

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

IBG LLC,
INTERACTIVE BROKERS LLC, TRADESTATION GROUP, INC., and
TRADESTATION SECURITIES, INC.,
Petitioner,

v.

TRADING TECHNOLOGIES INTERNATIONAL, INC.,
Patent Owner.

CBM2016-00054 (Patent 7,693,768 B1)
CBM2016-00090 (Patent 7,725,382 B2)¹

Before SALLY C. MEDLEY and MEREDITH C. PETRAVICK,
Administrative Patent Judges.

PETRAVICK, *Administrative Patent Judge.*

ORDER
Conduct of the Proceeding
37 C.F.R. § 42.5

¹ This Order addresses the same or similar issue in the proceedings listed above. Therefore, we issue one Order to be filed in each proceeding. The parties, however, are not authorized to use this style of filing.

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On March 17, 2017, Petitioner filed motions to strike Exhibits 2233 and certain string citations in the Patent Owner's Responses ("PORs"). Paper 29², 1. Patent Owner filed an opposition to the motion. Paper 30.

According to Petitioner, the PORs improperly incorporate by reference the entirety of Exhibits 2233 to establish a nexus for Patent Owner's alleged objective evidence of nonobvious without explaining in the PORs how the evidence establishes the nexus. *Id.* at 5–8. Similarly, Petitioner argues that Patent Owner improperly incorporates arguments from other exhibits by reference through use of certain string citations in the PORs. *Id.* at 8–11 (listing the string citations). Petitioner argues that the improper incorporation by reference is prejudicial to it because incorporation by reference disregards our Rules; floods the proceedings with a "mountain" of documents; requires Petitioner's to play archeologist and speculate as to Patent Owner's interpretation of these incorporated material; fails to put Petitioner on notice of Patent Owner's arguments; and improperly requires Petitioner to respond within the 5,600 word limit for a Petitioner's Reply. *Id.* at 11–13.

Patent Owner disputes that it improperly incorporated arguments by reference from Exhibits 2233 and by certain string citations. Paper 30, 1. According to Patent Owner, Exhibits 2233 and the other cited exhibits do not contain arguments, but contain evidence, and, thus, do not improperly incorporate arguments into the PORs. *Id.* at 1–9. For example, Patent

²For the purposes of this Order, CBM2016-0054 is representative and all citations are to papers in CBM2016-0054 unless otherwise noted.

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Owner argues that the claim chart contained in Exhibit 2233 is not argument but evidence because it was prepared by its declarant Mr. Thomas. *Id.* at 2. Further, Patent Owner argues that the remedy for improper incorporation by reference is not exclusion. *Id.* at 9–10. Patent Owner argues that the proper remedy is for the Board to consider only arguments made in the PORs itself. *Id.* 10–12.

We are persuaded by Petitioner that the PORs improperly incorporate by reference arguments. *Cisco Systems, Inc. v. C-Cation Technologies, LLC*, IPR2014-00454 (PTAB Aug. 29, 2014) (Paper 12) (“*Cisco*”) is a Board informative opinion and is instructional here. In *Cisco*, the petition included multiple citations to a declaration, which included claim charts purporting to show how certain claim elements were met by the prior art. *Id.* at 7–10. The declaration was cited to support conclusory statements for which the Petition did not otherwise provide an argument or explanation. *Id.* at 7–10. The Board determined that this practice amounted to improper incorporation of argument by reference. *Id.* at 10 (citing 37 C.F.R. § 42.6(a)(3)).

Here, for similar reasons as discussed in *Cisco*, Patent Owner’s citation to Exhibits 2233 and other certain string citations amount to improper incorporation by reference. For example, Petitioner cites to the entirety of Exhibits 2233 to support conclusory statements that its commercial products embody each claim element to establish the required nexus to evidence of commercial success. *See e.g.*, Paper 21, 37, 50, 61. Exhibits 2233 contains 890 pages of multiple documents. One of the documents is a claim chart purporting to show how Patent Owner’s commercial products embody each claim element and was allegedly created

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by Patent Owner's declarant Mr. Thomas. *See* Ex. 2169 ¶ 76, Ex. 2233, 1–11. The citations to Exhibits 2223 support conclusory statements for which the PORs does not otherwise provide an argument or explanation and, thus, amount to improper incorporation by reference. *See Cisco* at 7–10, 37 C.F.R. § 42.6(a)(3).

As explained in *Cisco*, “[o]ne purpose of the prohibition against incorporation by reference is to eliminate abuses that arise from incorporation,” including circumvention of the word limit imposed on PORs. *Cisco* at 10 (citations omitted). Improper incorporation by reference imposes on the Board's time by asking us to sift through the exhibits to locate specific arguments. *Id.* Further, as Petitioner points out, improper incorporation by reference prejudices the Petitioner because it requires Petitioner to respond to the arguments within the 5,600 word limit for a Petitioner's Reply.

We, however, are not persuaded by Petitioner that the proper remedy is to strike or expunge Exhibits 2233 and the certain string citations. The appropriate remedy is for us not to consider such arguments. *See Cisco* at 10. Petitioner will not be prejudiced by arguments that are not considered. We, thus, will not consider any arguments that are not adequately explained in the PORs, themselves.

During a conference call held on March 9, 2017, Petitioner requested an increase in the word count limit for the Petitioner Reply to 8,600 words. Petitioner argued that the increase was needed to address the arguments allegedly incorporated by reference into the Patent Owner Responses. At that time, we held Petitioner's request for a word count increase in abeyance pending a decision on Petitioner's motion to strike. We stated that we would

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consider the request for an increase in word count limit for Petitioner's Reply at the time we address Petitioner's motions. Upon consideration, Petitioner's request for an increase in the word count limit for the Petitioner Reply to 8,600 words is denied. There is no need to increase the word count limit to respond to arguments, which will not be considered.

It is:

ORDERED that Petitioner's motions to strike are denied; and

FURTHER ORDERED that Petitioner's request for an increase in the word count limit for the Petitioner Reply to 8,600 words is denied.

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