

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ASKELADDEN LLC,
Petitioner,

v.

SEAN I. MCGHIE and BRIAN K. BUCHHEIT,
Patent Owner.

Case IPR2015-00124
Patent 8,540,152 B1

Before SALLY C. MEDLEY, JONI Y. CHANG, and
GEORGIANNA W. BRADEN, *Administrative Patent Judges*.

BRADEN, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
Inter Partes Review
35 U.S.C. § 318(a) and 37 C.F.R. § 42.73

I. INTRODUCTION

We have jurisdiction to hear this *inter partes* review under 35 U.S.C. § 6(c), and this Final Written Decision is issued pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73. For the reasons that follow, we determine that Petitioner has shown by a preponderance of the evidence that claims 1–20 of U.S. Patent No. 8,540,152 B1 (Ex. 1501, “the ’152 patent”) are unpatentable.

A. Procedural History

Petitioner, Askeladden LLC¹ filed a Petition to institute an *inter partes* review of claims 1–20 of the ’152 patent. Paper 1 (“Pet.”). Patent Owner, Sean I. McGhie and Brian K. Buchheit,² filed a Revised Preliminary Response. Paper 15 (“Prelim. Resp.”). Upon consideration of the Petition and Preliminary Response, pursuant to 35 U.S.C. § 314(a), we instituted an *inter partes* review of claims 1–20 as on the following grounds:

¹ The Real Parties-in-Interest also includes The Clearing House Payment Company. *See* Paper 28.

² Patent Owner is represented by inventor Brian Buchheit, who is an attorney and registered to practice before the Office. At times during the proceeding, Mr. Buchheit indicated that he was representing “Patent Owners” (Mr. Buchheit and Mr. McGhie), while at other times Mr. Buchheit indicated that he was not representing Mr. McGhie, but rather acting *pro se*. Papers 4, 15, 40, 50; Ex. 2054. Over the course of the proceeding, we have provided instructions to Patent Owner on filing papers, authorized Patent Owner leave to refile papers and file papers beyond due dates, and expunged other Patent Owner papers that were not authorized, not in compliance with Board rules, and/or contained arguments beyond what was authorized. *See, e.g.*, Papers 8, 9, 11, 14, 38, 39 (and Exhibit 3001), 51, 53.

References	Basis	Claims Challenged
MacLean ³ and Sakakibara ⁴	§ 103	7–11
MacLean, Sakakibara, and Postrel ⁵	§ 103	1–6 and 12–20

See Paper 35 (“Dec. to Inst.”), 39.

In the Scheduling Order, which sets times for taking action in this proceeding, we notified the parties that “any arguments for patentability not raised in the [Patent Owner] response will be deemed waived.” Paper 36, 3; *see also* Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,766 (Aug. 14, 2012) (a patent owner’s “response should identify all the involved claims that are believed to be patentable and state the basis for that belief”). Patent Owner, however, did not file a Patent Owner Response. To ensure clarity in our record, we required Patent Owner to file a paper, indicating whether it had abandoned the contest.⁶ Paper 51. Patent Owner indicated that it had not abandoned the contest. Paper 53. Patent Owner, however, did not seek authorization to belatedly file a Patent Owner Response, nor indicated that it wished to file such a Response. We have, therefore, the

³ US Patent Publication No. 2002/0143614 A1, pub. Oct. 3, 2002 (Ex. 1504, “MacLean”).

⁴ US Patent No. 6, 721,743 B1, iss. Apr. 13, 2004 (Ex. 1505, “Sakakibara”).

⁵ US Patent Publication No. 2005/0021399 A1, pub. Jan. 27, 2005 (Ex. 1503, “Postrel”).

⁶ An abandonment of the contest is construed as a request for adverse judgment. 37 C.F.R. § 42.73(b)(4). A request for adverse judgment, on behalf of a Patent Owner, would result in the cancellation of the involved claims of a challenged patent, e.g., without consideration of the Petition, etc. On the other hand, when a Patent Owner does not abandon the contest, but chooses not to file a Patent Owner Response, the Board generally will render a final written decision, e.g., based on consideration of the Petition, etc.

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Petition before us with no Patent Owner Response. Nonetheless, Petitioner bears the burden to show, by a preponderance of the evidence, that the challenged claims are unpatentable.

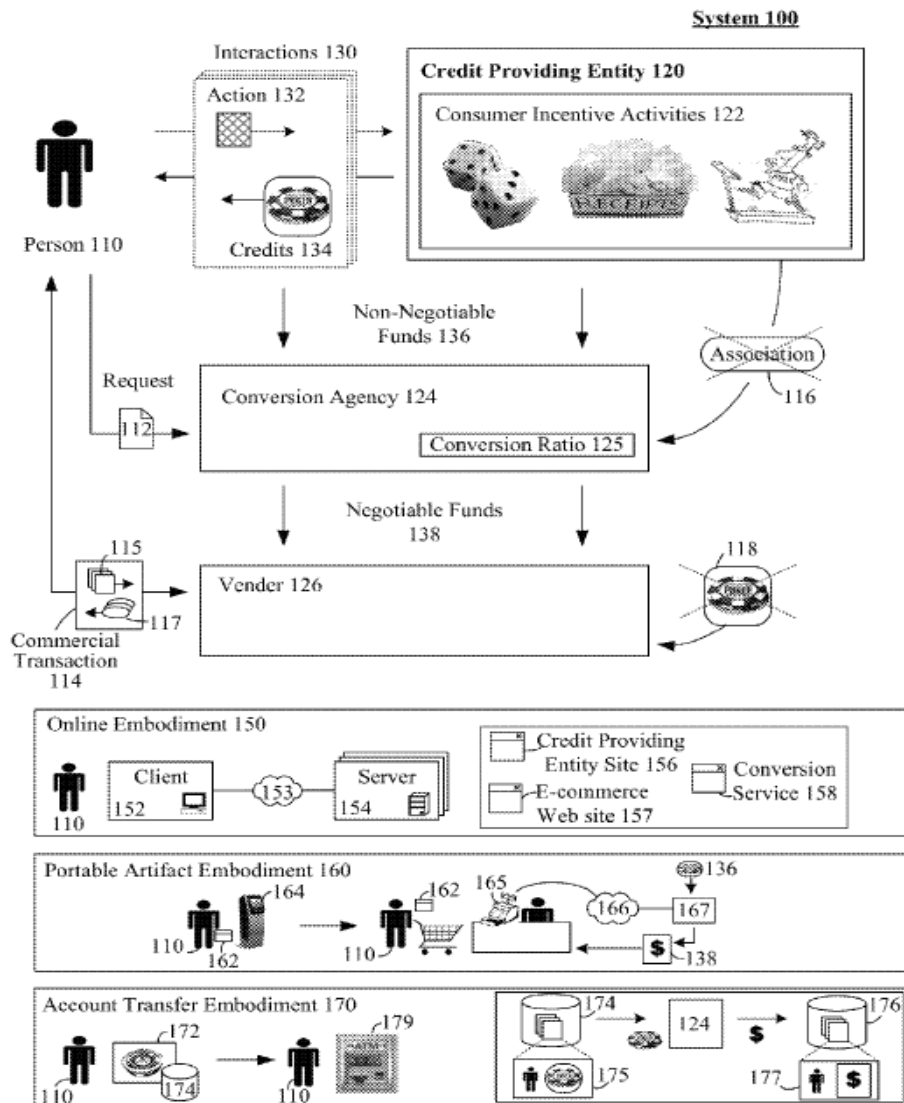
For the reasons that follow, we determine that Petitioner has shown by a preponderance of the evidence that claims 1–20 of the '152 patent are unpatentable.

B. Related Proceedings

Petitioner informs us that the '152 patent is the subject of a concurrently-filed petition for *inter partes* review. Pet. 1; *see* IPR2015-00125. Petitioner also informs us that related U.S. Patent Nos. 8,313,023 B1 and 8,511,550 B1 (“’023 Patent” and “’550 Patent,” respectively) are the subjects of covered business method review proceedings, cases CBM2014-00095 (“’023 CBM”) and CBM2014-00096 (“’550 CBM”). Pet. 1.

C. The '152 Patent

The '152 patent discloses systems and methods for converting points or credits from one loyalty program to a different loyalty program and redeeming the points or credits for services or merchandise. Ex. 1501, Abstract. One embodiment of the '152 patent is illustrated in Figure 1, reproduced below.



As shown in Figure 1, non-negotiable points or credits 136 earned from a consumer incentive activity 122 (e.g., a frequent flyer loyalty program) are converted to negotiable funds 138 provided by conversion agency 136. *Id.* at 3:60–64; Fig. 1. According to the '152 patent, consumer incentive activity 122 is sponsored by credit providing entities 120. *Id.* at 6:19–21. Examples of credit providing entities 120 includes corporations such as airlines, hotels, credit card companies, casinos, cruise ships, States (for lottery, scratch off games, etc.), churches, race tracks, online gambling site

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