

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

IBG LLC, INTERACTIVE BROKERS LLC,
TRADESTATION GROUP, INC., TRADESTATION
SECURITIES, INC., TRADESTATION TECHNOLOGIES,
INC., and IBFX, INC.,
Petitioners,

v.

TRADING TECHNOLOGIES INTERNATIONAL, INC.,
Patent Owner.

Case CBM2015-00179
Patent 7,533,056 B2

Held: October 19, 2016

BEFORE: SALLY C. MEDLEY, MEREDITH C. PETRAVICK,
and JEREMY M. PLENZLER, Administrative Patent Judges.

The above-entitled matter came on for hearing on Wednesday,
October 19, 2016, commencing at 9:30 a.m., at the U.S. Patent
and Trademark Office, 600 Dulany Street, Alexandria, Virginia.

Case CBM2015-00179

Patent 7,533,056 B2

APPEARANCES:

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P R O C E E D I N G S

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JUDGE PETRAVICK: You may be seated. We are going to take a minute to get Judge Plenzler in our hearing room and log into our computers.

Good morning. We're here for a family of covered business method proceedings, it's going to be CBM2015-00161, 2015-00172, 2015-00179, 2015-00181 and 2015-00182. This morning we're going to hear arguments in the 179 and the 172 cases, according to the schedule we set forth. So, we'll start with the 179 case. Each party has 30 minutes to argue the presentation.

So, could we hear from the Petitioners first, who is designated to argue?

MR. SOKOHL: Robert Sokohl, Your Honor.

JUDGE PETRAVICK: Okay. And with you at the table?

MR. SOKOHL: We have at the table Richard Bemben from Sterne Kessler and Adam Kessel from Fish & Richardson, and also with me is Lori Gordon from Sterne Kessler.

JUDGE PETRAVICK: Thank you.

And for the Patent Owner?

MR. SIGMOND: Your Honor, Leif Sigmond, backup counsel. I have with me Rachel Emsley, also backup counsel, and lead counsel, Erika Arner. We also have two representatives

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1 from Trading Technologies here, Mr. Jay Knobloch and
2 Mr. Adam Faier.

3 JUDGE PETRAVICK: Thank you. All right.

4 Mr. Sokohl, you will have 30 minutes, would you like to reserve
5 any time for rebuttal?

6 MR. SOKOHL: Yes, Your Honor, ten minutes. Your
7 Honor, we also have Mr. William Cummings from Petitioner IBG
8 with us.

9 JUDGE PETRAVICK: I am going to set the clock for
10 20 minutes.

11 MR. SOKOHL: Thank you, Your Honor.

12 The Supreme Court --

13 JUDGE PETRAVICK: Just give me one minute.

14 MR. SOKOHL: I'm sorry, Your Honor.

15 JUDGE PETRAVICK: All right, begin when you're
16 ready.

17 MR. SOKOHL: Thank you, Your Honor.

18 As this Board knows, the Supreme Court has now put
19 forth a two-step test. I'm turning to slide 3. This two-step test, in
20 the first part, the critical question is what's the focus of the
21 methods? And the second part of the test, the question is, is there
22 anything meaningful or is there an inventive concept?

23 Now, as Petitioners put forth in its petition, the abstract
24 idea or the focus of this claim is the abstract idea of graphing or
25 displaying bids and offers to assist the trader in making an order.

1 I'm just going to put slide 4 up, which has the claim and that
2 abstract idea.

3 Now, claim 1 of the '056 patent simply recites receiving
4 data to be graphed, displaying that received data, receiving user
5 input for an order, including a default quantity, and a price, and
6 then sending that trader's order to the exchange. But what's the
7 focus of this claim? The focus of this claim, if you look at two
8 places in the patent. First, field of the invention. The present
9 invention relates to graphical user interfaces for electronic trading
10 systems.

11 The second place we look is in the preamble and the last
12 step. This claim revolves around facilitating trading, and the last
13 step is actually sending the trade to the electronic exchange.
14 That's the focus of this claim. This is no different from *Alice* or
15 *Bilski*, where we had intermediated settlement, or hedging.

16 Now, Trading Technologies did not invent trading or
17 electronic trading, and the details that appear in the claim are
18 merely the standard market language that you would normally
19 see, bids and offers. Or GUI elements. That cannot save this
20 claim from abstractness.

21 Now, the Patent Owner argues that the '056 patent, and
22 particularly claim 1, helps visualize the data, but instead of
23 solving technical problem, the '056 patent simply displays what a
24 trader has done in his mind since the beginning of trading. And
25 we can look at that in slide 6. And this, again, is right from the

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