

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

QUOTIENT TECHNOLOGY, LLC,
Petitioner,

v.

INTELLIGENT CLEARING NETWORK INC.,
Patent Owner.

IPR2024-01324
Patent 9,098,855 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. 9,098,855 B2 (Ex. 1001, “the ’855 patent”), claims 1–57.

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 7), Petitioner filed a Preliminary Reply (Paper 8, “Prelim. Reply”) and Patent Owner filed a Preliminary Sur-reply (Paper 9, “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 1–57 are unpatentable, considering all challenges in the Petition.

¹ More precisely, Inmar Brand Solutions, Inc., the exclusive licensee of the ’855 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 43 (“Counsel for Inmar Brand Solutions, Inc.” submitted the Preliminary Response); Paper 4, 2 (stating Inmar “hold[s] all substantial rights in the [’855 patent], including the right to assert the [’855 patent], and the obligation to defend the [’855 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 ’855 patent. They are IPR2024-01323 (U.S. Patent No. 9,070,133 B2, a continuation-in-part parent of the ’855 patent) and IPR2024-01325 (U.S. Patent No. 10,846,729 B2, a continuation-in-part child of the ’855 patent).

B. *The ’855 Patent Specification*

The ’855 patent is directed to an intelligent clearing network for redeeming coupons, promotions, or incentives. *See* Ex. 1001, codes (54) and (57). Figure 1 of the ’855 patent is reproduced below (on the next page), with color annotations added.

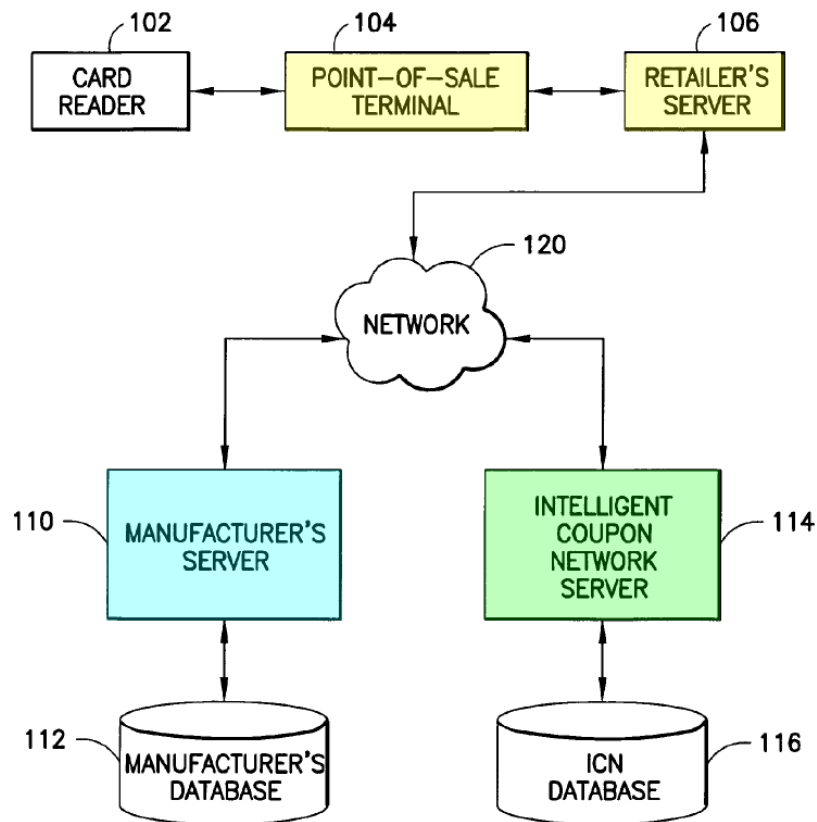


FIG. 1

'855 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 clearing network (ICN) server 114 (green) communicating via network 120 such as the World Wide Web. *See id.* at 3:10–11, 4:17–22, 4:34–5:1.

The retailer's store includes point-of-sale (POS) terminals 104 (yellow) which scan coupon or incentive information during a purchase transaction, for example by scanning paper coupons or by reading a coupon card that stores coupon codes and/or identifies the card owner's coupon account number. *See id.* at 4:17–19, 4:42–54, 5:16–48, 5:53–62, 7:29–34,

9:15–19, 9:29–57, 12:59–13:17. POS terminals 104 also gather the Universal Product Codes (UPCs) of products being purchased. *See id.* at 7:55–62, 8:56–62, 12:63–13:13, 17:47–51. POS terminals 104 transmit the coupon or incentive information and the UPCs to retailer server 106 “which may be a retail POS controller,” and POS controller 106 then transmits the coupon or incentive information and the UPCs to ICN server 114 via network 120. *Id.* at 4:44–47, 4:52–58, 5:56–62, 7:55–62, 9:19–21, 17:47–65.

ICN server 114 validates the coupon or incentive information for redemption based at least in part on the UPCs. *See id.* at 1:50–2:3.

Figure 10 of the ’855 patent is reproduced below, with color annotations added.

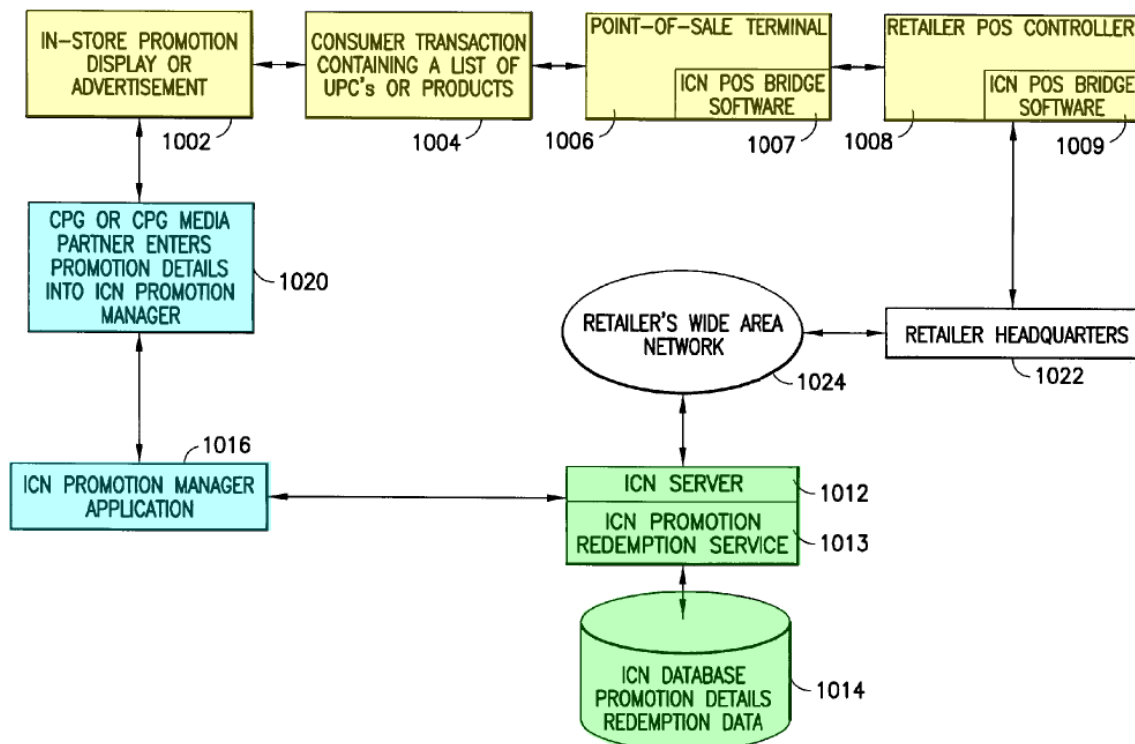


FIG.10

'855 Patent, Figure 10 (Annotated in Color).

Figure 10 is a block diagram depicting “a system using trigger and target UPCs over a network” to deliver coupons to a consumer “based on the presence of specific UPCs or products in the consumer’s transaction 1004.” *Id.* at 3:34–35, 17:38–40.

More specifically, in-store promotion display 1002 (yellow) advertises products being promoted at a discounted price, as controlled by a manufacturer utilizing promotion manager 1016, 1020 (blue). *See id.* at 17:40–47. “Upon the start of a checkout transaction 1004 at the POS terminal 1006 the consumer can present a collection of products with UPCs 1004 to be purchased,” which POS terminal 1006 communicates to POS controller 1008 (all yellow). *Id.* at 17:47–58. POS controller 1008 sends a promotion request message to ICN promotion redemption service 1013 (green) on ICN server 1012 (green) via network 1024. *Id.* at 17:58–65, 21:59–22:3. ICN server 1012 “may compare the UPCs contained in the promotion request message to all active promotions defined by the manufacturer or its representative on the ICN database 1014” (green). *Id.* at 17:65–18:2, 22:3–11. “For any active promotion where the UPCs contained within the promotion request message satisfy the requirements of that promotion,” ICN server 12 sends a promotion request response message back to POS terminal 1006 via POS controller 1008. *Id.* at 18:2–15, 22:3–11. The response message “includes portions of the manufacturer coupon code . . . plus the target UPC number of the product the manufacturer coupon is to be applied to.” *Id.* at 18:5–8, 8:15–17.

C. The '855 Patent Claims

The '855 patent contains fifty-seven claims, all of which are challenged in the Petition, including seven independent claims 1, 32, 49, 51, 53, 54, and 57. *See* Ex. 1001, 28:36–34:37; Pet. 2.

Independent claim 1 illustratively recites:

1. A system, comprising:
 - an Intelligent Clearing Network (ICN) network;
 - at least two point-of-sale (POS) terminals;
 - at least two POS controllers, where each POS controller is configured to communicate with a plurality of the at least two POS terminals; and
 - an ICN server configured to communicate with the at least two POS controllers,wherein a POS terminal of the at least two POS terminals is located at a retail store and is configured to scan, at a point-of-sale (POS) terminal, first coupon or incentive related information including universal product code information of an item to be purchased, and to transmit the first coupon or incentive related information at the POS terminal to a POS controller of the at least two POS controllers;
- the POS controller is configured to transmit the first coupon and/or incentive related information to the ICN server via the network, where the ICN server is at a location that is remote from the retail store; and
- the ICN server is configured to validate the first coupon or incentive related information for redemption based at least in part on the universal product codes of items to be purchased and, in response to validating the first coupon or incentive related information, to transmit to the POS terminal, via the POS controller, second coupon or incentive related information.

Ex. 1001, 28:37–63.

D. Asserted Prior Art

Petitioner relies on the following six references as prior art against the '855 patent. *See* Pet. 1–4.

Name	Reference	Exhibit No.
Deaton	US 6,993,498 B1	1004
Brown	US 2006/0074784 A1	1005
Aggarwal	US 7,013,286 B1	1006
Fajkowski	US 6,932,270 B1	1007
Hawkins	US 2007/0162337 A1	1008
Schneider	US 2005/0216340 A1	1009

Patent Owner does not dispute at this time that these references are prior art against the '855 patent. *See* Prelim. Resp. *generally*.

E. Asserted Challenges

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

35 U.S.C. § ²	Reference(s)	Claim(s) Challenged
102	Deaton	1–23, 29–36, 41, 45–57
103(a)	Deaton	1–23, 29–36, 41, 45–57

² Amendments to 35 U.S.C. §§ 102 and 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 '855 patent issued from an application filed in September 2008. *See* Ex. 1001, code (22). Therefore, we apply the pre-AIA versions of §§ 102 and 103.

103(a)	Deaton, Brown	23–27, 38–40, 42, 43
103(a)	Deaton, Brown, Aggarwal	28, 44
103(a)	Deaton, Fajkowski	8
103(a)	Deaton, Hawkins	37
103(a)	Deaton, Schneider	37

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 — Anticipation

A patent claim is unpatentable as anticipated under 35 U.S.C. § 102 “if each and every limitation is found either expressly or inherently in a single prior art reference.” *WhitServe, LLC v. Computer Packages, Inc.*,

694 F.3d 10, 21 (Fed. Cir. 2012) (quoting *Celeritas Techs., Ltd. v. Rockwell Int'l Corp.*, 150 F.3d 1354, 1361 (Fed. Cir. 1998)). An anticipatory reference must further “disclose those elements ‘arranged as in the claim.’” *Net MoneyIN, Inc. v. VeriSign, Inc.*, 545 F.3d 1359, 1369 (Fed. Cir. 2008) (quoting *Connell v. Sears, Roebuck & Co.*, 722 F.2d 1542, 1548 (Fed. Cir. 1983)).

C. 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).

D. Level of Ordinary Skill in the Art

Petitioner contends a person having ordinary skill in the art pertaining to the '855 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. 10–11; Ex. 1003 ¶¶ 22–24.

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. 4, 19–27. 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 22; *see also id.* at 22–25 (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 26. As a consequence, Patent Owner urges us to disregard Dr. Mowry’s opinions relating to the coupon-processing industry. *Id.* at 26–27. We address these arguments below in our analysis of Petitioner’s patentability 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.

E. Claim Construction

We interpret the ’855 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 of any claims term is necessary.” Pet. 5.

“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. 17. 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 16. In particular, according to Patent Owner, Petitioner has argued in the District Court Litigation “that ‘validate’ requires a determination ‘whether the purchase requirements of the [coupon/incentive/etc.] have been met,’” whereas the Petition “does not attempt to show that any claim is allegedly unpatentable under [that] proposed claim construction[.]” *Id.* at 16–17 (citing Ex. 2001, at 3–5), 28 n.11 (alteration in original).

We address the meaning of the phrase “validate the first coupon or incentive related information for redemption” as recited in claim 1 below in Section III.F.2(iv)(b), and the term “universal product code” as recited in claim 1 below in Section III.F.2(ii), both as part of resolving the parties’ disputes over Petitioner’s application of Deaton to claim 1.

Apart from those issues, 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)).

F. Alleged Anticipation by Deaton

Petitioner asserts claims 1–23, 29–36, 41, and 45–57 of the ’855 patent are unpatentable as anticipated by Deaton. *See* Pet. 2, 11–53. Patent Owner disagrees. *See* Prelim. Resp. 1–5, 17–37, 40–42.

We firstly summarize the disclosure of Deaton. 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.

1. Deaton

Deaton is directed to a method of marketing which “includes detecting, at the point-of-sale, a plurality of Uniform Product Codes associated with respective items purchased by a customer,” and transmitting the UPCs “on a substantially real-time basis” to a remote computer over the Internet. Ex. 1004, code (57). Figure 1 of Deaton is reproduced below (on the next page), with color annotations added.

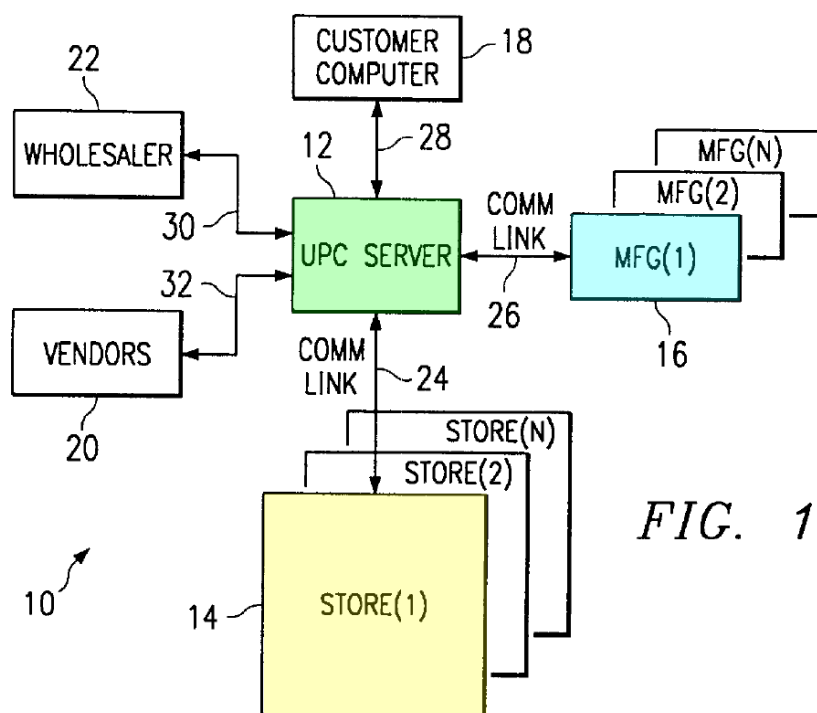


FIG. 1

Deaton, Figure 1 (Annotated in Color).

Figure 1 is a block diagram of system 10 for providing point-of-sale (POS) information to a manufacturer. *See id.* at 2:42–43, 3:32–33. The system includes UPC server 12 (green) connected to several stores 14 (yellow) by communication link 24 utilizing the Internet, and several manufacturers 16 (blue) by communication link 26 utilizing the Internet. *See id.* at 3:33–46.

Each store 14 includes, as shown in Figures 2A–2D, several points-of-sale 36, 38, and 40 that obtain POS information such as UPCs for purchased products and UPCs for redeemed coupons. *See id.* at 3:47–54, 6:16–27. Each store 14 also can include incentive controller 44 (Figs. 2C and 2D) and/or register controller 46 (Figs. 2B and 2D) to transmit the POS information to UPC server 12, which then forwards the POS information to manufacturers 16, all on a substantially real-time basis. *See id.* at 3:47–49, 4:1–5, 4:22–44, 4:53–63, 5:35–36, 7:43–8:14.

Figure 9 of Deaton is reproduced below, with color annotations added.

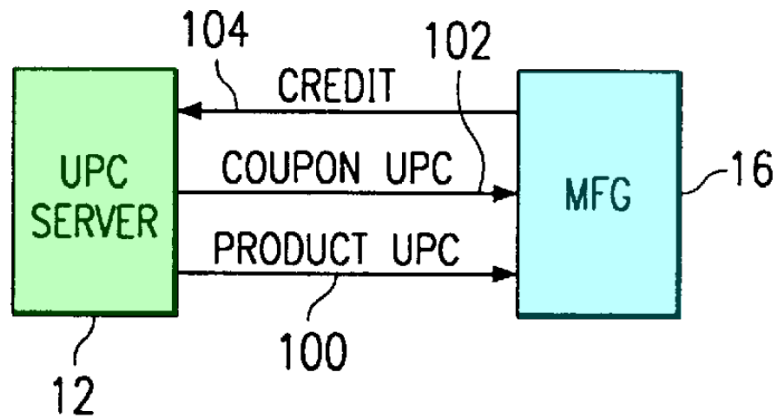


FIG. 9

Deaton, Figure 9 (Annotated in Color).

Figure 9 is a block diagram illustrating UPC server 12 (green) which facilitates “coupon redemption validation and electronic crediting.” *Id.* at 3:13–15, 10:63–65. UPC server 12 provides a product UPC (arrow 100) and a coupon UPC (arrow 102) to manufacturer 16 (blue). *See id.* at 10:65–11:4, Fig. 9. Then manufacturer 16 “may verify the proper redemption of a manufacturer coupon and provide an appropriate credit to store 14.” *Id.* at 11:4–6. This “redemption verification” may include one or more of: (1) “verifying that the product associated with the coupon is actually purchased”; (2) “verifying the price at which the product was purchased”; and (3) verifying “the identity of the person receiving a discount” for “incentives associated with a particular customer.” *Id.* at 11:6–12. “Alternatively, UPC server 12 may [perform] this validation” and then provide each manufacturer 16 with “a summary of the number and amount of coupons redeemed for the particular manufacturer.” *Id.* at 11:12–16. After the verification is performed, “manufacturer 16 may effect a credit, demonstrated by arrow 104, directed to store 14 in the amount of the redeemed coupons.” *Id.* at 11:16–18.

2. *Claim 1*

Petitioner provides arguments and evidence in support of contending claim 1 is unpatentable as anticipated by Deaton, including testimony from Dr. Mowry. *See* Pet. 11–22; Ex. 1003 ¶¶ 53–58, 75–87. Patent Owner opposes. *See* Prelim. Resp. 1–5, 17–37. For the following reasons, we conclude Petitioner has shown a reasonable likelihood of prevailing on its assertions for claim 1.

(i) *A System Comprising a Network, Point-of-Sale Terminals with Controllers, and a Server*

The first few limitations of claim 1 recite a system comprising: “an Intelligent Clearing Network (ICN) network”; “at least two point-of-sale (POS) terminals”; “at least two POS controllers, where each POS controller is configured to communicate with a plurality of the at least two POS terminals”; and “an ICN server configured to communicate with the at least two POS controllers.” Ex. 1001, 28:37–44.

Petitioner contends Deaton correspondingly discloses system 10 including the recited network (e.g., links 24 and 26), POS terminals (e.g., points-of-sale 36, 38, and 40), POS controllers (e.g., incentive controllers 44 and register controllers 46), and server (e.g., UPC server 12). *See* Pet. 14–16 (citing Ex. 1004, Figs. 1 and 2A–2C, 3:32–46, 4:35–65); Ex. 1003 ¶¶ 75–76. We conclude this contention, which Patent Owner does not oppose at this time, is supported sufficiently by the cited disclosures in Deaton to justify institution of review. *See, e.g.*, Ex. 1004, Figs. 1 and 2A–2C.

(ii) *POS Terminal Located at a Retail Store and Configured to Scan First Coupon or Incentive Related Information Including Universal Product Code Information of an Item to be Purchased and to Transmit the Scanned Information to a POS Controller*

Claim 1 next recites that one of the POS terminals “is located at a retail store and is configured to scan . . . first coupon or incentive related information including universal product code information of an item to be purchased, and to transmit the first coupon or incentive related information” to one of the POS controllers. Ex. 1001, 28:45–52.

Petitioner contends Deaton’s system 10 correspondingly includes POS terminals (e.g., points-of-sale 36, 38, and 40) located at retail stores 14 to scan UPC information of purchased products as well as coupons to be redeemed against those purchases, and to transmit this scanned information to a POS controller (e.g., incentive controller 44 or register controller 46). See Pet. 16–17 (citing Ex. 1004, Fig. 3, 4:39–44, 4:57–60, 6:16–17, 6:21–30); Ex. 1003 ¶¶ 77–78. We conclude this contention, which Patent Owner does not oppose at this time, is supported sufficiently by the cited disclosures in Deaton to justify institution of review. See, e.g., Ex. 1004, 6:16–31.

We further note that claim 1 requires scanning “*universal* product code information of an item to be purchased.” Ex. 1001, 28:45–49 (emphasis added), 28:57–60. Deaton, by contrast, describes scanning “*Uniform* Product Codes” which Deaton shorthands to “UPC.” Ex. 1004, code 57 (emphasis added), 1:50–56, 10:65–11:4. The ’855 patent specification at times refers to *universal* product codes, and at other times refers to *uniform* product codes, and shorthands both terms to “UPC.” Ex. 1001, code (57), 7:55–63, 8:56–62. Neither party addresses this

discrepancy in verbiage between claim 1 and Deaton. Based on the preliminary record presented here, we do not discern a material difference between these two nomenclatures.

(iii) POS Controller Configured to Transmit the Scanned Information to the Server at a Location Remote from the Retail Store via the Network

Claim 1 next recites that “the POS controller is configured to transmit the first coupon and/or incentive related information to the ICN server via the network, where the ICN server is at a location that is remote from the retail store.” Ex. 1001, 28:53–56.

Petitioner contends Deaton’s POS controller (e.g., incentive controller 44 or register controller 46) correspondingly transmits the scanned information to UPC server 12, which is at a location remote from retail store 14, via network 24. *See* Pet. 17–18 (citing Ex. 1004, Fig. 1, 1:50–56, 4:39–44, 4:60–63, 5:49–53, 14:4–9); Ex. 1003 ¶¶ 79–80. We conclude this contention, which Patent Owner does not oppose at this time, is supported sufficiently by the cited disclosures in Deaton to justify institution of review. *See, e.g.*, Ex. 1004, Figs. 1 and 2B–2D, 1:50–56, 3:33–35, 3:47–54, 4:35–65.

(iv) Server Configured to Validate the Scanned Information for Redemption and, In Response to the Validation, Transmit Second Coupon or Incentive Related Information to the POS Terminal

Claim 1 finally recites that:

the ICN server is configured to validate the first coupon or incentive related information for redemption based at least in part on the universal product codes of items to be purchased and, in response to validating the first coupon or incentive related information, to transmit to the POS terminal, via the POS controller, second coupon or incentive related information.

Ex. 1001, 28:57–63. We refer to this limitation as the Validation Limitation.

Petitioner contends Deaton’s UPC server 12 performs the Validation Limitation. *See* Pet. 19–21; Ex. 1003 ¶¶ 81–84. Patent Owner disagrees. *See* Prelim. Resp. 1–5, 17–37.

(a) The Petition

Petitioner argues “Deaton teaches that [UPC server 12] can be configured to validate the first information based at least in part on the UPC codes of the items” being purchased. Pet. 19–20 (citing Ex. 1004, Fig. 9, 5:4–7, 10:63–65, 11:4–16); Ex. 1003 ¶ 81. In particular, Petitioner asserts Deaton’s UPC server 12 “may store electronic discounts, and when the customer is identified as purchasing a product associated with the discount” — that is, when the “first information” is “validated” by the server per claim 1 — “the discount may be sent to the store for application.” Pet. 20 (citing Ex. 1004, 12:65–13:3); Ex. 1003 ¶ 82.

Petitioner further contends “Deaton also discloses that in response to validating the first information, the server, via the manufacturer, transmits to the POS terminal via the POS controller second coupon or incentive related information” as required by claim 1. Pet. 20–21 (citing Ex. 1004, Fig. 1, 4:44–49, 4:66–5:4, 5:39–48); Ex. 1003 ¶ 84.

For reasons that follow, we conclude the preliminary record provides sufficient support to justify institution for Petitioner’s foregoing contentions as to how Deaton’s UPC server 12 performs the Validation Limitation of claim 1. We organize our discussion by Patent Owner’s three arguments in opposition, which are unavailing at this time.

(b) *Patent Owner's First Argument — Deaton's UPC Server Does Not Validate Coupon Information For Redemption*

Patent Owner emphasizes the Validation Limitation requires that “the ICN coupon server **validates** the first coupon or incentive related information **for redemption** based at least in part on the universal product code information.” Prelim. Resp. 1–2, 28 (emphasis in original). Furthermore, according to Patent Owner: “If the validation is successful, the ICN server transmits, in response to the validation, second coupon or incentive information to **the POS terminal**” in order to “be used by the POS terminal for redemption.” *Id.* (emphasis in original).

Patent Owner then asserts the Petition is flawed for relying on Deaton's written description of Figure 9 as disclosing the Validation Limitation. *See id.* at 2, 28–33. According to Patent Owner, “Figure 9 relates only to communications between a manufacturer [16] and Deaton's UPC server [12] so that a manufacturer can properly credit a retailer for the value of redeemed coupons.” *Id.* at 2–3, 30. According to Patent Owner, “communications between Deaton's UPC server and the manufacturer relate to coupon redemptions that have **already occurred**, and do not disclose or suggest a validation ‘for redemption’ at the ICN server as” recited in the Validation Limitation. *Id.* at 3, 19, 28–29, 30, 32 (citing Ex. 1004, Fig. 9, 10:63–65) (emphasis in original).

Patent Owner relatedly contends Deaton discloses “the manufacturer may use the UPC server to ‘verify the proper redemption of a manufacturer coupon and provide an appropriate credit to store 14’” which “may include confirming ‘the price at which the product **was purchased**.’” *Id.* at 3, 30–31, 32–33 (citing Ex. 1004, 11:4–9, 11:12–18) (emphasis in original). Patent

Owner concludes Deaton’s process does not “validate [coupon information] at the ICN server, as claimed,” because it instead “provide[s] an appropriate credit to store 14’ for redemptions that have already occurred.” *Id.* at 3 (in part quoting Ex. 1004, 11:5–6); *see also id.* at 20 (“[T]he Petition fails in large part because of Petitioner’s failure to adequately address the . . . concept of ‘validation . . . for redemption’ in the claims and instead relies on Deaton’s redemption validation processes.”).

Patent Owner also objects to Petitioner’s reliance on Deaton’s disclosure at column 12 (line 65) to column 13 (line 3) in this context. *See id.* at 31–32 (citing Pet. 20). Patent Owner asserts “this theory is not on-point” because Petitioner fails to “allege that this process includes the UPC server validating any ‘first coupon or incentive related information for redemption.’” *Id.* at 32. Patent Owner adds that “[t]he UPC server receives an identification of the customer’s purchases, but does not ‘validate’ those identified purchases ‘for redemption.’” *Id.*

Patent Owner further objects to any potential reliance by Petitioner on Deaton’s incentive controller 44 as being the ICN server of claim 1, because that controller is located at retail store 14 so it is not “at a location that is remote from the retail store” as recited in claim 1. Ex. 1001, 28:55–56; *see* Prelim. Resp. 28–29 (citing Pet. 19; Ex. 1004, Fig. 2C, 5:4–7, 4:53–55).

Petitioner replies that Patent Owner’s arguments should be rejected because Deaton “clearly discloses a server configured to validate a coupon for redemption *in real-time*.” Prelim. Reply 1 (emphasis added); *id.* at 2–3 (citing Ex. 1004, 1:66–2:2, 3:47–49, 4:1–12, 4:18–21, 4:29–34, 4:57–63, 8:6–22, 10:53–57, 19:13–17). Petitioner argues Patent Owner does not cite any Deaton disclosure that “states the ‘coupon redemption validation’

process is limited to validating coupons after a redemption has occurred,” and Deaton instead “only states that after the manufacturer [16] validates the proper redemption of the coupon (which could occur in real-time for redemption), and then thereafter, the manufacturer [16] would provide a credit to the store,” and that UPC server 12 “includes software to ‘also perform[] this validation.’” *Id.* at 2, 3 (citing Prelim. Resp. 30–33; Ex. 1004, 11:4–6, 11:12–16). Petitioner contends Deaton’s UPC server 12 “would have been capable of verifying the coupon in real-time and would not be limited to verification after the fact.” *Id.* at 2; *id.* at 3 (“[L]imiting the ‘coupon redemption validation’ process in Deaton to redemptions that have already occurred would be illogical in light of the repeated disclosure of real-time transmissions[.]”).

Patent Owner replies that Petitioner’s “new theory of ‘real-time redemption’ [is] based on what Deaton is ‘capable of’ or ‘could’ do, rather than what Deaton does.” Prelim. Sur-reply 1–2 (citing Prelim. Reply 1, 2, 3). According to Patent Owner: “Nothing in Deaton supports a manufacturer [or UPC server 12] validating coupons in real-time.” *Id.* at 1–3 (citing Ex. 1004, 1:66–2:2, 5:24–6:14 (Fig. 2D), 7:46–48, 8:6–22, 10:63–65, 11:4–18; Prelim. Resp. 30–33).

We resolve the foregoing disputes by firstly addressing the predicate issue of claim construction, and then turning to Deaton’s disclosure.

Claim Construction

We address two claim construction aspects of the Validation Limitation.

First, Patent Owner implicitly construes claim 1 to impose a timing requirement that the ICN server must validate the coupon or incentive related information *before* the POS terminal redeems the coupon or incentive. This construction relies primarily on the plain and ordinary meaning of the phrase “validate . . . for redemption” in claim 1. Ex. 1001, 28:57–58; *see, e.g.*, Prelim. Resp. 1–3, 30–31. The Petition does not appear to take a position on this claim construction issue. *See* Pet. 5 (addressing claim construction); *id.* at 19–22 (applying the Validation Limitation to Deaton). Petitioner’s Preliminary Reply, however, does not dispute and in fact applies Patent Owner’s implicit claim construction to Deaton. *See* Prelim. Reply 1–3. Therefore, we do likewise in this Decision.

Second, as discussed above in Section III.E, Patent Owner criticizes the Petition’s analysis of Deaton as being inconsistent with Petitioner’s alleged construction of the Validation Limitation in the District Court Litigation “that ‘validate’ requires a determination ‘whether the purchase requirements of the [coupon/incentive/etc.] have been met.’” Prelim. Resp. 16–17, 28 n.11 (citing Ex. 2001, at 3–5). We agree with Patent Owner that Petitioner has proposed that construction in the District Court Litigation. *See* Ex. 2001, 3–4 (Joint Claim Construction Chart, discussing the terms “validate” and “validating” in “’855 Patent: [claim] 1”).

However, we disagree with Patent Owner’s position that the Petition’s analysis of Deaton is inconsistent with that claim construction, based on the present record. For example, the Petition asserts that “*when the customer is identified as purchasing a product associated with the discount (i.e., validating . . . the first coupon or incentive related information by performing a comparison of the first coupon or incentive related information*

based at least in part on the universal product code information),” then UPC server 12 sends the discount to store 14 for application. Pet. 20 (emphasis added) (citing Ex. 1004, 12:65–13:3). Petitioner thereby asserts Deaton’s UPC server 12 affirmatively determines whether the purchase requirements of the coupon (i.e., whether the customer is purchasing a product having a UPC associated with the coupon) have been met per Petitioner’s District Court Litigation claim construction. Thus, based on the record presented, we do not discern any games being played by Petitioner in this regard. Furthermore, we apply Petitioner’s District Court Litigation claim construction in this Decision, because Patent Owner does not dispute it and in fact applies it in opposing institution of review. *See* Prelim. Resp. 16–17 (addressing claim construction); *id.* at 28–33 (applying the Validation Limitation to Deaton).

Deaton’s Disclosure

We conclude the preliminary record provides sufficient support to justify institution for Petitioner’s contention that Deaton’s UPC server 12 performs the validation recited in claim 1. Petitioner relies principally on two passages in Deaton to support this contention.

The first passage is found at column 10 (line 63) through column 11 (line 18), which describes Deaton’s Figure 9 as “illustrating the use of UPC server [12] in facilitating coupon redemption validation and electronic crediting” of coupons. Ex. 1004, 10:63–65; *see* Pet. 19–20; Ex. 1003 ¶ 81. This passage states “*UPC server 12 may include circuitry and/or software 70 for . . . performing this validation*” of coupons. Ex. 1004, 11:12–16

(emphases added). Thus, it is clear that some sort of coupon “validation” is performed by Deaton’s UPC server 12 in some embodiments.

Patent Owner maintains that the coupon validation performed by Deaton’s UPC server 12 does not satisfy the Validation Limitation of claim 1 because it is performed only after Deaton’s POS terminal 36, 38, or 40 has redeemed the coupon or incentive. We conclude, based on the present record, that Deaton’s disclosure at column 10 (line 63) through column 11 (line 18) is equivocal on this point. It does refer to “verifying the price at which the product *was purchased*,” in the past tense, which tends to support Patent Owner’s argument. Ex. 1004, 11:8–9 (emphasis added). However, the remainder of the passage is in the present tense or perhaps an indeterminate tense, i.e., “verifying that that the product associated with the coupon *is actually purchased*” (*id.* at 11:7–8 (emphasis added)), and “the identity of the person receiving a discount *may be verified*” (*id.* at 11:9–12 (emphasis added)). We decline, on the present record, to read this passage as being limited to describing that UPC server 12 validates coupons only after the coupons have been redeemed by a POS terminal 36, 38, or 40. That seems like an unusual limitation to place on Deaton’s validation process, and Patent Owner’s position on this issue at this time does not appear to be supported by sufficient expert witness testimony or persuasive explanation as to why Deaton might be so limited.

Indeed, the second passage of Deaton cited by Petitioner pertinently states “*discounts may be electronically stored on UPC server 12 . . . for subsequent access by the customer*,” such that “[t]he electronic discounts may also communicate to store 14 for application when the customer is identified purchasing the product associated with the discount.” Ex. 1004,

12:60–13:3 (emphasis added); *see* Pet. 20; Ex. 1003 ¶ 82. Based on the present record, we find this passage reflects that the discounts / coupons are stored on UPC server 12, and that the discounts / coupons are not communicated to store 14 until the server has verified the customer is purchasing a product associated with the discounts / coupons.

That finding dovetails with the “real-time” nature of Deaton’s transmission of UPCs to UPC server 12 as discussed in Petitioner’s Preliminary Reply. *See, e.g.*, Ex. 1004, code (57), 1:50–2:11, 3:47–54, 4:1–12, 8:6–22. We agree with Patent Owner’s argument, however, that Deaton describes the benefits achieved by such real-time communication as various actions that can be taken by manufacturers to increase product sales, rather than benefits achieved from performing real-time coupon validation *per se*. *See id.*

Finally, to the extent Petitioner relies on Deaton’s incentive controller 44 rather than Deaton’s UPC server 12 as the ICN server of claim 1 (*see, e.g.*, Pet. 19 (citing Ex. 1004, 5:4–7)), we agree with Patent Owner that this mapping fails. Claim 1 requires the server to be “at a location that is remote from the retail store.” Ex. 1001, 28:55–56. Deaton’s incentive controller 44, by contrast, is located at store 14 along with POS terminals 36, 48, 40. *See* Ex. 1004, Figs. 1, 2C, and 2D, 4:53–57.

For the foregoing reasons, we conclude the preliminary record provides sufficient support to justify institution for Petitioner’s contention that Deaton’s UPC server 12 validates the first coupon or incentive related information for redemption based at least in part on the UPCs of items to be purchased. Petitioner’s contentions, however, may not stand up to Patent

Owner’s cross-examination of Dr. Mowry and/or opposing expert witness testimony, but we leave those issues for trial.

(c) *Patent Owner’s Second Argument — Deaton’s UPC Server Does Not Transmit Second Coupon or Incentive Related Information to the POS Terminal In Response to Validating the First Information*

Patent Owner also argues the Petition is flawed for “rel[ying] on communication ‘*via the manufacturer*’” (i.e., from manufacturer 16 in Figures 1 and 9 of Deaton) as satisfying the Validation Limitation’s requirement that the *ICN server* transmits second coupon or incentive related information to the POS terminal. Prelim. Resp. 3, 33 (emphasis added) (citing Pet. 20–21). Patent Owner asserts claim 1 requires *the server that performed the validation*, i.e., Deaton’s UPC server 12 per Petitioner’s contentions, to make the recited transmission. *Id.* at 3–4, 19; *see also id.* at 34 (“Petitioner’s theory for the ‘second coupon or incentive related information’ incorrectly relies on information that originates at the manufacturer, not the UPC server.”).

Furthermore, according to Patent Owner: “Petitioner provides no detailed explanation of how” Deaton’s UPC server 12 transmits second coupon or incentive related information in response to validating first information as claimed, and Petitioner “instead simply cites to and quotes three passages in Deaton without further discussion.” *Id.* at 34–36 (citing Pet. 20–21). Patent Owner asserts each of those passages falls short of disclosing the transmission requirement of the Validation Limitation. *See id.* (discussing Ex. 1004, 4:44–49, 4:66–5:4, 5:39–48).

Patent Owner also asserts Dr. Mowry’s testimony supporting Petitioner’s contentions in this regard “includes nothing more than a bare

assertion that Deaton somehow discloses” the Validation Limitation, which “runs afoul of” 37 C.F.R. § 42.65(a) and the Board’s Consolidated Trial Practice Guide³ “for including no analysis.” Prelim. Resp. 36–37 (citing Pet. 21; Ex. 1003 ¶ 84; CTPG 36).

Petitioner does not address Patent Owner’s foregoing arguments in the Preliminary Reply. *See, e.g.*, Prelim. Sur-reply 1 (“As Patent Owner demonstrated, Deaton’s UPC server does not send second coupon or incentive information to a POS terminal, a point that Petitioner does not mention nor dispute in its Reply.” (citing Prelim. Resp. 2–4)).

Patent Owner’s foregoing arguments are unavailing on the present record. In particular, Deaton discloses that “point-of-sale information is communicated through communication link 24 to UPC server 12” and “[s]uch information is then communicated to a manufacturer 16.” Ex. 1004, 5:40–42, Figs. 1 and 9. “In response . . . *manufacturer 16 may communicate, through UPC server 12, incentives to be communicated to a customer of store 14.*” *Id.* at 5:42–46 (emphasis added). Those incentives may be communicated to the customer via a kiosk (*see id.* at 5:47–48) or, more pertinently here, via “incentive controller 44 [which] may provide incentives, such as redeemable coupons or a written notification of a future product discount or advertising message, *to customers at points of sale 36, 38, 40.*” *Id.* at 4:66–5:4 (emphasis added), Figs. 1 and 2C. Thus, when read as a whole, Deaton appears to disclose that its UPC server 12, in response to validating the first coupon or incentive related information, transmits various

³ Patent Trial and Appeal Board Consolidated Trial Practice Guide (Nov. 2019) (“CTPG”) (*available at* <https://www.uspto.gov/TrialPracticeGuideConsolidated>).

incentives (i.e., “second coupon or incentive related information” per claim 1) to POS terminal 36, 38, or 40 via POS controller 44.

The fact that those incentives are generated by manufacturer 16 rather than by UPC server 12 does not distinguish Deaton from claim 1, because the incentives are communicated “through” UPC server 12. *Id.* at 5:40–46, Figs. 1 and 9. That communication route satisfies the claim requirement for the ICN server “to transmit” the second information to the POS terminal. Ex. 1001, 28:60–63. Claim 1 does not appear to require, based on the record presented at this time, that the second information “originates” at the ICN server as Patent Owner has suggested. Prelim. Resp. 34.

It is true, as Patent Owner points out, that the Petition’s analysis and Dr. Mowry’s testimony on these issues are terse. *See* Pet. 20 (line 13) – 21 (line 4); Ex. 1003 ¶ 84. Nonetheless, we conclude they are sufficient to justify institution of review, for the reasons provided above.

(d) Patent Owner’s Third Argument — Dr. Mowry is Not Qualified as an Expert Witness Regarding Coupon Processing Business or Technology

Patent Owner finally argues the Petition “relies heavily on the testimony presented from Dr. Mowry, who is offered as ‘an expert in the field of computer science’” not “coupon processing business or technology,” but who nonetheless “offers many opinions on coupon-processing” including Deaton’s alleged disclosure of the Validation Limitation in support of Petitioner’s anticipation challenge. Prelim. Resp. 4, 20, 27 (citing Ex. 1003 ¶ 17).

Patent Owner particularly objects that Dr. Mowry’s “opinions on the coupon industry, which are central to Petitioner’s theories, are not based upon his experience or education, and these opinions should be given no

weight.” *Id.* at 4; *see also id.* at 19–23 (“Nothing about . . . Dr. Mowry’s experience supports his espoused opinions on such topics as coupon-processing practices, the functionality of point-of-sale terminals in retail stores, or the networking considerations in retail-to-coupon server messaging”); *see also id.* at 26–27 (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’s foregoing arguments are unavailing on the present record. We acknowledge Patent Owner’s citation to *Dayco Prods., Inc. v. Total Containment, Inc.*, 329 F.3d 1358 (Fed. Cir. 2003), stating that “‘the dispositive question regarding anticipation [i]s whether *one skilled in the art* would reasonably understand or infer from the [prior art reference’s] teaching’ that every claim element was disclosed in that single reference.” *Id.* at 1368–69 (citations omitted, emphasis and alterations in original); *see* Prelim Resp. 25 n.10.

Nonetheless, for various reasons detailed above, we conclude Deaton’s disclosure sufficiently supports Petitioner’s contentions of anticipation to justify institution, regardless of Dr. Mowry’s lack of education and experience in the coupon processing arts. Also, Patent Owner’s opposition is not supported by contrary expert witness testimony at this time. Moreover, the issues disputed in the present record concerning Deaton’s disclosure are not overly technical in nature. For all these reasons, we institute review even granting all of Patent Owner’s objections to Dr. Mowry’s qualifications, and we leave for trial whether Dr. Mowry’s

testimony stands up to cross-examination and/or opposing expert witness testimony.

The *Kyocera* and *Sundance* decisions cited by Patent Owner (*see* Prelim. Resp. 26–27) do not mandate that we disregard Dr. Mowry’s testimony. In *Kyocera*, 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 IPR proceeding, by contrast, the undisputed formulation of ordinary skill in the art does not require any experience with coupon processing, so *Kyocera* does not apply. The *Sundance* decision 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[.]”).

(v) *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 anticipated by Deaton.

3. *Claim 10*

Claim 10 recites: “The system as in claim 1, wherein the server tabulates raw data of at least one of coupon and incentive processing transactions for a manufacturer.” Ex. 1001, 29:28–30.

Petitioner provides arguments and evidence in support of contending claim 10 is unpatentable as anticipated by Deaton, including testimony from Dr. Mowry. *See* Pet. 29–30; Ex. 1003 ¶¶ 109–110. Patent Owner objects to Dr. Mowry’s testimony concerning claim 10 separately from claim 1. *See* Prelim. Resp. 22–23 (citing Pet. 29; Ex. 1003 ¶ 109).

“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.” CTPG 5–6, 64. 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”).

Thus, because we have decided to grant institution on the anticipation challenge to claim 1 based on Deaton, we do the same for claim 10. *See supra* Section III.F.2; 37 C.F.R. § 42.108(a); CTPG 5–6, 64. Nonetheless, we will address Patent Owner’s arguments concerning claim 10 separately from claim 1, to provide guidance to the parties for the upcoming trial. *See* CTPG 6, 64.

Petitioner contends Deaton's UPC server 12 satisfies claim 10 because it "is able to 'provid[e] manufacturer 16 of a summary of the number and amount of coupons redeemed for the particular manufacturer.'" Pet. 29 (citing Ex. 1004, 11:12–18). Dr. Mowry testifies in support that a person of ordinary skill in the art "would understand that the 'coupons redeemed for the particular manufacturer' is the raw data of coupon and incentive processing transactions, and that the summary Deaton provides tabulates such data for the manufacturer." Ex. 1003 ¶ 109 (cited at Pet. 29).

Patent Owner objects that we should give no weight to Dr. Mowry's foregoing testimony, because his expertise lies in computer science rather than coupon-processing business or technology. *See* Prelim. Resp. 22–23; *supra* Section III.F.2(iv)(d) (discussing this argument more generally). We disagree. Dr. Mowry's testimony concerning claim 10 is rooted in his computer science expertise. *See* Ex. 1003 ¶¶ 6–17 ("QUALIFICATIONS"). Specifically, he considers Deaton's statement that "UPC server 12 may include circuitry and/or software 70 for . . . providing manufacturer 16 of a summary of the number and amount of coupons redeemed for the particular manufacturer" (Ex. 1004, 11:12–16), and testifies that the described "summary" comprises a tabulation of coupon processing transactions as set forth in claim 10. *See* Ex. 1003 ¶ 109. Patent Owner's opposition is not supported by opposing expert testimony in the present preliminary record, and provides little reason to set aside Dr. Mowry's expertise absent a trial on the merits of his testimony. We conclude that Dr. Mowry's un rebutted 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.

4. *Claims 2–9, 11–23, 29–36, 41, and 45–57*

Petitioner provides arguments and evidence in support of contending claims 2–9, 11–23, 29–36, 41, and 45–57 are unpatentable as anticipated by Deaton, including testimony from Dr. Mowry. *See* Pet. 22–29, 30–53; Ex. 1003 ¶¶ 88–108, 111–179.

Because we have decided to grant institution on the anticipation challenge to claim 1 based on Deaton, we do the same for claims 2–9, 11–23, 29–36, 41, and 45–57. *See supra* Section III.F.3; 37 C.F.R. § 42.108(a); CTPG 5–6, 64.

Furthermore, Patent Owner does not address Petitioner’s anticipation challenge to these claims apart from arguments we have considered above in connection with claims 1 and 10, so there is nothing further for us to address in that regard at this time. *See* Prelim. Resp. 8–16 (discussing the independent claims as a group); *id.* at 18–19 (“This shortcoming [as to claim 1] also affects every independent claim since Petitioner simply cites back to its flawed [1g] analysis for each independent claim without further discussion.”), 40–42 (same); CTPG 5–6, 64.

Patent Owner does object to various snippets of testimony proffered by Dr. Mowry in support of Petitioner’s contentions concerning claims 7, 9, 14, 23, 30–32, 41, and 56. *See* Prelim. Resp. 23–25 (citing Pet. 27, 28, 32, 36, 37, 40, 43, and 51–52). Based on our reading of the Petition at the present time, however, all of this testimony appears to be offered in support of Petitioner’s obviousness challenges, rather than the anticipation challenge

under discussion here. Petitioner argues anticipation and obviousness based on Deaton in a single omnibus analysis, which at times is difficult to parse between the two different challenges. In any event, we address this testimony below in Sections III.G.2 and III.H in connection with Petitioner's obviousness challenges.

5. *Conclusion as to the Anticipation Challenge Based on Deaton*

We conclude the record shows a reasonable likelihood that Petitioner would prevail with respect to challenging claim 1 as anticipated by Deaton, so we grant institution of review on Petitioner's challenge of claims 1–23, 29–36, 41, and 45–57 as anticipated by Deaton.

G. *Alleged Obviousness over Deaton Alone*

Petitioner asserts claims 1–23, 29–36, 41, and 45–57 of the '855 patent are unpatentable as having been obvious over Deaton alone. *See* Pet. 2, 11–53. Patent Owner disagrees. *See* Prelim. Resp. 1–5, 17–42.

Because we have decided to grant institution on the anticipation challenge to these claims based on Deaton, we do the same for the obviousness challenge based on Deaton alone. *See supra* Section III.F.3; 37 C.F.R. § 42.108(a); CTPG 5–6, 64. Nonetheless, we will address Patent Owner's arguments concerning the obviousness challenge separately from the anticipation challenge, to provide guidance to the parties for the upcoming trial. *See* CTPG 6, 64.

1. Claim 1

*(i) Petitioner’s Argument for the Obviousness of Claim 1
over Deaton Alone*

Concerning claim 1, Petitioner’s second challenge (obviousness over Deaton alone) differs from Petitioner’s first challenge (anticipation by Deaton) solely on the possibility that “Patent Owner argues that a particular configuration in Deaton differs from the claimed system[.]” Pet. 21. In that event, Petitioner contends Deaton teaches that UPC server 12 “may be implemented in many forms,” and that store 14 also may utilize various “configurations.” *Id.* (citing Ex. 1004, Figs. 2D and 4A, 6:5–7, 7:7–8); Ex. 1003 ¶ 85. Petitioner argues and Dr. Mowry testifies that a person of ordinary skill in the art “would have found it obvious based on this teaching to reconfigure the various components of the system in Deaton to meet the claimed system and would have had a reasonable expectation of success in doing so because the systems described are basic computer components like servers, networks and terminals.” Pet. 21; Ex. 1003 ¶ 86.

*(ii) Patent Owner’s First Argument — Deficient Explanation
of Obviousness*

Patent Owner argues Petitioner’s obviousness challenge to claim 1 is deficient for failing to identify how or why Deaton would have been modified. *See* Prelim. Resp. 38 (section title). In Patent Owner’s view, “Petitioner tries to capture the universe of whatever reconfigurations would have been necessary ‘to meet the claimed system,’ apparently using the claimed system as a road map for the modifications.” *Id.* (citing Pet. 21). Patent Owner asserts “[t]his catch-all generalization flies in the face of the

statutory requirements for IPRs, which must identify challenges ‘with particularity.’” *Id.* at 38–39 (citing 35 U.S.C. §§ 312(a)(3) & 313).

We agree with Patent Owner. The Petition fails to identify “*with particularity* . . . the grounds on which the challenge to [claim 1] is based.” 35 U.S.C. § 312(a)(3) (emphasis added). Instead, the Petition presents a catch-all theory of obviousness that, in the event the Board finds “a particular configuration in Deaton differs from the claimed system,” it would have been obvious “to reconfigure the various components of the system in Deaton to meet the claimed system[.]” Pet. 21. That argument is deficient because it does not specify any particular limitation(s) of claim 1 that is or are at issue for obviousness, or any particular feature of Deaton that would have been modified, or any particular reason for the modification. Therefore, we conclude the preliminary record fails to show a reasonable likelihood that Petitioner would prevail with respect to challenging claim 1 as having been obvious over Deaton alone.

(iii) Patent Owner’s Second Argument — Dr. Mowry is Not Qualified as an Expert Witness Regarding Coupon Processing Business or Technology

Patent Owner’s objections to Dr. Mowry’s expert witness qualifications concerning coupon processing business and technology, discussed above in Section III.F.2(iv)(d) in relation to Petitioner’s first challenge, carries forward here to Petitioner’s second challenge.

The catch-all and non-specific nature of Petitioner’s challenge to claim 1 as having been obvious over Deaton alone (*see supra* Section III.G.1(ii)) is repeated in Dr. Mowry’s supporting testimony (*see* Ex. 1003 ¶¶ 85–86). An expert witness declaration that “merely repeats, *verbatim*, the conclusory assertion for which it is offered to support” and

“does not cite to any additional supporting evidence or provide any technical reasoning[,]” “adds little to the conclusory assertion for which it is offered to support, and is entitled to little weight.” *Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper 9, at 15 (PTAB Aug. 24, 2022) (precedential). Thus, the mere fact that Petitioner’s conclusory assertions are repeated by a proffered expert witness does not cure the deficiencies noted above, regardless of the expert witness’s qualifications or lack thereof.

2. *Claims 7, 9, 14, 23, 30–32, 41, and 56*

Patent Owner’s objections to Dr. Mowry’s expert witness qualifications concerning coupon processing business and technology, discussed above in Section III.F.2(iv)(d), identify various snippets of testimony proffered by Dr. Mowry in support of Petitioner’s contentions concerning the obviousness of claims 7, 9, 14, 23, 30–32, 41, and 56 over Deaton alone. *See* Prelim. Resp. 23–25 (citing Pet. 27, 28, 32, 36, 37, 40, 43, and 51–52).

Some of this testimony may not be credible due to Dr. Mowry’s lack of education and experience in the coupon processing arts, and his failure to cite evidence in support of his conclusions. Specifically, Dr. Mowry testifies that a person of ordinary skill in the art:

would have known that a GS1 coupon code per **claim 7** would have been contemplated as a type of code representation of products disclosed by Deaton (*see* Pet. 27; Ex. 1003 ¶ 102; Prelim. Resp. 23);

would have understood that a POS terminal transmits UPC codes upon successful redemption of a coupon per **claim 14** (*see* Pet. 32; Ex. 1003 ¶ 115; Prelim. Resp. 23);

would have found it obvious to couple an originating financial institution server to Deaton’s retailer server per **claim 23**, to

facilitate purchases through the Internet (*see* Pet. 36; Ex. 1003 ¶ 126; Prelim. Resp. 23);

would have understood from Deaton's teachings that a particular product's UPC could be used to trigger retrieval of a coupon for that product or another product per **claims 30 and 31** (*see* Pet. 37–38; Ex. 1003 ¶ 130; Prelim Resp. 24);

would have found it obvious to modify Deaton's UPC server 12 to transmit information indicating the coupon was validated per **claim 32**, because store 14 would need to know whether the coupon is valid to redeem the coupon (*see* Pet. 40; Ex. 1003 ¶ 137; Prelim. Resp. 24);

would have understood that Deaton's clearing of a processed coupon could include a rate per **claim 41** (*see* Pet. 43; Ex. 1003 ¶ 144; Prelim. Resp. 24); and

would have understood from Deaton that assigning a coupon code to a unique account number would occur after determining the identity of the customer was verified to ensure the correct coupon code was assigned, per **claim 56** (*see* Pet. 51–52; Ex. 1003 ¶ 173; Prelim. Resp. 24–25).

We agree with Patent Owner's position that the foregoing snippets of Dr. Mowry's testimony appear, based on the present record, to lack credibility and support by persuasive citation to evidence of record to avoid improper hindsight bias.

At the same time, some of Dr. Mowry's testimony cited by Patent Owner is rooted in Dr. Mowry's computer science expertise. *See* Ex. 1003 ¶¶ 6–17 ("QUALIFICATIONS"). Specifically, Dr. Mowry testifies that a person of ordinary skill in the art would have found it obvious to retrieve and store Deaton's second coupon or incentive related information in a centralized database per **claim 9**. *See* Pet. 28; Ex. 1003 ¶ 107; Prelim. Resp. 23. Patent Owner's opposition is not supported by opposing expert

testimony in the present preliminary record, and provides little reason to set aside Dr. Mowry's expertise absent a trial on the merits of his testimony.

3. *Claims 2–6, 8, 10–13, 15–22, 29, 33–36, 45–55, and 57*

The Preliminary Response does not address Petitioner's challenge to claims 2–6, 8, 10–13, 15–22, 29, 33–36, 45–55, and 57 as having been obvious over Deaton alone, apart from arguments we have considered above. Therefore, there is nothing further for us to address with respect to this challenge to these claims at this time. *See* CTPG 5–6, 64.

H. Remaining Challenges

Petitioner's remaining challenges assert dependent claims 8, 23–28, 37–40, and 42–44 of the '855 patent are unpatentable as having been obvious over Deaton in combination with one or more of Brown, Aggarwal, Fajkowski, Hawkins, and Schneider. *See* Pet. 2, 53–71. Because we have decided to grant institution on Petitioner's first challenge, we do the same for these challenges. *See supra* Section III.F.3; 37 C.F.R. § 42.108(a); CTPG 5–6, 64.

Furthermore, the Preliminary Response largely does not address these challenges apart from arguments we have considered above. *See, e.g.*, Prelim. Resp. 17–19, 42. Patent Owner does argue, however, that Dr. Mowry's lack of education and experience in the coupon processing arts taints his testimony supporting Petitioner's combination of Deaton with Brown and Aggarwal in support of obviousness. *See id.* at 25 (citing Pet. 54, 61; Ex. 1003 ¶¶ 183, 196).

Based on the present record, we conclude Dr. Mowry's challenged testimony concerning reasonable expectation of success in Petitioner's

combination of Deaton and Brown is rooted in his computer science expertise. *See* Ex. 1003 ¶ 183 (“Implementation of Brown’s functionality would have required only routine knowledge because Deaton already contemplated that information would be sent from a point-of-sale to a central server and that the central [server] would have performed tasks.”). On the other hand, Dr. Mowry’s challenged testimony as to Petitioner’s alleged motivations for combining Deaton and Aggarwal “because it could have simplified the consolidation of coupons from different manufacturers for the retailers in the already consolidated UPC server” (Ex. 1003 ¶ 196) is questionable, given his lack of education and experience in the coupon processing arts.

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 1–57 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 1–57 of the '855 patent on all challenges presented in the Petition; 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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