UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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TERADATA OPERATIONS, INC.,
Petitioner,

v.

BERKLEY*IEOR,
Patent Owner.

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Case CBM2019-00015
Patent 7,596,521 B2

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Before JOSIAH C. COCKS, MEREDITH C. PETRAVICK, and
JON B. TORNQUIST, *Administrative Patent Judges*.

COCKS, *Administrative Patent Judge.*

DECISION

Denying Institution of Covered Business Method Patent Review
37 C.F.R. § 42.208, 35 U.S.C. § 328(a)

I. INTRODUCTION

Teradata Operations, Inc. ("Petitioner") filed a Petition (Paper 1, "Pet.") requesting a covered business method ("CBM") patent review of claims 1, 3–5, and 10–26 of U.S. Patent No. 7,596,521 B2 (Ex. 1001, "the '521 patent") under Section 18 of the Leahy-Smith America Invents Act ("AIA"). Petitioner challenges the patentability of claims 1, 3–5, and 10–26 under 35 U.S.C. §§ 101, 102, and 103. Berkley*IEOR ("Patent Owner") filed a Corrected Preliminary Response. Paper 9 ("Prelim. Resp."). We have authority to determine whether to institute a CBM patent review under 35 U.S.C. § 324(a).

Upon consideration of the Petition and Preliminary Response, we determine that Petitioner has not demonstrated sufficiently that the '521 patent is eligible for CBM patent review. Accordingly, we do not institute a CBM patent review of the '521 patent.

A. Related Matters

Petitioner and Patent Owner inform us that the '521 patent is the subject of *Berkeley*IEOR d/b/a/ B*IEOR v. WW Grainger, Inc. et al.*, in the District Court in the North District of Illinois, Case No. 1:17-cv-07472. Pet. 1; Paper 5, 2. Patent Owner also indicates that the '521 patent and other related patents are the subject of the following CBM patent review petitions: CBM2019-00016, CBM2019-00009, CBM2019-00013, CBM2019-00011, and CBM2019-00014. Paper 5, 2.

B. The '521 Patent

The '521 patent is titled "Process For Determining Object Level Profitability" and issued on September 29, 2009. Ex. 1001, (45), (54). The

'521 patent characterizes its disclosed process as giving "management profit measures tailored to its need for accurate decision oriented profit information required to manage a large organization based on profit measurement." *Id.* at (57). More specifically, the '521 patent expresses that "the present invention is concerned with a detail profit metric (DPM) designed to be a computer database application (i.e. software) for profitability measurement." *Id.* at 5:57–60. The '521 patent further explains the following:

> [T]he invention is designed to utilize massively parallel computing operations using relational database management techniques enabling profit measurement at a level not available today in a large individual customer scale business. This invention does this through a consistent application of measures [] to a class of business entities [] which represent the smallest common component of profit measurement desired—the Profit Object.

Id. at 5:65–6:5.

> By way of example, the '521 patent provides that:

> Different businesses have different objects of detailed profit measurement. Examples of profit measurement objects include an airline using "seat" as the profit object, an insurance company using a "policy" object or a bank using an "account" object—these objects represent the lowest level of detail required to support consistent internal multi-dimensional internal profit analyses.

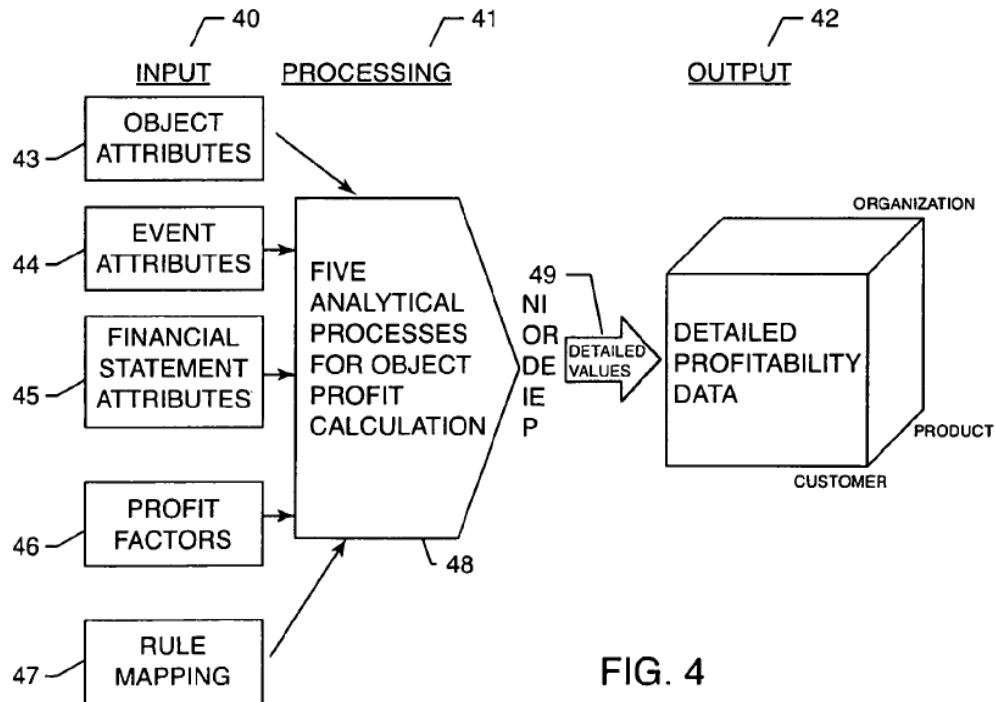*Id.* at 7:28–35.

Figure 4 of the '521 patent is reproduced below.

FIG. 4

Figure 4 "shows the inventions' data relationships." *Id.* at 5:39. The

'521 patent also explains:

> The DPM system is designed for Rules to be applied to any object without loss of integrity of output. This design features allows the user to incrementally migrate objects to increased measurement precision as justified. This valuable piecewise increase in functionality is possible due to DPM's combination of rules and data in a mathematical set theoretic framework (41). This approach allows for a relational database management system implementation (42). It is nearly impossible to develop and maintain procedural based software with as much flexibility and with the capability to simultaneously support the number of calculation permutations required by DPM.

Id. at 10:35–46.

C. Illustrative Claim

Petitioner challenges claims 1, 3–5, and 10–26 of the '521 patent. Claim 1 is independent. Claims 3–5 and 10–26 ultimately depend from claim 1. Claim 1 is illustrative and reproduced below.

> 1. A process for determining object level profitability in a computer, comprising the steps of:
>
> [a] providing a relational database management system operable in association with a computer;
>
> [b] preparing information to be accessed electronically through the relational database management system;
>
> [c] establishing, in the relational database, rules for processing the prepared information;
>
> [d] using the relational database management system to independently calculate at least one marginal value of profit for each object being measured using the established rules as applied to a selected set of prepared information;
>
> [e] using the relational database management system to calculate a fully absorbed profit adjustment value for each object being measured; and
>
> [f] combining the at least one marginal value of profit and the fully absorbed profit adjustment value to create a measure for object level profitability.

Ex. 1001, 30:53–31:3 (with added letter designations [a]–[f] to facilitate discussion of the claim elements).

D. Asserted Grounds of Unpatentability

Petitioner proposes eleven grounds of unpatentability of claims 1, 3–

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