

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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BANK OF AMERICA, NATIONAL ASSOCIATION,

Petitioner,

v.

INTELLECTUAL VENTURES II LLC,

Patent Owner.

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Case CBM2014-00033  
Patent 7,260,587 B2

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Before THOMAS L. GIANNETTI, HYUN J. JUNG, and  
GREGG I. ANDERSON, *Administrative Patent Judges*.

ANDERSON, *Administrative Patent Judge*.

FINAL WRITTEN DECISION  
*35 U.S.C. § 328(a) and 37 C.F.R. § 42.73*

Bank of America, N.A. (“Petitioner”) filed a Petition (Paper 2, “Pet.”) requesting institution of a covered business method patent review of claims 1–18 of U.S. Patent No. 7,260,587 (“the ’587 patent”) pursuant to 35 U.S.C. § 321. Patent Owner, Intellectual Ventures II LLC, filed a Preliminary Response. Paper 10 (“Prelim. Resp.”). Based on these submissions, we instituted trial as to all claims of the ’587 patent. Paper 11 (“Institution Dec.”).

After institution, Patent Owner filed a Response (Paper 21, “PO Resp.”) and Petitioner filed a Reply (Paper 31, “Pet. Reply”). In addition, the parties rely upon expert testimony. Petitioner proffered the Declaration of William T. Freeman, Ph.D. (Ex. 1005, “Freeman Decl.”) with the Petition. Patent Owner proffered the Declaration of K. Bradley Paxton Ph.D. (Ex. 2007, “Paxton Decl.”) with its Response. In addition, a transcript of Dr. Paxton’s deposition (Ex. 1024, “Paxton Dep.”) was submitted by Petitioner. No deposition transcript was filed for Dr. Freeman.

Patent Owner filed a Motion to Exclude Evidence. Paper 33 (“PO Mot. Exclude”). Petitioner filed an Opposition to Patent Owner’s Motion to Exclude. Paper 39 (“Opp. Mot. Exclude”). Oral Hearing was held on March 2, 2015. A transcript of the argument is entered in the record as Paper 46 (“Tr.”).

We have jurisdiction under 35 U.S.C. § 6(c). This Final Written Decision is entered pursuant to 35 U.S.C. § 328(a). We conclude for the reasons that follow that Petitioner has shown by a preponderance of the evidence that claims 1–18 of the ’587 patent are unpatentable.

## I. INTRODUCTION

### A. The '587 Patent (Ex. 1001)

The '587 patent, titled "Method for Organizing Digital Images" issued on August 21, 2007. Ex. 1001. Figure 1 of the '587 patent is reproduced below.

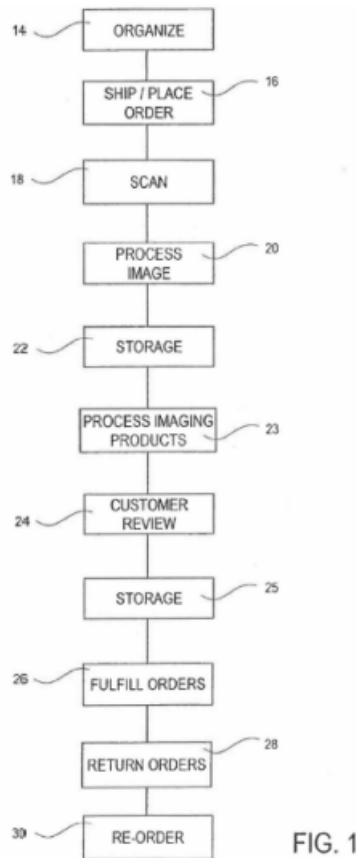


Figure 1 is a flow chart of the method of the '587 patent. Ex. 1001, 2:44–45. First step 14 comprises obtaining and organizing the images. *Id.* at 3:36–37. The images are obtained by scanning hard copy or from digital sources. *Id.* at 3:37–44.

At step 16, the goods are ordered. *Id.* 3:62–64. The output of the order may be by CD, photo-album pages, or images uploaded to the Internet. *Id.* at 3:64–67. At step 18, the digital images of the images provided at step

14 are obtained by a service provider by scanning or from digital memory devices. *Id.* at 4:12–18.

Once the images are obtained by the service provider, they are processed per the customer order at step 20. *Id.* at 4:21–27. Processing includes removing red-eye, adding texturing or adding content, after which the images are stored at step 22. *Id.*

A product is produced or service performed at step 23, after which the customer has access to the image for review at step 24. *Id.* at 4:28–32. The image is then sent to storage at step 25. *Id.* at 4:38–39. The ordered goods are produced or provided at step 26. *Id.* at 4:40–43.

Documents are received by the customer at step 28. *Id.* at 4:46–47. Additional orders may be placed at step 30 for images stored at step 25. *Id.* at 4:50–52.

### *B. Related Matters*

Petitioner has been sued for infringement of the '587 patent in the following case: *Intellectual Ventures I LLC v. Bank of America Corp.* No. 3:13-cv-00358 (W.D.N.C.). Pet. 4. (citing Ex. 1006 and 1007).

In addition, Petitioner advises us of four additional lawsuits where Patent Owner alleges the '587 patent is infringed. *Id.* at 47.

### *C. Illustrative Claim*

Of the challenged claims, claims 1, 10, and 18 are independent method claims. Claim 1 is reproduced below:

1. A method of automatically organizing digital images obtained from a plurality of hard copy prints, each of said hard copy prints having an image thereon, comprising the steps of:

digitally scanning a plurality of hard copy prints that have been grouped into one or more categories, each category

separated by an associated machine readable instruction form as to obtain a digital file of each of said images and digitally associating said one or more categories with said digital images in accordance with said associated machine readable instruction form executed by a computer;

storing said digital images files and associated categories on a digital storage medium; and

producing a product incorporating images from one or more of said categories as requested by a customer.

*D. Ground Upon Which Trial Was Instituted*

Trial was instituted on the ground that claims 1–18 of the '587 patent are unpatentable under 35 U.S.C. § 101. Institution Dec. 18.

*E. Claim Interpretation*

The Board will interpret a claim of an unexpired patent using the broadest reasonable construction in light of the specification of the patent in which it appears. *See* 37 C.F.R. § 42.300(b); *In re Cuozzo Speed Techs., LLC*, 778 F.3d 1271, 1279–83 (Fed. Cir. 2015); Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,766 (Aug. 14, 2012). Under that standard, claim terms are given their ordinary and customary meaning, as would be understood by one of ordinary skill in the art in the context of the entire disclosure. *In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007). Any special definition for a claim term must be set forth with reasonable clarity, deliberateness, and precision. *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994).

In instituting trial, we determined constructions for the following terms: “digitally scanning a plurality of hard copy prints”/ “scanning a plurality of hard copy prints;” and “machine readable instruction form”/ “instruction form.” Institution Dec. 5–8. In its Response, Patent Owner argues for a different construction of the following terms: “machine readable

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