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Paper No. 10
Entered: February 27, 2017

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE INC.,
Petitioner,

v.

KLAUSTECH, INC.,
Patent Owner.

Case CBM2016-00096
Patent 6,128,651

Before MICHAEL R. ZECHER, CHRISTOPHER M. KAISER, and KEVIN W. CHERRY, *Administrative Patent Judges*.

ZECHER, *Administrative Patent Judge*.

DECISION
Denying Institution of Covered Business Method Patent Review
35 U.S.C. § 324(a) and 37 C.F.R. § 42.208

I. INTRODUCTION

Petitioner, Google Inc. ("Google"), filed a Petition requesting a review under the transitional program for covered business method patents of claims 20, 21, 23–26, 28, and 29 ("challenged claims") of U.S. Patent No. 6,128,651 (Ex. 1001, "the '651 patent"). Paper 1 ("Pet."). Patent Owner, KlausTech, Inc. ("KlausTech"), filed a Preliminary Response. Paper 7 ("Prelim. Resp.").

After Google filed its Petition, but before KlausTech filed its Preliminary Response, the U.S. Court of Appeals for the Federal Circuit issued a decision in *Unwired Planet, LLC v. Google Inc.*, 841 F.3d 1376 (Fed. Cir. 2016) ("*Unwired Planet*"),[1] which provided new guidance regarding the financial prong of the covered business method patent eligibility test. Given this intervening case law, we afforded Google an opportunity to file a reply to explain how the Federal Circuit's new guidance in *Unwired Planet* impacts this proceeding. Paper 8. Google filed a Reply that was tailored narrowly to address this issue. Paper 9 ("Reply").

[1] Shortly before this Decision issued, the Federal Circuit issued a decision in *Secure Axcess, LLC v. PNC Bank National Ass'n*, No. 2016-1353 (Fed. Cir. Feb. 21, 2017) ("*Secure Access*"). The parties did not have the opportunity to address the holding in *Secure Axcess* or any possible impact it may have on this case. The Federal Circuit's decision in *Secure Axcess* reached a similar outcome as that in *Unwired Planet*, and we determine that its holding does not alter the outcome or analysis presented in this Decision.

We have jurisdiction under 35 U.S.C. § 324,[2] which provides that a covered business method patent review may not be instituted unless the information presented in the Petition demonstrates "that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable." Taking into account the arguments presented in KlausTech's Preliminary Response and Google's Reply, we determine that the information presented in the Petition does not establish that the '651 patent qualifies as a covered business method patent that is eligible for review, as defined by § 18(d)(1) of the AIA. We, therefore, *deny* the Petition.

A. Related Matters

The parties indicate that the '651 patent has been asserted in a district court case currently captioned *KlausTech, Inc. v. Google Inc.*, No. 4:10-cv-05899 JSW (N.D. Cal.). Pet. 2–4; Paper 3, 2.

B. The '651 Patent

The '651 patent generally relates to Internet advertising and, in particular, to a frame displayed on a website that includes ad content controlled and timed by a central controller. Ex. 1001, 1:6–9. According to the '651 patent, one problem associated with advertising on a web page is that the advertiser who places an ad has little control over how the ad is viewed at a user's browser. *Id.* at 1:32–33. For instance, some web pages are larger than the screen that displays the web pages and, therefore, allows

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[2] *See* Section 18(a)(1) of the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284, 329–31 (2011) ("AIA"), which provides that the transitional program for covered business method patents will be regarded as a post-grant review under Chapter 32 of Title 35 of the United States Code, and will employ the standards and procedures of a post-grant review, subject to certain exceptions.

the web pages and the ads contained therein to be scrolled. *Id.* at 1:34–36. Scrolling in this manner does not allow the advertiser to control when his/her ad is being viewed by the user. *Id.* at 1:36–40. Although one known solution is to place ad content in a non-scrolling frame, this solution has its drawbacks. *Id.* at 1:41–60. Designers of search engines are now equipped to scan a website for the presence of a frame and, if it finds a frame, the search engine is capable of moving on without further interrogation or indexing of the website. *Id.* at 1:67–2:11.

The '651 patent discloses that another problem associated with advertising on a web page is control over how long the ad content is viewed at the user's browser. Ex. 1001, 2:12. Websites displaying ad content that are viewed on non-scrolling frames usually program or randomly change the ad content on a periodic basis. *Id.* at 2:12–16. Because the website has exclusive control over display of the ad content, the same ad content may continue to be displayed indefinitely in the non-scrolling frame for as long as the browser remains on the website. *Id.* at 2:16–19.

The '651 patent addresses these problems by using a webserver that delivers web pages to a user's browser, and a central controller that tracks the extent in which a particular ad is presented at the browser. Ex. 1001, 2:21–23. The web page presents the ad by displaying it in a non-scrolling frame of the browser. *See id.* at 2:24–26. The ad content includes a coded timer that, upon expiration, causes the browser to send a report to the central controller. *Id.* at 2:26–28. According to the '651 patent, this system enables precise control of advertising viewed by the browser, as well as enables the central controller to budget accurately for advertising and adjust accordingly to meet marketing needs. *Id.* at 2:28–32.

C. Illustrative Claim

Of the challenged claims, claims 20 and 25 are the only independent claims at issue. Independent claims 20 and 25 are directed to a non-scrolling ad display from a website for causing a browser hitting the website to undertake centrally controlled and recorded ad display for guaranteed minimum time intervals. Claims 21, 23, and 24 directly or indirectly depend from independent claim 20; and claims 26, 28, and 29 directly or indirectly depend from independent claim 25. Independent claim 20 is illustrative of the challenged claims and is reproduced below:

> 20. A non-scrolling ad display from a website for causing a browser hitting the website to undertake centrally controlled and recorded ad display for guaranteed minimum timed intervals comprising the steps of:
>
> providing a website at a webserver for transmitting at least one page with a non-scrolling ad frame to a browser;
>
> providing ad content for the non-scrolling ad frame, each ad content having ad identity and an individual timer for timing out commencing with display at the browser and an Internet address for fetching by the browser;
>
> providing a central controller interrogating for browser identity and maintaining records associated with the browser identity indicating ad identity displayed, and timer timeout;
>
> placing the ad content in the non-scrolling ad frame of the browser to display the ad content and start the individual timer;
>
> timing out the individual timer of the ad content at the non-scrolling frame at the browser;
>
> reporting from the browser to the central controller the timer timeout of the ad content;
>
> retaining in the central controller a record of the browser identity, the ad identity, and the timer timeout of the ad content at the browser; and

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