

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FORD MOTOR COMPANY,
Petitioner,

v.

VERSATA DEVELOPMENT GROUP, INC.,
Patent Owner.

CBM2016-00101
Patent 7,739,080 B1

Before SALLY C. MEDLEY, KEVIN F. TURNER, and JAMES B. ARPIN,
Administrative Patent Judges.

MEDLEY, *Administrative Patent Judge.*

DECISION

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

I. INTRODUCTION

Ford Motor Company, (“Petitioner”) filed a Petition requesting a covered business method patent review of claims 1–22 of U.S. Patent No. 7,739,080 B1 (Ex. 1001, “the ’080 patent”). Paper 1 (“Pet.”). In response, Versata Development Group, Inc. (“Patent Owner”) filed a Patent Owner Preliminary Response. Paper 6 (“Prelim. Resp.”). In its Patent Owner Preliminary Response, Patent Owner asserts, with supporting evidence, that it filed a statutory disclaimer pursuant to 37 C.F.R. § 1.321(a), disclaiming claim 22. *See* Prelim. Resp. 37; Ex. 2009. Accordingly, no covered business method patent review will be instituted for claim 22. *See* 37 C.F.R. § 42.207(e).

Subsequent to the parties’ submissions, we authorized Petitioner to file a Reply, addressing the impact of *Unwired Planet, LLC v. Google Inc.*, 841 F.3d 1376 (Fed. Cir. 2016), decided after Petitioner filed its Petition and cited by Patent Owner in its Preliminary Response. Paper 7. We authorized Patent Owner to file a sur-reply. *Id.* The parties submitted their respective papers on this issue. Paper 10 (“Reply”); Paper 11 (“Sur-Reply”).

Under 35 U.S.C. § 324, a post-grant review may not be instituted “unless . . . the information presented in the petition . . . 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 do not institute a covered business method patent review of claims 1–21 of the ’080 patent.

A. Related Matters

The '080 patent is involved in the following lawsuit: *Ford Motor Co. v. Versata Software, Inc.*, No. 2:15-cv-10628 (E. Mich.). Pet. iv; Paper 4, 2. In compliance with 37 C.F.R. § 42.302(a), Petitioner certifies that it has been sued for infringement of the '080 patent. Pet. 2. Patent Owner does not challenge Petitioner's certification that it has been sued for infringement of the '080 patent.

B. The '080 Patent

The Specification of the '080 patent describes a system and method for consolidating multiple configuration models of a product. Ex. 1001, 1:9–11. In particular, configurations are built on configuration models for a product where the model is a collection of rules defining buildable configurations of a product. *Id.* at 2:57–58. The invention looks for relationships in a directed acyclic graph (DAG) to arrive at the model. *Id.* at 10:21–28. The patent describes an example of two models, where one model is adjusted in order to permit its combination with the other model. *Id.* at 9:14–16.

C. Illustrative Claim

Claim 1 is representative and is reproduced below:

1. A method of using a computer system to consolidate multiple configuration models of a product, the method comprising:

performing with the computer system:

identifying a conflict between at least two of the

configuration models, wherein the configuration models are organized in accordance with respective directed acyclic graphs, each configuration model includes at least one ancestor configuration model family space and a child configuration model family space below the ancestor configuration model family space, a first of the conflicting configuration models comprises an ancestor configuration model family space that is different than an ancestor configuration model family space of a second of the conflicting configuration model, and each child configuration model family space constrains the ancestor configuration model family space above the child in accordance with configuration rules of the configuration model to which the child belongs;

extending at least one of the ancestor configuration model family spaces of the conflicting configuration models so that the ancestor configuration model family spaces of the first and second conflicting configuration models represent the same ancestor configuration model family space;

removing from the child configuration model family space any configuration space extended in the ancestor of the child configuration family space; and

combining the first and second configuration models into a single, consolidated model that maintains a non-cyclic chain of dependencies among families and features of families for use in answering configuration questions related to the product.

Ex. 1001, 18:16–49.

D. Asserted Grounds of Unpatentability

Petitioner contends that claims 1–21 of the '080 patent are unpatentable under 35 U.S.C. § 101 and that claims 2, 10, and 16 are

indefinite under 35 U.S.C. § 112, ¶ 2.¹

E. Claim Interpretation

The Board interprets claims in an unexpired patent using the “broadest reasonable construction in light of the specification of the patent in which [they] appear[.]” 37 C.F.R. § 42.300(b); *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2144–46 (2016) (upholding the use of the broadest reasonable interpretation standard). For purposes of this Decision, we determine that no claim term requires explicit interpretation.

II. DISCUSSION

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.” Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284, 329 (2011) (“AIA”) § 18(d)(1) (emphasis added); *see* 37 C.F.R. § 42.301(a).

The U.S. Court of Appeals for the Federal Circuit recently held the following regarding the scope of covered business method (CBM) patent review:

CBM patents are limited to those with claims that are directed to methods and apparatuses of particular types and with particular uses “in the practice, administration, or management of a financial product or service.” The patent for a novel lightbulb that is found to work particularly well in bank vaults does not become a CBM

¹ As explained above, Patent Owner filed a statutory disclaimer, disclaiming claim 22.

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