

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

AMERANTH, INC.,
Patent Owner.

Case CBM2016-00053
Patent 9,009,060 B2

Before TONI R. SCHEINER, STACEY G. WHITE, and
KEVIN W. CHERRY, *Administrative Patent Judges*.

CHERRY, *Administrative Patent Judge*.

DECISION

Denying Institution of Covered Business Method Patent Review
37 C.F.R. § 42.208

I. INTRODUCTION

Apple Inc. (“Petitioner”) filed a Petition (Paper 1, “Pet.”) for a covered business method patent review of U.S. Patent No. 9,009,060 B2 (Ex. 1001, “the ’060 patent” or “the challenged patent”) under section 18 of the Leahy-Smith America Invents Act, Pub. L. No. 112–29, 125 Stat. 284, 331 (2011) (“AIA”). Patent Owner, Ameranth, Inc., filed a Preliminary Response (“Prelim. Resp.”) opposing institution. Paper 7. Under 35 U.S.C. § 324(a)¹, a covered business method patent review may not be instituted “unless . . . the information presented in the petition . . ., if such information is not rebutted, would demonstrate that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.” 35 U.S.C. § 324(a); *see* 37 C.F.R. § 42.208.

For reasons that follow, we determine that Petitioner has failed to show that it has standing to bring this proceeding. Accordingly, we deny the Petition and do not institute a covered business method patent review of the challenged claims.

A. *Related Matters*

As required by 37 C.F.R. § 42.8(b)(2), each party identifies various judicial or administrative matters that would affect or be affected by a decision in this proceeding. Pet. 2–4; Paper 6 (Patent Owner’s Mandatory

¹ *GTNX, Inc. v. INTTRA, Inc.*, 789 F.3d 1309, 1310 (Fed. Cir. 2015) (describing transitional program for review of covered business method patent under 35 U.S.C. §§ 321–329, pursuant to the AIA, as subject to “the standards and procedures of[] a post-grant review under . . . 35 U.S.C. §§ 321–329,” absent exceptions not applicable here).

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Notices). There are a number of related covered business method patent reviews that are currently on appeal. *See* Pet. 3–4; Paper 6, 1–2. The '060 patent is related to U.S. Patent No. 6,384,850 B1 (Ex. 1015, “the '850 patent”), U.S. Patent No. 6,871,325 B1, U.S. Patent No. 6,982,733 B1, and U.S. Patent No. 8,146,077 B2. These related patents are the subject of a pending district court lawsuit: *Ameranth, Inc. v. Pizza Hut, Inc.*, No. 3-11-cv-01810 (S.D. Cal., filed Aug. 15, 2011). These related patents also were the subject of the following covered business method patent reviews:

U.S. Patent No.	Previous CBM Reviews
6,384,850 B1	CBM2014-00015 CBM2015-00080 CBM2015-00091 CBM2015-00096 CBM2016-00007
6,871,325 B1	CBM2014-00016 CBM2015-00082 CBM2015-00097 CBM2015-00099 CBM2016-00006
6,982,733 B1	CBM2014-00013
8,146,077 B2	CBM2014-00014 CBM2015-00081 CBM2015-00095

In CBM2014-00013, CBM2014-00015, and CBM2014-00016, Final Written Decisions, determining some, but not all, the claims challenged in those petitions to be unpatentable, issued on March 20, 2015 and are on appeal to the U.S. Court of Appeals for the Federal Circuit. In CBM2015-00080, CBM2015-00082, CBM2015-00091, CBM2015-00096, CBM2015-

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00097, CBM2015-00099, CBM2016-00006, and CBM2016-00007, Final Written Decisions issued in August and September 2016, finding certain of the claims challenged in those petitions to be unpatentable. Patent Owner recently filed notices of appeal in those cases.

B. Illustrative Claim

Petitioner challenges all twenty-three claims of the challenged patent. Claims 1 and 13 are independent claims. Claim 13 is illustrative of the claimed subject matter:

13. An information management and real time synchronous communications system for use with wireless handheld computing devices and the Internet comprising:

- a. a master database containing hospitality applications and associated data,
- b. application software configured to present hospitality data for display on a screen of at least one wireless handheld computing device in which at least one of the hospitality applications is also stored,
- c. at least one Web server configured by application software to interface with at least one hospitality application and associated data,
- d. application software configured to present hospitality data for display on at least one web page, and
- e. a real time communications control module configured by application software to link and synchronize hospitality data between multiple and different hospitality applications

wherein the system is configured by application software to synchronize hospitality applications and data in real time between the master database, the at least one wireless handheld computing device, the at least one Web server and the at least one Web page, and

wherein the real time communications control module is also configured via application software to act as an interface between the at least one of the hospitality applications and any applicable communications protocol.

Ex. 1001, 22:21–47.

*C. Standing to File a Petition for
Covered Business Method Patent Review*

1. Legal Standards

A petition for covered business method review must set forth the petitioner’s grounds for standing. 37 C.F.R. § 42.304(a). Rule 42.304(a) states it is Petitioner’s burden to “demonstrate that the patent for which review is sought is a covered business method patent, and that the petitioner meets the eligibility requirements of § 42.302.” *Id.* One of those eligibility requirements is that only persons (or their privies) who have been sued or charged with infringement under a patent are permitted to file a petition seeking a covered business method patent review of that patent. AIA § 18(a)(1)(B); 37 C.F.R. § 42.302(a). Under our rules, “[c]harged with infringement means a real and substantial controversy regarding infringement of a covered business method patent exists such that the petitioner would have standing to bring a declaratory judgment action in Federal court.” 37 C.F.R. § 42.302(a).

The Declaratory Judgment Act provides that “[i]n a case of actual controversy within its jurisdiction, . . . any court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of any interested party seeking such declaration.” 28 U.S.C. § 2201(a). In *MedImmune, Inc. v. Genentech, Inc.*, the Supreme Court stated

that the test for whether an “actual controversy” exists is “whether the facts alleged, under all the circumstances, show that there is a substantial controversy, between parties having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.” 549 U.S. 118, 127 (2007) (internal quotation marks omitted).

Although it relaxed the test for establishing jurisdiction, *MedImmune* “did not change the bedrock rule that a case or controversy must be based on a *real and immediate* injury or threat of future injury that is *caused by the defendants*—an objective standard that cannot be met by a purely subjective or speculative fear of future harm.” *Prasco, LLC v. Medicis Pharm. Corp.*, 537 F.3d 1329, 1339 (Fed. Cir. 2008). Thus, courts have explained post-*MedImmune* that “jurisdiction generally will not arise merely on the basis that a party learns of the existence of a patent owned by another or even perceives such a patent to pose a risk of infringement, without some affirmative act by the patentee.” *SanDisk Corp. v. STMicroelecs., Inc.*, 480 F.3d 1372, 1381 (Fed. Cir. 2007). Instead, courts have required “conduct that can be reasonably inferred as demonstrating intent to enforce a patent.” *Hewlett-Packard Co. v. Acceleron LLC*, 587 F.3d 1358, 1363 (Fed. Cir. 2009).

2. *The Parties’ Contentions*

The parties agree that neither Petitioner nor its privies has been sued for infringement of the ’060 patent. This patent, which issued April 14, 2015, is a relatively new member of a family of patents that has been litigated over the years. Petitioner, instead, bases its claim for standing on

its contention that it has standing sufficient to bring a declaratory judgment action. Pet. 6–10.

Petitioner argues that Patent Owner has made the following affirmative acts related to the enforcement of the '060 patent. *Id.* First, Petitioner notes that Patent Owner has asserted four related patents from the same patent family, including three parent patents of which the '060 patent is a continuation-in-part. *Id.* at 7.

Second, Petitioner contends that “certain claims of the '060 patent are substantially similar in scope to claims asserted against Petitioner in litigation.” *Id.* In particular, Petitioner submits that “[f]or example, claim 13 of the '060 patent and claim 12 of the '850 patent each recite an information management and synchronous communication system for use with wireless handheld computing devices and the internet, comprising a database, wireless handheld device, Web server and web page, wherein hospitality applications and data are synchronized between the claimed components.” *Id.* (citing Ex. 1001, 22:21–27; Ex. 1015, 16:1–22).

Third, Petitioner contends that, in the past, Patent Owner has asserted new patents as they issue. *Id.* at 7–8. Fourth, when the '060 patent issued, Patent Owner issued a press release stating that the challenged patent “‘will dramatically extend and expand [Patent Owner’s] patent licensing revenues. . . .’” *Id.* at 8 (quoting Ex. 1021). Fifth, Petitioner notes that Patent Owner’s counsel told the district court in one of the pending lawsuits involving the related patents that when future patents in the patent family issue this “may set off yet more claims and suits.” *Id.* (quoting Ex. 1022, 23). Finally, Petitioner also represents that it “has also engaged in ‘meaningful

preparation to conduct potentially infringing activity.’” *Id.* at 9 (quoting *Ass’n for Molecular Pathology v. U.S. Patent & Trademark Office*, 689 F.3d 1303, 1318 (Fed. Cir. 2012)). Petitioner submits that Patent Owner has filed lawsuits against Petitioner alleging that Petitioner’s existing products infringe four related patents in the ’060 patent family. *Id.*

Patent Owner responds that it has not sued anyone on the ’060 patent nor sued anyone on any patent in the last three years. Prelim. Resp. 6. Patent Owner asserts that “[t]he Board may not find a justiciable controversy based merely on what [Petitioner] subjectively alleges to ‘believe’ [Patent Owner] ‘might’ be thinking and/or ‘might’ do.” *Id.* at 7–8. Patent Owner contends that Petitioner has made “no showing of an actual suit or threat of suit for infringement of the ’060 patent.” *Id.* at 8. Patent Owner also argues that the claims of the ’850 patent and ’060 patent are different, and Petitioner has not shown adequately that they are similar. *Id.* at 8–10. Patent Owner also argues that Petitioner mischaracterized its press release and statements by its counsel, which it contends were “not a threat to extend or expand enforcement against new infringements not already encompassed by the extant litigations.” *Id.* at 12–15. Finally, Patent Owner further asserts that Petitioner has not shown sufficiently what conduct it has undertaken that might infringe the ’060 patent. *Id.* at 16–19.

3. Analysis

We agree with Patent Owner that Petitioner has failed to show sufficiently that it has standing to bring this covered business method patent review. Specifically, we agree with Patent Owner that Petitioner has not established sufficiently, at this time, that there is a real and immediate

controversy regarding the '060 patent. An essential link in the logical chain of Petitioner's allegations that it has standing is that the scope of the claims of the '060 patent and the asserted claims of '850 patent in the district court lawsuit are "substantially similar." See Pet. 7–10. We agree, however, with Patent Owner that Petitioner has not shown adequately that the claims of the two patents are sufficiently similar. Although Petitioner contends that claim 13 of the challenged patent is similar in scope to claim 12 of the already asserted '850 patent, it fails to provide any meaningful analysis to support its contention. Instead, it merely summarizes and lists certain similar claim limitations in the two claims without providing any discussion of the actual language of the identified limitations, the other limitations in the claims, and the claims as a whole.

Although we agree there are some similarities between the claims, there are also several differences that Petitioner fails to account for in its contentions. *Compare* Ex. 1001, 22:21–47, *with* Ex. 1015, 16:1–22. For example, challenged claim 13 of the '060 patent requires that the database contain "hospitality applications" and the wireless handheld device store "at least one of the hospitality applications," but claim 12 of the '850 patent does not require necessarily that the hospitality applications in the database be the same as the hospitality application stored on the wireless handheld device. Challenged claim 13 also requires that the wireless handheld device have "application software configured to present hospitality data for display on a screen of the at least one wireless handheld computing device," while claim 12 of the '850 patent has no such limitation.

Moreover, challenged claim 13 requires that the “communications control module” be a “real time communications control module” that can “link and synchronize hospitality data between multiple and different hospitality applications.” Although claim 12 of the ’850 patent recites a communications control module that can synchronize hospitality data, it does not recite “real time,” “link[ing],” or that the synchronization occur between “multiple and different hospitality applications.” The failure by Petitioner to account for these differences leaves us without the necessary information to evaluate whether the challenged claims are similar enough to those in the ’850 patent, or the other patents asserted in the district court litigation, that the prior infringement allegations might apply to this patent as well.

Our ability to assess whether there is a substantial controversy of sufficient reality and immediacy is hampered further by Petitioner’s inadequate showing that it “has also engaged in ‘meaningful preparation to conduct infringing activity.’” Pet. 9. Petitioner merely offers a conclusory statement to that effect. No evidence is cited to support this contention. *In re Pearson*, 494 F.2d 1399, 1405 (CCPA 1974) (“Attorney’s argument in a brief cannot take the place of evidence.”). We will not speculate as to what activities Petitioner may have engaged in and neither will we speculate as to the import or impact of any such activities. *See Delaware Dep’t of Nat. Res. & Envtl. Control v. E.P.A.*, 785 F.3d 1, 11 (D.C. Cir. 2015) (agency action cannot be “based on speculation”).

This failure of proof is in contrast to record that supported the Federal Circuit’s finding that jurisdiction existed in *Arkema, Inc. v. Honeywell Int’l*,

Inc., 706 F.3d 1351, 1357 (Fed. Cir. 2013). In *Arkema*, where there was “no dispute that the intended use would be at least arguably infringing and actively encouraged by the declaratory judgment plaintiff, a controversy [was] ‘sufficiently real’ for purposes of declaratory judgment jurisdiction.” *Id.* The same is true in the two Federal Circuit cases cited by Petitioner to support its standing argument. *Goodyear Tire & Rubber Co. v. Releasomers, Inc.*, 824 F.2d 953, 955, 956 (Fed. Cir. 1987) (noting that “it is uncontroverted that Goodyear manufactures tires using a tire cure bladder process” and the patentee was “suing Goodyear in state court for the same technology as is now covered by the patents”); *Vanguard Research, Inc. v. PEAT, Inc.*, 304 F.3d 1249, 1255 (Fed. Cir. 2002) (noting that there was no dispute that the declaratory judgment plaintiff was “engaging in activity subject to an infringement charge”). Although a party need not concede infringement to demonstrate a justiciable controversy, *see Arrowhead Indus. Water, Inc. v. Ecolochem, Inc.*, 846 F.2d 731, 738 (Fed. Cir. 1988), we find that Petitioner’s conclusory analysis is insufficient.

Petitioner’s other arguments regarding standing also are insufficient. For instance, although Patent Owner has sued parties in the past, it has been several years since Patent Owner last filed a new suit and Patent Owner has not brought any suits on the ’060 patent in the year since it issued. As for Patent Owner’s various statements in the press release and district court, it is possible that these could support a showing of standing with a more robust showing on Petitioner’s other contentions, but by themselves we find they are too vague and tentative to support a finding that Petitioner objectively faces “a *real* and *immediate* injury or threat of future injury that is *caused by*

the defendants,” as required by the law. *See Prasco*, 537 F.3d at 1339.

Accordingly, we conclude that Petitioner has not made an adequate showing that it has standing to bring this covered business method patent review.

II. CONCLUSION

Petitioner has failed to establish adequately that it has standing to bring this covered business method patent review.

III. ORDER

For the foregoing reasons, it is

ORDERED that the Petition is *denied*; and

FURTHER ORDERED that no covered business method patent review is instituted.

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