

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CLOVER NETWORK, LLC,
Petitioner,

v.

CLOUDOFCHANGE, LLC,
Patent Owner

IPR2023-00287
Patent 11,226,793 B2

Before HUBERT C. LORIN, JEREMY M. PLENZLER, and
CARL M. DEFRANCO, *Administrative Patent Judges*.

PLENZLER, *Administrative Patent Judge*.

DECISION

Granting Institution of *Inter Partes* Review

35 U.S.C. § 314

Granting Motion for Joinder 35 U.S.C. § 315(c)

37 C.F.R. § 42.122

I. INTRODUCTION

A. *Background and Summary*

Clover Network, LLC (“Petitioner”) filed a Petition requesting *inter partes* review of claims 1–4, 7–28, and 31–44 of U.S. Patent No. 11,226,793

B2 (Ex. 1001, “the ’793 patent”). Paper 4 (“Pet.”). CloudfChange, LLC (“Patent Owner”) file a Preliminary Response. Paper 13 (“Prelim. Resp.”).

Concurrently with the Petition, Petitioner filed a Motion for Joinder in which it sought to join IPR2022-01143 (the “1143 IPR”) as a party. Paper 3 (“Mot.” or “Motion”). Patent Owner opposed the Motion. Paper 8 (“Opp.” or “Opposition”). Petitioner filed a reply in support of the Motion. Paper 9.

Under 35 U.S.C. § 314(a), an *inter partes* review may not be instituted unless the information presented in the petition “shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” For the reasons stated below, we determine that Petitioner has established a reasonable likelihood that it would prevail with respect to at least one of the challenged claims. We hereby institute an *inter partes* review in this proceeding.

Additionally, for the reasons set forth below, we exercise our discretion to join Petitioner (Clover Network LLC) as a party to the 1143 IPR. 35 U.S.C. § 315(c).

B. Related Matters

In addition to the 1143 IPR, the parties indicate that the ’793 patent is involved in *CloudfChange, LLC v. Lightspeed POS Inc.*, 6:21-cv-01102 (W.D. Tex. Oct. 22, 2021) (“the Lightspeed Litigation”). Pet. 1; Paper 6, 3. The parties also indicate that the ’793 patent was previously involved in a lawsuit *CloudfChange, LLC v. NCR Corporation*, 6-19-cv-00513 (W.D. Tex. Aug. 30, 2019) (“the NCR Litigation”), which resulted in a jury verdict for Patent Owner, but is still pending final judgment. Pet. 2; Paper 6, 3.

C. The ’793 Patent

The ’793 patent relates to “a system and a method for online, web-based point of sale (POS) building and configuration.” Ex. 1001, Abstract.

According to the '793 patent, “[c]urrent practice in the field of assembling point of sale systems includes manually coding front-of-screen information,” which “contains menu selections, page selections, and general answers to business questions.” *Id.* at 1:33–37.

The '793 patent explains that “in the prior art, a specialized programmer had to design the layout and data for these POS touch keys,” but “[w]ith this invention, the store operator will be able to build his POS screens online over the Internet.” Ex. 1001, 3:5–7, 13–14.

The '793 patent explains that its “POS builder system can be provided as a service or deployed within a corporation,” and notes that “[f]or example, Software as a Service (SAAS) is a software distribution model in which applications are hosted by a vendor or service provider and made available to customers over a network, typically the Internet.” Ex. 1001, 6:11–16.

D. Illustrative Claim

1. A web-based point of sale (POS) builder system comprising:
 - at least one server configured to:
 - communicate with one or more POS terminals over a network comprising the Internet, wherein the one or more POS terminals are configured to display one or more POS screens;
 - receive, over the network from a POS builder interface, information used for creating or modifying the one or more POS screens including creating or modifying one or more display interfaces for display on the one or more POS screens, the one or more display interfaces being associated with one or more items;
 - receive, from at least one of the one or more POS terminals over the network, further information regarding

one or more POS transactions corresponding to the one or more items;

configure the one or more POS terminals with the information over the network to create or modify based on the further information regarding one or more POS transactions the one or more POS screens displayed on the one or more POS terminals; and

wherein the further information regarding the one or more POS transactions, the information used for creating or modifying the one or more POS screens, or a combination thereof comprises one or more of employee clock information, customer add/update information, item add/update information, promotion information, loyalty point information, discount information, taxation information, item cost information, or inventory information;

wherein said further information regarding the one or more POS transactions relate to one or more transactions by corresponding customers respectively associated with at least one of said one or more POS terminals.

Ex. 1001, 6:29–64.

E. Evidence and Asserted Grounds

Petitioner asserts that claims 1–4, 7–28, 31–44 would have been unpatentable on the following grounds:

Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
1–4, 7–28, 31–44	103	Woycik ¹
1–4, 7–28, 31–44	103	Tengler ²

¹ US Patent Pub. No. US 2007/0265935 A1, published Nov. 15, 2007 (Ex. 1004).

² US Patent Pub. No. US 2005/0049921 A1, published Mar. 3, 2005 (Ex. 1005).

The grounds listed above are virtually identical to those at issue in the 1143 IPR. Petitioner submits a declaration from Todd Mowry (Ex. 1002). Patent Owner submits a declaration from Alex Cheng. (Ex. 2008).

II. ANALYSIS

A. *Legal Standards*

Petitioner bears the burden of persuasion to prove unpatentability, by a preponderance of the evidence, of the claims challenged in the Petition. 35 U.S.C. § 316(e). This burden never shifts to Patent Owner. *Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015). The Board may authorize an *inter partes* review if we determine that the information presented in the Petition and Patent Owner's Preliminary Response shows that there is a reasonable likelihood that Petitioner will prevail with respect to at least one of the claims challenged in the Petition. 35 U.S.C. § 314(a). "When instituting *inter partes* review, the Board will authorize the review to proceed on all of the challenged claims and on all grounds of unpatentability asserted for each claim."³ 37 C.F.R. § 42.108(a) (2021).

B. *Level of Ordinary Skill in the Art*

Petitioner contends that "[a] 'person of ordinary skill in the art' (POSITA) at the time of the effective filing date of the '793 patent would have been someone with a working knowledge of designing, developing, and deploying web-based software and systems" and "would have had a Bachelor of Science in computer science or a related field, and approximately two years of professional experience or equivalent study in the design and development of web-based software and systems, including

³ Our discussion below focuses on claim 1.

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.