UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FACEBOOK, INC., MATCH.COM LLC,
PEOPLE MEDIA, INC., and GOOGLE INC.
Petitioner

v.

B.E. TECHNOLOGY, L.L.C.
Patent Owner

Case IPR2014-00053[1]
Patent 6,628,314 B1

Before SALLY C. MEDLEY, KALYAN K. DESHPANDE, and LYNNE E. PETTIGREW, *Administrative Patent Judges*.

DESHPANDE, *Administrative Patent Judge*.

PATENT OWNER'S REPLY TO PETITIONER'S OPPOSITION TO PATENT OWNER'S CONTINGENT MOTION TO AMEND (37 C.F.R. § 42.121)

[1] Cases IPR2014-00698 has been joined with this proceeding.

Patent Owner respectfully submits this reply to the opposition of Petitioner Facebook, Inc. ("Facebook") to its Contingent Motion to Amend.

I. THE PROPOSED CLAIMS ARE PATENTABLE OVER PRIOR ART

As previously discussed, Apte discloses streaming advertisements to a client computer based on a user's current viewing habits. Apte discloses that advertising software is downloaded to a client computer and acts as an overlay to a browser. Exhibit 1008 at 3:33-41. The advertising software provides capabilities to the user, including "buttons for the user to control the presentation and content of advertisements, and for the user to view multimedia information, securely purchase an item, clip an electronic coupon." *See id.* at 3:42-45. Apte further discloses that advertisements can be targeted to the user based upon various recorded information. *Id.* at 9:56-68, 10:3-5, 10:11-13.

It is clear from the disclosure of Apte that the advertising software downloaded to the client computer records user interaction with the advertising software because advertisements are targeted based upon audit trails of functionalities specifically provided by the advertising software.

Facebook has not shown that one of ordinary skill in the art would have been motivated to combine Apte with either of its other two obviousness combinations. Mr. Sherwood's declaration states in conclusory fashion that one of ordinary skill would have been motivated to combine Apte with either of the Shaw combinations,

but he offers no explanation of how the specific teaching of Apte could be combined with the other two combinations. Mr. Sherwood offers no analysis of how or why the combinations could be made, beyond result-oriented statements that the combination would result in a system having all elements of the proposed amended claim. The Federal Circuit has cautioned against this hindsight reasoning. *Ruiz v. A.B. Chance Co.*, 357 F.3d 1270, 1275 (Fed. Cir. 2004); *Ecolochem, Inc. v. S. California Edison Co.*, 227 F.3d 1361, 1371 (Fed. Cir. 2000).

Facebook's reliance on Barrett is also misplaced. Barrett describes an observer agent that monitors user interaction with a web browser to determine information to be pushed to a user computer. *See* Ex. 1035 at Abstract, 9:18-46. Barrett does not disclose advertising software downloaded to a client, and the generalized statements in Barrett regarding the desirability of understanding a user's behavior adds nothing to references already identified. Barrett makes no mention of demographics, targeted advertising, or advertising at all. Facebook's presentation regarding motivation to combine Barrett with the Shaw combinations are similarly conclusory, and without support. *Ruiz*, 357 F.3d at 1275.

None of the references, alone or in combination, teaches or suggests

> computer usage information comprises information about the user's interactions with said computer software displaying advertising content and at least one other program …[or] selecting advertising content for transfer to the computer in accordance with real-time and other computer usage information and demographic information associated with said unique identifier.

II. THE PROPOSED CLAIMS ARE PATENTABLE UNDER § 101

Facebook argues that the subject matter of the proposed substitute claims is not patentable under 35 U.S.C. § 101. Facebook bases its argument on the notion that the proposed substitute claims "are directed to the abstract idea of improving advertising results by showing people advertising for products and services they are interested in purchasing." Paper 34 at 12. That is obviously not true. The proposed substitute claims are not written in a manner that would capture all or a significant part of this idea, and it is plainly wrong to construe them to do so.

The Supreme Court has recently addressed the idea that "abstract ideas" are not patentable under Section 101, while also cautioning against the indiscriminate use of the "abstract ideas" concept. In *Alice Corp. v. CLS Bank Intl*, 134 S. Ct. 2347, 2354 (2014), the Court explained that "[a]t some level, all inventions . . . embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas." One must "tread carefully in construing this exclusionary principle lest it swallow all of patent law." *Id*.

The Supreme Court has "described the concern that drives this exclusionary principle as one of pre-emption," recognizing that if tools could be "monopolized" through the grant of a patent, innovation might be impeded more than it would be promoted. *Mayo Collaborative Services v. Prometheus Labs.*, 132 S. Ct. 1289, 1354 (2012). The proposed substitute claims present no such threat as they are

actually written. In applying the exclusionary rule, courts must "distinguish between patents that claim the 'buildin[g] block[s]' of human ingenuity and those that integrate the building blocks into something more." *Id.* at 1303. The proposed substitute claims do not claim any such "building blocks," and they cannot be said merely to transport an abstract idea to a computer. (Given the limitations of the proposed claims, it would not, of course, be possible to practice them without a computer.) Those interested in "improving advertising results by showing people advertising for products and services they are interested in purchasing" have ample opportunity to do so, notwithstanding the proposed substitute claims, on line or off line, with or without the use of the specific types of information called for by the proposed claims, and with or without the use of the specific steps required by the proposed substitute claims.

III. THE PROPOSED CLAIMS ARE NOT INDEFINITE

Facebook asserts that the proposed substitute claims are indefinite under 35 U.S.C. § 112(b) because "real time" is not defined. "Real time" is used in the '314 patent to refer to events that occur while a user is engaged in an activity. In the Abstract, there is a reference to what happens "when the user runs the program." Exhibit 1101, Abstract. Elsewhere, the reference is to matters "relevant to what the user is doing at any particular time." *Id*. at 16:9-14. A prior art patent that refers to advertisement queues that are prepared off-line is distinguished as not

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