

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TWILIO INC.,
Petitioner,

v.

TELESIGN CORPORATION,
Patent Owner.

Case IPR2016-00451
Patent 8,687,038 B2

Before SALLY C. MEDLEY, JUSTIN T. ARBES, and
KIMBERLY McGRAW, *Administrative Patent Judges*.

McGRAW, *Administrative Patent Judge*.

DECISION
Denial of Institution of *Inter Partes* Review
37 C.F.R. § 42.108

I. INTRODUCTION

Petitioner, Twilio Inc., filed a Petition (Paper 2, “Pet.”) requesting an *inter partes* review of claims 1–22 of U.S. Patent No. 8,687,038 B2 (Ex. 1001, “the ’038 patent”). See 35 U.S.C. § 311. Patent Owner, TeleSign Corp., filed a Preliminary Response (Paper 7 “Prelim. Resp.”). We have jurisdiction under 35 U.S.C. § 314(a), which provides that an *inter partes* review may not be instituted “unless . . . the information presented in the petition . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.”

For the reasons that follow, we do not institute an *inter partes* review of the ’038 patent.

A. *Related Proceedings*

Petitioner identifies the co-pending Petitions for *inter partes* review in IPR2016-00360 (US 7,945,034 B2) and IPR2016-00450 (US 8,462,920 B2, “the ’920 patent”) as related matters. Pet. 2. Patent Owner states that it does not foresee that the decision with respect to the instant Petition will affect, or be affected by, these other Petitions. Prelim. Resp. 2. The ’038 patent is a continuation of the ’920 patent.

The parties also state the ’038 patent is asserted in the following lawsuit: *TeleSign Corp. v. Twilio Inc.*, No. 2:15-cv-03240 (C.D. Cal.). *Id.*; Pet. 2.

B. *The ’038 Patent (Ex. 1001)*

The ’038 patent, entitled “Registration, Verification and Notification System,” relates generally to a process for verifying the identity of an online

registrant. Ex. 1001, 1:19–20, 2:19–20. The process uses registration information to notify the registrant of events that are established either by the registrant or by the business through which the registrant has registered. *Id.* at 2:20–23. The '038 patent explains that to prevent fraud or identity theft, either the business or individual may wish to be alerted to certain events. *Id.* at 1:52–54. For example, “a consumer may wish to be notified every time a withdrawal [of] more than one thousand dollars is requested from his checking account.” *Id.* at 1:55–57. “A business may wish to notify a consumer when more than five transactions post to a consumer’s account within twenty-four hours.” *Id.* at 1:57–60. The '038 patent explains that when credit cards or account numbers are stolen, the accounts can be quickly drained of cash or credit over a short period of time. *Id.* at 1:60–62. This can be avoided by notifying the account owner of these acts or even seeking his or her authorization before permitting such transactions to occur. *Id.* at 1:62–65. The '038 patent further states that there are other instances when notification can be helpful, such as when automatic deposits occur. *Id.* at 1:66–2:2. Alternatively, there are instances “not financially based in which the notification could benefit both the consumer as well as the business.” *Id.* at 2:2–4. “For example, the consumer may want to be alerted to new information, updated sports scores, etc.” *Id.* at 2:5–6.

“Upon the occurrence of a previously established notification event, the registrant is notified by establishing a connection with the registrant, typically by contacting the registrant through a telephonic connection with the registrant via at least one registrant telephone number provided by the registrant during the registration process.” *Id.* at 2:61–67.

C. Claims

Petitioner challenges claims 1 through 22. Claims 1 and 13 are independent. Claim 1, with brackets added, is reproduced below.

1. A verification and notification process implemented by a computing system, the process comprising:

[a] receiving, from a user, information responsive to at least part of a form that is presented to the user on a website, the received information including an electronic contact address associated with the user;

[b] verifying the received electronic contact address, wherein verifying the received electronic contact address includes:

establishing a first telephonic connection with the user using the received electronic contact address;

communicating a first communicated verification code to the user through the first telephonic connection;

receiving a first submitted verification code after it is entered by the user via the website; and

verifying the received electronic contact address if the first submitted verification code is the same as the first communicated verification code;

[c] establishing a notification event associated with the user;

[d] upon detecting an occurrence of the established notification event, re-verifying the electronic contact address,

[e] wherein re-verifying the electronic contact address includes:

establishing a second telephonic connection with the user using the verified electronic contact address;

communicating a second communicated verification code to the user through the second telephonic connection;

receiving a second submitted verification code that is entered by the user via the website; and

re-verifying the electronic contact address if the second submitted verification code is the same as the second communicated verification code.

Petitioner states the only substantive difference between claim 1 and 13 is the preamble of claim 13, which recites a “non-transitory computer-readable storage medium containing instructions for performing” the claimed elements. Pet. 55. Petitioner asserts the “remaining claim elements of claim 13 are substantively identical—differing only as a result of claim type (method vs. *Beauregard*).” *Id.* at 56.

D. Asserted Grounds of Unpatentability

Petitioner argues that the challenged claims are unpatentable based upon the following grounds:

Reference(s)	Basis	Challenged Claim(s)
Bennett ¹	§ 103	1–22
Bennett and Thoursie ²	§ 103	1–22
Bennett and Rolfe ³	§ 103	6, 11, 17, 21
Bennett, Thoursie, and Rolfe	§ 103	6, 11, 17, 21

¹ U.S. Patent No. 8,781,975 B2, filed May 23, 2005, issued July 15, 2014 (Ex. 1005, “Bennett”).

² U.S. Patent No. 8,302,175 B2, filed April 20, 2005, issued Oct. 30, 2012 (Ex. 1008, “Thoursie”).

³ U.S. Patent Application No. 2003/0221125, published Nov. 27, 2003 (Ex. 1006, “Rolfe”).

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.