

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BEST BUY CO., INC., TARGET CORPORATION, and
WALMART, INC.,
Petitioner,

v.

JAMES L. DRIESSEN,
Patent Owner.

IPR2021-00198
Patent 10,304,052 B2

Before PATRICK R. SCANLON, ERIC C. JESCHKE, and
ARTHUR M. PESLAK, *Administrative Patent Judges*.

PESLAK, *Administrative Patent Judge*.

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

I. INTRODUCTION

Best Buy Co., Inc., Target Corporation, and Walmart, Inc., (collectively “Petitioner”) filed a Petition (Paper 4, “Pet.”) requesting an *inter partes* review of claims 1–20 (the “challenged claims”) of U.S. Patent No. 10,304,052 B2 (Ex. 1001, “the ’052 patent”). Petitioner filed a Declaration of Philip Greenspun, Ph.D., in support of the Petition. Ex. 1003. Patent Owner, James L. Driessen, timely filed a Preliminary Response. Paper 7 (“Prelim. Resp.”). Patent Owner filed a Declaration of James Driessen in support of the Preliminary Response. Ex. 2001. After considering the arguments presented in Patent Owner’s Preliminary Response, we determined there was a reasonable likelihood Petitioner would prevail in its contention that at least one of the challenged claims of the ’052 patent is unpatentable under 35 U.S.C. § 103(a). On April 27, 2021, we instituted this *inter partes* review as to the challenged claims and all grounds presented in the Petition. Paper 12 (“Dec.”).

During the course of trial, Patent Owner filed a Response to the Petition. Paper 19 (“PO Resp.”). Patent Owner filed a Supplemental Declaration of James Driessen in support of the Patent Owner Response. Ex. 2007. Petitioner filed a Reply. Paper 28 (“Pet. Reply”). Patent Owner filed a Sur-reply. Paper 29 (“Sur-reply”). An oral hearing was held on January 26, 2022, and the transcript is entered into the record. Paper 35.

We have jurisdiction under 35 U.S.C. § 6. This is a Final Written Decision under 35 U.S.C. § 318(a) as to the patentability of the challenged claims of the ’052 patent. For the reasons discussed below, we determine Petitioner establishes by a preponderance of the evidence that all challenged claims are unpatentable.

A. Related Matters

The parties state that the '052 patent is asserted in *Driessen v. Walmart, Inc., f/k/a Wal-Mart Stores, Inc.*, Case No. 1-19-cv-03239 (D.D.C.), *Driessen v. Target Corporation*, Case No. 1-19-cv-03360 (D.D.C.), and *Driessen v. Best Buy Co., Inc.*, Case No. 1-19-cv-03301 (D.D.C.). Pet. xiv; Paper 6, § II

B. Real Parties in Interest

Petitioner identifies Best Buy Co., Inc., Target Corporation, and Walmart, Inc. as real parties-in-interest.¹ Pet. xiii. Patent Owner identifies James L. Driessen as the real party in interest. Paper 6, § I.

C. The '052 Patent

The '052 patent is titled “Retail Point of Sale (RPOS) Apparatus for Internet Merchandising.” Ex. 1001, code (54). The '052 patent issued on May 28, 2019, from an application filed on July 4, 2015. *Id.* at codes (45), (22). The patent claims priority through a chain of related applications to Provisional Application No. 60/215,673, filed on June 30, 2000. *Id.* at codes (63), (60); *see also id.* at 1:8–15.

The '052 patent “relates generally to purchasing systems via a public computer network system (Internet or World-Wide-Web).” *Id.* at 1:30–32. The patent describes that “Retail points of sale transactions involve at least one in-person contact with the buyer. On the Internet, it has always been assumed that this transaction must be conducted virtually on the Internet; after all, the Internet is a virtual realm.” *Id.* at 2:7–11. “Retail Point of Sale Apparatus (RPOS) For Internet Merchandising is a return to the simplistic

¹ Petitioner also identifies numerous other entities as “potential RPIs.” Pet. xiii.

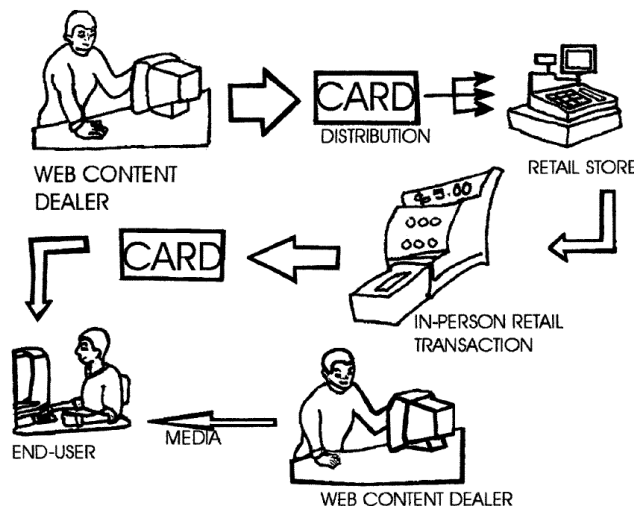
approach of pre-Internet ways of doing business,” and as “malicious attackers of Internet communications become more common, the Internet security measures become increasingly sophisticated. The RPOS takes away some of the sophistication and uses much simpler yet effective technology in its place.” *Id.* at 2:61–3:1.

The '052 patent describes that:

A security access key is provided in the form of prepaid card sold as a retail item. The access key has a one time or multiple Internet session use as provided by the seller of the card. Through obtaining the CARD, the purchaser gains access to the website or specific web page(s) intended by the seller for either a defined duration of time or an indefinite duration of time.

Id. at 4:59–65. The card “provides a method of controlling web access that requires at least one transaction be completed in person.” *Id.* at 5:3–5. “The CARD is a voucher system that is used only to authenticate that the user of the card is in fact the one in possession of it. The user of the CARD uses the card to access the content or merchandise from the computer of their choice.” *Id.* at 5:11–15.

Figure 1, reproduced below, shows an example of one application of the CARD.



In Figure 1, the “process begins with web content dealers who have content posted to a public computer network (Internet) and have chosen to use RPOS for distribution.” *Id.* at 8:31–33. “The web content dealer then distributes the CARD, directly or through distribution channels, to a retail establishment. The retail establishment sells the CARD over the counter to the customer.” *Id.* at 8:37–40. “The CARD is delivered to the customer like any other retail product. Continuing along the flow chart in FIG. 1 to the customer, the CARD is used to access only the web content that is predefined by the CARD.” *Id.* at 8:43–46.

D. Illustrative Claims

Claims 1, 14, and 19 are independent claims. Claim 1 is reproduced below:

1. A payment system for a preselected and itemized physical Internet merchandise product or a preselected and itemized particular content serialized downloadable media material object product, comprising:
 - a retail point of sale establishment; and
 - a physical access CARD for sale in said retail point of sale establishment wherein or whereon the physical access CARD is contained URL information providing the interneer [sic] address of a prepaid Internet transaction location for obtaining or accessing a preselected and itemized physical Internet merchandise product or a preselected and itemized particular content serialized downloadable media material object product, wherein preselection and itemization of the preselected and itemized physical Internet merchandise product or the preselected and itemized particular content serialized downloadable media material object product is assessed before purchase of the physical access CARD, wherein purchase of the physical access CARD provides ownership of the preselected and itemized physical Internet merchandise product or the preselected and

itemized particular content serialized downloadable
media material object product.

Ex. 1001, 10:4–26.

E. Prior Art and Asserted Grounds

Petitioner asserts that claims 1–20 would have been unpatentable on the following grounds:

Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
1–20	103(a) ²	NetPack ³ , Boyle ⁴
8, 10	103(a)	NetPack, Vaidya ⁵
1–20	103(a)	Tori Amos ⁶
5, 6, 9–11	103(a)	Tori Amos, Vaidya

II. ANALYSIS

A. Overview

Petitioner bears the burden of establishing the unpatentability of the challenged claims by a preponderance of the evidence. 35 U.S.C. § 316(e);

² The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”) included revisions to 35 U.S.C. §§ 102, 103 that became effective on March 16, 2013. Because the ’052 patent claims priority to a chain of U.S. Non-Provisional and Provisional Applications, each filed prior to March 16, 2013, we apply the pre-AIA version of 35 U.S.C. §§ 102, 103. *See* Ex. 1001, 1:7–15.

³ Internet Archive copy of [www.NetPackage.com](https://web.archive.org/web/19991013091428/http://NetPackage.com) web pages (retrieved from <https://web.archive.org/web/19991013091428/http://NetPackage.com>) (Ex. 1005, “NetPack”).

⁴ PCT Publication No. WO 00/17796, published Mar. 30, 2000 (Ex. 1004, “Boyle”).

⁵ Vaidya, “*Keeping card data secure at low cost*,” European Convention on Security and Detection 1995, IEE Conference Publication No. 408, pg. 212–215 (1995) (Ex. 1015, “Vaidya”).

⁶ “*AT&T’s a2b music to Offer Brand-New, Never Before Released Song From Atlantic Recording Artist Tori Amos*,” Business Wire, New York, Apr. 9, 1998 (Ex. 1006, “Tori Amos”).

37 C.F.R. § 42.1(d). This burden of persuasion never shifts to Patent Owner. *Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015).

A claim is unpatentable under § 103(a) if the differences between the claimed subject matter and the prior art are such that the subject matter, as a whole, would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations, including (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of skill in the art; and (4) when in evidence, objective indicia of non-obviousness (i.e., secondary considerations)⁷. *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966).

B. Level of Ordinary Skill in the Art

Petitioner contends “the person of ordinary skill in the art in June 2000 (‘POSA’) would include someone with a Bachelor’s degree in computer science or a related field, one year of work experience in developing ecommerce applications, and working knowledge of retail point of sale systems.” Pet. 11 (citing Ex. 1003 ¶¶ 26–28).

Patent Owner contends “a person of ordinary skill in the art would have a B.S. or Master degree in business and marketing (or equivalent experience with entrepreneurial endeavors involving the prepaid card industry).” PO Resp. 24.

⁷ Neither party has submitted evidence of objective indicia of non-obviousness.

Petitioner replies that its proposed level of skill in the art “provides a more accurate definition.” Pet. Reply 4. In support of this argument, Petitioner contends the ’052 patent “claims recite providing Internet products or downloadable products over the Internet.” *Id.* (citing Ex. 1001, 11:14–16). Petitioner further contends that the claims “recite card features such as codes, magnetic strips, memory storing devices, and smart cards.” *Id.* Petitioner further contends “the description of the invention discusses use of such technologies as a ‘utility program’ ‘deployed to ensure that there are no changes to the cache content of the customer’s computer’ and ‘content fingerprinting’ (e.g., ‘Font Fingerprinting,’ ‘Hidden Pixelization,’ and ‘concealed ASCII’).” *Id.* (citing Ex. 1001, 2:25–37, 4:59–5:3, 5:40–8:22, 9:62–67).

In the Sur-Reply, “Patent Owner asserts that a ‘POSA’ should also have experience in the ‘prepaid card industry.’” Sur-reply 7 (citing PO Resp. 24; Prelim. Resp. 9).

Factors pertinent to a determination of the level of ordinary skill in the art include: (1) educational level of the inventor; (2) type of problems encountered in the art; (3) prior art solutions to those problems; (4) rapidity with which innovations are made; (5) sophistication of the technology; and (6) educational level of workers active in the field. *Envtl. Designs, Ltd. v. Union Oil Co.*, 713 F.2d 693, 696–97 (Fed. Cir. 1983) (citing *Orthopedic Equip. Co. v. All Orthopedic Appliances, Inc.*, 707 F.2d 1376, 1381–82 (Fed. Cir. 1983)). “Not all such factors may be present in every case, and one or more of these or other factors may predominate in a particular case.” *Id.* Moreover, these factors are not exhaustive but are merely a guide to determining the level of ordinary skill in the art. *Daiichi Sankyo Co. Ltd.*,

Inc. v. Apotex, Inc., 501 F.3d 1254, 1256 (Fed. Cir. 2007). In determining a level of ordinary skill, we also may look to the prior art, which may reflect an appropriate skill level. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) (explaining that specific findings regarding ordinary skill level are not required “where the prior art itself reflects an appropriate level and a need for testimony is not shown” (quoting *Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163 (Fed. Cir. 1985)))

We agree with Petitioner’s proffered level of skill in the art because it appears consistent with the problems addressed in the ’052 patent. For example, the ’052 patent states the “invention is essentially retail point of sale for the Internet.” Ex. 1001, 4:21–22. This aligns with Petitioner’s proposed level of skill, which specifically requires working knowledge of such systems as opposed to Patent Owner’s assertion that experience in the prepaid card industry is required.

The ’052 patent further describes the requirements for “Font Fingerprinting, hidden pixelization, concealed ASCII and non-visible/inaudible codification” and “ISO standard 10918” for delivery of images over the Internet. *Id.* at 5:64–67, 6:40–41; *see also id.* at 6:50–8:23 (describing the technical aspects of the invention), 9:44–46 (“Fig. 5 shows some examples of recording devices that are used or could be modified for use as the media delivery method, access CARD, or to deliver a small cookie-free-cache-back application.”), 9:51–54 (“[T]he CARD may also deliver a small amount of software code to run the mini-Application for Cookie Free Cache Back system.”). Based on this disclosure in the ’052 patent, we agree with Petitioner that a person of ordinary skill in the art

would have had a degree in computer engineering or a related field as opposed to a degree in business or marketing, as Patent Owner asserts.

For these reasons, we apply Petitioner's level of ordinary skill in the art in our analysis.

C. Claim Construction

Petitioner contends we should "apply the plain and ordinary meaning of all claim terms." Pet. 14.

Patent Owner requests that we construe the term "preselected" by considering the context in which this term is used in claim 1. PO Resp. 28–29. Patent Owner contends we should determine "that preselection in the claim is construed to be seller-side preselection as the predetermined transaction voucher claimed." *Id.* at 31; *see also id.* at 9 (stating that "customer '*selection*' is not seller '*preselection*'"), 29 ("Content Dealer, Distributor . . . or Retail Store (seller) does the preselecting."), 33 ("*Preselection* by definition in this context can only happen before retail presentment.").

Petitioner, in turn, contends "this narrow construction is unwarranted" and should not be restricted "to preselection[] by a seller but not a customer." Pet. Reply 5. In support of this contention, Petitioner argues "the '052 patent specification discloses an embodiment in which the preselection occurs by a customer shortly before purchasing the product." *Id.* at 6 (citing Ex. 1001, 8:50–9:21).

After reviewing the evidence and argument presented by the parties, we determine that it is not necessary to resolve whether preselection is limited to seller side preselection only because, as discussed below in our analysis of claim 1, we find the prior art discloses preselection by the seller.

See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co., 868 F.3d 1013, 1017 (Fed. Cir. 2017) (noting that “we need only construe terms ‘that are in controversy, and only to the extent necessary to resolve the controversy’”) (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999)).

D. Ground 1: Alleged Obviousness of Claims 1–20 over NetPack and Boyle

Petitioner contends claims 1–20 are obvious over NetPack alone or alternately in combination with Boyle. Pet. 14–46. Petitioner supports its contentions with the Declaration of Philip Greenspun, Ph.D. (Ex. 1003). Patent Owner contends that NetPack and Boyle “teach purchaser/enduser selection” and do not satisfy the “preselection” recitations in the claims. PO Resp. 33. We begin with brief summaries of NetPack and Boyle and then address the parties’ respective contentions.

1. NetPack (Ex. 1005)

NetPack is an excerpt from the web site www.NetPackage.com. “NetPack™ is a California based Corporation that . . . created and developed a proprietary delivery system [making it] possible to display and sell Internet derived goods and services in a traditional retail store environment.” Ex. 1005, 2.⁸ One of the NetPack products, “NetPack’s Special Application Package (SAP)™ makes it possible for software manufacturers, some book publishers, or other Internet products or services to be represented and

⁸ Petitioner submits a declaration from the Internet archive purporting to authenticate NetPack as being captured on October 13, 1999. Ex. 1005, 1–2. Patent Owner does not dispute the authenticity of NetPack or Petitioner’s assertion that the document is prior art under 35 U.S.C. § 102(a) or § 102(b). *See generally* PO Resp.

purchased in a retail store environment and then later down loaded from the Internet.” *Id.* at 3. One example SAP is called “ChatPack.” *Id.* at 1.⁹

2. *Boyle (Ex. 1004)*

Boyle is titled “A System and Method for Providing E-Commerce Access to an Internet Website.” Ex. 1004, code (54). Boyle describes “[a] webcard (160) associated with a specific website (150), or group of websites, on the Internet (130) is purchased at various retail point-of-sale locations for facilitating various e-commerce transactions referred to as e-commerce access.” *Id.* at code (57). Boyle is a “system and method for paying for access, information, services and/or goods from the website.” *Id.* at 1:2–4.

Boyle explains:

A webcard represents a prepaid account associated with a particular website or group of websites accessible over the Internet. The webcard may be purchased from a department store, specialty store, convenience store, a kiosk, vending machine, a catalog or other similar retail point-of-sale location including a website, or offered as a promotional item. In this way, a consumer purchases the webcard in a traditional manner from a retail point-of-sale location by means with which he is comfortable using cash, check, money order, credit card, or any other form of payment.

Id. at 3:6–12.

3. *Motivation to Combine NetPack and Boyle and Reasonable Expectation of Success*

Petitioner contends that NetPack discloses many of the claim limitations, but fails to “disclose certain implementation details of how such

⁹ ChatPack is described in detail in Exhibit 1017. *See* Pet. 22 (citing Ex. 1017).

cards would be used, such as . . . the retail and backend computer systems and security mechanisms for selling cards and authorizing their use through a computer network, or details such as using scratch-off materials to conceal codes.” Pet. 18–19. Petitioner provides several reasons why a skilled artisan would have been motivated to implement “Boyle’s detailed teachings on retail sale of online access cards . . . into the NetPack system.” *Id.* at 19. First, Petitioner contends that “[g]iven the overlapping and complementary nature of these two references, a [skilled artisan] implementing the NetPack online access system would have quickly identified Boyle as providing relevant teachings.” *Id.* at 19–20 (citing Ex. 1003 ¶¶ 138–140, 144–250; Ex. 1004, 1). Second, Petitioner contends that, given NetPack’s lack of “express disclosure of certain implementation details,” a skilled artisan would have been motivated “to rely on and incorporate Boyle’s teachings for implementation details such as using computers to store prices for products, to record payments, and to authorize product downloads.” *Id.* at 20 (citing Ex. 1003 ¶ 141). Third, Petitioner contends that a skilled artisan “would have appreciated the benefits provided by certain aspects of Boyle, such as using a scratch-off label to conceal important information on a card ‘from public view prior to [a card] being sold’” and “would recognize the need to conceal the authentication information on a NetPack card from the public and naturally consider adopting a known and common method for doing so from Boyle.” *Id.* (citing Ex. 1003 ¶ 142; Ex. 1004, 6:31–7:3). Fourth, Petitioner contends that a skilled artisan “would have had a reasonable expectation of success in using Boyle’s teachings in NetPack” because “NetPack and Boyle describe highly-similar systems” and “by 1999 e-commerce was well known and used, and Boyle relied on many ‘well

known’ aspects of e-commerce, such as webpages and authentication.” *Id.* (citing Ex. 1003 ¶ 143; Ex. 1004, 3:7–4:27, 12:14–20, 15:1–8, 15:26–32).

Patent Owner does not address Petitioner’s stated reasons for combining the teachings of NetPack and Boyle or reasonable expectation of success. *See* PO Resp. 31–34. Based on our review of Petitioner’s contentions and evidence, we find Petitioner states reasons supported by a rational underpinning for combining the teachings of NetPack and Boyle.

4. Independent Claim 1

[1.1]¹⁰ A payment system for a preselected and itemized physical Internet merchandise product or a preselected and itemized particular content serialized downloadable media material object product comprising:

Petitioner does not take a position regarding whether the preamble of claim 1 is limiting, but contends that “NetPack discloses this limitation and renders claim 1 obvious alone.” Pet. 21. Petitioner contends that “NetPack discloses that its cards ‘can represent any specified value, product, or service’” and “that the cards ‘make[] it possible for Internet products and services to be purchased in a retail store.’” *Id.* (citing Ex. 1005, 5, 6, 10). Petitioner further contends NetPack discloses a “Special Application Package (SAP)” that “makes it possible for software manufacture[r]s, some book publishers, or other Internet products or services to be represented and purchased in a retail store environment and then later down[]loaded from the Internet.” *Id.* at 22 (citing Ex. 1005, 5–6). Petitioner also contends that “NetPack provides an example of an SAP card that provides a software program called ‘Chat Pack’” and that “[t]he software, books, or other Internet products associated with a purchased NetPack SAP card constitute

¹⁰ For ease of reference, we utilize Petitioner’s claim element annotations for each challenged claim. Our analysis is not affected by the annotations.

an ‘itemized particular content serialized downloadable media material object product.’” *Id.* at 22–23 (citing Ex. 1003 ¶¶ 144–149; Ex. 1005, 4; Ex. 1017).¹¹

Patent Owner does not address whether the preamble is limiting. *See generally* PO Resp. To the extent Patent Owner’s contentions concerning “preselected” (*id.* at 33) apply to the preamble, we note that in claim 1, “preselected” is specifically recited in connection with the “physical access CARD,” which is not mentioned in the preamble. We address Patent Owner’s contentions concerning “preselected” in our analysis of claim element 1.4 below.¹²

We need not determine whether the preamble is limiting because the evidence cited by Petitioner discloses the subject matter of the preamble regardless of whether it is limiting.

[1.2] a retail point of sale establishment;

Petitioner contends NetPack discloses that its products are sold “at ‘[o]utlets such as convenience stores, gas stations, kiosks, airport shops, and mini markets.’” Pet. 24 (citing Ex. 1003 ¶ 151; Ex. 1005, 5).

Patent Owner does not address Petitioner’s contentions for this limitation. *See* PO Resp. 32–34.

We have reviewed Petitioner’s contentions and evidence concerning this claim limitation and find that NetPack discloses this limitation.

¹¹ Petitioner alternately argues that Boyle discloses the subject matter of the preamble. Pet. 23–24. Given our determination based on NetPack, we need not reach the question of whether Boyle discloses the subject matter of the preamble of claim 1.

¹² Patent Owner’s contentions concerning “preselected” are not directed to any particular claim limitation. *See* PO Resp. 32–34.

[1.3] a physical access CARD for sale in said retail point of sale establishment

Petitioner contends NetPack describes the SAP cards “as 30 mils in thickness, clear coated, and . . . constructed of NetPack commercial proprietary material.” Pet. 25 (citing Ex. 1003 ¶ 153; Ex. 1005, 8).

Patent Owner does not address Petitioner’s contentions for this limitation. *See* PO Resp. 32–34.

We have reviewed Petitioner’s contentions and evidence concerning this limitation and find that NetPack discloses this limitation.

[1.4] wherein or whereon the physical access CARD is contained URL information providing the interne[t] address of a prepaid Internet transaction location for obtaining or accessing a preselected and itemized physical Internet merchandise product or a preselected and itemized particular content serialized downloadable media material object product,

Petitioner contends “NetPack discloses this limitation stating that its SAP ‘card shall display the corresponding URL product description on the front and rear area of the card.’” Pet. 25 (citing Ex. 1005, 8). Petitioner further contends that a skilled artisan “would have understood that this URL corresponded to the Internet address where the downloadable item could be obtained” and “would also find this element obvious based on NetPack’s disclosure, at least because a URL would be required in order for a customer to download or access the product associated with a given card.” *Id.* (citing Ex. 1003 ¶¶ 155, 157).

Patent Owner contends this ground “depend[s] upon a misinterpretation of the *preselected* and itemized limitations.” PO Resp. 32. According to Patent Owner, NetPack teaches “purchaser/enduser *selection*” not “*Preselection* . . . [, which] can only happen before retail presentment.” *Id.* at 33. Patent Owner further contends that “the content dealer would have

already chosen the itemization of the predetermined remote transaction voucher only in the hope that the content dealer's chosen itemization of the remote transaction is one that the purchaser/end-user might like to buy." *Id.*

Petitioner, in turn, contends Patent Owner's contentions are not based on the NetPack reference, Exhibit 1005, but rather Exhibits 1008–1011, 1017–1020, and 2003. Pet. Reply. 14 (citing PO Resp. 16–21). Petitioner also points to Patent Owner's reliance on Exhibit 2011 in connection with an argument that "NetPack's products were similar to this card, in that they depicted a specific product on the front of the card, but could be used to purchase or access many different products." *Id.* at 15 (citing PO Resp. 33).

Petitioner further contends that "Chat Pack was depicted as a specific product allowing users to 'send files to anyone without 'e' mail'" and this disclosure "demonstrates that NetPack expressly discloses a 'preselected' product, even under PO's interpretation of 'preselected' that requires 'seller-side preselection.'" *Id.* at 16 (citing Ex. 1005, 4).

For the following reasons, we are persuaded by Petitioner's contentions that NetPack's Chat Pack is "preselected" under Patent Owner's construction of that term.

We make the following findings concerning the disclosure of NetPack. NetPack discloses a Chat Pack product available on a "Special Application Card." Ex. 1005, Ex. A, 4 of 11. The Chat Pack product is described as "Send files to Anyone Without 'E' Mail." *Id.* NetPack "makes it possible for Internet products and services to be purchased in a retail store" with one of "three discrete innovations." Ex. 1005, Ex. A, 6 of 11. One of those innovations is "NetPack's Special Application Package (SAP)TM [which] makes it possible for software manufactures, some book

publishers, or other Internet products or services to be represented and purchased in a retail store environment and then later down loaded from the Internet.” *Id.* The SAP “will employ bar code inventory, theft control language, and magnetic terminal validation. A single bar code or terminal pass at the point of distribution will activate the product The card shall display the corresponding URL product description on the front and rear of the card.” *Id.* at 8 of 11. “In the retail store, [the] Special Application Package . . . can represent any specified value, product, or service.” *Id.* at 10 of 11. NetPack discloses that “the cards facilitate the ability to stock a large inventory of Internet deliverable software products or services with little or no investment.” *Id.*

NetPack discloses “preselected” as required by claim 1 even under Patent Owner’s construction of “preselection,” which requires the seller to perform the preselection prior to the customer selecting the product for purchase. Chat Pack is sold as a Special Application card. The Special Application card “can represent any specified value, product, or service.” Ex. 1005, 10 of 11. In this case, Chat Pack is the specified product. Therefore, the Chat Pack product is preselected by the seller.

In our Decision on Institution, we asked the parties to brief the question of whether the requirement in this limitation that requires “URL information” to appear on the card constitutes printed matter and, therefore, is not afforded patentable weight. Dec. 23 (citing *Praxair Dist., Inc. v. Mallinckrodt Hosp. Prods. IP Ltd.*, 890 F.3d 1024, 1031 (Fed. Cir. 2018)).

Patent Owner takes the position that URL information “is something more than just printed material” because “[t]he writing that appears in print

on a prepaid card is not the thrust of the meaning of URL in light of the specification.” PO Resp. 4.

Petitioner, in turn, contends Patent Owner “does not assert that prior art lacks the URL elements.” Pet. Reply 11. Nonetheless, Petitioner contends “[t]he claimed URLs are printed matter” because “they consist of letters, numbers, and/or symbols printed onto a card or voucher, that are used to communicate information, specifically, the address of a webpage or other ‘Internet transaction location’ where a customer can obtain or access a product.” *Id.* (citing *In re DiStefano*, 808 F.3d 845 (Fed. Cir. 2015), *C.R. Bard Inc. v. AngioDynamics, Inc.*, 979 F.3d 1372, 1381 (Fed. Cir. 2020)). According to Petitioner, “printing a URL on a card does not affect the functionality of the card itself” because “[w]hile a customer can use the URL to visit the website, that function is unrelated to functionality of the card itself.” *Id.* at 12.

We need not reach the question of whether this limitation recites printed matter that is not entitled to patentable weight because we find NetPack discloses that its Special Application Package cards include URL product information. Specifically, NetPack discloses “[t]he card shall display the corresponding URL product description on the front and rear area of the card.” Ex. 1005, 8; *see also* Ex. 1003 ¶ 155 (“A [skilled artisan] reading NetPack would have understood that it discloses Element 1.4” and “would have assumed that the URL on the card would be used as the Web address where the purchaser would go to download the purchased product.”), ¶ 157 (“A [skilled artisan] would understand that in order for a customer to download or access a product online, they would need to know a URL for a website or webpage where they could perform that action.”).

For all the foregoing reasons and after considering Patent Owner's contentions, we find that NetPack discloses this claim limitation.

[1.5] wherein preselection and itemization of the preselected and itemized physical Internet merchandise product or the preselected and itemized particular content serialized downloadable media material object product is assessed before purchase of the physical access CARD,

Petitioner contends that “NetPack discloses that its SAP card makes it possible for ‘Internet products or services to be represented and purchased in a retail store environment and then later down[[]loaded from the Internet.’” Pet. 26 (citing Ex. 1003 ¶ 158; Ex. 1005, 6). Petitioner further contends that “a retail store would need to assess what product(s) to represent (offer for sale), and a customer what product(s) to purchase, prior to a purchase transaction being completed.” *Id.* Petitioner further contends that, to the extent this element is not expressly disclosed, a skilled artisan “would have found it obvious in view of NetPack’s disclosure, given that a customer would be expected to assess and select a product before purchasing a card providing ownership of the product.” *Id.* (citing Ex. 1003 ¶ 160).

Patent Owner does not address Petitioner’s contentions for this limitation apart from its contentions concerning “preselected.” *See generally* PO Resp.

We have reviewed Petitioner’s contentions and evidence concerning this limitation and find NetPack discloses this limitation.

[1.6] wherein purchase of the physical access CARD provides ownership of the preselected and itemized physical Internet merchandise product or the preselected and itemized particular content serialized downloadable media material object product.

Petitioner contends that NetPack discloses that “its SAP cards, for example, are offered for a preselected product such as a software application or music title . . . [a]nd a user will, for example, ‘purchase software or music

on a card, [and] then come home to download it.” Pet. 26–27 (citing Ex. 1005, 5–6). Petitioner further contends that a skilled artisan “would understand that purchase of the card provides ownership of the associated product.” *Id.* at 27 (citing Ex. 1003 ¶ 161).

Patent Owner does not address Petitioner’s contentions for this limitation apart from its contentions concerning “preselected.” *See generally* PO Resp.

We have reviewed Petitioner’s contentions and evidence concerning this limitation and find NetPack discloses this limitation.

Conclusion

For all the foregoing reasons, we determine that Petitioner establishes by a preponderance of the evidence that claim 1 would have been obvious over NetPack alone. *See Realtime Data, LLC v. Iancu*, 912 F.3d 1368, 1372–73 (Fed. Cir. 2019) (affirming the Board’s obviousness finding based on a single reference where the petitioner’s primary argument was that all of the elements were disclosed in a single reference, and the petitioner also argued, in the alternative, that some of the elements were disclosed by a second reference); *see also Polygroup Ltd. MCO v. Willis Elec. Co.*, 759 F. App’x 934, 934 n.3 (Fed. Cir. 2019) (recognizing, as “in *Realtime Data*, that when a petition sets forth a ground with multiple references, but the petitioner’s primary arguments rely on a single reference, the Board should consider those arguments irrespective of a motivation to combine references”).

5. *Claim 2*

Claim 2 depends from claim 1 and recites “wherein the retail point of sale establishment further comprises a retail store, convenience store,

vending machine, parking lot, hallway, lobby, or other physical place to conduct business.” Ex. 1001, 10:27–30.

Petitioner contends NetPack discloses this limitation and directs us to its contentions for claim element 1.2 and paragraphs 162–163 of Dr. Greenspun’s declaration. Pet. 27. For element 1.2, Petitioner points to NetPack’s disclosure that its products are sold “at ‘[o]utlets such as convenience stores, gas stations, kiosks, airport shops, and mini markets.” Pet. 24 (citing Ex. 1003 ¶ 151; Ex. 1005, 5).

Patent Owner does not dispute Petitioner’s contentions for claim 2. *See generally* PO Resp.

We have reviewed Petitioner’s contentions and evidence concerning this claim and determine that claim 2 would have been obvious over NetPack.

6. Claim 3

Claim 3 depends from claim 1 and recites “wherein said ownership is divined by a transaction record which further comprises a code.” Ex. 1001, 10:31–33.

Petitioner contends “[t]he ’052 patent never describes ‘divining’ ownership, a ‘transaction record,’ or ‘a transaction record which . . . comprises a code.’” Pet. 27. Petitioner further contends the ’052 patent “describe[s] distributing ‘cards’ that have a ‘PIN,’ ‘PIN access code,’ or ‘access keys,’ and that the ‘cards’ are then used ‘to access the content or merchandise from the computer of [a user’s] choice.’” *Id.* (citing Ex. 1001, 5: 11–16, 8:35–37, 9:44–61, Fig. 5). Petitioner further contends a skilled artisan would have understood “that this limitation encompasses a card distributed to the purchaser during the transaction, with the card associated

with some type of PIN, access key, or other code.” *Id.* at 27–28 (citing Ex. 1003 ¶¶ 165–166).

Petitioner next contends that NetPack discloses this limitation in three ways. Pet. 28–29.

First, Petitioner contends “NetPack discloses that codes may be used when determining ownership of the cards at the retail store, such as when a bar code or magnetic strip is read at a check-out terminal” and that NetPack’s “SAP card uses bar codes and magnetic strips.” Pet. 28 (citing Ex. 1005, 6, 8). Petitioner further contends a skilled artisan “would have understood that the transaction record that determines (‘divines’) ownership was the card or any packaging for the card, and the associated code” and “would consider the card as part of a ‘transaction record’ in the context of the ’052 patent, because a purchaser receives the card as a result of the transaction and it is used to represent ‘that the transaction has been completed.’” *Id.* (citing Ex. 1001, 2:4–6, 3:39–41; Ex. 1003 ¶¶ 167–168).

Second, Petitioner contends “NetPack also discloses codes in the sense of a code that allows a customer to access and download the product online,” and “its SAP card includes the scenario where a schoolchild ‘will sit in front of a computer at school, swipe his or her NetPack (SAP) card in a keyboard reader, and the child’s book will open automatically.” Pet. 29 (citing Ex. 1005, 5). From this, Petitioner contends a skilled artisan “would understand this reference to swiping to disclose (or at least render obvious) a magnetic strip which contains a code” and is “a transaction record that allowed ownership (and thus access) to be determined.” *Id.* (citing Ex. 1003 ¶ 169).

Third, Petitioner contends “NetPack depicts an alphanumeric code on the front of the SAP card.” Pet. 29 (citing Ex. 1005, 4). Petitioner further contends a skilled artisan would have understood “that the average customer—without a special card reader such as a student might have at school—would need a way to enter a code into a website in order to verify her purchase and obtain access to the purchased software” and “the alphanumeric code on the front of the SAP card to be such a code.” *Id.* (citing Ex. 1003 ¶ 170).

Patent Owner does not dispute Petitioner’s contentions for claim 3. *See generally* PO Resp.

We have reviewed Petitioner’s contentions and evidence concerning this claim and determine that claim 3 would have been obvious over NetPack.

7. Claim 4

Claim 4 depends from claim 3 and recites “wherein said code further comprises a scratch off code.” Ex. 1001, 10:34–35.

Petitioner concedes that “[s]cratch-off codes are not expressly disclosed in NetPack.” Pet. 30. Nonetheless, Petitioner contends “Boyle discloses that in one embodiment, ‘account number 230 is masked from public view prior to being sold at the retail point-of-sale location. Suitable means for masking account number 230 . . . includes . . . a scratch-off field.’” *Id.* at 32 (citing Ex. 1004, 6:31–7:3). Petitioner further contends a skilled artisan “would have found it obvious to incorporate this teaching into NetPack from Boyle . . . as NetPack itself identified a potential need to conceal the authentication information from the public and disclosed an alternative way of doing so.” *Id.* (citing Ex. 1003 ¶¶ 177–178); *see also id.*

at 30 (“NetPack disclosed that packages used would have ‘an engineered tamper proof removable perforated rear panel for access to authentication information.’”) (citing Ex. 1005, 8)).

Patent Owner does not dispute Petitioner’s contentions for claim 4.
See generally PO Resp.

We have reviewed Petitioner’s contentions and evidence concerning this claim and determine that claim 4 would have been obvious over NetPack and Boyle.

8. *Claim 5*

Claim 5 depends from claim 3 and recites “wherein said code further comprises a bar code.” Ex. 1001, 10:36–37.

Petitioner directs us to its contentions for claim 3 that NetPack expressly discloses bar codes. Pet. 32; *see also id.* at 28 (“NetPack discloses that codes may be used when determining ownership of the cards at the retail store, such as when a bar code or magnetic strip is read at a check-out terminal.”).

Patent Owner does not dispute Petitioner’s contentions for claim 5.
See generally PO Resp.

We have reviewed Petitioner’s contentions and evidence concerning this claim and determine that claim 5 would have been obvious over NetPack.

9. *Claim 6*

Claim 6 depends from claim 3 and recites “wherein said code further comprises a magnetic strip record.” Ex 1001, 10:38–39.

Petitioner directs us to its contentions for claims 3 and 5 that NetPack discloses magnetic strips. Pet. 33; *see also id.* at 29 (arguing a schoolchild

will “swipe his or her NetPack (SAP) card in a keyboard reader”) (citing Ex. 1005, 5).

Patent Owner does not dispute Petitioner’s contentions for claim 6.
See generally PO Resp.

We have reviewed Petitioner’s contentions and evidence concerning this claim and determine that claim 6 would have been obvious over NetPack.

10. Claim 7

Claim 7 depends from claim 1 and recites “wherein said for sale in said retail point of sale establishment further comprises a price wherein said price is at least zero comprising a free sample or any positive amount of payment form a customer to said retail point of sale establishment.” Ex. 1001, 10:40–44.

Petitioner contends NetPack discloses this limitation because it discloses its “cards are ‘purchased.’” Pet. 33 (citing Ex. 1003 ¶¶ 187–188; Ex. 1005, 5–6).

Patent Owner does not dispute Petitioner’s contentions for claim 7.
See generally PO Resp.

We have reviewed Petitioner’s contentions and evidence concerning this claim and determine that claim 7 would have been obvious over NetPack.

11. Claim 8

Claim 8 depends from claim 1 and recites “wherein said physical access CARD is a paper ticket.” Ex. 1001, 10:45–46.

Petitioner contends a skilled artisan “would understand ‘paper ticket’ to be any piece of paper that conveys ownership or access.” Pet. 33 (citing

Ex. 1001, 4:8–10, 4:29–32; Ex. 1003 ¶¶ 190–191). Petitioner further contends “[t]his limitation would have been obvious to a [skilled artisan] in view of NetPack. NetPack appears to disclose a plastic card” and a skilled artisan “would have known that the two most common forms of access cards are paper and plastic, depending on design choice, with each having readily understood expected results.” *Id.* at 34 (citing Ex. 1003 ¶¶ 82–83, 190, 192).

Patent Owner does not dispute Petitioner’s contentions for claim 9.
See generally PO Resp.

We have reviewed Petitioner’s contentions and evidence concerning this claim and determine that claim 8 would have been obvious over NetPack.

12. Claim 9

Claim 9 depends from claim 1 and recites “wherein said physical access CARD is a memory storing device.” Ex. 1001, 10:47–48.

Petitioner refers to its contentions for claims 3, 5, and 6 and contends “NetPack discloses this limitation because it discloses using a magnetic strip on its cards” and a skilled artisan would have understood “that a card with a magnetic strip is a memory storing device.” Pet. 34 (citing Ex. 1003 ¶¶ 196–197); *see also id.* at 28 (“NetPack discloses that its SAP card uses . . . magnetic strips.”) (citing Ex. 1005, 8).

Patent Owner does not dispute Petitioner’s contentions for claim 9.
See generally PO Resp.

We have reviewed Petitioner’s contentions and evidence concerning this claim and determine that claim 9 would have been obvious over NetPack.

13. Claim 10

Claim 10 depends from claim 1 and recites “wherein said physical access CARD is a plastic CARD.” Ex. 1001, 10:49–50.

Petitioner contends “NetPack does not expressly disclose whether its cards are made of paper or plastic, but it does suggest a plastic material by stating they are ‘30 mils in thickness, clear coated, and will be constructed of NetPack commercial proprietary material.’” Pet. 35 (citing Ex. 1003 ¶¶ 199–200; Ex. 1005, 8).

Patent Owner does not dispute Petitioner’s contentions for claim 10. *See generally* PO Resp.

We have reviewed Petitioner’s contentions and evidence concerning this claim and determine that claim 10 would have been obvious over NetPack.

14. Claim 11

Claim 11 depends from claim 1 and recites: “wherein said physical access CARD is a smart CARD.” Ex. 1001, 10:51–52.

Petitioner refers to its contentions for claim 10 and contends NetPack alone renders claim 11 obvious. Pet. 36; *see also id.* at 35 (“NetPack depicts a ‘First Internet Access Card’ having the tell-tale gold circuit board found in smart cards.” (citing Ex. 1003 ¶ 201; Ex. 1005, 4)).

Patent Owner does not dispute Petitioner’s contentions for claim 11. *See generally* PO Resp.

We have reviewed Petitioner’s contentions and evidence concerning this claim and determine that claim 11 would have been obvious over NetPack.

15. Claim 12

Claim 12 depends from claim 1 and recites: “wherein said physical access CARD is placed inside a package.” Ex. 1001, 10:53–54.

Petitioner contends NetPack discloses this limitation. Pet. 37. Petitioner contends “NetPack discloses that ‘[t]he (SAP) package shall be available for private licensing’” and “packaging for its ‘NetPackage™ retail packages.’” *Id.* (citing Ex. 1005, 8). Petitioner further contends this “disclosure regarding packaging for a different embodiment of the NetPack system . . . supports that it would have been obvious to a skilled artisan to place a card inside packaging.” *Id.* (citing Ex. 1005, 4). Petitioner further contends “whether to place a card inside or outside packaging in a retail context is a simple design choice within the skill of the art and having predictable results, such that this limitation would be obvious to a [skilled artisan] based on NetPack’s disclosure of its SAP cards.” *Id.* (citing Ex. 1003 ¶¶ 207–208).

Patent Owner does not dispute Petitioner’s contentions for claim 12. *See generally* PO Resp.

We have reviewed Petitioner’s contentions and evidence concerning this claim and determine that claim 12 would have been obvious over NetPack.

16. Claim 13

Claim 13 depends from claim 1 and recites: “wherein said preselected and itemized physical Internet merchandise product or preselected and itemized particular content serialized downloadable media material object product is content recorded on physical media.” Ex. 1001, 10:55–59.

Petitioner contends NetPack “inherently discloses or at least renders obvious this limitation.” Pet. 38. Petitioner further contends NetPack discloses “a media product such as a software program or electronic book is downloaded to the purchaser’s computer.” *Id.* According to Petitioner, a skilled artisan would have understood “a media product that can be downloaded from a website must be ‘content recorded on physical media’ (such as computer disk storage) both at the server or computer from which the download occurs, and then, after download, on the computer to which the download occurs.” *Id.* (citing Ex. 1003 ¶¶ 210–211).

Patent Owner does not dispute Petitioner’s contentions for claim 13. *See generally* PO Resp.

We have reviewed Petitioner’s contentions and evidence concerning this claim and determine that claim 13 would have been obvious over NetPack.

17. Independent Claim 14

[14.1] A method of merchandise transfer on a computer network, comprising:

Petitioner refers to its contentions for claim element 1.1 and argues that NetPack discloses this limitation. Pet. 38 (citing Ex. 1003 ¶¶ 145–146, 150, 213).

Patent Owner does not address whether Petitioner’s contentions or whether the preamble is limiting. *See generally* PO Resp.

We need not determine whether the preamble is limiting because the evidence cited by Petitioner discloses the subject matter of the preamble regardless of whether it is limiting.

[14.2] creating specific online information that is a transaction location of a preselected and itemized physical Internet merchandise product or a

preselected and itemized particular content serialized downloadable media material object product presented on a voucher to a purchaser;

Petitioner contends that the Specification of “the ’052 patent does not use the phrases ‘specific online information’ or ‘transaction location’” but “discusses ‘specific URL information’ . . . ‘specific media content locations (URL’s).” Pet. 39 (citing Ex. 1001, 5:35–39, 9:10). Petitioner further contends the ’052 patent “states that ‘[t]his invention is not used to locate a specific URL, but is used to divine the predetermined transaction that provided access to a particular URL location.’” *Id.* (citing Ex. 1001, 3:39–41, 11:18–20, 12:12–13). According to Petitioner, based on this disclosure and the claims of the ’052 patent, a skilled artisan would have understood that “‘specific online information that is a transaction location’ as at least encompassing a URL.” *Id.* (citing Ex. 1003 ¶ 214). Petitioner further contends “NetPack discloses that its SAP ‘card shall display the corresponding URL product description on the front and rear . . . of the card.’” *Id.* (citing Ex. 1003 ¶¶ 215–216; Ex. 1005, 8). Petitioner further contends, to the extent NetPack does “not expressly disclose *creating* the website or webpage where a customer downloads or accesses a product, a [skilled artisan] would find it obvious that this website or webpage would need to be created in order for the product to be made available for download.” *Id.* at 40 (citing Ex. 1003 ¶ 217).

Patent Owner relies on its contentions concerning “preselection” discussed above in connection with claim 1. *See* PO Resp. 32–34. As explained above in connection with claim 1, under Patent Owner’s construction of “preselection” as requiring seller side preselection, we find that NetPack discloses preselection.

We have reviewed Petitioner’s contentions and evidence concerning this claim limitation and after considering Patent Owner’s contentions, we find that NetPack discloses this limitation.

[14.3] specifying a price wherein the price is specific to the product on a selling computer;

Petitioner contends “NetPack discloses that its SAP cards are ‘purchased.’” Pet. 40 (citing Ex. 1005, 6). Petitioner further contends a skilled artisan “would have understood that NetPack . . . disclose[s] specifying prices specific to the product” and “would have found it common, obvious, and within the skill in the art to use computers in retail environments for functions such as storing the prices of products sold.” *Id.*

Patent Owner does not address Petitioner’s contentions for this limitation. *See generally* PO Resp. 32–34.

We have reviewed Petitioner’s contentions and evidence concerning this claim limitation and find that NetPack discloses this limitation.

[14.4] receiving payment of the price from said purchaser through a transaction

Petitioner refers to its contentions for claim 7 and element 14.3 and contends NetPack discloses this limitation. Pet. 40 (citing Ex. 1003 ¶¶ 188–189, 221).

Patent Owner does not address Petitioner’s contentions for this limitation. *See* PO Resp. 32–34.

We have reviewed Petitioner’s contentions and evidence concerning this claim limitation and find that NetPack discloses this limitation.

[14.5] recording the payment directly or through other computers on the network;

Petitioner contends NetPack “discloses that the cards may be ‘purchased’ and that ‘[a] single bar code or terminal pass at the point of

distribution will activate the product, validate the count, and satisfy anti-theft provisions.” Pet. 40 (citing Ex. 1005, 8). Petitioner further contends a skilled artisan would have understood “that such a pass at a point-of-sale would take place after or around the time the payment was made and would be understood as a form of recording the payment on a computer or through other computer on the network.” *Id.* at 40–41. Petitioner further contends a skilled artisan would have understood “that in retail environments at the time, it was well known and within the skill in the art to use in-store computer systems for such tasks as ringing up products being sold, totaling, and recording the transactions on a computer system.” *Id.* at 41. Petitioner further contends that a skilled artisan would have understood NetPack “as disclosing that the ‘bar code’ or ‘terminal pass’ of the card also would be the way to add a record of the purchase of the card to the transaction in a standard retail computer system of the time.” *Id.* (citing Ex. 1003 ¶¶ 222, 225).

Patent Owner does not address Petitioner’s contentions for this limitation. *See* PO Resp. 32–34.

We have reviewed Petitioner’s contentions and evidence concerning this claim limitation and find that NetPack discloses this limitation.

[14.6] causing an authorization as a result of the payment;

Petitioner contends “NetPack discloses that, ‘[p]rior to the actual sale and electronic validation, the cards or packages can represent less than twenty-five cents.” Pet. 42 (citing Ex. 1005, 10). Petitioner further contends “NetPack discloses that its SAP cards will employ ‘magnetic terminal validation’ and a skilled artisan would have understood “that this validation is an authorization that occurs at payment.” *Id.* (citing Ex. 1003

¶¶ 226–227; Ex. 1005, 10). Petitioner also contends NetPack “discloses that upon payment, a customer would receive a card, which itself is an authorization, and that the card would authorize the customer to access a product.” *Id.* (citing Ex. 1005, 5–6).

Patent Owner does not address Petitioner’s contentions for this limitation. *See* PO Resp. 32–34.

We have reviewed Petitioner’s contentions and evidence concerning this claim limitation and find that NetPack discloses this limitation.

[14.7] and causing transfer of ownership rights in the product to the purchaser by granting access or rights to the purchaser on the computer network;

Petitioner refers to its contentions for claim elements 1.1 and 1.6 and contends NetPack discloses this limitation. Pet. 42 (citing Ex. 1003 ¶ 229; Ex. 1005, 5–6).

Patent Owner does not address Petitioner’s contentions for this limitation. *See* PO Resp. 32–34.

We have reviewed Petitioner’s contentions and evidence concerning this claim limitation and find that NetPack discloses this limitation.

[14.8] wherein the product comprises itemized networked merchandise or downloadable media material objects;

Petitioner refers to its contentions for claim elements 1.1 and 1.3 and contends NetPack discloses this limitation. Pet. 43 (citing Ex. 1003 ¶ 230).

Patent Owner does not address Petitioner’s contentions for this limitation. *See* PO Resp. 32–34.

We have reviewed Petitioner’s contentions and evidence concerning this claim limitation and find that NetPack discloses this limitation.

[14.9] wherein the transaction comprises an in person transaction at a retail point of sale location;

Petitioner refers to its contentions for claim element 1.3 and claim 7 and contends NetPack discloses this limitation. Pet. 43 (citing Ex. 1003 ¶ 231) .

Patent Owner does not address Petitioner’s contentions for this limitation. *See* PO Resp. 32–34.

We have reviewed Petitioner’s contentions and evidence concerning this claim limitation and find that NetPack discloses this limitation.

[14.10] wherein said payment is associated to the specific online information that is the transaction location of the product.

Petitioner refers to its contentions for claim elements 14.2, 14.5, and 14.6 and contends NetPack discloses this limitation. Pet. 43. Petitioner contends a skilled artisan would have understood “payment for the SAP card is necessarily associated to the specific online information that is the transaction location . . . of the purchased product because the URL is included on the purchased card and the purchaser uses the card to download the product form [sic] that location.” *Id.* (citing Ex. 1003 ¶ 232). Petitioner further contends a skilled artisan would have understood “or find it obvious that the validation of the NetPack card that occurs at payment necessarily associates the payment with the online location.” *Id.*

Patent Owner does not address Petitioner’s contentions for this limitation. *See* PO Resp. 32–34.

We have reviewed Petitioner’s contentions and evidence concerning this claim limitation and find that NetPack discloses this limitation.

Conclusion

For the all the foregoing reasons, we determine Petitioner establishes by a preponderance of the evidence that claim 14 would have been obvious over NetPack.

18. Claim 15

Claim 15 depends from claim 14 and recites “wherein said specific information that is an online transaction location of said product further comprises a Uniform Resource Locator (URL).” Ex. 1001, 11:17–20.

Petitioner refers to its contentions for claim element 1.4 and contends NetPack discloses this limitation. Pet. 44 (citing Ex. 1003 ¶¶ 234–235).

Patent Owner does not address Petitioner’s contentions for this claim. See PO Resp. 32–34.

We have reviewed Petitioner’s contentions and evidence concerning this claim limitation and determine that claim 15 would have been obvious over NetPack.

19. Claim 16

Claim 16 depends from claim 14 and recites “wherein said payment amount is a specific price for said product on said selling computer set to at least zero, comprising a price of free or any positive amount.” Ex. 1001, 11:21–25.

Petitioner refers to its contentions for claim 7 and contends NetPack discloses this limitation. Pet. 44 (citing Ex. 1003 ¶¶ 236–237).

Patent Owner does not address Petitioner’s contentions for this claim. See PO Resp. 32–34.

We have reviewed Petitioner’s contentions and evidence concerning this claim limitation and determine that claim 16 would have been obvious over NetPack.

20. Claim 17

Claim 17 depends from claim 14 and recites “wherein said in person transaction at a retail point of sale location further comprises selling a

prepaid card wherein said prepaid card is also specific to said product.”

Ex. 1001, 11:26–30.

Petitioner contends NetPack discloses this limitation because “its SAP card ‘can represent any specified value, product or service.’” Pet. 44 (citing Ex. 1003 ¶¶ 238–239; Ex. 1005, 4, 10).

Patent Owner does not address Petitioner’s contentions for this claim. *See* PO Resp. 32–34.

We have reviewed Petitioner’s contentions and evidence concerning this claim limitation and determine that claim 17 would have been obvious over NetPack.

21. Claim 18

Claim 18 depends from claim 14 and recites: “wherein said retail point of sale location further comprises a retail store, convenience store, vending machine, parking lot, hallway, lobby, or other physical place to conduct business.” Ex. 1001, 12:2–5.

Petitioner refers to its contentions for claim element 1.2 and contends NetPack discloses this limitation. Pet. 45 (citing Ex. 1003 ¶¶ 241–242).

Patent Owner does not address Petitioner’s contentions for this claim. *See* PO Resp. 32–34.

We have reviewed Petitioner’s contentions and evidence concerning this claim limitation and determine that claim 18 would have been obvious over NetPack.

22. Independent Claim 19

[19.1] A method for selling a preselected and itemized physical Internet merchandise product or a preselected and itemized particular content serialized downloadable media material object product, comprising:

Petitioner refers to its contentions for claim element 1.1 and contends NetPack discloses this claim element. Pet. 45 (Ex. 1003 ¶¶ 243–244).

Patent Owner does not address whether the preamble is limiting. *See generally* PO Resp. To the extent, Patent Owner’s contentions concerning “preselection” (*id.* at 33) apply to the preamble, we address Patent Owner’s “preselected” contentions in our analysis of claim element 1.4 above.

We need not determine whether the preamble is limiting, because the evidence cited by Petitioner discloses the subject matter of the preamble.

[19.2] placing a physical access CARD for sale in a retail point of sale establishment

Petitioner refers to its contentions for claim element 1.3 and contends NetPack discloses this limitation. Pet. 45 (citing Ex. 1003 ¶ 245).

Patent Owner does not address Petitioner’s contentions for this limitation. *See* PO Resp. 32–34.

We have reviewed Petitioner’s contentions and evidence concerning this claim limitation and find that NetPack discloses this limitation.

[19.3] wherein or whereon the access CARD there is URL information that is an Internet transaction location of said itemized preselected and itemized physical Internet merchandise product or a preselected and itemized particular content serialized downloadable media material object product

Petitioner refers to its contentions for claim element 1.4 and contends NetPack discloses this limitation. Pet. 45 (citing Ex. 1003 ¶ 246).

Patent Owner does not separately address Petitioner’s contentions for this limitation. *See* PO Resp. 32–34.

We have reviewed Petitioner’s contentions and evidence concerning this claim limitation and find that NetPack discloses this limitation.

[19.4] wherein purchase of the physical access CARD authorizes an ownership right in the preselected and itemized physical Internet

*merchandise product or a preselected and itemized particular content
serialized downloadable media material object product.*

Petitioner refers to its contentions for claim element 1.6 and contends NetPack discloses this limitation. Pet. 46 (citing Ex. 1003 ¶ 247).

Patent Owner does not address Petitioner's contentions for this limitation. *See* PO Resp. 32–34.

We have reviewed Petitioner's contentions and evidence concerning this claim limitation and find that NetPack discloses this limitation.

Conclusion

For all the foregoing reasons, we determine that Petitioner establishes by the preponderance of the evidence that claim 19 would have been obvious over NetPack.

23. Claim 20

Claim 20 depends from claim 19 and recites “wherein or whereon the access CARD is a prepaid voucher which causes the authorization of an ownership right at a time later than the purchase of the physical access CARD.” Ex. 1001, 12:23–29.

Petitioner refers to its contentions for claim element 1.6 and contends NetPack discloses this limitation. Pet. 46 (citing Ex. 1003 ¶¶ 248–249). Petitioner further contends it would have been obvious to a skilled artisan “for the ownership right to not be authorized until after payment is made.” *Id.* (citing Ex. 1001, 1:63–65). Petitioner further contends “[a]fter payment is made, the card will be activated and given to the customer.” *Id.* (citing Ex. 1003 ¶ 250).

Patent Owner does not address Petitioner's contentions for this claim. *See* PO Resp. 32–34.

We have reviewed Petitioner’s contentions and evidence concerning this claim limitation and determine that claim 20 would have been obvious over NetPack.

E. Petitioner’s Alternate Challenges—Grounds 2–4

Because of our determination that Petitioner establishes claims 1–20 would have been unpatentable based on Ground 1, we do not reach Petitioner’s alternate challenges to claims 1–20 set forth in Grounds 2–4. *See SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1359 (2018) (holding that a petitioner “is entitled to a final written decision addressing all of the claims it has challenged”); *see also Boston Sci. Scimed, Inc. v. Cook Grp. Inc.*, 809 F. App’x 984, 990 (Fed. Cir. 2020) (nonprecedential) (stating that the “Board need not address issues that are not necessary to the resolution of the proceeding,” such as “alternative arguments with respect to claims [the Board] found unpatentable on other grounds”).

F. Real Parties-In-Interest (“RPI”)

Patent Owner contends “[t]his proceeding should be terminated because it is based on a petition that does not identify all real parties in interest in violation of 35 U.S.C. § 312.” PO Resp. 35. Patent Owner further contends “[t]he ’052 licensed samples [(Ex. 2010)] are introduced as evidence in this proceeding showing that at least one of the parties has had involvement with content creators, content dealers, some form of distribution channel and/or retailer arrangements to license the ’052 invention.” *Id.* Patent Owner further contends “Petitioners have not introduced any evidence showing the relationship of the many non-participating parties, they themselves named in their Petition” and “[a]t the very least, the Board should require Petitioners to put forth evidence

establishing that the named real parties in this proceeding really do have an interest.” *Id.*

Petitioner, in turn, contends Patent Owner’s reference to licensed samples of the ’052 patent is insufficient because Patent Owner “does not identify any specific relationships or particular unnamed non-party that allegedly should have been named an RPI.” Pet. Reply 2. According to Petitioner, even if the documents are “evidence of something, it does not on its face ‘show that a particular third party should be named a real party in interest,’ and PO provides no analysis or explanation whatsoever for how this ‘evidence’ might support such a showing.” *Id.* (citing *Worlds Inc. v. Bungie, Inc.*, 903 F.3d 1237, 1244 (Fed. Cir. 2018)). Petitioner further contends Patent Owner “does not even allege that an unnamed RPI would be time-barred from filing the Petition, and thus the Board need not even address whether any alleged RPIs ‘were improperly excluded because, ‘even if [they] were, it would not create a time bar or estoppel under 35 U.S.C. § 315.’” *Id.* at 2–3 (citing *Unified Patents, LLC v. Ideahub Inc.*, IPR2020-00702, Paper 52, 8 (PTAB Sept. 15, 2021) (quoting *SharkNinja Operating LLC v. iRobot Corp.*, IPR2020-00734, Paper 11, 18 (PTAB Oct. 6, 2020) (precedential))).

Petitioner next argues that Patent Owner’s contention that we should require Petitioner to produce evidence to support why it named various entities as RPI’s is not supported by “statute, rule, or controlling case law.” Pet. Reply 3.

In the Sur-Reply, Patent Owner contends to have “alleged that at least one of the parties [named by Petitioner as an RPI] in this matter was a licensee” but “[l]icensing is not an issue in an IPR and the licensing and

patent have expired, but during the patent term, the number of entities in constructive privity was enormous.” Sur-Reply 6. Patent Owner further contends that it raised an RPI issue “under an abundance of caution . . . so as not to waive it in a potential later forum.” *Id.* at 7.

For the following reasons, we are not persuaded we should terminate this proceeding because Petitioner allegedly failed to name all RPI’s.

First, 35 U.S.C. § 312(a) is not a jurisdictional statute. *See Lumentum Holdings, Inc. v. Capella Photonics, Inc.*, IPR2015-00739, Paper 38, 5 (PTAB Mar. 4, 2016) (precedential) (“§ 312(a) is not jurisdictional”); *see also SharkNinja*, Paper 11 at 17 (“Section 312(a)(2) . . . serves important notice functions”). Second, Patent Owner does not identify any entity that it contends should have been named as an RPI. For instance, Patent Owner does not explain adequately how the samples in Exhibit 2010 identify any entity that should have been named as an RPI. *See* PO Resp. 35–36. Third, Patent Owner does not argue any unnamed alleged RPI would have been time-barred under 35 U.S.C. § 315(b), and any potential issue of estoppel under 35 U.S.C. § 315(e) is speculative at this point. We, therefore, need not determine whether any alleged unnamed parties are RPIs. *SharkNinja*, Paper 11 at 18. Fourth, we agree with Petitioner that there is no authority that requires Petitioner to produce evidence concerning why it named certain non-parties as RPIs. *See* Pet. Reply 2–3.

G. 35 U.S.C. § 101

Patent Owner contends we should terminate this proceeding because § 101 subject matter eligibility is not a statutory ground in an *inter partes* review. PO Resp. 36–41.

We first note that we did not institute any grounds in this proceeding based on 35 U.S.C. § 101. *See generally* Dec. Patent Owner’s contention is apparently based on the issue we raised *sua sponte* in the Decision on Institution concerning whether the URL requirement in claim element 1.4 constitutes printed matter and consequently is not entitled to patentable weight. *See* Dec. 23. Because we find that NetPack discloses the URL requirement of claim element 1.4, we need not and do not reach the question of whether the URL requirement is entitled to patentable weight.

III. CONCLUSION

Based on the record before us, we determine

Claims	35 U.S.C. §	Reference(s)/Basis	Claims Shown Unpatentable	Claims Not shown Unpatentable
1–20	103(a)	NetPack, Boyle	1–20	
8,10 ¹³	103(a)	NetPack, Vaidya		
1–20 ¹⁴	103(a)	Tori Amos		
5, 6, 9– 11 ¹⁵	103(a)	Tori Amos, Vaidya		
Overall Outcome			1–20	

¹³ As explained above, because we determine that the challenged claims are unpatentable on another ground, we do not reach this ground.

¹⁴ As explained above, because we determine that the challenged claims are unpatentable on another ground, we do not reach this ground.

¹⁵ As explained above, because we determine that the challenged claims are unpatentable on another ground, we do not reach this ground.

IV. ORDER

In consideration of the foregoing, it is hereby

ORDERED that, based on a preponderance of the evidence claims 1–20 of the '052 patent are unpatentable as set forth in the summary table above;

FURTHER ORDERED that, pursuant to 35 U.S.C. § 318(b), upon expiration of the time for appeal of this decision, or the termination of any such appeal, a certificate shall issue canceling claims 1–20; and

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

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