

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CLICKBOOTH.COM, LLC,
Petitioner,

v.

ESSOCIATE, INC.,
Patent Owner.

Case IPR2015-00464
Patent 6,804,660 B2

Before KALYAN K. DESHPANDE, BENJAMIN D. M. WOOD, and
JEREMY M. PLENZLER, *Administrative Patent Judges*.

PLENZLER, *Administrative Patent Judge*.

DECISION
Denying *Inter Partes* Review
37 C.F.R. § 42.108

I. INTRODUCTION

A. Background

Clickbooth.com, LLC (“Petitioner”) filed a Petition to institute an *inter partes* review of claims 1–15, 23, 28, and 36 of U.S. Patent No. 6,804,660 B2 (Ex. 1001, “the ’660 patent”). Paper 1 (“Pet.”). Essociate, Inc. (“Patent Owner”) did not file a Preliminary Response. We have jurisdiction under 35 U.S.C. § 314(a), which provides that an *inter partes* review may not be instituted “unless . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” For the reasons given below, we do not institute an *inter partes* review in this proceeding.

B. Related Proceedings

Petitioner and Patent Owner indicate that the ’660 patent is the subject of the following federal district court cases: *Essociate, Inc. v. Clickbooth.com, LLC*, Case No. 8:13-cv-01886-JVS-DFM (C.D. Cal.); *Essociate, Inc. v. 4355768 CANADA INC.*, Case No. 8:14-cv-00679-JVS-DFM (C.D. Cal.); and *Essociate, Inc. v. Integrate.com, Inc.*, Case No. 8:14-cv-00768-JVS-DFM (C.D. Cal.). Pet. 2; Paper 7, 2¹.

C. Asserted Grounds of Unpatentability and Evidence of Record

Petitioner contends that the challenged claims are unpatentable under 35 U.S.C. § 103 based on the following grounds (Pet. 7–59).²

¹ Patent Owner identifies 21 additional federal district court cases as related to the ’660 patent. Paper 7, 2–4.

² The challenges summarized in Petitioner’s table on pages 7–8 of the Petition do not correspond exactly to those discussed in detail in the Petition on pages 9–59. Our summary is based on those challenges discussed on pages 9–59 of the Petition.

References	Claim(s) Challenged
Bezos ³ , Messer ⁴ , GeoCities ⁵ , Reed ⁶ , and AAPA ⁷	1–15, 23, 28, and 36
Messer, Reed, and AAPA	1–11, 13, 15, 23, 28, and 36
Messer, Reed, El-Kadi ⁸ , and AAPA	9
Messer, Reed, Bezos, AAPA	12 and 14
Graber ⁹ , Geocities, and AAPA	1, 3–6, 13–15, 23, 28, and 36
Graber, GeoCities, Messer, and AAPA	2, 7, 8, and 10–12
Graber, GeoCities, Messer, El-Kadi, and AAPA	9
Graber, GeoCities, Bezos, and AAPA	14
Graber, Reed, and AAPA	1, 3–6, 13–15, 23, 28, and 36
Graber, Reed, Messer, and AAPA	2 and 7–12
Graber, Reed, Messer, El-Kadi, and AAPA	9
Graber, Reed, Bezos, and AAPA	14

³ U.S. Patent No. 6,029,141, issued Feb. 22, 2000 (Ex. 1003, “Bezos”).

⁴ U.S. Patent No. 5,991,740, issued Nov. 23, 1999 (Ex. 1004, “Messer”).

⁵ GeoCities Affiliates Program License and Services Agreement (Ex. 1005, “GeoCities”).

⁶ U.S. Patent No. 6,044,205, issued Mar. 28, 2000 (Ex. 1007, “Reed”).

⁷ U.S. Patent No. 6,804,660 B2, issued Oct. 12, 2004, Admitted Prior Art (Ex. 1001, 1:21–3:63, Figs.1 and 2, “AAPA”). We use the abbreviation “AAPA” for consistency with the Petition.

⁸ U.S. Patent No. 6,014,642, issued July 11, 2000 (Ex. 1008, “El-Kadi”).

⁹ U.S. Patent No. 5,812,769, issued Sep. 22, 1998 (Ex. 1009, “Graber”).

References	Claim(s) Challenged
Lipin ¹⁰ , GeoCities, and AAPA	1–8, 10–13, 15, 23, 28, and 36
Lipin, GeoCities, El-Kadi, and AAPA	9
Lipin, GeoCities, Bezos, and AAPA	14
Bezos, Messer, GeoCities, Reed, AAPA, Gray ¹¹ , and ClickTrade ¹²	1–15, 23, 28, 36
Messer, Reed, AAPA, Gray, and ClickTrade	1–11, 13, 15, 23, 28, and 36
Messer, Reed, El-Kadi, AAPA, Gray, and ClickTrade	9
Messer, Reed, AAPA, Gray, and ClickTrade	12 and 14

Petitioner also provides testimony from Jonathan E. Hochman.
Ex. 1006 (“the Hochman Declaration”).

D. The ’660 Patent

The ’660 patent is directed to “systems[,] methods and articles of manufacture for Internet based affiliate pooling across existing affiliate system boundaries.” Ex. 1001, 1:17–19. The ’660 patent describes an affiliate pooling system, which includes an affiliate pool of Webmasters that can be used as Virtual Affiliates to send traffic through a Merchant’s

¹⁰ U.S. Patent App. Pub. No. 2004/0225558 A1, published Nov. 11, 2004, and U.S. Provisional Patent Application No. 60/182,933, filed Feb. 16, 2000 (Ex. 1010 and 1011, respectively, collectively “Lipin”).

¹¹ Excerpt from Daniel Gray, *The Complete Guide to Associate and Affiliate Programs on the Net*. McGraw Hill, Nov. 30, 1999, page 161 (Ex. 1012, “Gray”). The date of the reference noted above is that alleged in the Petition, as there is no date included on Exhibit 1012.

¹² Internet Archive WayBackMachine, printouts of website <http://www.ClickTrade.com> from Feb. 29, 2000 – Mar. 1, 2000 (last visited on August 5, 2014) (Ex. 1013, “ClickTrade”).

existing affiliate system. *Id.* at 7:40–43. The Virtual Affiliates are able to advertise goods or services from the Merchant without being a part of the Merchant’s affiliate system. *Id.* at 7:43–46. The ’660 patent explains that “the Virtual Affiliates may remain anonymous to the Merchant’s affiliate system, [being] identified only as members of the affiliate pool of Webmasters.” *Id.* at 7:50–53.

Each Webmaster in the affiliate pool has a source Webmaster ID. *Id.* at 7:64–66. “Each Webmaster then utilizes the source Webmaster ID in order to send traffic which is ‘trackable’ through a system.” *Id.* at 10:10–11. The Webmaster may include links in their web pages directed to a Merchant’s goods or services, and these links can include the source Webmaster ID. *Id.* at 10:12–14. When a user clicks on a link on the site of a Webmaster in the affiliate pool, a request is sent to the affiliate pooling system that includes the source Webmaster ID and an identifier for the Merchant whose product or service is offered. *Id.* at 10:20–25. The affiliate pooling system determines the source Webmaster ID from the request and correlates the source Webmaster ID to a unique target Webmaster ID in the Merchant’s affiliate system. *Id.* at 10:63–67. The ’660 patent explains that “the Merchant may have previously allocated a sufficiently large number of unique ID’s from within its existing affiliate system . . . for use with the affiliate pooling system.” *Id.* at 11:2–5. A lookup table may be used to match the target Webmaster ID to the appropriate source Webmaster. *Id.* at 11:5–8. If no target Webmaster ID exists for a given source Webmaster ID, one is assigned from the group allocated by the Merchant. *Id.* at 15:19–24.

The affiliate pooling system then hands off the traffic to the Merchant affiliate system, which includes the target Webmaster ID. *Id.* at 11:38–45.

The Merchant affiliate system tracks all transactions occurring for each unique target Webmaster ID, and this data is obtained by the Virtual Affiliate system for compensation of the Virtual Affiliates. *Id.* at 11:64–67, 13:22–24.

The '660 patent explains that this system provides the benefit of allowing the Merchant “to expand without the additional burden of keeping track of all the identifying data for every Webmaster who refers traffic” without requiring the Merchant “to sign up, report on, pay out, or provide customer/technical support to every party who sends traffic to the Merchant system.” *Id.* at 9:50–56.

E. Illustrative Claim

As noted above, Petitioner challenges claims 1–15, 23, 28, and 36. Claims 1, 15, and 28 are independent, with claims 2–14, 23, and 36 depending from claim 1, 15, or 28. Claim 1 is reproduced below:

1. A method for providing Virtual Affiliates to an existing target affiliate system, the method comprising the operations of:
configuring an existing target affiliate system to receive referrals from a first plurality of Webmasters in an affiliate pool of source Webmasters such that the target Merchant affiliate system recognizes a transaction as originating from a source Webmaster in an affiliate pooling system, including the step of:
assigning a source Webmaster unique identifier for each of said first plurality of Webmasters each operating at least one web site;
receiving a user request for a target Merchant affiliate system URL from a web site operated by a particular referring Webmaster of the first plurality of Webmasters, wherein the user request includes the source Webmaster unique identifier for the particular referring Webmaster, and wherein the

target Merchant affiliate system includes a unique identification system for its own affiliated Webmasters;

correlating the received source Webmaster unique identifier to a target Webmaster unique identifier corresponding to the unique identification system of the requested Merchant affiliate system; and

generating a URL for the requested Merchant affiliate system, wherein the URL includes the correlated target Webmaster Merchant unique identifier, whereby the URL can be utilized to access the requested Merchant affiliate system, and further provide identification of the source Webmaster for requisite tracking.

Ex. 1001, 21:45–22:8.

II. ANALYSIS

A. Claim Construction

In an *inter partes* review, claim terms in an unexpired patent are given their broadest reasonable interpretation in light of the specification in which they appear and the understanding of others skilled in the relevant art.

37 C.F.R. § 42.100(b). Applying that standard, we interpret the claim terms of the '660 patent according to their “ordinary and customary meaning” in the context of the patent’s written description. *See In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007) (quoting *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005) (en banc)).

1. Claim 1

With respect to the limitations recited in claim 1, Petitioner proposes specific constructions for several terms. *See* Pet. 4–6. For example, Petitioner proposes that “existing target affiliate system” and “target merchant affiliate system” each be construed to mean “a computer system

that operates a merchant's affiliate program, including the tracking of transactions and commissions.” *Id.* at 5. With respect to terms not construed specifically, the Petition includes a general statement that “[m]any of the terms used in the claims of the ’660 patent were commonly understood words having widely accepted and ordinary meanings as of the earliest possible effective filing date of the application.” *Id.* at 4.

Our rules state that “the petition must set forth . . . [h]ow the challenged claim is to be construed” (37 C.F.R. § 42.104(b)(3)) and “[h]ow the construed claim is unpatentable” (37 C.F.R. § 42.104(b)(4)). Claim 1 recites the step of “configuring ***an existing target affiliate system*** to receive referrals from a first plurality of Webmasters in an affiliate pool of source Webmasters such that ***the target Merchant affiliate system*** recognizes a transaction as originating from a source Webmaster in an affiliate pooling system” (emphasis added). The claim does not provide antecedent basis for this first instance of “***the target Merchant affiliate system***.” Based on the claim language, it is unclear whether the “existing target affiliate system” and the “target Merchant affiliate system” in the “configuring” step are intended to be different systems or the same system and, if the same system, whether both should be the “existing target affiliate system” or the “target Merchant affiliate system.” Because the claim references the “target Merchant affiliate system” for later recited steps, claim scope depends on which system is recited in the configuring step.

As noted above, our rules require that “the petition must set forth . . . [h]ow the challenged claim is to be construed.” 37 C.F.R. § 42.104(b)(3). In the present case, the ambiguity resulting from the antecedent basis issue is readily apparent upon review of the claim and affects the scope of the claim.

Petitioner, however, offers no construction of the “configuring” step that addresses this ambiguity. In fact, Petitioner does not even acknowledge that the ambiguity exists. *See* Pet. 4 (summarizing the “configuring” step as “configuring an existing affiliate system to receive referrals from webmasters in an affiliate pool of webmasters” without reference to the recitation of “the target merchant affiliate system”). As noted above, Petitioner’s only proposed construction for the “configuring” step of claim 1 is directed to the individual terms in the “configuring” step. *See id.* at 4–6. Providing constructions for several specific terms, and further contending that other terms “were commonly understood words having widely accepted and ordinary meanings,” does not cure the deficiency in the Petition resulting from Petitioner’s failure to address the ambiguity in the “configuring” step.

Petitioner’s various challenges to claim 1 also fail to cure this deficiency. For example, Petitioner’s first challenge breaks the “configuring” step of claim 1 into separate portions and addresses each in isolation. *Id.* at 11–13. First, the Petition addresses “configuring an existing target affiliate system to receive referrals from a first plurality of Webmasters in an affiliate pool of source Webmasters.” *Id.* at 11–12. The Petition then separately addresses the “such that the target Merchant affiliate system recognizes a transaction as originating from a source Webmaster in an affiliate pooling system” limitation in the “configuring” step. *Id.* at 12–13. In addressing each of these portions of claim 1, however, the Petition cites the same affiliate systems for the “existing target affiliate system” and the “target Merchant affiliate system.” *Id.* at 11–13.

For example, with respect to “configuring an existing target affiliate system to receive referrals from a first plurality of Webmasters in an affiliate pool of source Webmasters,” Petitioner notes that “AAPA, Bezos, Messer, and GeoCities each teach an ‘existing target affiliate system’” and “***any of these prior-art affiliate systems*** receives referrals from a ‘first plurality of Webmasters in an affiliate pool of source Webmasters.’” *Id.* at 11 (emphasis added). Similarly, with respect to the “such that the target Merchant affiliate system recognizes a transaction as originating from a source Webmaster in an affiliate pooling system” portion of the “configuring” step, Petitioner notes that “***any one of these prior art affiliate systems*** would recognize a transaction as originating from a source webmaster in an affiliate pooling system, since the purpose of these affiliate systems was to provide a commission to the source webmaster.” *Id.* at 12 (emphasis added). The Petition further cites the various prior art affiliate systems in its contentions regarding the additional steps recited in claim 1 related to the “target Merchant affiliate system.” *See id.* at 14–19.

As Petitioner cites the same group of prior art affiliate systems (i.e. *multiple* prior art affiliate systems) for each of the “existing target affiliate system” and the “target Merchant affiliate system,” it is not clear if Petitioner contends that the “existing target affiliate system” and the “target Merchant affiliate system” are the *same* affiliate system, or if each is a *different* affiliate system. For example, with respect to the challenges, it is unclear if Petitioner contends that the *same* prior art affiliate system corresponds to the “existing target affiliate system” and the “target Merchant affiliate system” or if *different* ones of the prior art affiliate systems

correspond to each of the “existing target affiliate system” and the “target Merchant affiliate system.”

In the present case, Petitioner does not explain how the “configuring” step should be construed and, more specifically, how the antecedent basis issue in claim 1 should be addressed. By failing to address this ambiguity, Petitioner has failed to explain sufficiently its contentions regarding the challenged claims. Accordingly, we do not institute an *inter partes* review of claim 1, or claims 2–14, which depend from claim 1.

2. Claims 15 and 28

Claim 15 is directed to “[a] computer program” and recites a number of “code segment for” limitations. Claim 28 is directed to “[a] system” and recites a number of “means for” limitations. The “code segment for” and “means for” limitations in claims 15 and 28, respectively, further recite functions similar to those recited in the method steps of claim 1. Petitioner acknowledges, and, for purposes of this decision, we agree, that these “code segment for” and “means for” limitations are means-plus-function limitations that should be construed in accordance with 35 U.S.C. § 112, ¶ 6. Pet. 6.¹³

Claim 15 includes four separate “code segment for” limitations and claim 28 includes four separate “means for” limitations. In addressing constructions for the “code for” limitations from claim 15, the Petition groups the limitations together and summarily states that “each ‘code

¹³ Section 4(c) of the AIA re-designated 35 U.S.C. § 112, ¶ 6, as 35 U.S.C. § 112(f). Pub. L. No. 112–29, 125 Stat. 284, 296 (2011). Because the ’660 patent has a filing date before September 16, 2012 (effective date of § 4(c)), we refer to the pre-AIA version of § 112 in the instant opinion.

segment for' element is a means-plus-function limitation" and "[t]he corresponding structure is a software algorithm that the specification of the '660 patent does not further describe." *Id.* The Petition provides a similar argument in addressing the "means for" limitations from claim 28. *Id.* The Petition further notes that "[i]t is unclear to Petitioner from the patent specification what the corresponding structure would be for the means-plus-function limitations in claims 15 and 28." *Id.* at n.1.

Our rules require Petitioner to direct us to "the specific portions of the specification that describe the structure, material, or acts corresponding to each claimed function." 37 C.F.R. § 42.104(b)(3). Although Petitioner contends that "[t]he corresponding structure is a software algorithm" for each of the "code segment for" and "means for" limitations found in claims 15 and 28, respectively, Petitioner does not identify an algorithm in the specification of the '660 patent corresponding to even one of the "code segment for" or "means for" limitations. Pet. 6. Instead, as noted above, Petitioner contends that the '660 patent does not describe the software algorithm. *Id.*

As such, Petitioner fails to identify corresponding structure for any of the means-plus-function limitations and, therefore, fails to comply with 37 C.F.R. § 42.104(b)(3). Accordingly, we decline to institute *inter partes* review for claim 15 or claim 28, or claims 23 and 36, which depend from claims 15 and 28, respectively.

III. ORDER

For the reasons given, it is
ORDERED that the Petition is *denied* and no *inter partes* review is
instituted.

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