last traded price. *Id.* at col. 9, ll. 57–62. As can be seen from Figure 8 above, a "+105" indicator is displayed next to the last traded price of "230."

The '556 patent discloses another embodiment that has profit and loss as the price derivative information. *Id.* at col. 13, ll. 50–51.

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