

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MASTERCARD INTERNATIONAL INCORPORATED

Petitioner

v.

JOHN D'AGOSTINO

Patent Owner

Case IPR2014-00544

Patent 7,840,486

PATENT OWNER'S REQUEST FOR REHEARING

UNDER 37 C.F.R. § 42.71(d)

Preliminary Statement

In accordance with 37 C.F.R. § 42.71(d), Patent Owner submits the following Request for Rehearing of the Final Written Decision dated August 31, 2015 that finds claims 1-30 of U.S. Patent No. 7,840,486 (“the ‘486 patent”) unpatentable over the asserted prior art.

Patent Owner respectfully requests a rehearing on the Board’s Final Written Decision because (1) the Board misapprehended or overlooked the claim limitation “as said single merchant,” which when considered, the claim limitation changes the Board’s claim construction and (2) under the correct claim construction, the claim limitation is missing from the asserted prior art. For these reasons, the Patent Owner requests the Board to issue a new Final Written Decision that finds claims 1-30 of the ‘486 patent are patentable over the asserted prior art.

Applicable Law

A final decision is reviewed for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion occurs when a “decision was based on an erroneous conclusion of law or clearly erroneous factual findings, or . . . a clear error of judgment.” *Illumina, Inc. v. Trustees of Columbia Univ.*, IPR2012-00007, Decision, Request for Rehearing, Paper 54 at 2 (May 10, 2013).

The Board interprets claims of an unexpired patent according to their broadest reasonable interpretation in light of the specification of the patent in

which they appear. 37 C.F.R. § 42.100(b). Claim terms are given their ordinary and customary meaning as would be understood by one of ordinary skill in the art in the context of the entire disclosure. *In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007). “All words in a claim must be considered in judging the patentability of that claim against the prior art.” *In re Wilson*, 424 F.2d 1382, 1385 (CCPA 1970).

Argument

In its Final Written Decision, the Board “[construed] the relationship between the recited ‘particular merchant’ and the ‘single merchant’ such that the ‘single merchant’ includes the particular merchant as a member of the single merchant chain, without identifying the particular merchant.” Paper 22 at 17. In reaching this conclusion, the Board misapprehended or overlooked the claim limitation “as said single merchant,” which immediately follows the claim language “prior to any particular merchant being identified.”

The Patent Owner argued that all of the claims of the ‘486 patent include the claim limitation “said single merchant limitation being included in said payment category prior to any particular merchant being identified *as said single merchant.*” See Ex. 1001, 8:61-63; PO Resp. at 18-20 (emphasis added). The Patent Owner further argued that dropping “as said single merchant” from the claim limitation is improper. PO Resp. at 13-16, 25-26; Tr. 26:23-27:11. The

Patent Owner further argued that under the proper claim construction, a limit to a chain of stores does not satisfy the claim limitation. PO Resp. at 25-26.

Specifically, a limit to a chain of stores as the single merchant cannot satisfy the claim limitation, because creating such a limit requires identification of the chain store before the limit can be created and the purchases restricted to the identified chain store, whereas the claim limitation requires that the single merchant is not identified before the limit to the single merchant is created. *Id.*

The Board rejected the Patent Owner's argument and found "a single merchant can be the chain of stores, whereas the particular merchant is a single store of that chain of stores." Paper 22 at 17 (internal quotations removed). The Board further concluded "the 'single merchant' could be Target or McDonald's chain of stores, where a 'particular merchant' could be a specific Target or McDonald's store, e.g., at a particular location or online." Paper 22 at 16. This finding is an erroneous conclusion of law and a clearly erroneous finding of fact.

First, the Board has misconstrued the claim limitation by improperly stripping "as said single merchant" from the claim limitation. This is apparent because in construing the claim limitation the Board did not account for the requirement that the "particular merchant" is the "single merchant," as required by the claim. The claim explicitly recites "**said single merchant** limitation being

included in said payment category **prior to any particular merchant being identified as said single merchant.**”

The Board’s error is most easily shown by inserting Target as the single merchant limit and Location A (a subset store of the single merchant Target chain store) as the particular merchant limit within the claim itself: said **Target** (single merchant) being included in said payment category prior to **Location A** (any particular merchant) being identified as said **Target** (single merchant).

Accordingly, as seen here, when the entire claim limitation is considered, including “as said single merchant,” it becomes clear that the Board’s claim construction is erroneous.¹

The Board’s claim construction is incorrect because the Board’s construction results in Location A being both the particular merchant as a subset of the single merchant and also the single merchant itself. This contradicts the Board because the Board is separately relying upon the chain of stores to meet the single merchant

¹ This same demonstration applies whether the chain of stores is identified as Target, McDonalds, or any other chain of stores as the single merchant. In any instance, when the entire claim is considered, the subset store that is relied upon by the Board as the particular merchant limit becomes both the particular merchant and the single merchant, which contradicts the Board’s reliance upon the chain of stores to meet the single merchant limit without identifying a particular merchant.

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