

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FORD MOTOR COMPANY

Petitioner,

v.

VERSATA SOFTWARE, INC.

Patent Owner.

U.S. Patent No. 7,739,080

CBM Case No.: CBM2016-00101

**FORD MOTOR COMPANY'S PRELIMINARY REPLY IN SUPPORT OF
ITS PETITION FOR POST-GRANT REVIEW (COVERED BUSINESS
METHOD REVIEW) UNDER 35 U.S.C. § 321 AND § 18 OF THE LEAHY-
SMITH AMERICA INVENTS ACT**

Patent Owner asserts that the claims of the ‘080 Patent do not fall within AIA § 18 under *Unwired Planet, LLC v. Google, Inc.*, 841 F.3d 1376 (Fed. Cir. 2016). (Paper 6 at 6–14.)

Before *Unwired Planet*, the PTO had interpreted AIA § 18(d)(1) to include patents that claim “activities that are financial in nature, incidental to a financial activity or complementary to a financial activity.” *See, e.g., Unwired Planet*, 841 F.3d at 1380, n.6. *Unwired Planet* rejected the “incidental to” and “complementary to” parts of the PTO’s interpretation. *Id.* at 1382.¹ But, apart from quoting the statutory language and providing a few negative examples, the Federal Circuit did not provide a new CBM test. Instead, it vacated and remanded to the Board.

¹ Although not dispositive here, the court in *Unwired Planet* did not give proper *Chevron* deference to the PTO’s interpretation of the CBM statute, namely 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.’” *Unwired Planet*, 841 F.3d at 1380 n.6; *see Cooper Techs. Co. v. Dudas*, 536 F.3d 1330, 1337–38 (Fed. Cir. 2008). But even excluding the PTO’s “incidental to” and “complementary to” interpretation, the ‘080 patent claims cover finance-related activities as explained *infra*.

Patent Owner argues that the '080 patent claims are not CBM claims because they have “no particular relation to the financial services sector.” (Paper No. 6 at 12.) But that narrow test was rejected in *Versata Dev. Grp. v. SAP Am., Inc.*, 793 F.3d 1306 (Fed. Cir. 2015). In *Versata*, the Federal Circuit resolved “[a] basic disagreement between the parties to this case [about] how broadly this [AIA § 18(d)(1)] language should be read.” *Id.* at 1323. The Federal Circuit agreed with the PTO that “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 the activities of financial institutions such as banks and brokerage houses. ***The plain text of the statutory definition contained in § 18(d)(1) . . . on its face covers a wide range of finance-related activities.***” *Id.* at 1325 (emphasis added). *Unwired Planet* does not criticize or overturn this holding in *Versata*.

The claims of the '080 patent relate to the “administration or management of a financial product or service,” under AIA § 18(d)(1). The claims consolidate configuration models for “a product,” *e.g.*, in the financial services industry: “Many embodiments of the present invention have application to a wide range of industries including . . . financial services.” (Ex. 1001 at 18:3-9.) The ***identical*** text was analyzed in *Volusion, Inc. v. Versata Software, Inc.*, CBM2013-00017, Paper 8 at 5 (PTAB Oct. 24, 2013). *Versata*, the Patent Owner here, also owned the patent at issue in *Volusion*, U.S. Patent No. 6,834,282. After reviewing the '282 patent's

identical text, the Board readily found that “at least one claim [of the ‘282 patent] covers data processing or other operations used in the practice, administration, or management of a financial service.” *Id.* at 6. That finding did not depend on the “incidental to” or “complementary to” language rejected in *Unwired Planet*.

Unwired Planet does not affect the *Volusion* analysis. The claims of the ‘080 patent cover finance-related activities, namely the administration and management of configuration models used for financial products and services. As in *Volusion*, Patent Owner’s Petition in the present case did “not address the explicit statement in the [‘080] patent concerning ‘financial services’ that was pointed out in the Petition [Paper 1 at 4].” *Volusion*, Paper 8 at 5.

In addition, *Unwired Planet* does not bar CBM review for a claim that covers the practice, administration, or management of a financial product or service merely because that claim might also cover non-financial products or services. No Federal Circuit case has so held and the CBM statute contains no such limitation. AIA § 18.

Under *Unwired Planet*, *Versata*, and *Volusion*, the ‘080 patent claims are CBM claims because they cover “data processing or other operations used in the practice, administration, or management of a financial service.”

Dated: January 18, 2017

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Certificate of Service

The undersigned hereby certifies that on January 18, 2017 a complete and entire copy of **FORD MOTOR COMPANY’S PRELIMINARY REPLY IN SUPPORT OF ITS PETITION FOR POST-GRANT REVIEW (COVERED BUSINESS METHOD REVIEW) UNDER 35 U.S.C. § 321 AND § 18 OF THE LEAHY-SMITH AMERICA INVENTS ACT**, was served via electronic mail to PTAB@skgf.com; rsterne-PTAB@skgf.com; sbezos-PTAB@skgf.com; holoubek@skgf.com; jmutsche-PTAB@skgf.com; jtuminar-PTAB@skgf.com; kchambers@tcchlaw.com; sharoon.saleem@jonesspross.com which will serve the following counsel of record:

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