

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ASKELOADDEN L.L.C.

Petitioner,

v.

INTERCURRENCY SOFTWARE LLC

Patent Owner

Case IPR2024-00375

Patent 10,776,863

PATENT OWNER'S RESPONSE TO PETITION
FOR *INTER PARTES* REVIEW UNDER 37 C.F.R. § 42.107

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I. INTRODUCTION

In response to the Petition for *Inter Partes* Review (“Petition”) filed by Askeladden L.L.C. (“Askeladden” or “Petitioner”) against Intercurrency Software LLC (“Intercurrency” or “Patent Owner”), the Board has instituted *inter partes* review (Paper 12, the “Decision”) of claims 1-12 of U.S. Patent No. 10,776,863 (“the ‘863 patent”) based on the following asserted grounds:

Ground	Claims	Proposed Rejections
1	1-4, 6-10	obvious under 35 U.S.C. § 103(a) over U.S. Patent Application Publication No. 2002/0087454 to Calo (“Calo”) in view of U.S. Patent Application Publication No. 2006/0095361 to Rude (“Rude”) and U.S. Patent Application Publication No. 2004/0236664 to Sellberg (“Sellberg”)
2	1-4, 6-10	obvious under 35 U.S.C. § 103(a) over Calo in view of Rude and in further view of U.S. Patent Application Publication No. 2002/0023053 to Szoc et al. (“Szoc”)
3	11 and 12	obvious under 35 U.S.C. § 103(a) over Calo, Rude, and Sellberg or Szoc and in further view of U.S. Patent Application Publication No. 2004/0267655 to Davidowitz et al. (“Davidowitz”)
4	5	obvious under 35 U.S.C. § 103(a) over Calo, Rude, and Sellberg or Szoc and in further view of U.S. Patent Application Publication No. 2007/0005481 to Kidea et al. (“Kidea”)

Petitioner's assertion in Ground 1 that claims 1-12 are obvious over Calo, Rude and Sellberg is deficient. The cited art fails to disclose, teach, or suggest the following features of claim 1: (1) "wherein the trading server is configured to calculate the prevailing exchange rate from all exchange rates obtained from the one or more currency exchange servers *right before the transaction takes place* when the asset is not priced in the preferred currency"; and (2) "execut[ing] the transaction with the calculated prevailing exchange rate *obtained right before the transaction* to prevent uncertainty in currency exchanges in another time."

II. THE '863 PATENT

As explicitly provided by the '863 patent, and as of the date of the invention of Patent Owner's technology, the prior art of financial service providers which allowed foreign investors to trade U.S. securities required the trades to be done in U.S. currency, which required the use of foreign currency exchange brokers before and after trading to realize profits. This did not allow foreign investors to have "certain knowledge of what profit or loss he was going to get because the currency exchange rate must be obtained for a bulk amount at another time, which may fluctuate significantly enough to affect the ultimate profit or loss." EX1001 at 1:38-60. The prior art did not perform the "the currency conversion [sic] at a

transactional level ... so that a trader or investor knows exactly what profit or loss may occur with a transaction.” The prior art did not “show prices as well as conduct all transactions in a currency preferred by an investor, regardless of whatever currency being used in the primary market for the security/asset.” *Id.* at 1:61-7 and 2:1-3.

The inventions as claimed in the ‘863 patent overcome the deficiencies existing in the art as of the date of the invention of the ‘863 patent by providing “a mechanism that shows all transactions in a preferred currency regardless of whatever currency an asset is originally priced. The mechanism conducts *a transactional level currency conversion*. As a result, a trader knows exactly what profits and losses he/she is going to get in the transaction, without being subject to uncertainty in currency conversion of another.” *Id.* at 29:27-44 (emphasis added).

III. CLAIM CONSTRUCTION

For purposes of the present IPR, Patent Owner agrees with Petitioner's proposed definition of the terms “prevailing exchange rate” and “prevailing currency exchange rate” means “a selected current exchange rate.” With regards to the other terms of claims 1-12, Patent Owner submits that they should be given

their ordinary and customary meaning as understood by one of ordinary skill in the art in the field of electronic trading as of the date of the invention.

IV. RESPONSE TO PROPOSED GROUNDS OF INVALIDITY

A. Petitioner's Proposed Grounds Fail to Comply with the Applicable Rules

A petition for *inter partes* review must “identif[y], in writing and with particularity, each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge to each claim.” 35 U.S.C. § 312(a)(3). According to 37 C.F.R. § 42.104(b)(4), a petition for *inter partes* review “must identify how the construed claim is unpatentable under the statutory grounds on which the Petitioners challenge the claims, and must specify where each element of the claim is found in the prior art patents or printed publications relied upon” (emphasis added). Section 42.104(b)(5) of the Code of Federal Regulations adds that the Petition must “identify[] specific portions of the evidence that support the challenge.” Similarly, 37 C.F.R. § 42.22(a)(2) states that each petition must include “[a] full statement of the reasons for the relief requested, including a detailed explanation of the significance of the evidence including material facts, and the governing law, rules, and precedent.”

The Office Patent Trial Practice Guide suggests that parties requesting *inter*

partes review should “avoid submitting a repository of all the information that a judge could possibly consider, and instead focus on concise, well-organized, easy-to-follow arguments supported by readily identifiable evidence of record.” 77 Fed. Reg. 48,756, 48,763 (Aug. 14, 2012).

It is not incumbent upon the Board to “fit evidence together into a coherent explanation that supports an argument that demonstrates a reasonable likelihood that Petitioners would prevail.” See *TRW Automotive US LLC v. Magna Elecs. Inc.*, Decision on Reh’g, Paper 21, Case IPR2014-00294 (PTAB Aug. 27, 2014) (citing *Stampa v. Jackson*, 78 USPQ2d 1567, 1571 (BPAI 2005) (“Appellant’s Brief is at best an invitation to the court to scour the record, research any legal theory that comes to mind, and serve generally as an advocate for appellant. We decline the invitation.”) (quotations omitted)).

Petitioner fails to meet the requisite standards. For example, each ground is based on an obviousness challenge under 35 U.S.C. § 103. Obviousness under Section 103 hinges on four fact driven findings: “(1) the scope and content of the prior art; (2) the differences between the prior art and the claims; (3) the level of ordinary skill in the art; and (4) objective evidence of nonobviousness.” *Nat’l Steel Car, Ltd. v. Canadian Pac. Ry., Ltd.*, 357 F.3d 1319, 1334 (Fed. Cir. 2004).

Petitioner's claim charts and analysis fails to identify the differences between the primary reference used to support their obviousness rejection and the claims, and thus also fails to show how the combined secondary reference (or level or knowledge of ordinary skill in the art) remedies the deficiencies in the primary reference.

Indeed, Petitioner's claim charts and analysis seem more geared toward an anticipation argument¹, but no grounds are proposed under 35 U.S.C. § 102. Thus, Petitioner has failed to “identify how the construed claim is unpatentable *under the statutory grounds on which the petitioner challenges the claims*,” as required by 37 C.F.R. § 42.104(b)(4).

B. Ground 1

1. Independent Claims 1 and 6

Independent claims 1 recites, *inter alia*, “wherein the trading server is configured to calculate the prevailing exchange rate from all exchange rates obtained from the one or more currency exchange servers *right before the transaction takes place* when the asset is not priced in the preferred currency, and

¹ For example, Petitioner's claim chart and analysis for Ground 1, including the Declaration of their expert Marc Reid, appears to assert that Calo alone discloses every element of claim 1, with no identification of the differences between Calo and the claims, and therefore no discussion as to how Rude and Sellberg remedy the deficiencies in Calo. See EX1002 ¶¶ 184-226.

executes the transaction with the calculated prevailing exchange rate *obtained right before the transaction* to prevent uncertainty in currency exchanges in another time . . . ” Calo, Rude and Sellberg, either alone or in combination, fail to teach or suggest these features.

Independent claims 6 recites, *inter alia*, “wherein the prevailing currency exchange rate is determined again from all exchange rates obtained from the at least two currency exchange servers *right before an transaction pertaining to the asset happens* when the preferred currency is not identical to the market currency . . . and showing a settlement of the transaction in the preferred currency after the transaction of the asset is executed *with the calculated prevailing exchange rate* to prevent uncertainty in currency exchanges.” Calo, Rude and Sellberg, either alone or in combination, fail to teach or suggest these features.

The Calo Publication

Calo fails to teach or suggest executing a transaction with a calculated prevailing exchange rate *obtained right before the transaction*. Calo states the following:

The customer places the order with a cost *estimate* based on the real-time quotes for the security. At step 302, E*TRADE Australia provides *a preview* of the order and vets against the buying power of the customer to reserve

the sum of the principal amount calculated in U.S. dollars (USD) based on the current U.S. ask price, the Australian dollar (AUD) equivalent based on the current ask price for USD based on the USD principal amount, the estimated commissions and fees for a cross-border trade to the US ***and an additional "reserve" over the previous amounts to allow for fluctuations in both the US equity and USD/AUD currency market*** . . . [a]t step 305, ETS places an order with an exchange member such as a U.S. market maker in a U.S. exchange, who then executes the trade . . . [a]t step 308, E*TRADE Global transmits an order to the foreign exchange facility to sell Australian dollars. Calo ¶ [0030] (emphasis added).

Thus, Calo clearly teaches executing a trade with a future undetermined exchange rate, because the currency conversion is done after the trade is executed. Indeed, Calo teaches displaying a *preview* of the order and reserves a sum from the buying customer to cover the transaction that includes an “an additional “reserve” over the previous amounts *to allow for fluctuations in both the US equity and USD/AUD currency market.*” *Id.* (emphasis added).

In contrast, claim 1 requires “execut[ing] the transaction with the calculated prevailing exchange rate *obtained right before the transaction* to prevent uncertainty in currency exchanges in another time.” Calo teaches the opposite. Namely, providing the customer with a “cost estimate,” reserving a sum for the transaction that includes a “reserve . . . to allow for fluctuations in both the US

equity and USD/AUD currency market,” executing the trade using the exchange rate that is present at the time (which may or may not be the exchange rate used for the “estimate”) and then doing the currency conversion.

Indeed, the additional “reserve” required by Calo to account for exchange rate fluctuations is precisely the problem that the ’863 Patent addresses.

The Rude Publication

Rude suffers from the same deficiencies as Calo. Namely, as described in paragraph [0019] of Rude, Rude explicitly teaches that the currency exchange happens *after* the transaction takes place, namely at settlement. Specifically, Rude recites:

When an order for a foreign securities trading transaction is placed by the trader, the order is sent by the trading system to the foreign securities exchange and ***is executed on the foreign securities exchange in the local currency of the foreign securities exchange***. Based on the execution of the order, a net settlement amount is established for the transaction, reflecting the execution price and expenses such as settlement fees and commissions. ***Once the settlement amount is determined, the trading system automatically executes a foreign exchange transaction in which the local currency of the foreign securities exchange is bought or sold . . . to convert the net settlement amount to the operating currency of the trader.*** Rude ¶ [0019] (emphasis added).

Thus, Rude clearly and unequivocally teaches using an exchange rate in existence *after* the transaction is executed, which is precisely the type of uncertainty that the '863 Patent addresses. In contrast, claim 1 requires “execut[ing] the transaction with the calculated prevailing exchange rate *obtained right before the transaction* to prevent uncertainty in currency exchanges in another time.”

The Sellberg Publication

Sellberg fails to remedy the deficiencies noted above in Calo and Rude. Sellberg teaches an automated system in which a buyer of securities that are traded in a “foreign currency” that is different than the buyer’s home currency sets a bid order for the securities based on the buyer’s home currency and the system automatically converts the home currency bid price to the equivalent foreign currency bid price based on the current exchange rate.

“‘[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.’” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007) (quoting *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006)). Petitioner has failed to provide articulated reasoning

with some rational underpinning as to how either Calo or Rude, which both clearly and unequivocally teach using an exchange rate in existence *after* the transaction is executed for the currency conversion, would be modified in view of the teachings of Sellberg to obtain the method of claims 1 and 6.

For at least the reasons set forth above, Patent Owner respectfully submits that independent claims 1 and 6 are patentable over Calo, Rude and Sellberg.

2. Dependent Claims 2-4 and 7-10

Claims 2-4 depend from claim 1, and claims 7-10 depend from claim 6. Thus, for at least the reasons set forth above, Calo, Rude and Sellberg, either alone or in combination, fail to render obvious claims 2-4 and 7-10.

C. Ground 2

Ground 2 asserts that claims 1-4 and 6-10 are unpatentable under 35 U.S.C. § 103 (a) as obvious over Calo in view of Rude and further in view of Szoc. For at least the reasons set forth above in Section IV.B, Calo and Rude, either alone or in combination, fail to render obvious the subject matter of claims 1-4 and 6-10. Further, Szoc fails to remedy the deficiencies noted above in Calo and Rude.

Szoc teaches a system for providing real-time foreign rate information. However, Petitioner has failed to provide articulated reasoning with some rational

underpinning as to how either Calo or Rude, which both clearly and unequivocally teach using an exchange rate in existence *after* the transaction is executed for the currency conversion, would be modified in view of the teachings of Szoc to obtain the method of claims 1 and 6. Indeed, the only “articulated reasoning” provided by Petitioner is that “[a]dding the currency exchange features from Szoc to the Calo-Rude combination would have been a simple task for a POSITA.” Petition at 46. This is merely a conclusory statement that falls short of the required showing.

D. Ground 3

Ground 3 asserts that claims 11 and 12 are unpatentable under 35 U.S.C. § 103 (a) as obvious over Calo, Rude, and Sellberg or Szoc, and further in view of Davidwitz. Claims 11 and 12 depend from claim 6. Thus, for at least the reasons set forth above, Calo, Rude and Sellberg or Szoc, either alone or in combination, fail to render obvious claims 11 and 12. Further, Davidwitz fails to remedy the deficiencies noted above in Calo, Rude, Sellberg and Szoc.

E. Ground 4

Ground 4 asserts that claim 5 is unpatentable under 35 U.S.C. § 103 (a) as obvious over Calo, Rude, and Sellberg or Szoc, and further in view of Kidea. Claim 5 depend from claim 1. Thus, for at least the reasons set forth above, Calo,

Rude and Sellberg or Szoc, either alone or in combination, fail to render obvious claim 5. Further, Kidea fails to remedy the deficiencies noted above in Calo, Rude, Sellberg and Szoc.

V. CONCLUSION

For the foregoing reasons, Patent Owner respectfully submits that Petitioner has failed to establish that claims 1-12 are unpatentable. In this regard, Patent Owner respectfully requests that the Board confirm the patentability of claims 1-12.

Date: November 26, 2024

Respectfully submitted,

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CERTIFICATION UNDER 37 C.F.R. § 42.24(d)

Pursuant to 37 C.F.R. § 42.24(d), the undersigned hereby certifies that the word count for the foregoing Patent Owner's Response to Petition for *Inter Partes* Review under 37 C.F.R. § 42.107 totals 2,689 words, which is less than the 14,000 words allowed under 37 C.F.R. § 42.24(a)(i). The word count was determined using Microsoft Word's word count tool.

Dated: November 26, 2024

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CERTIFICATION OF SERVICE

Pursuant to 37 C.F.R. §§ 42.6(e) and 42.105(b), a copy of the foregoing Patent Owner's Response to Petition for *Inter Partes* Review under 37 C.F.R. § 42.107 was served by electronic mail on the following:

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