

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LIGHTSPEED COMMERCE INC.,
Petitioner,

v.

CLOUDOFCHANGE, LLC,
Patent Owner.

CASE NO. IPR2022-00997
Patent No. 10,083,012

**PATENT OWNER'S PRELIMINARY RESPONSE TO PETITION FOR
INTER PARTES REVIEW OF U.S. PATENT NO. 10,083,012**

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<i>Kinetic Concepts, Inc. v. Smith & Nephew, Inc.</i> , 688 F.3d 1342, 1368 (Fed. Cir. 2012)	13, 14
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EXHIBIT LIST

Petitioner's Exhibits

Exhibit	Description
1001	Baratta et al., U.S. Patent No. 10,083,012 ("the '012 patent")
1002	Expert Declaration of Stephen Gray
1003	Prosecution History File Wrapper of the '012 patent
1004	U.S. Patent Publication No. 2007/0265935 (" <i>Woycik</i> ")
1005	U.S. Patent Publication No. 2005/0049921 (" <i>Tengler</i> ")
1006	U.S. Patent Publication No. 2008/0208696 (" <i>Olson</i> ")
1007	U.S. Patent Publication No. 2004/0181454 (" <i>Manno</i> ")
1008	U.S. Patent Publication No. 2006/0235755 (" <i>Mueller</i> ")
1009	U.S. Patent Publication No. 2004/0128199 (" <i>Cusack</i> ")
1010	United Kingdom Patent Application GB2369201 (" <i>Tomlinson</i> ")
1011	U.S. Pat. No. 5,818,428 (" <i>Eisenbrandt</i> ")
1012	Plaintiff's Response in Opposition to Defendant's Motion for Summary Judgment, <i>CloudofChange, LLC v. NCR Corporation</i> , 6-19-cv-00513 (W.D. Tex.)
1013	Trial Transcript Vol. 1, <i>CloudofChange, LLC v. NCR Corporation</i> , 6-19-cv-00513 (W.D. Tex.)
1014	Plaintiff's Motion in <i>Limine</i> , <i>CloudofChange, LLC v. NCR Corporation</i> , 6-19-cv-00513 (W.D. Tex.)
1015	United States Patent and Trademark Office Patent Assignment History
1016	Patent Assignment
1017	Plaintiff's Preliminary Infringement Contentions Exhibit A2, <i>CloudofChange, LLC v. Lightspeed POS Inc.</i> , 6-21-cv-01102 (W.D. Tex.)
1018	Scheduling Order, <i>CloudofChange, LLC v. Lightspeed POS Inc.</i> , 6-21-cv-01102 (W.D. Tex.)
1019	U.S. Patent Publication No. 2002/0194074 (" <i>Jacobs</i> ")
1020	U.S. Patent No. 7,051,091 (" <i>Cohen</i> ")
1021	U.S. Patent No. 6,384,850 (" <i>McNally</i> ")
1022	U.S. Patent No. 6,002,395 (" <i>Wagner</i> ")
1023	U.S. Patent Publication No. 2007/0175992 (" <i>Brown</i> ")
1024	Final Claim Constructions of the Court, <i>CloudofChange, LLC v. NCR Corporation</i> , 6-19-cv-00513 (W.D. Tex.)

1025	Supplemental Claim Construction Order, <i>CloudfOfChange, LLC v. NCR Corporation</i> , 6-19-cv-00513 (W.D. Tex.)
1026	U.S. Patent No. 6,247,032 (“ <i>Bernardo</i> ”)
1027	U.S. Patent No. 9,400,640
1028	Microsoft Computer Dictionary (Microsoft Press 5th Ed. 2002)
1029	IEEE Dictionary (IEEE 3rd Ed. 1984)
1030	Random House Computer and Internet Dictionary (Random House 3rd Ed. 1999)
1031	H. Seth, Microsoft .NET – Kick Start (Sams Pub. 2004)
1032	R. Cattell et al., J2EE Technology in Practice (Addison-Wesley 2001)
1033	J. Allaire, Macromedia Flash MX: A Next-Generation Rich Client (Macromedia Mar. 2002)

Patent Owner’s Exhibits

Exhibit	Description
2001	Ryan Davis, <i>Albright Says He’ll Very Rarely Put Cases On Hold For PTAB</i> , LAW 360 (May 11, 2021, 6:50 PM EDT), https://www.law360.com/articles/1381597/print?section=ip
2002	First Amended Scheduling Order, <i>CloudOfChange, LLC v. Lightspeed POS Inc.</i> , No. 6:21-CV-01102-ADA (W.D. Tex. May 2, 2022)
2003	Petitioner’s Preliminary Invalidity Contentions
2004	PACER Docket Report
2005	Baratta Declaration
2006	Olson Declaration
2007	Ackerman Declaration
20008	Jury Verdict – Dkt. 159
2009	Trial Transcript (Vol. 1 of 4)
2010	Trial Transcript (Vol. 2 of 4)
2011	Trial Transcript (Vol. 3 of 4)
2012	Declaration of Alex Cheng
2013	National Judicial Caseload Profile
2014	Waco’s second federal magistrate judge sworn in to help manage growing patent litigation docket

I. INTRODUCTION

Patent Owner CloudfChange, LLC (“CoC”) submits this Preliminary Response to the Petition for *Inter Partes* Review (“Petition”) of Claims 1-20 (“Challenged Claims”) of U.S. Patent No. 10,083,012 (the “’012 Patent”) filed by Petitioner Lightspeed Commerce, Inc. (“Petitioner”) pursuant to 35 U.S.C. § 313 and 37 C.F.R. § 42.107. CoC respectfully requests that the Board exercise its discretion to deny institution of *inter partes* review (“IPR”) in view of the parallel district court litigation and deny institution because Petitioner has not demonstrated a reasonable likelihood that it will prevail with respect to any of the Challenged Claims.

Petitioner challenges the patentability of the Challenged Claims based on three references: *Woycik*, *Olson*, and *Tengler* utilized in three grounds. Specifically, Petitioner asserts the following challenges to the Challenged Claims:

Ground	References	Basis	Challenged Claims
1	<i>Woycik</i>	§ 103	1-20
2	<i>Olson</i> and <i>Woycik</i>	§ 103	1-20
3	<i>Tengler</i>	§ 103	1-20

See Petition at 3.

The Petition should be denied for several reasons.

First, the Board should exercise its discretion to deny institution under 35 U.S.C. § 314(a) in view of the substantially overlapping issues in the parallel

district court litigation, which is expected to be completed before the Final Written Decision in this proceeding. The parties have already invested significant resources in the district court litigation, including preparing and responding to various motions and amendments, preparing infringement, invalidity, and damages contentions, and are currently engaged in claim construction. Accordingly, the Board should deny institution to avoid inefficiency and duplication of efforts.

Second, Petitioner has not demonstrated a reasonable likelihood that Petitioner will prevail with respect to at least one of the Challenged Claims. In particular, none of the prior art references teach a “web server including POS builder software installed thereon.” Ex. 1001, Claim 1; Claim 14. Specifically, *Woycik*, *Olson*, and *Tengler* fail to teach a “web server including POS builder software installed thereon.”

II. BACKGROUND

On October 22, 2021, CloudfChange filed a lawsuit against Petitioner for infringement of U.S. Patent No. 9,400,640 (the “’640 Patent”) and this ’012 Patent in the United States District Court for the Western District of Texas, Waco Division (“WDTX”). *See CloudfChange, LLC v. Lightspeed POS Inc.*, Case No. 6:21-cv-01102 (the “Lightspeed Litigation”). On May 2, 2022, CloudfChange amended the complaint to allege infringement of a third patent, U.S. Patent No. 11,226,793 (“the ’793 Patent”). Since CloudfChange filed suit, Petitioner has filed three (3) IPR

petitions challenging each asserted patent owned by CloudfChange.¹ Petitioner filed this Petition on May 5, 2022.

The '012 Patent claims priority to the '640 Patent as a continuation. *See infra* Section II.A. Prior to the '640 Patent, point of sale (POS) systems were tethered to in-store servers and required expensive and time-consuming manual software coding for store and restaurant owners to make even minor changes to menu items or product offerings. Historically, “only specially trained people” could build or change these POS systems and even so were still “difficult” and “prone to error” leading to store owners “tend[ing] to retain older, inaccurate, out-of-date POS screens in order to avoid the POS screen editing process. Ex. 1001, 1:46-54. The patented invention, a web-based point of sale builder system, eliminated these challenges by providing an inexpensive and efficient method for “assist[ing] non-expert business operators in building, editing and testing a point of sale system to manage their businesses” while simultaneously removing the requirement of purchasing and maintaining on site computer servers for POS systems. *Id.*, Abstract, 5:39-40.

¹ Petitioner has filed the following related IPRs: IPR2022-00779, IPR2022-00997 (present case), and IPR2022-01143.

A. The '012 Patent

On June 27, 2017, CoC filed U.S. Patent Application No. 15/635,097 (“the ’097 Application”). The ’097 Application published on October 19, 2017 as U.S. Patent Publication No. 2017/0300301 and issued on September 25, 2018 as the ’012 Patent, which is the subject of this proceeding. The ’097 Application is a continuation of U.S. Patent Application No. 15/198,117 filed on June 30, 2016 and issued as U.S. Patent No. 9,715,371 on July 25, 2017, which is itself a continuation of U.S. Patent Application No. 12/012,666 filed February 5, 2008 and issued as U.S. Patent No. 9,400,640 on July 26, 2016 (“the ’640 Patent”).²

The ’012 Patent is titled a “Web-Based Point of Sale Builder” and involves technology for point of sale (POS) systems, services, and products. Ex. 1001, Title. The technology includes “a system and a method for online, web-based [POS] building and configuration, which can assist not-expert business operators in building, editing and testing a [POS] system to manage their businesses.” Ex. 1001, Abstract.

B. The ’012 Patent’s Prosecution History

During prosecution, *Olson* (U.S. App. No. 11/710,722) was disclosed in an Information Disclosure Statement (“IDS”) on June 27, 2007. Ex. 1003, 170. On

² Petitioner has filed a concurrent petition to institute IPR of the ’640 Patent. *See* IPR2022-00779.

August 25, 2018, the Examiner signed the IDS and initialed the IDS indicating that “ALL REFERENCES CONSIDERED EXCEPT WHERE LINED THROUGH. /R.M./” Ex. 1003, 4. On September 1, 2018, the Examiner filed an amended IDS, signed on August 29, 2018, correctly naming references. Ex. 1003, 3. However, *Olson* was not lined through. *Id.* A Terminal Disclaimer was filed on April 23, 2018. Ex. 1003, 37.

Independent Claims 1 and 14, which are in different statutory classes—system and method, are reproduced below:

1. A web-based point of sale (POS) builder **system** comprising:
 - a web server including POS builder software installed thereon;
 - one or more POS terminals generated by said POS builder software and said one or more POS terminals configured to be accessible at one or more terminal devices, said POS terminals configured to accept POS transactions and collect corresponding transaction data; and
 - a POS builder interface configured to be accessible via network communication with said web server over a communications network;
 - wherein said POS builder interface is configured to be utilized to access said POS builder software for programmatically creating or modifying said one or more POS terminals in real time over the communications network, wherein said POS builder software is configured to interact with said one or more POS terminals over the communications network in order for the web-based point of sale (POS) builder system to perform functions in accordance with instructions sent from the POS builder interface;
 - wherein said POS transactions and corresponding transaction data from said one or more POS terminals are configured to be transmitted to said web server via the communications network; and

wherein each POS transaction is correlated with corresponding transaction data occurring at said one or more POS terminals.

Ex. 1001, Claim 1 (emphasis added).

14. A **method** of implementing a web-based point of sale (POS) builder system, said web-based point of sale (POS) builder system comprising a network-accessible web server including POS builder software installed thereon, the method comprising:

providing access to said network-accessible web server by one or more POS terminals, said one or more POS terminals generated from instructions communicated from said POS builder software to respective one or more terminal devices;

accepting POS transactions via said one or more POS terminals;

collecting transaction data corresponding to transactions occurring at said one or more POS terminals; and

providing further access to said network-accessible web server by a POS builder interface via a communications network, said POS builder software configured to programmatically create or modify said one or more POS terminals in real time over the communications network;

wherein said POS builder software interacts with said one or more POS terminals over said communications network in order for the web-based point of sale (POS) builder system to perform functions in accordance with instructions sent from the POS builder interface;

wherein said POS transactions and corresponding transaction data from said one or more POS terminals are transmitted to said network-accessible web server via a network connection; and

wherein each POS transaction is correlated with corresponding transaction data occurring at said one or more POS terminals.

Ex. 1001, Claim 14 (emphasis added).

C. The '012 Patent's Litigation History

The '012 Patent was previously involved in a lawsuit *CloudfChange, LLC v. NCR Corporation*, 6-19-cv-00513 (W.D. Tex. Aug. 30, 2019) (the “NCR Litigation”), which resulted in a jury verdict holding that Claims 1, 2, 3, 4, and 9 of the '012 Patent are not invalid and that Claims 1, 2, 3, and 4 were infringed. Ex. 2008 (Dkt. 159, Jury Verdict). The Jury in the NCR Litigation expressly rejected invalidity arguments based on *Woycik*. Ex. 2008; Ex. 2009, 56-57, and 100-102; Ex. 2010, 243-300; and Ex. 2011, 126-132, 137-139, 144-147, 152-153, 225-227, 245-246, and 254.

Besides the parallel district court Lightspeed Litigation, Patent Owner has also filed a lawsuit against Clover Network, Inc., on June 17, 2022, asserting the '012 Patent. *See CloudfChange, LLC v. Clover Network, Inc.*, No. 6:22-cv-00634 (W.D. Tex. Jun. 17, 2022) (the “Clover Litigation”).

III. LEVEL OF ORDINARY SKILL IN THE ART

For purposes of this Preliminary Response, CoC has used Petitioner's proposed definition of a person of ordinary skill in the art (“POSITA”). Petition, 7. CoC reserves the right to propose its own definition if this IPR is instituted.

IV. CLAIM CONSTRUCTION

Claim terms are afforded “their ordinary and customary meaning” which is “the meaning that the term would have to a [POSITA] in question at the time of the invention.” *Phillips v. AWH Corp.*, 415 F.3d 1303, 1313 (Fed. Cir. 2005) (en banc).

CoC disputes Petitioner’s assertion that “[p]rior *Markman* orders do not impact the Petition’s grounds.” Petition at 8 n.3 (citing Exs. 1024, 1025).

In the NCR Litigation, Judge Albright construed the following terms:

Claim Term	Court’s Construction
“web-based point of sale (POS) builder system”	“a point of sale (POS) builder system that requires the internet”
“point of sale terminals”	Plain and ordinary meaning
“a web server”	“hardware and software that uses HTTP (hypertext transfer protocol) to serve data or files that form web pages” Under the Court’s construction, HTTP includes the insecure and secure versions of HTTP, <i>i.e.</i> , HTTP and HTTPS.
“point of sale builder software”	Plain and ordinary meaning, wherein plain and ordinary meaning means “software that builds the POS terminals”
“programmatically creating or modifying said one or more POS terminals in real time”	Plain and ordinary meaning
“generated by said POS builder software”	Plain and ordinary meaning
“POS builder interface”	Plain and ordinary meaning, wherein plain and ordinary meaning means “an interface to the POS builder software”

Claim Term	Court's Construction
“configured to be utilized to access said POS builder software for programmatically creating or modifying said one or more POS terminals in real time”	Plain and ordinary meaning

Ex. 1024; Ex. 1025.

Petitioner has only proposed construction of the claim term “communications network” in this proceeding. Petition, 8. However, in a footnote, Petitioner argues that “POS terminal” in the ’012 claims means “something ‘generated by POS builder software’ and ‘accessible at one or more terminal devices’ (e.g., the terminal device’s POS software and related interface configuration data), not the terminal device.”

CloudfChange proposes that the PTAB adopt the Judge Albright’s final constructions in the NCR Litigation. CloudfChange reserves the right to address claim construction in the event that review is instituted.

A. “communication means”

Petitioner argues that the term “communication means” “should be given its ordinary meaning—i.e., a group of devices interconnected by communication channels” and should not be limited to a particular protocol. Petition, 8.

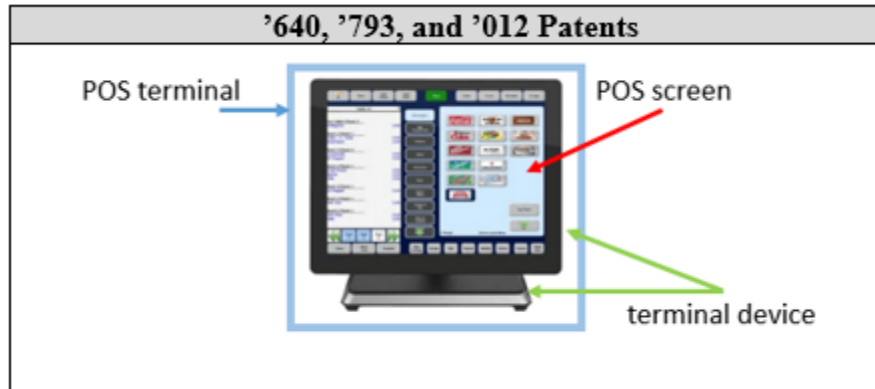
While CoC believes that no construction is necessary beyond the plain and ordinary meaning, CoC does not dispute Petitioner’s construction at this stage in the

proceeding. CoC reserves the right to address claim construction, in the unlikely event that trial is instituted.

B. “POS terminal”

In a footnote, Petitioner seems to argue that term “POS terminal” used in the ’012 Patent has a different meaning than “POS terminal” used in the ’640 Patent. This is not the case. Indeed, these terms mean just what the plain language says, namely point of sale terminals. While CoC believes that no construction is necessary beyond the plain and ordinary meaning, CoC disputes Petitioner’s “context” for describing what the term “POS terminal” means in reference to the ’012 Patent claims and the ’640 Patent claims. CoC further reserves the right to address claim construction, in the unlikely event that trial is instituted.

Rather than POS modifying terminal, “terminal” modifies “device” in the term “terminal device” in Claim 1 of the ’012 Patent, the “device” in “terminal device” is the hardware portion of the “POS terminal.” This is consistent with the WDTX construction in the NCR Litigation. The Court construed “point of sale terminals” used in Claims 1-4 and 6-10 of the ’012 Patent and Claims 1, 2, 4 of the ’640 Patent to have the same plain and ordinary meaning. Ex. 1024; Ex. 1025.



Petitioner argues that the terms have different meaning. Specifically, that,

In the '012 claims, “POS terminal” is something “generated by POS builder software” and “accessible at one or more terminal devices” (e.g., the terminal device’s POS software and related interface configuration data), not the terminal device. EX1001, Claims 1, 14. In contrast, in the parent '640 claims, “POS terminal” refers to a terminal *device* “that displays POS screens.” EX1027, Claim 1, Claim 14. EX1002, ¶¶30-31. No construction is needed, but this context may aid the Board.

Petition, 8 n.4. Defendant ignores the claim language in each of the Asserted Patents that is consistently used throughout and defined in the specification. Indeed, the '640 Patent claims do not claim a “terminal device.” Therefore, the term “POS terminals” should have the plain and ordinary meaning.

V. LEGAL STANDARDS

To institute an IPR, Petitioner bears the burden to establish “a reasonable likelihood” of prevailing with respect to at least one challenged claim. 35 U.S.C. § 314(a). Petitioner has the burden to identify “with particularity ... the evidence that supports the grounds for the challenge to each claim.” 35 U.S.C. § 312(a)(3).

This burden never shifts to CoC. *See In re Magnum Oil Tools Int'l, Ltd.*, 829 F.3d 1364, 1375 (Fed. Cir. 2016).

Petitioner's burden of proof is not satisfied by employing "mere conclusory statements." *See TQ Delta, LLC v. Cisco Systems, Inc.*, 942 F.3d 1352, 1359 (Fed. Cir. 2019) (citing *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007)). Obviousness determinations based on "conclusory and unsupported" statements "risks allowing the challenger to use the challenged patent as a roadmap to reconstruct the claimed invention using disparate elements from prior art—*i.e.*, the impermissible *ex post* reasoning and hindsight bias that *KSR* warned against." *Id.* at 1361.

Under section 103 of the Patent Act,

[a] patent for a claimed invention may not be obtained ... if the differences between the claimed invention and the prior art are such that the claimed invention as a whole would have been obvious before the effective filing date of the claimed invention to a [POISTA] to which the claimed invention pertains.

35 U.S.C. § 103. Obviousness is a question of law premised on underlying issues of fact, all of which must be considered, including: (i) the scope and content of the prior art; (ii) the level of ordinary skill in the art; (iii) the differences between the claimed invention and the prior art; and (iv) secondary considerations of nonobviousness, such as commercial success, long-felt need, and the failure of others. *KSR*, 550 U.S. at 406; *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966).

Each element of a claim must be disclosed in the prior art references for a claim to be found obvious. *See St. Jude Med., Inc. v. Access Closure, Inc.*, 729 F.3d 1369, 1381 (Fed. Cir. 2013) (guarding against “hindsight bias” and “*ex post* reasoning,” the Court rejected an argument of obvious where the reference failed to disclose all the elements of a challenged claim). However, “a patent ... is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art.” *KSR*, 550 U.S. at 418. Hindsight reconstruction of the claimed invention must be carefully guarded against. *Id.* at 421 (citing *Graham*, 383 U.S. at 36); *Kinetic Concepts, Inc. v. Smith & Nephew, Inc.*, 688 F.3d 1342, 1368 (Fed. Cir. 2012) (citations omitted); *St. Jude*, 729 F.3d at 1381.

Although a problem in the prior art may form the basis of a motivation to combine, Petitioner must demonstrate that the alleged “problem was known in the art or that [Petitioner’s] formulation of the problem was derived directly from the prior art rather than from the challenged claims.” *Purdue Pharma L.P. v. Depomed, Inc.*, 643 F. App’x 960, 966 (Fed. Cir. 2016). “Defining the problem in terms of its solution reveals improper hindsight in the selection of the prior art relevant to obviousness.” *Insite Vision Inc. v. Sandoz, Inc.*, 783 F.3d 853, 859 (Fed. Cir. 2015) (citation omitted). The rationale must be more than “mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning

to support the legal conclusion of obviousness.” *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006); *see InTouch Techs., Inc. v. VGO Commc’ns, Inc.*, 751 F.3d 1327, 1351 (Fed. Cir. 2014).

Where each of the references of a purported combination “independently accomplish similar functions” and “operate[] effectively” to achieve their purposes, a POSITA may have no reason to combine the features of those references. *Kinetic*, 688 F.3d at 1369; *Broadcom Corp. v. Emulex Corp.*, 732 F.3d 1325, 1334 (Fed. Cir. 2013) (finding no suggestion to broaden a reference’s stated objective where the system accomplished the objective). Thus, “[w]hile a prior art reference may support any finding apparent to a [POSITA], prior art references that address different problems may not, depending on the art and circumstances, support an inference that the skilled artisan would consult both of them simultaneously.” *Broadcom*, 732 F.3d at 1334 (citing *Kinetic*, 688 F.3d at 1366).

VI. THE BOARD SHOULD EXERCISE ITS DISCRETION UNDER 35 U.S.C. § 314(a) TO DENY INSTITUTION

Without even addressing the substantive deficiencies of the Petition, the Board has discretion to deny institution of any petition from IPR under 35 U.S.C. § 314(a). *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (citing 35 U.S.C. § 314(a): “[a] decision to deny a petition is a matter committed to the Patent Office’s discretion”). The Board should do so here.

The Board’s discretion should be exercised if institution would be counter to the goals of the America Invents Act (AIA)—“to establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs,” and to “provide[] quick and cost effective alternatives to litigation.” H.R. REP. NO. 112-98, pt. 1, 40, 48 (2011); *General Plastic Indus. Co., LTD. v. Canon Kabushiki Kaisha*, No. IPR2016-01357, Paper 19, 16-17 (P.T.A.B. Sept. 6, 2017).

“In exercising discretion under 35 U.S.C. § 314(a) ... we are mindful of the goals of the AIA....”). The Board has indicated that it is aware of “the potential for abuse of the review process by repeated attacks on patents.” *General Plastic*, IPR2016-01357, Paper 19 at 16-17. The Board has set out six factors to evaluate “whether the efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding.” *Apple, Inc. v. Fintiv*, IPR2020-00019, Paper 11, 6 (P.T.A.B. Mar. 20, 2020) (precedential).

The Board bases its discretionary decision whether to institute or deny institution under § 314(a) on “a balanced assessment of all relevant circumstances in the case, including the merits” and “events in other proceedings related to the same patent, either at the Office, in district courts, or the ITC.” P.T.A.B. Consolidated Trial Practice Guide, 58 (Nov. 2019).

Discretionary denial is appropriate here because institution would be an inefficient duplication of parallel litigation. The '012 Patent is involved in a parallel proceeding in the United States District Court for the Western District of Texas, Waco Division ("WDTX") in which three (3) patents are currently asserted against Petitioner. Petitioner has filed related IPR Petitions challenging the Asserted Patents. The Board should exercise its discretion to deny institution under § 314(a) because the '012 Patent is involved in a parallel proceeding that: (i) is between the same parties, (ii) currently relates to substantially the same invalidity challenges, (iii) has an existing schedule with an aggressive trial date that will be concluded before this Board would be statutorily required to issue a final written decision, and (iv) the Court is unlikely to issue a stay because the scheduled trial will be concluded before the deadline for the Board to issue its final written decision.

A. No Stay Pending IPR Has Been Requested, and There is no Evidence That One Would be Granted if Requested (Factor 1)

This factor is neutral. Factor 1 considers whether "the district court may be willing to avoid duplicative efforts and await the PTAB's final resolution of the patentability issues raised in the petition before proceeding with the parallel litigation." *Fintiv*, IPR2020-00019, Paper 11, 6-9. In the recent PTAB Memorandum discussing *Fintiv*, "the PTAB will not discretionarily deny institution in view of parallel district court litigation where a petitioner presents a stipulation not to pursue in a parallel proceeding the same grounds or any grounds that could

have reasonably been raised before the PTAB.” Katherine K. Vidal Memorandum, Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation (June 21, 2022).

Here, Petitioner states that it “intends to seek a stay of the Lightspeed Litigation should the Board institute *inter partes* review.” Petition, 10. However, Petitioner has filed petitions seeking review of three (3) patents currently at issue in the WDTX litigation.³ Petitioner has not requested a stay of the co-pending WDTX litigation, and there is not any evidence of record that a later-filed request for stay would be granted.

Indeed, the parallel litigation is pending before the Honorable Judge Alan Albright, who generally does not stay trial for a pending IPR even if instituted when litigation will provide a faster resolution. Ex. 2001 (stating that he is “still scheduling trial dates for two years out, as he said in pre-pandemic times was his goal”).

Petitioner argues this factor is neutral ostensibly because the Board has previously declined to speculate on likelihood of a stay in the Western District of Texas where no party has moved for a stay in the underlying litigation, and Petitioner states that Petitioner intends to move for a stay if Institution is granted.

³ See IPR2022-00779 (seeking review of the ’640 Patent).

Petition at 10. However, evidence confirms Judge Albright continues to deny a stay pending an IPR resolution where litigation will provide a faster resolution. Ex 2001. Here, the jury trial has been scheduled for September 20, 2023, and will be concluded before the Board is statutorily required to issue a final written decision. Ex. 2002.

Further, the parallel litigation will be at an advanced stage by the time a decision on institution is due—on or around November 18, 2022.⁴ For instance, claim construction will have been completed, and fact discovery will be underway. *Id.* Thus, unlike in *HP Inc. v. Slingshot Printing LLC*, there is evidence the stay would not be granted, even if an IPR were instituted. IPR2020-01085, Paper 12 (P.T.A.B. Jan. 14, 2021).

B. Trial in the District Court Will Conclude Before Any Final Written Decision (Factor 2)

This factor favors denial because the parallel litigation will conclude before a final written decision is issued in the IPR, if instituted. The Board will often exercise its discretion to deny institution where a parallel proceeding, covering the same issues, will reach a decision prior to the Board’s projected final written

⁴ “The Director shall determine whether to institute an *inter partes* review under this chapter ... within 3 months after ... receiving a preliminary response to the petition under section 313;” 35 U.S.C. § 314(b)(1).

decision date. *See NHK Spring Co. v. Intrix-Plex Techs., Inc.*, IPR2018-00752, Paper 8, 19-20 (P.T.A.B. Sept. 12, 2018) (precedential).

The Board has found this factor to favor denial under the same or similar circumstances. *See, e.g., Fintiv*, IPR2020-00019, Paper 11, 13 (“[i]f the court’s trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution”); *E-One, Inc. v. Oshkosh Corp.*, IPR2019-00161, Paper 16, 6 (P.T.A.B. May 15, 2019) (denying institution where trial was scheduled to start *one month* before the expected final written decision).

Although the WDTX median time from filing to trial in civil cases is 28.3 months (as of June 30, 2022)⁵, this time will likely decrease with the addition of a second magistrate judge for the WDTX Waco Division on April 1, 2022.⁶ Ex. 2013; Ex. 2014. Here, a jury trial is scheduled for September 20, 2023 in the WDTX Waco Division where Lightspeed (the Petitioner in this IPR) is raising the same validity issues that are raised in the Petition. Ex. 2022, 9. Thus, the jury trial is scheduled to end before the statutory deadline for a final written decision since a

⁵https://www.uscourts.gov/sites/default/files/fcms_na_distcomparison0630.2022_0.pdf

⁶<https://www.kwtx.com/2022/04/01/wacos-second-federal-magistrate-judge-sworn-help-manage-growing-patent-litigation-docket/>

final written decision would not be expected to issue until at least, November 2023.

35 U.S.C. § 141(c). Thus, Factor 2 favors denial.

C. There Has Been and Will Continue To Be Significant Investment in the Parallel Litigation (Factor 3)

This factor favors denial because instituting this Petition would be inefficient and waste the investment made by the Parties and the district court in the parallel litigation. *Fintiv*, IPR2020-00019, Paper 11, 9 (considering the amount and type of work already completed in the parallel litigation by the court and the parties at the time of the institution decision); *Intel Corp. v. VLSI Tech. LLC*, IPR2019-01192, Paper 15, 11 (P.T.A.B. Jan. 9, 2020) (“When considering the impact of parallel litigation in a decision to institute, the Board seeks ... to minimize the duplication of work by two tribunals to resolve the same issue.”).

In the parallel litigation, the ’012 Patent is one of three (3) related patents asserted against Petitioner, and this Petition is one of three (3) related IPR petitions filed against each of the asserted patents.

Here, the parties have already invested, and will continue to invest, considerable resources in the parallel litigation. Ex. 2003. For example, Petitioner has served preliminary invalidity contentions raising substantially the same issues, evidence, and arguments—duplicating what has been and will continue to be litigated in the parallel litigation. In addition, by the anticipated date of a decision on institution (November 18, 2022), (i) the Parties will have completed the claim

construction briefing; (ii) the Parties will have disclosed extrinsic evidence; and (iii) the Court will have held the *Markman* hearing (September 21, 2023). Ex. 2002. Indeed, the Court will have likely already issued its claim construction order. *Id.* In addition, fact discovery will have commenced. *Id.* Furthermore, the parties have filed numerous motions and responses in the parallel litigation. Ex. 2004. Thus, this factor favors denial.

D. There is Significant Overlap between the Issues Raised in the Petition and in the Parallel Litigation (Factor 4)

Factor 4 favors denial. The fact that a petition “includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding” favors denial. *Fintiv*, IPR2020-00019, Paper 11, 12.

1. There is significant overlap of the claims because Petitioner fails to establish why resolution of additional claims is necessary

Factor 4 favors denial where a petitioner fails to establish why resolution of additional claims is necessary. *See Next Caller, Inc. v. TrustID, Inc.*, IPR2019-00961, Paper 10, 14 (P.T.A.B. Oct. 16, 2019) (finding Factor 4 favored denial where all the claims in the proceedings were directed to the same invention and Petitioner failed to argue the overlapping claims differ significantly in some way).

The Board has found that the presence of additional claims does not weigh against discretionary denial where there is no evidence of harm to petitioner. *See Vizio, Inc. v. Polaris PowerLED Techs., LLC*, IPR2020-00043, Paper 30, 11

(P.T.A.B. May 4, 2020). Furthermore, the Board has denied institution where resolution of Petitioner's challenges to independent claims at the district court will necessarily resolve key issues in the Petition—including with respect to dependent claims. *See Supercell Oy v. Gree, Inc.*, IPR2020-00513, Paper 11, 13 (P.T.A.B. June 24, 2020).

Here, Petitioner's challenges to the '012 Patent are substantially the same as the invalidity challenges presented in the parallel litigation because Petitioner relies on substantially the same invalidity arguments for each independent claim, the same primary reference, and substantially the same secondary references. Ex. 2003.

Furthermore, the additional claims do not weigh against discretionary denial because: (i) Petitioner has failed to show evidence of harm; and (ii) the resolution of independent claim 1 at the district court will necessarily resolve key issues in the Petition because Petitioner relies on substantially the same arguments for independent claims 1 and 14. For instance, Petitioner does not argue that the non-asserted claims differ significantly in some way from the Asserted Claims. Instead, Petitioner argues the elements of claims 1 and 14 "recite similar limitations." *See* Petition at 46, 67, 99. Indeed, Petitioner appears to have added these non-asserted claims as gamesmanship to argue against discretionary denial. Petitioner's gamesmanship should not prevail.

For example, for independent claim 14, Petitioner relies on the same arguments for each Ground for claim elements 14[pre], 14[a], 14[b], 14[c], 14[d], 14[e], and 14[f] as stated for Claim 1. Petition, 46, 67-68, and 99. Thus, if independent Claim 1 is not invalid in view of the art, so too, is independent Claim 14, which incorporate Petitioner's same arguments. The remaining additional claims depend from Claim 14 and Petition relies on the same arguments for Claim 15-20 as stated for Claims 2-13. *Id.* Thus, for the same reasons the dependent claims would not be invalid in view of the art. Therefore, these additional claims are irrelevant to the Board's consideration here.

2. There is a substantial overlap in the art cited

There is substantial overlap in the prior art cited in the Petition and Petitioner's Preliminary Invalidity Contentions in the Lightspeed Litigation.

Petition	Preliminary Invalidity Contentions in the Lightspeed Litigation
Ex. 1004 - <i>Woycik</i> (U.S. Pat. Pub. No. 2007/0265935)	U.S. Patent App. Pub. 2007/0265935 (<i>Woycik</i>) (<i>see</i> Ex. 1016, p. 5)
Ex. 1005 - <i>Tengler</i> (U.S. Pat. Pub. No. 2005/0049921)	U.S. Patent App. Pub. 2005/0049921 (<i>Tengler</i>) (<i>see</i> Ex. 1016, p. 5)
Ex. 1006 - <i>Olson</i> (U.S. Pat. Pub. No. 2008/0208696)	U.S. Patent Pub. No. 2008/0208696 (<i>Olson</i>) (<i>see</i> Ex. 1016, p. 6)
Ex. 1007 - <i>Manno</i> (U.S. Pat. Pub. No. 2004/0181454)	U.S. Patent Pub. No. 2004/0181454 (<i>Manno</i>) (<i>see</i> Ex. 1016, p. 6)
Ex. 1008 - <i>Mueller</i> (U.S. Pat. Pub. No. 2006/0235755)	U.S. Patent Pub. No. 2006/0235755 (<i>Mueller</i>) (<i>see</i> Ex. 1016, p. 6)
Ex. 1009 - <i>Cusack</i> (U.S. Pat. Pub. No. 2004/0128199)	U.S. Patent Pub. No. 2004/0128199 (<i>Cusack</i>) (<i>see</i> Ex. 1016, p. 6)
Ex. 1023 - U.S. Patent Publication No. 2007/0175992 (" <i>Brown</i> ")	U.S. Patent Pub. No. 2007/0175992 (<i>Brown</i>) (<i>see</i> Ex. 1016, p. 6)

Petition	Preliminary Invalidity Contentions in the Lightspeed Litigation
Ex. 1026 - U.S. Patent No. 6,247,032 (“Bernardo”)	U.S. 6,247,032 (Bernardo) (<i>see</i> Ex. 1016, p. 6)

Indeed, the prior art cited in each Ground in the Petition overlap invalidity theories put forth in the Lightspeed Litigation, including *Woycik* (Grounds 1 and 2), *Olson* (Ground 2), and *Tengler* (Ground 3). Factor 4 favors denial.

E. Petitioner is the Named Defendant (Factor 5)

Because Petitioner is the named defendant in the parallel Lightspeed Litigation, Factor 5 favors denial. *See Fintiv*, IPR2020-00019, Paper 11, 13-14.

F. Merits and Other Circumstances Warranting the Exercise of Discretion under Section 314(a) (Factor 6)

Factor 6 favors denial. *First*, as discussed below, Petitioner’s arguments lack merit.

Second, the Seventh Amendment to the United States Constitution guarantees:

In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law.

U.S. CONST. AMEND. VII.

Here, the ’012 Patent has been litigated and found by a jury to be not invalid, including specifically over *Woycik*. Should the PTAB institute on all grounds—whether or not the PTAB itself is considered to be “any Court of the United States”—the appeal for any Final Written Decision will go to the Court of Appeals of the

Federal Circuit, which undoubtedly is a “Court of the United States” under the Seventh Amendment. Thus, the constitutional provision prohibiting re-examination of the facts tried by a jury—in particular, whether certain claims of the ’012 Patent are invalid in view of *Woycik*—is a circumstance warranting the exercise of discretion under Section 314(a).

Third, another circumstance that warrants the exercise of Discretion under 314(a) includes Petitioner’s failure to provide a *prima facie* case of obviousness for Grounds 1, 2, and 3 under the claim construction orders in the NCR Litigation. Although “Petitioner does not rely on those orders or believe they impact the grounds herein” (Petition, 8, n.3), Petitioner fails to address how *Woycik* shows, for example, “hardware and software that uses HTTP (hypertext transfer protocol) to serve data or files that form web pages” (which is the Court’s construction for “a web server”). Ex. 1025. Indeed, the only references to “protocol” in the Petition relate to *Olson* and *Tengler*. Petition, 47, 50, and 83. Thus, Petitioner’s failure to address known claim constructions may be fatal for Grounds 1, 2, and 3. Once a petition is deficient, it is always deficient. *See* 35 U.S.C. § 312(a)(3); 37 C.F.R. § 42.104(b). Therefore, institution should be denied.

VII. PETITIONER’S GROUNDS ARE DEFICIENT

Each of the Grounds identified in the Petition fails to demonstrate that there is a reasonable likelihood that the petitioner would prevail as to at least one of the

claims challenged. Petitioner has the burden of demonstrating unpatentability by the preponderance of the evidence, and it must identify and explain how the asserted prior art satisfies each element of the claims and how the claims are to be construed. 37 C.F.R. § 42.104(b)(3)-(b)(4); *see also* 35 U.S.C. § 314(a) (Petitioner bears the burden to establish a reasonable likelihood of prevailing with respect to at least one Challenged Claim for an IPR to be instituted). Denial of institution is warranted because Petitioner has failed to carry its evidentiary burden with respect to any of the Challenged Claims.

Specifically, none of the prior art references teach “a web server including POS builder software installed thereon” and “POS builder software is configured to interact with said one or more POS terminals.” Ex. 1001, Claim 1; Claim 14 (emphasis added); Ex. 2012, ¶58.

A. Ground 1 Fails Because Petitioner Fails to Demonstrate, and Cannot Demonstrate, that *Woycik* Teaches Required Claim Elements

Ground 1 fails because the Petition fails to demonstrate that *Woycik* teaches “a web server including POS builder software installed thereon.” Ex. 1001, Claim 1; Claim 14 (emphasis added); Ex. 2012, ¶59. Additionally, Petitioner fails to show knowledge of a POSITA cures these deficiencies. *Id.*

1. *Woycik* Requires an In-Store Server

Like the prior art before the '012 Patent, *Woycik* teaches a server at each store. Ex. 2012, ¶60. Referring to Figure 1, *Woycik* states: “In each store, the local (on-site) server **16** is connected to the Internet **18** which allows remote access by the restaurant chain operator **20** and enables the local server **16** to access a central server **22** for software and media updates.” Ex. 1004, [0071]; Ex. 2012, ¶60. *Woycik* continues: “In general, a single store location will include at least one local server **16** and at least one client kiosk **30**.” Ex. 1004, [0071]; Ex. 2012, ¶61. In fact, each embodiment in *Woycik* has a local server in the store.

The local server kiosk (**16**, FIG. 1; **82**, FIG. 3) includes an administrative tool (**98**, FIG. 3) to run reports, check the system status, add or remove kiosks from the system, or edit the screen displays that the customers see. All of these settings are stored on the local server **16**, **82**.

See Ex. 1004, [0095]; Ex. 2012, ¶62. *Woycik* does not teach or describe any POS software running on a web server, let alone POS builder software running on a web server. Rather, *Woycik* relies on in store servers to run its deficient computer-based ordering system, wherein ordering of goods and services can be “carried out using non-POS systems.” Ex. 1004, [0009]. Therefore, Ground 1 is deficient. Institution should be denied. *Id. see also* Ex. 2012, ¶63.

2. *Woycik* Fails to Disclose a Web Server Including POS (Point of Sale) Builder Software Installed Thereon

Because of *Woycik*'s reliance on a local server, the Petition fails to demonstrate that *Woycik* teaches "a web server including POS builder software installed thereon." Ex. 1001, Claim 1; Claim 14 (emphasis added); Ex. 2012, ¶63.

As an initial matter, *Woycik* fails to disclose a software "installed" on a "web server." Ex. 1001, Claim 1; Claim 14; *see* Ex. 1004, *passim*; Ex. 2012, ¶65. That is, *Woycik* does not disclose and is silent with respect to "a web server," POS software "installed" on a web server, or "POS builder software installed" on a web server. Ex. 1004, *passim*; Ex. 2012, ¶66.

Here, Petitioner merely rehashes arguments that a POSITA's knowledge would render this element obvious. Rather than teaching a web server including POS (point of sale) builder software installed thereon, *Woycik* teaches that its "administrative tool 98" is "used on the kiosks." Ex. 1004, [0082]; Ex. 2012, ¶67. That is, "[t]he local server kiosk (16, FIG. 1; 82, FIG. 3) includes an administrative tool (98, FIG. 3)." Ex. 1004, [0095]; Ex. 2012, ¶67. That is, *Woycik*'s teaching is limited to technology with a local server and fails to demonstrate required claim elements. Ex. 2012, ¶67.

3. *Woycik* Has Already Been Considered By a Jury

As Petitioner is aware, the '012 Patent has been litigated and found by a jury to be not invalid, specifically over obviousness arguments based on *Woycik*.

Ex. 2009, 56-57, and 100-102; Ex. 2010, 243-300; and Ex. 2011, 126-132, 137-139, 144-147, 152-153, 225-227, 245-246, and 254. That is, a jury has determined that Claims 1, 3-6, and 11-13 of the '012 Patent are not invalid over *Woycik*. Ex. 2008 (Dkt. 159, Jury Verdict). Pursuant to Ground 1, obviousness under § 103 based on *Woycik*, Petitioner seeks to reexamine this fact tried by a jury, raising a Constitutional issue. U.S. CONST. AMEND. VII (“In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law.”). Because “[p]recedent mandates that the Board consider all grounds of unpatentability raised in an instituted petition,” institution by the Board on any ground will necessarily result in institution on Ground 1 and reexamination of a fact determined by a jury in the NCR Litigation. *AC Technologies S.A. v. Amazon.com, Inc.*, 912 F.3d 1358 (Fed. Cir. 2019); *see also SAS Institute Inc. v. Iancu*, 138 S.Ct. 1348 (2018). However, such reexamination would violate the Seventh Amendment. Therefore, the Board should deny institution. Regardless, Petitioner fails to identify any failure in the jury’s verdict.

Accordingly, Ground 1 fails and institution should be denied.

B. Ground 2 Fails Because Petitioner Fails to Demonstrate, and Cannot Demonstrate, that *Olson* is Prior Art

Petitioner has failed to show that *Olson* qualifies as prior art, which is fatal to Ground 2 of the Petition. Petitioner argues that “*Olson* constitutes §102(e) prior art as a published application ‘by another.’” Petition, 6 (excluding footnote and citations). However, *Olson* is not prior art under § 102(e) because it is exempted under 35 U.S.C. § 103(c)(1), which states:

Subject matter developed by another person, which qualifies as prior art only under one or more of subsections (e), (f), and (g) of section 102, shall not preclude patentability under this section where **the subject matter and the claimed invention were, at the time the claimed invention was made, owned by the same person or subject to an obligation of assignment to the same person.**

35 U.S.C. § 103(c)(1) (emphasis added).

The subject matter in *Olson* and the claimed invention in the '012 Patent were, at the time the claimed invention was made, subject to an obligation of assignment to the same person. Indeed, contemporaneous statements in the file history: (i) of the '640 Patent (the grandparent patent of the '012 Patent), dated August 2008; and of the '012 Patent, dated June 27, 2017, confirms the subject matter of *Olson* and the claimed invention in the '012 Patent, a continuation of the '640 Patent, were assigned to the same assignee.

NON PATENT LITERATURE DOCUMENTS			
Examiner Initials	Cite No.	Include name of the author (in CAPITAL LETTERS), title of the article (when appropriate), title of the item (book, magazine, journal, serial, symposium, catalog, etc.), date, page(s), volume-issue number(s), publisher, city and/or country where published.	T ¹
	12	Co-pending US Patent TY06-001, Serial No. 11/710,722, File date: February 26, 2007, "Point of Sale System with Web-Based Back-Office," by Quentin Olson, 25 pgs.	
	13	Co-pending US Patent TY06-002, Serial No. 11/710,723, File date: February 26, 2007, "Point of sale Video Server Processing System," by Quentin Olson et al., 24 pgs.	
	14	Co-pending US Patent TY06-003, Serial No. 12/012,393, File date: February 1, 2008, "Hand-Held Web Browser Inventory Checking System," by Quentin Olson et al., 24 pgs.	
	15	Localsoft Tech, db2k e-Store Builder 3.00 details, 3 pgs, found 02/08/2008, http://www.soft32download.com/software/dbk-e-Store-Builder-download-details.html	
	16	IBM 4690 ASTRA – Graphical User Interface (GUI) – Specifications, 1 pg., found 02/08/2008, http://www.03.ibm.com/products/retail/products/software/gui/astra/specs.html	

Ex. 1003.3, 1003.70; Ex. 2005; Ex. 2006; Ex. 2007. Therefore, Ground 2 fails because *Olson* is not prior art. Institution should be denied.

C. Ground 2 Also Fails because Petitioner Fails to Demonstrate, and Cannot Demonstrate, that *Woycik* in view of *Olson* Teaches Required Claim Elements

Notwithstanding *Olson* is not prior art, Ground 2 also fails because the Petition fails to demonstrate that *Olson* in view of *Woycik* teaches “a web server including POS builder software installed thereon.” Ex. 1001, Claim 1 and Claim 14; Ex. 2012, ¶¶70.

1. *Olson* Fails to Teach “POS Builder Software”

Olson (and *Woycik* as discussed above) fails to teach and is silent with respect to a “**POS builder software**” or a “POS **builder interface**” or “**modifying**” POS terminals. Ex. 1006, *passim* (emphasis added); Ex. 2012, ¶71. Therefore, Ground 2 fails.

2. *Woycik* Requires a Local Server and Fails to Disclose Point of Sale Builder Software That Runs on a Web Server

Like the prior art before the '012 Patent, *Woycik* teaches a server at each store. *See* Ex. 1004, [0071] (“In each store, the local (on-site) server **16** is connected to the Internet **18** which allows remote access by the restaurant chain operator **20** and enables the local server **16** to access a central server **22** for software and media updates.”), [0071] (“a single store location will include at least one local server **16** and at least one client kiosk **30**.”), [0095] (“The local server kiosk (**16**, FIG. 1; **82**, FIG. 3) ...”). *See also* Ex. 2012, ¶72.

The Petition fails to demonstrate that *Woycik* teaches “a web server including POS builder software installed thereon”. Ex. 1001, Claim 1; Ex. 2012, ¶¶59-67, 72-73.

3. Both *Olson* and *Woycik* Fail to Disclose Point of Sale Builder Software That Runs on a Web Server

Because of the deficiencies of *Olson* and *Woycik*, the Petition fails to demonstrate that *Olson* in view of with *Woycik* teaches “a web server including POS builder software installed thereon.” Ex. 1001, Claim 1 and Claim 14. Therefore, institution should be denied.

4. *Olson* Has Already Been Considered By the Examiner

Olson is cited on the face of the '012 Patent, as “Co-pending US Patent TY06-001, U.S. Appl. No. 11/710,722, filed Feb. 26, 2007, ‘Point of Sale System with Web-Based Back-Office,’ by Quentin Olson.” Ex. 1001 (under Other Publications).

In addition, the Specification of the '012 Patent identifies *Olson*, stating: “This application is related to, filed on Feb. 26, 2007, Ser. No. 11,710,722 and, filed on Feb. 26, 2007, Ser. No. 11,710,723, which are herein incorporated by reference in its entirety.” Ex. 1001, 1:11-14. Indeed, the file history confirms that *Olson* was submitted to and considered by the Examiner. Ex. 1003.3; 1003.170 (“All references considered except where lined through. /R.M./”).

Accordingly, Ground 2 fails and institution should be denied.

D. Ground 3: Petitioner has failed to show that *Tengler* in view of the knowledge of a POSITA renders claims 1-20 obvious

Tengler does not disclose a web-based point of sale (POS) builder system. *Tengler* discloses an in-store server. The in-store server of *Tengler* includes store-resident web server software to enable offsite connection to the in-store server. *Tengler* does not disclose POS builder software installed on the store resident web server.

Tengler fails to render any of the claims in the '012 Patent unpatentable.

1. *Tengler* Requires an In-Store Server

Like the prior art before the '012 Patent, *Tengler* teaches a server at each store. Ex. 2012, ¶75. Referring to Figure 14, *Tengler* states: “the restaurant management software 600 includes a portion that runs on a central server in the restaurant and is called the restaurant management system (RMS) server 604.” Ex. 1005, [0088]; Ex. 2012, ¶75. *Tengler* continues:

The server 604 stores restaurant status and order status information for local viewing at registers, stations, terminals, and other devices connected to a local area network. The RMS server 604 tracks the current state of restaurant 2 (for example, open or closed) and also tracks the state of all pending orders at all times and stores this information in a “shoebox” database 605.

Ex. 1005, [0088]; Ex. 2012, ¶76. In fact, each embodiment in *Tengler* has a local server in the store.

Tengler does not teach or describe any POS software installed on a web server, let alone POS builder software installed on a web server. Rather, *Tengler* relies on in store application servers to run its deficient computer-based ordering system. “For example, the JavaBeans API used in JavaPOS communicates with Java servers such as J2EE servers and not a web server.” Ex. 2012, ¶78 (citing Ex. 1005, [0115], [0121]). Therefore, Ground 3 is deficient. Institution should be denied. Ex. 2012, ¶78.

2. *Tengler* fails to teach “a web-based point of sale (POS) builder system”

Tengler does not teach “a web-based point of sale (POS) builder system” as recited in the preamble of independent claims 1 and 14 because the “order processing system” disclosed in *Tengler* does not require the internet.⁷ Ex. 2012, ¶80. As

⁷ “Any terminology in the preamble that limits the structure of the claimed invention must be treated as a claim limitation.” MPEP § 2111.01(I) (citing *Corning Glass Works v. Sumitomo Elec. U.S.A., Inc.*, 868 F.2d 1251, 1257 (Fed. Cir. 1989); *Pac-Tec Inc. v. Amerace Corp.*, 903 F.2d 796, 801 (Fed. Cir. 1990)). CoC has withdrawn its preliminary contention that the preamble is not limiting.

discussed in section IV, “a web-based point of sale (POS) builder system” is “a point of sale (POS) builder system that requires the internet.” *See supra* Section IV. *Tengler*’s order processing system does not require the internet because the “restaurant management system **604**” and “store-resident web server **620**” are hosted by an in-store “main server computer **464**” that is physically located in the “office **24**” of each location (*i.e.*, “restaurant **2**”). Ex. 1005 ¶¶[0056], [0088], [0116]; Ex. 2012, ¶¶81-82. The “registers, stations, terminals, and other devices [are] connected to a *local area network*.” Ex. 1005, ¶[0088] (emphasis added); *see also* Fig. 15; Ex. 2012, ¶82.

While *Tengler* discloses a “Multi-Unit-Management-Interface” that can be used by an “off-site person,” to access the store-resident web server **620** over the internet, it is not *required*. Ex. 1005, ¶¶[0108]-[0111]; Ex. 2012, ¶83. Thus, Petitioner has failed to show that *Tengler* teaches “a web-based point of sale (POS) builder system.” Therefore, Ground 3 is deficient. Institution should be denied.

3. Petitioner has failed to show that *Tengler* teaches “wherein said POS builder interface is configured to be utilized to access said POS builder software”

Petitioner considers the “manager GUI interfaces **192, 196**” disclosed by *Tengler* as corresponding to the “POS builder interface” as recited in independent claims 1 and 14. *See* Petition, 76, 80, 99; Ex. 2012, ¶¶84-85. Petitioner likewise considers the “user interface designer **614**” as corresponding to the “POS builder

software.” *See* Petition, 71, 80-81, 99; Ex. 2012, ¶85. Petitioner errs in its contention that “*Tengler*’s manager interfaces [(i.e., POS builder interface)] are utilized to access user interface designer (i.e., POS builder software) for creating or modifying user interfaces of register and self-service applications.” *Id.* at 80-81; Ex. 2012, ¶86. Petitioner combines two separate systems disclosed in *Tengler* in an attempt to recreate the elements of the claimed invention. Ex. 2012, ¶86. This attempt is futile because Petitioner has failed to demonstrate that *Tengler* teaches that the manager GUI interfaces **192** and **196** are used to access the user interface designer **614**. Ex. 2012, ¶86.

To the contrary, *Tengler* teaches that the manager interfaces and the user interface designer are two distinct ways to “edit the user interface of the register and self-service applications.” Ex. 1005, ¶[0103]; Ex. 2012, ¶87. For example, paragraph 103 of *Tengler* states, in pertinent part, “A user interface designer **614** allows management to edit the user interface of the register and self-service applications and also saves the specifications in the database **602**.” Ex. 1005, ¶[0103]; Ex. 2012, ¶87. It further states, “The store resident web server **620** also allows managers to edit the user interface of the register and self-service applications and also saves the specifications in the database **602**.” Ex. 1005, ¶[0103]; Ex. 2012, ¶88. Managers utilize the manager interfaces **192** and **196** to edit the user interface of the register and self-service applications using the web server **620**. *See* Ex. 1005,

¶¶[0109], [0073]; Ex. 2012, ¶89. Furthermore, “the store-resident web server **620** and the user interface designer **614** [both] directly connect with the database **602**,” Ex. 1005, ¶[0107]; *see also id.* at Fig. 14; Ex. 2012, ¶90. Finally, *Tengler* explicitly states, “The manager’s interface[s] **192** and **196** are] linked directly to the database in the restaurant (*without the intervention of any intermediary database or process*) ...” Ex. 1005, ¶[0073] (emphasis added); Ex. 2012, ¶91. Therefore, the manager GUI interfaces **192** and **196** are not used to access the user interface designer **614**. Ex. 2012, ¶92.

Essentially, *Tengler* teaches two methods for “edit[ing] the user interface of the register and self-service applications”: *first*, via the user interface designer **614**; and *second*, via the manager interfaces **192** and **196** accessed through the web server **620**. Ex. 2012, ¶93. If, as Petitioner contends, the manager interfaces **192** and **196** are utilized to access user interface designer **614**, there would be no need for *both* the user interface designer **614** and the store resident web server **620** to possess the capability to save the updated specifications to the database **602**. Ex. 2012, ¶94. Additionally, *Tengler* teaches away from using any intermediary process between the manager interfaces **192** and **196** and the database because *Tengler* teaches “the manager’s interface[s] **192** and **196** are] linked directly to the database in the restaurant (*without the intervention of any intermediary database or process*) ...” Ex. 1005, ¶[0073] (emphasis added); Ex. 2012, ¶95.

As a result, *Tengler* fails to teach “wherein said POS builder interface is configured to be utilized to access said POS builder software” as recited in independent claims 1 and 14. Ex. 2012, ¶96. Therefore, Ground 3 is deficient. Institution should be denied.

4. *Tengler* fails to disclose “a web server including POS builder software installed thereon”

Tengler does not disclose “a web server including POS Builder software installed thereon,” as recited in Claims 1 and 14. See Ex. 2012, ¶97. Petitioner and its expert, misconstrue the user interface designer **614** disclosed in *Tengler*. Ex. 2012, 98.

Petitioner considers the “main server **464**” disclosed in *Tengler* as corresponding to the “web server” recited in independent claims 1 and 14. See Petition, 70-71, and 90. Similarly, as discussed in the previous section, Petitioner considers the “user interface designer **614**” as corresponding to the “POS builder software.” See *id.* at 71, 90; Ex. 2012, ¶98. Petitioner fails to show that *Tengler* teaches that the user interface designer **614** is installed on the store-resident web server **620** residing on the main server **464**. Ex. 2012, ¶99.

Petitioner recognizes this shortcoming, and thus alleges,

To the extent *Tengler* does not disclose the user interface designer is installed on main server 464, a POSITA would have been motivated to install it there because user interface designer 614 ‘directly connect[s]’ with database 602 and interfaces with web server software 620, both located on main server 464.

Petition, 72 (alteration in original) (citing Ex. 1005 ¶¶ [0107], [0109], [0073]); Ex. 2012, ¶99. Petitioner and its expert, misconstrue the user interface designer **614** disclosed in *Tengler*. Ex. 2012, ¶100.

As discussed in the previous section, *Tengler* does not teach, and in fact teaches away from, Petitioner's contention that the user interface designer **614** interfaces with the web server **620** installed on main server **464**. Ex. 2012, ¶100; *See supra* Section VII.D.4. *Tengler* states that both the user interface designer **614** and web server **620** “directly connect with database **602**,” (Ex. 1005 ¶[0107]), and both have the capability to “edit the user interface of the register and self-service applications and also save[] the specifications in the database **602**.” *Id.* ¶[0103]; Ex. 2012, ¶100. Discrete connections teach that user interface designer **614** is separate and distinct from web server **620**. Ex. 2012, ¶101. If user interface designer **614** was implemented on web server **620**, user interface designer **614** would connect to database **602** through web server **620**. Ex. 2012, ¶101. As a result, a POSITA would not understand *Tengler* to teach that the user interface designer **614** interfaces with the web server **620** installed on main server **464**. Ex. 2012, 102¶. *Tengler* does not teach or suggest that the user interface designer **614** is a web application. Ex. 2012, ¶102. Rather, a POSITA would interpret the user interface designer **614** disclosed in *Tengler* as a standalone application (i.e., a desktop or thick client) that directly connects with the database **602** to “allow[] management to edit the user

interface of the register and self-service applications.” Ex. 2012, ¶102. Such a standalone application would not be installed on the main server **464**, but rather a client device such as **702**. Ex. 2012, ¶102. Further, there is no suggestion that the interface designer **614** is installed on the web server, nor would there be a reason for it to be installed on the web server given the description, albeit minimal, of the function and operation of the interface designer **614** discussed in *Tengler*. Ex. 2012, ¶103.

Thus, Petitioner has failed to show that *Tengler* discloses “a web server including POS builder software installed thereon.” Therefore, Ground 3 is deficient. Institution should be denied.

VIII. CONCLUSION

Petitioner fails to demonstrate a reasonable likelihood that Petitioner will prevail as to any of the challenged claims. IPR of the '012 Patent should therefore be denied.

Dated: August 18, 2022

Respectfully submitted,

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Lead Counsel for Patent Owner

CERTIFICATE OF SERVICE

I hereby certify that on August 18, 2022, I caused a true and correct copy of the foregoing to be served upon counsel of record via email:

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CERTIFICATE OF COMPLIANCE

Pursuant to 37 C.F.R. § 42.24(d), the undersigned hereby certifies that this brief complies with the type-volume limitation of 37 C.F.R. § 42.24 because this brief contains 9,042 words, excluding the parts of the brief exempted by 37 CFR § 42.24(a).

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