UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

v.

ADVANCED MARKETING SYSTEMS, LLC,
Patent Owner.

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Cases CBM2016-00014 and CBM2016-00015
Patent 8,370,199 B2

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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,[1]

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[1] Unless otherwise noted, citations to Paper numbers reflect the Paper
numbers in both CBM2016-00014 and -00015. When citations differ, we

"Pet.") requesting a covered business method patent review ("CBM review") of claims 15 and 28 of U.S. Patent No. 8,370,199 B2 (Ex. 1001,[2] "the '199 patent") 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 5 ("Prelim. Resp."). On May 27, 2016, and June 1, 2016, based on the record before us at the time, we instituted a CBM review of claims 15 and 28 in CBM2016-00014 and -00015. Paper 6 ("Institution Decision" or "Dec."). We instituted the review on the following challenges to claim 15 and 28:

Reference/Alleged Defect	Basis	Claim(s)
U.S. Patent No. 4,882,675 (Ex. 1007, "Nichtberger")	§ 102(b)	15 and 28
International Patent Publication No. WO 96/30851 A1 (Ex. 1008, "Ovadia")	§ 102(b)	15
Lack of written description support	§ 112, ¶ 1	28

After we instituted this review, Patent Owner filed a Patent Owner Response in opposition to the Petition (Paper 22, "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 31, "Reply").

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will precede citations in CBM2016-00014 with "'014 CBM" and citations in CBM2016-00015 with "'015 CBM."

[2] Unless otherwise noted, citations to Exhibit numbers reflect the Exhibit numbers in both CBM2016-00014 and -00015. When citations differ, we will precede citations in CBM2016-00014 with "'014 CBM" and citations in CBM2016-00015 with "'015 CBM."

Patent Owner did not move to amend any claim of the '199 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 claims 15 and 28 are unpatentable.

B. RELATED PROCEEDINGS

Patent Owner has asserted the '199 patent along with related U.S. Patent Nos. 8,219,445 B2 ("the '445 patent) and 8,538,805 B2 ("the '805 patent") against individual ones of the petitioners 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 3, 1–2. 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 3, 2. We instituted a CBM

review of the '805 patent in CBM2016-00013,[3] and of the '445 patent in CBM2016-00012.[4]

C. THE '199 PATENT

The '199 patent issued from an application filed on June 5, 2012, and claims priority to a number of prior applications, the earliest of which was filed on February 19, 1998. Ex. 1001, 1:4–20. 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 claims 15 and 28 are entitled. Nevertheless, Nichtberger is prior art to claims 15 and 28 under 35 U.S.C. § 102(b) even if those claims were entitled to the priority date of February 19, 1998. *See* Ex. 1007 (issuing November 21, 1989).

The '199 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, 1:25–28.

Claim 15 is directed to a "discount vehicle" and recites:

15[a]. A 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

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[3] CBM2016-00013, Paper 6.

[4] CBM2016-00012, Paper 7.

> [c] said vehicle is associated with a select code that permits 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
>
> [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 11:65–12:20 (line breaks and subdivisions [a]–[d] used by Petitioner 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 distributed in a newspaper. *Id*. at 7:30–37. Freestanding insert 300 is illustrated in Figures 3A and 3B, which are reproduced below.
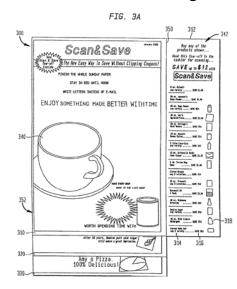

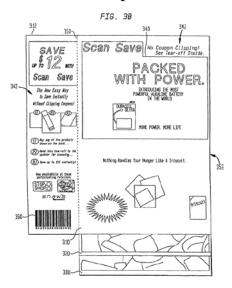Figure 3A is a front view of an MDV as freestanding insert 300.

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

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