

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

EPICOR SOFTWARE CORPORATION,
Petitioner,

v.

PROTEGRITY CORPORATION,
Patent Owner.

CBM2015-00006
Patent 8,402,281 B2

Before KEVIN F. TURNER, MEREDITH C. PETRAVICK, and
GREGG I. ANDERSON, *Administrative Patent Judges*.

PETRAVICK, *Administrative Patent Judge*.

DECISION ON REQUESTS FOR REHEARING
37 C.F.R. § 42.71(d)

I. INTRODUCTION

On October 31, 2014, Epicor Software Corporation (“Petitioner”) filed an amended Petition (Paper 9, “Pet.”) requesting a review under the transitional program for covered business method patents of U.S. Patent No. 8,402,281 B2 (Ex. 1001, “the ’281 patent”). On January 30, 2015,

Protegrity Corporation (“Patent Owner”) filed a Preliminary Response (Paper 11, “Prelim. Resp.”).

The Board instituted covered business method patent review of the ’281 patent based upon the following grounds:

Ground	Prior Art	Challenged Claims
§ 101	n/a	1–60
§ 102	Denning ¹	1, 2, 6, 9, 17, 18, 22, and 25

Paper 16 (“Decision”). The Board did not institute covered business method patent review upon the following grounds:

Ground	Prior Art	Challenged Claims
§ 102	Denning	3–5, 7, 8, 10–16, 19–21, 23, 24, and 26–60
§ 102	Lang ²	1–60
§ 102	Attalla ³	1–60
§ 102	Hwang ⁴	1–60
§ 103	Denning, Lang, Attalla and/or Hwang	1–60
§ 103	Denning, Lang, Attalla, or Hwang and Thomson ⁵	1–60
§ 103	Denning, Lang, Attalla, or Hwang and Abraham ⁶	1–60

¹ DOROTHY ELIZABETH ROBLING DENNING, *CRYPTOGRAPHY AND DATA SECURITY*, 1–400 (1982) (Ex. 1005).

² US Patent No. 5,065,429 issued Nov. 12, 1991 (Ex. 1006).

³ US Patent No. 4,588,991 issued May 13, 1986 (Ex. 1007).

⁴ Min-Shiang Hwang and Wei-Pang Yang, A Two-Phase Encryption Scheme for Enhancing Database Security (1995) (Ex. 1008).

⁵ US Patent No. 5,751,949 issued May 12, 1998 (Ex. 1009).

⁶ US Patent No. 5,148,484 issued Sept. 15, 1992 (Ex. 1010).

Patent Owner filed a Request for Rehearing asking the Board to expand the panel and reconsider its Decision. Paper 19 (“PO Req.”). Petitioner also filed a Request for Rehearing asking the Board to reconsider its Decision. Paper 18 (“Pet. Req.”). We have considered each of the parties’ requests, but decline to modify our Decision in view of either Request.

II. ANALYSIS

A. Standard of Review

When rehearing a decision on petition, the Board will review the decision for an abuse of discretion. *See* 37 C.F.R. § 42.71(c). An abuse of discretion may be determined if a decision is based on an erroneous interpretation of law, if a factual finding is not supported by substantial evidence, or if the decision represents an unreasonable judgment in weighing relevant factors. *See Arnold Partnership v. Dudas*, 362 F.3d 1338, 1340 (Fed. Cir. 2004).

The party challenging the decision has the burden of showing a decision should be modified, and the request for rehearing must identify specifically all matters the party believes the Board misapprehended or overlooked. 37 C.F.R. § 42.71(d). In its Request for Rehearing, the dissatisfied party must (1) “specifically identify all matter that party believes the Board misapprehended or overlooked” and (2) identify the place where each matter was previously addressed. *Id.*

B. Patent Owner's Request for Rehearing

i. Expanded Panel Request

Patent Owner requests that the panel be expanded to at least five administrative patent judges because, according to Patent Owner, our Decision conflicts with other non-precedential decisions regarding the issue of standing to institute covered business method patent review. PO Req. 1–2, 5–7.

Discretion to expand a panel rests with the Chief Judge, who, on behalf of the Director, may act to expand a panel on a suggestion from a judge or panel. *AOL Inc. v. Coho Sicensing LLC*, Case IPR2014-00771, slip op. at 2 (PTAB Mar. 24, 2015) (Paper 12) (informative). “[P]arties are not permitted to request, and panels do not authorize, panel expansion.” *Id.* Nonetheless, the Chief Judge was informed of Patent Owner’s request, and the Chief Judge declined to expand the panel.

ii. CBM Standing — Financial Product or Service

Patent Owner argues that the Board overlooked its arguments concerning standing in a covered business method patent review. PO Req. 2–6. In particular, Patent Owner argues that the Board overlooked its argument that the claim language does not describe the use of the claimed data processing method as for a financial service and failed to address conflicting panel decisions raised by the Patent Owner. *Id.* According to Patent Owner, “CBM review is not intended to include patents that may be relevant to the financial industry but which do not claim activities involved in a financial activity.” *Id.* at 3.

We did not overlook Patent Owner’s argument. See Decision 10. As we stated in our Decision, a covered business method patent “claims a

method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service, except that the term does not include patents for technological inventions.” Decision 9–10 (quoting AIA § 18(d)(1)). The “legislative history explains that the definition of covered business method patent was drafted to encompass patents ‘claiming activities that are financial in nature, incidental to a financial activity or complementary to a financial activity.’” *Transitional Program for Covered Business Method Patents—Definitions of Covered Business Method Patent and Technological Invention*, 77 Fed. Reg. 48,734, 48,735 (Aug. 14, 2012) (Final Rule) (quoting 157 Cong. Rec. S5432 (daily ed. Sept. 8, 2011) (statement of Sen. Schumer)). The legislative history indicates that “financial product or service” should be interpreted broadly. *Id.* at 10.

We do not interpret the statute as requiring the literal recitation of the terms data processing of financial products or services. As recognized in the legislative history: “[t]o meet this [eligibility] requirement the patent need not recite a specific financial product or service. Rather, the patent claims must only be broad enough to cover a financial product or service.” 157 Cong. Rec. S1365 (daily ed. Mar. 8, 2011) (Statement of Sen. Schumer).

Claim 1 recites, “determining whether each of the one or more data processing rules associated with [a] requested data portion are satisfied.” The Specification discloses the claimed data processing rules are used to protect against unauthorized access of a data portion in a database. See Ex. 1001, col. 4, ll. 35–47. The data processing rules can restrict which user or program can access or process the data portion in a database. *Id.* at col. 4, ll. 20–26; col. 9, ll. 26–55; claims 2–4. The Specification discloses that

banking is a field where protection against unauthorized access to databases that are used for administering and storing sensitive information is desired. *Id.* at col. 1, ll. 35–39. Banking is a financial activity. Further, Figure 5 of the '281 patent depicts an example of a user interface by which a person can alter the data processing rules. *Id.* at col. 11, ll. 4–8; Fig. 5. In the example, a “Financial manager” or “Controller” is a person who is authorized to access a data portion, which is depicted as a “Social allowance” or “Housing allowance” data element type. *See id.* at col. 11, ll. 9–15; Fig. 5.

We, thus, are not persuaded by Patent Owner that we abused our discretion in determining that at least claim 1 encompasses a method for performing data processing or other operations that are at least incidental or complementary to the practice, administration, or management of a financial product or service.

Patent Owner also argues that we overlooked its argument regarding allegedly conflicting non-precedential Board decisions, in particular *PNC Financial Services Grp., Inc. v. Intellectual Ventures I, LLC*, CBM2014-00032 (PTAB, May 22, 2014)(Paper 13); *J.P. Morgan Chase & Co. v. Intellectual Ventures II LLC*, CBM2014-00160 (PTAB, Jan. 29, 2015) (Paper 11); and *Salesforce.com, Inc. v. Applications in Internet Time, LLC*, CBM2014-00162 (PTAB, Feb. 2, 2015)(Paper 11). PO Req. 4–6. Patent Owner cites these decisions to support its argument that a method, which could be used in the financial service industry, is not necessarily eligible for covered business method review. *Id.*

The decisions cited by the Patent Owner are not precedential and are not binding on this panel. Nonetheless, we have reviewed the allegedly conflicting decisions. Our review of these decisions, however, reveals that

the determination of whether the patent is a covered business method patent rests upon the specific facts of those proceedings. For example, in *PNC Financial Services*, the Board determined that a showing that the patent was asserted against a financial service in an infringement proceeding was not enough to establish that the patent was a covered business method patent. *See PNC Financial Services*, CBM2014-00032, slip op. at 14. The Board stated that whether an allegedly infringing product was a financial service was just one factor and that the Petitioners had not shown how “the ’298 patent, either through its claims, Specification, or prosecution history, encompasses activities that are financial in nature, incidental to a financial activity, or complementary to a financial activity.”) *Id.* at 13–14. Similarly in *J.P. Morgan* and *Salesforce*, the Board determined whether the patent was a covered business method patent based upon the particular facts of those proceedings. Patent Owner does not establish that the facts in those proceedings are sufficiently similar to the facts in this proceeding. As discussed above, we determined, based upon the facts in this proceeding, that the ’281 patent is a covered business method patent.

We, thus, are not persuaded by Patent Owner’s argument that we abused our discretion in determining that at least claim 1 encompasses a method for performing data processing or other operations that are at least incidental or complementary to the practice, administration, or management of a financial product or service.

ii. CBM Standing — Solves a Technological Problem with a Technological Solution

Patent Owner argues that the Board overlooked its argument that the ‘281 patent solves a technological problem with a technological solution.

PO Req. 6–8. According to Patent Owner, “[t]he technological problem is controlling access to data in a first database through the use of rules stored in a separate database.” *Id.* at 7–8.

We did not overlook Patent Owner’s argument in the Preliminary Response. *See* Decision 12–14. In the Preliminary Response, Patent Owner argues:

The technical problem, as explained by the ’281 Patent specification, is the incomplete data protection in a data base that was provided by prior art protection methods and systems, such as “shell protections,” under which data “can often relatively easily be subjected to unauthorized access.” [Ex. 1001] at 2:10-25. The ’281 Patent provides a solution to the problem of how to protect information stored in a database from users who might have appropriate access to the database, but should be denied access to sensitive *portions* of records in the database.

The technical solution provided by the ’281 patent is (i) associating each data category with one or more protection attributes “which are stored in a separate data element protection catalogue” and (ii) making compelling calls to the data element protection catalogue when data is requested. *Id.* at 3:52–4:44.

Prelim. Resp. 19–20.

As we stated in our Decision, a patent need have only one claim directed to a covered business method to be eligible for review (Decision 10), and we were persuaded by Petitioner that the ’281 patent fails to solve a technical problem with a technical solution (*id.* at 13–14). Contrary to Patent Owner’s argument, claim 1 does not recite a data element type or a processor making compelling calls to a data element protection catalogue. As discussed in our Decision, claim 1 more broadly requires that the method be “computer-implemented,” requires a database comprising data portions,

and a separate database comprising data processing rules associated with the data portions. Data processing computers having databases, which store the data, were known at the time of filing the '281 patent. *See* Decision 13 (citing Ex. 1001, col. 1, ll. 28–23); *see* Ex. 1002 ¶¶ 16–18. Further, a database containing access rules for a data portion in a separate database were known at the time of filing the '281 patent. *See* Ex. 1002 ¶¶ 16–18. Mere recitation of known technologies, such as . . . databases typically do not render a patent a technological invention. Decision 12 (citing 77 Fed. Reg. at 48,763–64).

We, thus, are not persuaded by Patent Owner that we abused our discretion in determining that the claims of the '281 patent do not solve a technological problem with a technological solution.

iii. Abstract Idea

Patent Owner argues that the Board overlooked its argument that the '281 patent is not directed to an abstract idea because the '281 patent “addresses a technical problem necessarily rooted in computer technology.” PO Req. 9 (citing *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 f.3d 1245 (Fed. Cir. 2014)). Patent Owner states that “the Board ignored that Denning expressly states that data protection must be done at the record-level, and not at the data element level.” *Id.* at 9 (citing Ex. 1005, 148).

We did not overlook Patent Owner’s argument regarding patent-eligibility in reaching our Decision. As we stated in our Decision, we were not persuaded by Patent Owner’s argument in the Preliminary Response because it was not commensurate with the scope of the claims. Decision 20–21 (citing Prelim. Resp. 30–32). In the Preliminary Response, Patent Owner argues that the claims are directed toward data protection systems

and methods that work on the cell or data element level. *Id.* The claims, however, do not require that data protection at the data element level or preclude data protection at the record-level. *See* Decision 16–17.

We also did not ignore Patent Owner’s argument regarding the cited disclosure of Denning. Although, Denning is evidence included in the record of this proceeding, Patent Owner does not identify where it was raised in its Preliminary Response with regards to Patent Owner’s abstract idea argument, and we can find no such argument in its Preliminary Response. *See* PO Req. 9; *see* Prelim. Resp. 24–33. We could not have overlooked or ignored an argument that was not raised in the Preliminary Response. Nonetheless, Patent Owner’s argument regarding Denning’s alleged disclosure that “that data protection must be done at the record-level, and not at the data element level” (PO Req. 9) is unpersuasive because it is not commensurate with the scope of the claims. The claims do not require that data protection at the data element level or preclude data protection at the record-level. *See* Decision 16–17.

We, thus, are not persuaded by Patent Owner that we abused our discretion in determining that the claims of the ’281 patent are more likely than not directed to a patent-ineligible abstract idea.

iv. State-of-the-Art

Patent Owner argues that the Board overlooked its argument regarding the state-of-the-art at this time of the invention, when the Board determine that, based on the record before it, claims 1, 17, 22, and 37 were more likely than not patent-ineligible under 35 U.S.C. § 101. PO Req. 11–12 (citing Decision 22). Patent Owner cites to portions of the Declarations

of Ulf Mattson (Ex. 2025 and 2020) and portions of the Rebuttal Reports of Ulf Mattson (Ex. 2019 and 2021) to support its argument. PO Req. 11–12

Patent Owner, however, does not identify where it raised this argument in the Preliminary Response and we can find no such argument. *See id*; Prelim. Resp. 23–36. Further, although the Declarations or Reports of Ulf Mattson are evidence included in the record of this proceeding, Patent Owner does not identify where it raised this evidence in the Preliminary Response with regards to this argument. *See* Prelim. Resp. 23–36. We could not have overlooked or misapprehended an argument that was not raised in the Preliminary Response.

v. Anticipation by Denning

Patent Owner argues that the Board misapprehended the language of claims 1 and 17 in determining that Denning anticipates these claims. PO Req. 12–14. Patent Owner argues that claims 1 and 17 do not require that a plurality of data process rules are satisfied, but, rather require that a data portion may have a plurality of data processing rules and all of those data processing rules must be satisfied before the data portion can be accessed. *Id.* at 13.

We did not overlook Patent Owner’s argument. As stated in our Decision, “we are not persuaded by Patent Owner’s argument because it is not commensurate with the scope of the claim.” Decision 25–26. Claim 1 recites “maintaining a separate data protection table comprising, for each of one or more data portions, a plurality of data processing rules associated with the data portion that must each be satisfied before the data portion can be accessed.” Claim 17 recites a similar limitation. As can be seen from the plain language, these limitations do not require that each of all of the data

processing rules associated with a data portion must be satisfied before the data portion can be accessed, but only each of a plurality of data processing rules associated with the data processing be satisfied.

We, thus, are not persuaded by Patent Owner that we abused our discretion in determining that claims 1 and 17 of the '281 patent are more likely than not anticipated by Denning.

vi. Claims 9, 17, 18, 22, and 25

Patent Owner argues that we should not have instituted review of claims 9, 17, 18, 22, and 25 as anticipated by Denning, because Petitioner failed to specify where each element of the claim is found in the prior art, pursuant to 37 C.F.R. § 42.304(b)(4). PO Req. 14–15.

First, for claim 1, the Petition equates Denning's decision rules, which specify conditions for access to an object in the access-matrix model, to the claimed data processing rules. *See* Pet. 25, 31–32 (citing Denning 192, 194). Claim 9 depends from claim 1 and additionally requires that “at least one of the data processing rules restricts access to an associated data portion to users or programs that are owners of the subset of data.” For claim 9, the Petitioner's claim chart refers to the citations made for claim 1 and 3. *See* Pet. 37. As we stated in our Decision, Denning depicts an ownership access right in the decision rules of the access matrix depicted on page 193. *See* Decision 29. We, thus, are not persuaded by Patent Owner that the Petition fails to specify where the limitation of claim 9 is found in the prior art.

Second, as indicated in the Petition, claims 17–32 recites a method that closely parallel the apparatus recited in claims 1–16. Pet. 27; *see also id.* at 30 (individually mapping claims 17–32 to corresponding claims 1–16). Claims 17, 18, 22, and 25 parallel claims 1, 2, 6, and 9. The Petition

specified where each element of claims 1, 2, 6, and 9 are found in the prior art. *See* Pet. 25–37. We, thus, are not persuaded by Patent Owner that the Petition fails to specify where the limitations of claims 17, 18, 22, and 25 are found in the prior art.

We are not persuaded by Patent Owner that we abused our discretion in determining that the Petitioner demonstrates that claims 9, 17, 18, 22, and 25 of the '281 patent are more likely than not anticipated by Denning.

C. Petitioner's Request for Rehearing

i. Anticipation by Atalla

Petitioner argues that we misapprehended Atalla and that Atalla discloses that authorization to a file is based on information about the file and, thus, discloses the claimed data processing rules associated with a data portion. Pet. Req. 1–9.

We are not persuaded by Petitioner that we misapprehended the disclosure of Atalla. Atalla describes that a person requesting access to a particular file may enter personal identification numbers, information about the particular file, and the like. Ex. 1007, col. 2, ll. 27–31. Atalla also describes that access-authorization files 15 searches for authorization to access the file and that if authorized established, the particular file may be accessed. *Id.* at col. 2, ll. 34–36, 43–44. Atalla, however, does not describe what is contained in the access-authorization file or how the entered information and the access-authorization file is used to establish authorization. Atalla is silent as to the contents of the access-authorization file and does not describe that it contains a plurality of data processing rules associated with each of one or more data portions. *See* Decision 33–34.

We are not persuaded by Petitioner that we abused our discretion in determining that the Petitioner failed to demonstrate that claim 1 of the '281 patent is more likely than not anticipated by Denning.

ii. Obviousness over Lang, Atalla, and/or Hwang; Obviousness over Denning, Lang, Atalla, and/or Hwang, and Thomson; Obviousness over Denning, Lang, Atalla, and/or Hwang, and Abraham

Petitioner argues that the Board overlooked its argument with respect to the grounds of obviousness over Denning, Lang, Atalla, and/or Hwang; obviousness over Denning, Lang, Atalla, and/or Hwang, and further over Thomson; and obviousness over Denning, Lang, Atalla, and/or Hwang and further over Abraham. Pet. Req. 9–11. Petitioner argues we should have considered each of the claim charts for Denning, Lang, Atalla, Hwang, Thomson, and Abraham merged when considering these grounds. *Id.* at 9. Petitioner further argues that it provided the required motivation to combine the teachings of these references because it broadly states that “the teachings of those references may be combined so as to further teach each and every feature of the claims” and stated that combining known aspects of cryptographic data protection with other aspects would be common sense. *Id.* at 10.

As we stated in the Decision, Petitioner, must identify and articulate clearly each prior art combination relied on to support an assertion of unpatentability based on obviousness. Decision 36–37. Providing numerous claim charts and a broad statement that any or all of the prior art could be combined, without articulating the precise combination, is insufficient. Petitioner’s approach of offering a plurality of prior art references for consideration, without the particular and necessary

combination to be selected or chosen by the Board, is improper. *See* 37 C.F.R. § 42.304 (b)(4).

We are not persuaded by Petitioner that we abused our discretion in declining to institute review of any claim based on grounds of: obviousness over Denning, Lang, Atalla, and/or Hwang; obviousness over Denning, Lang, Atalla, and/or Hwang, and further over Thomson; and obviousness over Denning, Lang, Atalla, and/or Hwang and further over Abraham.

D. Conclusion

We are not persuaded of an abuse of discretion either by Patent Owner or Petitioner.

III. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that each Request for Rehearing is *denied*.

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Patent 8,402,281 B2

PETITIONER:

William Cass
Herbert Bedingfield
CANTOR COLBURN LLP
wcass@cantorcolburn.com
hbedingfield@cantorcolburn.com

PATENT OWNER:

Woodrow H. Pollack
Michael J. Colitz, III
Cole Y. Carlson
GRAYROBINSON, P.A.
woodrow.pollack@gray-robinson.com
michael.colitz@gray-robinson.com
cole.carlson@gray-robinson.com