

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SALLY BEAUTY HOLDINGS, INC., SALLY BEAUTY SUPPLY LLC,
SALLY HOLDINGS LLC, SALLY INVESTMENT HOLDINGS LLC, and
BEAUTY SYSTEMS GROUP LLC
Petitioner,

v.

INTELLECTUAL VENTURES I LLC,
Patent Owner.

Case CBM2016-00030
Patent RE43,715

Before KARL D. EASTHOM, KEVIN F. TURNER, and
KEVIN W. CHERRY, *Administrative Patent Judges*.

TURNER, *Administrative Patent Judge*.

DECISION
Denying Institution of Covered Business Method Patent Review
37 C.F.R. § 42.208

I. INTRODUCTION

A. Background

Sally Beauty Holdings, Inc., Sally Beauty Supply LLC, Sally Holdings LLC, Sally Investment Holdings LLC, and Beauty Systems Group LLC (“Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting a review under the transitional program for covered business method patents of U.S. Patent No. RE43,715 (Ex. 1001, “the ’715 Patent”). Intellectual Ventures I LLC (“Patent Owner”) filed a Preliminary Response (Paper 6, “Prelim. Resp.”). We have jurisdiction under 35 U.S.C. § 324.

The standard for instituting a covered business method patent review is set forth in 35 U.S.C. § 324(a), which provides as follows:

THRESHOLD.—The Director may not authorize a post-grant review to be instituted unless the Director determines that the information presented in the petition filed under section 321, if such information is not rebutted, would demonstrate that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.

Petitioner challenges the patentability of claims 1–50 of the ’715 Patent under 35 U.S.C. §§ 101, 103, and 112. Patent Owner has disclaimed claim 1–19 (Ex. 2011), such that claims 20–50 (“the challenged claims”) remain to be challenged in the instant proceeding. .

Taking into account Patent Owner’s Preliminary Response, we determine that the Petition does not demonstrate that the ’715 Patent is a covered business method patent. Pursuant to 35 U.S.C. § 324, we decline to institute a covered business method patent review of the challenged claims of the ’715 Patent.

B. Related Matters

The parties inform us that the '715 Patent is the subject of the following lawsuit: *Intellectual Ventures I LLC et al. v. Sally Beauty Holdings, Inc. et al.*, Case No. 2-15-cv-001414 (E.D. Tex.). Pet. 3; Paper 4, 1.

C. The '715 Patent

The '715 Patent is a reissue of U.S. Patent No. 6,941,376, issued September 6, 2005, with the patent being reissued October 2, 2012. Petitioner supplies the file histories for both patents. Exs. 1003, 1004. The '715 Patent relates to integrating public data and private data to form integrated data, and delivering the integrated data to a user system. Ex. 1001, Abs. The '715 Patent asserts that the prior art computer networking architecture did not sufficiently allow an individual to access and view both public and private data simultaneously. *Id.* at 2:5–8. The '715 Patent then explains that “viewing combinations of public and private data usually includes jumping between two or more websites, viewing only one at a time, or using two separate digital viewing devices, such as two computer screens.” *Id.* at 2:8–12. The '715 Patent attempts to create a new computer networking architecture by connecting computer hardware and software elements in a unique architecture with specifically defined inter-relationships that enable the new computer networking architecture to integrate and deliver public and private data to a user. *Id.* at 6:26-49.

D. Illustrative Claim

Claims 20, 35, and 41 are independent, claim 1 is considered representative of the claims challenged, and claim 1 is reproduced below:

20. A method of integrating and delivering data available over a network, said method including the steps of:

acquiring public data from at least one publicly available data store coupled to said network, wherein said public data is determined by private data;

acquiring said private data from at least one private data store coupled to said network;

integrating said public data and said private data to form integrated data; and

delivering said integrated data to a user system.

Id. at 15:7–16.

E. Evidence of Record

Petitioner relies on the following references and declarations:

Reference or Declaration	Exhibit No.
U.S. Patent No. 5,819,284 (“Farber”)	Ex. 1007
Steve Davis, <u>CompuServe Information Manager for Windows</u> , Prima Publishing (1994) (“CompuServe”)	Ex. 1015
U.S. Patent No. 5,983,227 (“Nazem”)	Ex. 1010
U.S. Patent No. 5,696,965 (“Dedrick”)	Ex. 1008
<u>Oracle 8.1.5 SQL Reference</u> , Oracle Corp. (1999) (“Oracle SQL”)	Ex. 1013
U.S. Patent No. 5,877,759 (“Bauer”)	Ex. 1014
Declaration of Dr. Philip Greenspun	Ex. 1005
Declaration of Dr. Sylvia Hall-Ellis	Ex. 1020

F. Asserted Grounds of Unpatentability

Petitioner asserts that the challenged claims are unpatentable on the following grounds (*see* Pet. 19–79)¹:

Claim(s) Challenged	Basis	Reference(s)
20–50	§ 101	
20, 25, 27–32, 35–42, 44, and 47–49	§ 103	Farber and CompuServe

¹ The Petition contains additional grounds and asserts the above grounds against additional claims; the claims and grounds omitted above were directed to disclaimed claims.

Claim(s) Challenged	Basis	Reference(s)
22–24, 26, 34, 39, 46, and 50	§ 103	Farber, CompuServe, and Nazem
33	§ 103	Farber, CompuServe, and Dedrick
21 and 43	§ 103	Farber, CompuServe, and Oracle SQL
45	§ 103	Farber, CompuServe, and Bauer

II. ANALYSIS

A. *Standing to Seek Covered Business Method Patent Review*

Section 18 of the AIA² provides for the creation of a transitional program for reviewing covered business method patents. Section 18 limits review to persons or their privies that have been sued or charged with infringement of a “covered business method patent,” which does not include patents for “technological inventions.” AIA §§ 18(a)(1)(B), 18(d)(1). 37 C.F.R. § 42.302 states “[c]harged with infringement means a real and substantial controversy regarding infringement of a covered business method patent exists such that the petitioner would have standing to bring a declaratory judgment action in Federal court.”

Petitioner states that it was charged with infringement of at least one claim of the ’715 Patent, as identified in Section I.B above. Pet. 4. Patent Owner does not dispute this statement.

i. Financial Product or Service

A covered business method patent “claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service, except that the term does not include patents for technological inventions.”

² Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284, 329 (Sept. 16, 2011) (“AIA”).

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