

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TIZ INC. d/b/a PROVI,
Petitioner,

v.

JASON K. SMITH,
Patent Owner.

CBM2020-00029
Patent 10,467,585 B2

Before JUSTIN T. ARBES, STACEY G. WHITE, and
FRANCES L. IPPOLITO, *Administrative Patent Judges*.

IPPOLITO, *Administrative Patent Judge*.

JUDGMENT
Final Written Decision
Determining All Challenged Claims Unpatentable
35 U.S.C. § 328

I. INTRODUCTION

TIZ Inc. d/b/a PROVI (“Petitioner”) filed a Corrected Petition (Paper 11, “Petition” or “Pet.”)¹ requesting covered business method (“CBM”) patent review of claims 1–19 of U.S. Patent No. 10,467,585 B2 (Ex. 1001, “the ’585 patent”) under section 18 of the Leahy-Smith America Invents Act, Pub. L. No. 112–29, 125 Stat. 284, 331 (2011) (“AIA”). Patent Owner filed a Preliminary Response. Paper 12 (“Prelim. Resp.”). Following authorization by the panel (Paper 13), Petitioner filed a Reply (Paper 14, “Reply”) to Patent Owner’s Preliminary Response and Patent Owner filed a Sur-reply (Paper 16, “Sur-reply”) to Petitioner’s Reply.

On March 25, 2021, based on the record before us at the time, we instituted a covered business method patent review of all challenged claims on all grounds alleged. Paper 17 (“Institution Decision” or “Dec.”). The claims and ground in this proceeding are indicated in the table below.

Claims(s) Challenged	35 U.S.C. §	Reference(s)/Basis
1–19	101	Eligibility

Following Institution, Patent Owner filed a Response in opposition to the Petition (Paper 20, “PO Resp.”). Petitioner filed a Reply in support of the Petition (Paper 21, “Pet. Reply”). Patent Owner filed a Sur-Reply (Paper 23, “PO Sur-Reply”).

An Oral Hearing took place on January 5, 2022. A transcript of the Oral Hearing is entered in the record. Paper 31 (“Tr.”).

¹ We granted Petitioner authorization to file a Corrected Petition on December 2, 2020. Paper 10.

Petitioner also filed a Motion to Exclude certain testimony. Paper 26 (“Mot. Exclude”). Patent Owner filed an Opposition (Paper 27, “Opp. Exclude”), and Petitioner filed a Reply (Paper 28, “Reply Exclude”).

We have jurisdiction under 35 U.S.C. § 6. The evidentiary standard is a preponderance of the evidence. *See* 35 U.S.C. § 326(e) (2018); 37 C.F.R. § 42.1(d) (2019). This Final Written Decision is issued pursuant to 35 U.S.C. § 328(a) and 37 C.F.R. § 42.73.

For the reasons expressed below, we conclude that Petitioner has demonstrated by a preponderance of evidence that claims 1–19 are unpatentable as being directed to ineligible subject matter.

A. Related Proceedings

The parties have not identified any related matters. Pet. 3; Paper 4, 2.

B. The '585 Patent

The '585 patent relates to an integrated computer system for acquiring and managing beverage inventories. Ex. 1001, 1:15–18. According to the '585 patent, “[t]raditional systems for managing beverage inventories are largely fragmented with each party to the system maintaining its own distinct interfaces, capabilities, and limitations.” *Id.* at 1:22–25. For example, a merchant, distributor, and supplier may each have their own unique inventory system, which can create problems from the merchant perspective. *Id.* at 1:25–36. The '585 patent discloses a system that purports to avoid these problems by using a centralized content management system to provide a streamlined and robust system of managing beverage product inventory and ordering. *Id.* at 2:48–51, 2:56–59.

Figure 1 of the '585 patent, reproduced below, illustrates networked beverage inventory management system 100. *Id.* at 3:1–3.

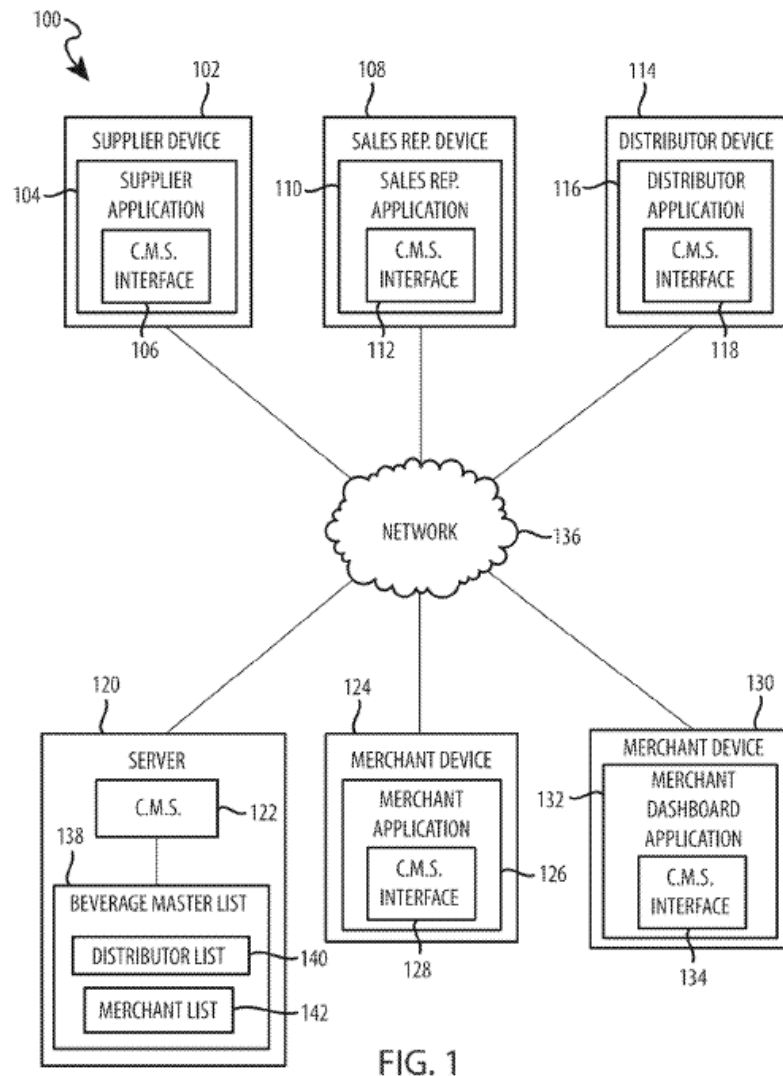


Figure 1 illustrates networked beverage inventory management system 100. *Id.* at 3:1–3.

Networked beverage inventory management system 100 includes supplier device 102, sales representative device 108, distributor device 114, server 120, and merchant devices 124 and 130, all connected over network 136. *Id.* at 3:5–9. Server 120 includes content management system (“CMS”) 122 that maintains “current and past beverage product orders, as well as storing and updating inventory and par value information for various entities in the beverage product supply chain (e.g., merchants, distributors,

and suppliers).” *Id.* at 3:33–38. The ’585 patent defines “par value” for a product as “the minimum units of a given product that the merchant wishes to have on hand.” *Id.* at 5:44–46. Server 120 also includes master beverage list 138, which is a database containing product information for a plurality of beverage products and may contain distributor product list 140 and merchant product list 142. *Id.* at 3:49–52, 3:57–59. Supplier device 102 includes supplier application 104, which has CMS interface 106 and is capable of sending and receiving beverage ordering information, such as pricing information and promotional offers. *Id.* at 4:7–11, 4:17–22. Sales representative device 108 includes sales representative application 110, which allows a user to manage beverage inventory orders and promotional offers via CMS interface 112. *Id.* at 4:38–45. Distributor device 114 includes distributor application 116, which includes CMS interface 118 and provides functionality such as setting and sending price information, communicating with sales representative device 108, accessing distributor inventory, and analyzing merchant orders for relevant promotional offers. *Id.* at 4:59–5:8. Merchant devices 124 and 130 include merchant applications 126 and 132, respectively. *Id.* at 5:32–33, 5:57–58. The merchant applications can be used to track the merchant’s beverage product inventory and build product orders. *Id.* at 5:36–40. Inventory management system 100 may be configured based on geographic location, for example, to operate based on the applicable laws in the states where merchant devices 124 and 130 are located. *Id.* at 6:11–19.

Figure 2 of the ’585 patent, reproduced below, is flowchart 200 illustrating a method of building and placing a beverage product order using inventory management system 100. *Id.* at 6:40–43.

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