

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SQUARE, INC.,
Petitioner,

v.

THINK COMPUTER CORPORATION,
Patent Owner.

Case CBM2014-00159
Patent 8,396,808 B2

Before TONI R. SCHEINER, MICHAEL W. KIM, and
BART A. GERSTENBLITH, *Administrative Patent Judges*.

KIM, *Administrative Patent Judge*.

DECISION ON REQUEST FOR REHEARING
37 C.F.R. §§ 42.5, 42.71(d)

On December 28, 2015, Patent Owner filed a Request for Rehearing Pursuant to 37 C.F.R. § 42.71 (Paper 51; “Req.”) concerning a Final Written Decision mailed November 27, 2015 (Paper 47; Dec.).

A request for rehearing can only point out that which the Board misapprehended or overlooked, and will be reviewed for abuse of discretion.

37 C.F.R. § 42.71(d). Moreover, as the moving party, the burden of persuasion falls on Patent Owner. 37 C.F.R. § 42.20(c). The request must specifically identify all matters the party believes the Board misapprehended or overlooked, and where each matter was previously addressed in a motion, an opposition, or a reply. Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,768 (Aug. 14, 2012).

1. *“wherein the first account and the second account are adapted to selectively function as either a merchant or a purchaser account during any particular transaction”*

Fundamentally, most of Patent Owner’s assertions, on this issue but also others, are misplaced, because while Patent Owner liberally uses the phrase “misapprehend or overlook,” Patent Owner actually uses the phrase predominantly as a substitute for “disagree.” In doing so, Patent Owner misunderstands the purpose of requests for rehearing, and the importance of “specifically identify[ing] all matters the party believes the Board misapprehended or overlooked, *and where each matter was previously addressed in a motion, an opposition, or a reply.*” Office Patent Trial Practice Guide, 77 Fed. Reg. at 48,768 (emphasis added). This guidance is particularly important for a request for rehearing of a Final Written Decision, as the trial portion of the proceeding is now closed, and neither party is allowed to enter new arguments, citations, or evidence.

In the vast majority of its assertions, Patent Owner fails to identify where the arguments, citations, or evidence were previously addressed in a substantive paper. A request for rehearing must necessarily be limited to such arguments already made, and citations and evidence already presented, because to do otherwise would be fundamentally unfair to the opposing party, in this case, the Petitioner. Specifically, due process and fairness

dictates that for every assertion made by one party, the opposing party must have the opportunity to rebut that assertion. That is why these trial proceedings provide very specific times and papers for which each party is allowed to make and rebut substantive assertions. Allowing one party to make assertions outside of those confines upsets that balance. To be sure, the Board is fallible, and so requests for rehearing are provided to ensure that every argument, citation, or evidence presented was properly considered in rendering a decision. Nevertheless, it is to balance this desire for completeness with the aforementioned notions of due process and fairness that, in requests for rehearing, the moving party is scrupulously limited to identifying assertions already made, and citations, or evidence previously presented in conjunction with a substantive paper where the opposing party had the opportunity to respond, especially here where the trial portion of the proceeding has concluded. When we apply this framework to most of Patent Owner's assertions, we see that Patent Owner has failed to meet both the letter and spirit of the aforementioned rules governing requests for rehearing.

For example, independent claim 1 recites "wherein the first account and the second account are adapted to selectively function as either a merchant or a purchaser account during any particular transaction," which all parties and the Board refer to as "bidirectional accounts." Dec. 11–12. Independent claims 20, 21, and 22 each recite a similar claim limitation. Patent Owner asserts that the Board misapprehended or overlooked the prosecution history of U.S. Patent No. 8,396,808 B2 ("the '808 Patent") in construing "bidirectional accounts." Req. 4–5. In making that assertion, however, Patent Owner does not identify, and we are unable to discern independently, any previous motion, opposition, or reply in which Patent

Owner argued that the prosecution history specifically informs the construction of that term, thus failing to meet the aforementioned portion of the Office Trial Practice Guide. Applying the above-referenced due process framework, consideration of this assertion would not be proper. Because this assertion was not set forth in a previous motion, opposition, or reply, Petitioner did not have the chance to rebut this assertion, especially here, where the trial portion of the proceeding has concluded. Accordingly, if we were to now make a construction in favor of Patent Owner based on assertions concerning which Petitioner did not have a chance to respond, such a determination would be fundamentally unfair to Petitioner, and thus cannot be allowed.

Patent Owner does identify “Paper 7 at 8, 17” (Req. 2), and may be asserting that this identification alone forms a proper basis in a previous motion, opposition, or reply for the aforementioned assertion. This assertion is problematic for several reasons. As an initial matter, Paper 7 is Patent Owner’s Preliminary Response, to which Petitioner was not afforded a chance to reply. A preliminary response is normally only a substantive paper in that it is used to assist the Board in deciding whether or not to institute a trial. Once the Decision on Institution (Paper 9) was made, however, any substantive assertions Patent Owner wished the Petitioner to consider should have been made in the proper papers following institution and before the Final Written Decision to which Petitioner would have had a chance to reply, in this case, the Patent Owner Response (Paper 21) (to which Petitioner filed a Reply (Paper 30)) or Patent Owner’s Motion to Amend (Paper 20) (to which Petitioner filed an Opposition (Paper 29)). To hold otherwise would be procedurally unfair to Petitioner, who had

expected, and should only have expected, to respond to substantive assertions set forth in those papers, and not in the preliminary response. *See* Scheduling Order (Paper 10) at 4 (“The patent owner is cautioned that any arguments for patentability not raised in the response will be deemed waived.”). To that end, Patent Owner has not identified, and we are unable to discern independently, where Patent Owner previously made the aforementioned assertions concerning “bidirectional accounts” and the prosecution history in either the Patent Owner Response or the Patent Owner’s Motion to Amend.

Setting aside the fact that Patent Owner relies upon its *Preliminary* Response, even when we consider the cited portions of the Preliminary Response, we are still unable to identify anything that could be considered a previous basis for assertions concerning “bidirectional accounts” and the prosecution history. Indeed, the entirety of Patent Owner’s analysis in the cited portions of the Preliminary Response that could even remotely be interpreted as relating to a proper claim construction of “bidirectional accounts” is as follows:

The ’808 Patent also solves the technical problem of the lack of role flexibility in traditional payment systems, which for decades has complicated data retrieval tasks for countless businesses by forcing them to maintain multiple accounts and/or identities for transaction counterparts due to legacy technical design flaws. The ’808 Patent solves the problem by flexibly assigning roles linked to a centralized legal entity database to create bi-directional account functionality, as opposed to using fixed roles with no bi-directionality and with no uniform entity identifiers, as in the prior art.

Prelim. Resp. 8.¹ We are unclear as to how any of this analysis provides a proper basis for Patent Owner's aforementioned assertions concerning "bidirectional accounts" and the prosecution history.

Perhaps Patent Owner is asserting that the issue generally is "bidirectional accounts," and since "bidirectional accounts" generally was mentioned at the above-identified pages of the Preliminary Response, any specific arguments, citations, and evidence made under the general rubric of "bidirectional accounts" is proper at any time, because Petitioner should have been on notice that "bidirectional accounts" was a contested issue to which they should have set forth a rebuttal. We disagree. By that logic, Patent Owner would have to be asserting that Petitioner, based on the aforementioned vague reference to "bidirectional accounts" in the Preliminary Response, should have anticipated that Patent Owner would eventually make specific references to the portions of the prosecution history set forth in the Request for Rehearing, and thus should have preemptively addressed the assertions concerning "bidirectional accounts" and the prosecution history, even before they were made. While we are cognizant that each party should be allowed some leeway in expanding on and clarifying specific arguments, citations, and evidence made in previous papers, we are unpersuaded, here, that the specific references to the portions of the prosecution history set forth in the Request for Rehearing is merely a

¹ Patent Owner also cites page 17 of the Preliminary Response, however, we have reviewed all of pages 17 to 19 of the Preliminary Response, and are unable to identify any portion that could be considered relevant to the above assertion. Specifically, the only assertion made by Patent Owner is that Dalzell and Bemmell were similar to references already considered by the Examiner, and does not address assertions concerning "bidirectional accounts" and the prosecution history.

reasonable expansion or clarification of the vague reference to “bidirectional accounts” set forth in the Preliminary Response. Thus, we are unpersuaded that we misapprehended or overlooked the above-cited portions of the prosecution history in construing “bidirectional accounts.”

In a similar manner, Patent Owner asserts further that the Board misapprehended or overlooked certain portions of the Specification and claims of the ’808 Patent in construing “bidirectional accounts.” Req. 2–7. Our analysis here is the same as that set forth above with respect to “bidirectional accounts” and the prosecution history, and need not be repeated.

Although identified in a later portion of the Request for Rehearing, pages 4 to 5 of Patent Owner’s Reply in Support of Motion to Amend Under 37 C.F.R. § 42.221 (Paper 32) do set forth something that could plausibly be considered a tangential assertion concerning a proper construction of “bidirectional accounts,” though the analysis is in the context of why Dalzell did not disclose “bidirectional accounts.”² Even here, however, Patent Owner does not identify any of the allegedly misapprehended or overlooked portions of the prosecution history, Specification, or claims that are purportedly relevant to a claim construction of “bidirectional accounts.” Indeed, here, Patent Owner does not even mention the Specification or prosecution history at all.

For the above reasons, we are unpersuaded that the Board misapprehended or overlooked the items identified by Patent Owner in construing “bidirectional accounts.”

² We note that even the assertion here was made in a Reply, to which Petitioner had a very limited chance to respond. Paper 34, 2–3.

Even if we were to consider some of the identified items, however, we are unpersuaded that they would alter our construction. For example, Patent Owner asserts that the claim limitation “any particular transaction” requires that “bidirectional account” be construed as allowing an account to function simultaneously as both a merchant account and a purchaser account under all transactions. We disagree, primarily because we are unclear as to what Patent Owner means by “under all transactions.” The relevant limitation of independent claim 1 reads “wherein the first account and the second account are adapted to selectively function as either a merchant or a purchaser account during any particular transaction.” We find that “[a]ny particular transaction” means any specific transaction, and is not necessarily limited to *all* transactions going forward, and find further that, logically, an account need only function in “merchant mode” or “purchaser mode” for that particular transaction; otherwise the account would be in the awkward position of performing a transaction with itself. Moreover, we are unclear as to why the same account cannot function as both, depending on the transaction, as an account is merely a repository within which funds are held, and whether the account is in “merchant mode” (i.e., the ability to send funds from the account) or “purchaser mode” (i.e., the ability to send funds to the account) does not alter the fundamental repository nature of the account itself.

A similar analysis of the cited portions of the prosecution history and Specification yields similar conclusions. For example, Patent Owner’s discussion of the prosecution history on pages 4 and 5 of the Request for Rehearing do not amount to Patent Owner providing an explicit definition of “selectively function,” “during any particular transition,” or any other claim

term as meaning “simultaneously”; nor do Patent Owner’s statements rise to the level of a clear and unmistakable disclaimer with respect to the meaning of the claim terms.

2. *whether Dalzell fails to meet the claims’ requirements*

Based on Patent Owner’s proposed claim construction of “bidirectional accounts,” Patent Owner asserts that Dalzell does not disclose “bidirectional accounts.” Req. 7–10. As we are unpersuaded, however, that the Board misapprehended or overlooked the items identified by Patent Owner in construing “bidirectional accounts,” we are unpersuaded that our analysis of Dalzell and “bidirectional accounts” set forth on pages 28 to 29 of the Final Written Decision should be modified in any way. *See* Dec. 29 (“[W]e find that a more logical reading of paragraph 59 of Dalzell is that a buyer, from a particular account, can add a seller feature to that particular account, without the need to create a whole new account. Such a finding is supported by extensive analysis and testimony by Dr. Sadeh-Konieczpol, with explicit citations to Dalzell, which we find credible, reasonable, and persuasive. Ex. 1002 ¶¶ 147-164 (citing Ex. 1006 ¶¶ 9, 27, 49, 57, 61, 82, 85, 87, 132, 163, Figs. 1A, 1B).”)

3. *“line item data” and “line item transaction data”*

Patent Owner asserts that the Board misconstrues “line item data” and “line item transaction data” (hereinafter “line item data”). Req. 10–15. Similar to the assertions set forth above with respect to “bidirectional accounts,” we note that many of Patent Owner’s assertions concerning this issue are set forth for the first time in the Request for Rehearing, without Patent Owner identifying, or the Board being able to ascertain independently, where those assertions were first made in a previous motion,

opposition, or reply. Accordingly, those assertions have not been considered for the same reasons as set forth *supra* concerning “bidirectional accounts.” Instead, we address below only those assertions that have a proper basis in a previous motion, opposition, or reply.

Patent Owner asserts that a proper construction of each of the recited claim limitations “purchase list,” product catalog,” and “transaction record” requires “line item data” as a necessary limitation to all claims, and that the Board misapprehended and overlooked two things in determining otherwise. We disagree.

First, Patent Owner asserts that the Board’s determination that “purchase list” does not require “line item data” is unreasonably broad, because the Board overlooked or misapprehended the fact that the Specification does not provide a basis for the Board’s unreasonably broad construction. We disagree. As set forth on page 7 of the Final Written Decision, the Board considered expressly the Specification as a basis for its construction. To the extent that Patent Owner disagrees with how the Board used the Specification in making the aforementioned construction, the Board has considered anew the disclosures in the Specification identified by Patent Owner concerning whether “purchase list” requires “line item data,” and are again unpersuaded our construction is in error.³

Second, Patent Owner asserts that the Board’s determination that “purchase list” does not require “line item data” is unreasonably broad, because the Board overlooked or misapprehended the fact that *In re Van*

³ Indeed, Patent Owner’s “fruit orchard” analogy supports the Board’s construction, as a fruit orchard, at times, may not include any fruit, for example, and merely consist of soil and trees.

Geuns, 988 F.2d 1181, 1184 (Fed. Cir. 1993), can be distinguished from the instant proceeding. Specifically, Patent Owner asserts that “there is no alternative construction posited as was true in *In re Van Geuns*, and ‘line item data’ is not a familiar natural principle, in the way that a magnetic field is.” Req. 11. We disagree. Concerning whether or not there was an alternative construction posited in *In re Van Geuns*, the question in that case was whether a claim limitation concerning “substantially uniform magnetic field” should be construed as “substantially uniform magnetic field *required for NMR imaging*” (emphasis added). Thus, contrary to Patent Owner’s assertions, there were two alternative constructions posited, one broader and one narrower, and the broader one was determined to be correct. Such is the exact fact scenario here concerning “purchase list” and “line item data.”

Concerning the fact that “line item data” is not a familiar natural principle, we agree with Patent Owner. We are unclear as to how that agreement, however, helps Patent Owner’s position, as if “line item data” is not as certain as a familiar natural principle, the ambiguity should be construed against Patent Owner. Specifically, if there is greater doubt as to whether or not “purchase list” requires “line item data” because the meaning of “line item data” is uncertain, the broader construction should be used, i.e., that “purchase list” does not require “line item data.”

Patent Owner appears to assert additionally that the Board misapprehended or overlooked the fact that a proper construction, presumably of the independent claims, requires that in order for a prior art reference to meet the claimed system and method, the prior art must be capable of handling *all types* of “line item data,” including “line item data” that includes gigabytes of data. We disagree that this assertion was

misapprehended or overlooked, as Patent Owner has not identified where these assertions are set forth in any previous motion, opposition, or reply.⁴

Patent Owner asserts additionally that the Board has misapprehended or overlooked Patent Owner's characterizations of Exhibit 2042. The Board did not misapprehend or overlook Patent Owner's characterizations of Exhibit 2042; the Board disagreed with it. Indeed, page 36 of the Final Written Decision block quotes and addresses the exact assertions that Patent Owner asserts was misapprehended or overlooked.

Patent Owner asserts also that the Board has misapprehended or overlooked the fact that the items set forth in Figure 4 of Exhibit 2042 are not "line item data." We construed "line item data" as "information from a larger group of information, related to individual products involved in a purchase or sale, that is capable of categorization." Dec. 11. We are unpersuaded that at least one of the items set forth in Figure 4 of Exhibit 2042, such as any item listed under Description, Category, Date, Currency, and Amount, does not meet the above construction of "line item data."

IT IS ORDERED that insofar as we have addressed above the assertions set forth in Patent Owner's Request for Rehearing (Paper 51), the Request is *granted*. In all other respects, the Request is *denied*.

⁴ Absent such a narrowing of the independent claims, and it is unclear which claim limitation would serve the basis for such a narrowing, Patent Owner's proffered analogy again supports the Board's construction, as a doorframe built for "humans" is met if the prior art discloses a doorframe that can accommodate a short child, but not Manute Bol.

CBM2014-00159
Patent 8,396,808 B2

For PETITIONER:

Michael T. Rosato
Robin L. Brewer
WILSON SONSINI GOODRICH & ROSATI, P.C.
mrosato@wsgr.com
rbrewer@wsgr.com

For PATENT OWNER:

Issac Rabicoff
RABICOFF LAW LLC
isaac@rabilaw.com

Michael Aschenbrener
ASCHENBRENER LAW, P.C.
mja@aschenbrenerlaw.com