UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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SAP AMERICA, INC.,
Petitioner,

v.

LAKSHMI ARUNACHALAM,
Patent Owner.

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Case CBM2013-00013
Patent 8,037,158 B2

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Before, KARL D. EASTHOM, WILLIAM V. SAINDON, and
BRIAN J. McNAMARA, *Administrative Patent Judges.*

McNAMARA, *Administrative Patent Judge*.

FINAL WRITTEN DECISION

35 U.S.C. § 318(a) and
37C.F.R. § 42.73

BACKGROUND

On September 19, 2013, we entered a Decision to Institute ("Dec. to Inst.") a trial in each of the following related proceedings: *SAP America, Inc. v. Pi-Net International, Inc.,* Case IPR2013-00195, which concerns U.S. Patent No. 8,108, 492 B2 ("the '492 Patent"), *SAP America, Inc. v. Pi-Net International, Inc.*, Case IPR2013-00195, which concerns U.S. Patent No. 5,987,500 ("the '500 Patent"), and *SAP America, Inc. v. Pi-Net International, Inc.*, Case CBM2013-00013, which concerns U.S. Patent No. 8,037,158 B2 ("the '158 Patent"). The '492, '500, and '158 Patents have since been assigned by Pi-Net International to the inventor Lakshmi Arunachalam ("Patent Owner").[1] On September 10, 2014, Patent Owner filed a Mandatory Disclosure indicating that she is now acting *pro se*. Paper 62. The '492, '500, and '158 Patents share substantially the same specification.

In this proceeding, we instituted trial on the following grounds asserted by Petitioner: Claims 1–3 and 11 as unpatentable under 35 U.S.C. § 101; claims 1–6 and 11 as unpatentable under 35 U.S.C. § 112(b);[2] claims 1–3 and 11 as unpatentable under 35 U.S.C. § 103 over the combination of Computerworld[3] and Lawlor;[4] claims 1–3 and 11 as unpatentable under 35 U.S.C. § 103 over the combination of EB[5] and SFCU.[6]

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[1] Assignment recorded at Reel/Frame 033684/0252 on September 9, 2014.
[2] 35 U.S.C. § 112(b) applies to any patent application filed on or after September 16, 2012. We treat Petitioner's challenge as one under 35 U.S.C. § 112, second paragraph, which is substantially the same as 35 U.S.C. §112(b).
[3] The Cyberbanks, Computerworld, 80 (June 26, 1995) ProQuest Telecommunications, ("Computerworld"). Ex. 1007.

In this Final Written Decision, we conclude that claims 1–3 and 11 do not recite patentable subject matter under 35 U.S.C. § 101 and are unpatentable under 35 U.S.C. § 103. We further conclude that claims 1–6 and 11 are unpatentable under 35 U.S.C. § 112 ¶2.

THE '158 PATENT

The Specification of the '158 Patent is the same as the '492 Patent, which we address in IPR2013-00194. Column and line references in this section are to the '492 Patent.

The '492 Patent purports to provide "a method and apparatus for providing real-time, two-way transactional capabilities on the Web." Ex. '492 Patent, Abstract. The '492 Patent Specification states that "[a] 'transaction' for purposes of the present invention includes any type of commercial or other type of interaction that a user may want to perform." *Id.* at col. 5, ll. 32–35. The '492 Patent also states that Figure 4A illustrates conceptually the user value chain, depicting the types of transactions and the channels through which the transactions are performed "today," i.e., at least as early as the priority date of the application that led to the '492 Patent. *Id.* at col. 5, ll. 29–35. Thus, Figure 4A represents a prior art value chain, rather than the invention.

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[4] Lawlor et al., U.S. Patent No. 5,220,501, issued Jun. 15, 1993 ("Lawlor"). Ex. 1006.
[5] Allen H. Lipis, et al., Electronic Banking, The Stock Market, 4th Edition, 1-220, (1985) John Wiley & Sons, New York ("EB"). Ex. 1004.
[6] www.thefreelibrary.com/_/print/PrintArticle.aspx?id=17104850, (last visited Mar. 15, 2013) Stanford Federal Credit Union Pioneers Online Financial Services, ("SFCU"). Ex. 1005.

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Figure 4B illustrates an embodiment of the invention in which a Web merchant provides real-time transactional capabilities to users who access a merchant's services through switching sites on Web servers or on non-Web network computer sites and cellular provider sites. *Id.* at col. 5, l. 55–col. 6, l. 1. The '492 Patent Specification states that the embodiment shown in Figure 4B includes a service network running on top of a facilities network, namely the Internet, the Web, or e-mail networks. *Id.* at col. 5, ll. 59–60. The Specification further states that the following five components interact to provide the service network functionality: an exchange, an operator agent, a management agent, a management manager, and a graphical user interface. *Id.* at col. 6, ll. 1–5.

The difference between the prior art subject matter of Figure 4A and embodiment of the invention in Figure 4B is shown in the "Service Channels." In addition to the service channels in Figure 4A, Figure 4B illustrates a TransWeb[7] Exchange that includes a Web page and point-of-service (POSvc) applications. The '492 Patent states that "[a] POSvc application is an application that can execute the type of transaction that the user may be interested in performing." *Id.* at col. 6, ll. 41–43. The type of services offered by a POSvc application is determined by each Web merchant. *Id.* at col. 7, ll. 10–11, 24–25.

The Exchange can reside on a web server or on a separate computer system on the Internet with an Internet address. *Id.* at col. 6, ll. 25–28, ll. 58–64. The Exchange conceptually includes a switching component and an

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[7] The '492 Patent refers to a TransWeb Exchange in Figure 4 and at column 7, lines 63-65, describes the TransWeb™ Exchange as a proprietary protocol. Elsewhere the '492 Patent uses the term Exchange.

object routing component, *id.* at col. 6, ll. 20–21, and may also include an operator agent that interacts with a management manager,*id.* at col. 6, ll. 28–30. As previously noted, the switching site need not be a Web server but may include non-Web network computer sites and cellular provider sites. *Id.* at col. 5, l. 64–col. 6, l. 1.

When the Exchange receives a consumer's request for a transactional application, a graphical user interface displays on a Web page, a list of POSvc applications from which the user may select. *Id.* at col. 6, ll. 39–55. The '492 Patent discloses that the embodiment of the invention supports hypertext markup language (HTML), Virtual Reality Markup Language, Java™, and other graphical user interface standards. *Id.* at col. 6, ll. 45–50.

By selecting a POSvc to activate, the user can access services and perform transactions offered by that POSvc application, which can access back-office data repositories. *Id.* at col. 6, l. 65–col. 7, l. 4, ll. 10–50.

The '492 Patent states that the connection between the user and the services is managed by the Exchange, through an operator agent on a Web server that ensures the availability of distributed functions and capabilities. *Id.*at col. 7, ll. 4–9. However, as noted above, the '492 Patent emphasizes that the Exchange may reside on a Web server or on a separate computer system with an Internet address. *Id.* at col. 6, ll. 25–28, 58–64. The '492 Patent also states that a management manager, which may be on the Exchange or on a separate computer system on the Internet, interacts with the operator agent on the Exchange. *Id.* at col. 7, ll. 56–61.

The Exchange and a management agent may act in various roles, including client-server, peer-to-peer, or master-slave roles and constitute a value-added network (VAN) switch. *Id.* at col. 7, ll. 52–56. The VAN

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