

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SERVICENOW, INC.,
Petitioner,

v.

BMC SOFTWARE, INC.,
Patent Owner.

Case IPR2015-01555
Patent 8,646,093 B2

Before JUSTIN T. ARBES, BRIAN P. MURPHY, and
JOHN A. HUDALLA, *Administrative Patent Judges*.

HUDALLA, *Administrative Patent Judge*.

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

Petitioner ServiceNow, Inc. (“ServiceNow”) filed a Petition (“Pet.”) (Paper 1) to institute an *inter partes* review of claims 1, 5, 10–13, and 16 of Patent 8,646,093 B2 (“the ’093 patent”) (Ex. 1001) pursuant to 35 U.S.C. §§ 311–319. Patent Owner BMC Software, Inc. (“BMC”) filed a Preliminary Response (“Prelim. Resp.”) (Paper 10) to the Petition. We have jurisdiction under 35 U.S.C. § 314.

Under 35 U.S.C. § 314(a), the Director may not authorize an *inter partes* review unless the information in the petition and preliminary response “shows that 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 that follow, we have decided not to institute an *inter partes* review.

I. BACKGROUND

A. *Related Proceedings*

The parties identify the following proceeding related to the '093 patent (Pet. 1; Paper 6, 1): *BMC Software, Inc. v. ServiceNow, Inc.*, Case No. 2:14-CV-00903 JRG (E.D. Tex. Sept. 23, 2014). The '093 patent is also the subject of a petition for covered business method review in CBM2015-00170.

B. *The '093 Patent*

The '093 patent is directed to a software license system that “allows an enterprise to model software license contracts and evaluate deployment of software for compliance with the software license contracts.” Ex. 1001, Abstract. Figure 2 of the '093 patent is reproduced below.

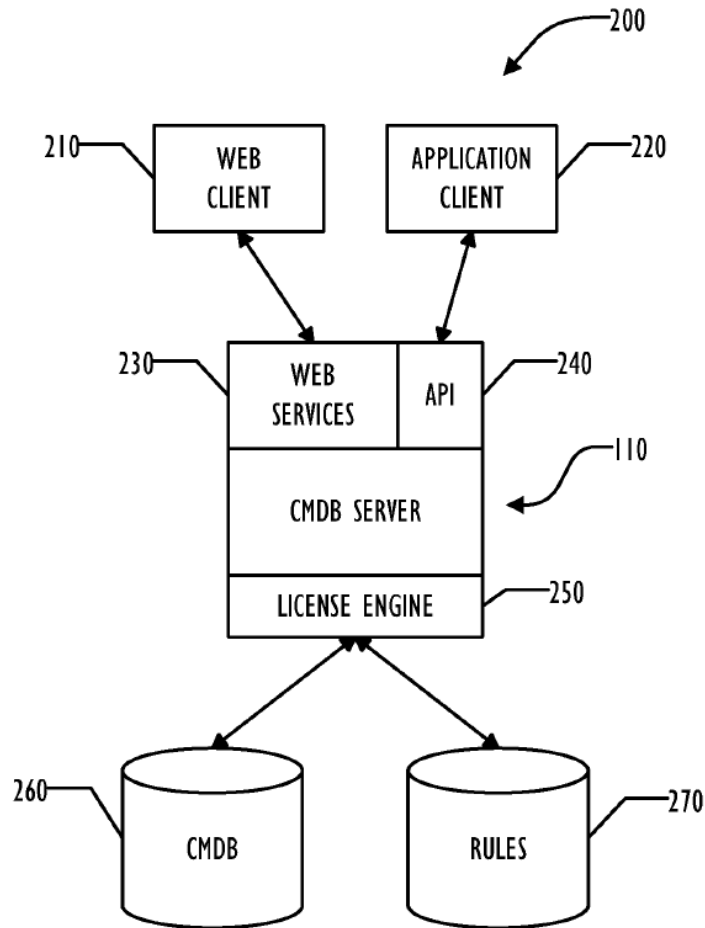


Figure 2 depicts system 200 having Configuration Management Database (CMDB) 260, which “contains data about managed resources known as Configuration Items (CIs).” *Id.* at 1:29–30. Information about the software contracts, which may include the information listed in Table 1 of the specification, may be stored as CIs in CMDB 260. *Id.* at 5:1–2, 9–55 (Table 1).

License datastore 270, which may be separate from or a part of CMDB 260, provides storage for license certificates “to model software contracts, including rules against which the CIs are evaluated for software license compliance and other information necessary for processing those rules.” *Id.* at 4:11–17, 9:37–40. “A license certificate indicates the right to deploy software in the environment managed by the CMDB server 110,” and

an exemplary license certificate may include the information listed in Table 3 of the specification. *Id.* at 8:61–63, 9:1–20 (Table 3).

C. Claim 1

Claim 1 of the '093 patent recites:

1. A computer-implemented method, comprising:
 - modeling deployment of a software product and a software license contract for the software product;
 - storing a first model of the modeled deployment of the software product in a configuration management database (CMDB) by storing information related to the software product as a first configuration item in the CMDB and by storing information related to the software license contract as a second configuration item in the CMDB;
 - storing a second model of the modeled software license contract for the software product in a license database by generating a license certificate corresponding to the software license contract and storing the license certificate in the license database; and
 - evaluating the deployment of the software product for compliance with the software license contract, comprising:
 - connecting and comparing the first model and the second model by comparing the first configuration item with the license certificate and connecting the license certificate with the second configuration item responsive to comparing the first configuration item with the license certificate; and
 - generating an exception indication if the act of comparing the first model and the second model indicates non-compliance with the software license contract.

D. The Prior Art

ServiceNow relies on the following prior art:

U.S. Patent No. 6,810,389 B1 to Meyer, filed Nov. 8, 2000, issued Oct. 26, 2004 (Ex. 1003, “Meyer”);

Excerpts from United Kingdom Office of Government Commerce, BEST PRACTICE FOR SOFTWARE ASSET MANAGEMENT, IT Infrastructure Library (ITIL) (2003) (Ex. 1004, “Best Practice”);

Excerpts from Rob Addy, EFFECTIVE IT SERVICE MANAGEMENT, TO ITIL AND BEYOND! (2007) (Ex. 1005, “Addy”); and

U.S. Patent Application Publication No. 2005/0071276 A1 to Bruchlos, filed June 24, 2004, published Mar. 31, 2005 (Ex. 1006, “Bruchlos”).

E. The Asserted Grounds

ServiceNow challenges claims 1, 5, 10–13, and 16 of the ’093 patent on the following grounds (Pet. 4):

References	Basis	Claims Challenged
Meyer, Best Practice, Addy	35 U.S.C. § 103(a)	1, 5, 10, 16
Meyer, Best Practice, Addy, Bruchlos	35 U.S.C. § 103(a)	11–13

F. Claim Interpretation

In an *inter partes* review, we construe claims by applying the broadest reasonable interpretation in light of the specification. 37 C.F.R. § 42.100(b); *see In re Cuozzo Speed Techs., LLC*, 793 F.3d 1268, 1275–78 (Fed. Cir. 2015). Under the broadest reasonable interpretation standard, and absent any special definitions, 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. *See In re Translogic Tech. Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007). Any special definitions for claim terms or phrases must be set forth “with reasonable clarity, deliberateness, and precision.” *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994).

ServiceNow identifies three terms for construction: “license certificate,” “model”/“modeling,” and “exception indication.” Pet. 15–20.

1. “*license certificate*”

ServiceNow and BMC both agree “license certificate” should be construed as “information relating to the right to deploy software.” Pet. 16–17 (emphasis omitted); Prelim. Resp. 7–8. We find this construction is consistent with the use of “license certificate” in the ’093 patent, so we apply this construction for purposes of this Decision.

2. “*model*”/“*modeling*”

ServiceNow and BMC also agree on constructions of “model” as “an organized collection of information about an object” and of “modeling” as “creating a model.” Pet. 17–18 (emphasis omitted); Prelim. Resp. 8. Because we find the proposed constructions of these terms are consistent with their use in the ’093 patent, we apply these constructions for purposes of this Decision.

3. “*exception indication*”

The parties propose different constructions for the term “exception indication.” *See* Pet. 19–20; Prelim. Resp. 8–10. For purposes of this decision, we decline to construe this term, because it has no bearing on our

disposition below. *See Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999) (“[O]nly those terms need be construed that are in controversy, and only to the extent necessary to resolve the controversy”).

II. ANALYSIS

We now consider ServiceNow’s asserted grounds in its Petition and BMC’s arguments in its Preliminary Response to determine whether ServiceNow has met the threshold standard of 35 U.S.C. § 314(a). ServiceNow submitted a declaration from Tal Lavian, Ph.D., to accompany its Petition. *See* Pet. 4 (citing Ex. 1002).

A. *Obviousness Ground Based on Meyer, Best Practice, and Addy*

ServiceNow contends claims 1, 5, 10, and 16 would have been obvious over the combination of Meyer, Best Practice, and Addy. Pet. 26–52. BMC disputes ServiceNow’s contentions. Prelim. Resp. 16–29.

1. *Meyer*

Meyer relates to “providing licenses to client computer systems to allow the client computer systems to use licensed software products.” Ex. 1003, 3:62–64. Figure 1 of Meyer is reproduced below.

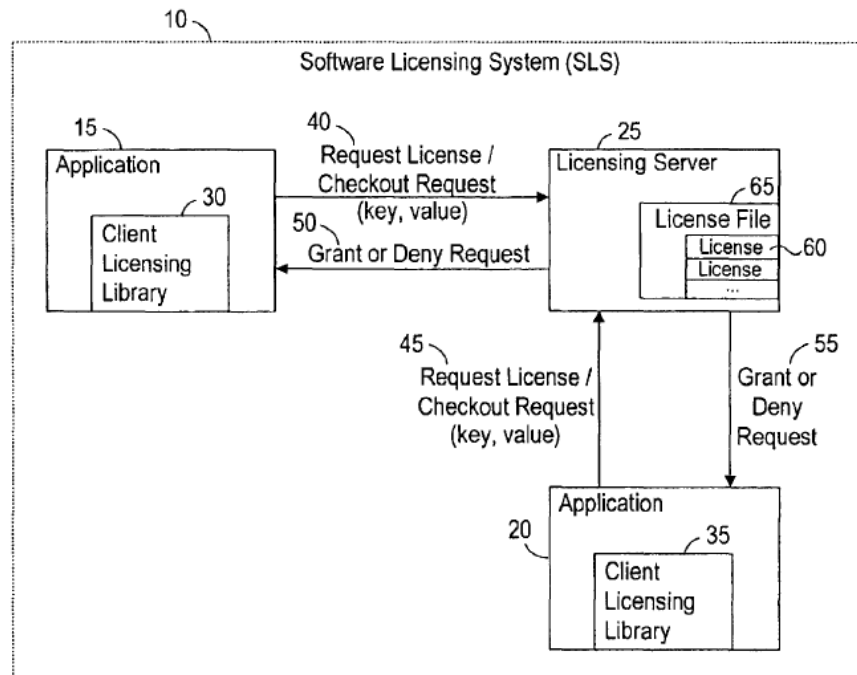


Figure 1 depicts a software licensing system (SLS) having licensing server 25, which holds license file 65 of licenses 60. *Id.* at 1:42–2:5. Applications 15, 20 make license requests 40, 45, which are also known as “checkout” requests, from licensing server 25. *Id.* at 1:44–49. Licensing server 25 either grants or denies (50, 55) these requests based on the result of a verification “that the license is intended to allow the operation of the application in the current configuration, environment, and at the current time.” *Id.* at 1:49–60.

Meyer also describes exemplary license 200 as containing license count 205, feature name 215, end date 225, and license version number 235. *Id.* at Fig. 3, 2:6–23.

2. Best Practice

Best Practice is a publication of the IT Infrastructure Library (ITIL), which is affiliated with the Office of Government Commerce of the United

Kingdom government. Ex. 1004, 16. Among other things, the publication is directed to software asset management (SAM) via the use of a CMDB. *Id.* at 16, 96. Best Practice describes that “each component contained within the CMDB is referred to as a Configuration Item (CI),” and “[e]ach CI record within the CMDB contains all of the attributes and information relating to a component necessary for managing it, whether software, hardware, contracts, etc.” *Id.* at 96–97. Exemplary contents of a CMDB, including exemplary CIs, are disclosed in Appendix D of Best Practice. *Id.* at 134–140.

3. *Addy*

Addy is a textbook related to the management of IT services. Ex. 1005. Addy states that “the CMDB should be an embedded part of every IT process and should be used by every member of the IT function on a daily, if not hourly basis.” *Id.* at 239.

4. *Claim 1 Obviousness Analysis*

Claim 1 is unpatentable “if the differences between the subject matter [claimed] 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.” 35 U.S.C. § 103(a).¹ ServiceNow proposes combining certain exemplary configuration

¹ The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), amended 35 U.S.C. §§ 102 and 103. Because the ’093 patent has an effective filing date before the effective date of the applicable AIA amendments, throughout this Decision we refer to the pre-AIA versions of 35 U.S.C. §§ 102 and 103.

items from a CMDB as disclosed in Best Practice with Meyer’s teachings on creating and checking license records to teach the limitations of claim 1. *See* Pet. 26–48. ServiceNow contends an ordinarily skilled artisan would have had reason to combine these teachings based on various commonalities in the references themselves and additionally based on Addy’s statements encouraging the use of CMDBs. *See id.* at 33–38, 41–47. Considering ServiceNow’s obviousness analysis and BMC’s Preliminary Response, and based on the present record, we are not persuaded that ServiceNow has established a reasonable likelihood of prevailing on its obviousness challenge of claim 1 for the reasons explained below.

In its unpatentability contentions, ServiceNow maps certain software modeling information from Best Practice to the recited “first model of the modeled deployment of the software product in a configuration management database (CMDB)” of claim 1. *Id.* at 29–30. Specifically, ServiceNow contends Best Practice’s CI for software products in Table D.2 teaches “information related to the software product” in the “first configuration item,” whereas Best Practice’s CI for software license contracts in Table D.1 teaches “information related to the software license” in the “second configuration item.” *Id.* (citing Ex. 1004, 134–38).

Correspondingly, ServiceNow maps Meyer’s license records stored in the license database to the recited “second model of the modeled software license contract for the software product in a license database” of claim 1. *Id.* at 30–31 (citing Ex. 1003, Figs. 1, 3; 2:10–21). ServiceNow contends the recited “license certificates” are generated when Meyer’s license server 760 creates license records by examining external files that contain information about underlying software license contracts. *Id.* at 32–33 (citing Ex. 1003, 7:40–61). Citing Best Practice, ServiceNow contends it would have been

obvious to modify the software license system of Meyer to include “the ability to maintain a CMDB with CIs for storing information relating to ‘the software product’ and ‘the software license contract,’ respectively.” *Id.* at 34 (citing Ex. 1002 ¶¶ 81–84).

The “evaluating” step of claim 1 comprises “connecting and comparing” and “generating” substeps directed to interactions of the “first model” and the “second model.” Specifically, the “first configuration item” of the first model is compared to the “license certificate” of the second model. To teach this limitation, ServiceNow relies on Meyer’s comparing of key/value attributes in a licensing request with the license record attributes in the license record. *See* Pet. 40–41 (citing Ex. 1003, 2:6–23). ServiceNow acknowledges Meyer does not disclose configuration items or a CMDB, *see id.* at 42, but ServiceNow cites claim 1’s earlier recitation that “information related to the software product” is stored “as a first configuration item.” *Id.* at 40. As stated above, ServiceNow proposes adding a CMDB to the software licensing system of Meyer; ServiceNow contends “this combination would have predictably resulted” in Meyer’s system comparing “the attributes in the license record (the ‘license certificate’) . . . against information about the software from the ‘first configuration item’ in the CMDB, rather than the licensing request in Meyer.” *Id.* at 41–42 (emphasis omitted) (citing Ex. 1002 ¶ 101).

BMC contends ServiceNow’s analysis of “comparing the first configuration item with the license certificate” is flawed because Meyer does not expressly disclose a “first configuration item” that can be compared to a license certificate. *See* Prelim. Resp. 22. Specifically, BMC cites ServiceNow’s analysis of Meyer whereby “the ‘first configuration item’ is merely ‘the license request issued to the licensing server’” in Meyer. *Id.*

(citing Pet. 40). BMC notes an apparent contradiction in this analysis, because ServiceNow elsewhere relies on Best Practice, rather than Meyer, for teaching the “first configuration item.” *Id.* (citing Pet. 29). BMC further criticizes ServiceNow’s analysis by noting it would be “nonsensical” for Meyer’s system—as modified to include a CMDB—to compare the CI of a CMDB, rather than a licensing request, with Meyer’s license file. *Id.* at 22–23. BMC contends there is no cited teaching of how “‘requests’ could be generated from a CMDB that merely reflects the deployment of software in an enterprise and does not consist of actual running applications or license clients.” *Id.*; *see also id.* at 17 (“Meyer’s architecture [w]ould be completely changed to read software modeled in a CMDB, where no clients or requests exist.”).

We are persuaded by BMC’s arguments. ServiceNow’s proposed modification of Meyer conflicts with ServiceNow’s mapping of Best Practice to the “first model of the modeled deployment of the software product” and Meyer to the “second model of the modeled software license contract for the software product.” *See* Pet. 29–32. ServiceNow would have us supplant (or disregard) its own asserted use of Best Practice for teaching the “first configuration item” elsewhere in claim 1, *see id.* at 29 (citing Ex. 1004, Table D.2), and substitute Meyer’s “information related to the software product” simply to reach the “comparing” step. *See id.* at 41–44. We find ServiceNow’s shifting application of the references to the “first configuration item” of claim 1 to be irreconcilable.

Moreover, even if it were feasible, ServiceNow’s proposed modification of Meyer to include CIs in a CMDB would relate to stored data, namely, the license records that ServiceNow maps to the recited “license certificate.” *See id.* at 34 (“Under this combination, the claimed

‘license certificate’ . . . is generated based on the license information in the CMDB . . .”). But, inconsistently, ServiceNow also likens CIs in the CMDB to Meyer’s license request issued to the licensing server. *See id.* at 40 (relating the “first configuration item” to a “license request issued to the licensing server”). The result would be a system that no longer issues a license request, as taught by Meyer, because Meyer’s licensing request would have been replaced by a CI. As noted by BMC, ServiceNow does not address how such a modified system in Meyer would operate in the absence of licensing requests. *See Prelim. Resp.* 17, 22–23. ServiceNow cannot both rely on the license request to initiate the “comparing” action and at the same time replace the license request with a data structure, the first configuration item, which is not associated with any request or “comparing” action.

For these reasons, and because ServiceNow’s citations to Addy do not cure the deficiencies noted above, ServiceNow has not established the combination of Meyer, Best Practice, and Addy teaches or suggests “comparing the first configuration item with the license certificate,” as recited in claim 1. Therefore, ServiceNow has not demonstrated a reasonable likelihood of prevailing on its assertion that Meyer, Best Practice, and Addy would have rendered obvious the subject matter of claim 1.

5. *Claims 5, 10, and 16*

Claims 5 and 10 depend from claim 1, so ServiceNow’s obviousness ground with respect to these claims is deficient for the same reasons as with claim 1. Independent claim 16 is a system claim comprising a “server computer” having a processor that “perform[s] the method of claim 1.” ServiceNow contends “claim 16 adds nothing of significance over claim 1”

and relies on the same analysis that it puts forth for claim 1. Pet. 51–52. ServiceNow’s obviousness ground with respect to claim 16 is therefore deficient for the same reasons as with claim 1. Accordingly, ServiceNow has not demonstrated a reasonable likelihood of prevailing on its assertion that Meyer, Best Practice, and Addy would have rendered obvious claims 5, 10, and 16.

B. Obviousness Ground Based on Meyer, Best Practice, Addy, and Bruchlos

ServiceNow contends claims 11–13 would have been obvious over the combination of Meyer, Best Practice, Addy, and Bruchlos. Pet. 53–58. BMC disputes ServiceNow’s contentions. Prelim. Resp. 25–29.

Claims 11–13 depend directly or indirectly from claim 1. ServiceNow relies on the same analysis for the limitations in the base claim, and ServiceNow’s use of Bruchlos does not cure the deficiencies in that analysis. See Pet. 53–58. Accordingly, for the same reasons set forth above with respect to claim 1, ServiceNow has not demonstrated a reasonable likelihood of prevailing on its assertion that Meyer, Best Practice, Addy, and Bruchlos would have rendered obvious claims 11–13.

III. CONCLUSION

We conclude that ServiceNow has not demonstrated a reasonable likelihood of prevailing with respect to at least one claim of the ’093 patent challenged in the Petition. Therefore, we do not institute an *inter partes* review on any of the asserted grounds as to any of the challenged claims.

IV. ORDER

Accordingly, it is

ORDERED that the Petition is denied as to all challenged claims of the '093 patent.

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