

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ASKELOADDEN L.L.C.,
Petitioner,

v.

INTERCURRENCY SOFTWARE LLC,
Patent Owner.

IPR2024-00376
Patent No. 10,062,107 B1

PETITIONER'S REPLY TO PATENT OWNER'S RESPONSE
CONCERNING *INTER PARTES* REVIEW OF
CLAIMS 1-18 OF U.S. PATENT NO. 10,062,107

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EXHIBIT LIST

Exhibit No.	Document Description
1001	The '107 Patent – U.S. Patent No. 10,062,107
1002	Declaration of Marc Reid
1003	C.V. of Marc Reid
1004	The File History of the '107 Patent
1005	U.S. Patent Application Publication 2002/0087454 to Calo et al. (“Calo”)
1006	U.S. Patent Application Publication 2006/0095361 to Rude (“Rude”)
1007	U.S. Patent Application Publication 2002/0023053 to Szoc et al. (“Szoc”)
1008	U.S. Patent No. 4,251,867 to Uchida et al. (“Uchida”)
1009	U.S. Patent Application Publication 2002/0010673 to Muller et al. (“Muller”)
1010	U.S. Patent Application Publication 2006/0124729 to Martin (“Martin”)

Exhibit No.	Document Description
1011	U.S. Patent Application Publication 2006/0294004 to Burge (“Burge”)
1012	U.S. Patent Application Publication 2007/0055590 to Kretzschmar et al. (“Kretzschmar”)
1013	U.S. Patent Application Publication 2006/0015437 to Kulasooriya et al. (“Kulasooriya”)
1014	U.S. Patent No. 5,897,621 to Brian Paul Boesch (“Boesch”)
1015	U.S. Patent No. 6,829,590 to Greener et al. (“Greener”)
1016	U.S. Patent Application Publication 2005/0021454 to Karpovich et al. (“Karpovich”)
1017	U.S. Patent Application Publication 2007/0005481 to Kidea et al. (“Kidea”)
1018	U.S. Patent Application Publication 2004/0267655 to Davidowitz et al. (“Davidowitz”)
1019	U.S. Patent Application Publication 2004/0236664 to Sellberg et al. (“Sellberg”)

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1020	U.S. Patent Application Publication 2008/0147569 to Kahan et al. (“Kahan”)
1021	U.S. Patent Application Publication 2001/0049651 to Selleck (“Selleck”)
1022	U.S. Patent Application Publication 2002/0128958 to Slone (“Slone”)
1023	U.S. Patent Application Publication 2002/0184134 to Olsen et al. (“Olsen”)
1024	U.S. Patent Application Publication 2004/0177024 to Bok et al. (“Bok”)
1025	U.S. Patent No. 7,778,919 to Waelbroeck et al. (“Waelbroeck”)
1026	U.S. Patent No. 5,077,665 to Silverman et al. (“Silverman”)
1027	Peter Rosenstreich, FOREX Revolution, An Insider’s Guide to the Real World of Foreign Exchange Trading (1995). Library of Cong. Cat. No. 2005921697.
1028	Cornelius Luca, Trading in the Global Currency Markets, An Insider’s Guide to the Real World of Foreign Exchange Trading (2005). Library of Cong.: ISBN 0-13-293424-8, HG3851.L83 1995.
1029	Rime, Dagfinn, “New Electronic Trading Systems in Foreign Exchange Markets,” New Economy Handbook, pp. 469-504 (2003)

Exhibit No.	Document Description
1030	Traders Magazine, “OMS Solutions: The Buysides Key to the Trading Highway,” Editorial Staff, July 5, 2006.
1031	Declaration of the Glenn J. Perry
1032	Support Document

Askeladden LLC (“Petitioner”) hereby Replies to Patent Owner’s Response (the “POR”) for the *Inter Partes* Review (“IPR”) of Claims 1-18 of U.S. Patent No. 10,062,107 (the “107 patent”).

I. INTRODUCTION

The Patent Owner makes only two arguments in its POR:

- Petitioner’s assertions in Grounds 1-4 that claims 1-18 are obvious over the cited art are 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.”; and
- The cited art also fails to disclose, teach, or suggest the following features of claim 9: “wherein the trading server is configured to calculate the prevailing currency exchange rate 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.”

Obviousness is a question of law based on underlying *factual* determinations. *Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1064, 1073 (Fed. Cir. 2015). “What a prior art reference discloses is . . . a question of fact. . . .” *Innogenetics N.V. v. Abbott Labs.*, 512 F.3d 1363, 1378 n. 6 (Fed. Cir. 2008); *see also, In re Clay*, 966 F.2d 656, 658 (Fed. Cir. 1992). The Petitioner’s grounds are fully supported by uncontroverted expert testimony about what each reference teaches.

In contrast, neither of Patent Owner’s arguments is supported by any expert witness testimony. The Patent Owner has not made any rebuttal arguments supported by fact evidence of record. The Patent Owner cherry picks language from the prior art with careful use of ellipses omitting key disclosures that support the Petitioner’s grounds and supplements with *ipse dictum*.

Additionally, Patent Owner argues only that the Petition fails to invalidate independent claims but does not make any separate arguments for the dependent claims. Therefore, the dependent claims should stand or fall with the independent claims.

Thus, as demonstrated herein and in the Petition, the preponderance of evidence weighs in favor of cancelling claims 1-18 of the '107 patent.

II. Claims 1 and 9 are invalid because the prior art teaches each and every element and there is motivation to combine the teachings.

Claim 1 recites the following:

1. A method for providing a consolidated trading platform, the method comprising:

[A] providing a trading server coupled to one or more currency exchange servers and one or more market exchange servers;

[B] receiving in the trading server an indicator of a preferred currency from a trader;

[C] causing a client computer associated with the trader to display at least an asset in the preferred currency while the asset is being traded in a market currency, wherein said causing a client computer associated with the trader to display at least an asset in the preferred currency comprises:

[D] determining in the trading server a prevailing exchange rate between the preferred currency and the market currency, wherein the prevailing exchange rate is derived from all exchange rates obtained from the one or more currency exchange servers when the asset is displayed in the preferred currency; and

[E] displaying all costs and fees in the preferred currency to own or sell the asset, wherein the all costs and fees are dynamically changed in accordance with the prevailing exchange rate updated constantly even when a market value of the asset remains unchanged, wherein the

trader has certain knowledge of what to pay for the asset, or profit or loss when acting on the asset;

[F] conducting in the trading server *a transaction of the asset* by transmitting a transaction request from the trading server to a market exchange server when the trader decides to proceed with trading the asset;

[G] receiving a settlement notification in the trading server when the transaction of the asset is performed by the market exchange server in accordance with conditions set by the user, wherein the conditions include a price at which the asset is traded in the preferred currency, *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 executes the transaction with the calculated prevailing exchange rate obtained at the transaction to prevent uncertainty in currency exchanges in another time*; and

[H] performing a currency conversion of some portion or all of the transaction from the market currency to the preferred currency when the preferred currency is not identical to the market currency, the conversion being performed with the calculated prevailing exchange rate. (EX1001, 8:45-9:27 (emphasis added).)

The POR does not dispute that the prior art discloses steps A-F or H. The POR does not dispute that the prior art fails to disclose receiving a settlement

notification (step G), but rather that the way the prior art does receiving step is slightly different. POR at 5, 7, 9, 11.

The POR focusses entirely on the language highlighted above in italics. This claim language relates to a “transaction of an asset.” The transaction of the asset is introduced in step F and then referenced in step G. Thus, “the transaction” that is executed in step G is the asset, not the currency conversion.

Claim 9 recites the following:

9. A method for providing a consolidated trading platform, the method comprising:

[A] accessing a trading server coupled over the Internet to at least two currency exchange servers and at least one market exchange server;

[B] receiving an indication of a preferred currency from a trader;

[C] displaying on a client computer associated with the trader at least an asset in the preferred currency while the asset is being traded in a market currency, wherein said displaying on a client computer associated with the trader at least an asset in the preferred currency comprises:

[D] determining in the trading server a prevailing exchange rate between the preferred currency and the market currency, wherein the prevailing exchange rate is derived from all exchange rates obtained from the at least two currency exchange servers when the asset is displayed in the preferred currency; and

[E] displaying all costs and fees in the preferred currency to own or sell the asset, wherein the all costs and fees are dynamically changed

in accordance with the prevailing exchange rate constantly updated, a value of the asset being displayed changes as the exchange rate changes, even when a market value of the asset remains unchanged, wherein the trader has certain knowledge of what to pay for the asset, or profit or loss when acting on the asset;

[F] receiving an instruction from the trader to trade the asset, wherein the trading server is configured to calculate the prevailing currency exchange rate 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;

[G] receiving a price of the asset being traded over the market exchange server, the price shown in the trading server being in the preferred currency in conjunction with the calculated prevailing currency exchange rate; and

[H] *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.*

EX1001 at 11 (emphasis added). As with Claim 1, Patent Owner does not dispute that almost all the steps are disclosed by the prior art. Patent Owner does not dispute that steps A-G are disclosed. Patent Owner's only argument relates to the final step, showing a settlement. This step specifically requires that the settlement of the

transaction be shown “after the transaction of the asset is executed with the calculated prevailing exchange rate to prevent uncertainty in currency exchanges.”

Unlike claim 1, claim 9 does not even have an executing step (step F of claim 1 is conducting a transaction) or a conversion step (step H of claim 1 is performing a currency conversion). Claim 9 merely recites receiving, calculating and displaying steps, culminating in “showing a settlement” of the transaction of the asset in the preferred currency. The settlement is simply displayed in the preferred currency so “so that the trader knows exactly how much this transaction costs.” EX1001 at col. 8, lines 10-15. The transaction of the asset has already taken place, “with the calculated prevailing exchange rate to prevent uncertainty in currency exchanges.” See EX1002 ¶347.

The Patent Owner does not challenge the Petitioner’s claim constructions that the prevailing rate is a current rate, which could include the only rates the Specification describes -- a “forward” rate or a “spot” rate – in other words, a selected current exchange rate. Petition at 28-29.

As is discussed below, the Petition supported by unrebutted expert testimony establishes by the preponderance of the evidence, that claims 1 and 9, and therefore dependent claims 2-8 and 10-18, are invalid.

1. Calo

Calo discloses that “immediately after the equity order is executed and reported to E*TRADE Global, E*TRADE Global transacts a foreign exchange order prior to confirming the trade back to E*TRADE Australia in step 310. At step 308, E*TRADE Global transmits an order to the foreign exchange facility to sell Australian dollars. At step 309, the foreign exchange facility confirms the FX deal to E*TRADE Global. Because of the timing of step 307, it is assumed that the foreign exchange facility can match the value date of the currency transaction to the settlement date of the security transaction. At step 310, the trade is confirmed to E*TRADE Australia with the USD execution price and principal amount as well as the *locked-in AUD value* of the trade. At step 311, E*TRADE Australia gives confirmation to the customer of the purchase. This confirmation includes E*TRADE Australia's commissions and fees. Petition at 33; EX1005 ¶0030 (emphasis added).

Petitioner’s Expert, Mr. Marc Reid, an expert in the field of art and whose expertise is unchallenged by Patent Owner, explains what Calo teaches:

Accordingly, the concept of executing a trade using real-time foreign exchange rates (i.e., a prevailing rate) before the settlement is returned to the trader (i.e., at the time of the transaction), was disclosed by Calo. Calo discloses to perform currency conversion on a transactional level, just like disclosed and claimed in the ’107 patent. I should point out that the locked-in rate does not mean that the display does not change when

the rates change, but rather that the rate, which may be continuously changing, *becomes locked-in for the purpose of the transaction at the time the trader makes the trade* (EX1002 ¶103 (emphasis added).)

Patent owner omitted from its citations to paragraph 0030 of Calo the language relating to the locked-in rate:

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). (POR at 6.)

Note the ellipse (pink) in the block quote omitting steps 306 and 307. Patent owner failed to address Mr. Reid's testimony that Calo paragraph 0030, including step 307, teaches that the prevailing currency rate at the time of transaction, i.e., right before the transaction of the asset actually takes place, is disclosed by Calo. EX1002 ¶103.

Patent owner argues that “Calo clearly teaches executing a trade with a future undetermined exchange rate, because the currency conversion is done after the trade is executed.” POR at 7. This argument fails for three reasons.

First, the currency conversion relates to step H (performing a currency conversion), not step G (receiving a settlement notification).

Second, the fact that the currency conversion is performed by Calo immediately after does not affect the price of the transaction of the asset.

Third, although the currency conversion of Calo may occur a hair after the asset transaction does not matter because the price of the currency conversion is “locked-in.” EX1002 ¶103. That is, the rate at the time of the transaction is locked in for both the transaction of the asset and the currency conversion. *Id.* This is critical as Calo converts the USD value of the trade into Australian Dollars at the rate agreed upon in the forward transaction (*i.e.* the rate at the time of the asset transaction), thereby ensuring that the client knows the cost or proceeds of the trade in their local currency (AUD in this case), which was secured by the FX transaction in step 307.

The Patent Owner also ignored the Petition’s allegation that Calo teaches another way to ensure transactions occur at the correct price. Petition at 36. Namely, Calo also discloses that “[l]imit orders on an equity guarantees that an equity will be bought or sold only at a specific price. This removes the price risk that accompanies

market orders. With cross-border trades, however, the currency exchange risks remain and may, in fact, be greater. A limit order can potentially be left open for 60 days in the US market, for example, and currency rates can move substantially within that time frame.” *Id.*; EX1005 ¶¶0070. Calo teaches to reduce the risk by “marking-to-the market all open limit orders” on a regular basis. *Id.* “Mark-to-market” is a well-known practice of valuing assets or liabilities based on their current market value or exchange rates. Petition at 36; EX1002 ¶¶111.

Accordingly, Calo discloses updating a limit order price based upon exchange rates and OTC orders can be directly matched in Calo’s trading system. EX1002 ¶¶112.

Patent Owner states that “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).” POR at 7. Patent Owner then argues, ipse dictum, that the additional “reserve” required by Calo to account for exchange rate fluctuations “is precisely the problem that the ’107 Patent addresses.” This is not correct.

As stated in the Petition, above, and acknowledged in the POR, “[t]he prior art did not perform the “the currency conversion [sic] at a transactional level.” POR at 3. In Calo, the reserve is not because the currency exchange rate must be obtained

for a bulk amount at another time. Calo discloses performing currency conference on a transaction level. EX1002 ¶103.

Regardless, it does not follow from the disclosure of a preview of a transaction, and a reserve, that the transaction price of the asset is not achieved using the prevailing rate. The preview and reserve are simply additional features, the existence of which do not contradict Mr. Reid's testimony that Calo teaches the features of claim 1. Patent Owner's argument is not grounded in fact and is merely speculative.

As regards claim 9, Patent Owner only argues that Calo fails to disclose "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." POR at 7. Patent Owner's arguments lack sufficient detail and support.

Patent Owner does not dispute that steps A-G of claim 9 are disclosed. Patent Owner's only argument relates to the final step, showing a settlement. This step specifically requires that the settlement of the transaction be shown "after the transaction of the asset is executed with the calculated prevailing exchange rate to prevent uncertainty in currency exchanges."

Unlike claim 1, claim 9 does not even have an executing step (step F conducting a transaction) or a conversion step (step H converting). The claim merely

recites some receiving, calculating and displaying steps, culminating in showing the settlement of the transaction of the asset in the preferred currency. The transaction of the asset has already taken place, “with the calculated prevailing exchange rate to prevent uncertainty in currency exchanges.”

As Mr. Reid explains, “[t]his element is fulfilled when the transaction (e.g., buy or sell of a security) is made with prevailing exchange rate “right before the transaction takes place when the asset is not priced in the preferred currency” because the settlement notification this condition when a trade is so executed. Calo discloses this element.” EX1002 ¶347. The Petition and Mr. Reid both cite to paragraph 0030, step 310 as corresponding to this element. At step 310, the trade is confirmed to E*TRADE Australia *with the USD execution price and principal amount as well as the locked-in AUD value of the trade*. Petition 33-34; EX1002 ¶349. The locked-in AUD value is the value of the transaction at the time of the transaction in the local currency. Thus, Calo discloses this final step.

To the extent Patent Owner is arguing that claim 9 requires the trade of the asset or a currency conversion be performed using the prevailing rate right before the transaction, the arguments made in the Petition and above with respect to claim 1 apply equally to claim 9.

2. Rude

Patent Owner argues that “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 ’107 Patent addresses.” POR at 8-9. This argument is not supported by any evidence except some carefully selected citations from Rude.

First, as noted above, the type of uncertainty that the ’107 patent address is that currency conversion was not performed on a transactional basis. EX1002 ¶22; POR at 3. The ’107 patent was not intended to solve and indeed does not describe a problem where the prior art executes a currency conversion for a transaction immediately after the transaction occurs, as opposed to using a price “right before.” It’s not even clear from the ’107 patent how that could even be done.

The ’107 patent is directed to a more macroscopic problem – the prior art executed a currency conversion for a group of asset transaction days after the assets are traded. “At the time of buying or selling the stocks, as well as during the whole period the investor held the stocks, the investor had no 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.*”

On this point, Mr. Reid had this to say about Rude:

Rude does not explicitly state that the price of the trade is based on the prevailing exchange rate “right before the transaction takes place when the asset is not priced in the preferred currency,” but addresses the precise problem “to prevent uncertainty in currency exchanges in another time.” Rude provides an example of Fig. 7 whereby a trade is made for a stock on the London stock exchange but the stock is displayed in both Pounds and Dollars. *By executing a trade at the realtime exchange rate, the resulting clearance has the condition met where the settlement price is the prevailing exchange rate “right before the transaction takes place when the asset is not priced in the preferred currency.”* Rude states:

... [T]he transaction from the user's point of view is equivalent to buying 100 shares of Vodaphone at the ask price of \$212.67 indicated in the quote information of FIG. 7, and the transaction takes place from the user's point of view in essentially the same manner as a purchase of a domestic security. *Thanks to the automatic foreign exchange transaction generated by the trading system in accordance with the invention, the user has effectively settled the foreign securities transaction in USD, the user's operating currency, and has been substantially shielded from currency risk.* Rude ¶ 0062.

EX1002 ¶349 (emphasis added).

Thus, the skilled person would read Rude as disclosing the receiving a settlement notification step [G] of claim 1 and the settlement step [H] of claim 9.

Also, as the Petition points out, Rude discloses that the net settlement amount of the transaction of an asset is automatically converted to the trader's operating currency through a forward foreign exchange transaction, effectively mitigating foreign exchange risk. Petition at 38; EX1006 ¶¶0020; EX1002 ¶118. “The foreign exchange transaction may be a forward transaction effective as of the settlement date for the underlying foreign securities trading transaction to Substantially eliminate all foreign exchange risk to the trader in connection with the underlying foreign securities trading transaction.” EX1006 ¶¶0019. By entering into a forward FX contract, it is agreed to buy or sell an amount of currency at a future date (e.g., the settlement date of the securities transaction) but at a rate fixed at the time of the transaction, thus neutralizing the currency risk. *See* EX1002 ¶¶193.

Rude also discloses the order processing server can place a trading order for the foreign security in question with the securities exchange on which the security trades. EX1002 ¶120. “In the event that the order is a limit order, the limit price indicated in the user's operating currency may be translated to the local currency of the Securities exchange in accordance with the foreign exchange rate information received.” EX1006 ¶¶0052.

Thus, the preponderance of evidence shows that Rude also discloses the limitations that Patent Owner claims is missing in the prior art.

3. Sellberg

Patent Owner does not contest Petitioner's assertions regarding what Sellberg discloses. POR at 9. Rather, Patent Owner argues only:

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.

Id. 9-10. This is incorrect. Petitioner has submitted ample evidence of motivation and reasoning to combine the reference.

For instance, Petitioner argued, with the support of Mr. Reid's testimony, that Sellberg is directed to the same kind of system as Calo and Rude. Petition at 40, 44; EX1002 ¶179. Petitioner argued that Sellberg addresses problems similar to that of the '107 problem. *Id.* Sellberg suggests modifying existing systems. Petition at 41; EX1019 ¶0005; EX1002 ¶179. And Sellberg describes the benefit of adding currency exchange features to a trading system. Petition at 41; EX1019 ¶0012; EX1002 ¶¶180, 182.

The Petition states that when an order is received in a currency other than the market currency, Sellberg teaches to use an updated exchange rate, preferably the last exchange rate just prior to the submitting the order, for performing the

transaction. Petition at 41; EX1019 ¶¶0023-0025; EX1002 ¶181. It is therefore undisputed that Sellberg teaches using the same prevailing exchange rate as the '107 patent. Petition at 42; EX1002 ¶181.

Sellberg also teaches using the exchange rate to execute limit orders. That is, if the market price does not change, but the exchange rate does, a trade can still be executed when a favorable exchange rate is detected. Petition at 42; EX1019 ¶0028; EX1002 ¶182.

Mr. Reid confirms it would have been obvious to a POSITA to combine teachings of Calo, Rude and Sellberg. EX1002 ¶¶95-124, 178-185, 257-260, 578, 583-584. Since, as explained above, Calo and Rude each disclose the basic features of the claims of the '107 patent, and Sellberg is the same kind of system, it would have been obvious to add features of Sellberg to the Calo-Rude system because Sellberg teaches benefits of those features. Moreover, adding the currency exchange features from Sellberg to the Calo-Rude combination would have been a simple task for a POSITA. EX1002 ¶¶185, 234.

Mr. Reid specifically noted that all the teaching of the prior art cited his Declaration would have been easily combinable by the skilled person by 2007. EX1002 ¶260. Mr. Reid went on to say that “[t]here was a clear motivation to combine the references and a POSITA would have had a reasonable expectation of success when making this combination. For example, the skilled person would have

been motivated *to improve the features of the display and trading technology to make the system more useful and desirable to use.*” *Id.* ¶261 (emphasis added).

All of the references discussed above are combinable – that is, the references are in the same field of endeavor and the skilled person would have no problem combining their teachings without undue experimentation. Motivation for making such combinations can be found in the prior art references themselves, but also, the skilled person would have been aware of the advantages and benefits of making such combinations. *For instance, combining the features taught in the references would provide a system that is easier to use with richer functionality. Such combinations would also more [sic] permit more effective trading risk identification and management, as well as, creating more liquidity and providing other advantages to both the trader and the broker.* (EX1002 ¶584.)

Mr. Reid also stated that “[t]here was a clear motivation to combine the references and a POSITA would have had a reasonable expectation of success when making this combination. For example, the skilled person would have been motivated *to improve the features of the display and trading technology to make the system more useful and desirable to use.*” *Id.* ¶261 (emphasis added).

Even though the preponderance of the evidence supports Petitioner’s arguments that there was motivation and reasoning to add the features of Sellberg to the Calo-Rude combination, the obviousness analysis “need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court

can take account of the inferences and creative steps that a person of ordinary skill in the art would employ.” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007) (emphasis added); *see also ClassCo, Inc. v. Apple, Inc.*, 838 F.3d 1214, 1219 (Fed. Cir. 2016) (“The rationale of KSR does not support [the] theory that a person of ordinary skill can only perform combinations of a puzzle element A with a perfectly fitting puzzle element B.”). As such, claims 1 and 9 are invalid as obvious. *KSR Int’l Co.* at 415-16 (“The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.”).

4. Szoc

Similarly, with respect to Szoc, Patent Owner does not contest the disclosure of Szoc and only argues that Petitioner has failed to provide articulated reasoning with some rational basis for how Calo/Rude would be modified in view of the teachings of Szoc to obtain the method of claims 1 and 9. Patent Owner alleges that 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 48.

This is also incorrect. Petitioner likewise has submitted ample evidence of motivation and reasoning to combine Szoc with Calo and Rude.

Szoc discloses the volatile nature of exchange rates impedes what could otherwise be straightforward international transactions by introducing financial risk and uncertainty, especially for cross-border or international transaction. Petition at 47. The element of risk makes international transactions fundamentally different from other types of transactions. *Id.*; EX1007 ¶0009; EX1002 ¶127. Szoc discloses that real-time foreign exchange rate quotes may be provided, such as spot rates, that are locked in. EX1007 ¶0018; EX1002 ¶¶127-128.

Szoc also discloses that it is desirable to allow a client to choose whether or not to enter into a transaction based on the exchange rate. “[T]he client may choose to execute a transaction following receipt of a favorable exchange rate quote with respect to the transaction. As long as an exchange rate quote has not yet expired at a time of execution of a transaction, the transaction will receive the *benefit* of that rate quote.” Petition at 47; EX1007 ¶0102; EX1002 ¶131 (*italics added*).

The Petition states that “adding the currency exchange features from Szoc to the Calo-Rude combination would have been a simple task for a POSITA. EX1002 ¶132.” Petition at 48. Mr. Ried states that it is desirable to use the rate quote of Szoc, and “Szoc teaches that to identify and use a favorable exchange rate, i.e., a prevailing rate, is beneficial, [] it would have been obvious to the skilled person to apply the teachings of Szoc to the systems of Calo or Rude.” EX1002 ¶132.

The Petition and Mr. Reid give other reasons for modifying the prior art with the teachings of Szoc. For instance, “many prior art documents were identified that disclose the benefits of using multiple currency exchange rates and/or a favorable rate. See, e.g., Szoc...” EX1002 ¶363.

Mr. Reid specifically noted that all the teaching of the prior art cited his Declaration would have been easily combinable by the skilled person by 2007. EX1002 ¶260. Mr. Reid went on to say that “[t]here was a clear motivation to combine the references and a POSITA would have had a reasonable expectation of success when making this combination. For example, the skilled person would have been motivated *to improve the features of the display and trading technology to make the system more useful and desirable to use.*” *Id.* ¶261 (emphasis added).

All of the references discussed above are combinable – that is, the references are in the same field of endeavor and the skilled person would have no problem combining their teachings without undue experimentation. Motivation for making such combinations can be found in the prior art references themselves, but also, the skilled person would have been aware of the advantages and benefits of making such combinations. *For instance, combining the features taught in the references would provide a system that is easier to use with richer functionality. Such combinations would also more [sic] permit more effective trading risk identification and management, as well as,*

creating more liquidity and providing other advantages to both the trader and the broker. (EX1002 ¶584.)

Mr. Reid also stated that “[t]here was a clear motivation to combine the references and a POSITA would have had a reasonable expectation of success when making this combination. For example, the skilled person would have been motivated *to improve the features of the display and trading technology to make the system more useful and desirable to use.*” *Id.* ¶261 (emphasis added).

Even though the preponderance of the evidence supports Petitioner’s arguments that there was motivation and reasoning to add the features of Szoc to the Calo-Rude combination, the obviousness analysis “need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ.” *KSR Int’l Co.* at 418.

As such, claims 1 and 9 are invalid as obvious over the combination of Szoc with Calo and Rude.

5. Grounds 3 and 4

The POR does not make any independent arguments with respect to Grounds 3 and 4. Therefore, for the reasons set forth above and in the Petition with the support of Mr. Reid’s testimony, claims 8 and 14-15 are invalid for the additional reasons set forth in Grounds 3 and 4.

III. CONCLUSION

The Patent Owner has not challenged the qualification of Petitioner's expert witness, Marc Reid, nor attempted to rebut his testimony. As described above, the preponderance of the evidence supports Petitioner's Grounds 1-4 that claims 1 and 9 are invalid. Namely, the preponderance of the evidence shows that Calo and Rude disclose the features of the independent claims. The Patent Owner responded to the Petition arguing primarily that Calo and Rude fail to disclose features relating to the prevailing exchange rate being obtained right before the transaction. Patent Owner does not contest that Sellberg and Szoc teach these allegedly missing limitations. Petitioner has submitted ample evidence that the skilled person would have been motivated to add the respective features of Sellberg or Szoc to the Calo-Rude combination, and that such combination would have been simple and achieved predictable results. Thus, the independent claims are invalid.

Since the Patent Owner fails to argue any of the dependent claims separately, dependent claims 2-8 and 10-18 are invalid for the same reasons. Therefore, Petitioner request that claims 1-18 be Cancelled.

Dated: February 18, 2024

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CERTIFICATE OF COMPLIANCE

Pursuant to 37 C.F.R. §42.24(d), I hereby certify that the foregoing REPLY TO PATENT OWNER'S RESPONSE FOR *INTER PARTES* REVIEW OF CLAIMS 1-18 OF U.S. PATENT NO. 10,062,107 contains 5,591 words, excluding the parts of the petition exempted by 37 C.F.R. §42.24(a), as measured by the word-processing system used to prepare this paper, and is under the limit of 5,600 words set in 37 C.F.R. §42.24(c).

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §§42.6(e) and 42.105, I hereby certify that on this 18th day of February 2025, a true copy of the foregoing on the patent owner by email to all counsel of record.

Dated: February 18, 2025

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