UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE INC.,
Petitioner

v.

ALFONSO CIOFFI, MEGAN ELIZABETH ROZMAN,
MELANIE ANN ROZMAN, AND MORGAN LEE ROZMAN,
Patent Owners.

Case CBM2017-00015
Patent RE43,528

PETITIONER'S SUPPLEMENTAL BRIEF REGARDING *UNWIRED PLANET* AND *SECURE AXCESS*

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Petitioner Google Inc. provides the following supplemental briefing in response to the Board's March 24, 2017 order authorizing each party to file a brief addressing the impact of *Unwired Planet, LLC v. Google Inc.*, 841 F.3d 1376 (Fed. Cir. 2016) and *Secure Axcess, LLC v. PNC Bank National Assoc.*, 848 F.3d 1370 (Fed. Cir. 2017).

I. THE '528 REISSUE QUALIFIES AS A CBM PATENT UNDER *UNWIRED PLANET* AND *SECURE AXCESS*

The AIA defines a CBM patent as one claiming a method or apparatus "for performing data processing or other operations used in the practice, administration, or management of a financial product or service …." AIA § 18(d)(1). In *Unwired Planet*, the Federal Circuit rejected any expansion of the statutory definition to include those claiming activities that are only "incidental to" or "complementary to" financial activity. 841 F.3d at 1382. The decision did not suggest, however, that a CBM patent must include claim terms that are explicitly and solely financial in nature. Rather, *Unwired Planet* stands for the straightforward proposition that the claims themselves (rather than the written description alone) must meet the unexpanded statutory definition of a CBM patent. *Id*. at 1381 ("The authoritative statement of the Board's authority to conduct a CBM review is the text of the statute.").

The *Secure Axcess* court "dr[e]w the same conclusion" as the *Unwired Planet* court – that the statutory definition excludes patents claiming activities that

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are only "incidental to" or "complementary to" financial activity – and went further by concluding that the particular patent at issue there was "outside the definition of a CBM patent that Congress provided by statute." 848 F.3d at 1373. Again, the court confirmed that the statutory definition does not require that claims contain specific, explicitly financial terms. *Id*. at 1381 ("To be clear: the phrasing of a qualifying claim does not require particular talismanic words.").

What *Secure Axcess* and *Unwired Planet* collectively confirm then is that the statutory definition controls CBM-eligibility and that it does not require recitation of explicitly financial terms in the claims. As explained in the Petition, "the ***claims*** contain specific language, identified by the Patent Owner's own expert, that ***directly ties the challenged claims to and implies the use of*** an embodiment for conducting a financial activity" (i.e., "internet banking"). Pet. at 9. The '528 Reissue claims recite a method "for performing data processing or other operations ***used in*** the practice, administration, or management of a financial product or service," and the patent therefore falls directly within the statutory definition. The Board need not apply the "incidental to" or "complementary to" standard to conclude that the '528 Reissue claims satisfy the requirements of AIA § 18(d)(1).

The Patent Owners may assert a narrow reading of the Federal Circuit decisions to suggest that the claims must include explicitly financial terms and that they must exclude any possibility of covering non-financial activity. Neither the

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Federal Circuit cases nor the statute impose such a narrow definition. Furthermore, applying such a narrow definition to preclude institution of this review would end the proceeding prematurely. In the preliminary response, Patent Owners accept that the "operative inquiry" involves determining "what the claims are ***directed to***" (Prelim. Resp. at 22) but dispute the evidence showing that the challenged claims are "directed to" internet banking (*id*. at 18-24). At most, however, Patent Owners raise an issue of material fact. Petitioner showed that the claims are directed to a financial activity based on direct evidence including admissions by the Patent Owners and their expert witness. Pet. at 6-9; Ex. 1011; Ex. 1014. This evidence is *unrebutted* by any of Patent Owners' evidence, though they submitted a declaration in response to the petition by *the very same expert* (addressing the technical prong of CBM-eligibility). In any event, any factual dispute between the parties on this underlying issue should be resolved in favor of the Petitioner at the institution stage. 37 C.F.R. § 42.108(c). Moreover, by instituting a CBM review, the Board will gain the benefit of further discussion of CBM-eligibility by other PTAB panels and the Federal Circuit.

II. THE '528 REISSUE CLAIMS A METHOD "USED IN" INTERNET BANKING

As explained in the petition, claim 8 recites a method for exchanging data on a network that is limited to "encrypting data" in a first process, "transferring the encrypted data" to a second process, and then "transferring the encrypted data"

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along to a "network interface device." Pet. at 9; '528 Reissue at 18:56-62 (Ex. 1001). The specification identifies ***only one use*** for the claimed method of exchanging encrypted data: ***internet banking***. '528 Patent at 16:66-17:48 (Ex. 1001). Claim 8 is not directed to data "encryption" in general, but to a specific method of operating a computer that is used to exchange sensitive financial data with an "internet banking host computer." *Id.* at 17:27-31. Claim 8 does not recite a claim that is merely "incidental to" or "complementary to" a financial activity. Instead, claim 8 recites a method "***used in***" that financial activity (i.e., "internet banking") exactly as required by the statutory definition of a CBM patent. Therefore, both *Unwired Planet* and *Secure Axcess* confirm that the '528 Patent is eligible for CBM review.

Respectfully submitted,

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