UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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WALGREEN CO., AHOLD U.S.A., INC., DELHAIZE AMERICA, LLC,
and PUBLIX SUPER MARKETS, INC.,
Petitioner,

v.

ADVANCED MARKETING SYSTEMS, LLC,
Patent Owner.

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Case CBM2016-00013
Patent 8,538,805 B2

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

GIANNETTI, *Administrative Patent Judge.*

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

Walgreen Co., Ahold USA, Inc., Delhaize America, LLC, and Publix Super Markets, Inc. (collectively "Petitioner") filed a Petition (Paper 2, "Pet.") pursuant to 35 U.S.C. §§ 321–329 seeking to institute a covered business method patent review of claim 1 of U.S. Patent 8,538,805 B2 (Ex. 1001,"the '805 patent"). Advanced Marketing Systems, LLC ("Patent Owner") filed a Preliminary Response. Paper 5 ("Prelim. Resp.").

We granted Petitioner's request (Paper 6; "Institution Decision") and instituted a covered business method patent review of the challenged claim on the following two grounds:

1. lack of written description under 35 U.S.C. 112, ¶ 1; and

2. anticipation by Nichtberger[1] under 35 U.S.C. § 102.

Subsequent to institution, Patent Owner filed a Patent Owner Response. Paper 22 ("PO Resp."). Petitioner filed a Reply. Paper 31 ("Pet. Reply"). Neither party requested an oral hearing, and none was held.

The Board has jurisdiction under 35 U.S.C. § 6(b). This Final Written Decision is issued pursuant to 35 U.S.C. § 328(a) and 37 C.F.R. § 42.73. For the reasons that follow, we determine that Petitioner shown, by a preponderance of the evidence, that claim 1 of the '805 patent is not patentable.

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[1] U.S. Patent 4,882,675 (Ex. 1007).

I. BACKGROUND

A. The '805 patent (Ex. 1001)

The '805 patent is titled "Promotion on Processor and Management System." The Abstract describes the subject matter as follows:

> A data processing system employs a unique coded promotional vehicle to attract customers into retail establishments for the purchase of discounted goods. The promotional vehicle includes coupon styled graphics integrated with a code to allow data tracking by the store pursuant to purchases by that customer. The promotional vehicle is easier and less costly to distribute compared to the prior art, avoids cutting of coupons, and post purchase redemptions. The system further allows more targeted discounting at a lower cost, and substantially reducing fraud by eliminating post purchase coupon processing and redemption. Additionally, the system provides for selective deactivation of the code for each discount used by redemption of the vehicle without deactivating the code for the discounts not used so that the code may remain selectively active for future use.

Ex. 1001, Abstract.

The invention of the '805 patent employs a specifically constructed multi-discount incentive production vehicle (MDV) distributed to select customers. *Id.* at col. 5, ll. 51–54. The MDV includes a specific multi-function code embedded in or associated with the vehicle, to identify the customer and permit tracking of the promotion through redemption. *Id.* at col. 5, ll. 54–58. This subject matter of the '805 patent is illustrated by Figure 1 of the patent, which follows:
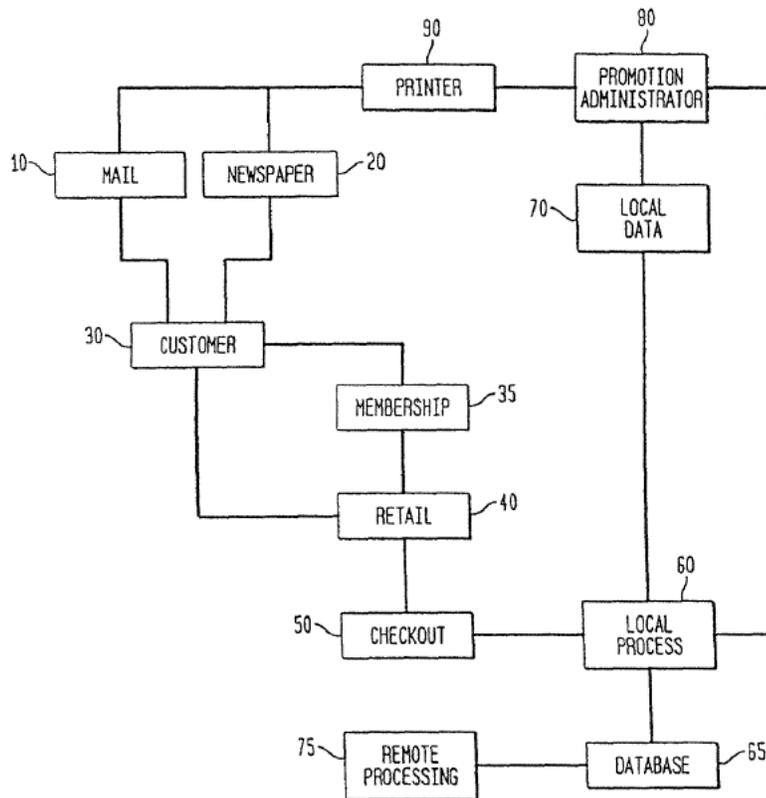
FIG. 1

Figure 1 is described in the '805 patent as a block diagram of the invention. Ex. 1001, col. 5, ll. 15–16. As described further in the patent, in Figure 1, customer 30 receives an MDV via one of two paths: mail distribution 10 or newspaper/magazine 20. *Id.* at col. 6, ll. 17–21. Next, customer 30 visits retail store 40 with the MDV. *Id.* at col. 6, ll. 34–35. After shopping concludes, during the checkout process 50, the MDV is scanned and processed with that transaction. *Id.* at col 6, ll. 35–37. The MDV is checked for authenticity, and items purchased that are subject to a discount are tracked, with the total amount charged to that customer adjusted accordingly. *Id.* at col. 6, ll. 37–40.

In one example described in the specification, the customer retains the MDV and uses it to assist in his or her next shopping trip to the super market. Ex. 1001, col. 10, ll. 7–8. At check-out, the super market employs scanning equipment to read both the MDV and the products selected by the customer for purchase. *Id.* at col. 10, ll. 13–15. The scanning equipment is connected to a computer that compares the purchases with a file storing information regarding the products promoted with the MDV. *Id.* at col. 10, ll. 15–18. This comparison is facilitated by the unique identifier provided on the MDV, which associates the promotion to the stored file. *Id.* at col. 10, ll. 18–20.

As promoted items listed on the MDV are scanned during checkout, the system flags these items as purchased and applies the discount to the price provided to the customer. *Id.* at col. 10, ll. 20–23. The computer may thereafter deactivate the promotion for that product to insure that the MDV is not used again to duplicate the discount for the purchased items. *Id.* at col. 10, ll. 23–26. The MDV, however, remains active, to the extent certain promoted items were not purchased by the customer during this or previous shopping visits and the time period set for the promotion has not expired. *Id.* at col. 10, ll. 26–29. This allows the customer to return to the store with the MDV and to take advantage of the remaining promotions on the MDV that have not been used. *Id.* at col. 10, ll. 29–32.

B. Illustrative Claim

Claim 1, the only claim challenged, is reproduced here:

> 1. 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

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