

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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CONNEXIONS LOYALTY, INC.,  
Petitioner,

v.

MARITZ HOLDINGS INC.,  
Patent Owner.

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Case CBM2018-00037  
Patent 7,134,087 B2

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Before MICHAEL R. ZECHER, JUSTIN T. ARBES, and  
JON B. TORNQUIST, *Administrative Patent Judges*.

ARBES, *Administrative Patent Judge*.

DECISION

Granting Institution of Covered Business Method Patent Review  
*35 U.S.C. § 324(a)*

## I. INTRODUCTION

Petitioner, Connexions Loyalty, Inc., filed a Petition (Paper 1, “Pet.”) requesting a covered business method patent review of claims 1–15 of U.S. Patent No. 7,134,087 B2 (Ex. 1001, “the ’087 patent”) pursuant to 35 U.S.C. § 321(a). Patent Owner, Maritz Holdings Inc., filed a Preliminary Response (Paper 11, “Prelim. Resp.”) pursuant to 35 U.S.C. § 323. Pursuant to 35 U.S.C. § 324(a), the Director may not authorize a covered business method patent review unless the information in the petition, if unrebutted, “would demonstrate that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.” For the reasons that follow, we have decided to institute a covered business method patent review of claims 1–15 on the single ground of unpatentability asserted in the Petition.

## II. BACKGROUND

### A. *The ’087 Patent*

The ’087 patent discloses “a system and method in which a participant of a program which awards points to the participant allows the participant to transact a purchase using the awarded points with a vendor system which transacts purchases in currency.” Ex. 1001, col. 1, ll. 7–12. Loyalty programs “issue points to customers (i.e., participants) as a reward for certain activities such as the purchase of certain products or services or performing a certain action” and allow the customer to redeem the points for rewards (i.e., “merchandise, certificates, or other products or services”), which “create[s] a loyalty or affinity with the customer and encourage[s] the customer to continue a desired behavior.” *Id.* at col. 1, ll. 16–23. A loyalty program typically has a relationship with various redemption vendors and

allows the customer to “select[] a reward for purchase with the points.” *Id.* at col. 1, ll. 24–34. The loyalty program “obtains the product or service” from the appropriate vendor and provides it to the customer. *Id.* at col. 1, ll. 34–37.

The ’087 patent discloses that “[s]ome rewards are of a nature that human intervention is needed to redeem/fulfill a reward.” *Id.* at col. 1, ll. 37–38. For example, when a customer selects an airline ticket, the loyalty program “would purchase the ticket through a selected travel agent or a selected airline employee and provide the ticket (or have it sent) to the customer,” and the agent or employee would deduct the points needed for the reward from the customer’s point account. *Id.* at col. 1, ll. 38–46. The ’087 patent sought to “eliminate” this need for human intervention by “allowing the customer to systematically redeem their points for rewards using redemption vendors that otherwise deal in currency.” *Id.* at col. 1, ll. 47–53, col. 1, l. 66–col. 2, l. 4 (stating that the disclosed invention “provides fulfillment capability without having to involve highly specialized third party organizations,” which “enables participants to get greater satisfaction and more immediate gratification from their loyalty program regardless of their preferred method of interaction”).

Figure 2 of the '087 patent is reproduced below.

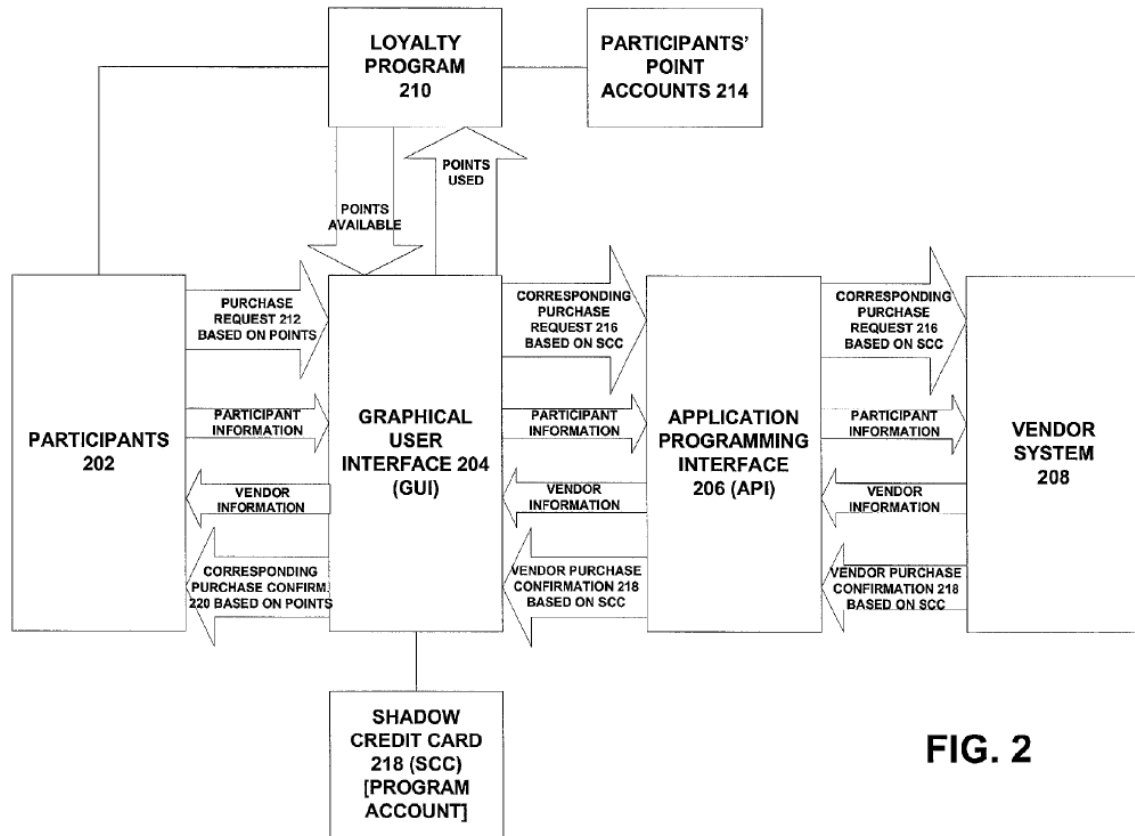


FIG. 2

Figure 2 depicts the flow of information between the various actors in the disclosed system, namely participants 202; loyalty program 210, which maintains participant point accounts 214 for participants 202 and awards points whenever a participant completes a transaction; graphical user interface (GUI) 204; application programming interface (API) 206; and vendor system 208 corresponding to a vendor from which a participant wants to make a purchase. *Id.* at col. 3, ll. 54–67, col. 6, ll. 5–7. As shown in Figure 2, “participant-related information” (i.e., information originating from the participant, such as the participant’s identification) flows from left to right, and “vendor-related information” (i.e., information originating from the vendor, such as a list of products available for purchase) flows from right to left. *Id.* at col. 6, ll. 12–20, 35–38.

The process begins with a participant logging on to GUI 204 and indicating that he or she is interested in purchasing products or services (e.g., an airline ticket) from the vendor, using points in the participant's account for the purchase. *Id.* at col. 6, ll. 21–26. GUI 204 transfers the participant's information to API 206, which provides it to vendor system 208. *Id.* at col. 6, ll. 26–33. Vendor system 208 then provides to API 206 a list of items available for purchase and their prices, which API 206 provides to GUI 204 for display to the participant. *Id.* at col. 6, ll. 34–47.

The participant selects a particular item and makes purchase request 212. *Id.* at col. 6, ll. 48–64. GUI 204 “converts the received purchase request 212 into a corresponding purchase request 216 based on . . . shadow credit card 218,” which is a credit card that is “hidden or ‘shadowed’ from the participant so that the participant is not aware that the transaction is actually being transacted using the shadow credit card” rather than just the participant's point account. *Id.* at col. 4, ll. 42–50, col. 5, l. 65–col. 6, l. 1, col. 6, ll. 64–66. Specifically, GUI 204 communicates with loyalty program 210 to determine whether the participant has enough points for the transaction and convert points to currency. *Id.* at col. 6, l. 67–col. 7, l. 7. GUI 204 provides purchase request 216 based on shadow credit card 218 to API 206, which “performs its standard function of transmitting information to the vendor system 208.” *Id.* at col. 7, ll. 7–14. Vendor system 208 responds to purchase request 216 “in the same way that it would respond to any other purchase request from a consumer that presents a credit card,” and is, thus, unaware that the participant is actually using points to make the purchase. *Id.* at col. 6, l. 1–4, col. 7, ll. 15–18. If the transaction is

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