Trials@uspto.gov
571-272-7822

Paper 52
Entered: April 6, 2016

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ASKELADDEN LLC,
Petitioner,

v.

SEAN I. MCGHIE and BRIAN K. BUCHHEIT,
Patent Owner.

Case IPR2015-00137
Patent 8,297,502 B1

Before SALLY C. MEDLEY, JONI Y. CHANG, and GEORGIANNA W. BRADEN, *Administrative Patent Judges.*

CHANG, *Administrative Patent Judge.*

FINAL WRITTEN DECISION
Inter Partes Review
35 U.S.C. § 318(a) and 37 C.F.R. § 42.73

I. INTRODUCTION

We have jurisdiction to hear this *inter partes* review under 35 U.S.C. § 6(c). This Final Written Decision is issued pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73. For the reasons discussed herein, Petitioner has shown by a preponderance of the evidence that claims 1–30 of U.S. Patent No. 8,297,502 B1 are unpatentable.

A. Procedural History

Petitioner, Askeladden LLC,[1] filed a Petition requesting an *inter partes* review of claims 1–30 of U.S. Patent No. 8,297,502 B1 (Ex. 1001, "the '502 patent"). Paper 1 ("Pet."). Patent Owner, Sean I. McGhie and Brian K. Buchheit,[2] filed a Preliminary Response. Paper 10 ("Prelim. Resp."). Upon consideration of the Petition and Preliminary Response, we instituted an *inter partes* review of claims 1–30, pursuant to 35 U.S.C. § 314. Paper 31 ("Dec.").

In the Scheduling Order, which sets times for taking action in this proceeding, we notified the parties that "any arguments for patentability not raised in the [Patent Owner] response will be deemed waived."[3] Patent

---

[1] The Real Parties-in-Interest includes The Clearing House Payments Company. *See* Paper 33.

[2] Patent Owner is represented by inventor Brian Buchheit, who is an attorney and registered to practice before the Office. At times during the proceeding, Mr. Buchheit indicated that he was representing "Patent Owner" (Mr. Buchheit and Mr. McGhie), while at other times Mr. Buchheit indicated that he was not representing Mr. McGhie, but rather acting *pro se*. Papers 4, 34, 46; Ex. 2059. Over the course of the proceeding, we have provided instructions to Patent Owner on filing papers, authorized Patent Owner leave to refile papers and file papers beyond due dates, and expunged other Patent Owner papers that were not authorized, not in compliance with Board rules, and/or contained arguments beyond what was authorized. *See, e.g.*, Papers 8, 9, 34 (and Exhibit 3001), 35, and 46.

[3] *See* Paper 32, 3; *see also* Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,766 (Aug. 14, 2012) (a patent owner's "response should identify all the involved claims that are believed to be patentable and state the basis for that belief").

Owner, however, did not file a Patent Owner Response within the time period set forth in the Scheduling Order. To ensure clarity in our record, we required Patent Owner to file a paper, indicating whether it had abandoned the contest.[4] Paper 47. Patent Owner indicated that it had not abandoned the contest. Paper 50. Patent Owner did not seek authorization to belatedly file a Patent Owner Response, nor indicate that it wished to file such a Response. We have before us, therefore, the Petition with no Patent Owner Response. Nonetheless, Petitioner bears the burden to show, by a preponderance of the evidence, that the challenged claims are unpatentable.

For the reasons that follow, we determine that Petitioner has shown by a preponderance of the evidence that claims 1–30 of the '502 patent are unpatentable.

B. Related Matter

The '502 patent also is involved in IPR2015-00133. A final written decision in IPR2015-00133 is entered concurrently with this decision.

---

[4] An abandonment of the contest is construed as a request for adverse judgment. 37 C.F.R. § 42.73(b)(4). A request for adverse judgment, on behalf of a Patent Owner, would result in the cancellation of the involved claims of a challenged patent, e.g., without consideration of the Petition, etc. On the other hand, when a Patent Owner does not abandon the contest, but chooses not to file a Patent Owner Response, the Board generally will render a final written decision, e.g., based on consideration of the Petition, etc. *See* 37 C.F.R. § 42.71(a).

C. The '502 Patent

The '502 patent relates generally to consumer reward or loyalty programs. Ex. 1001, 1:17–2:11. According to the '502 patent, entities (e.g., airlines or credit card companies) often reward consumers, for utilizing their services, with non-negotiable credits, such as frequent flier miles, consumer loyalty points, and entertainment credits. *Id.* at 1:20–22, 7:16–17. The '502 patent discloses a graphical user interface for customers to convert non-negotiable credits into entity independent funds that can be used as payment for goods or services provided by a commerce partner. *Id.* at Abstract, 2:32–65.

D. Illustrative Claim

Claims 1, 9, 17, and 25 are independent. Claims 2–8 depend from claim 1; claims 10–16 depend from claim 9; claims 18–24 depend from claim 17; and claims 26–30 depend from claim 25.

Claim 1, reproduced below, is illustrative of the challenged claims.

1. A method comprising:

> a computer presenting a graphical user interface (GUI) on a display, said graphical user interface showing a quantity of non-negotiable credits earned through previous interactions with an entity, the graphical user interface comprising a conversion option to convert at least a subset of the shown non-negotiable credits into entity independent funds in accordance with a conversion ratio, wherein the entity independent funds are accepted by a commerce partner as at least partial payment for goods or services provided by the commerce partner, wherein the commerce partner is not said entity, wherein in absence of converting the non-negotiable credits into entity independent

funds the commerce partner does not accept the non-negotiable credits as payment for goods or services provided by the commerce partner;

the computer receiving a selection of the conversion option; and

responsive to the received selection being processed, the computer presenting within the graphical user interface a quantity of available entity independent funds for use as payment for the goods or services provided by the commerce partner, said quantity of available entity independent funds resulting from converting the subset of non-negotiable credits into the quantity of available entity independent funds in accordance with the conversion ratio.

Ex. 1001, 6:22–48.

E. Prior Art Relied Upon

Petitioner relies upon the following prior art references:

Postrel	US 2005/0021399 A1	Jan. 27, 2005	(Ex. 1003)
MacLean	US 2002/0143614 A1	Oct. 3, 2002	(Ex. 1004)
Sakakibara	US 6,721,743 B1	Apr. 13, 2004	(Ex. 1005)

F. Instituted Grounds of Unpatentability

We instituted this trial based on the following grounds:

Claims	Basis	References
1, 4–10, 12–17, and 20–30	§ 103(a)	Postrel and Sakakibara
2, 3, 11, 18, and 19	§ 103(a)	Postrel, Sakakibara, and MacLean

DOCKET ALARM

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts

Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research

With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips

Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS
Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS
Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS
Sync your system to PACER to automate legal marketing.