Filed: May 4, 2016

Filed on behalf of:

Patent Owner Intellectual Ventures I LLC

By: Brenton R. Babcock

Ted M. Cannon

KNOBBE, MARTENS, OLSON & BEAR, LLP

2040 Main Street, 14th Floor

Irvine, CA 92614 Tel.: (949) 760-0404 Fax: (949) 760-9502

Email: BoxPGL38@knobbe.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SALLY BEAUTY HOLDINGS, INC. and SALLY BEAUTY SUPPLY LLC

Petitioners

v.

INTELLECTUAL VENTURES I LLC

Patent Owner

Case No. CBM2016-00030 U.S. Patent No. RE43,715

PATENT OWNER'S PRELIMINARY RESPONSE



TABLE OF CONTENTS

Page No.

I.	. INTRODUCTION AND SUMMARY OF ARGUMENT			1		
II.	LEGAL STANDARDS					
	A.	Eligi	bility for CBM Review	6		
		1.	Sally Beauty bears the burden of establishing that the '715 Patent is a covered business method patent	6		
		2.	The determination of whether the '715 Patent is eligible for covered business method patent review is based on what the patent's <i>claims</i> recite	6		
		3.	Specification examples do not establish that a patent is a CBM Patent unless the examples clearly show that the <i>claimed</i> invention has <i>particular application</i> involving financial activities	7		
		4.	The determination of whether the '715 Patent is for a technological invention is based upon an analysis of the claimed subject matter as a whole	10		
		5.	The Board's determination whether the '715 Patent is a covered business method patent must disregard statutorily disclaimed claims	10		
III.	NOT	THE PETITION SHOULD BE DENIED BECAUSE IT DOES NOT ESTABLISH THAT THE '715 PATENT IS A COVERED BUSINESS METHOD PATENT				
	A.	The '715 Patent is directed to technologies common in business environments that have no particular relation to the financial services sector				



TABLE OF CONTENTS (cont'd)

Page No.

	1.	technologies common in business environments that have no particular relation to the financial services sector		
		a.	The Petition's entire argument fails because it focuses solely on disclaimed claims 1, 9, and 14	13
		b.	None of the language of claims 20–50 is tied to financial services	14
	2.	to tec	specification of the '715 Patent is also directed chnologies common in business environments have no particular relation to the financial ces sector	21
		a.	The Board has not held that any mention of any financial transaction in the specification makes a patent a CBM patent	22
		a.	The '715 Patent specification does not have particular application involving financial activities	25
	3.	•	Beauty does not rely upon the file history of 715 Patent	28
B.	The '	715 Pa	atent is directed to a technological invention	28
	1.	does	Beauty failed to establish that the '715 Patent not recite a novel and unobvious technological re	29



TABLE OF CONTENTS (cont'd)

Page No.

		2. The '715 Patent solves a technical problem using a technical solution	32	
IV.	Statu	tory construction of the CBM statute	35	
	A.	The plain meaning of the CBM-eligibility test focuses solely on the claims, as properly interpreted in view of the specification.	36	
	В.	The legislative history of the CBM statute does not support Sally Beauty's expansive interpretation of "CBM patent."	37	
V.	CLA	IM CONSTRUCTION	42	
VI.	THE PTAB MAY DENY THE PETITION EVEN IF IT REACHES THE MERITS			
VII	CONCLUSION			



TABLE OF AUTHORITIES

Page No(s).

In re Alappat, 33 F.3d 1526 (Fed. Cir. 1994) (en banc)31
Experian Marketing Solutions, Inc. v. RPost Commc'ns. Ltd., CBM2014-00010, Paper 20 (P.T.A.B. Apr. 22, 2014)
Great West Casualty Co. v. Intellectual Ventures II LLC, CBM2015-00171, Paper 10 (P.T.A.B. Feb. 9, 2016)11, 13
Helmsderfer v. Bobrick Washroom Equipment, Inc., 527 F.3d 1379 (Fed. Cir. 2008)
J.P. Morgan Chase & Co. v. Intellectual Ventures II LLC, CBM2014-00160, Paper 11 (P.T.A.B. Jan. 29, 2015)passim
Liberty Mut. Ins. Co. v. Progressive Cas. Ins. Co., CBM2012-00004, Paper 10 (P.T.A.B. Jan. 25, 2013)7
Qualtrics, LLC v. OpinionLab, Inc., CBM2016-00003, Paper 9 (P.T.A.B. Apr. 13, 2016)16, 17
Ratzlaf v. United States, 510 U.S. 135 (1994)36, 37
Salesforce.com, Inc. v. Applications in Internet Time LLC, CBM2014-00162, Paper 11 (P.T.A.B. Feb. 2, 2015)passim
Salesforce.com, Inc. v. VirtualAgility, Inc., CBM2013-00024, Paper 16 (P.T.A.B. Nov. 19, 2013)passim
SEGA of America, Inc. v. Uniloc USA, Inc., CBM2014-00183, Paper 11 (P.T.A.B. Mar. 10, 2015)
State Street Bank & Trust Co. v. Signature Fin. Grp., 149 F.3d 1368 (Fed. Cir. 1998)38, 39



DOCKET A L A R M

Explore Litigation Insights



Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time** alerts and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.

