

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

WALGREEN CO., AHOLD USA, INC., DELHAIZE AMERICA, LLC,
AND PUBLIX SUPER MARKETS, INC.,
Petitioner,

v.

ADVANCED MARKETING SYSTEMS, LLC,
Patent Owner.

Case CBM2016-00012
Patent 8,219,445 B2

Before THOMAS L. GIANNETTI, TREVOR M. JEFFERSON, and
MITCHELL G. WEATHERLY, *Administrative Patent Judges*.

WEATHERLY, *Administrative Patent Judge*.

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

I. INTRODUCTION

A. BACKGROUND

Walgreen Co., Ahold USA, Inc., Delhaize America, LLC, and Publix Super Markets, Inc. (collectively “Petitioner”) filed a petition (Paper 2, “Pet.”) requesting a covered business method patent review (“CBM review”) of claim 9 of U.S. Patent No. 8,219,445 B2 (Ex. 1001, “the ’445 patent”)

CBM2016-00012
Patent 8,219,445 B2

pursuant to section 18 of the Leahy-Smith America Invents Act (“AIA”). Petitioner supported the Petition with the Declaration of Michael Lewis, Ph.D. (Ex. 1009). Advanced Marketing Systems, LLC (“Patent Owner”) timely filed a Preliminary Response. Paper 6 (“Prelim. Resp.”). On May 13, 2016, based on the record before us at the time, we instituted a CBM review of claim 9. Paper 7 (“Institution Decision” or “Dec.”). We instituted the review on the following challenges to claim 9:

Reference	Basis
U.S. Patent No. 4,882,675 (Ex. 1007, “Nichtberger”)	§ 102(b)
International Patent Publication No. WO 96/30851 A1 (Ex. 1008, “Ovadia”)	§ 102(b)

After we instituted this review, Patent Owner filed a Patent Owner Response in opposition to the Petition (Paper 23, “PO Resp.”) that was supported by the Declaration of Steven R. Kursh, Ph.D. (Ex. 2015). Petitioner filed a Reply in support of the Petition (Paper 32, “Reply”). Patent Owner did not move to amend any claim of the ’445 patent. Neither party requested oral argument, and none was held.

We have jurisdiction under 35 U.S.C. § 6(b). The evidentiary standard applicable to this proceeding is a preponderance of the evidence. *See* 35 U.S.C. § 326(e); 37 C.F.R. § 42.1(d). This Final Written Decision is issued pursuant to 35 U.S.C. § 328(a) and 37 C.F.R. § 42.73.

For the reasons expressed below, we conclude that Petitioner has demonstrated by a preponderance of evidence that claim 9 is unpatentable.

B. RELATED PROCEEDINGS

Patent Owner has asserted the ’445 patent along with related U.S. Patent Nos. 8,370,199 B2 (“the ’199 patent) and 8,538,805 B2 (“the

CBM2016-00012
Patent 8,219,445 B2

'805 patent") in the following district court proceedings: *Advanced Mktg. Sys., LLC v. Walgreen Co.*, No. 6:15-cv-00137 (E.D. Tex.); *Advanced Mktg. Sys., LLC v. Ahold USA, Inc.*, No. 1:15-cv-221 (E.D. Va.); *Advanced Mktg. Sys., LLC v. Delhaize America, Inc.*, No. 2:15-cv-00074 (E.D. Va.); and *Advanced Mktg. Sys., LLC v. Publix Super Markets, Inc.*, No. 3:15-cv-00247 (M.D. Fla.). Pet. 1–2; Paper 5, 1. Patent Owner has also asserted the '445 patent, '199 patent, and '805 patent against other parties in the following district court proceedings: *Advanced Mktg. Sys., LLC v. The Kroger Co.*, No. 3:14-cv-02065 (N.D. Tex.); *Advanced Mktg. Sys., LLC v. Hy-Vee, Inc.*, No. 3:15-cv-00103 (W.D. Wis.); *Advanced Mktg. Sys., LLC v. CVS Pharmacy, Inc.*, No. 6:15-cv-00134 (E.D. Tex.); *Advanced Mktg. Sys., LLC v. Brookshire Grocery Co.*, No. 6:15-cv-00138 (E.D. Tex.); and *Advanced Mktg. Sys., LLC v. Ingles Markets Inc.*, No. 1:15-cv-00007 (W.D. Va.). Pet. 2; Paper 5, 2. Petitioner has concurrently filed a petition for CBM review of the '805 patent in CBM2016-00013 and petitions for CBM review of the '199 patent in CBM2016-00014 and -00015. Paper 5, 2.

C. THE '445 PATENT

The '445 patent issued from an application filed on January 28, 2009, and claims priority to a number of prior applications, the earliest of which was filed on February 19, 1998. Ex. 1001, 1:6–19. Two of the applications in the priority chain are described as continuations-in-part of prior applications. *See id.* Neither party addresses the priority date to which claim 9 is entitled. Nevertheless, both Nichtberger and Ovadia would qualify as prior art under 35 U.S.C. § 102(b) even if claim 9 were entitled to the priority date of February 19, 1998. *See* Ex. 1007 (issuing November 21, 1989); Ex. 1008 (publishing October 3, 1996).

The '445 patent relates to “a data processing system and method for implementing a customer incentive promotional program for enhancing retail sales of select products, such as groceries and the like.” Ex. 1001, 1:24–27.

Claim 9 recites:

9. [a] A distributed discount vehicle for use with a data processing system for tracking and processing a plurality of in-store discounts to potential purchasers of plural products during the checkout process, wherein said discounts are each associated with a specific one of said plural products, said discount vehicle comprising:

[b] two or more of said discounts including descriptive material to provide information at least identifying the products and their associated discounts, wherein

[c] said vehicle is associated with exactly one select code that permits machine reading and tracking of said vehicle and of individual purchasers' purchased products and the prices thereof during checkout,

said select code uniquely identifying all the discounts for all of the plural products associated with said vehicle and reflecting at least one of varying discounts unique to a potential purchaser and identical discounts common to all potential purchasers, and

[d] said select code uniquely identifying said vehicle such that said select code can be selectively deactivated for only particular discounts, of the plurality of discounts, associated with the purchased products by redemption of the code associated with the vehicle such that the code remains active for future use with yet unused ones of the plurality of discounts associated with said plural products.

Id. at 11:46–12:3 (line breaks and subdivisions [a]–[d] used by Petitioner and added for clarity).

The Specification describes one example of the claimed “discount vehicle” as a “multi-discount vehicle” (“MDV”) in the form of freestanding insert 300 which is preferably distributed in a newspaper. *Id.* at 7:30–37. Freestanding insert 300 is illustrated in Figures 3A and 3B, which are reproduced below.

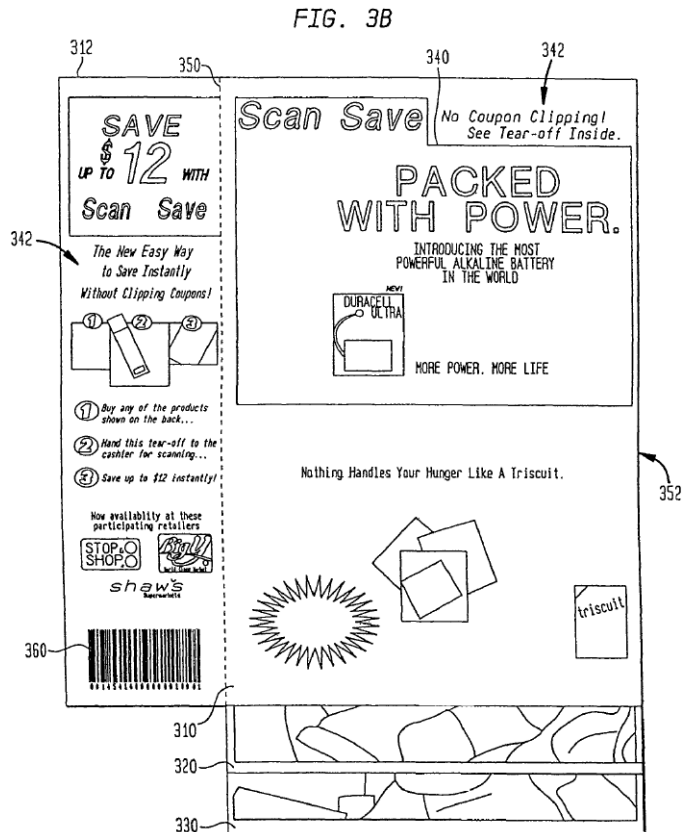
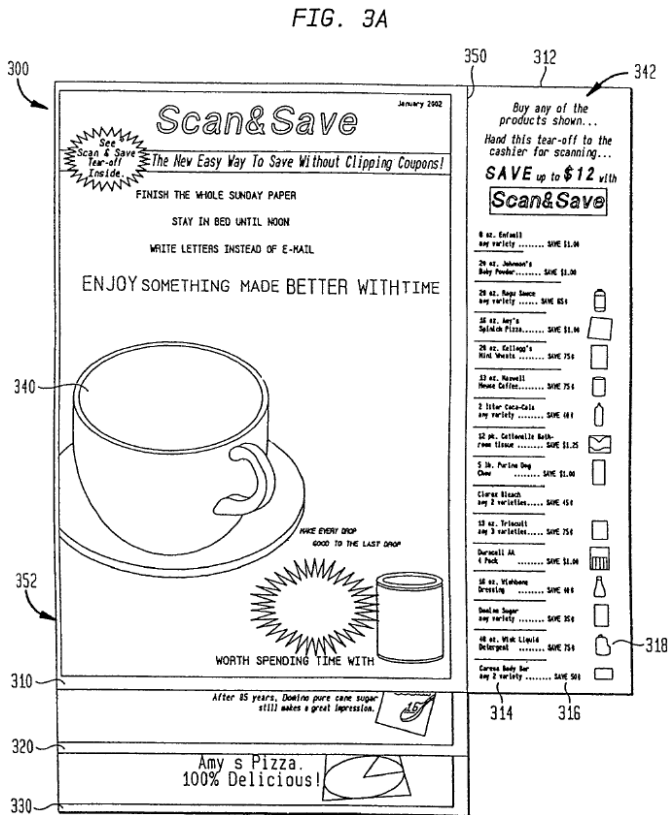


Figure 3A is a front view of an MDV according to claim 9 in the form of freestanding insert 300.

Figure 3B is a rear view of the freestanding insert 300 of Figure 3A.

The Specification describes freestanding insert 300 as follows:

[O]ne embodiment of the MDV is provided in the form of a freestanding insert (FSI) 300. The FSI may generally take the form of a folded sheets 310, 320, 330 unattached to each other (FIGS. 3a-c). Each sheet presents graphically displayed information, is folded or creased 352, and may include at least one advertisement or commercial 340 of a discounted product.

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