

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ASKELOADDEN LLC,
Petitioner,

v.

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

Case IPR2015-00133
Patent 8,297,502 B1

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

CHANG, *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). This Final Written Decision is issued pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73. For the reasons discussed herein, Petitioner has shown by a preponderance of the evidence that claims 1–30 of U.S. Patent No. 8,297,502 B1 are unpatentable.

A. Procedural History

Petitioner, Askeladden LLC,¹ filed a Petition requesting an *inter partes* review of claims 1–30 of U.S. Patent No. 8,297,502 B1 (Ex. 1501, “the ’502 patent”). Paper 1 (“Pet.”). Patent Owner, Sean I. McGhie and Brian K. Buchheit,² filed a Preliminary Response. Paper 10 (“Prelim. Resp.”). Upon consideration of the Petition and Preliminary Response, on April 23, 2015, we instituted an *inter partes* review of claims 1–30 of the ’502 patent pursuant to 35 U.S.C. § 314. Paper 32 (“Dec.”).

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.”³ Patent

¹ The Real Parties-in-Interest includes The Clearing House Payments Company. See Paper 34.

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 Owner” (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, 35, 47; Ex. 2058. 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, 35 (and Exhibit 3001), 36, and 47.

³ See Paper 33, 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”).

Owner, however, did not file a Patent Owner Response within the time period set forth in the Scheduling Order. To ensure clarity in our record, we required Patent Owner to file a paper, indicating whether it had abandoned the contest.⁴ Paper 48. Patent Owner indicated that it had not abandoned the contest. Paper 50. Patent Owner did not seek authorization to belatedly file a Patent Owner Response, nor indicate that it wished to file such a Response. We have before us, therefore, the Petition 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 1–30 of the '502 patent are unpatentable.

B. Related Matter

The '502 patent also is involved in IPR2015-00137. A final written decision in IPR2015-00137 is entered concurrently with this decision.

⁴ 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.

C. The '502 Patent

The '502 patent relates generally to consumer reward or loyalty programs. Ex. 1501, 1:17–2:11. According to the '502 patent, entities (e.g., airlines or credit card companies) often reward consumers, for utilizing their services, with non-negotiable credits, such as frequent flier miles, consumer loyalty points, and entertainment credits. *Id.* at 1:20–22, 7:16–17. The '502 patent discloses a graphical user interface for customers to convert non-negotiable credits into entity independent funds that can be used as payment for goods or services provided by a commerce partner. *Id.* at Abstract, 2:32–65.

D. Illustrative Claim

Claims 1, 9, 17, and 25 are independent. Claims 2–8 depend from claim 1; claims 10–16 depend from claim 9; claims 18–24 depend from claim 17; and claims 26–30 depend from claim 25.

Claim 1, reproduced below, is illustrative of the challenged claims.

1. A method comprising:

a computer presenting a graphical user interface (GUI) on a display, said graphical user interface showing a quantity of non-negotiable credits earned through previous interactions with an entity, the graphical user interface comprising a conversion option to convert at least a subset of the shown non-negotiable credits into entity independent funds in accordance with a conversion ratio, wherein the entity independent funds are accepted by a commerce partner as at least partial payment for goods or services provided by the commerce partner, wherein the commerce partner is not said entity, wherein in absence of

converting the non-negotiable credits into entity independent funds the commerce partner does not accept the non-negotiable credits as payment for goods or services provided by the commerce partner;

the computer receiving a selection of the conversion option; and

responsive to the received selection being processed, the computer presenting within the graphical user interface a quantity of available entity independent funds for use as payment for the goods or services provided by the commerce partner, said quantity of available entity independent funds resulting from converting the subset of non-negotiable credits into the quantity of available entity independent funds in accordance with the conversion ratio.

Ex. 1501, 6:22–48.

E. Prior Art Relied Upon

Petitioner relies upon the following prior art references:

Postrel	US 2005/0021399 A1	Jan. 27, 2005	(Ex. 1503)
MacLean	US 2002/0143614 A1	Oct. 3, 2002	(Ex. 1504)
Sakakibara	US 6,721,743 B1	Apr. 13, 2004	(Ex. 1505)

F. Instituted Grounds of Unpatentability

We instituted this trial based on the following grounds:

Challenged Claims	Basis	References
1–3, 7–11, 15, and 16	§ 103(a)	MacLean and Sakakibara
4–6, 12–14, and 17–30	§ 103(a)	MacLean, Sakakibara, and Postrel

II. ANALYSIS

A. Claim Construction

In an *inter partes* review, claim terms in an unexpired patent are given their broadest reasonable construction in light of the specification of the patent in which they appear. 37 C.F.R. § 42.100(b). Under the broadest reasonable interpretation standard, claim terms are given their ordinary and customary meaning as would be understood by one of ordinary skill in the art in the context of the entire disclosure. *In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007).

Petitioner proposes constructions for the following claim terms: “entity,” “non-negotiable credits,” and “entity independent funds,” which are recited at least in independent claims 1, 9, 17, and 25. Pet. 6–8. In our Decision to Institute, we adopted Petitioner’s proposed constructions because we determined that those constructions are consistent with the broadest reasonable construction. Dec. 5. We also construed “commerce partner” to mean an individual or group involved in commercial activity. *Id.* at 5–6. Neither party has indicated that our constructions are improper and we do not perceive any reason or evidence that now compels any deviation from our initial constructions.

Accordingly, the following claim constructions apply to this Decision:

Claim Term	Construction
entity	an organization that has a rewards program for a consumer

Claim Term	Construction
non-negotiable credits	credits which are accepted only by the granting entity of the credits
entity independent funds	funds acceptable as payment by at least one entity different from the original granting entity of the non-negotiable credits
commerce partner	an individual or group involved in commercial activity

B. Principles of Law

A patent claim is unpatentable under 35 U.S.C. § 103(a) if the differences between the claimed subject matter and the prior art are such that the subject matter, as a whole, would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including: (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of ordinary skill in the art; and (4) objective evidence of nonobviousness. *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966).

In that regard, an obviousness analysis “need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ.” *KSR*, 550 U.S. at 418. A prima facie case of obviousness is established when the prior art itself would

appear to have suggested the claimed subject matter to a person of ordinary skill in the art. *In re Rinehart*, 531 F.2d 1048, 1051 (CCPA 1976).

The level of ordinary skill in the art is reflected by the prior art of record. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001); *In re GPAC Inc.*, 57 F.3d 1573, 1579 (Fed. Cir. 1995); *In re Oelrich*, 579 F.2d 86, 91 (CCPA 1978).

C. Obviousness Over MacLean and Sakakibara

Petitioner asserts that claims 1–3, 7–11, 15, and 16 are unpatentable under 35 U.S.C. § 103(a) as obvious over the combination of MacLean and Sakakibara. Pet. 15–30. To support its contentions, Petitioner provides claim charts and detailed explanations as to how the combination of prior art meets each claim limitation. *Id.* Petitioner also relies on a Declaration of Mr. Matthew Calman. Ex. 1502.

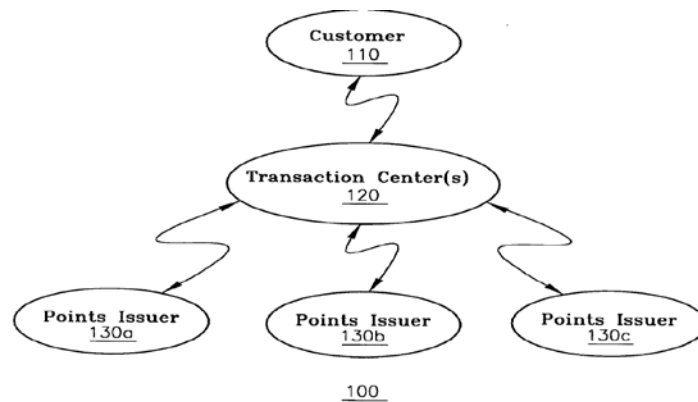
Upon review of Petitioner’s contentions and supporting evidence, we are persuaded by Petitioner’s showing, and adopt it as our own, that the combination of MacLean and Sakakibara teaches or suggests all of the limitations of claims 1–3, 7–11, 15, and 16, and renders the claimed subject matter as a whole obvious. Pet. 15–30. In our discussion below, we first provide a brief summary of MacLean and Sakakibara, and then we analyze certain limitations in detail as examples.

MacLean

MacLean describes a system and method for managing and exchanging reward or loyalty points. Ex. 1504 ¶¶ 1, 4. The Background

Section of MacLean discusses a number of existing web services for converting the points from a single loyalty program for negotiable credits. Ex. 1504 ¶¶ 2–12. MacLean also discloses a number of specific embodiments to provide additional improvements to those services by allowing users to accumulate or convert the points from various loyalty programs into those of a single program. *Id.* ¶ 41.

Figure 1 of MacLean is reproduced below.



As shown in Figure 1 of MacLean, point management system 100 facilitates interactions between customer 110, transaction center 120, and issuers 130a–c. *Id.* ¶ 40. The system provides a graphical user interface, enabling a customer to exchange reward points from one loyalty program to those of another loyalty program in accordance with an exchange rate. *Id.* ¶¶ 27, 41. Alternatively, the customer may exchange points issued by various loyalty programs into those of a single program, and redeem the post-converted points for the goods or services offered by that single program. *Id.*

Sakakibara

Sakakibara describes a point managing system that provides a web-based user interface, allowing a customer to convert the loyalty points of a first business entity into those of a second business entity in accordance with an exchange rate. Ex. 1505, 1:57–2:5, 7:7–10, Fig. 9. Sakakibara discloses that, prior to conversion, the first entity’s loyalty points are redeemable only at the first entity, and the second entity does not accept the points issued from the first entity, as payment for the second entity’s goods or services. *Id.* at 12:64–13:30. In short, the first entity’s loyalty points, prior to conversion, are non-negotiable.

Graphical user interface for converting non-negotiable credits

Each of independent claims 1 and 9 requires a graphical user interface for converting non-negotiable credits into entity independent funds; and the claims require that, in absence of conversion, “the commerce partner does not accept the non-negotiable credits as payment for goods or services provided by the commerce partner.” Ex. 1501, 6:35–37, 7:38–41. In addition, claims 7 and 15 require the entity independent funds to be negotiable funds, and claims 8 and 16 require the entity independent funds to be loyalty points of the commerce partner. *Id.* at 7:18–22, 8:14–18.

Upon review of the prior art and evidence in this record, we agree with Petitioner’s findings, and adopt them as our own, that the combination of MacLean and Sakakibara discloses the aforementioned limitations. Pet. 15–22, 24, 30. For instance, Petitioner sufficiently shows that MacLean discloses a graphical user interface in the form of web pages, for converting

loyalty points of a loyalty program into those issued by a different loyalty program in accordance with a conversion rate. Pet. 15, 24, 30 (citing Ex. 1504 ¶¶ 1, 17, Figs. 6A–6I; Ex. 1502 ¶¶ 88, 89, 124, 125). As Petitioner explains, MacLean discloses entity independent funds in the form of post-converted points that may be redeemed for goods or services from a commerce partner. Pet. 24 (citing Ex. 1504 ¶¶ 2, 9, 41, 57; Ex. 1502 ¶¶ 85–87). Indeed, MacLean discloses that, upon exchanging points issued from American Airlines for those of American Express Card, the user may redeem the post-converted points from American Express Card. Ex. 1504 ¶ 41. Mr. Calman testifies that the American Express Card points are redeemable for purchases, “including a certificate with various merchants, products from a catalog, or airline miles.” Ex. 1502 ¶ 87. On this record, we credit Mr. Calman’s testimony as it is consistent with MacLean’s disclosure. *See, e.g.*, Ex. 1504 ¶¶ 41, 57. As such, we are persuaded that Petitioner has shown adequately that MacLean’s post-converted points are negotiable funds, as required by the claims at issue.

Petitioner also points out that Sakakibara discloses the concept that, absent conversion, loyalty points are non-negotiable credits. Pet. 17–18 (citing Ex. 1505, 12:64–13:30). Petitioner articulates that one with ordinary skill in the art would have recognized that, in light of Sakakibara, MacLean’s loyalty points, prior to conversion, would have been accepted only by the merchant that issued those points (i.e., non-negotiable), and would not have been accepted by others as payment for their goods or services. *Id.* at 18. As Petitioner explains, it was known in the art that

loyalty points, prior to conversion, are non-negotiable credits, as evidenced by Sakakibara. Pet. 17–18 (citing Ex. 1505, 12:64–13:30). Petitioner’s reasoning is supported by Mr. Calman’s un rebutted testimony. Ex. 1502 ¶¶ 56, 99, 135, 142, 172.

Based on the evidence before us, we agree with, and adopt as our own, Petitioner’s rationale to combine MacLean and Sakakibara. We further determine that Petitioner has demonstrated by a preponderance of the evidence that the combination would have rendered the aforementioned “non-negotiable credits” limitations obvious.

Commerce partner

Each of claims 1 and 9 recites “wherein the entity independent funds are accepted by a commerce partner as at least partial payment for goods or services provided by the commerce partner, wherein the commerce partner is not said entity.” Ex. 1501, 6:30–33, 7:34–41. We agree with Petitioner’s findings, and adopt them as our own, that the combination of MacLean and Sakakibara discloses this limitation. Pet. 16–18, 20–21, 26–27. For instance, Petitioner points out that MacLean provides several examples of a commerce partner. *Id.* (citing Ex. 1504 ¶¶ 41, 64). Indeed, MacLean’s system allows a user to exchange loyalty points issued from one business for those of another business (a commerce partner), as both businesses agree to participate in the exchange. Ex. 1504 ¶ 41. We note that nothing in the claims precludes an intermediary to coordinate between the claimed entity and commerce partner. In fact, as discussed above, we construe the claim term “commerce partner” to mean an individual or group involved in some

commercial activity, and conclude that a direct link between the claimed entity and commerce partner is not required.

Given the evidence before us, we are persuaded that Petitioner has demonstrated by a preponderance of the evidence that the combination of MacLean and Sakakibara describes a commerce partner as required by claims 1 and 9.

Confirmation selector

The claims at issue require the quantities and confirmation selector to be displayed in response to the exchange selection (claims 1–3), or “processing the selection to effectuate changes in the [web] pages” (claims 9 and 11). We are persuaded by Petitioner’s showing, and adopt as our own, that the combination of MacLean and Sakakibara discloses these limitations. As Petitioner explains, MacLean discloses that, in response to the user’s exchange selection, the system processes the selection to effectuate changes in the web pages. Pet. 22, 28–29 (citing Ex. 1504 ¶ 52). Notably, MacLean describes that, after the user clicks “continue xchange” button 648 (shown in Figure 6E), the system displays a series of web pages to process the exchange (shown in Figures 6F–6H), including an option to confirm the exchange selection (a confirmation selector, as required by claim 3)—“submit” button 678 shown in Figure 6H. Ex. 1504 ¶ 52. Once the user confirms the selection by clicking on “submit” button 678, the system displays a web page that summarizes the point balance. *Id.*

Figure 6I of MacLean is reproduced below (with annotation added).

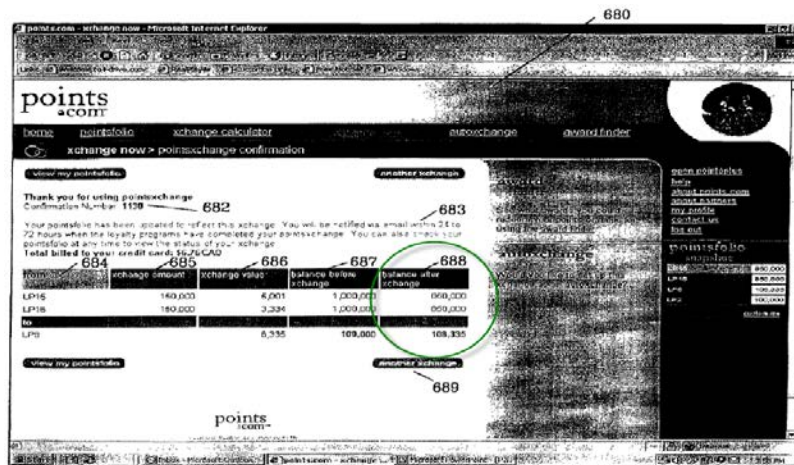


FIG. 6I

As illustrated in Figure 6I, web page 680 indicates that the user's account has been updated (683), and displays: (1) confirmation number 682, (2) a quantity of entity independent funds after the exchange 688 (as required by claims 1 and 9), and (3) a quantity of non-negotiable credits available after the exchange 688 (as required by claims 2 and 11). *Id.* ¶ 52.

Having reviewed the evidence before us, we determine that Petitioner has shown by a preponderance of the evidence that the combination of MacLean and Sakakibara would have rendered the “confirmation selector” claim limitations obvious.

Additional claim limitations

Petitioner relies on MacLean in combination with Sakakibara, along with Mr. Calman's un rebutted testimony, to meet other limitations recited in claims 1–3, 7–11, 15, and 16. Pet. 15–30; Ex. 1502. Based on the evidence in this record, we agree with Petitioner's showing, and adopt it as our own, that MacLean in combination with Sakakibara discloses the additional

limitations of claims 1–3, 7–11, 15, and 16, and renders the claimed subject matter as a whole obvious.

Conclusion on obviousness over MacLean and Sakakibara

For the foregoing reasons, we determine that Petitioner has demonstrated by a preponderance of the evidence that claims 1–3, 7–11, 15, and 16 are unpatentable over the combination of MacLean and Sakakibara.

D. Obviousness Over MacLean, Sakakibara, and Postrel

Petitioner asserts that claims 4–6, 12–14, and 17–30 are unpatentable under 35 U.S.C. § 103(a) as obvious over the combination of MacLean, Sakakibara, and Postrel. Pet. 30–58. To support its contentions, Petitioner provides claim charts and detailed explanations as to how the combination of prior art meets each claim limitation. *Id.* Petitioner also directs attention to a Declaration of Mr. Calman. Ex. 1502.

Upon consideration of the prior art in this record and Petitioner’s supporting evidence, we are persuaded by Petitioner’s showing, and adopt it as our own, that the combination of MacLean, Sakakibara, and Postrel discloses all of the limitations of claims 4–6, 12–14, and 17–30, and renders the claimed subject matter as a whole obvious. Pet. 30–58. In our discussion below, we provide a brief summary of Postrel⁵, and then we address certain limitations in detail as examples.

⁵ A brief summary of MacLean and Sakakibara has been provided previously in our obviousness analysis based on MacLean and Sakakibara.

Postrel

Postrel discloses a system in which a user may redeem reward or loyalty points earned with a merchant, or may redeem the points with another merchant through an exchange network. Ex. 1503, Abstract. The user additionally may aggregate reward or loyalty points from various merchants into a central exchange account, and then redeem the post-converted points for goods or services from any approved merchant on the network. *Id.* ¶¶ 10, 45–50. In short, Postrel’s system integrates a user interface for exchanging and redeeming loyalty points, with an e-commerce interface. *Id.*

Computer features

The claims at issue require certain “computer” features—program instructions, processors, and storage devices storing program instructions. *See, e.g.*, Ex. 1001, 8:19–49. Petitioner accounts for those “computer” features by directing attention to the specific portions for MacLean and Postrel, as well as the Declaration of Mr. Calman in its analysis. Pet. 31–33, 42–48, 50, 57. We are persuaded by Petitioner’s findings, and adopt it as our own, that the combination of MacLean, Sakakibara, and Postrel discloses the “computer” features of claims 17–19, 23–25, 28, and 29. *Id.*

For instance, as Petitioner points out, MacLean discloses the storage and execution of computer programs. *Id.* at 32; Ex. 1504 ¶ 52 (noting that “program 500 that is stored and executed in the transaction center 120”). Petitioner explains that, notwithstanding that MacLean implicitly discloses using storage devices containing computer program instructions to convert

the loyalty points and computers having processors, Postrel explicitly discloses these features. Pet. 32. Indeed, Postrel describes a system for converting loyalty points, using the existing infrastructure of credit card networks to implement the conversion. Ex. 1503 ¶¶ 43, 44. Postrel discloses that after a user earns loyalty points through interactions with an entity, such as purchases at a pizzeria, a central server (or an acquiring bank) updates the user's reward account with corresponding pizza points. *Id.* ¶ 30. Postrel describes the use of a computer product with computer-readable storage devices in the form of a "server [with] memory means for storing the user account information, user profiles and rules specified by the user, system, or merchant." *Id.* ¶ 68.

Petitioner further asserts that both MacLean and Postrel relate to loyalty program points, and specifically involve conversion of customer loyalty program points via a computer. Pet. 32–33. Petitioner articulates that one of ordinary skill in the art would have known that MacLean's program would need to be stored for execution and executed by a processor, and Postrel discloses a memory and a processor for that purpose. *Id.* Mr. Calman testifies that one of ordinary skill in the art would have recognized that MacLean's computer programs would have been stored on storage devices and executed on computers having one or more processors, in light of Postrel. Ex. 1502 ¶¶ 128, 129, 165, 166. We give Mr. Calman's testimony substantial weight in that regard as it is supported by the disclosures of MacLean and Postrel, and what the disclosures would have

conveyed to a person of ordinary skill in the art at the time of the invention. *See, e.g.*, Ex. 1503 ¶¶ 30, 43, 44, 68; Ex. 1504 ¶ 52.

Based on this record, we agree with, and adopt as our own, Petitioner’s reasoning to combine the teachings of MacLean, Sakakibara, and Postrel. We further determine that Petitioner has demonstrated by a preponderance of the evidence that the combination of MacLean, Sakakibara, and Postrel would render independent claims 17 and 25, as well as dependent claims 18, 19, 23, 24, 28, and 29 obvious.

E-commerce interface

Each of claims 4, 12, 20, and 26 recites “wherein the graphical user interface is an e-commerce interface through which goods or services provided by the commerce partner are able to be purchased.” *See, e.g.*, Ex. 1501, 7:3–6. Claims 6, 14, 22, and 27 require the interface to include an on-line shopping web site, and claims 5, 13, 21, and 30 require the interface to provide payment options, including paying using a credit card or the points converted from non-negotiable credits. *See, e.g., id.* at 7:9–17.

Upon review of the prior art and evidence in this record, we agree with Petitioner’s findings, which are supported by Mr. Calman’s unrebutted testimony, and adopt them as our own, that the combination of MacLean, Sakakibara, and Postrel discloses the aforementioned limitations. Pet. 33–58; Ex. 1502 ¶¶ 71–84, 114–19, 150–57, 182–85, 191–94. For instance, Petitioner points out that Postrel discloses an e-commerce interface (a web site) that provides on-line shopping capabilities (e.g., in the form of a VISA catalog), in which a customer may purchase the commerce partner’s goods

or services with different payment options, including paying with a credit card or loyalty points. Pet. 33–42, 48–50, 55–58 (citing Ex. 1503 ¶¶ 26, 49, 50, 71). Notably, both MacLean and Postrel utilize exchange rates for converting the loyalty points of an entity into those of a commerce partner. Ex. 1503 ¶ 45 (“When the purchaser utilizes the exchange server for aggregating his or her loyalty points from various merchants, exchange rates may be set . . .”); Ex. 1504 ¶ 52 (“In step 510, the customer selects the depositing LP and clicks on ‘calculate advanced exchange’ button 634. Step 511 calculates the exchange rates for this points transaction and displays page 640, a summary of the withdrawal and deposit points, as illustrated in Fig. 6E.”). Moreover, both MacLean and Postrel utilize an exchange server, enabling users to exchange loyalty points from various merchants for those of a single account. Ex. 1503 ¶¶ 45–47, 59; Ex. 1504 ¶¶ 51, 52. As Petitioner explains, MacLean provides greater detail regarding a web interface for viewing the loyalty points balance, whereas Postrel discloses greater detail concerning an e-commerce interface with on-line shopping capabilities and different payment options. Pet. 31, 33–34.

Mr. Calman testifies that, in light of Postrel, one of ordinary skill in the art would have added such an e-commerce interface to MacLean’s system to allow users to purchase the goods or services from the commerce partner using a credit card or the post-converted points in an online transaction, because it would provide users to “more conveniently redeem exchanged loyalty points and receive immediate gratification for their newly exchanged points.” Ex. 1502 ¶¶ 72–84. Mr. Calman also explains that such

a system would provide online shopping convenience, as well as the ease and flexibility of loyalty point redemption. *Id.* We credit Mr. Calman’s testimony as it is supported by the disclosures of MacLean and Postrel. *See, e.g.*, Ex. 1503 ¶¶ 26, 45–47, 49, 50, 59, 71; Ex. 1504 ¶¶ 45, 51, 52.

Given the evidence before us, we determine that Petitioner has demonstrated sufficiently that, in light of Postrel, one with ordinary skill in the art would have added such an e-commerce interface to MacLean’s system, allowing users to purchase the goods or services from the commerce partner using the post-converted points. *See KSR*, 550 U.S. at 417 (“If a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill.”). In view of the foregoing, we determine that Petitioner has shown by a preponderance of the evidence that the combination of MacLean, Sakakibara, and Postrel would have rendered the “e-commerce interface” limitations obvious.

Additional claim limitations

Petitioner relies on MacLean in combination with Sakakibara and Postrel, along with Mr. Calman’s un rebutted testimony, to meet other limitations recited in claims 4–6, 12–14, and 17–30. Pet. 30–58; Ex. 1502. Based on the evidence in this record, we agree with Petitioner’s showing, and adopt it as our own, that MacLean in combination with Sakakibara and Postrel discloses the additional limitations of claims 4–6, 12–14, and 17–30, and renders the claimed subject matter as a whole obvious.

Conclusion on obviousness over MacLean, Sakakibara, and Postrel

For the foregoing reasons, we determine that Petitioner has demonstrated by a preponderance of the evidence that claims 4–6, 12–14, and 17–30 are unpatentable over the combination of MacLean, Sakakibara, and Postrel.

III. CONCLUSION

For the foregoing reasons, we conclude that Petitioner has demonstrated by a preponderance of the evidence that claims 1–30 of the '502 patent are unpatentable based on the following grounds:

Claims	Basis	References
1–3, 7–11, 15, and 16	§ 103(a)	MacLean and Sakakibara
4–6, 12–14, and 17–30	§ 103(a)	MacLean, Sakakibara, and Postrel

IV. ORDER

In consideration of the foregoing, it is
ORDERED that claims 1–30 of the '502 patent are held *unpatentable*;
and

FURTHER ORDERED that, because this is a Final Written Decision, parties to the proceeding seeking judicial review of the decision must comply with the notice and service requirements of 37 C.F.R. § 90.2.

IPR2015-00133
Patent 8,297,502 B1

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