

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

UNITED SERVICES AUTOMOBILE ASSOCIATION,
Petitioner,

v.

NADER ASGHARI-KAMRANI and KAMRAN ASGHARI-KAMRANI,
Patent Owner.

Case CBM2016-00063
Patent 8,266,432 B2

Before JONI Y. CHANG, JUSTIN T. ARBES, and
FRANCES L. IPPOLITO, *Administrative Patent Judges*.

CHANG, *Administrative Patent Judge*.

DECISION

Denying Patent Owner's Request for Rehearing
37 C.F.R. § 42.71

I. INTRODUCTION

Nader Asghari-Kamrani and Kamran Asghari-Kamrani (collectively, “Patent Owner”) filed a Request for Rehearing of the Decision to Institute (Paper 14, “Dec.”) a covered business method patent review¹ (“CBM”) as to claims 1–3, 5–28, and 30–55 (the “challenged claims”) of U.S. Patent No. 8,266,432 B2 (Ex. 1001, “the ’432 patent”). Paper 18, “Req. Reh’g.” For the reasons that follow, Patent Owner’s Request for Rehearing is *denied*.

II. STANDARD OF REVIEW

A party requesting rehearing bears the burden of showing that the decision should be modified. 37 C.F.R. § 42.71(d). The party must identify specifically all matters we misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply. *Id.* When reconsidering a decision on institution, we review the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion may be determined if a decision is based on an erroneous interpretation of law, if a factual finding is not supported by substantial evidence, or if the decision represents an unreasonable judgment in weighing relevant factors. *Star Fruits S.N.C. v. U.S.*, 393 F.3d 1277, 1281 (Fed. Cir. 2005); *Arnold P’ship v. Dudas*, 362 F.3d 1338, 1340 (Fed. Cir. 2004); *In re Gartside*, 203 F.3d 1305, 1315-16 (Fed. Cir. 2000).

¹ See § 18(a) of the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284, 329 (2011) (“AIA”).

III. ANALYSIS

A.

Patent Owner alleges that the Decision to Institute a covered business method patent review “made an erroneous conclusion of law by overlooking prior decisions that clarify the definition of ‘covered business method patent.’” Req. Reh’g 1–10. In particular, Patent Owner contends that “the following factors weigh in favor of concluding that a patent at issue is not a covered business method patent eligible for review: (1) claims of general utility with (2) no explicit or inherent finance-related terminology or limitations.” *Id.* at 2 (emphases omitted, citing *Plaid Technologies Inc. v. Yodlee, Inc.*, Case CBM2016-00037, slip op. at 7 (PTAB Aug. 16, 2016) (Paper 9)), 10 (citing *J.P. Morgan Chase & Co. v. Intellectual Ventures II LLC*, Case CBM2014-00160 (PTAB Jan. 29, 2015) (Paper 11)).

As an initial matter, the decisions relied upon by Patent Owner regarding these factors are not precedential and are not binding on this panel. Every determination of whether a challenged patent is a covered business method patent is based on the particular facts of the proceeding. More importantly, we have addressed Patent Owner’s arguments as to the “general utility” test in our Decision, and declined to apply a financial-exclusivity test, as urged by the Patent Owner, in view of the statutory language, legislative history, and our reviewing court’s case law. Dec. 9–10. A request for rehearing is not an opportunity to express disagreement with a decision. Likewise, we addressed Patent Owner’s arguments that claim 1 of the ’432 patent does not explicitly recite a finance-related term or limitation

in the Decision. *See* Req. Reh’g 2–5; Dec. 6–10. Moreover, Patent Owner’s inherency arguments are presented for the first time in its Request for Rehearing. Req. Reh’g. 2–5. A request for rehearing also is not an opportunity to submit new arguments. *See* 37 C.F.R. § 42.71(d). We could not have misapprehended or overlooked the arguments that were not made previously in Patent Owner’s Preliminary Response.

In any event, our Decision did not apply an erroneous standard or misapply *SightSound* or *Blue Calypso*, as alleged by Patent Owner, in determining that the ’432 patent is a covered business method patent, and, therefore, is eligible for a review. Req. Reh’g 1–10 (citing *SightSound Techs., LLC v. Apple Inc.*, 809 F.3d 1307, 1315 (Fed. Cir. 2015); *Blue Calypso LLC v. Groupon, Inc.*, 815 F.3d 1331, 1338–40 (Fed. Cir. 2016)). As we stated in the Decision, a covered business method patent is 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.” Dec. 5 (quoting AIA § 18(d)(1)). The legislative history of the AIA “explains that the definition of covered business method patent was drafted to encompass patents ‘claiming activities that are financial in nature, incidental to a financial activity or complementary to a financial activity.’” *Transitional Program for Covered Business Method Patents—Definitions of Covered Business Method Patent and Technological Invention*, 77 Fed. Reg. 48,734, 48,735 (Aug. 14, 2012) (Final Rule) (quoting 157 CONG. REC. S5432 (daily ed.

Sept. 8, 2011) (statement of Sen. Schumer)). The legislative history indicates that “financial product or service” should be interpreted broadly. *Id.*

Significantly, as we also noted in the Decision (Dec. 10), our reviewing court has “declined to limit the application of CBM review to patent claims tied to the financial sector.” *Blue Calypso*, 815 F.3d at 1338. Our reviewing court also explains that the statute “on its face covers a wide range of finance-related activities.” *Versata Dev. Grp. Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1325 (Fed. Cir. 2015). Our reviewing court in *SightSound* explained that “as a matter of statutory construction, the definition of ‘covered business method patent’ is not limited to products and services of only the financial industry, or to patents owned by or directly affecting activities of financial institutions.” *SightSound*, 809 F.3d at 1315 (citing *Versata*, 793 F.3d at 1325). The court in *Blue Calypso* also explained that “the legislative history supported the proposition that the definition [of CBM] be broadly interpreted to ‘encompass patents claiming activities that are financial in nature, incidental to a financial activity or complementary to a financial activity.’” *Blue Calypso*, 815 F.3d at 1338 (citation omitted).

On this record, Patent Owner does not dispute that claim 1 of the ’432 patent, as construed in light of the Specification, encompasses sales of goods or services in e-commerce. *See generally* Req. Reh’g. In fact, when seeking an earlier priority date, Patent Owner contends that an Originating Participating *Financial Institution* and a Receiving Participating *Financial Institution*, as disclosed in U.S. Patent No. 7,444,676 B1, provide written

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