

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 CBM2014-00018

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*.

DECISION ON REQUEST FOR REHEARING

37C.F.R. § 42.71(d)

### Introduction

On March 6, 2015, we entered a Final Written Decision in which we found claims 4–6 and 9–10 of U.S. Patent No. 8,037,158 B2 (“the ’158 Patent”) to be unpatentable. Paper 33 (“Final Dec.”). On April 6, 2015, Patent Owner filed a request for rehearing. Paper 34 (“Req. Reh’g.”). For the reasons discussed below, Patent Owner’s Request for Rehearing is DENIED.

### Related Court Proceedings

On May 19, 2014, the U.S. District Court for District of Delaware reported to the United States Patent and Trademark Office that, five days earlier, in *Pi-Net International, Inc. v. JPMorgan Chase & Co.*, No. 1:12-cv-00282 (D. Del. May 14, 2014), the district court granted defendant’s motion for summary judgment of invalidity of the ’158 Patent<sup>1</sup> and U.S. Patents 5,987,500 (“the ’500 Patent”)<sup>2</sup> and 8,108,492 (“the ’492 Patent”).<sup>3</sup> Ex. 3001. The patent owner at the time, Pi-Net International, Inc., who was also the original patent owner in this proceeding, filed an appeal to the U.S. Court of Appeals for the Federal Circuit (“the Appeal”). This proceeding continued while the Appeal was pursued. Prior to our Final Written Decision, the ’158 Patent was assigned to current Patent Owner, Lakshmi Arunachalam, who joined in the Appeal.

On April 20, 2015, the U.S. Court of Appeals for the Federal Circuit dismissed the Appeal. *Pi-Net International, Inc. and Dr. Lakshmi Arunachalam v. JPMorgan Chase & Co.*, No. 2014-1495 (Fed. Cir. Apr. 20, 2015). Ex. 3002.

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<sup>1</sup> The ’158 Patent is the subject of a Final Written Decision in this proceeding and in CBM2013-00013, where we also denied a request for rehearing.

<sup>2</sup> The ’500 Patent is the subject of a Final Written Decision and a denial of a request for rehearing in IPR2013-00195.

<sup>3</sup> The ’492 Patent is the subject of a Final Written Decision and a denial of a request for rehearing, in IPR2013-00194.

In the district court, defendants had moved for summary judgment that claim 4 of the '158 Patent is invalid for indefiniteness, lack of enablement, and lack of written description.<sup>4</sup> Ex. 3003. The May 14, 2014 District Court's Memorandum Opinion states that among several motions before the court was defendant's motion for summary judgment "for invalidity of the patents in suit." Ex. 3004 at 1. The district court found claim 4 of the '158 Patent invalid because the term "service network" in claim 1, from which claim 4 depends, is indefinite. Ex. 3004 at 16.

In addition, the District Court's Memorandum Opinion states that the common specification of the '158 patent, the '500 Patent and the '492 Patent describes the VAN switch in "conflicting and overlapping ways," "provides no usable description or structure" for numerous terms coined by the inventor<sup>5</sup>, provides no algorithms, source code or guidance as to how to configure a VAN switch to perform real-time transactions using TMP or any other protocol, provides no description of point-of-service applications other than block diagrams labeled bank, car dealer and pizzeria, lacks any details as to how a VAN switch would accomplish allowing a user to connect to a point-of-service application and does not disclose how real time user transactions occur. Ex. 3004, 20–21. The Memorandum Opinion states therefore that "The court concludes that *the patents-in-suit are invalid for lack of written description.*" *Id.* at 21 (emphasis added).

Except in the case of a default judgment, every other final judgment should grant the relief to which each party is entitled, even if the party has not demanded that relief in the pleadings. Fed. R. Civ. P. 54 (c). *See, Baker v. John Morrell &*

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<sup>4</sup> Defendants also moved for summary judgment of invalidity of claims 1–6, 10–12, 14–16, and 35 of the '500 Patent and claims 1–8 and 10–11 of the '492 Patent on the same grounds.

<sup>5</sup> The terms cited by the district court include switching service 702, management service 703, boundary service 701, and application service 704.

*Co.*, 266 F. Supp. 2d 909, 936–939 (N.D. Iowa 2003). In the district court, the defendant asserted in affirmative defenses that the patents are invalid because they fail to meet conditions for patentability under 35 U.S.C. §§ 101, 102, 103 and 112, and moved for summary judgment of invalidity of specific claims asserted against the defendant. The district court concluded that “the patents-in-suit are invalid for lack of written description.” Ex. 3004 at 21. It appears that, incident to ruling on defendant’s summary judgment motion with respect to specific claims, the district court determined that, because of the lack of written description, each of the ’158 Patent, the ’500 Patent and the ’492 Patent is invalid in its entirety. However, to the extent that the district court’s ruling is deemed to be limited to claim 4 of the ’158 Patent, we address Patent Owner’s Request for Rehearing.

#### Patent Owner’s Request For Rehearing

As noted above, the Appeal has been dismissed and claim 4 of the ’158 Patent explicitly has been adjudged invalid. Therefore, Patent Owner’s Request for Rehearing is denied with respect to claim 4.<sup>6</sup>

Our Final Written Decision (“Final Dec.”) also concluded that claims 5–6 and 9–10 are unpatentable. Patent Owner “incorporates by reference all papers submitted in this case previously, the file history of this patent and its parent patents in the priority chain and the record.” Req. Rh’g. 1. We are cognizant of the record in this proceeding. However, arguments may not be incorporated by reference from one document into another document and combined motions, oppositions, replies, or other combined documents are not permitted. 37 C.F.R.

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<sup>6</sup> As noted above, the District Court adjudged claim 4 invalid, holding that a term in claim 1, from which claim 4 depends, is indefinite. Claims 5, 6, 9, and 10, which also depend from claim 1 (claim 5 depends from claim 4) may be invalid in view of the district court’s decision. Nevertheless, because the District Court did not address claims 5, 6, 9 and 10 specifically, we respond to the Rehearing Request concerning these claims.

§ 42.6(a)(3). We consider only those arguments advanced in Patent Owner's Request for Rehearing concerning subject matter Patent Owner contends we overlooked or misapprehended in our Final Written Decision. 37 C.F.R.

§ 42.71(d).

We are not persuaded by Patent Owner's argument that we misapprehended or overlooked that the subject matter of the '158 Patent is drawn to a technical solution to a technical problem because Patent Owner coined terms such as POSvc application, VAN service, object routing, service network, and VAN switch. Req. Rh'g. 3–4. We addressed these issues extensively in our Final Written Decision, noting that claim 1, from which claim 4 depends, is directed to a method of performing a transaction that includes providing a webpage for display, providing an application the user can select to access checking and savings accounts, accepting signals from an input device, and transferring funds. Final Dec. 14. We also addressed the terminology used in the claims and determined that none of these features changes the non-technological nature of the claim. *Id.* at 13–15. Patent Owner has not identified any matter that we overlooked or failed to apprehend on this issue.

Patent Owner does not identify clearly any other matter that we overlooked or misapprehended. Much of Patent Owner's Request for Rehearing reargues points of claim construction that we have already addressed in this and other related proceedings. Req. Rh'g. 2, 5–14. In addition, Patent Owner's shorthand language, incomplete sentences and omission of articles used routinely in the English language, such as “a” and “the,” render the Request for Rehearing difficult, and in some cases, impossible to decipher.

For example, Patent Owner argues that a VAN (Value Added Network) Service is “a POSvc (Point of Service) Application displayed on a Web page, that

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