

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

XEROX CORP., ACS TRANSPORT SOLUTIONS, INC.,
XEROX TRANSPORT SOLUTIONS, INC.,
CONDUENT INC., and
NEW JERSEY TRANSIT CORP.,
Petitioner,

v.

BYTEMARK, INC.,
Patent Owner.

Case CBM2018-00018
Patent 9,239,993 B2

Before JOSIAH C. COCKS, BRIAN J. McNAMARA, and
BARRY L. GROSSMAN, *Administrative Patent Judges*.

COCKS, *Administrative Patent Judge*.

DECISION
Denying Request for Rehearing
37 C.F.R. § 42.71

I. INTRODUCTION

Xerox Corp., ACS Transport Solutions, Inc., Xerox Transport Solutions, Inc., Conduent Inc., and New Jersey Transit Corp. (collectively “Petitioner”) timely filed a Request for Rehearing (Paper 12, “Req. Reh’g.”) requesting rehearing of our decision denying institution of a Covered Business Method (“CBM”) patent review of claims 1–17 and 22–24 of U.S. Patent No. 9,239,993 B2 (Ex. 1001, “the ’993 patent”). Paper 11 (“Decision” or “Dec.”). The reason for our denial was that “we determine[d] that Petitioner has not established that the ’993 patent is a ‘covered business method patent’ pursuant to the statutory definition in § 18(d)(1) of the AIA.”¹ Dec. 3.

Petitioner seeks rehearing because, in Petitioner’s view, the Board (1) overlooked the recited financial activities of claims 1, 8, 11, 14, and 23 (Req. Reh’g. 2), and (2) misapprehended the standard for CBM review (*id.*). For the reasons stated below, we deny Petitioner’s Request.

II. ANALYSIS

When rehearing a decision on institution, the Board reviews the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion may arise if the decision is based on an erroneous interpretation of law, if a factual finding is not supported by substantial evidence, or if an unreasonable judgment is made in weighing relevant factors. *Star Fruits S.N.C. v. U.S.*, 393 F.3d 1277, 1281 (Fed. Cir. 2005); *Arnold P’ship v.*

¹ See § 18(d)(1) of the Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284 (2011).

Dudas, 362 F.3d 1338, 1340 (Fed. Cir. 2004); *In re Gartside*, 203 F.3d 1305, 1315–16 (Fed. Cir. 2000).

The burdens and requirements of a request for rehearing are stated in 37 C.F.R. § 42.71(d):

(d) Rehearing. . . . The burden of showing a decision should be modified lies with the party challenging the decision. The request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply.

We address below, in the order presented in the Request for Rehearing, the matters Petitioner asserts we overlooked or misapprehended.

A. Claim 23

Claim 23 depends from independent claim 8. Claim 8 is directed to a “system for validating previously purchased electronic tickets for utilization of a service monitored by a ticket taker” and includes recitation of a “central computer system,” a “remote display device,” and a “secured validating display object.” Ex. 1001, 14:61–15:24.² Claim 23 adds the feature: “wherein the central computer system transmits the secured validating display object to the remote display device in dependence on completion of a purchase of the previously purchased electronic ticket.” *Id.* at 16:27–30. Thus, claim 23 specifies that a ticket taker cannot validate an electronic ticket unless it has been purchased. Purchasing an electronic ticket is a condition precedent to validating the ticket.

² It appears the claims of the ’993 patent refer to a “secured validation display object” interchangeably with a “secured validating display object.”

Petitioner asserts we “overlooked the recited financial activities of claim 23 that comprise active, contemporaneous financial operations.” Req. Reh’g. 3–4. Petitioner states:

Claim 23 recites “wherein the central computer system transmits the secured **validating** display object to the remote display device **in dependence on completion of a purchase** of the previously **purchased** electronic ticket.” As such, the claimed financial activity in claim 23 recites transmitting the display object “in dependence on completion of a purchase.” “Completion of a purchase” is an active, affirmative, and contemporaneous recitation of a financial operation. In addition, “dependence on completion of a purchase” is actively, affirmatively, contemporaneously, and directly conditioned on a financial operation.

Id. at 3 (quoting language from claim 23, with emphasis added by Petitioner). According to Petitioner, the panel “overlooked the financial activities in claims 23 that actively and contemporaneously cover the management or administration of a financial product or service for a previously purchased electronic ticket.” *Id.* at 4.

In particular, in the Decision, we addressed specifically the scope of claim 23. Dec. 20. In that regard, we concluded that, in connection with certain dependent claims, including claim 23, “Petitioner also does not present any persuasive evidence that the content of any of those dependent claims establishes a system for performing data processing or other operations used in the practice, administration, or management of a financial product or service.” *Id.* at 21. In reaching that conclusion, we were, and are, unpersuaded that Petitioner had identified adequate evidence or authority to support its argument that an act of transmitting a particular component, here a secured validating display object, based on a prior event, i.e., the act of

completion of a purchase of a ticket, is a “recitation of a financial operation” sufficient to establish that claims 23 recite a covered business method. *See* 37 C.F.R. § 42.304(a) (“The petitioner must demonstrate that the patent for which review is sought is a covered business method patent . . .”).

Petitioner simply does not now explain persuasively why the transmission of a secured validating display by a computer system in the course of validating a ticket that had been purchased constitutes activity that is “active[] and contemporaneous[]” with the “management or administration of a financial product or service.” *See* Req. Reh’g 3–4.

In order to be eligible for a CBM review, the challenged patent must “claim[] 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 . . .” AIA § 18(d)(1). After considering the Petition, we determined that Petitioner did not meet its burden of demonstrating that the patent for which review is sought is a covered business method patent. Although Petitioner may disagree with our determination as to claim 23, disagreement is not, itself, a proper basis for requesting rehearing. Here, Petitioner does not identify persuasively that we misapprehended or overlooked any matter in reaching a determination other than that desired by Petitioner.

B. Claims 11 and 14

Claims 11 and 14 also ultimately depend from claim 8. Claim 11 adds “wherein the remote display device receives and stores the secured validation display object prior to verification of the purchase of the previously purchased electronic ticket.” Ex. 1001, 15:29–34. Claim 14 adds “wherein the secured validation display object is further comprised of data

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