

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GROUPON, INC.,
Petitioner,

v.

KROY IP HOLDINGS, LLC,
Patent Owner.

IPR2019-00061
Patent 6,061,660 C1

Before JESSICA C. KAISER, STACY B. MARGOLIES, and
PAUL J. KORNICZKY, *Administrative Patent Judges*.

KORNICZKY, *Administrative Patent Judge*.

JUDGMENT
Final Written Decision
Determining Some Challenged Claims Unpatentable
35 U.S.C. § 318(a)

I. INTRODUCTION

Groupon, Inc. (“Petitioner”) filed a Petition (“Petition”) requesting an *inter partes* review of claims 1, 7, 10, 12, 14, 16–21, 25, 27–30, 67–69, 87, and 101 of U.S. Patent No. 6,061,660 C1¹ (Ex. 1001, “the ’660 patent”).² Paper 1 (“Pet.”). We issued a decision to institute an *inter partes* review of these claims. Paper 12. After institution, Kroy IP Holdings, LLC (“Patent Owner”) filed a Patent Owner Response (Paper 19, “PO Resp.”), Petitioner filed a Reply (Paper 31, “Reply”), and Patent Owner filed a Sur-Reply to Petitioner’s Reply (Paper 33, “Sur-reply”). Oral argument was held on January 23, 2020, and the transcript of the hearing has been entered as Paper 41 (“Tr.”).

We have jurisdiction under 35 U.S.C. § 6. This Final Written Decision is issued pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73.

Petitioner bears the burden of proving unpatentability of the challenged claims, and the burden of persuasion never shifts to Patent Owner. *Dynamic Drinkware, LLC v. Nat’l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015). To prevail, Petitioner must prove unpatentability by a preponderance of the evidence. *See* 35 U.S.C. § 316(e); 37 C.F.R. § 42.1(d). For the reasons that follow, we determine that Petitioner has shown by a preponderance of the evidence that claims 1, 7, 14, 16–21, 25, 27–30, 67–69, 87, and 101 of the ’660 patent are unpatentable. *See* 35

¹ The ’660 patent, issued on May 9, 2000, was amended by the *Ex parte* Reexamination Certificate No. 6,061,660 C1, issued on February 6, 2015. Ex. 1001.

² Claim 3 of the ’660 patent is referenced on page 1 of the Petition. Because this is the only place that claim 3 is addressed in the Petition, we understand that this is a typographical error.

U.S.C. § 316(e). Petitioner has not shown that claims 10 and 12 are unpatentable.

II. BACKGROUND

A. Related Proceedings

Petitioner and Patent Owner identify a related litigation in the U.S. District Court for the District of Delaware involving the '660 patent: *Kroy IP Holdings, LLC v. Groupon, Inc.*, Case No. 1:17-cv-01405. Pet. 61; Paper 4, 1. Petitioner and Patent Owner also identify another *inter partes* review filed by Petitioner regarding the '660 patent: IPR2019-00044. Paper 8, 1; Paper 4 (case caption).

The '660 patent was the subject of *Ex Parte* Reexamination No. 90/013,245, in which a reexamination certificate issued on February 6, 2015. Ex. 1001, 51–56 (“Reexamination Certificate”). The reexamination determined that (1) claims 1, 2, 4, 7, and 14 are patentable as amended, and (2) new claims 16–115 are patentable. *Id.* at Reexamination Certificate, 1:14–20. Claims 3, 5, 6, 8–13, and 15 were not reexamined. *Id.* at Reexamination Certificate, 1:21.

B. The '660 Patent (Ex. 1001)

The '660 patent is titled “System and Method for Incentive Programs and Award Fulfillment.” Ex. 1001, at code (54). The '660 patent discloses, in part, a method and system for providing incentive programs over a computer network. *Id.* at code (57). The '660 patent discloses host computer 18 having an incentive program builder application, which permits

sponsors to offer incentive programs to customers and customers to access these incentive programs. *Id.* at 6:53–7:6. Figure 2 of the '660 patent is reproduced below:

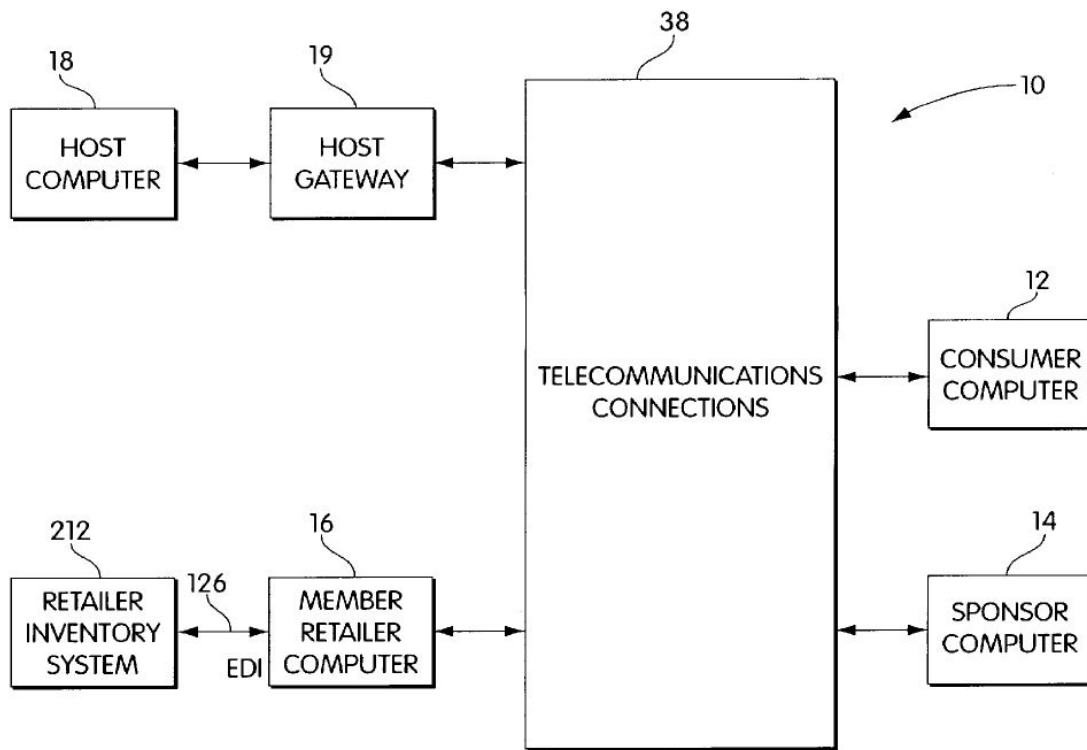


Fig. 2

Figure 2 of the '660 patent illustrates consumer computer 12, sponsor computer 14, and retailer computer 16 connected over the Internet to a host computer 18. *Id.* at 10:43–47. Sponsors build incentive programs through interaction with the host computer's incentive program builder application. *Id.* at 14:43–49.

As shown in Figure 15, host computer 18 stores consumer database 200, sponsor database 202, and award database 204, as well as files

containing code for implementing a consumer site, a sponsor site, and an award site. Ex. 1001, 12:12–18, Fig. 15. In operation, a sponsor may access a sponsor site through a Web browser and register as a sponsor in the host system. *Id.* at 14:7–13. The sponsor may choose to purchase an incentive program from the host or “build an incentive program through interaction with the host system’s computer automated incentive program building capability.” *Id.* at 14:26–43. “The sponsor database is updated to reflect the presence of the new incentive program, and the sponsor site . . . is updated to include a link to the new incentive program.” *Id.* at 14:53–56. The sponsor may select prizes for the incentive program from an award database that includes retailer merchandise. *Id.* at 14:66–15:8.

A consumer interacts with host computer 18 by accessing the consumer site with a Web browser. *Id.* at 15:60–66. The consumer may search for and select an incentive program. *Id.* at 16:30–41. When a consumer successfully completes an incentive program, as defined by the parameters of the incentive program, host computer 18 determines what prize has been won by the consumer. *Id.* at 21:37–51. The award database is updated to reflect the association between the consumer and the prize. *Id.* at 21:59–62. Host computer 18 may identify a retail location for fulfillment of the prize and may upload the prize information to a card processor for clearing the prize via a card network. *Id.* at 21:65–22:9. A consumer may present an electronic card to a retailer for fulfillment of the prize, whereby the retailer or merchant may validate the prize through a query to the award database. *Id.* at 22:9–26.

C. Illustrative Claim

As mentioned above, the challenged claims are claims 1, 7, 10, 12, 14, 16–21, 25, 27–30, 67–69, 87, and 101. Of the challenged claims, the independent claims are claims 1, 7, 10, 12, 14, 87, and 101. All of the challenged dependent claims depend directly or indirectly from either claim 1 or claim 14. Independent claim 1, reproduced below, is illustrative of the challenged claims.³

1. A system for incentive program generation, comprising:
 - [a] a network;
 - [b] a sponsor computer connected to the network;
 - [c] a host computer connected to the network, the host computer having a server;
 - [d] an incentive program builder application, running on the server;
 - [e] a database of objects associated with parameters of the incentive program builder application; and
 - [f] an interface of the incentive program builder application for sponsor entry of parameters for an incentive program, wherein the sponsor builds an incentive program by interacting with the incentive program builder application,
 - [g] wherein the host computer is configured to receive first input from a plurality of sponsors corresponding to the parameters for creating a plurality of incentive programs associated with the plurality of sponsors via the interface of the incentive program builder application from a plurality of sponsors,
 - [h] receive second input from a consumer selecting an incentive program from among the plurality of incentive programs,
 - [i] issue an award to the consumer corresponding to the selected incentive program,

³ We use Petitioner's scheme for identification of limitations (i.e., reference letters) on pages 9–18 of the Petition for consistency.

[j] receive a request to validate the award from a sponsor among the plurality of sponsors associated with the selected incentive program, and validate the award,

[k] wherein the host, the sponsor, and the consumer are different entities, and wherein the host and the sponsor are different individuals or corporate entities.

Id. at Reexamination Certificate, 1:23–54 (brackets and italics removed).

D. References

Petitioner relies on the following references:

References	Description	Date	Exhibit
Chelliah	US 5,710,887	Issued Jan. 20, 1998; Filed Aug. 29, 1995	1005
Christensen	US 6,035,280	Issued Mar. 7, 2000; Filed Apr. 10, 1996	1009
Halter	US 5,905,895	Issued May 18, 1999; Filed Mar. 7, 1997	1008

E. Alleged Grounds of Unpatentability

Petitioner challenges the patentability of the following claims in the '660 patent on the following grounds:

Claims Challenged	35 U.S.C. §	References/Basis
1, 7, 14, 16–21, 25, 27–30, 67–69, 87, 101	102	Chelliah
1, 7, 14, 16–21, 25, 27–30, 67–69, 87, 101	103(a)	Chelliah, Christensen
10 and 12	103(a)	Chelliah, Christensen, Halter

Pet. 3–4, 20–61. Petitioner also relies on testimony from Dan Harkey (Ex. 1002).

III. ANALYSIS

A. Level of Ordinary Skill in the Art

The level of skill in the art is a factual determination that provides a primary guarantee of objectivity in an obviousness analysis. *Al-Site Corp. v. VSI Int'l Inc.*, 174 F.3d 1308, 1324 (Fed. Cir. 1999) (citing *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966); *Ryko Mfg. Co. v. Nu-Star, Inc.*, 950 F.2d 714, 718 (Fed. Cir. 1991)).

Petitioner asserts that a person of ordinary skill

in the field designing systems and methods—performed over computer networks, such as the internet—to generate incentive and/or award fulfillment programs would have at least an undergraduate degree or equivalent experience in computer science or computer engineering, about 4–5 years of practical experience of developing network-based consumer or business software applications, and a familiarity with the World-Wide-Web.

Pet. 8 (citing Ex. 1002 ¶ 14). Patent Owner adopts, for the purpose of this proceeding, Petitioner's description of the level of ordinary skill. PO Resp.

9. Petitioner's description of a person of ordinary skill in the art is supported by the current record. Therefore, we adopt Petitioner's description.

B. Claim Construction

In this *inter partes* review based on a petition filed before November 13, 2018, the claim construction standard to be applied depends upon whether the patent at issue is expired or unexpired. Here, the '660 patent was filed March 18, 1998 and, according to Patent Owner, the patent expired

on March 18, 2018. PO Resp. 13.⁴ When interpreting claims of an expired patent, our analysis is similar to that of a district court. *Wasica Finance GmbH v. Continental Auto. Sys., Inc.*, 853 F.3d 1272, 1279 (Fed. Cir. 2017) (“The Board construes claims of an expired patent in accordance with *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc).”). Specifically, claim terms are given their ordinary and customary meaning, as would be understood by a person of ordinary skill in the art at the time of the invention, in light of the language of the claims, the specification, and the prosecution history of record. *Phillips*, 415 F.3d at 1313–17.

Petitioner asserts that columns seven and eight of the ’660 patent “expressly define” many, but not all, claim terms, without specifically identifying any particular claim term or any particular alleged definition. Pet. 19. Petitioner’s position for the remaining (yet unspecified) claim terms is unclear because Petitioner states “this [P]etition applies [Patent Owner’s] apparent construction of the claims, as well as the ordinary and customary meaning as understood by a [person of ordinary skill in the art] as of October 20, 1997 [the earliest possible effective filing date for the ’660 patent], where [Patent Owner’s] construction is not apparent.” *Id.* At institution, we noted that neither party proposed explicit constructions for any claim terms, and we determined that none were necessary at that stage of the proceeding. Paper 12, 14–15.

⁴ Petitioner does not address the appropriate claim construction standard or dispute that the ’660 patent has expired. *See generally* Pet. 9–19; Reply 1–7.

Patent Owner and Petitioner now propose constructions of three claim terms. PO Resp. 9–16; Reply 1–7.

1. “host computer”

In the Patent Owner Response, Patent Owner requests construction of the term “host computer” recited in independent claims 1, 14, 87, and 101⁵ to mean “a computer, separate and apart from the computer of the sponsor and consumer, that provides services to deploy, host, and manage applications and websites for sponsors and consumers.” PO Resp. 10; Sur-reply 1–3.

Petitioner asserts that the term “host computer” should be accorded its plain and ordinary meaning, and a person of ordinary skill in the art would understand that “host computer” is “a generic computer provided by the host.” Reply 1 (citing Ex. 1015 ¶¶ 37–41).

The ’660 patent describes the host computer as follows:

Referring to FIG. 2, the host system 10 may further include a host computer 18. Referring to FIG. 7, the host computer 18 may include a CPU 170, ROM 172, modem 174, a host gateway 19, a data storage device 178, RAM 180, I/O interface 182 and I/O device 184. The host system 10, in particular, may include an HTTP server 188, or web server, and may optionally also include a separate application server capable of communication to the HTTP server 188. The host computer 18 may be any conventional server, such as a DEC server, with a conventional operating system, such as UNIX. The host computer 18 must be capable of receiving messages according to standard Internet protocols, such as HTTP.

Ex. 1001, 11:66–12:11.

⁵ Independent claim 7 recites a “computer,” not a host computer.

The '660 patent thus states the host computer may be any conventional server. The above description does not require the host computer to be “separate and apart from the computer of the sponsor and consumer” and does not require the host computer to “provide[] services to deploy, host, and manage applications and websites for sponsors and consumers”—both requirements in Patent Owner’s proposed construction. Patent Owner also identifies other passages of the specification that likewise do not contain such requirements. PO Resp. 12 (citing Ex. 1001, 14:43–49, 17:34–37, 18:47–51, 19:40–44); Sur-reply 2. Patent Owner does not identify persuasively any definition or disavowal in the specification or the file history that supports its proposed construction.

We agree with Petitioner that the term “host computer” should be construed to mean “a generic computer provided by the host.”

2. “*receive a request to validate the award from a sponsor*”

In our Decision to Institute, we construed limitations in 1[j], 7[j], and 14[i], which state, in relevant part, that the host computer is configured to “receive a request to validate the award from a sponsor.” Dec. 26. We stated that this limitation “does not require that the host computer receive a *request* ‘from a sponsor’; it requires that the *award* is ‘from a sponsor.’” Stated another way, the claim requires that the host computer receives a request from *anyone* to validate the sponsor’s award.” *Id.*

In the Patent Owner Response, Patent Owner requests construction of the term “receive a request to validate the award from a sponsor” in independent claims 1, 7, and 14 to mean “receive a request, from a sponsor, to validate the award.” PO Resp. 13. Patent Owner argues that our

construction is inconsistent with the context of the claims in which the terms appear. *Id.* Patent Owner argues the following:

[Claims 1, 7, and 14] consistently use the preposition “from” as a function word to indicate the performer of the action. Claims 1, 7, and 14 each require: (1) “**receive first input from** a plurality of **sponsors**”; (2) “receive second input from a consumer;” and (3) “**receive a request to validate the award from a sponsor**.” (Emphasis added.) Similarly, method claim 101 requires that the request to validate the award be from the sponsor: “**receiving, from the sponsor, a request to validate the award**, wherein the award is received by the sponsor from the consumer.” (Emphasis added.)

Construing “receive a request to validate the award from a sponsor” as “that the *award* is ‘from a sponsor’” as suggested by the Board would improperly render the “issue an award to the consumer corresponding to the selected incentive program” redundant. *See Stumbo v. Eastman Outdoors, Inc.*, 508 F.3d 1358, 1362 (Fed. Cir. 2007) (A claim construction that renders claim language superfluous is almost always incorrect.)

Id. at 14.

Patent Owner’s arguments are not persuasive. Patent Owner incorrectly contends the claims consistently use the preposition “from” to indicate the performer of an action. PO Resp. at 13–14. As Petitioner correctly states, however, claim 1, for example, uses the word “from” to modify the immediately preceding word or phrase, which is often *not* the performer of the action: (1) “receive first **input from** a plurality of sponsors”; (2) “receive second **input from** a consumer”; and (3) “selecting an **incentive program from** among the plurality of incentive programs.” Reply 4 (citing Ex. 1001, 1:23–54 (emphasis added)).

By requesting that the limitations 1[j], 7[j], and 14[i] mean “receive a request, from a sponsor, to validate the award,” Patent Owner is attempting to rewrite the limitations so that they parrot the language in claim 101. PO Resp. 13. Patent Owner’s reference to claim 101 (i.e., “receiving, from the sponsor, a request to validate the award”) does not support its arguments. *Id.* at 14 (citing Ex. 1001, 8:23–52). We agree with Petitioner that claim 101’s use of commas in the phrase to delineate “from the sponsor” shows that Patent Owner was capable of specifying the actor when it sought to do so. Reply 4 (citing *Unwired Planet, LLC, v. Apple Inc.*, 829 F.3d 1353, 1359 (Fed. Cir. 2016) (“If the patentee intended to restrict the claims-at-issue . . . it could have included that same limitation[.]”). Finally, Patent Owner relies on purported distinctions in the claims but does not identify in any disclosure in the Specification showing that our construction is incorrect. *See* PO Resp. 13–14; Sur-reply 3–4.

For the above reasons, we find that “receive a request to validate the award from a sponsor” requires that the host computer receives a request to validate the sponsor’s award but does not require that the host computer receive a *request* “from a sponsor.”

3. “*request to search for promotions*”

Patent Owner requests construction of the phrase “request to search for promotions” to mean “a search request implementing a search algorithm based on consumer specified criteria to identify promotions.” PO Resp. 15. Petitioner contends that a “request to search” simply means “to initiate the process of acquiring information or data of interest.” Reply 5 (citing Ex. 1015 ¶ 28).

Patent Owner asserts that claim 87 supports its proposed construction. PO Resp. 15; Sur-reply 4–5. Claim 87 requires “wherein the consumer interaction comprises a consumer request to search for promotions from among a plurality of promotions offered to the consumer by a plurality of sponsors.” Patent Owner contends that this “language demonstrates that the consumer’s request to search for promotions involves an interaction with a website of the host.” We do not agree. The plain language of claim 87 does not limit a “request to search for promotions” to a search request that implements a “search algorithm” or that this search algorithm must be “based on consumer specified criteria to identify promotions,” as required by Patent Owner’s proposed construction.

Patent Owner also contends that the Specification provides further support for its proposed construction. *Id.* Patent Owner contends that the Specification describes the consumer’s request to search for promotions as follows:

At a step 310, the consumer may choose to search the sponsor database for incentive programs. The search may be by topic, keyword, company or other parameters. ***If the consumer wishes to search, then the consumer is transferred to a search algorithm*** in a step 311.

Id. (citing Ex. 1001, 16:30–35). We do not agree that this disclosure supports Patent Owner’s proposed construction. The Federal Circuit has repeatedly “cautioned against limiting the claimed invention to preferred embodiments or specific examples in the specification.” *Williamson v. Citrix Online, LLC*, 792 F.3d 1339, 1346–47 (Fed. Cir. 2015). Here, Patent Owner has not pointed us to any language limiting the invention to the flow chart described at column 16, which the specification describes as “an

embodiment of the present invention.” Ex. 1001, 9:7–10. In addition, we agree with Petitioner (Reply 5–7) that Patent Owner’s proposed construction would exclude dependent claims 90 and 94, which recite searches using a “directory” (Ex. 1001, Reexamination Certificate, 6:26–27, 7:1–3) and, thus, do not employ consumer specified criteria.

We construe “request to search” to mean “initiate the process of acquiring information or data of interest.” This construction is supported by the Specification, which discloses many types of searches, which are not limited to “search algorithms” or to “consumer specified criteria.” The ’660 patent, for example, broadly searches by topic, keyword, company, directories, or other parameters. *See* Ex. 1001, 12:43–53 (search “by topic or keyword”), 16:30–35 (“[t]he search may be by topic, keyword, company or other parameters”), 6:26–27, 7:1–3 (claims 90 and 94 reciting searches using a “directory”).

C. Legal Principles of Unpatentability

1. Anticipation

A patent claim is anticipated if “the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for a patent.” 35 U.S.C. § 102(a). “To anticipate a claim, a prior art reference must disclose every limitation of the claimed invention, either expressly or inherently.” *Rapoport v. Dement*, 254 F.3d 1053, 1057 (Fed. Cir. 2001).

2. Obviousness

A claim is unpatentable under 35 U.S.C. § 103(a) if the differences between the subject matter sought to be patented 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. *See 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) when in the record, objective evidence of nonobviousness. *See Graham*, 383 U.S. at 17–18. 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. Petitioner must also demonstrate both “that a skilled artisan would have been motivated to combine the teachings of the prior art references to achieve the claimed invention, and that the skilled artisan would have had a reasonable expectation of success in doing so.” *Intelligent Bio-Sys, Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1367–68 (Fed. Cir. 2016).

D. Asserted Anticipation of Claims 1, 7, 14, 16–21, 25, 27–30, 67–69, 87, and 101 by Chelliah

Petitioner contends that claims 1, 7, 14, 16–21, 25, 27–30, 67–69, 87, and 101 are unpatentable as anticipated by Chelliah. Pet. 20–45. Petitioner provides an element-by-element analysis showing where each element of the challenged claims is taught by Chelliah. *Id.* We have reviewed the

information provided by Petitioner and Patent Owner's arguments and evidence. We determine that Petitioner has shown by a preponderance of the evidence that claims 1, 7, 14, 16–21, 25, 27–30, 67–69, 87, and 101 are anticipated by Chelliah. Below, we provide an overview of Chelliah, and then we address Petitioner's and Patent Owner's contentions for this anticipation ground in detail.

1. Overview of Chelliah (Ex. 1005)

Chelliah is titled "Computer System and Method for Electronic Commerce," and issued on January 20, 1998. Ex. 1005, at codes (54), (45).

Chelliah discloses a system for facilitating commercial transactions between a plurality of customers and at least one supplier over a computer network. Ex. 1005, at code (57). Figure 1 of Chelliah is reproduced below:

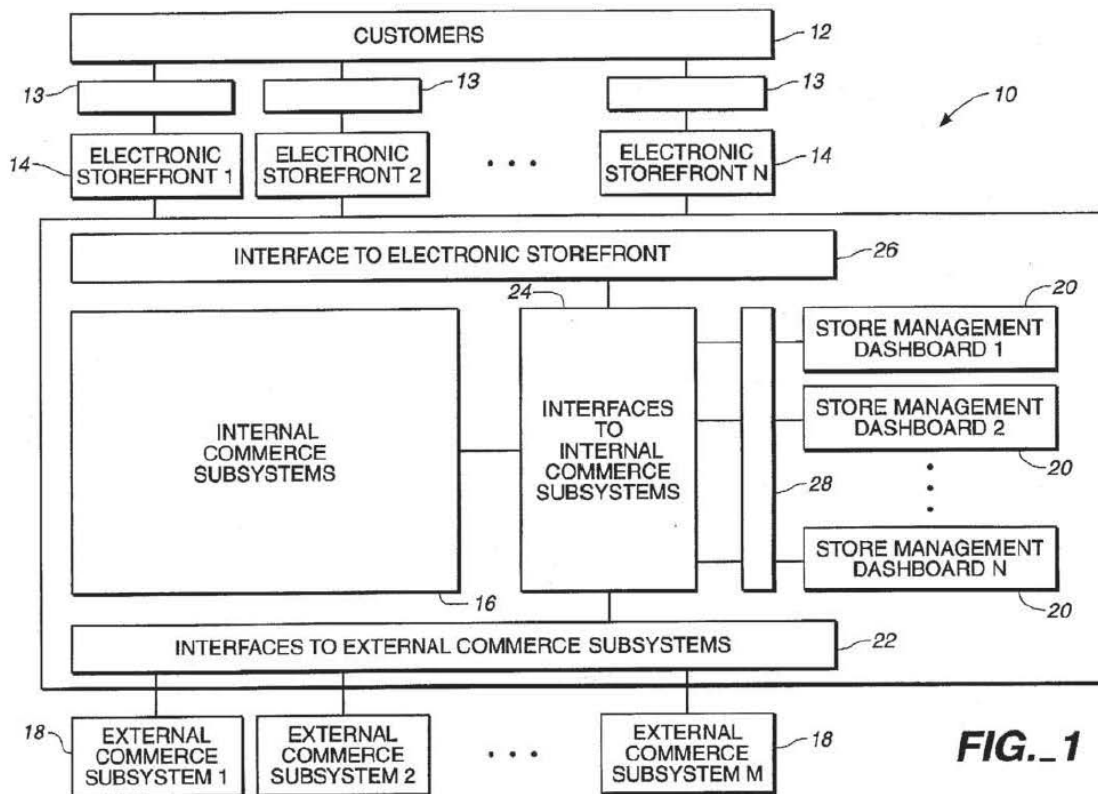


Figure 1 illustrates a schematic representation of Chelliah's electronic mall 10 having customers 12, Electronic Storefronts 14, Internal Commerce Subsystems 16, and External Commerce Subsystems 18. *Id.* at 5:11–13, 6:26–57. Electronic Storefront 14 is the graphical user interface presented to a customer browsing that store. *Id.* at 7:46–48. Internal Commerce Subsystems 16, External Commerce Subsystems 18, Electronic Storefronts 14, and Store Management Dashboards 20 interact with each other through Internal Commerce Subsystems Interfaces 24 and External Commerce Subsystems Interfaces 22. *Id.* at 6:53–57.

Customers 12, using user interface 13 such as a personal computer, enter the electronic mall, where customers 12 are presented with a choice of Electronic Storefronts 14. *Id.* at 6:26–34. After a customer enters a particular Electronic Storefront 14, Internal Commerce Subsystems 16 represent the store's interactions with the customer. *Id.* at 6:42–43. As the customer decides what items to purchase, External Commerce Subsystems 18 may be invoked to complete the transaction. *Id.* at 6:44–46.

The store's management uses Store Management Dashboard 20 to interface and control Internal and External Commerce Subsystems 16, 18, for example, to establish in-store sales as incentives for customers. *Id.* at 6:49–52. Store Management Dashboard 20 allows store management to change prices, offer incentives, collect customer-based and store-based sales data, and perform targeted advertising, i.e., interact with the various Internal and External Subsystems. *Id.* at 7:49–53. The Commerce Subsystem can include an Incentives Subsystem, which is a marketing module that allows stores to establish discount programs such as in-store sales, coupon-based

discounts, frequent buyer programs, and quantity discount cards. *Id.* at 7:10–16, 7:19–23.

2. Independent Claim 1

Preamble

The preamble of claim 1 recites a “system for incentive program generation.” Petitioner contends that, to the extent the preamble is limiting, Chelliah teaches this feature because “Chelliah specifically describes in-store sales, coupon discounts, and quantity discount cards” distributed through an electronic commerce system. Pet. 21–22 (citing Ex. 1005, 20:25–33; Ex. 1002 ¶ 75); *see also* Ex. 1005, 7:19–23. We find Petitioner’s contentions are persuasive. Patent Owner does not dispute that Chelliah discloses the preamble of claim 1. *See* PO Resp. 28–41.

Claim 1[a], [b]

Claim 1 recites [a] “a network,” and [b] “a sponsor computer connected to the network.” Ex. 1001, Reexamination Certificate, 1:24–27, 1:51–54. Petitioner contends Chelliah teaches these limitations by disclosing “a three-computer setup where the three computers are controlled by three separate entities: host (e.g., host for the ‘electronic mall’), consumer (e.g., Customer 12), and sponsor (e.g., supplier or store management).” Pet. 23 (citing Ex. 1002 ¶ 103). Petitioner also states that Chelliah discloses “a sponsor computer (e.g., store manager’s local personal computer).” *Id.* at 22 (citing Ex. 1005, 19:59–64; Ex. 1002 ¶ 102). We find Petitioner’s contentions are persuasive. Patent Owner does not dispute that Chelliah teaches claim limitations 1[a], [b]. *See* PO Resp. 28–41.

Claim 1[c]

Claim 1 recites [c] “a host computer connected to the network, the host computer having a server.” Petitioner contends that Chelliah teaches a host computer having a server by disclosing that, for example, “the electronic storefronts may be administered on a ‘computer system.’” Pet. 22 (citing Ex. 1005, 12:10–17; Ex. 1002 ¶ 102). Petitioner, relying on Mr. Harkey’s testimony, also asserts that Chelliah’s statement that a “World-Wide Web (WWW) site on the Internet [may be] accessed by a customer using a WWW browser application across a TCP/IP connection” would “communicate to a [person of ordinary skill in the art] the presence of a host server for serving the webpages with which the consumer interacts.” *Id.* (citing Ex. 1005, 12:1–9; Ex. 1002 ¶ 102). According to Petitioner, “Chelliah’s ‘In-Store Processing System 142’ cannot run on the sponsor’s computer, if it must administer multiple storefronts for a plurality of sponsors.” *Id.* (citing Ex. 1015 ¶¶ 73–74; Ex. 1005, 12:9–14 (In-Store Processing System 142 includes a Sales Representative Program Object 114); 27:51–59 (Sales Representative Program Object attends consumer in interactions with “multiple stores”)). Petitioner’s evidence is persuasive. *See, e.g.*, Ex. 1005, 12:9–14 (“In-Store Processing System 142 may be, for example, a computer system used to administer one or more of the electronic Storefronts 14”); 27:51–59 (Sales Representative Program Object, part of In-Store Processing System (i.e., “host computer”), attends consumer in interactions with “multiple suppliers” (i.e., “sponsors”)).

Patent Owner contends that Chelliah does not teach a “host computer” based on its proposed construction (i.e., “a computer, separate and apart from the computer of the sponsor and consumer, that provides services to

deploy, host, and manage applications and websites for sponsors and consumers”). PO Resp. 28–33; Sur-Reply 1–3. Patent Owner asserts that Chelliah’s “computer system used to administer one or more” electronic storefronts does not teach or suggest such a “host computer.” PO Resp. 31. According to Patent Owner, Chelliah’s “computer system” is “similar to the prior art incentive programs discussed in the ’660 Patent—a computer incentive program running on the Internet that operates without a ‘host computer’ or a host, but instead is operated and managed by the sponsor/supplier in Chelliah.” *Id.* Patent Owner relies on CORBA, an example implementation of Chelliah’s program objects, which “did not require program objects to run on a ‘host computer,’ but rather described deploying program objects on a range of computers, including collocation on a single computer or distributed across a network of computers in a distributed system.” *Id.* at 32 (citing Ex. 2001 ¶ 85). Finally, Patent Owner asserts that Chelliah does not disclose a “host computer” that “stores the code for implementing the consumer website and the sponsor website as describe by the ’660 patent.” *Id.* at 32–33 (citing Ex. 2001 ¶ 86).

Patent Owner’s arguments are not persuasive. As discussed above in Section III.B.1, we do not adopt Patent Owner’s construction because the host computer does not have to “provide services to deploy, host, and manage applications and websites for sponsors and consumers.” Patent Owner’s reference to COBRA is not persuasive because this is an exemplary implementation. Instead, we agree with Petitioner that Chelliah’s “In-Store Processing System 142” is “a computer system used to administer **one or more of the electronic storefronts** 14 shown in Fig. 1.” Reply 12 (citing Ex. 1005, 12:15–17). Petitioner’s evidence demonstrates persuasively that

Chelliah's In-store Processing System 142 is "a generic computer provided by the host," and is a "host computer" as recited in limitation 1[c].

Claim 1[d]

Claim 1 recites [d] "an incentive program builder application, running on the server." Ex. 1001, Reexamination Certificate, 1:28–29, 1:33–38. Petitioner contends that Chelliah teaches an incentive program builder application by disclosing the "Internal Commerce Subsystems including Incentive Subsystem 160 together with related elements." Pet. 23. Petitioner also contends that Chelliah's Internal Commerce Subsystems are "run[] on the server of a host computer through which a sponsor (i.e., a store's management) can build an incentive program" and "Incentive Subsystem 160 . . . and the other subsystems" are "connected in the system's architecture through standardized interfaces." *Id.* (citing Ex. 1005, 8:18–20; Ex. 1002 ¶ 104). Petitioner's contentions are persuasive.

Patent Owner argues that Chelliah's builder application is not run on the "host server." PO Resp. 33–35. First, Patent Owner repeats its argument that, because Chelliah does not disclose a "host computer," it cannot disclose a builder application that runs on the server of the host computer. *Id.* at 41. For the reasons discussed above in connection with claim limitation 1[c], we do not adopt Patent Owner's proposed construction of "host computer."

Second, Patent Owner asserts that "Figures 1 and 2 of Chelliah depict the 'Internal Commerce Subsystem 16,' which includes 'the Incentive Subsystem 160 with related elements,' as running in the 'In-Store Processing System 142' of an electronic storefront (*i.e.*, a participant in the ecommerce transaction and not a 'host' as required by the '660 Patent)." PO Resp. 35

(citing Ex. 2001 ¶ 91). Patent Owner’s argument that the In-Store Processing System 142 is running on the sponsor’s computer, not the host computer, is not persuasive. We agree with Petitioner that Chelliah discloses that “‘In-Store Processing System 142’ is ‘a computer system used to administer **one or more of the electronic storefronts** 14 shown in Fig. 1,’” and “‘In-Store Processing System 142’ cannot run on the sponsor’s computer, if it must administer multiple storefronts for a plurality of sponsors.” Reply 12 (citing Ex. 1005, 12:9–17, 27:51–59; Ex. 1015 ¶¶ 73–74).

Claim 1[e]

Claim limitation 1[e] recites “a database of objects associated with parameters of the incentive program builder application.” Ex. 1001, Reexamination Certificate, 1:30–32. Petitioner contends that Chelliah teaches this limitation by disclosing that parameters input by the sponsor in Pricing Rules Structure 300 are stored in a database (Pet. 28), and Chelliah’s subsystems use “Oracle or Sybase databases” (*id.* at 29). Petitioner contends that Chelliah employs a database application to create records (*i.e.*, objects) that associate two or more fields designating the type of parameter and the value(s) for that parameter. *Id.* at 28 (citing Ex. 1005, 21:20–26, 21:51–62, 21:65–68, 22:3–6, 22:12–17, 22:32–34, 22:41–44, 22:48–51, 22:55–53; Ex. 1002 ¶ 117). According to Petitioner, these records/objects are stored in a “Redemption Database.” *Id.* at 29 (citing Ex. 1005, 23:28–29, 24:35–42, Fig. 12; Ex. 1002 ¶¶ 118–119, 124–125). Petitioner asserts that Chelliah subsystems use “well-established, commercially available technologies,” including “Oracle or Sybase databases[.]” *Id.* (citing Ex. 1005, 9:8–14; Ex.

1002 ¶¶ 120–22). Petitioner explains that Chelliah’s Distributor Factory “creates a Distributor Program Object that creates a Participant Program Object persisting across multiple user sessions to store parameters pertaining to certain incentive programs” (*id.* (citing Ex. 1005, 11:7–10, Fig. 12; Ex. 1002 ¶¶ 111, 118)), and this object similarly constitutes “an integrated collection of data and functions” (*id.* at 30–31 (citing Ex. 1005, 9:27–38; Ex. 1002 ¶ 127)). Thus, Chelliah discloses an object association application that associates parameters with objects in a file (*i.e.*, a database file or stored data object). For these reasons, we find that Petitioner has shown that Chelliah discloses a database of objects associated with parameters of the incentive program builder application, as recited in claim limitation 1[e]. Patent Owner does not dispute that Chelliah discloses claim limitation 1[e]. *See* PO Resp. 28–41.

Claim 1[f]

Claim 1 recites [f] “an interface of the incentive program builder application for sponsor entry of parameters for an incentive program, wherein the sponsor builds an incentive program by interacting with the incentive program builder application.” Ex. 1001, Reexamination Certificate, 1:28–29, 1:33–38. Petitioner contends that Chelliah teaches this limitation by disclosing that the “Store Management [i.e., sponsor] interacts with the system through a Dashboard 20.” Pet. 25 (citing Ex. 1005, 23:59–60; Ex. 1002 ¶¶ 111–115). According to Petitioner, the “Dashboard allows store management to, among other things, ‘change prices, offer incentives, . . . and perform targeted advertising.’” *Id.* (citing Ex. 1005, 7:49–53; Ex. 1002 ¶¶ 111–115). Petitioner also asserts that “Figures 12A and 12B in

Chelliah depict interfaces of the program builder application running on the server through which store management (i.e. the sponsor) inputs parameters.” *Id.* at 25–26 (citing Ex. 1002 ¶¶ 110–112). Petitioner’s contentions are persuasive. Patent Owner does not dispute that Chelliah discloses claim limitation 1[f]. *See* PO Resp. 28–41.

Claim 1[g]

Claim limitation 1[g] recites “wherein the host computer is configured to receive first input from a plurality of sponsors corresponding to the parameters for creating a plurality of incentive programs associated with the plurality of sponsors via the interface of the incentive program builder application from a plurality of sponsors.” Ex. 1001, Reexamination Certificate, 1:39–46. Petitioner contends, in part, that Chelliah teaches this limitation by disclosing that its system is intended for use by multiple sponsors (i.e., suppliers). Pet. 31 (citing Ex. 1002 ¶¶ 147–149). Petitioner states that Chelliah repeatedly references “at least one supplier,” and “describes its electronic commerce systems as a mall for ‘a collection of suppliers of items such as goods or services.’” *Id.* (citing Ex. 1005, code (57), 1:60–2:27, 6:5–9; Ex. 1002 ¶¶ 143, 145–146). Petitioner’s contentions are persuasive. Patent Owner does not dispute that Chelliah discloses claim limitation 1[g]. *See* PO Resp. 28–41.

Claim 1[h]

Claim limitation 1[h] recites that the host computer is also configured to “receive second input from a consumer selecting an incentive program from among the plurality of incentive programs.” Ex. 1001, Reexamination

Certificate, 1:39–46. Petitioner contends Chelliah teaches this limitation by disclosing that “multiple coupons, each reflecting a particular incentive program, . . . are presented to a consumer upon entering an electronic storefront” (Pet. 31 (citing Ex. 1005, 23:28–29; Ex. 1002 ¶ 132)), and that “the consumer may input his/her selection to participate in any of a plurality of incentive programs” (*id.* at 32 (citing Ex. 1002 ¶¶ 133–135)). Petitioner’s contentions are persuasive. Patent Owner does not dispute that Chelliah teaches claim limitation 1[h]. *See* PO Resp. 28–41.

Claim 1[i], [j]

Claim limitation 1[i] recites that the host computer is configured to “issue an award to the consumer corresponding to the selected incentive program,” and limitation 1[j] recites that the host computer is configured to “receive a request to validate the award from a sponsor among the plurality of sponsors associated with the selected incentive program, and validate the award.” Ex. 1001, Reexamination Certificate, 1:46–50. Petitioner contends that Chelliah teaches these limitations because Chelliah discloses issuing an award, for example in the form of points, which the consumer can redeem later to obtain actual price discounts, additional free merchandise, or coupons. Pet. 32 (citing Ex. 1005, 13:41–44, 27:63–67, 28:17; Ex. 1002 ¶¶ 137–139). Petitioner presents several examples where Chelliah “discloses the validation of awards in its system using a redemption database,” including that “a sales representative program object in that system validates all applicable coupons against the store’s redemption database.” *Id.* at 32–33 (citing Ex. 1005, 15:6–13; Ex. 1002 ¶¶ 122, 130, 141). Petitioner reasons that a person of ordinary skill in the art “would

understand from these disclosures that Chelliah contemplates that subsystems to which coupons are presented could reside on the storefront's external systems and be validated against the Redemption Database.” *Id.* at 34. Petitioner's contentions are persuasive.

Patent Owner does not dispute that Chelliah teaches claim limitation 1[i] or that Chelliah discloses that the system receives requests from consumers/customers to validate awards from sponsors. *See* PO Resp. 35–36. However, Patent Owner argues that Chelliah does not teach claim limitation 1[j] because “[t]he ’660 Patent teaches—and the challenged claims require—that the *sponsor* send a request to validate the award.” *Id.* As discussed above in Section III.B.2, we do not adopt this construction, and thus Patent Owner's argument is not persuasive.

Claim 1[k]

Claim 1[k] recites “wherein the host, the sponsor, and the consumer are different entities, and wherein the host and the sponsor are different individuals or corporate entities.” Ex. 1001, Reexamination Certificate, 1:24–27, 1:51–54. Petitioner contends Chelliah teaches these limitations by disclosing “a three-computer setup where the three computers are controlled by three separate entities: host (e.g., host for the ‘electronic mall’), consumer (e.g., Customer 12), and sponsor (e.g., supplier or store management).” Pet. 23 (citing Ex. 1002 ¶ 103). Petitioner also states that Chelliah discloses “a sponsor computer (e.g., store manager's local personal computer).” *Id.* at 22 (citing Ex. 1005, 19:59–64; Ex. 1002 ¶ 102). We find Petitioner's contentions are persuasive.

Patent Owner argues that Petitioner's evidence does not identify Chelliah's disclosure of three distinct entities—host, sponsor, and consumer. PO Resp. 36–38. Patent Owner's arguments are not persuasive. Petitioner summarized its evidence:

First, Groupon's Petition explains that "Chelliah discloses a **sponsor** computer (e.g., store manager's local personal computer)." Pet. at 22-25 (citing Ex. 1005 at 19:59–64; Ex. 1002, ¶ 102) (emphasis added); *see also* Pet. at 31 (citing Ex. 1002, ¶ 144–48). **Second**, Groupon points to Chelliah's disclosure of the **consumer's** computer. *See* Pet. at 22–23 (customer's "personal computer" having "keyboard" and "mouse") (citing Ex. 1005, 6:26–36; Ex. 1002, ¶ 102); Pet. at 31; *see also* Ex. 1005 at 12:1–9 (customer's computer employing internet browser). **Third**, Groupon identifies the separate **host** computer. *See* Pet. at 22-23 ("Chelliah discloses that the electronic storefronts may be administered on a 'computer system.'" (citing Ex. 1005 at 12:10–17; Ex. 1002, ¶ 102); Pet., *id.* ("Chelliah describes a 'World-Wide Web (WWW) site on the Internet accessed by a customer using a WWW browser application across a TCP/IP connection'—a description which would communicate to a POSA the presence of a host server for serving the webpages with which the consumer interacts.") (citing Ex. 1005 at 12:1–9; Ex. 1002, ¶ 102); Pet. at 31.

Reply 14–15. We find that: (1) the store manager's local personal computer corresponds to the recited "sponsor computer (Ex. 1005, 19:59–64 ("The Store Management interacts with the electronic store through a Store Management Dashobard 20, which is typically a graphical use interface running at a store manager's local personal computer.")); (2) the customer corresponds to the recited "consumer" (*id.* at 6:26–36 ("A Customer 12 enters the electronic mall via a user interface 13, where the customer is presented with a choice of displayed Electronic Storefronts 14. The user

interface 13 may be a personal computer”); and (3) the computer system/In-store Processing System 142 corresponds to the recited “host computer” (*id.* at 12:15–18 (“In-Store Processing System 142 may be, for example, a computer system used to administer one or more of the electronic Storefronts 14 shown in FIG. 1.”). We find that Petitioner’s evidence cited in the Petition and Mr. Harkey’s declaration persuasively show that Chelliah discloses claim limitation 1[k].

Summary

For the reasons given above, Petitioner has shown that independent claim 1 is unpatentable as anticipated by Chelliah.

3. Claim 16

Claim 16 recites the “system of claim 1, wherein the incentive program is a promotion of the sponsor offered to the consumer and facilitated by the host.” Petitioner contends that claim 16 is disclosed in Chelliah, which according to Petitioner discloses an incentives subsystem accessible via a dashboard interface to create incentives, and receiving “cost reduction information” from a supplier. Pet. 34–35 (citing Ex. 1005, 23:59–63, 4:31–33; Ex. 1002 ¶¶ 74, 111, 156). Petitioner further contends that “[c]ost reduction is a form of promotion” and that Chelliah’s “disclosures taken together demonstrate Chelliah discloses a promotion of the sponsor to the consumer facilitated by the host of the Chelliah electronic commerce servers.” *Id.* at 35 (citing Ex. 1002 ¶ 156). Petitioner’s contentions are persuasive. *See, e.g.*, Ex. 1005, 12:9–14 (“In-Store Processing System 142 [i.e., “host computer”] may be, for example, a computer system used to administer one or more of the electronic Storefronts 14 [i.e.,

“consumers”]. . . .”); 27:51–59 (Sales Representative Program Object 114, part of In-Store Processing System (on the “host computer”), “attends” consumer in interactions with “multiple suppliers” (i.e., “sponsors”)); 20:25–33 (Incentive Program 250 “includes the name and description of the incentive, . . . its sponsor, and the price discount. . . . Incentive Program 250 might include: in-store (public) prices discounts, coupon-based price discounts, point-based frequent buyer discounts, or quantity discount cards.”); 4:31–33, 23:59–63. Other than its arguments related to claim 1, Patent Owner does not offer separate arguments for claim 16. *See* PO Resp. 41.

Petitioner has shown that claim 16 is unpatentable as anticipated by Chelliah.

4. Claim 17–19

Claim 17 recites the “system of claim 16, wherein the host computer is configured to host a website of the host through which the sponsor builds the incentive program.” Claim 18 recites the “system of claim 17, wherein the interface is configured to allow the sponsor to build the incentive program by interacting with the interface through the website of the host.” Claim 19 recites the “system of claim 18, wherein the sponsor interacting with the interface to build the incentive program comprises the interface receiving the sponsor entry of the parameters.”

Petitioner contends that claims 17–19 are disclosed in Chelliah, which according to Petitioner discloses a graphical interface (e.g., the Store Management Dashboard) for the sponsor to build incentive programs, and discloses implementing its interfaces as web pages including disclosing that a customer may access its electronic commerce system via a WWW session.

Pet. 35 (citing Ex. 1005, 12:3–9, 14:42–51; Ex. 1002 ¶¶ 159–161).

Petitioner further contends that “[e]ven though Chelliah does not explicitly state that the Dashboard interface is a web interface, [a person of ordinary skill in the art] would have known to implement the Dashboard interface as such.” *Id.* (citing Ex. 1002 ¶ 159).

Petitioner’s contentions are persuasive. *See* Ex. 1005, 4:30–33 (“The system of the invention further comprises supplier control means for receiving input, from a supplier, for changing the cost reduction information”), 12:9–14 (“In-Store Processing System 142 [on the “host computer”] may be, for example, a computer system used to administer one or more of the electronic Storefronts 14 [i.e., “consumers”]. . . .”); 27:51–59 (Sales Representative Program Object 114, part of In-Store Processing System (i.e., “host computer”), “attends” consumer in interactions with “multiple suppliers” (i.e., “sponsors”)); 20:25–33 (Incentive Program 250 “includes the name and description of the incentive, . . . its sponsor, and the price discount. . . . Incentive Program 250 might include: in-store (public) prices discounts, coupon-based price discounts, point-based frequent buyer discounts, or quantity discount cards.”); 19:60–64 (“Store Management interacts with the electronic store [“host”] through a Store Management Dashboard 20, which is typically a graphical user interface running at a store manager’s local personal computer [i.e., “sponsor’s computer”].”). Other than its arguments related to claim 1, Patent Owner does not offer separate arguments for claim 17. *See* PO Resp. 41.

Petitioner has shown that claims 17–19 are unpatentable as anticipated by Chelliah.

5. Claim 20, 21, 25, 27, and 28

Claim 20 recites the “system of claim 19, wherein the parameters comprise a duration of the incentive program.” Claim 21 recites the “system of claim 19, wherein the parameters comprise a start date of the incentive program.” Claim 25 recites the “system of claim 19, wherein the parameters comprise a location for fulfillment of the promotion.” Claim 27 recites the “system of claim 19, wherein the parameters comprise a discount offered by the sponsor to the consumer.” Claim 28 recites the “system of claim 19, wherein the parameters comprise a service offered by the sponsor to the consumer.”

Petitioner contends that claims 20, 21, 25, 27, and 28 are disclosed in Chelliah, which according to Petitioner discloses various types of incentives program parameters, including duration (claim 20), start date (claim 21), location (claim 25), discount (claim 27), and service (claim 28). Pet. 36 (citing Ex. 1005, 6:5–9, 20:25–28; Ex. 1002 ¶ 160). Petitioner’s contentions are persuasive. *See* Ex. 1005, 6:5–9 (describing electronic mall comprising a collection of suppliers of items such as goods or services), 20:21–24 (describing store manager using Store Management Dashboard 20 to interface with Incentive Subsystems 160 and Incentive Program 250 to create incentive programs), 20:25–28 (“Information specified in creating an Incentive Program 250 would include the name and description of the incentive, its starting and ending dates, its sponsor, and the price discount.”), 20:42–66 (describing in-store price discounts which are contingent on the customer being in the store (i.e., specific location for fulfillment of program])). Other than its arguments related to claim 1, Patent Owner does

not offer separate arguments for claims 20, 21, 25, 27, and 28. *See* PO Resp. 41.

Petitioner has shown that claims 20, 21, 25, 27, and 28 are unpatentable as anticipated by Chelliah.

6. Claim 29 and 30

Claim 29 recites the “system of claim 16, wherein an interface of a website of the host receives consumer interaction to participate in the incentive program.” Claim 30 recites the “system of claim 29, wherein the consumer interaction comprises the consumer registering at the website of the host.”

Petitioner contends that claims 29 and 30 are disclosed in Chelliah which, according to Petitioner, discloses that a consumer participating in the incentive programs via the website of the host “using a WWW browser application across a TCP/IP connection” and discloses that the consumer registers with the system through interaction with the host website by, among other things, supplying “a password to authenticate his or her identity.” Pet. 36 (citing Ex. 1005, 9:62–10:21 (describing instantiation of Participant Program Object 112 at the time the participant is registered which contains information about the participant and controls his or her access to the system), 12:1–9, 19:49–51; Ex. 1002 ¶¶ 167–169). Petitioner’s contentions are persuasive. *See* Ex. 1005, 9:53–61 (customer 12 interacts with system via a user interface 13), 9:62–10:21 (describing instantiation of Participant Program Object 112 at the time the participant is registered which contains information about the participant and controls his or her access to the system), 20:42–66 (describing in-store price discounts automatically given to customer upon entry to electronic store). Other than

its arguments related to claim 1, Patent Owner does not offer separate arguments for claims 29 and 30. *See* PO Resp. 41.

Petitioner has shown that claims 29 and 30 are unpatentable as anticipated by Chelliah.

7. Independent Claim 7

Claim 7 recites:

A method for generating an incentive program,
comprising:

- [a] providing a computer;
- [b] providing an incentive program builder application of such computer;
- [c] providing a database of objects associated with parameters of an incentive program;
- [d] providing an interface of the incentive program builder application for sponsor entry of parameters for an incentive program;
- [e] receiving first input from a plurality of sponsors corresponding to the parameters for creating a plurality of incentive programs associated with the plurality of sponsors via the interface of the incentive program builder application from a plurality of sponsors;
- [f] associating an object in the database with each parameter entered by the plurality of sponsors; and
- [g] generating the plurality of incentive programs comprising the objects associated with all of the parameters entered by the plurality of sponsors;
- [h] receiving second input from a consumer selecting an incentive program from among the plurality of incentive programs;

[i] issuing an award to the consumer corresponding to the selected incentive program;

[j] receiving a request to validate the award from a sponsor among the plurality of sponsors associated with the selected incentive program; and validating the award.

Petitioner asserts that the claim 7 limitations are the same as the claim 1 limitations as follows:

Claim 1	Claim 7
Preamble	Preamble
a	
b	
c	a
d	b
e	c, f
f	d
g	e
h	h
i	i
j	j
k	
	g

See Pet. 37–40; *see* Ex. 1002 ¶ 154. We find that the subject matter of the corresponding claim limitations are the same. Patent Owner does not contest Petitioner’s proposed correspondence between the claim 1 and 7 limitations. PO Resp. 28–41.

Petitioner contends that claim limitations 7[a]–[f] and [h]–[j] are the same as the corresponding claim 1 limitations and are anticipated by Chelliah for the same reasons that those claim 1 limitations are anticipated. Pet. 37. Patent Owner’s arguments related to these claim limitations are the same as those presented in connection with claim 1, as discussed above. PO

Resp. 28–41. As discussed above in connection with claim 1, Petitioner’s contentions are persuasive.

As to claim limitation 7[g]—“generating the plurality of incentive programs comprising the objects associated with all of the parameters entered by the plurality of sponsors,” Petitioner contends that this limitation is disclosed in Chelliah, which according to Petitioner discloses a method for generating such an incentive program and that Chelliah’s object-oriented electronic commerce system includes a set of program objects. Pet. 37 (citing Ex. 1005, 9:27–48; Ex. 1002 ¶ 127). Petitioner explains, in part:

To generate incentive programs, Chelliah’s system obtains the parameters from the sponsor via the “interface” limitation (limitation [d] in claim 7) and creates and associates the various objects described in connection with the “database” and “associating” limitations (limitations [c] and [f], respectively in claim 7, which collectively are the same as limitation [e] in claim 1 The Chelliah system then retrieves a Participant Program Object from its Participant Subsystem and activates it. Ex. 1005 at 13:23–25; Ex. 1002, ¶128. The Chelliah system then passes the Participant Program Object and a list of available coupons (Distributor Object) to a Sales Representative Factory. *Id.* at 13:29–32; Ex. 1002, ¶128. The list of available coupons may be generated through use of a nameserver such as that specified by the CORBA Object Request Broker. *Id.* at 13:27–29; Ex. 1002, ¶128. Chelliah explains that the Sales Representative Factory is a special-purpose program whose purpose is to create, or instantiate, a Sales Representative Program Object. *Id.* at 13:33–38; Ex. 1002, ¶128. This object obtains any coupons that have been retained by the Participant Program Object from prior shopping sessions, as well as any additional coupons representing current incentive promotions in the storefront (i.e. Distributor Objects). *Id.* at 13:41–47; Ex. 1002, ¶ 128.

Id. at 38–39. Petitioner’s contentions are persuasive. *See* Ex. 1005, 6:5–9 (describing electronic mall comprising a collection of suppliers of items such as goods or services), 20:21–24 (describing store managers/sponsors using Store Management Dashboard 20 to interface with Incentive Subsystems 160 and Incentive Program 250 to create incentive programs), 20:25–28 (“Information specified in creating an Incentive Program 250 would include the name and description of the incentive, its starting and ending dates, its sponsor, and the price discount.”), 20:31–66 (describing in-store price discounts (“incentive programs”) given to customers). Patent Owner does not address claim limitation 7[g].

Petitioner has shown that claim 7 is unpatentable as anticipated by Chelliah.

8. Independent Claim 14

Claim 14 recites”

A method of incentive program generation, comprising:

- [a] providing a host computer connected to a network for
- [b] hosting a sponsor having a sponsor computer connected to the network;
- [c] providing an incentive program builder application program, running on the host computer;
- [d] providing a database of objects associated with parameters of said incentive program builder application program; and
- [e] providing an interface of the incentive program builder application for sponsor entry of parameters for an incentive program, wherein the sponsor builds an incentive program by interacting with the incentive program builder application;

[f] receiving first input from a plurality of sponsors corresponding to the parameters for creating a plurality of incentive programs associated with the plurality of sponsors via the interface of the incentive program builder application from a plurality of sponsors;

[g] receiving second input from a consumer selecting an incentive program from among the plurality of incentive programs;

[h] issuing an award to the consumer corresponding to the selected incentive program;

[i] receiving a request to validate the award from a sponsor among the plurality of sponsors associated with the selected incentive program; and validating the award.

Petitioner asserts that the claim 14 limitations are the same as the claim 1 limitations as follows:

Claim 1	Claim 14
Preamble	Preamble
a	
b	b
c	a
d	c
e	d
f	e
g	f
h	g
i	h
j	i
k	

See Pet. 44–45; *see* Ex. 1002 ¶ 154. We find that the subject matter of the corresponding claim limitations are the same. Patent Owner does not

contest Petitioner's proposed correspondence between the claim 1 and 14 limitations. PO Resp. 25–37.

Petitioner contends that claim 14 recites the same subject matter as system claim 1, but claim 14 is a method claim. Pet. 44–45. Petitioner contends that claim 14 is anticipated by Chelliah for the same reasons that claim 1 is anticipated. *Id.* Patent Owner's arguments related to claim 14 are the same as those presented in connection with claim 1, as discussed above. PO Resp. 28–41. As discussed above in connection with claim 1, Petitioner's contentions are persuasive.

Petitioner has shown that claim 14 is unpatentable as anticipated by Chelliah.

9. Claim 67

Claim 67 recites the “method of claim 14, wherein the host computer is provided by a host through which the sponsor offers the incentive program to a consumer.” Petitioner contends that Chelliah discloses claim 67 by disclosing that one of its objects is “to provide a system for facilitating commercial transactions over a computer driven network capable of providing communications between a supplier and at least one customer site,” and, thus, according to Petitioner, Chelliah “discloses a host facilitating transactions between a sponsor and a consumer.” Pet. 45 (citing Ex. 1005, 2:37–41; Ex. 1002 ¶ 158). Petitioner further contends that Chelliah also “discloses an incentives subsystem hosted at the host” and the “incentive subsystem is accessible by a sponsor via a dashboard for the sponsor to create incentive programs. *Id.* (citing Ex. 1002 ¶¶ 157–158). Petitioner's contentions are persuasive. Other than addressing independent

claim 14, Patent Owner does not offer separate arguments for claim 67. PO Resp. 28–41.

Petitioner has shown that claim 67 is unpatentable as anticipated by Chelliah.

10. Claim 68

Claim 68 recites the “method of claim 67, wherein the award is a coupon.” Petitioner contends that Chelliah discloses claim 68 by disclosing an electronic commerce system with an incentives subsystem capable of coupon generation and validation which is used to redeem merchandise or services at the sponsor. Pet. 45 (citing Ex. 1002 ¶ 162). Petitioner’s contentions are persuasive. *See, e.g.*, Ex. 1005, 6:5–9 (describing electronic mall comprising a collection of suppliers of items such as goods or services), 12:1416 (describing In-Store Processing System 142, which may be a computer system used to administer electronic storefronts), 20:21–24 (describing store manager using Store Management Dashboard 20 to interface with Incentive Subsystems 160 and Incentive Program 250 to create incentive programs), 20:25–28 (“Information specified in creating an Incentive Program 250 would include the name and description of the incentive, its starting and ending dates, its sponsor, and the price discount.”), 20:42–66 (describing in-store price discounts which are contingent on the customer being in the store (i.e., specific location for fulfillment of program])). Other than addressing independent claim 14, Patent Owner does not offer separate arguments for claim 68. PO Resp. 28–41.

Petitioner has shown that claim 68 is unpatentable as anticipated by Chelliah.

11.Claim 69

Claim 69 recites the “method of claim 67, wherein the award is a coupon for redemption of merchandise or services at the sponsor.”

Petitioner contends that Chelliah discloses claim 69 by disclosing a coupon used to redeem free merchandise from the sponsor. Pet. 45 (citing Ex. 1002 ¶ 162). Petitioner’s contentions are persuasive. *See, e.g.*, Ex. 1005, 20:42–66 (describing in-store price discounts which are automatically given to customers in the sponsor’s store). Other than addressing independent claim 14, Patent Owner does not offer separate arguments for claim 69. PO Resp. 28–41.

Petitioner has shown that claim 69 is unpatentable as anticipated by Chelliah.

12.Independent Claim 87

Claim 87 recites:

A system for incentive program generation, comprising:

[a] a network;

[b] a sponsor computer connected to the network;

[c] a host computer connected to the network, the host computer having a server;

[d] an incentive program builder application, running on the server;

[e] a database of objects associated with parameters of the incentive program builder application; and

[f] an interface of the incentive program builder application for sponsor entry of parameters for an incentive program, wherein the sponsor builds an incentive program by interacting with the incentive program builder application,

[g] wherein the host computer is provided by a host, the host computer configured to allow the sponsor to offer the incentive program to a consumer,

[h] wherein the host, the sponsor, and the consumer are different entities,

[i] wherein the host and the sponsor are different individuals or corporate entities,

[j] wherein the incentive program is a promotion of the sponsor offered to the consumer and facilitated by the host,

[k] wherein an interface of a website of the host receives consumer interaction to participate in the incentive program,

[l] wherein the consumer interaction comprises a consumer request to search for promotions from among a plurality of promotions offered to the consumer by a plurality of sponsors.

Petitioner asserts that the claim 87 limitations are the same as the claim 1 limitations as follows:

Claim 1	Claim 87
Preamble	Preamble
a	a
b	b
c	c
d	d
e	e
f	f
g	g
h	
i	
j	
k	h-i
	j
	k
	l

See Pet. 40–44; *see* Ex. 1002 ¶ 154. We find that the subject matter of the corresponding claim limitations are the same. Patent Owner does not contest Petitioner’s proposed correspondence between the claim 1 and 87 limitations. PO Resp. 28–42.

Petitioner contends that claim limitations 87[a]–[i] are recited in claim 1 and anticipated by Chelliah for the same reasons that those limitations are anticipated in claim 1. Pet. 40–41. Patent Owner’s arguments related to these claim limitations are the same as those presented in connection with claim 1, as discussed above. PO Resp. 28–41. As discussed above in connection with claim 1, Petitioner’s contentions are persuasive.

As to claim limitations 87 [j]–[k], Petitioner contends that Chelliah discloses these limitations by disclosing an incentives subsystem accessible via a dashboard interface to create incentives, and receiving “cost reduction information” from a supplier. Pet. 41 (citing Ex. 1005, 4:31–33, 23:59–63; Ex. 1002 ¶ 156). Petitioner further contends that “[c]ost reduction is a form of promotion,” and that “[t]aking these disclosures together, Chelliah discloses a promotion of the sponsor to the consumer facilitated by the host of the Chelliah electronic commerce servers.” *Id.* (citing Ex. 1002 ¶ 156). Petitioner’s contentions are persuasive. Patent Owner does not address claim limitations 87[j]–[k]. *See* PO Resp. 28–41.

As to claim limitation 87[l], Petitioner contends that Chelliah discloses this limitation by disclosing presenting a consumer with a choice of suppliers. Pet. 41–42 (citing Ex. 1005, 3:19–21, 32:1–11; Ex. 1002 ¶¶ 150–151), 32 (citing Ex. 1005, 6:28–31 (customer enters electronic mall and “is presented with a choice of displayed Electronic Storefronts”)). Petitioner contends that the consumer’s selection prompts a search of the

database for incentive programs of that supplier, and these incentive programs are then displayed to the customer. *Id.* at 42 (citing Ex. 1005, 12:34–42) (upon entering storefront, customer presented with in-store sales programs from the store’s Product Database and narrowcast advertising targeted at the customer based upon his demographics and purchasing habits). According to Petitioner, Chelliah discloses that, once presented with a selected supplier’s programs, a consumer may search for further information regarding a particular program, using a search algorithm to develop a subset of incentive programs based upon a customer’s demography and buying habits. *Id.* (citing Ex. 1005, 12:34–50, 26:27–31; Ex. 1002 ¶ 136); *see also* Reply 16–17. Petitioner’s contentions are persuasive.

Patent Owner asserts that, because the phrase “request to search for promotions” should be construed to mean “a search request implementing search algorithms based on consumer specified criteria to identify promotions,” the “presentation of a product database in Chelliah does not disclose the ‘request to search for promotions from among a plurality of promotions’ limitation in claim 87.” PO Resp. 39. Patent Owner argues that “the presentation of a product database means that a list of products are presented to a consumer, *without* giving the consumer the ability to utilize search algorithms to specify which products are presented.” *Id.* (citing Ex. 2001 ¶¶ 102–103). Patent Owner further contends that “Chelliah does not reference giving the consumers the ability to search for any type of information, let alone incentive programs” and only discloses “a user interface that includes ‘icons associated with various products and services’

or ‘a product list that can be scrolled and from which items may be selected using buttons on a remote control device.’” *Id.* (citing Ex. 1005, 14:45–51).

Patent Owner’s arguments are based on a construction which, as discussed above in Section III.B.3, we do not adopt, and thus Patent Owner’s arguments are not persuasive. Instead, we find that Chelliah discloses permitting a consumer to search for and acquire information or data of interest, including promotions from among a plurality of promotions offered to the consumer by a plurality of sponsors, as required by claim limitation 87[1].

Petitioner has shown that claim 87 is unpatentable as anticipated by Chelliah.

13.Independent Claim 101

Claim 101 recites:

A method of incentive program generation and redemption, comprising:

[a] providing a host computer, said host computer connected to a network for

[b] hosting a sponsor having a sponsor computer connected to the network;

[c] providing an incentive program builder application, running on the host computer;

[d] providing a database of objects associated with parameters of said incentive program builder application;

[e] providing an interface of the incentive program builder application for sponsor entry of parameters for an incentive program offered to a customer, wherein the sponsor builds an incentive program by interacting with the interface of the incentive program builder application;

[f] issuing an award to the consumer in accordance with the incentive program, wherein the incentive program is a promotion of the sponsor to the consumer facilitated by the host;

[g] receiving, from the sponsor, a request to validate the award, wherein the award is received by the sponsor from the consumer; validating the award using the database,

[h] wherein the host, the sponsor, and the consumer are different individuals or corporate entities,

[i] wherein the host computer is provided by a host through which the sponsor offers the incentive program to a consumer; and

[j] providing the number of awards that remain to be issued before issuing the award to the consumer.

Petitioner asserts that the claim 101 limitations are essentially the same as the claim 1 limitations as follows:

Claim 1	Claim 101
Preamble	Preamble
a	
b	b
c	a
d	c
e	d
f	e
g	i
h	
i	f
j	g
k	h
	j

See Pet. 42–44; *see* Ex. 1002 ¶ 154. Claim 1 is a system claim and claim 101 is a method claim. We find that the subject matter of the corresponding

claim limitations are the same. Patent Owner does not contest Petitioner's proposed correspondence between the claim 1 and 101 limitations. PO Resp. 28–42.

Petitioner contends that claim limitations 101[a]–[i] are the same as the corresponding claim 1 and 87 limitations, and are anticipated by Chelliah for the same reasons that the claim 1 and 87 limitations are anticipated. Pet. 42–43. Patent Owner's arguments related to these claim limitations are the same as those presented in connection with claims 1 and 87, as discussed above. PO Resp. 28–41. As discussed above in connection with claims 1 and 87, Petitioner's contentions are persuasive.

As to claim limitation 101[j], Petitioner contends that Chelliah discloses this limitation by disclosing providing for the entry of parameters specifying the total number of coupons that may be awarded, and tracking the number of coupons issued. Pet. 43. Petitioner further contends that this “information is provided, among other things, in the Distributor Participation Object, and this information is designed to limit the number of coupons issued so as not to exceed the award limit.” *Id.* at 43–44 (citing Ex. 1005, 23:16–20; Ex. 1002 ¶ 153). Petitioner's contentions are persuasive. Patent Owner does not address this limitation. *See* PO Resp. 28–41.

Petitioner has shown that claim 101 is unpatentable as anticipated over Chelliah.

E. Asserted Obviousness of Claims 1, 7, 14, 16–21, 25, 27–30, 67–69, 87, and 101 over Chelliah and Christensen

Petitioner contends that, if claims 1, 7, 14, 16–21, 25, 27–30, 67–69, 87, and 101 are not anticipated by Chelliah, the subject matter of claims 1, 7,

14, 16–21, 25, 27–30, 67–69, 87, and 101 would have been obvious over Chelliah and Christensen. Pet. 46–50. Petitioner provides an element-by-element analysis showing where each element of the challenged claims allegedly is taught by the combined teachings of Chelliah and Christensen. *Id.* We have reviewed the information provided by Petitioner and Patent Owner’s arguments and evidence. We determine that Petitioner has shown by a preponderance of the evidence that claims 1, 7, 14, 16–21, 25, 27–30, 67–69, 87, and 101 would have been obvious over Chelliah and Christensen. Below, we provide an overview of Christensen, and then we address Petitioner’s and Patent Owner’s contentions for this obviousness ground in detail.

1. Overview of Christensen (Ex. 1009)

Christensen is titled “Electronic Discount Couponing Method and Apparatus for Generating an Electronic List of Coupons,” and was filed on April 10, 1996. Ex. 1009, at code (54), (22).

Christensen discloses a method and apparatus for distributing, generating, and redeeming electronic coupons. Ex. 1009, at code (57). According to Christensen, its system may contain multiple electronic coupons from manufacturers and distributors. *Id.* at 9:1–6. Christensen states that consumers may browse through screens of the electronic coupons using a search engine that permits searching by brand name, category, or product name of the manufacturers and distributors. *Id.* at 13:29–35. Christensen discloses issuing coupons, receiving a request to validate a coupon, and validating the coupon against the central database in real time at a retail location during checkout. *Id.* at 13:26–29, 20:64–21:5.

2. Independent Claims 1, 7, 14, and 101

As discussed in the anticipation challenge above, Petitioner asserts that claims 1, 7, 14, 87, and 101 are anticipated by Chelliah. Pet. 21–46. We addressed the parties’ arguments and evidence in connection with those claims.

As to independent claims 1, 7, 14, and 101 (and those challenged claims depending therefrom), Petitioner asserts that, even if Chelliah does not disclose receipt of a request to validate a sponsor’s award and validating the award as recited in the claim limitations 1[j], 7[j], 14[i], and 101[g], Christensen discloses these limitations, and a person of ordinary skill in the art would have been motivated to incorporate Christensen’s validation scheme for use with the teachings of Chelliah. Pet. 47–49.

Petitioner asserts that Christensen discloses claim limitations 1[j], 7[j], 14[i], and 101[g] because “Christensen discloses issuing awards, receiving a request to validate an award, and validating the award against the central database in real time at a retail location during checkout.” *Id.* at 48 (citing Pet. 46–47; Ex. 1009, 13:26–29, 20:64–21:5; Ex. 1002 ¶¶ 81–83). Petitioner further asserts that it would be obvious to a person of ordinary skill in the art that “Chelliah contemplates the distribution of coupons to consumers directly such that they could present those coupons to sponsoring stores via legacy electronic storefronts or at physical locations, from which those stores would employ certain subsystems of Chelliah to request validation of those coupons against Chelliah’s Redemption Database.” *Id.* at 49 (citing Ex. 1002 ¶ 143).

Petitioner reasons that a person of ordinary skill in the art would have been motivated to incorporate Christensen’s validation scheme for use in

Chelliah because (1) “both Chelliah and Christensen are systems directed to the distribution of coupons of consumers that are operated by a host on behalf of a plurality of sponsors,” (2) “[b]oth systems express concerns with the potential for fraud in connection with such electronic coupons,” and (3) “[b]oth systems discuss the concerns with fraud in connection with the redemption of electronic coupons upon presentation to sponsors in connection with a commercial transaction.” *Id.* at 48 (citing Ex. 1002 ¶ 143).

We find that Petitioner’s contentions about the disclosures in Christensen and Chelliah and rationale for combining the teachings of Chelliah and Christensen are persuasive. Christensen discloses a system and method for distributing, generating, and redeeming electronic discount coupons. Ex. 1009, at code 57. According to Christensen, its system may contain multiple electronic coupons from manufacturers and distributors. *Id.* at 9:1–6. Christensen discloses issuing coupons, receiving a request to validate a coupon, and validating the coupon against the central database in real time at a retail location during checkout. *Id.* at 13:26–29, 20:64–21:5. Similarly, Chelliah discloses that its “Sales Representative Program Object 114 validates all applicable coupons against the store’s Redemption Database 172 (which is part of the Incentive Subsystem 160) and obtains the pricing rules for the incentive programs that those coupons represent.” Ex. 1005, 15:6–15.

As to independent claim 87, Petitioner asserts that, even if Chelliah does not disclose a “consumer request to search for promotions from among a plurality of promotions offered to the consumer by a plurality of sponsors” as recited in the claim limitation 87[1], Christensen discloses this limitation

and a person of ordinary skill in the art would have been motivated to incorporate Christensen's searching scheme for use with the teachings of Chelliah. Pet. 49–50. Petitioner asserts that “Christensen discloses a consumer's use of a Graphical User Interface to participate in an incentive program” and the consumer's ability to search “for promotions by brand name, category, or product name from among a plurality of promotions offered to the consumer by the plurality of sponsors.” *Id.* at 49–50 (citing Ex. 1009, code (57), 10:56–62, 13:29–35; Ex. 1002 ¶¶ 82, 151).

Petitioner reasons that a person of ordinary skill in the art would have been motivated by Chelliah's desire to inform a consumer of incentive programs that may appeal to that consumer “to include [Christensen's] functionality by which the consumer could locate directly incentive programs of interest to that consumer, rather than relying upon the sponsor and/or the system to intuit programs that would be of interest based upon behavioral information.” *Id.* at 50 (citing Ex. 1002 ¶ 151). Petitioner also reasons that the addition of Christensen's graphical user interface permitting keyword searching into Chelliah's Observation System, which collects information on a consumer's interaction with the electronic storefront, would serve to provide further information concerning the consumer's desires that could be combined with the other information collected. *Id.* (citing Ex. 1002 ¶¶ 151–152; Ex. 1005, 7:40–45).

We find that Petitioner's contentions about the disclosures in Christensen and Chelliah and rationale for combining the teachings of Chelliah and Christensen are persuasive. Christensen discloses that its system may contain multiple electronic coupons from manufacturers and distributors. *Id.* at 9:1–6. Christensen states that consumers may browse

through screens of the electronic coupons using a search engine that permits searching by brand name, category, or product name of the manufacturers and distributors. *Id.* at 13:29–35. Similarly, Chelliah discloses that its consumers are presented with a choice of suppliers. Ex. 1005, 6:28–31 (customer enters electronic mall and “is presented with a choice of displayed Electronic Storefronts”), 12:34–42 (upon entering storefront, customer presented with in-store sales programs from the store’s Product Database and narrowcast advertising targeted at the customer based upon his demographics and purchasing habits).

Patent Owner argues that Petitioner’s contentions are wrong for several reasons. First, Patent Owner repeats the arguments discussed above that Chelliah does not disclose all of the limitations in claims 1, 7, 14, 87, and 101, and further asserts that Christensen does not cure those deficiencies. PO Resp. 42–43. Patent Owner’s arguments regarding Chelliah are not persuasive for the reasons discussed in the anticipation challenge above.

Second, Patent Owner argues that Christensen does not disclose:

(i) the host computer is configured to “receive a request to validate the award from a sponsor among the plurality of sponsors associated with the selected incentive program, and validate the award,” as recited in claim limitation 1[j], or

(ii) a method for “receiving a request to validate the award from a sponsor among the plurality of sponsors associated with the selected incentive program; and validating the award,” as recited in claim limitations 7[j] and 14[i], and “receiving, from the sponsor, a request to validate the

award, wherein the award is received by the sponsor from the consumer,” as recited in claim limitation 101[g]. PO Resp. 43–44.

Patent Owner does not dispute that Christensen teaches that its system receives requests from consumers/customers to validate awards from sponsors, and that a person of ordinary skill in the art would have been motivated to combine Chelliah and Christensen. *See id.* However, Patent Owner repeats its argument that the phrase “receive a request to validate the award from a sponsor” in claims 1, 7, and 14 should be construed to mean “receive a request, from a sponsor, to validate the award.” *Id.* at 44. Patent Owner asserts that “Christensen, on the other hand, discusses a consumer’s virtual coupon database being updated to reflect redeemed coupons at checkout to prevent fraud as the virtual coupon data may be deleted or marked redeemed once scanned at checkout. . . .” *Id.* (citing Ex. 2001 ¶ 106; Ex. 1009, 20:64–21:5). For the reasons discussed above in connection with claim limitation 1[j], we do not adopt Patent Owner’s proposed construction and its arguments are not persuasive.

Third, Patent Owner argues that “[a]lthough the Petitioner and Mr. Harkey propose to make significant modifications to Chelliah based on Christensen, neither the Petitioner nor Mr. Harkey’s declaration explains how the [person of ordinary skill in the art] could have implemented those modifications, or why the [person of ordinary skill in the art] would have expected to succeed in pursuing the proposed modifications.” PO Resp. 45. According to Patent Owner, “the Petition contains no showing that Christensen’s virtual coupon database could be implemented in Chelliah’s computer architecture nor a showing that Christensen’s graphical user

interface could be implemented in Chelliah's computer architecture." *Id.* (citations omitted). We do not agree.

Patent Owner's arguments are not persuasive because Petitioner does not propose to physically incorporate Christensen system into Chelliah's validation system. We agree with Petitioner that its proposed "combination need only employ Christensen's teaching of a webpage form field, capable of accepting a search keyword, to modify Chelliah's own web interface," and "Chelliah already evinced interest in searching available incentive programs corresponding to a consumer's interests." Reply 21–22 (citing Pet. 32, 42 and 50; Ex. 1005, 12:34–42; Ex. 1002 ¶¶ 105, 133). As discussed above, the "consumer web interface and infrastructure for performing this search exists in Chelliah, and Chelliah stores incentive programs in searchable categories." *See* Reply 15–17. Chelliah further discloses a web interface responding to consumer requests to display of a subset of incentive programs. *Id.* We find that the Petition demonstrates that successfully accepting user specified criteria (such as a text string) as input into Chelliah's search infrastructure would be unremarkable. *See* Pet. 50; Reply 21–22.

Summary

For the reasons given above, Petitioner has shown by a preponderance of the evidence that claims 1, 7, 14, 16–21, 25, 27–30, 67–69, 87, and 101 are unpatentable as obvious over Chelliah and Christensen.

F. Asserted Obviousness of Claims 10 and 12 over Chelliah and Halter

Petitioner contends that the subject matter of claims 10 and 12 would have been obvious over Chelliah and Halter. Pet. 51–60. We have reviewed the information provided by Petitioner and Patent Owner’s arguments and evidence. We determine that Petitioner has not shown by a preponderance of the evidence that claims 10 and 12 would have been obvious over Chelliah and Halter. Below, we provide an overview of Halter, and then we address Petitioner’s contentions for this obviousness ground.

1. Overview of Halter (Ex. 1008)

Halter is titled “Method and System for Optimizing Non-Native Bytecodes Before Bytecode Interpretation,” and was filed on March 7, 1997. Ex. 1008, at codes (54), (22). Petitioner contends Halter is prior art under 35 U.S.C. § 102(e). Pet. 4. Patent Owner does not dispute that Halter is prior art.

Halter explains that Java permits real-time, dynamic, and visual interaction between the Web users and the application, and the ability to distribute executable content. Ex. 1008, 1:30–34, 1:39–40. According to Halter, an application software written in Java is first compiled into a set of Java bytecodes, which are then distributed to a software user through the Web. *Id.* at 1:42–44. Halter explains that “[w]hen the Java bytecodes are structured around a pure stack machine implementation, the process of interpreting a set of non-optimal Java bytecode can be quite slow.” *Id.* at 1:53–56. To overcome this problem, Halter discloses a method and system for optimizing Java bytecodes before bytecode interpretation within a computer system. *Id.* at code (57).

2. Claims 10 and 12

Claim 10 is system for incentive program generation and award fulfillment. Claim 12 is a method claim having similar limitations. Claim 10 recites:

A system for incentive program generation and award fulfillment, comprising:

- [a] a host computer connected to a network;
- [b] a client computer of a consumer connected to the network;
- [c] a sponsor computer of a sponsor connected to the network;
- [d] an incentive participation application program for participation by the consumer in an incentive program, wherein the participation may be in incentive programs of a plurality of sponsors;
- [e] a server of the host computer;
- [f] a web site, located on the server of the host computer, wherein the consumer may participate in an incentive program via the web site;
- [g] a database of the host computer of awards associated with the incentive participation application programs;
- [h] an award association application program for associating an award with an incentive program;
- [i] a fulfillment automation application program for associating a fulfillment method with an award;
- [j] an electronic card for fulfillment of an award, having memory for storing information associated with the consumer, wherein the information may be a personal identification number or information associated with the consumer's participation in an incentive program; and

[k] an incentive builder application program, running on the server of the host computer, wherein the sponsor may build an incentive program by interacting with the incentive builder application program,

[l] wherein the incentive builder application program comprises a database of objects associated with incentive programs, wherein each object is associated with an action that is associated with the incentive program,

[m] an interface for permitting a sponsor to enter parameters associated with an incentive program,

[n] an object association application for associating objects with the parameters entered by a sponsor and building a file comprising the objects associated with all of the parameters entered by a sponsor,

[o] an editor for generating an electronic file containing code for the incentive program,

[p] a classifying application program for classifying the code in numbers that represent the elements of the code,

[q] a generator application program for generating tables of the numbers that represent the code for the incentive program,

[r] and an executor application that is capable of interpreting the tables and executing the code.

Id. at 47:66–48:48.

Claim 12 recites

A method of providing incentive program generation and award fulfillment, comprising:

[a] providing a host computer connected to a network;

[b] providing a client computer of a consumer connected to the network;

[c] providing a sponsor computer of a sponsor connected to the network;

[d] providing an incentive participation application program for participation by the consumer in an incentive program, wherein the participation may be in incentive programs of a plurality of sponsors;

[e] providing a server of the host computer;

[f] providing a web site, located on the server of the host computer, wherein the consumer may participate in an incentive program via the web site;

[g] providing a database of the host computer of awards associated with the incentive participation application programs;

[h] associating an award with an incentive program;

[i] associating a fulfillment method with an award;

[j] providing an electronic card for fulfillment of an award, having memory for storing information associated with the consumer, wherein the information may be a personal identification number or information associated with the consumer's participation in an incentive program;

[k] providing an incentive builder application program, running on the server of the host computer, wherein the sponsor may build an incentive program by interacting with the incentive builder application program,

[l] wherein the incentive builder application program comprises a database of objects associated with incentive programs, wherein each object is associated with an action that is associated with the incentive program,

[m] an interface for permitting a sponsor to enter parameters associated with an incentive program,

[n] an object association application for associating objects with the parameters entered by a sponsor and

building a file comprising the objects associated with all of the parameters entered by a sponsor,

[o] an editor for generating an electronic file containing code for the incentive program,

[p] a classifying application program for classifying the code in numbers that represent the elements of the code,

[q] a generator application program for generating tables of the numbers that represent the code for the incentive program, and

[r] an executor application that is capable of interpreting the tables and executing the code.

Id. at 48:58–49:39.

“A petition filed under section 311 may be considered only if . . . (3) the petition identifies, in writing and with particularity, each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge to each claim.” 35 U.S.C. § 312(a); *see also Intelligent Bio-Sys.*, 821 F.3d at 1369 (“It is of the utmost importance that petitioners in the IPR proceedings adhere to the requirement that the initial petition identify with particularity the evidence that supports the grounds for the challenge to each claim.”) (quotation omitted). The regulations require that “[t]he *petition must specify* where each element of the claim is found in the prior art patents or printed publications relied upon.” 37 C.F.R. § 42.104(b)(4) (emphasis added.) Moreover, the Petition “must . . . identify [] specific portions of the evidence that support the challenge.” 37 C.F.R. § 42.104(b)(5).

Here, Petitioner fails to comply with these requirements because the the Petition does not address limitation [n] of claims 10 and 12. *See* Pet. 51–60. Recognizing that the Petition did not identify with particularity the

evidence that supports the grounds for the challenge to claims 10 and 12 (Paper 12, 34–35), we were, nevertheless, required to institute on this ground because an inter partes review was instituted for other claims. *See Id.* at 37; *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1359–60 (2018) (If an *inter partes* review is instituted, a final written decision under 35 U.S.C. § 318(a) must decide the patentability of all claims challenged in the petition.).

In its Reply, Petitioner contends that claim limitations 10[n] and 12[n] are disclosed in Chelliah, and are discussed on pages 28–31 of the Petition and paragraphs 116–122 of Mr. Harkey’s declaration. *See* Reply 23–24. Pages 28–31 of the Petition, however, discuss claim limitation 1[e]. In light of the Petition’s complete silence as to claim limitations 10[n] and 12[n], we do not find it reasonable to expect that Patent Owner would have known that this analysis was intended to address also claim limitations 10[n] and 12[n], or to dig through the record to locate evidence that may support arguments that Petitioner may make. In the Institution Decision, we recognized that Mr. Harkey addressed these limitations. Paper 12, 35 (citing Ex. 1002 ¶ 188). That paragraph of Mr. Harkey’s declaration, however, cites seven other paragraphs of his declaration for limitations 10[n] and 12[n] with no further explanation. *See* Ex. 1002 ¶ 188 (citing *id.* ¶¶ 116–22 for limitations 10[n] and 12[n]). Those paragraphs in turn address generally “a database of objects associated with [an] incentive program.” *See id.* ¶¶ 116–22. In light of the additional nuances in claim limitations 10[n] and 12[n], we determine that this discussion (that was not referenced in the Petition in any event) is insufficient to address these limitations without further explanation.

Because Petitioner fails to adequately address claim limitations 10[n] and 12[n], we find that Petitioner has not shown that claims 10 and 12 are obvious over Chelliah in view of Halter.

IV. CONCLUSION

Weighing the evidence of the disclosure of the references, the competing testimony, and the reasoning to combine the references, we determine that Petitioner has shown by a preponderance of the evidence that claims 1, 7, 14, 16–21, 25, 27–30, 67–69, 87, and 101 of the '660 patent are unpatentable. Petitioner has not shown that claims 10 and 12 are unpatentable.⁶

⁶ Should Patent Owner wish to pursue amendment of the challenged claims in a reissue or reexamination proceeding subsequent to the issuance of this decision, we draw Patent Owner's attention to the April 2019 *Notice Regarding Options for Amendments by Patent Owner Through Reissue or Reexamination During a Pending AIA Trial Proceeding*. See 84 Fed. Reg. 16,654 (Apr. 22, 2019). If Patent Owner chooses to file a reissue application or a request for reexamination of the challenged patent, we remind Patent Owner of its continuing obligation to notify the Board of any such related matters in updated mandatory notices. See 37 C.F.R. § 42.8(a)(3), (b)(2).

Claims	35 U.S.C. §	Reference(s)/ Basis	Claims Shown Unpatentable	Claims Not Shown Unpatentable
1, 7, 14, 16–21, 25, 27–30, 67–69, 87, 101	102	Chelliah	1, 7, 14, 16–21, 25, 27–30, 67–69, 87, 101	
1, 7, 14, 16–21, 25, 27–30, 67–69, 87, 101	103(a)	Chelliah and Christensen	1, 7, 14, 16–21, 25, 27–30, 67–69, 87, 101	
10, 12	103(a)	Chelliah and Halter		10, 12
Overall Outcome			1, 7, 14, 16–21, 25, 27–30, 67–69, 87, 101	10, 12

V. ORDER

Accordingly, it is

ORDERED that claims 1, 7, 14, 16–21, 25, 27–30, 67–69, 87, and 101 of the '660 patent have been shown to be unpatentable;

FURTHER ORDERED that claims 10 and 12 of the '660 patent have not been shown to be unpatentable; and

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

IPR2019-00061
Patent 6,061,660 C1

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