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Paper 11
Date: March 14, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

QUOTIENT TECHNOLOGY, LLC,
Petitioner,

v.

INTELLIGENT CLEARING NETWORK INC.,
Patent Owner.

IPR2024-01323
Patent 9,070,133 B2

Before GEORGIANNA W. BRADEN, GEORGE R. HOSKINS, and LISA L. TSANG, *Administrative Patent Judges*.

HOSKINS, *Administrative Patent Judge*.

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

I. INTRODUCTION

Quotient Technology, LLC ("Petitioner") has filed a Petition (Paper 1, "Pet.") pursuant to 35 U.S.C. §§ 311–319 to institute an *inter partes* review of U.S. Patent No. 9,070,133 B2 (Ex. 1001, "the '133 patent"), claims 1–35.

Intelligent Clearing Network Inc. ("Patent Owner") has filed a Preliminary Response (Paper 6, "Prelim. Resp.") opposing institution of review.[1]

With the Board's prior authorization (*see* Paper 8), Petitioner filed a Preliminary Reply (Paper 9, "Prelim. Reply") and Patent Owner filed a Preliminary Sur-reply (Paper 10, "Prelim. Sur-reply").

Pursuant to 35 U.S.C. § 314(a), institution of review requires the information in the record to show a reasonable likelihood that Petitioner would prevail with respect to at least one challenged claim. Applying that standard on behalf of the Director (37 C.F.R. § 42.4(a)), we institute an *inter partes* review to determine whether Petitioner demonstrates by a preponderance of the evidence that claims 1–35 are unpatentable, considering all challenges in the Petition.

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[1] More precisely, Inmar Brand Solutions, Inc., the exclusive licensee of the '133 patent, filed the Preliminary Response on behalf of the patent owner. *See* Prelim. Resp. 1 ("Exclusive Licensee Inmar Brand Solutions, Inc. ('Inmar' or 'Patent Owner') files this preliminary response[.]"); *id.* at 39 ("Counsel for Inmar Brand Solutions, Inc." submitted the Preliminary Response); Paper 4, 2 (stating Inmar "hold[s] all substantial rights in the ['133 patent], including the right to assert the ['133 patent], and the obligation to defend the ['133 patent] against validity challenges brought before the USPTO, including in *Inter Partes* Review"); Paper 5 (Power of Attorney executed by Inmar's V.P. – Deputy General Counsel & Assistant Secretary). In this Decision, the term "Patent Owner" refers collectively to the patent owner and the exclusive licensee.

II. BACKGROUND

A. Real Parties-in-Interest and Related Proceedings

Petitioner identifies Quotient Technology, LLC; CB Neptune Holdings, LLC; Quotient Technology Inc.; CB Neptune Midco Holdings, LLC; CB Neptune Intermediate Holdings, LLC; and Neptune Partnership, LLC, as its real parties-in-interest. *See* Pet. x. Patent Owner identifies Intelligent Clearing Network Inc. and Inmar Brand Solutions, Inc. as its real parties-in-interest. *See* Paper 4, 2.

The parties also identify *Inmar Brand Solutions, Inc. v. Quotient Technology Inc.*, Case No. 1:23-cv-00994 (D. Del.) ("the District Court Litigation"), as a related matter. *See* Pet. x; Paper 4, 2.

Petitioner has filed two other IPR challenges to patents related to the '133 patent. They are IPR2024-01324 (U.S. Patent No. 9,098,855 B2, a continuation-in-part of the '133 patent) and IPR2024-01325 (U.S. Patent No. 10,846,729 B2, another continuation-in-part of the '133 patent).

B. The '133 Patent Specification

The '133 patent is directed to a system for redeeming coupons over a computer network. *See* Ex. 1001, codes (54) and (57). Figure 1 of the '133 patent is reproduced below (on the next page), with color annotations added.

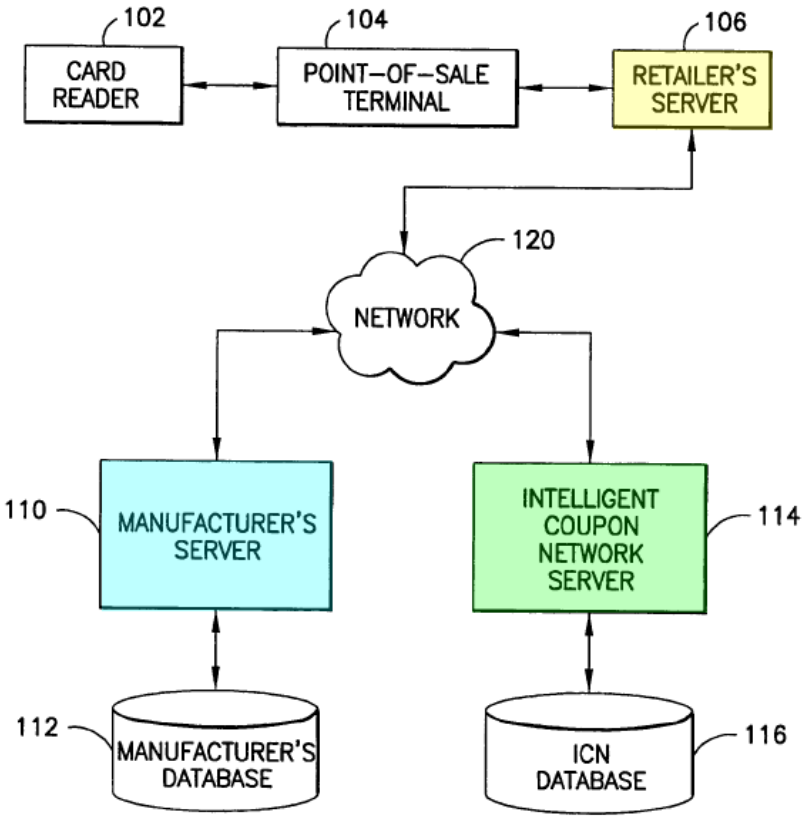


FIG. 1

'133 Patent, Figure 1 (Annotated in Color).

Figure 1 is a block diagram depicting a system for redeeming coupons including retailer's server 106 (yellow), manufacturer's server 110 (blue), and intelligent coupon network (ICN) server 114 (green) communicating via network 120 such as the World Wide Web. *See id.* at 2:22–23, 3:6–9, 3:26–27, 3:42–43, 3:48.

The retailer's store includes point-of-sale (POS) terminal 104 and card reader 102 which scans a coupon card during a purchase transaction to obtain a unique coupon card account identification number. *See id.* at 2:9–14, 3:22–24, 4:7–14, 6:7–12, 8:7–30; *see also id.* at 4:62–5:3, 5:24–27 (describing Fig. 3A, illustrating coupon card 302 including

identification information 306). POS terminal 104 transmits the account number to retailer server 106, which forwards it to ICN server 144 via network 120. *See id.* at 3:24–27, 3:31–34, 4:31–40, 6:13–16, 8:30–35.

ICN server 114, in response to receiving the account number from retailer server 106, determines whether at least one valid coupon is associated with the account number in database 116. *See id.* at 2:60–66, 3:39–42, 4:14–26, 4:40–46, 6:16–24, 8:35–48. If there is such an association, then ICN server 114 transmits an indication of the valid coupon to POS terminal 104 via network 120. *See id.* at 4:40–46, 6:20–24, 8:35–48.

POS terminal 104, in response to receiving the indication of the valid coupon, completes the purchase transaction by validating the valid coupon against products being purchased, and redeeming the coupon if applicable. *See id.* at 4:46–54, 6:20–24, 8:48–50. Then, POS terminal 104 transmits to ICN server 114 an indication of the redeemed coupon. *See id.* at 4:49–54, 6:24–28, 8:50–55.

ICN server 114, in response to receiving the indication of the redeemed coupon, updates database 116 and transmits to manufacturer server 110 an indication that the coupon was redeemed. *See id.* at 3:45–48, 6:28–48, 8:55–65.

C. The '133 Patent Claims

The '133 patent contains thirty-five claims, all of which are challenged in the Petition, including six independent claims 1, 11, 17, 25, 30, and 33. *See* Ex. 1001, 11:56–16:57; Pet. 2.

Independent claim 1 illustratively recites:

> 1. A computer-readable medium storing instructions executable by a processor to perform operations for processing coupons across a network, the operations comprising:
>
> receiving, at a coupon processing server, a unique account identifier from a first point of sale terminal via a network, where the coupon processing server is configured to communicate with a plurality of point of sale terminals, where the unique account identifier was scanned at the first point-of-sale terminal which is located at a retail store and where the coupon processing server is at a location that is remote from the retail store;
>
> in response to receiving the unique account identifier, determining whether at least one valid coupon is associated with the unique account identifier in a database of accounts;
>
> in response to determining that at least one valid coupon is associated with the unique account identifier in the database of accounts, transmitting, from the coupon processing server, an indication of the at least one valid coupon to the first point of sale terminal via the network, wherein the indication includes the at least one valid coupon;
>
> in response to receiving, at the coupon processing server from the first point of sale terminal, an indication of at least one redeemed coupon, updating the database of accounts and transmitting, from the coupon processing server to a manufacturer associated with the at least one redeemed coupon, an indication that the at least one redeemed coupon was redeemed against a purchased transaction,
>
> where the at least one redeemed coupon is at least one of the at least one valid coupon.

Ex. 1001, 11:57–12:22.

D. Asserted Prior Art

Petitioner relies on the following three references as prior art against the '133 patent. *See* Pet. 1–3.

Name	Reference	Exhibit No.
Paul	US 2004/0140361 A1	1004
Brown	US 2006/0074784 A1	1005
Jones	US 5,832,458	1006

Patent Owner does not dispute at this time that these references are prior art against the '133 patent. *See generally* Prelim. Resp.

E. Asserted Challenges

Petitioner asserts four unpatentability challenges, as follows. *See* Pet. 2.

35 U.S.C. §	Reference(s)	Claims Challenged
103(a)[2]	Paul	1–35
103(a)	Paul, Brown	1–35
103(a)	Paul, Jones	7, 22
103(a)	Paul, Brown, Jones	7, 22

[2] Amendments to 35 U.S.C. § 103 enacted by the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) ("AIA") took effect in March 2013. The '133 patent issued from an application filed in May 2006. *See* Ex. 1001, code (22). Therefore, we apply the pre-AIA version of § 103.

F. Testimonial Evidence

Petitioner relies on the proffered expert witness testimony of Todd C. Mowry, Ph.D. (Exhibit 1003). Patent Owner does not rely on opposing expert witness testimony at this time.

III. PETITIONER'S CHALLENGES TO PATENTABILITY

A. Legal Standards — Petitioner's Burden

"In an [*inter partes* review], the petitioner has the burden from the onset to show with particularity why the patent it challenges is unpatentable." *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1363 (Fed. Cir. 2016) (citing 35 U.S.C. § 312(a)(3) (requiring *inter partes* review petitions to identify "with particularity . . . the evidence that supports the grounds for the challenge to each claim")). This burden of persuasion never shifts to the patent owner. *See Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015).

B. Legal Standards — Obviousness

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

nonobviousness, if made available in the record, which has not happened here. *See Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966).

C. Level of Ordinary Skill in the Art

Petitioner contends a person having ordinary skill in the art pertaining to the '133 patent "would have had an undergraduate degree in electrical engineering, computer science, computer engineering, or similar technical field," as well as "one to two years of experience in the analysis, design, development, and implementation of distributed applications that involve client machines communicating with remote server machines over a network to perform queries and update transactions on data stored in database management systems." Pet. 10; Ex. 1003 ¶¶ 16–18.

Patent Owner does not expressly proffer a different level of skill in the art, but faults Petitioner for relying on the testimony of a declarant (Dr. Mowry) who allegedly lacks experience relating to coupon processing. *See* Prelim. Resp. 2–3, 16–22. According to Patent Owner, "[t]he Petition repeatedly contends that a [person of ordinary skill in the art] would require a deep and specific understanding of various aspects of the business and technology of validating, redeeming, and clearing coupons to reach the proposed obvious determinations." *Id.* at 17; *see also id.* at 18–20 (citing examples from the Petition that allegedly rely on a skilled artisan "having extensive knowledge [of] coupon processing business practices and technologies"). In this regard, Patent Owner contends Dr. Mowry does not identify any education or experience relating to coupon processing. *Id.* at 21. As a consequence, Patent Owner urges us to disregard Dr. Mowry's opinions relating to the coupon-processing industry. *Id.* at 21–22. We

address these arguments below in our analysis of Petitioner's obviousness challenges.

For purposes of this Decision, we adopt the level of ordinary skill in the art as articulated by Petitioner because, based on the current record, it is not expressly disputed, and it does not impact our analysis below.

D. Claim Construction

We interpret the '133 patent claims "using the same claim construction standard that would be used to construe the claim in a civil action under 35 U.S.C. 282(b)." 37 C.F.R. § 42.100(b). This "includ[es] construing the claim in accordance with the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent." *Id.*

The Petition states "no construction is necessary." Pet. 3–4.

"Patent Owner submits that the Board need not engage in any pre-institution claim construction," which Patent Owner asserts is "consistent with the position Patent Owner has taken in" the District Court Litigation. Prelim. Resp. 14. At the same time, Patent Owner asserts Petitioner has advanced limiting claim constructions in the District Court Litigation that are inconsistent with the Petition's unpatentability theories. *See id.* at 13. In particular, according to Patent Owner, Petitioner has argued in the District Court Litigation "that a 'valid' coupon requires a determination 'whether the purchase requirements of the [coupon/incentive/etc.] have been met,'" whereas the Petition "takes an expansive view of 'valid' such that Petitioner interprets 'valid' to be synonymous with 'available.'" *Id.* at 13–14 (citing Ex. 2001, at 3–5; Prelim. Resp. 27–31 (§ IV.C)) (alteration in original).

We address the meaning of the phrase "determining whether at least one valid coupon code is associated with the unique account identifier in a database of accounts" as recited in claim 1 below in Section III.E.2(i), as part of resolving the parties' dispute over Petitioner's application of Paul to claim 1.

Apart from that issue, and based on the arguments and evidence presented at this time, we determine no explicit construction is needed to resolve the parties' controversy. *See Realtime Data, LLC v. Iancu*, 912 F.3d 1368, 1375 (Fed. Cir. 2019) ("The Board is required to construe 'only those terms . . . that are in controversy, and only to the extent necessary to resolve the controversy.'") (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999)).

E. Alleged Obviousness over Paul Alone

Petitioner asserts claims 1–35 of the '133 patent are unpatentable as having been obvious over Paul alone. *See* Pet. 2, 10–68. Patent Owner disagrees. *See* Prelim. Resp. 1–3, 14–34, 38–39.

We firstly summarize the disclosure of Paul. Then we consider the parties' competing contentions, and we conclude the record fails to show a reasonable likelihood that Petitioner would prevail with respect to this challenge for any of claims 1–35.

1. Paul

Paul is directed to a system and method for real-time validation and redemption of coupons at a point of sale. *See* Ex. 1004, codes (54) and (57), ¶ 24. Figure 2 of Paul is reproduced below (on the next page), with color annotations added.

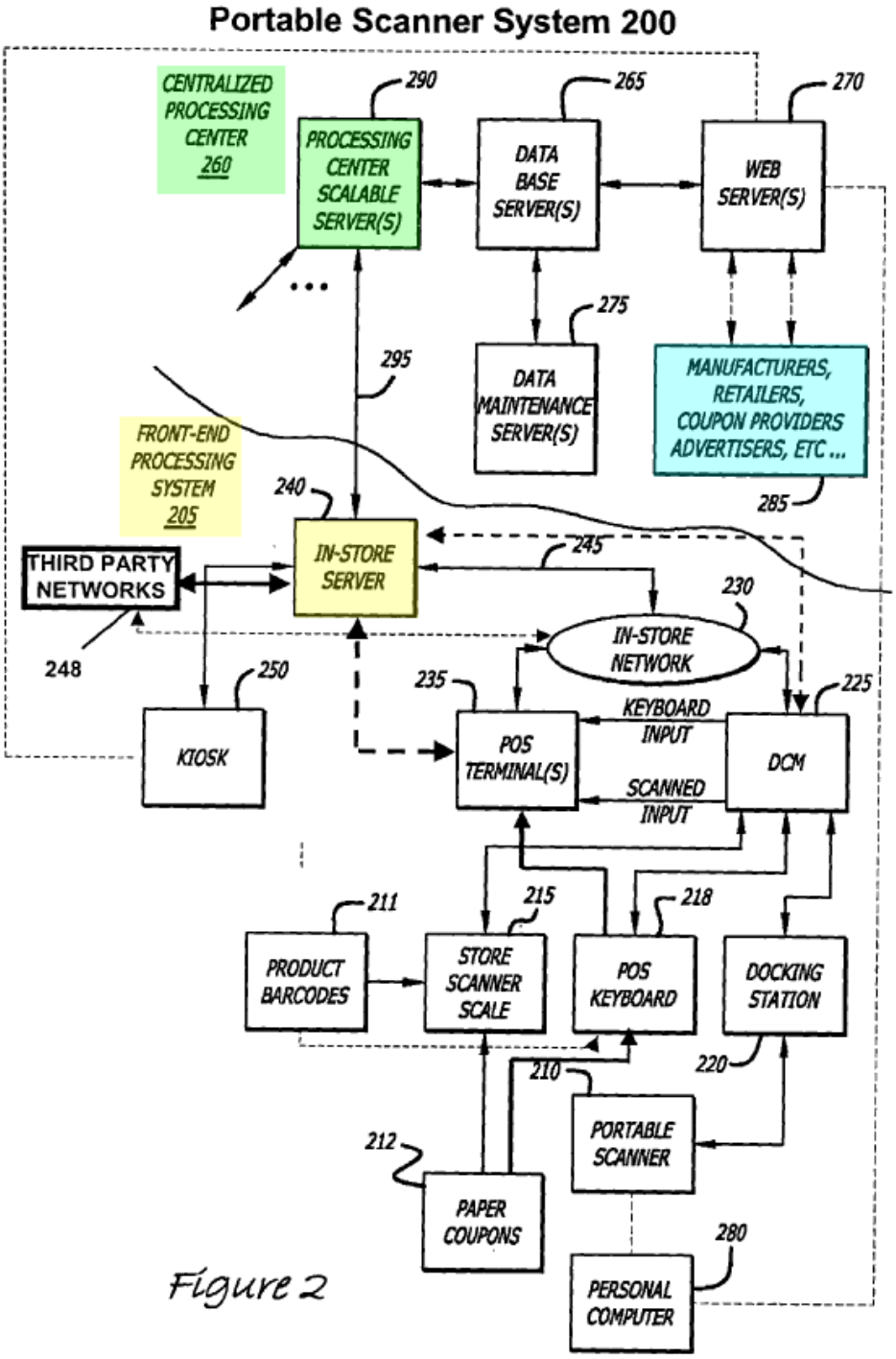


Figure 2

Paul, Figure 2 (Annotated in Color).

Figure 2 illustrates scanner system 200 comprising front-end processing system 205 (yellow) located within a store and in communication with centralized processing center 260 (green) via communication link 295

connecting in-store server 240 (yellow) and central server 290 (green). *See id.* ¶¶ 32, 33, 35, 36, 41. Communication link 295 may be the Internet. *See id.* ¶ 41. Centralized processing center 260 (green) also communicates over the Internet with manufacturers 285 (blue). *See id.* ¶ 35.

Front-end processing system 205 includes POS terminals 235, each of which has an associated scanner/scale 215, and docking stations 220 located at each checkout lane in the store to receive portable scanners 210. *See id.* ¶¶ 33, 36, 38, 39. During a purchase transaction, POS terminal 235 collects coupon bar codes (CBCs) from printed coupons scanned by portable scanner 210, and product bar codes (PBCs) printed on items being purchased and scanned by scanner/scale 215. *See id.* ¶¶ 29, 38, 42, 44, 84. "Each scanner [210] is assigned a unique ID number to enable identification of scanner 210 and the customer." *Id.* ¶ 43. The collected CBCs and PBCs, as well as the scanner's unique ID number, are sent to in-store server 240 and forwarded to central server 290 for coupon validation, redemption and processing. *See id.* ¶¶ 38, 57–59, 70–71, 74–77 (Fig. 8), 83, 115, 117.

Figure 10 (not reproduced here) illustrates an exemplary electronic coupon redemption process supported by scanner system 200. *See id.* ¶¶ 21, 83. Details of this process (*see id.* ¶¶ 83–98) are discussed below in connection with the parties' dispute concerning Paul's disclosure.

Centralized processing center 260 "can generate reports to be provided to the manufacturers . . . based on usage according to products sold, customers, store locations or the like." *Id.* ¶ 69; *see also id.* ¶¶ 72, 111–114 ("[M]anufacturers . . . can also review the progress and results of coupon campaigns via the website [implemented by web server 270], which

provides real-time access to coupon usage and progress of coupon campaigns.").

2. Claim 1

Petitioner provides arguments and evidence in support of contending claim 1 is unpatentable as having been obvious over Paul alone, including testimony from Dr. Mowry. *See* Pet. 10–13, 21–40; Ex. 1003 ¶¶ 57–66, 78, 85–90, 96–103, 111–113, 118–126, 131–134, 139–148, 155–160, 169–172, 179–185, 192–197. Patent Owner opposes. *See* Prelim. Resp. 1–3, 14–34.

For reasons that follow, we conclude Petitioner has failed to show a reasonable likelihood of prevailing on its assertions for the limitation of claim 1 reciting "in response to receiving the unique account identifier, determining whether at least one valid coupon is associated with the unique account identifier in a database of accounts" (hereafter the "Determining Limitation"). Ex. 1001, 12:1–4.

Petitioner contends "Paul discloses, *or* at least renders obvious," the Determining Limitation. Pet. 29–31 (emphasis added); Ex. 1003 ¶¶ 139–148. Patent Owner disagrees on both fronts. *See* Prelim. Resp. 1–3, 14–34. We consider each alternative in turn.

(i) Petitioner's Reliance on Paul as Disclosing the Determining Limitation

(a) The Petition

Concerning the predicate matter of claim construction, the Petition states: "The '133 patent discloses in reference to valid coupons that a 'determination may be made as to whether there are ***active*** coupons ***available*** on the coupon card 918' and that '***available*** coupon codes [can be

sent] to the POS terminal[.]'"[3] Pet. 30 (citing Ex. 1001, 6:29–33, 9:16–17) (alterations on original); Ex. 1003 ¶ 144. Dr. Mowry's testimony explains further that "[a]lthough the '133 patent does not define 'valid coupon,'" a person of ordinary skill in the art "would have understood that a valid coupon is one that is active and available" based on the '133 patent specification. Ex. 1003 ¶ 144 (citing Ex. 1001, 4:40–46, 6:29–33, 9:16–24).

Petitioner then argues Paul's central server 290 receives the unique ID number of a particular customer's portable scanner 210 (i.e., "a unique account identifier" per claim 1) from POS terminal 235. *See* Pet. 22–25 (citing Ex. 1004, Fig. 2, ¶¶ 32, 33, 35, 41, 43, 69, 73, 79, 82, 115, 117); Ex. 1003 ¶¶ 96–103, 140. Petitioner further asserts Paul's database server 265 stores coupons and coupon offers that are "associated with the customer." Pet. 29–30 (citing Ex. 1004 ¶¶ 25, 57, 69); Ex. 1003 ¶¶ 141–142 (further citing Ex. 1004 ¶ 101, claim 4).

Petitioner contends Paul's central server 290 receives information from POS terminal 235 to "identify the customer and access customer files" that "identify ***applicable*** coupons saved in [the customer's] account within DBS 265," and then retrieve "coupon barcodes [CBCs] . . . from a storage location on a server associated with a customer . . . that have been ***non-redeemed*** to date," such that "validated CBCs" are forwarded to POS terminal 235 "for further processing." Pet. 30–31 (citing Ex. 1004

[3] Petitioner's Preliminary Reply asserts "Petitioner Has Not Sought To Construe 'Valid Coupon' In Claim Element [1.5]." Prelim. Reply 1. That may be true for the District Court Litigation. *See id.* at 1–3. Nonetheless, in the present case, the Petition clearly construes the term "valid coupon" as including a coupon that is active and available. *See* Pet. 30–31; Ex. 1003 ¶¶ 144–145.

¶¶ 59, 86, 129, claim 4); Ex. 1003 ¶ 145. Petitioner asserts a person of ordinary skill in the art "would have understood that ***applicable*** coupons saved in a customer's account that are ***non-redeemed*** would be considered active and available (i.e., valid) as contemplated by" the Determining Limitation. Pet. 31; Ex. 1003 ¶ 145. Thus, Petitioner concludes Paul's central server 290 "determines whether *a valid coupon (applicable and non-redeemed)* is associated with a unique ID number (unique account identifier) . . . after identifying a customer (receiving the unique account identifier) as recited in" the Determining Limitation. Pet. 31 (emphasis added); Ex. 1003 ¶ 147.

Petitioner finally asserts Paul's central server 290 has "software [that] can determine whether coupons are valid." Pet. 30 (citing Ex. 1004 ¶ 83); Ex. 1003 ¶ 145.

(b) Patent Owner's Preliminary Response

Patent Owner responds that "Paul does not determine whether any coupon stored in a customer account at the database server is valid *prior to* sending the coupon to a POS location" "in response to accessing the customer's account," as allegedly required by claim 1. Prelim. Resp. 1–2 (emphasis added). Patent Owner asserts Paul's central server 290 instead "retrieves all coupons stored in a customer's account at the database server and transmits all stored coupons to Paul's" POS terminal 235, and "[o]nly later in a transaction does Paul obtain the terms and conditions of coupons to make a determination about the validity of the previously sent coupons." *Id.* at 2, 22.

In support, Patent Owner relies on Paul's Figure 10 as "illustrating Paul's process of redeeming a coupon." *Id.* at 22 (citing Ex. 1004 ¶ 21). Patent Owner asserts Paul's central server 290 receives a customer account identifier per claim 1 (Fig. 10 step 515), and in response to that receipt the server retrieves coupon bar codes ("CBCs") saved in the customer's account at database server 265 (Fig. 10 step 520). *See id.* at 22–23 (citing Ex. 1004 ¶ 86). According to Patent Owner, "a primary distinction from" claim 1 is that "Paul does not disclose that the coupon bar codes . . . are '*valid*' CBCs," so "Paul does not determine whether there are any valid coupons associated with the customer or the customer's account in response to accessing the customer's account" as claimed. *Id.* at 23 (emphasis added).

Patent Owner argues Paul's POS terminal 235 next determines whether any of the retrieved CBCs "are relevant to a customer's intended purchases by comparing manufacturer codes on the CBCs with product bar codes (PBCs) of the intended purchases" to see if they match (Fig. 10 step 530). *Id.* at 23 (citing Ex. 1004 ¶ 88). Patent Owner asserts Paul's POS terminal 235 rejects proffered coupons that do not match any of the PBCs (Fig. 10 step 535), and Paul's process continues to evaluate proffered coupons that do match at least one PBC (Fig. 10 step 540). *Id.* at 23–24 (citing Ex. 1004 ¶ 88). Either way (match or no match), according to Patent Owner, at this point Paul's process still has not determined whether any of the retrieved CBCs are valid. *See id.*

Patent Owner argues Paul's CBC validation determination *does not begin* until steps 550 and 555 of Figure 10, during which central server 290 "determine[s] if there is a matching coupon in the coupon database . . . and if so . . . looks up the 'detailed coupon definitions, rules of redemption, table of

products applicable for that coupon, terms and conditions of coupon offer.'" *Id.* at 24 (citing Ex. 1004 ¶ 89). Patent Owner further argues Paul's coupon validation process *continues* in steps 560 and 570 of Figure 10, during which central server 290 applies "rules of redemption" and "determin[es] whether the CBC is expired." *Id.* at 24–25 (citing Ex. 1004 ¶¶ 90, 105). It is not until step 575 of Figure 10, according to Patent Owner, that Paul actually *determines* the CBC's *validity*. *See id.* at 25 (citing Ex. 1004 ¶ 91).

Based on the foregoing reading of Paul's disclosure, Patent Owner argues Paul "does not determine 'whether at least one valid coupon is associated with the unique account identifier in a database of accounts,' 'in response to receiving the unique account identifier,' as claimed." *Id.* at 25–26. In particular, according to Patent Owner, Paul's central server 290 *receives the account identifier* to retrieve CBCs saved in the customer's account in steps 505 and 515 of Figure 10, but it does not *determine the validity* of the retrieved CBCs until various other conditions are satisfied prior to step 575, so the validity determination in step 575 is not performed "in response to" receiving the account identifier as required by claim 1. *See id.* (citing Ex. 1004 ¶¶ 86, 91, 100, 102); *id.* at 27.

Patent Owner asserts its position is bolstered by the fact that "Paul purposefully transmits *expired/invalid* CBCs to the POS terminal to add flexibility to Paul's system," by continuing to redeem coupons "until the manufacturer reaches their target redemption limit . . . even though the expiration date printed on the coupon[s] has expired." *Id.* at 26–27 (emphasis added) (citing Ex. 1004 ¶ 101).

Patent Owner further criticizes Petitioner's application of the "valid" coupon term in claim 1 as encompassing Paul's coupon being "available"

and "non-redeemed," for lacking sufficient explanation such as a proper claim construction analysis. *See id.* at 27–31 (citing Pet. 30–31; Ex. 1001, 6:29–33, 9:16–17; Ex. 1003 ¶ 145). Patent Owner suggests the Petition's application of claim 1 to Paul is inconsistent with Petitioner's construction of the claim terms "validating / validated / validation / validate" in the District Court Litigation as requiring an affirmative determination of whether the coupon's purchase requirements have been met. *Id.* at 13–14, 28 n.6 (citing Ex. 2001, at 3–5). Specifically, Patent Owner argues "Petitioner fails to reconcile the fact that Paul itself discloses a separate process for determining whether a coupon is valid [in Figure 10 at step 575], and this occurs well after — and not 'in response to' — Paul's accessing a customer account to retrieve a CBC" in Figure 10 at steps 515 and 520, as discussed above. *Id.* at 28–30 & n.7 (citing Ex. 1004 ¶¶ 59, 86, 88–89).

Indeed, according to Patent Owner, Petitioner's reliance on Paul in this regard "improperly rewrites [the Determining Limitation] by changing 'in response to' into 'after.'" *Id.* at 30–31 (citing Pet. 31). Patent Owner objects that, "[i]nstead of finding and explaining the *causal relationship* required by the 'in response to' clause," Petitioner "simply looks for whether one event occurs before another." *Id.* at 31 (emphasis added).

(c) Petitioner's Preliminary Reply

Petitioner replies that Patent Owner mischaracterizes Petitioner's claim construction arguments in the District Court Litigation. *See* Prelim. Reply 1–3. Petitioner asserts its district court claim construction "only relates to claim '*validation*'" in representative claim 11, and does not relate to the term "*valid* coupon" in claim 1. *Id.* at 1 (emphases added). We

reproduce the pertinent elements of claims 1 and 11 here, including Petitioner's labels [1.5], [11.5], and [11.6], and with our emphases added:

Claim 1	**Claim 11**
[1.5] in response to receiving the unique account identifier, determining whether at least one *valid* coupon is associated with the unique account identifier in a database of accounts;	[11.5] in response to transmitting the unique account identifier, receiving, at the point of sale terminal, an indication of whether at least one *valid* coupon is associated with the unique account identifier from the coupon processing server via the network, where a *valid* coupon is a coupon that *has been validated* by the coupon processing server and the indication includes the at least one *valid* coupon; [11.6] in response to receiving the indication that the at least one *valid* coupon is associated with the unique account identifier, the point of sale terminal completing the purchase transaction by *validation of the at least one valid coupon against the purchased transaction*;

Ex. 1001, 12:1–4, 13:22–33 (emphases added); *see* Pet. 80, 82.

Petitioner asserts its district court claim construction does not seek "to construe the terms 'valid' or 'valid coupon' in [1.5], but rather 'validation' which only appears in [11.6]." Prelim. Reply 2 & n.2 (citing Ex. 2001, 3–4). Specifically: "In the District Court, Petitioner argues that the term 'validation' in [11.6] is a term of art in coupon processing that refers to determining whether the purchase requirements of the coupon have been met before allowing a coupon to be redeemed during checkout." *Id.* at 2 (citing

Ex. 1025, 6–10). Petitioner concludes claim 11 "makes clear that the term 'valid' used in the context of 'valid coupon' is distinct from the term 'validation' because," per elements [11.5] and [11.6], "the determination of whether a coupon is valid happens at the coupon processing server and subsequent validation of the valid coupon happens at the point of sale terminal." *Id.* at 3. Petitioner also argues the term "validated" in claim element [11.5] of the '133 patent need not be construed, whereas "validated" in related U.S. Patent No. 9,098,855 should be construed to have "the same meaning as validation in the '133 [p]atent." *Id.* at 2 n.3.

The Preliminary Reply also reiterates that Paul satisfies element [1.5] (the Determining Limitation) because central server 290 "identifies the customer and identifies applicable coupons for the customer," and the server also includes "software which can determine whether coupons are valid." Prelim. Reply 1–2 (citing Pet. 30–31; Ex. 1004 ¶¶ 59, 83, 86, 129). Petitioner asserts Patent Owner's opposition concerning Paul's disclosure is "premised on the notion that Petitioner must demonstrate that Paul discloses coupon validation at the coupon processing server," which "conflates a valid coupon with a coupon that has gone through validation —which as explained above are distinct concepts." *Id.* at 3–4 (citing Prelim. Resp. 1–2, 26).

(d) Patent Owner's Preliminary Sur-reply

Patent Owner replies that its opposition "does not rely on Petitioner's litigation claim construction positions." Prelim. Sur-reply 1. Instead, Patent Owner reiterates that Paul falls short of meeting the Determining Limitation because central server 290 "retrieves all available coupons stored in a

customer's account" in Figure 10 step 515 "without determining whether any coupon . . . is valid," and the subsequent coupon validation in Figure 10 step 575 "is not performed in response to receiving a user's account identifier." *Id.* at 1 & n.1 (citing Prelim. Resp. 1–2, 13–14, 22–28).

Patent Owner also asserts Petitioner's Preliminary Reply "offers no reason why Paul's retrieving of all stored coupons, without knowing or determining whether any are 'valid,' satisfies the" Determining Limitation. *Id.* at 2. According to Patent Owner, "Petitioner avoids the concept of a 'valid coupon' entirely, stating that Paul's central server 'identifies ***applicable*** coupons for the customer,'" which is "incorrect" in any event. *Id.* at 2 & n.2 (citing Prelim. Reply 1; Ex. 1004, Fig. 10, ¶ 88).

Patent Owner next addresses Petitioner's statement that "Paul discloses software which can determine whether coupons are valid." Prelim. Reply 1; *see* Prelim. Sur-reply 2. Patent Owner asserts the statement "provides no details about this 'software.'" Prelim. Sur-reply 2. Patent Owner further argues "Petitioner cannot and does not point to any disclosure in Paul that links this alleged software and Paul's retrieving of coupons from a customer's account," because "Paul waits to determine whether a coupon is valid until after the coupon is sent to the point-of-sale terminal, and even then does so only after numerous other conditions are satisfied." *Id.* at 2–3 (citing Prelim. Resp. 25–26).

Finally, concerning the meaning of the term "valid coupon," Patent Owner asserts Petitioner's arguments are fatally unclear and confusing. *See id.* at 3–4 & n.3 (citing Prelim. Reply 2 n.3, 4; 37 C.F.R. § 42.104(b)). Patent Owner further argues "Petitioner offers no construction of 'valid

coupon' that would support Petitioner's argument that Paul somehow discloses" the Determining Limitation. *Id.* at 4–5.

(e) Claim Construction of the Determining Limitation

The Determining Limitation of claim 1 recites: "in response to receiving the unique account identifier, determining whether at least one valid coupon is associated with the unique account identifier in a database of accounts." Ex. 1001, 12:1–4.

We reject Petitioner's construction of the term "valid" as merely meaning "active" and "available," because this construction is contradicted by the '133 patent disclosures cited by Petitioner and Dr. Mowry. *See* Pet. 30 (citing Ex. 1001, 6:29–33, 9:16–17); Ex. 1003 ¶ 144 (further citing Ex. 1001, 4:40–46, 9:19–24).

The first cited passage of the '133 patent specification states, in pertinent context and with our emphases added:

> Embodiments of the invention relate to information associated with a coupon card. A unique account number may be assigned to the consumer coupon card[.] . . . The system may include a centralized database containing the unique account numbers assigned to each card and *a list of available manufacture[r] coupon codes assigned to the account numbers* on each coupon card. The coupon card may link the consumer at the Point of Sale (POS) to a centralized database where the coupon promotions reside. . . . [T]he POS terminal software may establish a communications link with a server, such as the retailer's server 106 or other computing device, and transmit the account number on the coupon card over the store's real time communication line to the centralized database of a coupon processing computer, such as an Intelligent Coupon Network server 114. The centralized database application may validate the account number, *query the centralized database for any active coupon codes* found, and *transmit . . . each active coupon*

> *code back to the POS terminal*. *Then, the POS terminal may begin a validation process to validate each coupon code* against products purchased by the consumer for any coupon code redeemed, and *the POS application, upon validation of a coupon code*, may transmit back to the centralized database . . . the redeemed coupon code[.]

Ex. 1001, 4:7–54 (italics and underlining added). We find that, rather than equating an "available" or "active" coupon code with a "valid" coupon code as Petitioner would have it, this disclosure distinguishes between an "available" or "active" coupon code on the one hand and a "valid" coupon code on the other hand. Specifically, it reflects that: (1) the coupon processing server utilizes a coupon card's unique account number to retrieve available and active coupon codes associated with the account number; and then (2) those codes are *validated later* by the POS terminal.

The next cited passage of the '133 patent specification states, in pertinent context and with our emphases added:

> FIG. 6 illustrates an embodiment of a method for processing one or more coupons from a coupon card. In an embodiment, contained in the MICR strip of a coupon card is a unique number assigned to the coupon card. At the POS 602, the consumer may swipe his/her coupon card through a card reader as would be done in a debit or credit card transaction. Using the real time communication network in the store, a network message may be sent 604 to the centralized database containing the unique coupon card account number along with the retailer's identification and location. The coupon processing server coupled to the centralized database may validate the unique ID number 606 and *search for available coupons assigned to the card* in the coupon processing server centralized database. *Any coupon codes which have not expired or were not previously redeemed* may be *transmitted back to the POS terminal for normal validation* 608 . . . via the retail server and network 610. *The POS terminal may validate the*

> *coupons* 612 and send the redeemed coupon code to the coupon processing server 614[.]

Ex. 1001, 6:7–42 (italics and underlining added). Similarly to the first passage discussed above, we find this passage does not equate an "available" coupon with a "valid" coupon as Petitioner would have it, but rather it distinguishes between those two terms. Specifically, it reflects that: (1) the coupon processing server utilizes a coupon card's unique account number to retrieve available coupons associated with the account number; and then (2) those coupons are *validated later* by the POS terminal.

A third cited passage of the '133 patent specification states with our emphases added:

> *A determination may be made as to whether there are active coupons available on the coupon card 918*. If not, the coupon processing server may return a no coupons available message to the POS software application 920. *If the coupon code is validated, active coupon codes* . . . assigned to the card may be *transmitted back to the POS for validation against purchases* 922.

Ex. 1001, 9:16–24 (italics and underlining added). Similarly to the first and second passages discussed above, we find this passage does not equate an "active" coupon with a "valid" coupon as Petitioner would have it, absent a persuasive explanation, which is not provided in the preliminary record presented. *See* Pet. 30; Ex. 1003 ¶ 144.

Next, concerning the District Court Litigation, we agree with Petitioner that its proposed construction there is limited to the term "validation" in claim 11. *See* Ex. 2001, 3–4 (Joint Claim Construction Chart, discussing only "'133 Patent: [claim] 11"); Ex. 1025, 6 (Petitioner's Responsive Claim Construction Brief, discussing only "'133 Patent:

[claim] 11"). Nonetheless, this does not alter our conclusion above that the '133 patent specification passages cited in the Petition do not support Petitioner's construction in this proceeding of the term "valid" as merely meaning "active" and "available."

Patent Owner argues the phrase "in response to" in the Determining Limitation requires some sort of *causal relationship* between receiving the account identifier and determining whether at least one valid coupon is associated with the account identifier, which is lacking in Paul. *See* Prelim. Resp. 30–31. However, exactly what Patent Owner means by "causal relationship" is unclear, so we do not construe the Determining Limitation to include a causal relationship at this time.

Patent Owner also argues at least in part that the Determining Limitation requires an *affirmative determination* that a coupon is *valid*. *See* Prelim. Resp. 22–31; Prelim. Sur-reply 1 (describing "Patent Owner's position" that Paul falls short of the Determining Limitation because "Paul retrieves all available coupons . . . *without determining* whether any coupon stored in a customer account at the database server is valid" (emphasis added)); *id.* at 2 ("Critically, Petitioner's Reply offers no reason why Paul's retrieving of all stored coupons, *without knowing or determining whether any are 'valid,'* satisfies the claim language." (emphasis added)). Petitioner's position on that issue is not clear on this record. *See* Pet. 3–4, 29–31; Prelim. Reply 1–4. If Petitioner desires to construe the Determining Limitation as *not* requiring an *affirmative determination* that a coupon is *valid*, as opposed to being open to the associated coupons including *both valid and invalid associated coupons*, then Petitioner shall file a Claim Construction Brief supporting that construction within three (3) weeks of the

entry of this Decision, limited to no more than five (5) pages in length. If such a brief is not filed, then Petitioner will be deemed to have abandoned the postulated construction.

If such a brief is filed, then Patent Owner is authorized to file a Responsive Claim Construction Brief, limited to no more than five (5) pages in length, with its Patent Owner Response. Any further argument on this issue will be limited to the usual Petitioner Reply and Patent Owner Sur-reply (37 C.F.R. § 42.24(c)(1) & (c)(4)) unless otherwise ordered.

For the foregoing reasons, at this stage in the proceeding, we reject Petitioner's construction of the term "valid coupon" in the Determining Limitation as merely meaning "active" and "available." Furthermore, we do not adopt Patent Owner's construction of this limitation as including a causal relationship, and we do not reach Patent Owner's construction of this limitation as requiring an affirmative determination that a coupon is valid because it does not impact the conclusions we reach below concerning the prior art at issue in this proceeding (i.e., Paul and Brown).

(f) Analysis of Paul and Conclusion

For the following reasons, we conclude the preliminary record fails to support, sufficiently to justify institution, Petitioner's contention that Paul discloses the Determining Limitation.

As we understand Petitioner's argument at this time, Petitioner relies on Paul's initial retrieval of coupon codes from a customer's account (e.g., at Figure 10 step 520) as satisfying the Determining Limitation, on the basis that those retrieved coupon codes are active and available per Petitioner's claim construction of "valid coupon." *See* Pet. 30–31 (citing Ex. 1004

¶¶ 59, 86, 129, claim 4); Ex. 1003 ¶¶ 145, 147. For reasons provided above in Section III.E.2(i)(e), however, we have rejected Petitioner's underlying claim construction based on the preliminary record presented. Thus, we conclude Petitioner's reliance on Paul in this regard is not sufficient to justify institution, because it relies on an overly broad interpretation of the Determining Limitation.

Petitioner also asserts "Paul discloses that software stored at central server CSS 290 can determine whether coupons are valid." Pet. 30; Prelim. Reply 1; Ex. 1003 ¶¶ 145–147. We agree that Paul's central server 290 can implement "validation and redemption functionality" to provide "validated CBCs" to POS terminal 235. Ex. 1004 ¶ 59. Paul further describes how central server 290 can store "redemption software" which "independently verifies that the coupons presented are valid and the customer's product purchases meet the terms and conditions of coupon offer and validates a coupon." *Id.* ¶ 83.

Based on the preliminary record presented, however, we agree with Patent Owner's opposition at least to the extent that Petitioner does not explain, sufficiently to justify institution, how such coupon validity determinations by central server 290 are performed "in response to" the server receiving the unique ID number of a particular customer's portable scanner 210, as required by the Determining Limitation. We do not discern such a relationship being reflected in the Paul disclosures cited by Petitioner as related to the Determining Limitation. *See* Ex. 1004 ¶¶ 59, 86, 129, claim 4. Furthermore, Petitioner does not explain how the exemplary coupon redemption process of Paul's Figure 10, wherein coupon validity is determined in steps 530–575 separately from the retrieval of coupon codes

in step 520, might satisfy this claim requirement. *See* Pet. 29–31; Ex. 1003 ¶¶ 139–148; Ex. 1004, Fig. 10, ¶¶ 83–92.

Finally, the Petition cross-references Petitioner's challenge to dependent claim 8 as having been obvious over Paul alone as also applying to the Determining Limitation of claim 1. *See* Pet. 31 (citing "[8]"); *id.* at 26 n.3. This cross-reference is not explained sufficiently by Petitioner. *See id.* at 31 (claim 1), 49–51 (claim 8). Petitioner's arguments for how Paul discloses the subject matter of claim 8 appear on the present record to be substantially the same as the arguments already addressed above, at least insofar as they seem to pertain to the Determining Limitation of claim 1. *See* Pet. 49–50; Ex. 1003 ¶¶ 251–259. Petitioner does cite some additional disclosures in Paul as relating to claim 8, but Petitioner does not explain how these disclosures establish any coupon validity determinations being performed by central server 290 *in response to* the server receiving the unique ID number of a particular customer's portable scanner 210. *See* Pet. 49–50 (discussing Ex. 1004 ¶¶ 82, 86, 98–103).

Thus, we conclude the preliminary record fails to provide sufficient support to justify institution for Petitioner's contention that Paul discloses the Determining Limitation.

(ii) Petitioner's Reliance on the Knowledge of a Person of Ordinary Skill in the Art for the Obviousness of Performing the Determining Limitation in Paul

(a) Petitioner's Argument

As an alternative to express disclosure by Paul of the Determining Limitation, Petitioner asserts "it would have been obvious to check whether there is a valid coupon before sending any coupons to the point-of-sale

terminal to avoid improper coupon redemptions, and it would have been easily implemented by a [person of ordinary skill in the art]." Pet. 31; Ex. 1003 ¶ 148.

(b) Patent Owner's Argument

Patent Owner argues Petitioner's obviousness theory is "flawed" because Petitioner's declarant Dr. Mowry "does [not] have the requisite skill in the art that the Petition asserts is necessary to make the proposed modifications and/or obvious determinations," as he "has no . . . experience in the *coupon processing industry or technology*." Prelim. Resp. 2–3 (emphasis added); *see id.* at 16–17 (citing Pet. 10; Ex. 1003 ¶ 18); *id.* at 20–21 (citing Ex. 1003 ¶¶ 1, 12); *id.* at 31–32. According to Patent Owner: "Each instance that Dr. Mowry issues an 'opinion' about the coupon-processing industry should be disregarded by the Board as unsupported and lacking foundation." *Id.* at 21–22, 31–32 (citing 37 C.F.R. § 42.65(a); *Kyocera Senco Indus. Tools Inc. v. Int'l Trade Comm'n,* 22 F.4th 1369, 1375–79 (Fed. Cir. 2022); *Sundance, Inc. v. DeMonte Fabricating Ltd.*, 550 F.3d 1356, 1362, 1364–65 (Fed. Cir. 2008); *Avail Medsystems, Inc. v. Teladoc Health, Inc.*, IPR2022-00444, Paper 10, at 24–27 (PTAB July 21, 2022)). Patent Owner concludes that "[a]bsent credible expert testimony, Petitioner is left with no basis to modify Paul." *Id.* at 3.

Concerning Petitioner's and Dr. Mowry's specifically alleged motivation for modifying Paul "to check whether there is a valid coupon before sending any coupons to the point-of-sale terminal to avoid improper coupon redemptions" (Pet. 31; Ex. 1003 ¶ 148), Patent Owner argues this alleged motivation fails to consider the full disclosure of Paul. Prelim.

Resp. 32 (section heading). Patent Owner asserts Paul "discloses techniques for redeeming coupons that have already expired but are still being accepted by a manufacturer due to other conditions of redemption," so there is no need to modify Paul "to avoid improper coupon redemptions." *Id.* at 33; *id.* at 26–27, 34 (citing Ex. 1004 ¶ 101).

Patent Owner further asserts Petitioner's proffered modification would frustrate Paul's technical solution and "represents a technical impossibility in Paul" because Paul obtains the information necessary to validate a coupon "only after Paul retrieves CBCs from a customer account, transmits those CBCs to the POS terminal 235, compares the retrieved CBCs with PBCs in a customer's intended purchase, finds a matched manufacturer code, and transmits a matched CBC to . . . central server 290 to determine if there is a matching coupon in the coupon database." *Id.* (citing Ex. 1004, Fig. 10). Thus, in Patent Owner's view, "Paul does not disclose storing information necessary to validate a coupon stored in the customer account such that only valid coupons would be retrieved in response to Paul identifying a registered customer and accessing the customer's files." *Id.*

(c) Analysis and Conclusion

We conclude the preliminary record fails to support, sufficiently to justify institution, Petitioner's obviousness contentions based on Paul and the general knowledge of a person of ordinary skill in the art. In particular, Petitioner and Dr. Mowry do not cite any evidence to support Dr. Mowry's opinion that a person of ordinary skill in the art would have been motivated to modify the operation of Paul's central server 290 to check the validity of coupons retrieved from a customer's account "*before* sending any coupons"

to POS terminal 235, for example as part of step 520 in Figure 10. Ex. 1003 ¶ 148 (emphasis added); *see* Pet. 31.

We appreciate that Dr. Mowry posits a reason for this modification, which is "to avoid sending invalid coupons leading to a waste of resources or improper coupon redemptions." Ex. 1003 ¶ 148; *see* Pet. 31. However, in light of Dr. Mowry's lack of education and experience in the coupon processing arts, as Patent Owner has pointed out,[4] as well as Dr. Mowry's failure to cite any evidentiary support in this particular testimony in paragraph 148, his conclusion appears on the present record to rest on improper hindsight bias. Dr. Mowry also does not explain why Paul's existing coupon validation processes, for example in steps 530–575 of Figure 10, lead to a waste of resources or improper coupon redemptions that would be avoided by validating coupons earlier in Paul's process.

We do not rely on the *Kyocera* decision cited by Patent Owner to support our foregoing conclusions. *See* Prelim. Resp. 22. In that case, the problem was that the patent challenger's expert witness did not satisfy the undisputed formulation of ordinary skill which required "*experience in power nailer design*," because the witness "lack[ed] experience in power nailer design." *Kyocera*, 22 F.4th at 1376–78 ("To offer expert testimony from the perspective of a skilled artisan in a patent case — like for claim construction, validity, or infringement — a witness must at least have ordinary skill in the art" because "[w]ithout that skill, the witness' opinions are neither relevant nor reliable."). In the present proceeding, by contrast, the undisputed formulation of ordinary skill in the art does not require any

[4] *See, e.g.*, Ex. 1003 ¶¶ 4–12 (Dr. Mowry's summary of his qualifications as "an expert in the field of computer science").

experience with coupon processing, so *Kyocera* does not apply. The *Sundance* decision cited by Patent Owner also does not apply for the same reason. *See Sundance*, 550 F.3d at 1364 ("Nor may a witness not qualified in the pertinent art [such as 'a patent law expert'] testify as an expert on obviousness[.]").

(iii) Conclusion as to Claim 1

For the foregoing reasons, we conclude the record fails to show a reasonable likelihood that Petitioner would prevail with respect to challenging claim 1 as having been obvious over Paul alone.

3. Claim 11

As noted in Petitioner's Preliminary Reply, there are potentially significant differences between the Determining Limitation of claim 1 and the corresponding limitations of claim 11. *See* Prelim. Reply 1–3; *supra* Section III.E.2(i)(c) (summarizing Petitioner's argument in this regard). For example, Petitioner concedes that in the District Court Litigation, "Petitioner argues that the term 'validation' in [11.6] is a term of art in coupon processing that refers to determining whether the purchase requirements of the coupon have been met before allowing a coupon to be redeemed during checkout." Prelim. Reply 2.

Yet Petitioner's and Dr. Mowry's analysis of Paul in relation to claim 11 does not account for such potential differences, and instead simply refers back to the claim 1 analysis as also applying to claim 11. *See* Pet. 56–57 (discussing claim elements [11.5] and [11.6]); Ex. 1003 ¶¶ 298–299, 302. In addition to the shortcomings in Petitioner's claim 1 arguments, discussed above, Petitioner's failure to address the potential differences between

claims 1 and 11 in seeking to establish the unpatentability of claim 11 is another shortcoming. Therefore, we conclude the record fails to show a reasonable likelihood that Petitioner would prevail with respect to challenging claim 11 as having been obvious over Paul alone.

4. Claims 2–10 and 12–35

The remaining independent claims 17, 25, 30, and 33 each contain limitations that are substantially the same as the Determining Limitation of claim 1 or the corresponding limitations of claim 11. *See* Ex. 1001, 13:62–65, 14:6–9 (claim 17); *id.* at 14:64–67, 15:9–21 (claim 25); *id.* at 15:52–55 (claim 30); *id.* at 16:33–46 (claim 33). Petitioner correspondingly relies on the same analysis for these claims as discussed above in relation to claims 1 and 11. *See* Pet. 60 (element [17.5]), 62 (elements [25.5] and [25.6]), 64–65 (element [30.5]), 67–68 (elements [33.5] and [33.6]). Thus, for the reasons provided above in relation to claims 1 and 11, we conclude the record fails to show a reasonable likelihood that Petitioner would prevail with respect to challenging claims 2–10 and 12–35 as having been obvious over Paul alone.

5. Conclusion as to Alleged Obviousness over Paul Alone

We conclude the record fails to show a reasonable likelihood that Petitioner would prevail with respect to challenging any claim as having been obvious over Paul alone.

Nonetheless, we institute review of the challenge based on Paul alone because, as discussed below in Section III.F, we also conclude the record shows a reasonable likelihood that Petitioner would prevail with respect to challenging at least claim 1 as having been obvious over Paul and Brown.

And: "When instituting *inter partes* review, the Board will authorize the review to proceed on all of the challenged claims and on all grounds of unpatentability asserted for each claim." 37 C.F.R. § 42.108(a). Thus, pursuant to USPTO rules and policy implementing *SAS Inst. Inc. v. Iancu*, 584 U.S. 357 (2018), we "either (1) institute as to all claims challenged in the petition and on all grounds in the petition, or (2) institute on no claims and deny institution." Patent Trial and Appeal Board Consolidated Trial Practice Guide (Nov. 2019) ("CTPG"), 5–6, 64.[5] We "will not institute on fewer than all claims or all challenges in a petition." *Id.* at 5, 64; *see also PGS Geophysical AS v. Iancu*, 891 F.3d 1354, 1359–60 (Fed. Cir. 2018) (stating a decision to institute is "a simple yes-or-no institution choice respecting a petition, embracing all challenges included in the petition"). Therefore, because we decide to grant institution on the obviousness challenge based on Paul and Brown, we do the same for the obviousness challenge based on Paul alone.

F. Alleged Obviousness over Paul and Brown

Petitioner asserts claims 1–35 of the '133 patent are unpatentable as having been obvious over Paul and Brown. *See* Pet. 2, 10–68. Patent Owner disagrees. *See* Prelim. Resp. 1–3, 14–39.

We firstly summarize the disclosure of Brown. Then we consider the parties' competing contentions, and we conclude the record shows a reasonable likelihood that Petitioner would prevail with respect to at least claim 1. Therefore, we grant the petitioned *inter partes* review as to all challenges in the Petition. *See supra* Section III.E.5.

[5] *Available at* https://www.uspto.gov/TrialPracticeGuideConsolidated.

1. Brown

Brown is directed to a stored value account, such as an account provided by a government benefits program like the Women, Infants, Children program, for use with virtual coupons. *See* Ex. 1005, codes (54) and (57). A program beneficiary presents a benefits card and items to be purchased at POS terminal 102 in a retail establishment, which gathers the beneficiary's account number and the product IDs of the items, and forwards that information to database management server (DBMS) 120 via network 104, 116. *See id.* at Fig. 1, ¶¶ 15–19, 39. Management server 120 then compares the received information against database 122 to "confirm that the account is present and active" and "determine whether there are currently valid coupons in the account (e.g., the transaction date matches the redemption dates for any coupons)." *Id.* ¶ 39, Fig. 1, Fig. 5 (steps 522 and 526).

"If the account is active and has at least one valid coupon, then" management server 120 notifies POS terminal 102 "in order for the customer to see which products are eligible [to be] purchased through redemption of coupons in the account." *Id.* ¶ 40, Fig. 5 (step 536); *see also id.* ¶ 28 ("The card 150 permits the participant to identify and purchase products that are eligible for redemption using the virtual coupon units stored in her account.").

2. Claim 1

Petitioner provides arguments and evidence in support of contending claim 1 is unpatentable as having been obvious over Paul and Brown, including testimony from Dr. Mowry. *See* Pet. 10–40; Ex. 1003 ¶¶ 57–74,

78–202. Patent Owner opposes. *See* Prelim. Resp. 1–3, 14–39. For the following reasons, we conclude Petitioner has shown a reasonable likelihood of prevailing on its assertions for claim 1.

As an initial matter, this second challenge (obviousness over Paul and Brown) relies on Paul as in the first challenge (obviousness over Paul alone), and adds Brown for further consideration in the event Paul alone is found not to disclose or render obvious various limitations. *See* Pet. 16–21; Ex. 1003 ¶¶ 91, 104, 114, 127, 135, 149, 161, 173, 186, 198. Thus, all of Petitioner's contentions in support of the first challenge form a predicate for the second challenge.

(i) Claim Preamble

The preamble of claim 1 recites "[a] computer-readable medium storing instructions executable by a processor to perform operations for processing coupons across a network." Ex. 1001, 11:57–59.

Petitioner assumes the preamble is limiting, and contends "Paul discloses, or least renders obvious" the recited computer-readable medium. Pet. 21–22 (citing Ex. 1004, code (57), ¶¶ 26, 33, 41, 57, 69, 73, 83, 112); Ex. 1003 ¶¶ 86–90. We conclude this contention, which Patent Owner does not oppose at this time, is supported sufficiently by the cited disclosures in Paul to justify institution of review.

In particular, Paul describes its coupon redemption system 200 as being implemented with various processing units in front-end processing system 205 and centralized processing center 260, which are controlled by software stored on computer-readable media. *See* Ex. 1004, code (57), ¶¶ 26, 33, 41, 57, 69.

(ii) A Server Receiving a Unique Account Identifier from a Point of Sale Terminal

Claim 1 recites that the operations comprise:

> receiving, at a coupon processing server, a unique account identifier from a first point of sale terminal via a network, where the coupon processing server is configured to communicate with a plurality of point of sale terminals, where the unique account identifier was scanned at the first point-of-sale terminal which is located at a retail store and where the coupon processing server is at a location that is remote from the retail store.

Ex. 1001, 11:60–67.

Petitioner contends "Paul discloses, or at least renders obvious" this limitation. Pet. 22–25, 26, 27–28, 28–29 (citing Ex. 1004, Fig. 2, ¶¶ 29, 32–35, 41, 43, 57, 69, 73, 79, 82, 86, 112, 115, 117, 127, 129); Ex. 1003 ¶¶ 96–103, 111–113, 118–126, 131–134. We conclude this contention, which Patent Owner does not oppose at this time, is supported sufficiently by the cited disclosures in Paul to justify institution of review.

In particular, Paul's central server 290 is at a location remote from front-end processing system 205, which includes multiple POS terminals 235 at a retail store. *See* Ex. 1004, Fig. 2, ¶¶ 32–33, 35, 41, 69, 112. Also, server 290 processes coupons by receiving CBCs, PBCs, and the unique ID number of a particular customer's portable scanner 210 (i.e., "a unique account identifier" per claim 1) from a POS terminal via network 295. *See id.* at Fig. 2, ¶¶ 29, 34, 38, 41, 43, 57–59, 70–71, 74–77 (Fig. 8), 83, 115, 117.

(iii) Determining Whether a Valid Coupon is Associated with the Account Identifier

Claim 1 next recites the Determining Limitation — "in response to receiving the unique account identifier, determining whether at least one valid coupon is associated with the unique account identifier in a database of accounts." Ex. 1001, 12:1–4.

For reasons provided above in Section III.E.2 in relation to Petitioner's first challenge, we conclude the record fails to show a reasonable likelihood that Petitioner would prevail in its contention that Paul alone discloses or renders obvious the Determining Limitation. Therefore, we consider here Petitioner's additional reliance on Brown in connection with the Determining Limitation, and Patent Owner's opposition to that reliance.

(a) The Petition

Petitioner contends the combination of Paul and Brown renders obvious the Determining Limitation. *See* Pet. 31; Ex. 1003 ¶ 149.

Petitioner argues Brown's management server 120 manages database 122 to track virtual coupons in the account of each program participant, as identified by the participant's account number or ID. Pet. 32 (citing Ex. 1005, Fig. 4, ¶¶ 19, 35); Ex. 1003 ¶¶ 151–152. Petitioner asserts Brown's management server 120 receives an account identifier from POS terminal 102, and then "uses database 122 to 'confirm that the account is present and active [] by comparing the account number against account numbers or IDs in table 410, and may determine whether there are currently valid coupons in the account[.]'" Pet. 32 (citing Ex. 1005 ¶¶ 28, 39); Ex. 1003 ¶ 153. Petitioner concludes a person of ordinary skill in the art

"would have understood that [management server] 120 (coupon processing server) determines whether database 122 with database table 410 (database of accounts) has any valid coupons associated with an account number or ID (unique account identifier) after receiving it as recited in" the Determining Limitation. Pet. 32; Ex. 1003 ¶¶ 153–154.

Petitioner further argues a person of ordinary skill in the art would have been motivated to modify Paul's central server 290 in view of Brown's management server 120 so Paul's server would "[d]etermin[e] whether a coupon is valid (by checking whether it is expired, previously redeemed, or other metrics) before sending it to" Paul's POS terminal 235. Pet. 20; Ex. 1003 ¶ 83 (pgs. 43–44). Dr. Mowry testifies on behalf of Petitioner that this would have been "advantageous . . . to reduce message sizes sent over the network to the point-of-sale termina[l] to conserve bandwidth" and to "reduce the processing required at the point-of-sale terminal, which is often a less sophisticated and slower device than a central server." Pet. 20; Ex. 1003 ¶ 83 (pg. 43). In Dr. Mowry's further view, "sending coupons that are invalid (expired, already redeemed, or otherwise) could lead to improper redemptions, which are expensive to manufacturers and retailers." Pet. 20; Ex. 1003 ¶ 83 (pg. 43).

(b) Patent Owner's Preliminary Response

Patent Owner's response relies in part on its arguments against Petitioner's first challenge (obviousness based on Paul alone) as also applying to Petitioner's second challenge (obviousness based on Paul and Brown). *See* Prelim. Resp. 2–3, 16–22, 31–32, 38.

Concerning Petitioner's and Dr. Mowry's specifically alleged motivations for modifying Paul in light of Brown in relation to the Determining Limitation, Patent Owner argues Dr. Mowry lacks the requisite education and experience concerning the coupon processing industry or technology to conclude the combination results in "enhancements . . . to address ***known issues in coupon processing (improper coupon redemptions and fraud***)." *Id.* at 19 (quoting Pet. 17–18; citing Ex. 1003 ¶ 83 (pg. 40)). Patent Owner similarly objects to Dr. Mowry's testimony that the combination "would reduce ***the processing required at the point-of-sale terminal, which is often a less sophisticated*** and slower device than a central server" and that "***sending coupons that are invalid (expired, already redeemed, or otherwise) could lead to improper redemptions, which are expensive to manufacturers and retailers***." *Id.* at 20, 34–35 (quoting Pet. 20; citing Ex. 1003 ¶ 83 (pgs. 43–44)).

Patent Owner further argues each of Petitioner's proffered motivations "is wrong . . . and represents a hindsight-based attempt to recreate" claim 1, and lacks evidentiary support in Brown, regardless of Dr. Mowry's qualifications as an expert. *Id.* at 35. As to reducing message size and conserving bandwidth, Patent Owner asserts it is unclear exactly what Brown's management server 120 sends to POS terminal 102, and "[i]f reducing bandwidth were such a concern in Brown, a [person of ordinary skill in the art] following Brown's teachings would have no reason to transmit coupons to [POS terminal 102] when only 'information' about coupons would suffice." *Id.* at 35 (citing Pet. 15). Patent Owner further asserts Petitioner and Dr. Mowry overlook that Paul's coupon validity depends on whether a customer meets all conditions of the coupon, and the

associated demands on network bandwidth that must be met to address such conditions. *See id.* at 35–36.

As to reducing the processing required at Paul's POS terminal, Patent Owner asserts "Petitioner fails to explain what processing is allegedly avoided" by the combination of Paul and Brown. *Id.* at 36. This is particularly problematic, in Patent Owner's view, because in Paul "[t]he only pre-validation processing" performed by POS terminal 235 "is a comparison of coupon bar codes (CBCs) with product bar codes (PBCs)," with all other validating being performed by central server 290. *Id.* at 36–37 (citing Ex. 1004, Fig. 10 (steps 530, 540, and 550), ¶¶ 88–89).

As to avoiding redemption of ineligible coupons at Paul's POS terminal 235, Patent Owner asserts "Paul already discloses a process to avoid the redemption of expired coupons" in Figure 10 at step 575, and "a [person of ordinary skill in the art] looking to achieve a feature that Paul already possess[es] would not have sought to modify Paul as alleged" by Petitioner. *Id.* at 37. Patent Owner also reiterates that "Paul expressly discloses instances where a manufacturer may decide to allow redemption of an invalid (expired) coupon," as discussed above in Section III.E.2(ii)(b) in relation to Petitioner's first challenge. *Id.* at 37–38.

(c) Petitioner's Preliminary Reply

Petitioner replies that, "[t]o the extent the Board adopts a construction of valid coupon as requiring a 'determination "whether the purchase requirements of the [coupon/incentive/etc.] have been met"'" as Patent Owner proposes, then "Brown discloses this occurring at the coupon processing server and before sending to the point of sale terminal." Prelim.

Reply 4 (citing Prelim. Resp. 13; Pet. 31–32) (alteration in original). In particular, according to Petitioner: "Brown discloses that 'transaction data (e.g., product ID) and the program account information (e.g., account number on the card 150) is sent" to management server 120 so the server "may determine whether there are currently valid coupons in the account (e.g., the transaction date matches the redemption dates for any coupons), step 526" and "determine[] at step 528 which if any of the products being purchased are eligible under the program by ***comparing products purchased against the product numbers or IDs in table 410***." *Id.* at 4–5 (citing Ex. 1005 ¶ 39, Fig. 5; Pet. 32). Petitioner asserts these determinations permit Brown's POS terminal 102 to display "information in screen 310 seen in FIG. 3 . . . in order for the customer to see which products are eligible." *Id.* at 5 (citing Ex. 1005 ¶ 40).

(d) Patent Owner's Preliminary Sur-reply

Patent Owner in reply returns to "Dr. Mowry's lack of qualifications to opine on asserted facts such as the cost of improper coupon redemptions to manufacturers and retailers," and other arguments discussed above. Prelim. Sur-reply 5.

(e) Analysis and Conclusion

We conclude the preliminary record provides sufficient support to justify institution for Petitioner's obviousness contentions based on the combination of Paul and Brown in relation to the Determining Limitation.

In particular, based on the present record, we find Brown's POS terminal 102 is located in the checkout line of a retail establishment, and gathers a program beneficiary's account number (i.e., a "unique account

identifier" per claim 1) and the product IDs of items presented for purchase by the beneficiary. *See* Ex. 1005, Fig. 1, ¶¶ 15–18, 39 (Fig. 5 steps 510 and 518). POS terminal 102 transmits this information to management server 120. *Id.* at Fig. 1, ¶¶ 18–19, 28.

Brown's management server 102 utilizes database 122 to track items that are eligible for purchase utilizing the benefits program and "electronic or virtual coupons" for those items. *Id.* at Fig. 1, ¶¶ 18–19, 28, 35 (Fig. 4). Thus, management server 120 compares the information received from POS terminal 102 with the information maintained by database 122, and notifies POS terminal 102 which of the items to be purchased are eligible for payment from the benefits program account, and any applicable coupons. *See id.* ¶¶ 28, 35 (Fig. 4), 39 (Fig. 5 steps 526 and 528). In particular, management server 120 "*determine[s] whether there are currently valid coupons in the account* (e.g., the transaction date matches the redemption dates for any coupons)," and "which if any of the products being purchased are eligible under the program." *Id.* ¶ 39 (emphasis added) (Fig. 5 step 526). Management server 120 then responds to POS terminal 102. *See id.* ¶¶ 39–40.

Brown's POS terminal 102 utilizes information received from management server 120 to ask the program beneficiary "whether such eligible purchases are to be paid for using the benefits account (i.e., debiting purchases against the virtual coupons maintained in the account)." *Id.* ¶¶ 28–29. To aid in this process, POS terminal 102 can include screen 310 to "display[] eligible products separately from non-eligible products" as well as their prices as discounted by redeeming applicable coupons. *Id.* at Fig. 3, ¶¶ 29–30, 40 (Fig. 5 step 536).

Thus, based on the record presented, we find Brown provides the objective evidence to support Dr. Mowry's opinions that is missing in Petitioner's first challenge (obviousness over Paul alone), because it shows that it was known for a server to determine the validity of coupons *before* transmitting the coupons to a POS terminal.

Dr. Mowry then testifies as to three reasons why a person of ordinary skill in the art would have been motivated to modify Paul's process, in light of Brown's disclosure, to determine the validity of Paul's coupons before transmitting them to a POS terminal, for example in the process of Figure 10 at step 520 rather than later at steps 530–575. Dr. Mowry's first two reasons — to reduce message sizes exchanged between the server and the POS terminal to conserve network bandwidth, and to reduce the processing required at the POS terminal — are rooted in his computer science experience. *See* Pet. 20; Ex. 1003 ¶ 83 (pg. 43); *id.* ¶¶ 4–12 ("QUALIFICATIONS"). Patent Owner's countervailing arguments are not supported by opposing expert testimony in the present preliminary record, and provide little reason to set aside Dr. Mowry's experience before developing the record further regarding the merits of his testimony. We conclude that Dr. Mowry's unrebutted testimony in this regard provides a reasonable likelihood that Petitioner would prevail per 35 U.S.C. § 314(a). It may turn out that Dr. Mowry's testimony will not stand up to cross-examination and/or opposing expert witness testimony, but we leave those issues for trial.

Dr. Mowry's third reason is to avoid improper coupon redemptions, which are expensive to manufacturers and retailers. *See* Pet. 17–18, 20; Ex. 1003 ¶ 83 (pg. 40) (referring to "enhancements" provided by the

Paul-Brown combination, including the "ability to address known issues in coupon processing (improper coupon redemptions and fraud)"); *id.* ¶ 83 (pg. 43) ("sending coupons that are not valid (because they are expired, already redeemed, or otherwise should not be redeemed) could lead to improper redemptions, which are expensive to manufacturers and retailers").

This testimony may lack credibility for the reasons Patent Owner has pointed out: (1) Dr. Mowry's lack of education and experience in the coupon processing arts; (2) Dr. Mowry's failure to cite evidence in support of his conclusions; and (3) Dr. Mowry's failure to explain why's Paul's existing coupon validation processes lead to improper coupon redemptions which are expensive to manufacturers and retailers. *See* Ex. 1003 ¶ 83. At the same time, avoiding the expense and hassle engendered by improper coupon redemptions seems like a straightforward notion, which Patent Owner does not materially dispute on its merits.

Next, we acknowledge Paul's disclosure cited by Patent Owner that a manufacturer might have an objective for customers to redeem a certain number of coupons (e.g., 300,000 coupons) within a certain time frame (e.g., 60 days) and, if that objective is not met within the time frame, then Paul's system "has the ability to continue redeeming the coupon until the manufacturer reaches their target redemption limit of 300,000 coupons, even though the expiration date printed on the coupon has expired." Ex. 1004 ¶ 101. We do not agree with Patent Owner's position that this disclosure establishes that Petitioner's proposed modification of Paul in light of Brown would frustrate Paul's design. *See* Prelim. Resp. 3, 26–27, 32–34. We find instead that this disclosure represents an exemplary embodiment of one condition that can be applied at steps 550–570 of Paul's Figure 10 process,

or alternatively (per Petitioner's combination) at step 520 of Paul's Figure 10 process, in order to validate a coupon.

Moreover, even if for some reason this specific validity condition cannot be implemented earlier in Paul's validation process, trade-offs regarding features do not necessarily prevent an obviousness combination. *See Medichem, S.A. v. Rolabo, S.L.*, 437 F.3d 1157, 1165 (Fed. Cir. 2006) ("[A] given course of action often has simultaneous advantages and disadvantages, and this does not necessarily obviate motivation to combine."); *Winner Int'l Royalty Corp. v. Wang*, 202 F.3d 1340, 1349 n.8 (Fed. Cir. 2000) ("The fact that the motivating benefit comes at the expense of another benefit, however, should not nullify its use as a basis to modify the disclosure of one reference with the teachings of another. Instead, the benefits, both lost and gained, should be weighed against one another.").

Finally, based on the record presented at this time, we disagree with Patent Owner's argument that Petitioner's proposed modification of Paul's central server 290 to determine the validity of coupons *before* transmitting the coupons to POS terminal 235 "represents a technical impossibility in Paul" because Paul determines validity *later* in its process. Prelim. Resp. 33. This argument invites error "by looking at [Paul] individually" and separately from Brown, because "[t]he question in an obviousness inquiry is whether it would have been obvious to a person of ordinary skill in the art to combine the relevant disclosures of the two references, not whether each individual reference discloses all of the necessary elements." *Palo Alto Networks, Inc. v. Centripetal Networks LLC*, 122 F.4th 1378, 1385–86 (Fed. Cir. 2024) (quoting *Game & Tech. Co. v. Wargaming Grp. Ltd.*, 942 F.3d 1343, 1352 (Fed. Cir. 2019)); *In re Merck & Co.*, 800 F.2d

1091, 1097 (Fed. Cir. 1986) (nonobviousness is not established by attacking references individually when unpatentability is predicated upon a combination of prior art disclosures); *see also KSR*, 550 U.S. at 420–421 (stating "[a] person of ordinary skill is also a person of ordinary creativity, not an automaton," and "in many cases a person of ordinary skill will be able to fit the teachings of multiple patents together like pieces of a puzzle").

For the foregoing reasons, we conclude Petitioner's contention that the combination of Paul and Brown teaches the Determining Limitation is supported sufficiently by the evidence of record to justify institution of review.

(iv) Transmitting an Indication of the Valid Coupon to the Point of Sale Terminal

Claim 1 next recites that the operations comprise:

> in response to determining that at least one valid coupon is associated with the unique account identifier in the database of accounts, transmitting, from the coupon processing server, an indication of the at least one valid coupon to the first point of sale terminal via the network, wherein the indication includes the at least one valid coupon.

Ex. 1001, 12:5–11.

Petitioner contends "Paul discloses" this limitation.[6] Pet. 32; Ex. 1003 ¶ 155. In particular, according to Petitioner, "Paul discloses that in response to determining that a valid coupon is associated with a customer account in DBS 265, the 'software will retrieve CBCs [i.e., coupon

[6] Petitioner additionally states Paul "at least renders obvious" this limitation (Pet. 32), but Petitioner's underlying analysis (*id.* at 32–33) does not extend beyond what Paul allegedly discloses to a person of ordinary skill in the art.

barcodes] saved in customer account within . . . DBS 265 and transmit the barcodes to . . . POS terminal [235],'" which "may receive validated CBCs from central server 290." Pet. 33 (citing Ex. 1004 ¶¶ 59, 71, 86); Ex. 1003 ¶ 159. Petitioner adds that "[t]hese coupons are sent as network messages," which meshes with the '133 patent's statement "that 'active coupon codes [] assigned to the card may be transmitted back to the POS for validation against purchases 922 as part of a message package.'" Pet. 32–33 (citing Ex. 1001, 6:13–24, 7:54–58, 9:19–24) (alteration in original); Ex. 1003 ¶¶ 158–160.

We conclude the foregoing contentions, which Patent Owner does not oppose at this time, are supported sufficiently by the cited disclosures in Paul to justify institution of review. In particular, as discussed in Section III.F.2(iii) above, we conclude at this time that the combination of Paul and Brown teaches the Determining Limitation. Paul also teaches that its central server 290, in response to determining that at least one CBC is associated with the unique ID number of a particular customer's portable scanner 210, transmits the CBC to POS terminal 235 via network 295. *See* Ex. 1004, Fig. 2, ¶¶ 59, 71, 86, 91.

(v) Updating Account Database and Transmitting to a Manufacturer an Indication that the Coupon was Redeemed

Claim 1 finally recites that the operations comprise:

> in response to receiving, at the coupon processing server from the first point of sale terminal, an indication of at least one redeemed coupon, updating the database of accounts and transmitting, from the coupon processing server to a manufacturer associated with the at least one redeemed coupon, an indication that the at least one redeemed coupon was redeemed against a purchased transaction,

where the at least one redeemed coupon is at least one of the at least one valid coupon.

Ex. 1001, 12:12–22.

Petitioner contends "Paul discloses, or at least renders obvious" these limitations. Pet. 34, 37, 38; Ex. 1003 ¶¶ 169, 179, 192. In particular, according to Petitioner, "Paul discloses that 'actual [coupon] redemption activity' originates with the POS terminal 235 after validation of the coupon and completion of a customer purchase transaction." Pet. 34 (citing Ex. 1004 ¶ 91); Ex. 1003 ¶ 171. Petitioner also asserts Paul's process generates a proof of purchase for every coupon redemption transaction, utilizing coupon redemption data transmitted from POS terminals 235 back to central server 290, which "qualifies as the recited indication" in claim 1. Pet. 34–35 (citing Ex. 1004 ¶ 107); Ex. 1003 ¶¶ 171–172.

Petitioner further contends "Paul discloses that customer files/accounts stored in databases in central server 290 can be updated to reflect account activity, such as redeeming a coupon." Pet. 37 (citing Ex. 1004 ¶¶ 80, 91, 121, 131–132); Ex. 1003 ¶¶ 181–184. Petitioner then adds: "If not explicitly disclosed, it would have been obvious to do so using a routine software implementation for the system to operate as intended." Pet. 37; Ex. 1003 ¶ 185.

Petitioner moreover contends Paul "discloses that central server 290 can generate redemption reports and/or settlement reports for each manufacturer and/or coupon provider," utilizing Paul's "'proof of purchase' comprising detailed information about the purchase." Pet. 38 (citing Ex. 1004 ¶¶ 69–70, 111–114); Ex. 1003 ¶¶ 194–195. These reports,

according to Petitioner, "indicat[e] that a coupon was redeemed during a purchase" as required by claim 1. Pet. 39; Ex. 1003 ¶ 196.

We conclude the foregoing contentions, which Patent Owner does not oppose at this time, are supported sufficiently by the cited disclosures in Paul to justify institution of review. In particular, Paul's central server 290, in response to receiving from POS terminal 235 an indication of a redeemed CBC, updates database 265 and transmits to a manufacturer an indication that the coupon was redeemed. *See* Ex. 1004 ¶¶ 69–70, 91, 107, 111–114.

(vi) Conclusion as to Claim 1

For the foregoing reasons, we conclude the record shows a reasonable likelihood that Petitioner would prevail with respect to challenging claim 1 as having been obvious over Paul and Brown.

3. Claims 2–35

Petitioner provides arguments and evidence in support of contending claims 2–35 are unpatentable as having been obvious over Paul and Brown, including testimony from Dr. Mowry. *See* Pet. 40–68; Ex. 1003 ¶¶ 203–440.

Patent Owner opposes, relying on arguments discussed above in connection with claim 1. *See* Prelim. Resp. 1–3, 14–39.

As discussed above, because we have decided to grant institution with respect to Petitioner's challenge of claim 1 as having been obvious over Paul and Brown, we do the same for claims 2–35. *See supra* Section III.E.5; 37 C.F.R. § 42.108(a); CTPG 5–6, 64. Furthermore, Patent Owner does not address claims 2–35 apart from arguments we have considered above, so

there is nothing further for us to address with respect to these claims at this time. *See* CTPG 5–6, 64.

G. Alleged Obviousness over Paul, Jones, and Brown

Petitioner asserts claims 7 and 22 of the '133 patent are unpatentable as having been obvious over Paul and Jones, and alternatively over Paul, Brown, and Jones. *See* Pet. 2, 68–72. Patent Owner opposes, relying on arguments discussed above in relation to other challenges. *See* Prelim. Resp. 3 ("The Petition's two remaining grounds are not directed to the independent claims, and therefore the failures of Grounds 1 and 2 are fatal to the entire Petition."), 14–16 ("Grounds 3–4 do not remedy the deficiencies of Ground 1.").

As discussed above, because we have decided to grant institution with respect to Petitioner's challenge of claims 1–35 as having been obvious over Paul and Brown, we do the same for the other challenges. *See supra* Section III.E.5; 37 C.F.R. § 42.108(a); CTPG 5–6, 64. Furthermore, Patent Owner does not address these other challenges apart from arguments we have considered above, so there is nothing further for us to address with respect to these challenges at this time. *See* CTPG 5–6, 64.

IV. CONCLUSION

For the above reasons, we determine the information in the record shows a reasonable likelihood that Petitioner would prevail with respect to at least one challenged claim. We, therefore, institute an *inter partes* review of claims 1–35 on all challenges presented in the Petition. *See* 35 U.S.C. § 314(a); 37 C.F.R. § 42.108(a).

At this preliminary stage, the Board has not made a final determination with respect to the patentability of the challenged claims or any underlying factual or legal issue. The Board's final determination will be based on the record as developed during the *inter partes* review. Any arguments not raised by Patent Owner in a timely-filed response may be deemed waived.

V. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that, pursuant to 35 U.S.C. § 314(a), an *inter partes* review is instituted for claims 1–35 of the '133 patent on all challenges presented in the Petition;

FURTHER ORDERED that, if Petitioner desires to construe the Determining Limitation as not requiring an affirmative determination that a coupon is valid, then Petitioner shall file a Claim Construction Brief supporting that construction within three (3) weeks of the entry of this Decision, limited to no more than five (5) pages in length;

FURTHER ORDERED that, if such a brief is not filed, then Petitioner will be deemed to have abandoned the postulated construction;

FURTHER ORDERED that, if such a brief is filed, then Patent Owner may file a Responsive Claim Construction Brief, limited to no more than five (5) pages in length, with its Patent Owner Response; and

FURTHER ORDERED that, pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4, notice is hereby given of the institution of a trial, which commences on the entry date of this decision.

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