

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TWILIO INC.,
Petitioner,

v.

TELESIGN CORPORATION,
Patent Owner.

Case CBM2016-00099
Patent 9,300,792 B2

Before SALLY C. MEDLEY, MICHAEL W. KIM, and JUSTIN T. ARBES,
Administrative Patent Judges.

ARBES, *Administrative Patent Judge.*

DECISION

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

Petitioner Twilio Inc. filed a Petition (Paper 1, “Pet.”) requesting covered business method patent review of claims 1–18 of U.S. Patent No. 9,300,792 B2 (Ex. 1001, “the ’792 patent”) pursuant to 35 U.S.C. § 321(a). Patent Owner TeleSign Corporation filed a Preliminary Response (Paper 7, “Prelim. Resp.”) pursuant to 35 U.S.C. § 323. Petitioner filed a Reply (Paper 10, “Reply”) and Patent Owner filed a Sur-Reply (Paper 12, “Sur-Reply”), pursuant to our authorization (Paper 8). Patent Owner also provided, with its Preliminary Response, evidence that it filed with the Office a statutory disclaimer of claims 3, 5, 7, 12, 14, and 16 of the ’792 patent pursuant to 37 C.F.R. § 1.321(a). *See* Prelim. Resp. 10–11; Ex. 2001, 380. Accordingly, no covered business method patent review will be instituted for claims 3, 5, 7, 12, 14, and 16. *See* 37 C.F.R. § 42.207(e).

For the remaining claims 1, 2, 4, 6, 8–11, 13, 15, 17, and 18, we determine whether to institute a covered business method patent review under 35 U.S.C. § 324.¹ Pursuant to 35 U.S.C. § 324(a), the Director may not authorize a covered business method patent review unless the information in the petition, if unrebutted, “would demonstrate that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.” For the reasons that follow, we have decided not to institute a covered business method patent review.

¹ *See* Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,764–65 (Aug. 14, 2012) (“[A] patent owner may file a statutory disclaimer of one or more challenged claims to streamline the proceedings. Where no challenged claims remain, the Board would terminate the proceeding. Where one or more challenged claims remain, the Board’s decision on institution would be based solely on the remaining claims.”).

I. BACKGROUND

A. *The '792 Patent*²

The '792 patent pertains to “on-line or web-site registration,” and describes processes for (1) “verifying an on-line registration by a telephone connection separate from the on-line connection between the web-site and potential registrant,” and (2) “notifying registrants of predetermined events using information obtained during the registration process.” Ex. 1001, col. 1, ll. 29–36. According to the '792 patent, there was a need in the art for a way to accurately verify an individual’s identity during registration because “potential registrants often register with untraceable or false e-mail addresses and phone numbers.” *Id.* at col. 1, ll. 37–60. Similarly, there was a need to prevent fraud by subsequently notifying the registered individual when certain events occur and potentially seeking the individual’s authorization. *Id.* at col. 1, l. 61–col. 2, l. 25.

The registration process begins with a user filling out “an on-line registration form accessed through a website” (i.e., a “first communication connection”). *Id.* at col. 4, ll. 15–17, 51–54. “For example, the registrant or consumer could be an individual attempting to access a web-site and set up an account with a financial institution.” *Id.* at col. 4, ll. 35–38. The user provides certain information requested in the form, such as his or her telephone number. *Id.* at col. 4, ll. 55–58. The website then sends a Short Message Service (SMS) message to the user’s telephone (i.e., a “second communication connection”) containing a verification code. *Id.* at col. 4,

² The '792 patent also is challenged in Case IPR2016-01688. The '792 patent is related to U.S. Patent No. 8,462,920 B2, challenged in Case IPR2016-00450, and U.S. Patent No. 8,687,038 B2, challenged in Case IPR2016-00451.

ll. 61–63, col. 6, ll. 29–36. The user enters the verification code in the website form and, if there is a match and the information provided shows that the user is who he or she purports to be, the user is verified and may login. *Id.* at col. 2, ll. 57–64, col. 4, ll. 63–67.

“After registration, notification events are established” by the user or business utilizing the system or by a third party. *Id.* at col. 2, l. 65–col. 3, l. 1. A notification event may comprise, for example, “a news event, or a request to access or alter [the] registrant’s account.” *Id.* at col. 3, ll. 1–3. When a previously established notification event occurs, the user is notified via the telephone number provided during registration. *Id.* at col. 3, ll. 4–10. For example, the system may send an SMS message or voice message to the user’s telephone containing a verification code. *Id.* at col. 9, ll. 25–37. The user then enters the verification code into a website form, allowing the user to verify his or her identity, “provide[] confirmation of receipt of the information and, where necessary, authorization for the event to occur, such as access to the account, etc.” *Id.* at col. 9, ll. 37–43.

B. Illustrative Claim

Claim 1 of the ’792 patent recites:

1. A verification and notification method implemented by a computing system, the method comprising:

receiving, from a user, information via a computing interface presented to the user as a result of an attempt by the user to access a service, the received information including a telephone number associated with the user;

verifying the telephone number by:

establishing a short message service (SMS) connection with the user using the received telephone number;

communicating a verification code to the user through the SMS connection;

receiving, via the computing interface, a submitted verification code that is entered by the user; and

verifying the telephone number if the submitted verification code is the same as the communicated verification code;

completing a registration of the user based on the received information and verified telephone number, wherein the completed registration enables the user to access the service;

maintaining a record of one or more notification events associated with actions that require acknowledgement by the user;

upon receiving an indication of an occurrence of an established notification event, transmitting a message addressed to the verified telephone number indicating the occurrence of the notification event; and

receiving, from the user, an acknowledgement of an action associated with the established notification event.

C. The Prior Art

Petitioner relies on the following prior art:

U.S. Patent Application Publication No. 2005/0273442 A1, filed May 23, 2005, published Dec. 8, 2005 (Ex. 1003, “Bennett”); and

U.S. Patent Application Publication No. 2006/0020816 A1, filed July 5, 2005, published Jan. 26, 2006 (Ex. 1004, “Campbell”).

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