

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ASKELADDEN L.L.C.,
Petitioner,

v.

AML IP LLC,
Patent Owner.

IPR2022-00319
Patent 6,876,979 B2

Before PATRICK R. SCANLON, MICHAEL L. WOODS, and
ROBERT L. KINDER, *Administrative Patent Judges*.

WOODS, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

I. BACKGROUND

Askeladden L.L.C. (“Petitioner”) filed a Petition to institute an *inter partes* review of claims 1–13 (the “challenged claims”) of U.S. Patent No. 6,876,979 B2 (Ex. 1001, “the ’979 patent”). Paper 1, 1 (“Pet.” or “Petition”). AML IP, LLC (“Patent Owner”) filed a Patent Owner’s Preliminary Response. Paper 7 (“Prelim. Resp.” or “Preliminary Response”).

We have authority to determine whether to institute an *inter partes* review. *See* 35 U.S.C. § 314 (2018); 37 C.F.R. § 42.4(a) (2019). Section 314(a) of Title 35 of the United States Code provides that an *inter partes* review may not be instituted “unless . . . the information presented in the petition . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” Upon consideration of the evidence and arguments in the Petition (including its supporting testimonial evidence) as well as the evidence and arguments in the Preliminary Response (including its supporting testimonial evidence), for the reasons below, we determine that the Petition fails to show a reasonable likelihood that Petitioner would prevail with respect to any of the challenged claims. We thus deny institution of the *inter partes* review.

A. Related Proceedings

The parties identify the following matters as related:

- *AML IP, LLC v. Rebilly, Inc.*, No. 6:20-cv-01199 (W.D. Tex.) (filed Dec. 30, 2020);
- *AML IP, LLC v. JC Penney Corp., Inc.*, No. 6:21-cv-00522 (W.D. Tex.) (filed May 24, 2021);

- *AML IP, LLC v. ALDI, Inc. et al.*, No. 6:21-cv-00605 (W.D. Tex.) (filed June 11, 2021);
- *AML IP, LLC v. Bed Bath & Beyond, Inc.*, No. 6:21-cv-00600 (W.D. Tex.) (filed June 11, 2021);
- *AML IP, LLC v. Academy Sports and Outdoors, Inc.*, No. 6:21-cv-00789 (W.D. Tex.) (filed July 30, 2021);
- *AML IP, LLC v. American Eagle Outfitters, Inc.*, No. 6:21-cv-00823 (W.D. Tex.) (filed Aug. 9, 2021);
- *AML IP, LLC v. Belk, Inc. et al.*, No. 6:21-cv-00822 (W.D. Tex.) (filed Aug. 9, 2021);
- *AML IP, LLC v. Catnip Games, LLC*, No. 6:21-cv-00821 (W.D. Tex.) (filed Aug. 9, 2021);
- *AML IP, LLC v. Signet Group Services US Inc.*, No. 6:21-cv-01021 (W.D. Tex.) (filed Oct. 1, 2021).

Pet. 2–5; Paper 4, 2–3. The parties also identify several other matters that have been *terminated*, which we do not list here. *See* Pet. 2–5; *see also* Paper 4, 2–3.

B. Real Parties-in-Interest

The Petition lists Petitioner, Askeladden L.L.C., as the sole real party-in-interest. Pet. 1. Patent Owner identifies itself, AML IP, LLC, as the sole real party-in-interest. Paper 4, 2.

C. The '979 Patent (Ex. 1001)

The '979 patent is titled “Electronic Commerce Bridge System.” Ex. 1001, code (54). The '979 patent describes “[s]ystems and methods []

for supporting electronic commerce in an environment in which multiple service providers each have associated vendors.” *Id.* at code (57). To illustrate an embodiment of the ’979 patent, we reproduce Figure 1, below:

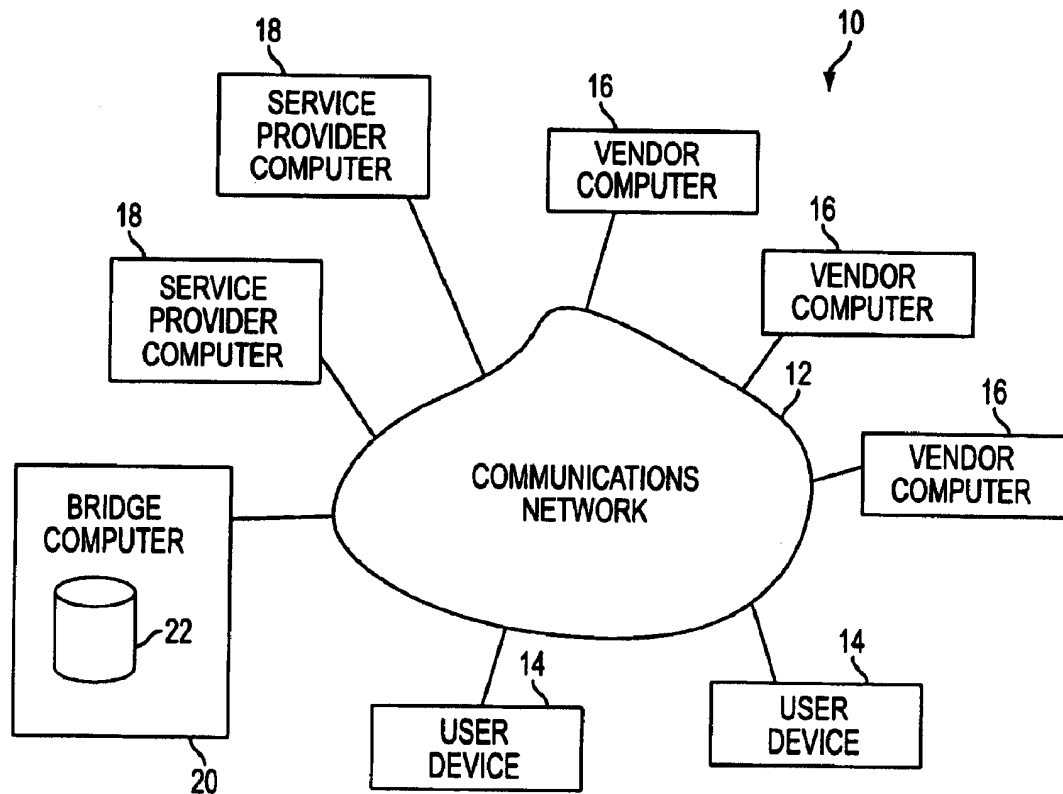


FIG. 1

According to the ’979 patent, Figure 1 “is a simplified block diagram of an illustrative system having a bridge computer in accordance with the present invention.” *Id.* at 2:20–22. In particular, Figure 1 depicts system 10 for supporting electronic commerce and which allows users to purchase tangible or intangible products. *See id.* at 2:48–51. User devices 14, vendor computers 16, service provider computers 18, and bridge computer 20 use communications network 12 (e.g., the Internet) to support communication

between different parties (e.g., users and vendors). *See id.* at 2:56–63. For example, users may use devices 14 to browse for products “at vendor web sites on vendor computers 16 over communications network 12.” *Id.* at 2:64–66.¹

“User devices 16 may be desktop or notebook personal computers, personal digital assistants, wireless telephones, or any other suitable user device.” *Id.* at 2:66–3:1.

“Vendors at vendor computers 16 may sell any suitable products,” such as tangible products (e.g., books, shoes, and clothing) which may be delivered by mail, or intangible products (e.g., downloadable music). *Id.* at 3:16–21.

“Service providers associated with service provider computers 18 may be used to provide Internet services for users, . . . [and] may serve primarily as content aggregators.” *Id.* at 3:22–27. “Another service provider may serve the same portal function and in addition may offer on-line access to customers (e.g., broadband or dial-up Internet access using an Internet account associated with the service).” *Id.* at 3:32–35.

“Bridge computer 20 and its database 22 may be used to allow the user registered with a particular service provider to purchase products from a vendor that is associated with a different service provider as well as the service provider with which the user has established the account.” *Id.* at 3:48–52. “Bridge computer 20 therefore allows users to shop more easily at a wide variety of vendors without being forced to repeatedly register at different web sites.” *Id.* at 3:52–55. “Information on the vendors that have

¹ When quoting the '979 patent and the other U.S. patent documents, we omit the bold emphasis to reference numerals throughout this Decision.

associated with a particular service provider may be maintained by bridge computer 20 (e.g., in database 22).” *Id.* at 3:62–65.

We further reproduce Figure 6 of the '979 patent, below:

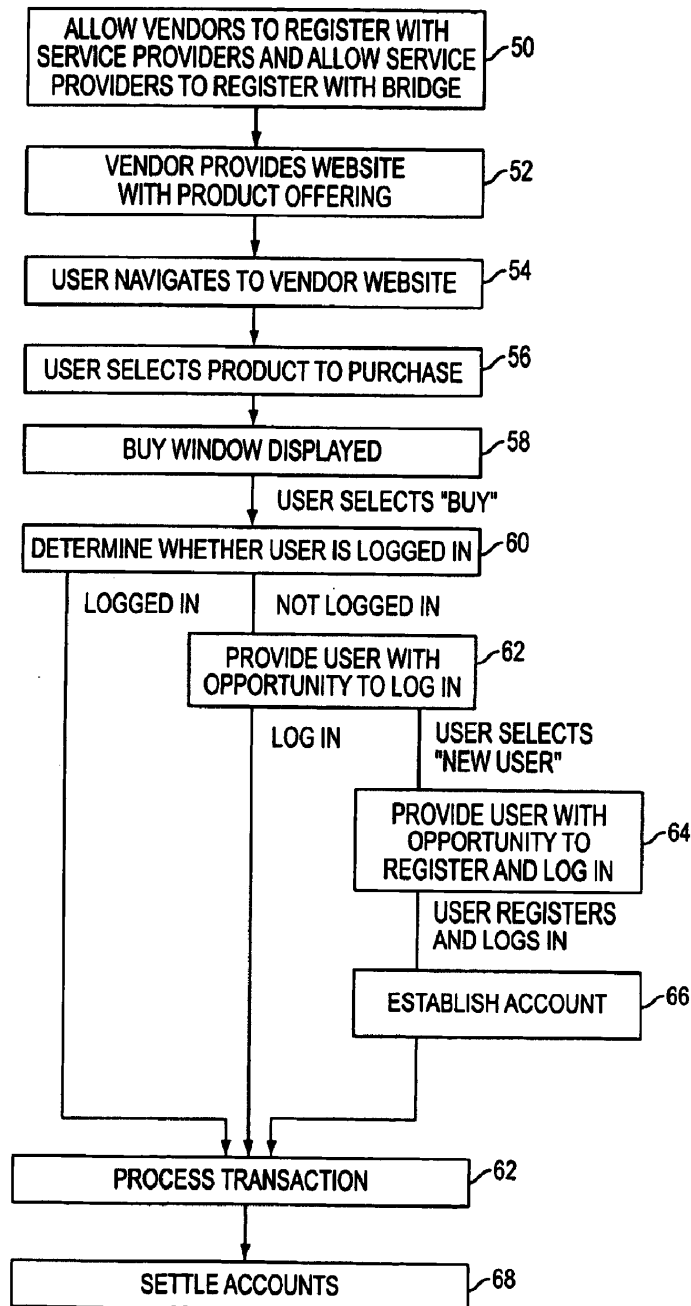


FIG. 6

Figure 6 “is a flow chart of illustrative steps involved with using the system of FIG. 1 to support purchase transactions in accordance with the present invention.” Ex. 1001, 2:36–38. “At step 50, each vendor may register with a particular service provider.” *Id.* at 6:32–34. “After the relationships between vendors and service providers have been established . . . vendors may make products available for purchase at step 52 . . . [and the] web sites may be accessed by the users at user devices 14 over communications network 12 at step 54.” *Id.* at 6:41–48. “[T]he user may select a suitable purchase option at step 56” and “the vendor computer passes information such as a vendor ID, product ID, and buy window information to bridge computer 20.” *Id.* at 6:49–55. “Bridge computer 30 uses this information to display a buy window . . . or other suitable screen to the user at step 58” and “[a]fter the user selects a buy option . . . , bridge computer 20 determines whether the user is logged in at step 60.” *Id.* at 6:56–64. “If the user is logged in, the purchase transaction may be processed at step 62.” *Id.* at 6:65–66. “Once a user is logged in, any suitable number of purchase transactions may be processed using steps 54, 56, 58, 60, and 62 without requiring the user to log in another time.” *Id.* at 6:66–7:2. “If the user already has an account at a service provider, the user may log in and the purchase transaction may be processed at step 62.” *Id.* at 7:5–7. “If the user is a new user . . . , bridge computer 20 may provide the user with an on-line opportunity to establish a new account at step 66.” *Id.* at 7:8–10. “Periodically . . . the accounts of the vendors, service providers, and bridge may be settled at step 68.” *Id.* at 7:25–28.

D. Illustrative Claim

Petitioner challenges claims 1–13. Pet. 1. Claim 1 is the only independent claim. Ex. 1001, 10:24–12:22. We reproduce claim 1, below, adopting Petitioner’s bracketed nomenclature for reference:

1. [1PRE-A] A method for using an electronic commerce system having a bridge computer to allow a user at a user device to make a product purchase at a purchase price from a given vendor having a web site provided by a vendor computer over a communications network,

[1PRE-B] wherein the vendor is associated with at least one of a plurality of service providers wherein each of the plurality of service providers has a service provider computer, and

[1PRE-C] wherein the user has a user account maintained by at least one of the plurality of service providers, the method comprising:

[A] debiting the user’s account by the purchase price when the user purchases the product from the given vendor;

[B] determining from among the plurality of service providers, using the bridge computer, whether the given vendor is associated with the same service provider with which the user’s account is maintained or is associated with a different service provider; and

[Ci] if the service provider with which the user’s account is maintained is the same as the service provider with which the vendor is associated, crediting the given vendor by the purchase price using funds from the user’s account at that same service provider and,

[Cii] if the service provider with which the user’s account is maintained is different from the service provider with which the vendor is associated, crediting the given vendor by the purchase price using funds from the service provider with which the vendor is associated and using the bridge computer to reimburse that service provider with the purchase price using funds from the user’s account.

Ex. 1001, 10:24–54; *see also* Pet. 22–45 (adopting Petitioner’s bracketed nomenclature).

E. References Relied Upon

Petitioner challenges rely on the following references (Pet. 6–7):

Name	Reference	Ex. No.
Armes	US Patent Pub. No. 2001/0034720 A1, published Oct. 25, 2001	1005
Steury	US Patent Pub. No. 2002/007327 A1, published Jan 17, 2002	1006
Maritzen	US Patent Pub. No. 2003/0220841 A1, published Nov. 27, 2003	1007

F. Asserted Grounds of Unpatentability

Petitioner contends that the Challenged Claims are unpatentable based on the following grounds (Pet. 3):

Ground	Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
1	1, 6–10, 12, 13	102/103	Armes
2	2, 4, 5, 11	103	Armes, Steury
3	3	103	Armes, Maritzen

Petitioner supports its challenge with a Declaration from Ivan Zatkovich. Ex. 1002.

Patent Owner submits the Declaration of Perry Landers. Paper 8.²

G. Notice of Allowance

In the Notice of Allowability dated December 23, 2004, the Examiner provided the following reasons for allowance:

The closest prior art, the Canadian publication 2,305,233, fails to teach or suggest, alone or in combination, a method for using an electronic commerce system using a bridge computer to determine from among the plurality of service providers whether the given vendor is associated with the same service provider with which the user's account is maintained or is associated with a difference service provider. Also, the Canadian reference does not disclose "if the service provider with which the user's account is maintained is different from the service provider with which the vendor is associated, crediting the given vendor by the purchase price using funds from the service provider with which the vendor is associated and using the bridge computer to reimburse that service provider with the purchase price using funds from the user's account" as recited in independent claim 1.

Ex. 1004, 94–95. Neither Armes, Steury, nor Maritzen was cited by the Examiner during prosecution. *See* Ex. 1001, code (56).

II. DISCUSSION

A. Principles of Law

"A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros., Inc. v. Union Oil Co. of Cal.*, 814 F.2d 628, 631 (Fed. Cir. 1987). To establish anticipation, "all of the elements and

² Our rules require that "[a]ll evidence must be filed in the form of an exhibit." 37 C.F.R. § 42.63(a). The parties are reminded that any further evidentiary submission shall be in the form of an exhibit.

limitations of the claim must be shown in a single prior reference, arranged as in the claim.” *Karsten Mfg. Corp. v. Cleveland Golf Co.*, 242 F.3d 1376, 1383 (Fed. Cir. 2001).

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

We analyze the asserted grounds of unpatentability in accordance with these principles.

B. Level of Ordinary Skill in the Art

The level of ordinary skill in the art is “a prism or lens” through which we view the prior art and the claimed invention. *Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001). The person of ordinary skill in the art is a hypothetical person presumed to have known the relevant art at the time of the invention. *In re GPAC Inc.*, 57 F.3d 1573, 1579 (Fed. Cir. 1995). In determining the level of ordinary skill in the art, we may consider certain

³ Patent Owner does not submit and argue objective evidence of nonobviousness. *See* Prelim. Resp.

factors, including the “type of problems encountered in the art; prior art solutions to those problems; rapidity with which innovations are made; sophistication of the technology; and educational level of active workers in the field.” *Id.*

Petitioner contends, with accompanying Declaration testimony of Mr. Zatkovich (Ex. 1002), that a person having ordinary skill in the art at the time of the alleged invention (“POSITA”) would have had “a bachelor’s degree in computer science, computer engineering, electrical engineering, or a related study, and would have at least one or two years of experience with payment or credit systems.” Pet. 17 (citing in part Ex. 1002 ¶¶ 74–76).

Patent Owner contends that a POSITA “would have at least a Master of Science (“MS”) Degree in Computer Science, Computer Engineering, or equivalent work experience in the field of computer networks, along with knowledge of the general structure of payment or credit systems, its hardware and software components.” Prelim. Resp. 6.

We are not persuaded that a POSITA “would have at least one or two years of experience with payment or credit systems,” as Petitioner proposes (*see* Pet. 17), or “would have at least a Master of Science [] Degree . . . or equivalent work experience in the field of computer networks,” as Patent Owner proposes. *See* Prelim. Resp. 6. Rather, we adopt a hybrid of Petitioner’s and Patent Owner’s proposed level of skill.

For purposes of this Decision, we find that a POSITA at the time of the invention would have had a bachelor’s degree in computer science, computer engineering, electrical engineering, or a related study along with knowledge of the general structure of payment or credit systems, its hardware and software components.

*C. Claim Construction*⁴

In an *inter partes* review proceeding for a petition filed on or after November 13, 2018, a patent claim shall be construed using the same claim construction standard that would be used to construe the claim in a civil action under 35 U.S.C. § 282(b). *See* 37 C.F.R. § 42.100(b) (2019). This rule adopts the same claim construction standard used by Article III federal courts (*see id.*), which follow *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc) and its progeny. Under the *Phillips* standard, the words of a claim are generally given their “ordinary and customary meaning,” which is the meaning the term would have to a person of ordinary skill at the time of the invention, in the context of the entire patent including the specification. *See Phillips*, 415 F.3d at 1312–13.

Based on the final record before us, we determine that “bridge computer” and “service provider” requires express construction for purposes of this Decision.

1. “bridge computer”

In a final Claim Construction Order from the District Court for the Western District of Texas in *AML IP, LLC v. Rebilly, Inc.*, No. 6:20-cv-01199, the U.S. District Court for the Western District of Texas concluded that the term “bridge computer” shall mean “a computer that supports

⁴ Petitioner and Patent Owner treat the language recited in the preamble of claim 1 as limiting. *See* Pet. 22–36 (addressing limitations PRE-A, PRE-B, and PRE-C); *see also* Prelim. Resp. 3–6 (Claim Construction), 14–18 (addressing PRE-B). For purposes of this Decision, we treat the entirety of the preamble (PRE-A, PRE-B, PRE-C) as limiting.

electronic commerce between users, vendors, and service providers.”

Ex. 1017, 1 (“Claim Construction Order”) *AML IP, LLC v. Rebilly, Inc.*, No. 6:20-cv-01199, the Final Claim Construction Order, ECF No. 29, (W.D. Tex. Dec. 9, 2021).

Petitioner cites the Claim Construction Order and agrees that “the term ‘bridge computer’ as used in the claims is a computer that supports electronic commerce between users, vendors, and service providers.” Pet. 14 (quoting Ex. 1002 ¶ 64; citing Ex. 1017).

Patent Owner also adopts the District Court construction. *See* Prelim. Resp. 4 (citing Ex. 1017).

Both parties acknowledge and agree with the final Claim Construction Order. *See* Pet. 14; *see also* Prelim. Resp. 4. We further note that the claims of the ’979 patent “shall be construed using the same claim construction standard that would be used to construe the claim[s] in a civil action under 35 U.S.C. § 282(b).” 37 C.F.R. § 42.100(b) (2021).

For purposes of this Decision, we consider and adopt the District Court’s claim construction of “bridge computer” in our analysis. *Id.* (“Any prior claim construction determination concerning a term of the claim in a civil action, or a proceeding before the International Trade Commission, that is timely made of record in the *inter partes* review proceeding will be considered.”).

2. “service provider”

In the Claim Construction Order, the court concluded that the term “service provider” shall mean “a business that provides internet-related services to customers.” Ex. 1017, 1.

Petitioner does not propose a construction of this term. *See* Pet. 11–16.

Patent Owner, on the other hand, expounds upon the District Court’s claim construction, submitting that there are two different types of “service providers”: (1) “A service provider of [the] type may maintain a virtual presence on the web in the form of a web site”; and (2) one that “may offer on-line access to customers (e.g., broadband or dial-up Internet access using an Internet account associated with the service).” *See* Prelim. Resp. 4–5. Patent Owner does not dispute the District Court’s interpretation, however, and acknowledges that “[t]hese different types of service providers are referred to collectively herein as ‘service providers’ or ‘Internet service providers’.” *Id.* 5.

For purposes of this Decision, we consider and adopt the District Court’s claim construction of “service provider” in our analysis. 37 C.F.R. § 42.100(b).

3. *Other Claim Terms*

There are no other terms that require express construction for purposes of this Decision. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (“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. Anticipated by or Obvious over Arbes (Ground 1)

Petitioner submits that claims 1, 6–10, 12, and 13 are either obvious over or anticipated by Armes. Pet.

1. Armes (Ex. 1005)

Armes is a U.S. Patent Publication titled “System for Facilitating a Transaction.” Ex. 1005, code (54). Armes describes “a system and method for facilitating a transaction using a *secondary transaction number* [“STN”] that is associated with a cardholder’s primary account” and that the “cardholder provides the secondary transaction number, often with limited-use conditions associated therewith, to a merchant *to facilitate a more secure and confident transaction.*” *Id.* at code (57) (emphases added).

We reproduce Figure 1 of Armes, below:

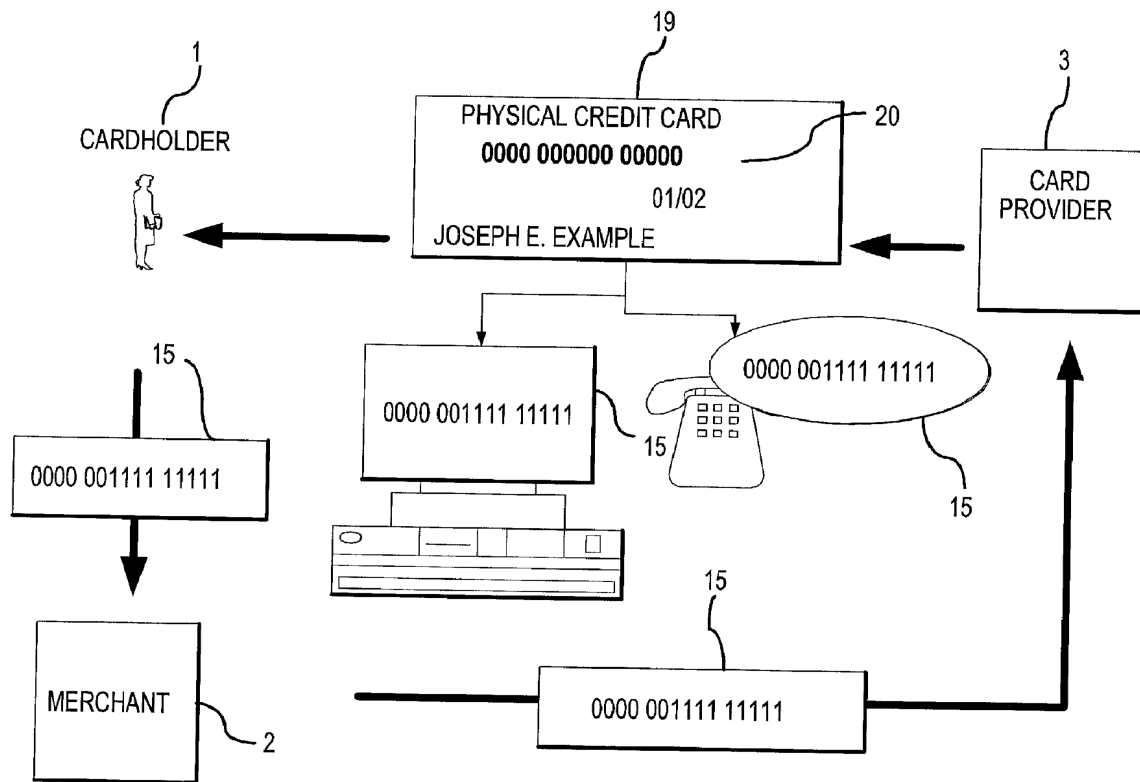


FIG. 1

Figure 1 depicts “an overview of an exemplary system for facilitating a transaction.” *Id.* ¶ 21. In particular, Figure 1 shows a first party to a transaction, cardholder 1, provides to a second party to the transaction, merchant 2, secondary transaction number/STN 15 that was generated by card issuer/card provider 3. *Id.* ¶ 48.

Cardholder 1 may be referred to as a consumer, card member, user, or customer, and may be a person, business, or other entity who uses STN 15 to facilitate any transaction (e.g., purchase of goods). *See id.* ¶¶ 48, 50.

Cardholder 1 may also be a participant in a frequent flyer rewards program. *See id.* ¶ 50.

Merchant 2 is any individual, business, or entity who receives STN 15 in exchange for goods or services. *Id.* ¶ 51. Merchant 2 may be an online

bookstore, such as Amazon.com, or may be a local plumber or local hardware store. *Id.*

Card issuer, or card provider 3, includes banks, credit unions, credit or debit-related companies, or any other type of card or account issuing institution, such as an incentive rewards company. *Id.* ¶ 52. “In an exemplary system, the card provider 3 may be any transaction facilitating company such as a charge card provider like American Express®, VISA®, Mastercard®, Discover®, etc.” *Id.*

Secondary transaction number, or STN 15, may be “any transaction number, code, symbol, indicia, etc. that is associated with another number or account that has been designated by the cardholder 1 or the card provider 3 as a primary charge card (PPC 20), i.e., primary account number.” *Id.* ¶ 53.

We further reproduce Armes’s Figure 2, below:

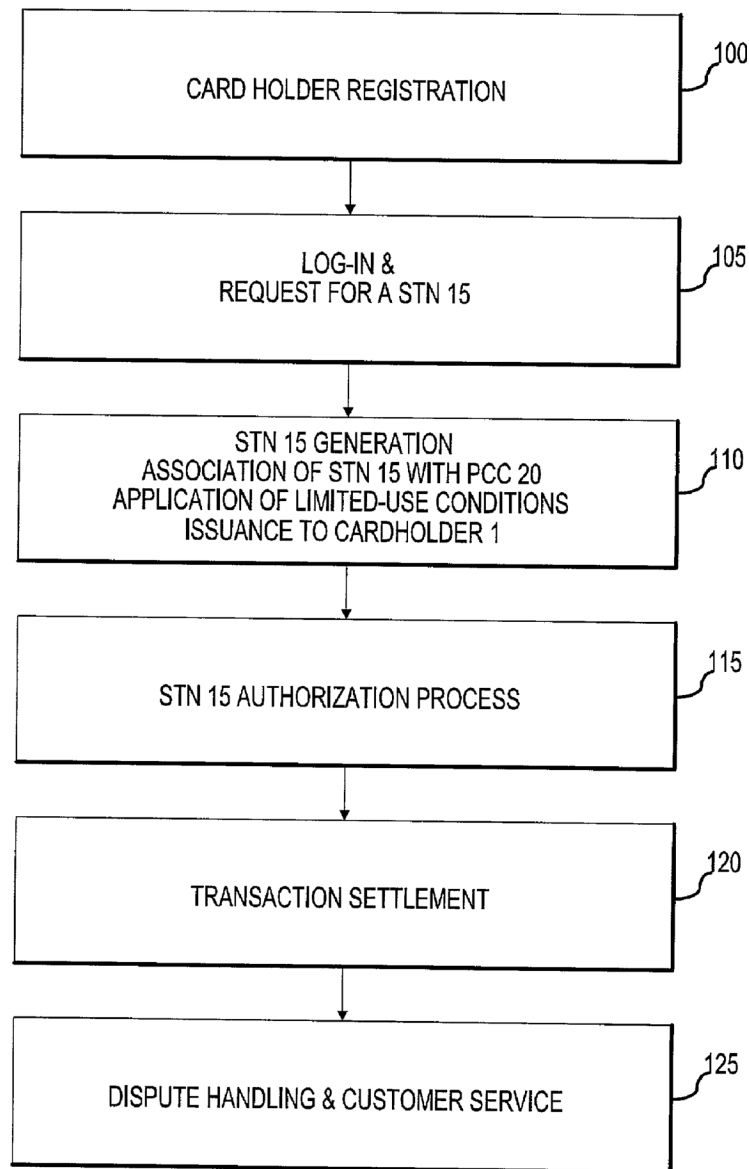


FIG. 2

Figure 2 “is a flow diagram of exemplary processes of [Armes’s] invention.” *Id.* ¶ 22. In particular, Figure 2 shows the steps of: (i) registering cardholder 1 to use the card provider’s 3 transaction services (at step 100); (ii) receiving from a cardholder 1 a request for STN 15 (at step 105); (iii) generating STN 15, associating the STN with PCC 20, and associating STN 15 with PCC 20; (iv) processing a merchant’s authorization request

involving STN 15 to determine if the STN is authorized (step 115);
(v) processing a settlement request, paying the merchant, and billing
cardholder 1 (step 120); and handling any disputes between cardholder 1 and
merchant 2 relating use of STN 15, as needed (step 125). *Id.* ¶ 58

Below, we further reproduce Armes’s Figure 8, which Petitioner cites
to extensively in the Petition (*see, e.g.*, Pet. 23):

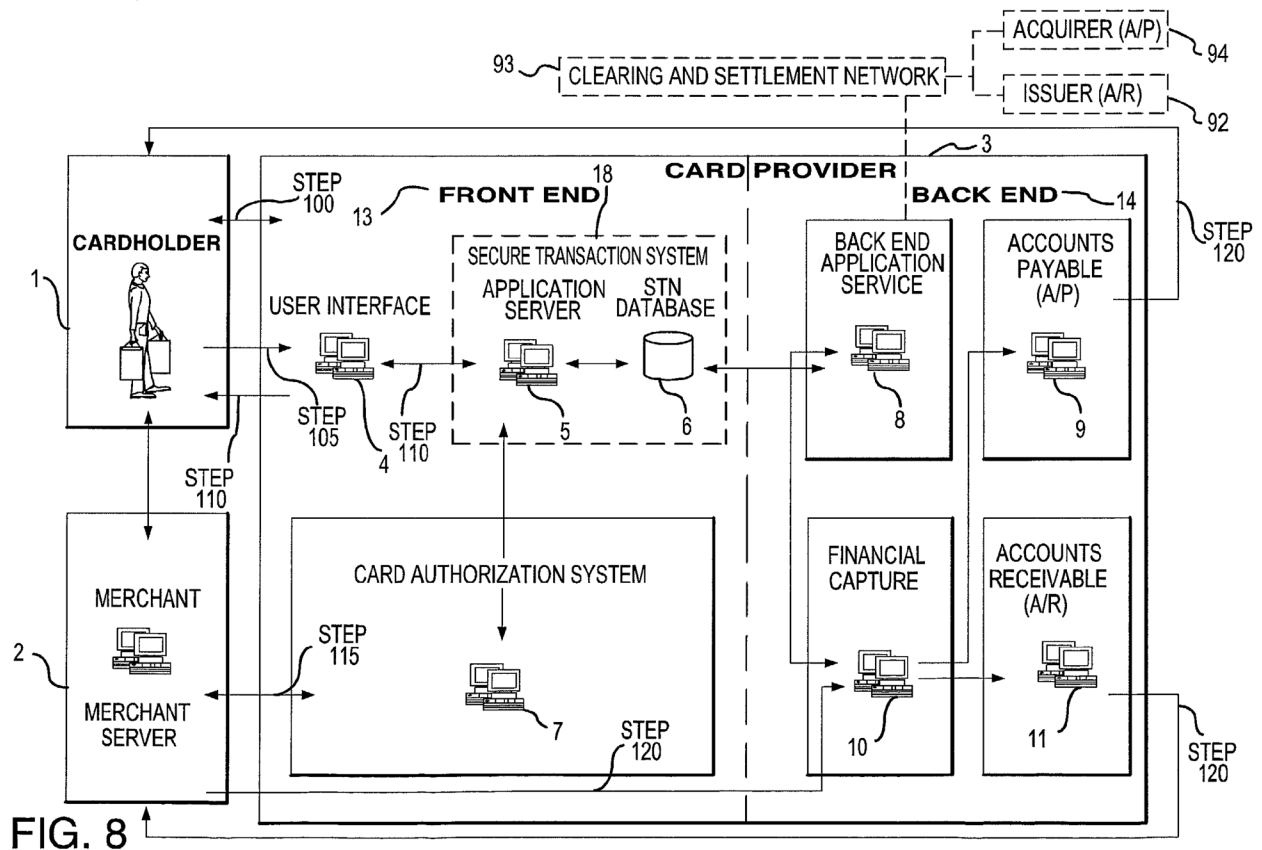


Figure 8 “is a block diagram of exemplary components of [Armes’s] present invention.” *Id.* ¶ 28. In particular, Figure 8 depicts card provider’s 3 computer system utilizing front end 13 and back end 14 processing systems. *Id.* ¶ 59. Front end 13 comprises, *inter alia*, user interface system 4 (e.g., a web server), application server 5, STN database 6, and card authorization system (“CAS”) 7. *Id.* Application server 5 and STN database 6 may be

referred to collectively as the STN transaction system or service. *Id.* Front end 13 facilitates cardholder registration (step 100), request for STN 15 (step 105), generation and issuance of STN 15 (step 110), and the STN authorization process (step 115). *Id.*; *see also id.* at Fig. 2 (depicting steps 100, 105, 110, and 115). Back end 14 comprises, *inter alia*, financial capture system 10, back-end application service 8, accounts payable system 9, and accounts receivable system 11. *Id.* ¶ 59. Back end 14 components may facilitate transaction settlement (step 120). *Id.*; *see also id.* at Fig. 2 (depicting step 125). “The backend service 8 separates the transaction into two transactions (a clearing transaction and a settlement transaction).” *Id.* ¶ 95. Figure 8 further depicts third party clearing and settlement network 93 (in dashed-line communication with back end application service 8), which handles routing to issuer’s account receivables 92 and acquirer’s account payable 94. *See id.*

We further reproduce Armes’s Figure 14, below, which Petitioner also cites to in the Petition (*see, e.g.,* Pet. 37).

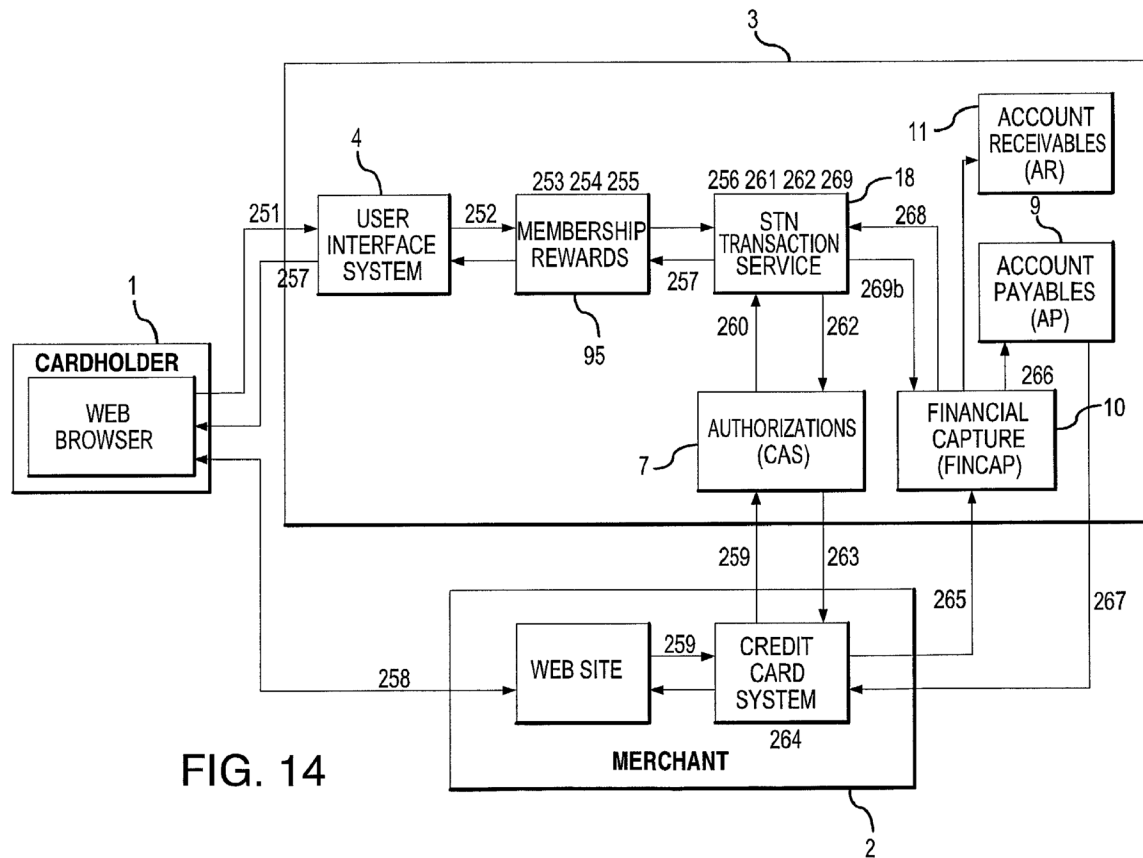


FIG. 14

Figure 14 “is a flow diagram depicting one embodiment of an exemplary transaction system of the present invention used to facilitate a non-currency based membership rewards program.” Ex. 1005 ¶ 34. In particular, Figure 14 depicts an “alternative embodiment, the secondary transaction system may be used to facilitate programs involving non-currency tender, such as the American Express® Membership Rewards as Currency™ system.” *See id.* ¶ 107. As shown in Figure 14, “cardholder 1 accesses and logs onto the card provider’s services via a user interface system 4 (e.g., an internet connection) (step 251).” *Id.* “The cardholder then proceeds (clicks or hyperlinks) to the membership rewards (MR) system 95, where she indicates that she would like to use her membership reward points that are available in her MR account (step 252).” *Id.* “The MR system 95 reports to the

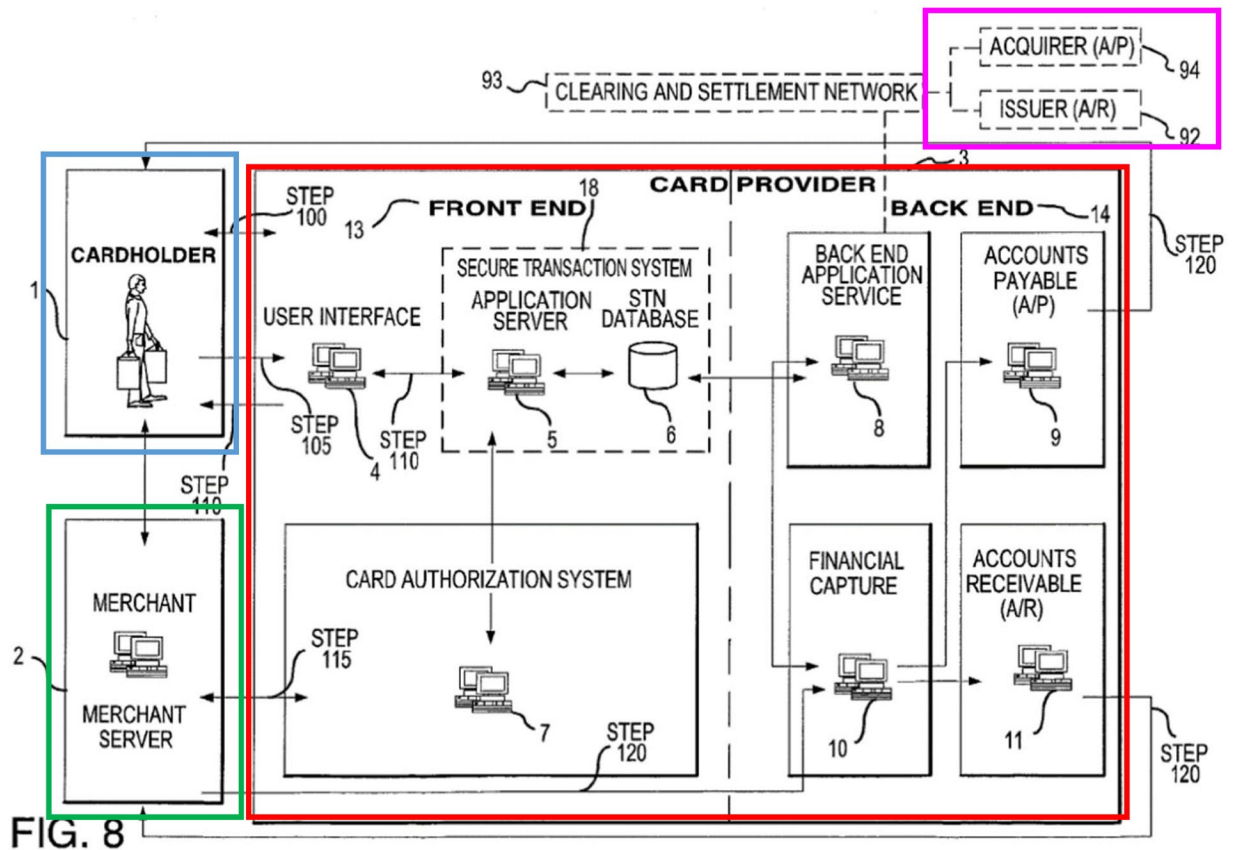
cardholder 1 how much the available MR points are worth (step 253)” and “cardholder 1 indicates how many of the MR points (converted to monetary value) should be loaded into an account that can be used for purchases (step 254).” *Id.* “Once the MR system 95 has approved the request and allocated the requested MR points, the STN system 18 associates a STN 15 and establishes an MR-STN 15 profile (256).” *Id.* “The MR-STN profile contains the options that will be applied and the amount that will be available to the resulting STN 15.” *Id.*

2. Independent Claim 1

We address the claim limitations adopting the nomenclature used in the Petition. *See* Pet. 22–45.

- a. PRE-A – “A method for using an electronic commerce system having a bridge computer to allow a user at a user device to make a product purchase at a purchase price from a given vendor having a web site provided by a vendor computer over a communications network”*

To address PRE-A, Petitioner submits that Armes discloses the limitations, submitting an annotated version of Armes’s Figure 8, a copy of which we reproduce below:



Petitioner’s annotated Figure 8 “is a block diagram of exemplary components of [Armes’s] present invention.” Ex. 1004 ¶ 28; *see also supra* § II.D.1 (providing a more detailed explanation of Figure 8). Petitioner annotates Armes’s Figure 8 by placing a blue box around cardholder 1, a green box around merchant 2, a red box around Armes’s card provider 3, and a pink box around “Acquirer (A/P)” 94 and “Issuer (A/R)” 92.

According to Petitioner, Armes discloses: (i) a “bridge computer,” as shown in red, citing Armes’s “card provider’s computer system”; (ii) a “user,” shown in blue, with a “user device,” citing Armes’s cardholder 1 using “any input device,” such as “web TV,” to make a product purchase; (iii) a “vendor,” shown in green, citing Armes’s disclosure of merchant 2, having a “web site,” such as an online bookstore; and (iv) a

“communications network,” highlighted in purple (not shown in annotated Figure 8), citing Armes’s disclosure of a data communications network and a payment network. *See* Pet. 22–23 (citations omitted).

b. PRE-B – “wherein the vendor is associated with at least one of a plurality of service providers, wherein each of the plurality of service providers has a service provider computer”

Petitioner submits that Armes discloses its vendor (merchant 2, shown in green in annotated Fig. 8) as being “associated with at least one of a plurality of service providers.” Pet. 29. Petitioner explains that the “plurality of service providers” (in pink) is satisfied by Armes’s disclosure of “‘any entity issuing any type of account to facilitate a transaction,’ such as ‘account issuing institutions,’ ‘incentive rewards companies,’ such as a ‘frequent flyer rewards program,’ [and] ‘card sponsoring companies’ . . . such as ‘e.g., American Express®, VISA®, MasterCard® and Discover Card®, AT&T®, MCI®, etc.’” *Id.* (citations omitted). Petitioner cites to the District Court’s Claim Construction Order and asserts that “each of these entities are providing internet-related services, e.g., as a ‘provider of products and/or services that facilitates any type of transaction’ over the internet.” *Id.* (citations omitted).

Petitioner further submits that “each of the plurality of service providers has a respective service provider computer.” *Id.* at 29–30 (citations omitted). Petitioner explains that “‘third party issuer[s] 92’ have ‘third party authorization and settlement systems’ such as 92-94” shown in Armes’s Figure 8. *Id.* (citing in part Ex. 1005 ¶ 61).

provider's computer system' as the bridge computer to facilitate payment between a user and a vendor." Pet. 34 (citing Ex. 1002 ¶ 107).

In addition to the assertion that Armes discloses limitation PRE-B, for purposes of anticipation, Petitioner contends *in the alternative* that

[I]t would have been obvious to a POSITA to implement the MR system as a separate computer system from the card provider's computer system This would have been easy to implement and a POSITA would have been motivated to allow a service provider to maintain a service provider computer so that the service provider could keep a record of its customer's membership rewards points.

Pet. 34 (citing Ex. 1002 ¶ 108).

c. PRE-C – “wherein the user has a user account maintained by at least one of the plurality of service providers, the method comprising:”

Petitioner submits that “Armes discloses that the user . . . has a user account (e.g., ‘MR account’ . . .) maintained by at least one of the plurality of service providers (e.g., one of the ‘incentive rewards companies’[]) . . . such as a ‘frequent flyer rewards program,’ or ‘card sponsoring companies,’ which may have ‘programs involving non-currency tender.’” Pet. 34–35 (citations omitted).

In citing Mr. Zatkovich's testimony, Petitioner submits that “a POSITA would have understood that the MR system 95 (as the service provider computer) in Armes, in such embodiments, would be a separate computer system from the ‘card provider's computer system’.” Pet. 35 (citing Ex. 1005 ¶ 59; Ex. 1002 ¶¶ 105, 106, 110, 112, 113). Mr. Zatkovich testifies that

a POSITA would have understood that in embodiments where the membership rewards ‘MR system 95’ (as the service provider computer) is a separate computer system from the ‘card provider’s computer system’ (as the bridge computer), the user account on the MR system 95 would be maintained by the ‘incentive rewards compan[y]’.

Id. at 35–36.

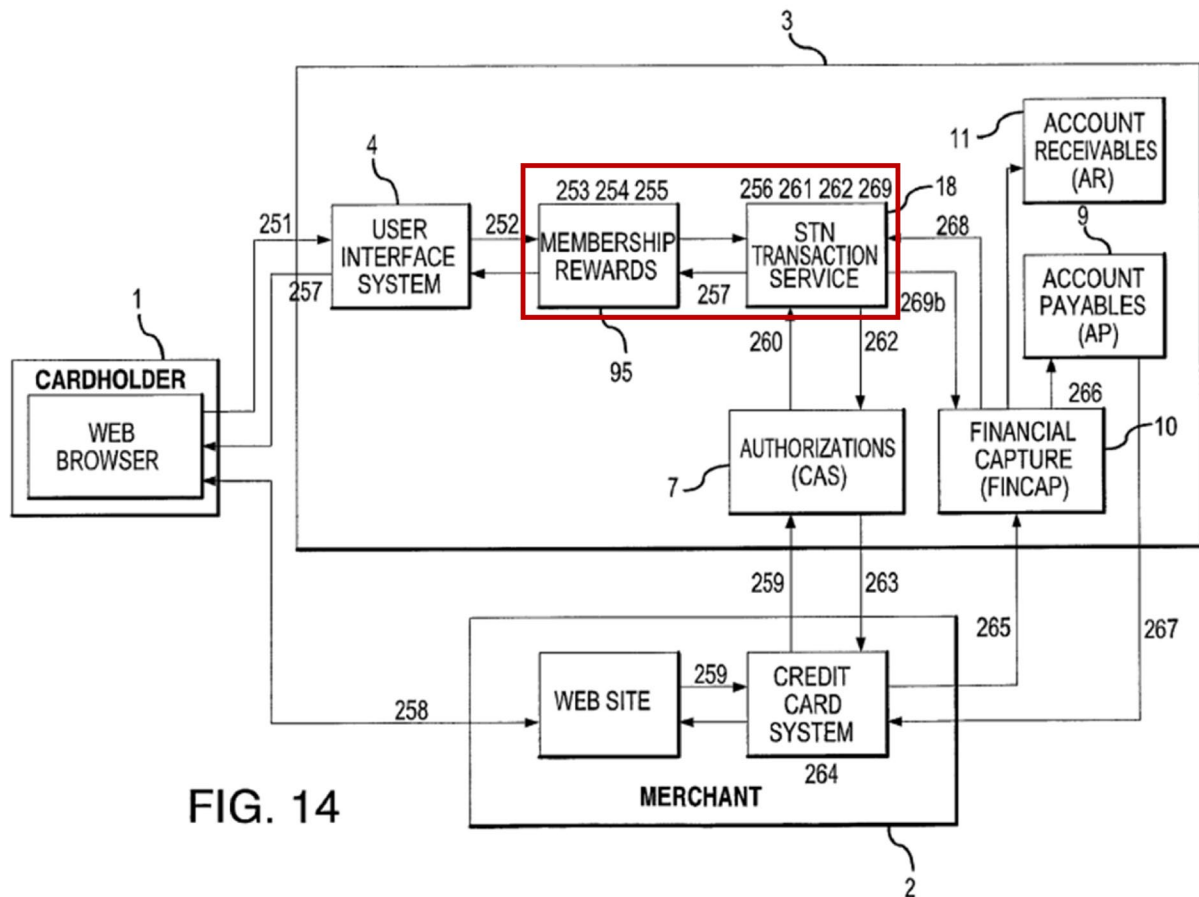
In the alternative, and to the extent that Armes does not disclose a separate computer system, Petitioner reasons that

[I]t would have been obvious to a POSITA to use the “incentive rewards compan[y]” to maintain that user account. . . . This would have been easy to implement through trivial and well-known API calls and a POSITA would have been motivated to have the “incentive rewards compan[y]” maintain the user account in order to account for the user’s MR balance.

Pet 36 (citing Ex. 1002 ¶ 111).

d. A – “debiting the user’s account by the purchase price when the user purchases the product from the given vendor”

Petitioner submits that “Armes discloses debiting,” citing Armes’s disclosure that “the balance available on the MR-STN profile is reduced by the purchase amount.” Pet. 36 (citing Ex. 1005 ¶ 109). Petitioner submits another annotated version of Armes’s Figure 14 (*id.* at 37), which we reproduce, below:



As explained above, Figure 14 “is a flow diagram depicting one embodiment of an exemplary transaction system of the present invention used to facilitate a non-currency based membership rewards program.” Ex. 1005 ¶ 34.

Petitioner annotates Armes’s Figure 14 to place a red box around membership rewards 95 and STN transaction service 18. Petitioner submits that the red box “show[s] the ‘debiting’ step.” Pet. 37.

Petitioner cites to Armes’s disclosure that if card authorization “conditions are met, the balance available on the MR-STN profile is reduced by the purchase amount.” *Id.* at 38 (citing Ex. 1005 ¶ 109; Ex. 1002 ¶ 118). Petitioner further cites to Armes’s disclosure that “STN system **18** passes a request to the MR system **95** to deduct the appropriate number of MR points.” *Id.* (citing Ex. 1005 ¶ 113; Ex. 1002 ¶ 119).

- e. B – “determining from among the plurality of service providers, using the bridge computer, whether the given vendor is associated with the same service provider with which the user’s account is maintained or is associated with a different service provider”*

Petitioner submits that “a POSITA would understand that a user and merchant may both be associated with the same service provider such as Visa, Mastercard, or American Express.” Pet. 39 (citing Ex. 1005 ¶¶ 3, 50, 52; Ex1002 ¶ 120). Petitioner further submits that the “user may be a member of an incentive rewards service provider where a vendor may or may not be a participating merchant.” *Id.* (citing Ex 1005 ¶¶ 87, 107; Ex. 1002 ¶ 120). Petitioner explains,

As such, Armes discloses determining from among the plurality of service providers, using the bridge computer, (e.g., “card provider’s computer system” (Ex1005, ¶[0059])) whether the given vendor (e.g., “a second party to a transaction (‘merchant 2’)” (Ex1005, ¶[0048]) or “a participating merchant” (Ex1005, ¶[0107])) is associated with the same service provider with which the user’s account (e.g., “MR account” which includes “profile information [that] may be stored in a MR database, STN database 6 or any other suitable database” (Ex1005, ¶[0109])) is maintained or is associated with a different service provider. (Ex1002, ¶121).

Id.

Petitioner further explains,

Armes discloses using the bridge computer (the “STN system 18” of the “card provider’s computer system”, (Ex1005, ¶[0059])) to determine that the vendor is associated with the same service provider as the user account. (Ex1005, ¶[0109] (“CAS 7 recognizes the transaction as involving a STN 15, and forwards the request to the STN system 18 containing, inter alia, an application server (FIG. 8, number 5) and a STN

database (FIG. 8, number 6). It should be appreciated that profile information may be stored in a MR database, STN database 6 or any other suitable database (step 260). The STN system 18 recognizes the account as a MR account.”). (Ex1002, ¶122).

“The STN system 18 recognizes that the STN 15 is associated with a MR account, searches for the MR-STN profile and passes a credit request to the appropriate cardholder 1 MR account to reduce the available MR points (step 269), and (ii) the transaction record is used to build a credit against the actual charge card account (e.g., PCC 20) that will offset the charged STN 15 transaction (step 269b).” (Ex1005, ¶[0109]). (Ex1002, ¶123).

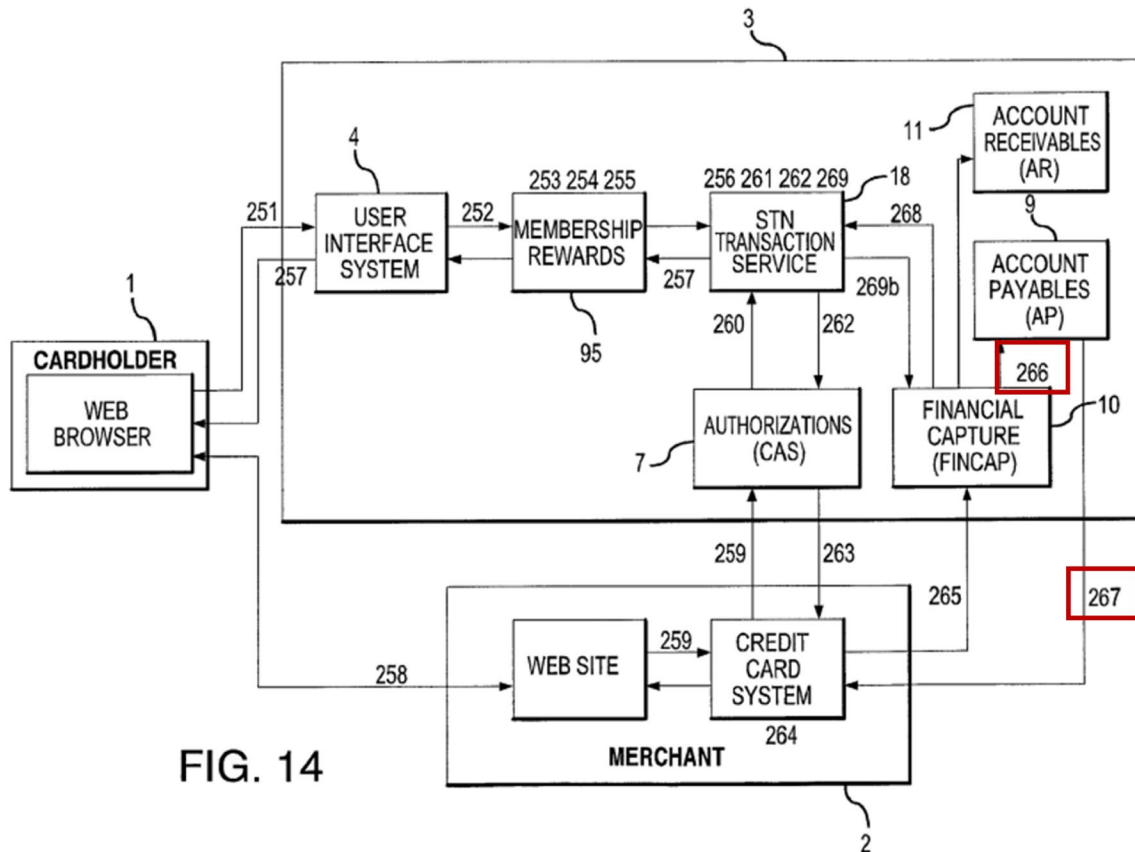
Armes also discloses using the bridge computer (the “backend application service 8” of the “card provider’s computer system”, (Ex1005, ¶[0059])) to determine that the vendor is associated with a different service provider from the user account. (Ex1005, ¶[0095] (“System allows a card provider 3 to associate STNs to third party accounts ... Here, the backend application service 8, upon receiving a STN 15, recognizes that the associated PCC 20 originated with another card issuer 92”)). (Ex1002, ¶124).

Pet. 40–41.

f. Ci – “if the service provider with which the user’s account is maintained is the same as the service provider with which the vendor is associated, crediting the given vendor by the purchase price using funds from the user’s account at that same service provider”

Petitioner submits that Armes discloses this limitation. *See* Pet. 41. Petitioner explains, in one example, that Armes’s disclosure that “STN 15 transaction is received by the card provider’s financial capture system (FINCAP) 10. FINCAP 10 forwards the STN transaction to the appropriate AP [accounts payable] system 9 (step 266). The AP system 9 then pays the

merchant according to the appropriate settlement terms and conditions (step 267).” *Id.* at 42 (citing Ex. 1005 ¶ 109; Ex. 1002 ¶ 126). Petitioner provides an annotated version of Armes’s Figure 14 (*id.*), a copy of which we reproduce, below:



As explained above, Figure 14 “is a flow diagram depicting one embodiment of an exemplary transaction system of the present invention used to facilitate a non-currency based membership rewards program.” Ex. 1005 ¶ 34.

Petitioner annotates Armes’s Figure 14 to place red boxes around step 266, during which “FINCAP 10 forwards the STN transaction to the appropriate AP system 9” and step 267, during which the “AP system 9 then pays the merchant according to the appropriate settlement terms and conditions.” *See id.* ¶ 109.

- g. *Cii – “if the service provider with which the user’s account is maintained is different from the service provider with which the vendor is associated, crediting the given vendor by the purchase price using funds from the service provider with which the vendor is associated and using the bridge computer to reimburse that service provider with the purchase price using funds from the user’s account”*

Petitioner submits that Armes discloses this limitation. Pet. 43–44.

Petitioner explains that

Armes discloses that if the service provider . . . such as “a frequent flyer rewards program,” . . . with which the user’s account (e.g., “MR account”[]) . . . is maintained is different from the service provider (e.g., “external card issuers”, or “third party issuer 92” . . . such as “VISA®[“] . . . with which the vendor is associated . . . [,] crediting the given vendor (e.g., “merchant 2” []) by the purchase price using funds from the service provider with which the vendor is associated (e.g., “[t]he third party clearing and settlement network 93[”)].

Pet. 43 (citations omitted).

Petitioner further submits that “Armes [] discloses using the bridge computer (e.g., ‘card provider’s computer system’[]) to reimburse that service provider (e.g., ‘external card issuers’, or ‘third party issuer 92’ . . . [,] with the purchase price using funds from the user’s account.” *Id.* at 44 (citations omitted).

h. Analysis

Patent Owner argues that Armes does not teach or disclose several of the limitations (*see* Prelim. Resp. 12–29), because “Petitioner confuses ‘bridge computer’ with ‘service provider computer’” (*id.* at 12).

We agree.

Specifically, we agree with Patent Owner that Petitioner improperly uses hindsight “to pick and choose among isolated disclosures in [Armes] to deprecate the claimed invention.” Prelim. Resp. 28 (quoting *In re Fritch*, 972 F.2d 1260, 1266 (Fed. Cir. 1992) (quoting *In re Fine*, 837 F.2d 1071, 1075 (Fed. Cir. 1988))); *see also Karsten*, 242 F.3d at 1383 (“[To establish anticipation,] all of the elements and limitations of the claim must be shown in a single prior reference, arranged as in the claim.”).

Claim 1 requires, *inter alia*, a plurality of service providers, “wherein each has a service provider computer,” and an electronic commerce system having a “bridge computer.” *See supra* § I.D; *see also supra* n.2.

Patent Owner is correct that “Petitioner equates ‘card provider 3’ in Armes with ‘service provider’ and ‘bridge computer’.” Prelim. Resp. 18 (emphasis added).

For example, Petitioner submits that “Armes discloses a bridge computer where ‘the card provider’s computer system utilizes front end 13 and backend 14 processing systems.” Pet. 24; *see also* Ex. 1005, Fig. 8 (depicting front end 13 and back end 14 as part of cardholder 3 system). Petitioner *also* relies on Armes’s membership rewards (“MR”) system 95 to be an “exemplary service provider in accordance with the limitation of Claim 1.” Pet. 32 (referencing an annotated version of Armes’s Figure 14). MR system 95, however, is simply part of card provider 3. Armes discloses that “card provider 3 includes . . . incentive rewards companies” (Ex. 1005 ¶ 52) and as can be seen in Armes’s Figures 14 and 15, MR system 95 is part of the computer system of card provider 3.

We agree with Patent Owner that “‘service provider’ and ‘bridge computer’ are distinct” and that “different terminology is presumed to carry

different meanings.” Prelim. Resp. 18 (citation omitted); *see also SimpleAir, Inc. v. Sony Ericsson Mobile Comm’s AB*, 820 F.3d 419, 431 (Fed. Cir. 2016) (“Different claim terms are presumed to have different meanings.”) (quoting *Bd. of Regents of the Univ. of Tex. Sys. v. BENQ Am. Corp.*, 533 F.3d 1362, 1371 (Fed. Cir. 2008)).

We further disagree with Petitioner’s assertion that “at least in some embodiments, the MR system 95 (as the service provider computer) in Armes would be a separate computer system from the ‘card provider’s computer system”” or that “it would have been obvious to a POSITA to implement the MR system as a separate computer system . . . so that the service provider could keep a record of its customer’s membership rewards points.” Pet. 34 (citing Ex. 1005 ¶ 59; Ex. 1002 ¶¶ 107, 108). Petitioner’s positions contradict the express disclosure in Armes.

Although Petitioner cites to Armes’s paragraph 59, nothing in that paragraph supports a finding that MR system is separate from the card provider’s computer system. Rather, Patent Owner and Mr. Landers are correct that “MR system 95 is a part of card provider 3.” Paper 8, 28; Prelim. Resp. 23; *see also* Ex. 1005 ¶ 52 (“card provider 3 includes . . . incentive [or merchant] rewards”); *see also* Ex. 1005, Figs. 14, 15 (depicting MR system as part of card provider 3). Furthermore, Petitioner’s proposed modification presumes that the card provider does not already maintain a record of its customers’ rewards points (*see* Pet. 34), which is counterintuitive to the system described in Armes and unsupported by any evidence. For example, Armes discloses that “MR system 95 reports to the cardholder 1 how much the available MR points are worth (step 253).” Ex. 1005 ¶ 108; *id.* at Fig. 14. In other words, because “MR system 95

reports to the cardholder 1 how much the available MR points are worth” (Ex. 1005 ¶ 108), Armes’s MR system *already* maintains a record of its customers’ rewards points, contrary to Petitioner presumption (*see* Pet. 34).

Moreover, while relying on Armes’s card provider 3 computer system to satisfy both the “bridge computer” and at least one “service provider computer,” we do not see how the method steps recited in limitations B, Ci, and Cii are satisfied. Petitioner’s attempt to satisfy these steps with Armes’s card provider 3 computer (i.e., as the “bridge computer”) raises multiple questions that persuade us Petitioner has not demonstrated by a reasonable likelihood that these limitations are satisfied.

For example, to satisfy the recited “service providers,” Petitioner relies on “incentive rewards [or MR] companies.” Pet. 25 (citing Ex. 1005 ¶¶ 52, 59, 87); *see also id.* at 40 (relying on MR company to satisfy limitation B); *see also id.* at 41 (relying on MR company to satisfy limitation Ci); *see also id.* at 43 (relying on MR company to satisfy limitation Cii). Petitioner also cites to the testimony of Mr. Zatkovich. *See, e.g., id.* at 39–41 (citing Ex. 1002 ¶¶ 120–124). The Petition does not clearly explain how Armes’s “bridge computer” (i.e., the card provider’s computer system) makes a “determin[ation] from among the plurality of service providers,” however, *when the card provider itself is a service provider*.

The testimony of Mr. Zatkovich does not relieve our confusion. Mr. Zatkovich’s testimony merely parrots, verbatim, that which is in the Petition. *Compare* Ex. 1002 ¶¶ 120–124, *with* Pet. 39–41. Although Petitioner and Mr. Zatkovich cite to Armes, the citations are to disjointed disclosure whose relevance is not clearly apparent. *See Fritch*, 972 F.2d 1266 (“one cannot use hindsight reconstruction to pick and choose among

isolated disclosures in the prior art”); *see also Karsten*, 242 F.3d at 1383 (“[To establish anticipation,] all of the elements and limitations of the claim must be shown in a single prior reference, arranged as in the claim.”).

For instance, Mr. Zatkovich cites to *both* Armes’s back end application service 8 *and* STN system 18 for performing the step of “determining from among the plurality of service providers . . . whether the given vendor is associated with the same [or different] service provider.” *See* Ex. 1002 ¶¶ 122, 124; *see also* Pet. 40; *see also supra* § I.D. It is not clear to us, however, how “STN system 18” and “backend application service 8”—both acting as the “bridge computer”—perform the step of “determining from among the plurality of service providers . . . whether the given vendor is associated with the same [or different] service provider,” as recited in claim 1. In support of his assertions, Mr. Zatkovich quotes Armes’s disclosure that “CAS 7 recognizes the transaction as involving a STN 15, and forwards the request to the STN system 18” (Ex. 1002 ¶ 122, citing Ex. 1005 ¶ 109)) and “backend application service 8, upon receiving a STN 15, recognizes the associated PPC originated with another card issuer 92” (Ex. 1002 ¶ 124 (citing Ex. 1005 ¶ 95)). *Even if* “CAS 7 recognizes the transaction as involving a STN 15,” for example, we do not see this as performing the step of “determining whether the given vendor is associated with the same service provider,” as Petitioner asserts. *See* Pet. 40. As explained above, Armes uses STNs to improve credit card security (*supra* § II.D.1), and the computer system’s mere recognition that “the transaction [] involve[es] a STN” is not a *determination* of “whether the given vendor is associated with the same service provider.”

Armes seeks to reduce fraudulent credit card transactions with the aid of a secondary transaction number/STN, rather than just the primary charge card number/PCC. *See supra* § II.D.1; *see also* Ex. 1005 ¶¶ 3, 13. Armes discloses that the incentive rewards account and the primary account are *both* associated with card provider 3, and the user (or cardholder) simply accumulates points to purchase products. *See, e.g.*, Ex. 1005 ¶ 107 (“Cardholders accumulate points by using a participating charge card or by purchasing products at a participating merchant. These points may then be converted to a monetary value and redeemed to purchase merchandise”); *see also id.* at Figs. 14, 15 (depicting membership rewards 95 and account payables (AP) 9 as part of card provider 3).

In Armes, the *user determines* whether to complete a purchase with rewards points or pay from the primary account. *See, e.g., id.* ¶ 108 (“The cardholder 1 proceeds (clicks or hyperlink) to the membership rewards (MR) system 95, where she indicates that she would like to use her membership reward points that are available in her MR account (step 252).”). Armes discloses that “[i]n an exemplary embodiment, the STN 15 can be associated with a MR account, i.e., a primary charge card account that is funded with these MR points.” *Id.* Because Armes’s incentive rewards/MR account and primary account are *both* part of card provider 3, we are not persuaded that Armes’s card provider 3’s computer system—as the “bridge computer”—“determin[es] from among the plurality of service providers, the service provider with which the user’s account is maintained.” *See supra* § I.D. As explained succinctly by Patent Owner, “card provider 3 can determine paying the merchant 2 with MR account instead of primary account . . . [, and because] MR account and primary account are all associated with

the card provider 3, there is no need to ‘determine from among the plurality of service providers, the service provider with which the user’s account is maintained is different from the service provider with which the vendor is associated.’ Prelim. Resp. 27–28.

We further note that in the Notice of Allowability discussed above (*supra* § I.G), the Examiner explained that “[t]he closest prior art . . . fails to teach or suggest, alone or in combination, a method for using an electronic commerce system *using a bridge computer to determine from among the plurality of service providers whether the given vendor is associated with the same service provider with which the user’s account is maintained or is associated with a differen[t] service provider.*” Ex. 1004, 94–95 (emphasis added).⁵

Although the Examiner did not consider Armes during prosecution (*see* Ex. 1001, code (56)), Petitioner has not established a reasonable likelihood that Armes discloses or renders obvious the claimed “bridge computer,” either.

i. Summary of Ground 1

Petitioner has not established a reasonable likelihood that Armes discloses or renders obvious a “bridge computer” that performs the steps recited in claim 1.

Petitioner’s challenge of dependent claims 6–10, 12, and 13 rely on Petitioner’s challenge of claim 1 and falls short for the same reasons. *See*

⁵ None of Armes, Steury, or Maritzen was cited by the Examiner during prosecution. *See* Ex. 1001, code (56).

Pet. 45 (“As discussed, all of the features of Claim 1 are anticipated by Armes and/or rendered obvious.”).

Accordingly, Petitioner has not demonstrated a reasonable likelihood that it would prevail in its challenge of claims 1, 6–10, 12, and 13.

E. Obvious Over Armes and Steury (Ground 2) and Armes and Maritzen (Ground 3)

Petitioner’s challenge of dependent claims 2, 4, and 5 (Ground 2) and dependent claim 3 (Ground 3) rely on Petitioner’s challenge of independent claim 1. *See* Pet. 64 (“As explained, Armes discloses and/or renders obvious all of the features of Claim 1”); *see also id.* at 75 (“As explained, Armes discloses and/or renders obvious all of the features of Claim 1.”).

For the same reasons discussed above with respect to independent claim 1, Petitioner has not demonstrated a reasonable likelihood that it would prevail in its challenge of claims 2, 4, and 5, as obvious over Armes and Steury, or of claim 3, as obvious over Armes and Maritzen.

III. CONCLUSION

We decline to institute review of any of the challenged claims.

IV. ORDER

For the reasons above, it is:

ORDERED that the Petition is *denied* as to the grounds and all challenged claims of the ’979 patent.

IPR2022-00319
Patent 6,876,979 B2

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