

PETITION FOR POST-GRANT REVIEW
OF U.S. PATENT NO. 6,384,850

UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE PATENT TRIAL AND APPEAL BOARD

EXPEDIA, INC., FANDANGO, LLC, HOTEL TONIGHT INC., HOTWIRE, INC., HOTELS.COM, L.P., KAYAK SOFTWARE CORP., LIVE NATION ENTERTAINMENT, INC., MICROSOFT, INC., ORBITZ, LLC, OPENTABLE, INC., PAPA JOHN'S USA, INC., STUBHUB, INC., TICKETMASTER, LLC, TRAVELOCITY.COM LP, WANDERSPOT LLC, PIZZA HUT, INC., PIZZA HUT OF AMERICA, INC., DOMINO'S PIZZA, INC., DOMINO'S PIZZA, LLC, GRUBHUB, INC., SEAMLESS NORTH AMERICA, LLC, ORDR.IN, INC., MOBO SYSTEMS, INC., STARBUCKS CORPORATION, EVENTBRITE, INC., BEST WESTERN INTERNATIONAL, INC., HILTON RESORTS CORP., HILTON WORLDWIDE, INC., HILTON INTERNATIONAL CO., HYATT CORPORATION, MARRIOTT INTERNATIONAL, INC., STARWOOD HOTELS & RESORTS WORLDWIDE, INC., AGILYSYS, INC., USABLENET, INC., AND APPLE INC.

Petitioners

v.

AMERANTH, INC.

Patent Owner

U.S. Patent No. 6,384,850
Issue date: May 7, 2002

Title: Information Management and Synchronous Communications System
with Menu Generation

CBM: Unassigned

PETITION FOR COVERED BUSINESS METHOD REVIEW
OF U.S. PATENT NO. 6,384,850 UNDER 35 U.S.C. § 321
AND § 18 OF THE LEAHY-SMITH AMERICA INVENTS ACT

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PETITIONERS' MASTER LIST OF EXHIBITS

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FANDANGO1001*	U.S. Patent No. 8,146,077
FANDANGO1002*	Litigation Report on U.S. Patent No. 8,146,077
FANDANGO1003*	Ameranth August 15, 2011 Press Release
FANDANGO1004	Ameranth July 2, 2012 Press Release
FANDANGO1005	Litigation Report on U.S. Patent No. 6,384,850
FANDANGO1006	<i>Ameranth, Inc. v. Menusoft Sys. Corp., et al.</i>, No. 2:07-CV-271, 2010 WL 4952758, at 1-2 (E.D. Tex. Sept. 20, 2010)
FANDANGO1007	Menusoft, ECF No. 331
FANDANGO1008	Eventbrite Complaint
FANDANGO1009*	'077 Notice of Allowability Examiner's Amendment
FANDANGO1010*	'077 Aug. 21, 2009 Reply & Amendment
FANDANGO1011	Certificate of Service
FANDANGO1012	Powers of Attorney
FANDANGO1013	Kayak Complaint
FANDANGO1014	Hotels.com Complaint
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FANDANGO1016	Hotel Tonight Complaint
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FANDANGO1019	Hotwire Complaint
FANDANGO1020	Wanderspot First Amended Complaint
FANDANGO1021	Micros First Amended Complaint
FANDANGO1022	Fandango Complaint
FANDANGO1023	StubHub Complaint
FANDANGO1024	Ticketmaster and Live Nation Complaint
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FANDANGO1030	77 Fed. Reg. 157, pp. 48756 - 48773
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FANDANGO1032*	U.S. Patent No. 6,871,325
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FANDANGO1038	Opentable First Amended Complaint
FANDANGO1039*	Papa John's II Complaint
FANDANGO1040*	Litigation Report on U.S. Patent No. 6,982,733
FANDANGO1041*	Litigation Report on U.S. Patent No. 6,871,325
FANDANGO1042	Larson Declaration (including Exhibits A-B)
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FANDANGO1050	Best Western Complaint
FANDANGO1051*	Grubhub First Amended Complaint
FANDANGO1052	Hilton First Amended Complaint

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EXHIBIT NO.	DESCRIPTION (BOLDED IF USED)
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FANDANGO1054	Marriott Complaint
FANDANGO1055	Mobo Systems Complaint
FANDANGO1056	Ordr.in Complaint
FANDANGO1057*	Pizza Hut Complaint
FANDANGO1058*	Seamless First Amended Complaint
FANDANGO1059	Starbucks Complaint
FANDANGO1060	Starwood First Amended Complaint
FANDANGO1061	Usablenet First Amended Complaint
FANDANGO1062	NOT USED
FANDANGO1063	<i>SAP America, Inc. v. Versata Development Grp., Inc., CBM2012-00001, Paper No. 70 (P.T.A.B. June 11, 2013)</i>
FANDANGO1064	<i>Vacation Exch. LLC v. Wyndham Exch. & Rentals, Inc., No. 2:12-cv-04229, Dkt. No. 27 (C.D. Cal. Sept. 18, 2012)</i>
FANDANGO1065	<i>Uniloc USA, Inc. v. Rackspace Hosting, Inc., 6:12-cv-00375, Dkt. No. 38 (E.D. Tex. Mar. 27, 2012)</i>

* Denotes exhibits not cited in and not filed with this petition.

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I. INTRODUCTION

Ameranth, Inc. (“Ameranth”) has instituted patent infringement cases against Petitioners. Under 35 U.S.C. § 321 and § 18 of the Leahy-Smith America Invents Act, Petitioners request a Covered Business Method (CBM) post-grant review of U.S. Patent No. 6,384,850 (the “‘850 Patent”). In particular, Petitioners request a cancellation of Claims 1-16 of the ‘850 Patent (“Challenged Claims”) as unpatentable under 35 U.S.C. §§ 101 and 112.

On September 21, 1999, Ameranth filed U.S. Patent Application No. 09/400,413, which eventually issued as the ‘850 Patent.

The ‘850 Patent is directed to an information management and synchronous communications system for generating and transmitting menus in the hospitality industry, e.g., for restaurant ordering, reservations and wait-list management (Claims 1-11) and an information management and synchronous communications system for use with wireless handheld computing devices and the internet in processing hospitality applications and data in the hospitality industry, e.g., for restaurant ordering, reservations and wait-list management (Claims 12-16). The operations, functions and results of the claimed systems in Claims 1-16 are managing information and communication for activities that are financial in nature.

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See, e.g., Exhibit 1031, ‘850 Patent, Claim 2, 15:12-14 (“[a]n information management synchronous communications systems . . . wherein the second menu is a restaurant menu”); 1:6-8 (“[t]his invention relates to an information management and synchronous communications system and method for generation of computerized menus for restaurants . . .”). For example, Ameranth states that hospitality information technology systems performing functions such as “online/mobile ordering, hotel/restaurant reservations, event ticketing, payment processing/mobile wallets on smart phones, frequency, voice integration and related functionality” require the use of Ameranth’s “patented inventions for synchronized operations.” Exhibit 1004 at 2.

Ameranth has filed 40 different patent infringement actions alleging infringement of the ‘850 Patent by no less than four different and distinct industries.¹ While Ameranth currently asserts the ‘850 Patent against Petitioners,

¹ *See Exhibit 1005*, Litigation Report on U.S. Patent No. 6,384,850 Exhibit 1004, Ameranth July 2, 2012 Press Release (announcing actions against (1) “hotel chains;” (2) on-line “travel aggregators;” (3) on-line “ticketing companies;” and

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this is not the first time Ameranth has litigated the ‘850 Patent. On June 28, 2007, Ameranth sued Menusoft Systems Corporation and Cash Register Sales & Service of Houston, Inc. (collectively, “Menusoft”) in the Eastern District of Texas for alleged infringement of the ‘850, ‘325,² and ‘733³ Patents (“*Menusoft* Action”). The *Menusoft* Action proceeded to a trial in which the jury found that all asserted claims were invalid for anticipation and obviousness. See Exhibit 1006, *Ameranth, Inc. v. Menusoft Sys. Corp.*, No. 2:07-CV-271, 2010 WL 4952758, at *2 (E.D. Tex. Sept. 20, 2010) (finding invalidity of claims 1 and 4 of the ‘850 Patent, claims 6, 9, and 10 of the ‘325 Patent, and claims 1 and 3 of the ‘733 Patent). While only

(4) “restaurant point of sale, and/or reservations, and/or online/mobile ordering companies.”).

² U.S. Patent. No. 6,871,325 (“‘325 Patent”) is a continuation of the ‘850 Patent. Petitioners are contemporaneously filing a covered business method review petition on the ‘325 Patent.

³ U.S. Patent No. 6,982,733 (“‘733 Patent”) is a continuation-in-part of the ‘850 Patent. Petitioners are contemporaneously filing a covered business method review petition on the ‘733 Patent.

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certain of the Challenged Claims were at issue in the *Menusoft* Action, and the invalidity verdict was ultimately vacated as a result of settlement,⁴ the jury correctly determined that the asserted claims were invalid.

In addition, the claimed subject matter of Claims 1-16 of the '850 Patent as a whole fails to recite a technological feature that is novel and unobvious over the prior art and fails to solve a technical problem using a technical solution. As such, the '850 Patent is not a patent for technological inventions. Therefore, the '850 Patent is a covered business method patent under AIA Section 18 and is eligible for the CBM review.

As shown by the facts and analysis in this Petition, Claims 1-16 of the '850 Patent as a covered business method patent are unpatentable under 35 U.S.C. §§ 101 and 112 and must be canceled.

⁴ The parties in the *Menusoft* Action reached a settlement wherein *Menusoft* agreed not to oppose vacatur of the invalidity determinations in the final judgment. Exhibit 1007, *Menusoft* Motion for Indicative Ruling, ECF No. 331.

A. The Challenged Claims Fail to Satisfy the Written Description and Definiteness Requirements of § 112

Claims 1-16 of the '850 Patent fail to satisfy the written description and definiteness requirements of § 112 and are therefore invalid.

First, Claims 1-16 are indefinite because they recite systems including a method step. For example, independent Claim 1 in the '850 Patent is directed to an “information management and synchronous communications system,” but also recites a method step: “said parameters being selected from the modifier and submodifier menus.” Independent Claim 12 is also directed to an “information management and synchronous communications system” but recites a different method step: “applications and data are synchronized between the central database, at least one wireless handheld computing device, at least one Web server, and at least one Web page.”

When, as here, “[a] single claim [] claims both an apparatus and the method steps of using the apparatus, [the claim] is indefinite under 35 U.S.C. 112, second paragraph.” *See IPXL Holdings, LLC v. Amazon.com, Inc.*, 430 F.3d 1377, 1384 (Fed. Cir. 2005) (citing M.P.E.P. § 2173.05(p)(II)). Because they claim a system that includes a method step, independent Claims 1 and 12 are indefinite, as are their dependent claims, which comprise all of the Challenged Claims.

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As a second independent ground, all of the Challenged Claims are invalid based on the written description requirement of 35 U.S.C. § 112, because Ameranth claimed technology that Applicants did not invent and that is not disclosed in the specification. Ameranth asserts in concurrent litigation that the claimed synchronous communication system encompasses both (1) the synchronization of information stored in a central database with information stored in a database on a connected handheld device and (2) sending information stored in a central database through Internet communications without a local copy of “to-be-synchronized” data resident in a database or otherwise on the connected handheld device. The specification only arguably supports the former and, therefore, fails to provide the required written description for the latter type of communication in which there is no copy of the information in a database of or resident on a connected handheld device. See Exhibit 1031 ‘850 Patent at 7:4-12 (stating that the steps taken in building a menu include “Download the menu database to the handheld device.”); Exhibit 1031 ‘850 Patent at 10:63-11:3 (“In the preferred embodiment, the menu generation approach of the present invention uses Windows CE®,” which “provides the benefits of a familiar Windows 95/98/NT® look and feel [and] built-in synchronization between handheld devices, internet and desktop

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infrastructure . . .”). Because there is no support to establish that the Applicants were in possession of the full scope of the claimed subject matter as interpreted by Ameranth, the Challenged Claims fail to meet the written description requirement of 35 U.S.C. § 112.

As third and fourth grounds for unpatentability under 35 U.S.C. § 112, Claims 1-11 are also invalid based on the written description requirement and definiteness requirements. The claimed subject matter requiring transmission of a second menu to a web page is not adequately described in the specification. As such, the specification fails to convey with reasonable particularity that the patentee was in possession of the claimed subject matter. The claim language fails the definiteness requirement as well because the language is non-sensical: A “web page” is a document, not a device.

B. The Challenged Claims Fail to Claim Patentable Subject Matter under § 101

The Challenged Claims are directed to non-statutory subject matter and are therefore invalid under § 101. Abstract ideas are not patentable. *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972). To be patentable, a claim must do more than simply state the law of nature or abstract idea and add the words “apply it.” *Mayo Collaboration Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1294 (2012).

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When evaluating a claim under § 101, the key question is whether the claims do significantly more than simply describe the law of nature or abstract idea. Adding steps that merely reflect routine, conventional activity do not make ineligible subject matter eligible for a patent. *Mayo*, 132 S. Ct. at 1298. Furthermore, the “prohibition against patenting abstract ideas ‘cannot be circumvented by attempting to limit the use of the formula to a particular technological environment’ or adding ‘insignificant post-solution activity.’” *Bilski v. Kappos*, 130 S. Ct. 3218, 3230 (2010) (“*Bilski II*”) (quoting *Diamond v. Diehr*, 450 U.S. 175, 191-92 (1981)); see also *Accenture Global Servs., GMBH v. Guidewire Software, Inc.*, No. 2011-1486, 2013 WL 4749919, at *5 (Fed. Cir. Sept. 5, 2013) (finding patent ineligible system claims that merely recited a corresponding method without other “meaningful limitations”).

Indeed, Ameranth openly admits that the invention is merely directed to a computerized system for facilitating “efficient generation of computerized menus” using a general purpose computer. Exhibit 1031, ‘850 Patent at Abstract. In reciting “an information management and synchronous communications system for generating and transmitting menus,” Claims 1-11 of the ‘850 Patent (albeit concerning use for a financial product or service) are directed to nothing more than

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a general purpose computer using general purpose programming, and the specification states that the system employs “typical” computer elements. Exhibit 1031, ‘850 Patent at 5:33-54. Furthermore, the specification fails to disclose any algorithms for the synchronous communications of menus. In essence, the ‘850 Patent simply computerizes the well-known concept of generating menus and facilitating orders from the menus, a concept that has been performed by humans “verbally” or by “pen and paper” for years before the patent application was filed. Although Claim 1 recites a computer “operating system,” “central processing unit,” “data storage device,” and “wireless handheld computing device,” these computer-aided limitations are insufficient to impart patent eligibility to the otherwise abstract idea. The use of a computer adds no more than its basic function – improving the “efficient generation of computerized menus” – so that menus are generated faster than with the non-computerized process. Because Claims 1-11 cover nothing more than an abstract idea of generating menus, and Claims 12-16 cover nothing more than an abstract idea of placing an order or reservation using a general purpose computer and wireless handheld device, the Challenged Claims fail to satisfy the patent eligibility requirement of 35 U.S.C. § 101.

II. REQUIRED DISCLOSURES

A. Mandatory Notices

1. Real Parties-in-Interest (37 C.F.R. § 42.8(b)(1))

The real parties-in-interest for this Petition are:

- a) Agilysys, Inc.;
- b) Apple Inc.;
- c) Best Western International, Inc.;
- d) Domino's Pizza, Inc.;
- e) Domino's Pizza, LLC;
- f) Eventbrite, Inc.;
- g) Expedia, Inc.;
- h) Fandango, LLC (formerly known as Fandango, Inc.);
- i) Grubhub, Inc.;
- j) Hilton Resorts Corp.;
- k) Hilton Worldwide, Inc.;
- l) Hilton International Co.;
- m) Hotel Tonight Inc.;
- n) Hotels.com, L.P.;
- o) Hotwire, Inc.;

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- p) Hyatt Corporation;
- q) Kayak Software Corp.;
- r) Live Nation Entertainment, Inc.;
- s) Marriott International, Inc.;
- t) Micros Systems, Inc.;
- u) Mobo Systems, Inc.
- v) OpenTable, Inc.;
- w) Orbitz, LLC;
- x) Ordr.in, Inc.;
- y) Papa John's USA, Inc.;
- z) Pizza Hut, Inc.;
- aa) Pizza Hut of America, Inc.;
- bb) Seamless North America, LLC;
- cc) Starbucks Corporation;
- dd) Starwood Hotels & Resorts Worldwide, Inc.;
- ee) StubHub, Inc.;
- ff) Ticketmaster, LLC;
- gg) Travelocity.com LP;

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- hh) Usablenet, Inc.; and
- ii) Wanderspot LLC (collectively “Petitioners”).⁵

2. Related Matters (37 C.F.R. § 42.8(b)(2))

Petitioners have not been a party to any other post-grant review of the Challenged Claims. Petitioner notes that the following current proceedings may affect or be affected by a decision in this proceeding:

- a) *Ameranth, Inc. v. Starbucks Corp.*, Case No. 3-13-cv-01072 (S.D. Cal., filed May 6, 2013);
- b) *Ameranth, Inc. v. MonkeyMedia Software Inc.* Case No. 3-13-cv-00836 (S.D. Cal., filed April 5, 2013);
- c) *Ameranth, Inc. v. TicketBiscuit, LLC*, Case No. 3-13-cv-00352 (S.D. Cal., filed Feb. 13, 2013);
- d) *Ameranth, Inc. v. Ticketfly, Inc.*, Case No. 3-13-cv-00353 (S.D. Cal., filed Feb. 13, 2013);

⁵ A complete list of Petitioners and their corporate addresses are attached as Exhibit 1034.

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- e) *Ameranth, Inc. v. Eventbrite, Inc.*, Case No. 3-13-cv-00350 (S.D. Cal., filed Feb. 13, 2013);
- f) *Ameranth, Inc. v. Apple Inc.*, Case No. 3-12-cv-02350 (S.D. Cal., filed Sept. 26, 2012);
- g) *Ameranth, Inc. v. Hilton Resorts Corp. et al*, Case No. 3-12-cv-01636 (S.D. Cal., filed July 2, 2012);
- h) *Ameranth, Inc. v. Kayak Software Corp.*, Case No. 3-12-cv-01640 (S.D. Cal., filed June 29, 2012);
- i) *Ameranth, Inc. v. Usablenet, Inc.*, Case No. 3-12-cv-01650 (S.D. Cal., filed June 29, 2012);
- j) *Ameranth, Inc v. Starwood Hotels & Resorts Worldwide, Inc.*, Case No. 3-12-cv-01629 (S.D. Cal., filed June 29, 2012);
- k) *Ameranth, Inc. v. Hotels.com, LP*, Case No. 3-12-cv-01634 (S.D. Cal., filed June 29, 2012);
- l) *Ameranth, Inc. v. Orbitz, LLC*, Case No. 3-12-cv-01644 (S.D. Cal., filed June 29, 2012);
- m) *Ameranth, Inc. v. ATX Innovation, Inc.*, Case No. 3-12-cv-01656 (S.D. Cal., filed June 29, 2012);

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- n) *Ameranth, Inc. v. EMN8, Inc.*, Case No. 3-12-cv-01659 (S.D. Cal., filed June 29, 2012);
- o) *Ameranth, Inc. v. Best Western International, Inc.*, Case No. 3-12-cv-01630 (S.D. Cal., filed June 29, 2012);
- p) *Ameranth, Inc. v. NAAMA Networks, Inc. et al*, Case No. 3-12-cv-01643 (S.D. Cal., filed June 29, 2012);
- q) *Ameranth, Inc. v. Subtledata, Inc.*, Case No. 3-12-cv-01647 (S.D. Cal., filed June 29, 2012);
- r) *Ameranth, Inc. v. Hotel Tonight, Inc.*, Case No. 3-12-cv-01633 (S.D. Cal., filed June 29, 2012);
- s) *Ameranth, Inc. v. Travelocity.com, LP*, Case No. 3-12-cv-01649 (S.D. Cal., filed June 29, 2012);
- t) *Ameranth, Inc. v. Expedia, Inc.*, Case No. 3-12-cv-01654 (S.D. Cal., filed June 29, 2012);
- u) *Ameranth, Inc. v. Hyatt Corporation*, Case No. 3-12-cv-01627 (S.D. Cal., filed June 29, 2012);
- v) *Ameranth, Inc. v. Hotwire, Inc.*, Case No. 3-12-cv-01653 (S.D. Cal., filed June 29, 2012);

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- w) *Ameranth, Inc. v. Wanderspot LLC*, Case No. 3-12-cv-01652 (S.D. Cal., filed June 29, 2012);
- x) *Ameranth, Inc. v. Micros Systems, Inc.*, Case No. 3-12-cv-01655 (S.D. Cal., filed June 29, 2012);
- y) *Ameranth, Inc. v. Marriott International, Inc. et al*, Case No. 3-12-cv-01631 (S.D. Cal., filed June 29, 2012);
- z) *Ameranth, Inc. v. Mobo Systems, Inc.*, Case No. 3-12-cv-01642 (S.D. Cal., filed June 29, 2012);
- aa) *Ameranth, Inc. v. Fandango, Inc.*, Case No. 3-12-cv-01651 (S.D. Cal., filed June 29, 2012);
- bb) *Ameranth, Inc. v. StubHub, Inc.*, Case No. 3-12-cv-01646 (S.D. Cal., filed June 29, 2012);
- cc) *Ameranth, Inc. v. TicketMaster, LLC et al*, Case No. 3-12-cv-01648 (S.D. Cal., filed June 29, 2012);
- dd) *Ameranth, Inc. v. ChowNow, LLC*, Case No. 3-12-cv-01201 (S.D. Cal., filed May 18, 2012);
- ee) *Ameranth, Inc. v. Agilysys, Inc.*, Case No. 3-12-cv-00858 (S.D. Cal., filed April 6, 2012);

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- ff) *Ameranth, Inc. v. Domino's Pizza, LLC et al*, Case No. 3-12-cv-00733 (S.D. Cal., filed March 27, 2012);
- gg) *Ameranth, Inc. v. Pizza Hut, Inc. et al*, Case No. 3-11-cv-01810 (S.D. Cal., filed August 15, 2011); and
- hh) *Ameranth, Inc. v. OpenTable, Inc.*, Case No. 3-12-cv-00731 (S.D. Cal., filed March 27, 2012); and
- ii) *Ameranth, Inc. v. OpenTable, Inc.*, Case No. 3-13-cv-01840 (S.D. Cal., filed August 8, 2013).

3. Lead and Back-Up Counsel (37 C.F.R. § 42.8(b)(3))

Under 37 C.F.R. §§ 42.304(a)(1), and 42.8(b)(3), Agilysys, Inc. identifies Anthony Nimmo (Reg. No. 30,920) as lead counsel and Brian J. Lum (Reg. No. 54,282) as back-up counsel, both of Ice Miller LLP; Best Western International, Inc. identifies Barry J. Schindler (Reg. No. 32,938) as lead counsel and Joshua Clay Malino (Reg. No. 56,226) as back-up counsel, both of Greenberg Traurig LLP; Domino's Pizza, Inc. and Domino's Pizza, LLC identify Frank A. Angileri (Reg. No. 36,733) as lead counsel and Thomas W. Cunningham (Reg. No. 48,722) as back-up counsel, both of Brooks Kushman P.C.; Apple Inc., Eventbrite, Inc., and Starwood Hotels & Resorts Worldwide, Inc. identify James M. Heintz (Reg.

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No. 41,828) as lead counsel and Ryan W. Cobb (Reg. No. 64,598) as back-up counsel, both of DLA Piper LLP (US); Expedia, Inc., Fandango, LLC, Hotel Tonight Inc., Hotwire, Inc., Hotels.com, L.P., Kayak Software Corp., Live Nation Entertainment, Inc., Micros Systems, Inc., Orbitz, LLC, OpenTable, Inc., Papa John's USA, Inc., Stubhub, Inc., Ticketmaster, LLC, Travelocity.com LP, and Wanderspot LLC identify Richard S. Zembek (Reg. No. 43,306) as lead counsel and Gilbert A. Greene (Reg. No. 48,366) as back-up counsel, both of Fulbright & Jaworski LLP; Grubhub, Inc. identifies Konrad Sherinian (Reg. No. 55,612) of the Law Offices of Konrad Sherinian, LLC as lead counsel and David Lesht (Reg. No. 30,472) of the Law Offices of Eugene M. Cummings, P.C. as back-up counsel; Hilton Resorts Corp., Hilton Worldwide, Inc., and Hilton International Co. identify Emily C. Johnson (Reg. No. 60,269) as lead counsel and Kellie M. Johnson (Reg. No. 63,834) as back-up counsel, both of Akin Gump Strauss Hauer & Feld LLP; Hyatt Corporation identifies Joseph S. Hanasz (Reg. No. 54,720) as lead counsel and Laura Beth Miller (Reg. No. 37,680) as back-up counsel, both of Brinks Gilson & Lione; Marriott International, Inc. identifies Michael G. Babbitt (Reg. No. 59,288) as lead counsel and Reginald J. Hill (Reg. No. 39,225) as back-up counsel, both of Jenner & Block LLP; Mobo Systems, Inc. identifies John R. Mills

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(Reg. No. 56,414) as lead counsel and Jose R. Rodriguez (Reg. No. 69,079) as back-up counsel, both of Cooley LLP; Ordr.in, Inc. identifies Jason C. Chumney (Reg. No. 54,781) as lead counsel and Nichole E. Martiak (Reg. No. 55,832) as back-up counsel, both of SorinRand LLP; Pizza Hut, Inc. and Pizza Hut of America, Inc. identify Mandala Wilson Decker (Reg. No. 53,781) as lead counsel and William Charles Ferrell (Reg. No. 56,535) as back-up counsel, both of Stites & Harbison, PLLC; Seamless North America, LLC identifies Robert C. Scheinfeld (Reg. No. 31,300) as lead counsel and Eliot D. Williams (Reg. No. 50,822) as back-up counsel, both of Baker Botts L.L.P.; Starbucks Corporation identifies Bing Ai (Reg. No. 43,312) as lead counsel and Babak Tehranchi (Reg. No. 55,937) and Patrick McKeever (Reg. No. 66,019) as back-up counsel, all of Perkins Coie LLP; Usablenet, Inc. identifies Gunnar G. Leinberg (Reg. No. 35,584) as lead counsel and Nicholas J. Gallo (Reg. No. 60,758), both of LeClairRyan, A Professional Corporation.

4. Service Information (37 C.F.R. § 42.8(b)(4))

Petitioners identify the following service information:

Anthony Nimmo Ice Miller LLP 200 W. Madison Street Suite 3500	John R. Mills Cooley LLP One Freedom Square Reston Town Center	Barry J. Schindler Greenberg Traurig, LLP 200 Park Avenue P.O. Box 677
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Chicago, IL 60606-3417 Tel: 312-726-8149 Fax: 312-726-6252	11951 Freedom Drive Reston, VA 20190-5656 Tel: 703-456-8171 Fax: 703-456-8100	Florham Park, NJ 07932 Tel: 973-360-7900 Fax: 973-301-8410
Frank A. Angileri Brooks Kushman P.C. 1000 Town Center 22nd Floor Southfield, MI 48075-1238 Tel: 248-358-4400 Fax: 248-358-3351	James M. Heintz DLA Piper LLP (US) One Fountain Square 11911 Freedom Drive Suite 300 Reston, VA 20190-5602 Tel: 703-773-4148 Fax: 703-773-5008	Richard S. Zembek Norton Rose Fulbright Fulbright Tower 1301 McKinney, Suite 5100 Houston, TX 77010 Tel: 713-651-5283 Fax: 713-651-5246
Konrad Sherinian Law Offices of Konrad Sherinian, LLC 1755 Park Street Suite 200 Naperville, IL 60563 Tel: 630-318-2606 Fax: 630-318-2605	Emily C. Johnson Akin Gump Strauss Hauer & Feld LLP Robert S. Strauss Building 1333 New Hampshire Avenue, N.W. Washington, DC 20036-1564 Tel: 202-887-4099 Fax: 202-887-4288	Joseph S. Hanasz Brinks Gilson & Lione NBC Tower, Suite 3600 455 North Cityfront Plaza Drive Chicago, IL 60611-5599 Tel: 312-840-3266 Fax: 312-321-4299
Michael G. Babbitt Jenner & Block LLP 353 N. Clark Street Chicago, IL 60654-3456 Tel: 312-923-2879 Fax: 312-923-2979	Gunnar G. Leinberg LeClairRyan 70 Linden Oaks Suite 210 Rochester, NY 14625 Tel: 585-270-2103 Fax: 585-270-2163	Jason C. Chumney SorinRand LLP Two Tower Center Blvd. 24th Floor East Brunswick, NJ 08816 Tel: 732-839-0410 Fax: 732-393-1901
Mandala Wilson Decker Stites & Harbison, PLLC 400 West Market Street Suite 1800 Louisville, KY 40202-	Robert C. Scheinfeld Baker Botts L.L.P. 30 Rockefeller Plaza New York, NY 10112-4498	Bing Ai Perkins Coie LLP 11988 El Camino Real Suite 200 San Diego, CA 92130-

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3352 Tel: 502-681-0521 Fax: 502-779-8229	Tel: 212-408-2512 Fax: 212-259-2512	3579 Tel: 858-720-5707 Fax: 858-720-5799
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Petitioners hereby consent to electronic service at the following e-mail address: AmeranthCBMSERVICE@dlapiper.com.

B. Filing Date Requirements

Petitioners set forth below the filing date requirements for its Covered Business Method Patent Review Petition as required by 37 C.F.R. § 42.206.

1. Compliance with 37 C.F.R. § 42.304

As explained in sections below, this Petition complies with the requirements of 37 C.F.R. § 42.304.

2. Proof of Service on Patent Owner (37 C.F.R. § 42.205(a))

Petitioners attach a Certificate of Service (Exhibit 1011) certifying that a copy of the petition and supporting evidence is being served in its entirety on the patent owner at the correspondence address of record for the subject patent, and indicating, under 37 C.F.R. § 42.6(e)(4)(iii), the date and manner of service and the name and address of every person served.

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3. The Filing Fee (37 C.F.R. §§ 42.15(b) and 42.203(a))

Petitioners are submitting a payment in the amount of \$30,500 for the post-grant review fee and post-institution fee specified by 37 C.F.R. §42.15(b). The amount consists of a payment of \$12,000 for the post-grant review request and a payment of \$18,500 for post-institution fees. There is one claim in excess of 15. To the extent that any additional fees are required to complete this Petition, the Patent Office is hereby authorized by the undersigned to charge Deposit Account 06-2375.

C. Additional Disclosures

1. At Least One Challenged Claim Is Unpatentable (37 C.F.R. § 42.208(c))

The Challenged Claims fail to comply with the written description and definiteness requirements and are therefore invalid under 35 U.S.C. § 112. The Challenged Claims also fail to claim statutory subject matter and are therefore invalid under 35 U.S.C. § 101. For the reasons set forth below, it is “more likely than not that at least one of the claims [of the ‘850 Patent] is unpatentable.” 35 U.S.C. § 324(a).

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2. Eligibility Based on Time of Filing (37 C.F.R. § 42.303)

This Petition is not filed in a period during which a petition for a post-grant review of the patent would satisfy the requirements of 35 U.S.C. § 321(c).

3. Power of Attorney (37 C.F.R. § 42.10(b))

Powers of attorney (Exhibit 1012) are attached.

4. A Legible Copy of Every Exhibit in the Exhibit List (37 C.F.R. § 42.63)

A copy of every piece of evidence relied upon, or referred to, is provided as an Exhibit (Pet. Exhibits 1001-1065), and has been prepared in accordance with the requirements of 37 C.F.R. §§ 42.63(c) and 42.63(d). Because all Exhibits are written in English, no translations are required. Under 37 C.F.R. § 42.63(e), an Exhibit List including a brief description of each Exhibit is filed herewith.

III. GROUNDS FOR STANDING

Under 37 C.F.R. § 42.304(a), Petitioners set forth below the Grounds for Standing for a covered business method patent review petition.

A. Eligibility Based on Infringement Suit (37 C.F.R. § 42.302(a))

Petitioners are eligible to file this petition because Ameranth sued Petitioners for infringement of the '850 Patent. *See* Exhibit 1008 (complaint against Eventbrite, Inc.); Exhibit 1013 (complaint against Kayak Software Corp.);

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Exhibit 1014 (complaint against Hotels.com, L.P.); Exhibit 1015 (complaint against Orbitz, LLC); Exhibit 1016 (complaint against Hotel Tonight Inc.); Exhibit 1017 (complaint against Travelocity.com LP); Exhibit 1018 (complaint against Expedia, Inc.); Exhibit 1019 (complaint against Hotwire, Inc.); Exhibit 1020 (first amended complaint against Wanderspot LLC); Exhibit 1021 (first amended complaint against Micros Systems, Inc.); Exhibit 1022 (complaint against Fandango, Inc.); Exhibit 1023 (complaint against StubHub, Inc.); Exhibit 1024 (complaint against TicketMaster, LLC and LiveNation Entertainment, Inc.); Exhibit 1025 (second amended complaint against Pizza Hut, Inc., Pizza Hut of America, Inc., Domino's Pizza, Inc., Domino's Pizza, LLC, Papa John's USA, Inc., OpenTable, Inc., Grubhub, Inc., and Seamless North America, LLC); Exhibit 1038 (first amended complaint against OpenTable, Inc.); Exhibit 1044 (complaint against Apple Inc.); Exhibit 1045 (third amended complaint against Domino's Pizza, Inc. and Domino's Pizza, LLC); Exhibit 1049 (complaint against Agilysys, Inc.); Exhibit 1050 (complaint against Best Western International, Inc.); Exhibit 1052 (first amended complaint against Hilton Resorts Corp., Hilton Worldwide, Inc., and Hilton International Co.); Exhibit 1053 (first amended complaint against Hyatt Corporation); Exhibit 1054 (complaint against Marriott International, Inc.);

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Exhibit 1055 (complaint against Mobo Systems, Inc.); Exhibit 1056 (complaint against Ordr.in, Inc.); Exhibit 1059 (complaint against Starbucks Corporation); Exhibit 1060 (first amended complaint against Starwood Hotels & Resorts Worldwide, Inc.); and Exhibit 1061 (first amended complaint against Usablenet, Inc.).

B. Eligibility Based on Lack of Estoppel (37 C.F.R. § 42.302(b))

Petitioners are not estopped from challenging the claims of the ‘850 Patent on the grounds identified in this Petition.

C. The ‘850 Patent Is a CBM Patent (37 C.F.R. § 42.304(a))

The AIA defines a covered business method (“CBM”) patent as “a patent that claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service, except that the term does not include patents for technological inventions.” AIA § 18(d)(1); *see also* 37 C.F.R. § 42.301(a).

According to the USPTO, “[a] patent having one or more claims directed to a covered business method is a covered business method patent for purposes of the review, even if the patent includes additional claims.” Exhibit 1026, 77 Fed. Reg. 157, p. 48736. The USPTO further stated that “[t]he AIA provides for a challenge

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to one or more claims within such a covered business method patent. The AIA does not limit the claims that may be challenged to those that are directed specifically to the covered business method.” Exhibit 1027, 77 Fed. Reg., 157, p. 48709. Therefore, if even only one claim meets the definition of a CBM and is not directed to a technological invention, the entire patent is considered a CBM patent, and all claims therein may be challenged.

As explained in detail below, the Challenged Claims meet the definition of a CBM, and the claims are not directed to a technological invention. The ‘850 Patent is therefore a CBM patent subject to AIA § 18 review.

1. Claims 1-16 Meet the Definition of a CBM

The USPTO noted that the AIA’s legislative history demonstrates that “financial product or service,” as recited in the AIA’s definition of a CBM patent, should be “interpreted broadly,” encompassing patents “claiming activities that are financial in nature, incidental to a financial activity or complementary to a financial activity.” Exhibit 1026, p. 48735. Thus, “financial product or service is not limited to the products or services of the financial services industry.” Exhibit 1026, p. 48736. Rather, “[t]he term financial is an adjective that simply means relating to monetary matters.” Exhibit 1028, *SAP Am., Inc. v. Versata Dev. Grp.*,

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No. CBM2012-0001, Paper 36 (P.T.A.B. Jan. 9, 2013) p. 23. Senator Schumer, co-author of § 18, stated, “To meet this [eligibility] requirement, the patent need not recite a specific financial product or service. Rather the patent claims must only be broad enough to cover a financial product or service.” Exhibit 1043, 157 Cong. Rec. S1365 (daily ed. March 8, 2011) (Sen. Schumer). *See also* Exhibit 1029, Matal, J., A Guide to the Legislative History of the America Invents Act Part II of II 21 Fed. Cir. Bar. J. No. 4 pp. 635-36 (“financial product or service, including . . . marketing, customer interfaces . . . [and] management of data . . .”).

The Challenged Claims of the ‘850 Patent squarely meet the definition of a CBM also because of the subject matter as claimed. The ‘850 Patent is directed to an information management and synchronous communications system for generating and transmitting menus in the hospitality industry, e.g., for restaurant ordering, reservations and wait-list management (Claims 1-11) and an information management and synchronous communications system for use with wireless handheld computing devices and the internet in processing hospitality applications and data in the hospitality industry, e.g., for restaurant ordering, reservations and wait-list management (Claims 12-16). The operations, functions and results of the claimed systems in Claims 1-16 are managing information and communication for

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activities that are financial in nature. *See, e.g., Exhibit 1031*, ‘850 Patent, Claim 2, 15:12-14 (“[a]n information management synchronous communications systems . . . wherein the second menu is a restaurant menu”); 1:7-9 (“[t]his invention relates to an information management and synchronous communications system and method for generation of computerized menus for restaurants . . .”). Ameranth states that hospitality information technology systems performing functions such as “online/mobile ordering, hotel/restaurant reservations, event ticketing, payment processing/mobile wallets on smart phones, frequency, voice integration and related functionality” require the use of Ameranth’s “patented inventions for synchronized operations.” *Exhibit 1004*, Ameranth’s July 2, 2012 Press Release at 2. Therefore, under AIA Section 18, the ‘850 Patent covers a “financial product or service” as a covered business method patent and is not a patent for technological inventions. Accordingly, the ‘850 Patent is a covered business method patent under AIA Section 18 and is eligible for the CBM review.

The Challenged Claims squarely meet the definition of a CBM also because they are intended to cover “ancillary activities related to a financial product or service,” namely “customer interfaces, Web site management and functionality, transmission or management of data, servicing, . . . customer communications, and

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back office operations—e.g., payment processing” Exhibit 1043, 157 Cong. Rec. S1365; *see also* Exhibit 1029, p. 636 (“customer interfaces . . . [and] management of data.”). For example, both independent Claims 1 and 12 recite an “information management and synchronous communications system”; Claim 1 recites menus displayed in a graphical user interface; and Claim 12 recites a web page; and Claim 14 recites information entered on the web page. Exhibit 1031, ‘850 Patent, 14:48-15:11; 16:1-22; 16:32-36. *See also* Exhibit 1031, ‘850 Patent, Claim 2, 15:12-14 (“information management and synchronous system . . . wherein the second menu is a restaurant menu”). Likewise, the ‘850 Patent states that the invention is specifically directed to user interfaces and management of data – “This invention relates to an *information management* and synchronous communications system and method for *generation of computerized menus for restaurants* and other applications with specialized display and synchronous communications requirements” Exhibit 1031 ‘850 Patent, 1:7-11 (emphasis added); *see also* Exhibit 1031 ‘850 Patent, 2:63-67 (“A further object of the present invention is to provide an improved information management and synchronous communications system which . . . incorporates a user-friendly operator interface and displays menus in a readily comprehensible format.”).

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Furthermore, in the pending litigations against Petitioners, the patent owner Ameranth has alleged that financial products and services infringe the '850 Patent. Exhibit 1048, Ameranth's Infringement Contentions to Micros Systems, at 2 ("The 'Micros Restaurant Management System,' 'MICROS RMS' or 'Accused System' means and includes the following: . . . point of sale restaurant management systems . . . customer loyalty and gift card systems . . . online and mobile food ordering systems . . . online and mobile table management and reservation systems . . . mobile payment systems (e.g., Tabbedout, iCard Mobile Wallet, and NFC Pay-at-the-Table) . . ."). Ameranth also states that hospitality information technology systems performing functions such as payment processing/mobile wallets on smart phones, online/mobile ordering and event ticketing require the use of Ameranth's patented invention. Exhibit 1004, Ameranth's July 2, 2012 Press Release at 2 ("Modern hospitality information technology systems performing functions such as online/mobile ordering, hotel/restaurant reservations, event ticketing, payment processing/mobile wallets on smart phones, frequency, voice integration and related functionality require the use of Ameranth's patented inventions for synchronized operations"). Therefore, the '850 Patent is deemed to cover a financial product or service. Exhibit 1043, 157 Cong. Rec. S1365

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(“Likewise, if a patent holder alleges that a financial product or service infringes its patent, that patent shall be deemed to cover a ‘financial product or service’ for purposes of this amendment regardless of whether the claims specifically reference the type of product o[r] service accused of infringing.”).

2. Claims 1-16 Are Not Directed to a “Technological Invention”

The AIA excludes “patents for technological inventions” from the definition of covered business method patents. AIA § 18(d)(2). To determine whether a claim is directed to a technological invention, “the following will be considered on a case-by-case basis: whether the claimed subject matter as a whole recites a *technological feature* that is novel and unobvious over the prior art; *and* solves a *technical problem* using a *technical solution*.” 37 C.F.R. § 42.301(b) (emphasis added). Both prongs of the test must be met. Exhibit 1026, p. 48736 (explaining that such a conjunctive test represents “the best policy choice”). “The ‘patents for technological inventions’ exception only excludes those patents whose novelty turns on a technological innovation over the prior art and are concerned with a technical problem which is solved with a technical solution and which requires the claims to state the technical features which the inventor desires to protect.” Exhibit 1026, p. 48735.

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If even *one claim* of a patent is not directed to a “technological invention,” the exception does not apply. Exhibit 1026, p. 48736. According to the USPTO, a claim that contains the following language or structure is likely not directed to a technological invention under 37 C.F.R. § 42.301(b):

- (a) Mere recitation of known technologies, such as computer hardware, communication or computer networks, software, memory, computer readable storage medium, scanners, display devices or databases, or specialized machines, such as an ATM or point of sale device.
- (b) Reciting the use of known prior art technology to accomplish a process or method, even if that process or method is novel and non-obvious.
- (c) Combining prior art structures to achieve the normal, expected, or predictable result of that combination.

Exhibit 1030, 77 Fed. Reg. 157, pp. 48763-64. Simply reciting technological features or combining known technology in a new way is not sufficient:

[The technological inventions exception] is not meant to exclude patents that use known technology to accomplish a business process or method of conducting business – whether or not that process or method appears to be novel. The technological invention exception is also not intended to

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exclude a patent simply because it recites technology. For example, the recitation of computer hardware, communication or computer networks, software, memory, computer-readable storage medium, scanners, display devices or databases, specialized machines, such as an ATM or point of sale device, or other known technologies, does not make a patent a technological invention. In other words, a patent is not a technological invention because it combines known technology in a new way to perform data processing operations.

Exhibit 1043, 157 Cong. Rec. S1364 (daily ed. March 8, 2011) (Sen. Schumer).

The Challenged Claims fail to meet any part of the “technological invention” test. First, as explained in detail below, to the extent the claimed subject matter arguably includes technical features, the USPTO recognized that these were neither novel nor unobvious. Second, the Challenged Claims are not directed at solving a technical problem, but rather directed at solving the business problem of how to become more user friendly through computerizing non-computerized processes. *See* Exhibit 1031, ‘850 Patent at 3:32-35 (“solving the problem of converting paper-based menus or Windows® PC-based menu screens to small PDA-sized displays and Web pages”). Furthermore, the alleged invention claimed in the ‘850 Patent is **not** a technical solution as explained below.

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Regarding the first prong of the “technological invention” test (whether the claimed subject matter as a whole recites a *technological feature* that is novel and unobvious over the prior art), the ‘850 Patent claims do not recite a “technological feature” that is novel and nonobvious. Indeed, the ‘850 Patent admits that “[t]he software applications for performing the functions falling within the described invention can be written in any commonly used computer language. The discrete programming steps are commonly known and thus programming details are not necessary to a full description of the invention.” Exhibit 1031, ‘850 Patent at 11:43-48; *see also id.* at 14:18-29 (“The inventive concept encompasses the generation of a menu in any context known to those skilled in the art where an objective is to facilitate display of the menu so as to enable selection of items from that menu Any display and transmission means known to those skilled in the art is equally usable with respect to menus generated in accordance with the claimed invention.”). “[T]he mere recitation that the method is computer implemented or that the process is automated, using known techniques such as storing information, does not preclude the patent from qualifying as a covered business method patent.” Exhibit 1036, *Interthinx, Inc. v. Corelogic Solutions, LLC*, No. CBM2012-00007 (BJM), Paper 16 at 18 (P.T.A.B. Jan. 31, 2013). To

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the extent the claimed subject matter arguably includes technical features, the USPTO recognized that these were neither novel nor unobvious:

Regarding claim 1, Cupps discloses an information management and synchronous communication system for generating menus comprising: a central processing unit, a data storage device connected to said central processing unit, an operating system including a graphical user interface (*see* figure 2), a first menu stored on said data storage device, application software for generating a second menu from said first menu, wherein the application software facilitates the generation of the second menu by allowing selection of items from the first menu, addition of items to the second menu and assignment of parameters to items in the second menu using the graphical user interface of said operating system (*see* col. 9 lines 42-67).

* * *

Regarding claim 3, Cupps discloses an information management and synchronous communications system, wherein the second menu is capable of being displayed on the display screen of a wireless computing device (*see* col. 4, lines 1-55).

Regarding claims 4 and 5, Cupps discloses an information management and synchronous communications system, wherein selections from the second menu are capable of being

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transmitted to a receiving computer by wireless link (*see* figures 1-2).

Regarding claims 6 and 7, Cupps discloses an information management and synchronous communications system in, wherein the computer network is the internet; and selections from the second menu are capable of being transmitted to a receiving computer via the internet (*see* col. 9, lines 16-65 and figure 8-10).

Regarding claims 8-11, Cupps discloses an information management and synchronous communications system, wherein the second menu is created in conformity with hypertext markup language or extensible markup language (*see* col. 10, lines 8-56 and figures 7-10).

Exhibit 1035, '850 Office Action of May 22, 2001 at 2-3.

Regarding the second prong, (whether the claimed subject matter as a whole . . . solves a ***technical problem*** using a ***technical solution***), the '850 Patent is neither directed at a technical problem nor do the Challenged Claims provide a technical solution. Based on the '850 Patent's own description, the problem allegedly solved by the alleged invention is not a technical problem – it is a business problem of how to become more user friendly through computerizing non-computerized processes. *See* Exhibit 1031, '850 Patent at 3:32-35 (“solving

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the problem of converting paper-based menus or Windows® PC-based menu screens to small PDA-sized displays and Web pages”).

Furthermore the alleged invention claimed in the ‘850 Patent is *not* a technical solution. In this regard, to the extent that hardware is recited in the claims, the ‘850 Patent admits that this is conventional hardware rather than a technical solution. Exhibit 1031, ‘850 Patent at 5:33-37 (“The preferred embodiment of the present invention uses *typical hardware elements* in the form of a computer workstation, operating system and application software elements which configure the hardware elements for operation in accordance with the present invention.”) (emphasis added). To the extent Ameranth contends it claims a “software solution,” conspicuously absent is any algorithm that ties to the various limitations in the Challenged Claims. Instead, only conventional software packages, such as Microsoft Windows® and Microsoft Office®, are disclosed. See Exhibit 1031, ‘850 Patent at 10:63-11:3. “Mere recitation of known technologies, such as computer hardware, communication or computer networks, software, memory, computer-readable storage medium, scanners, display devices or databases, or specialized machines,” or reciting “use of known prior art technology to accomplish a process or method, even if that process or method is novel and

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nonobvious” will “not typically render a patent a technological invention.” *See, e.g., Exhibit 1030*, p. 48764. Ameranth’s mere recitation of the same fails to do so here.

Because Claims 1-16 of the ‘850 Patent are not directed to a “technological invention” within the meaning of AIA § 18, the claims are thus encompassed by the AIA’s definition of a CBM.

IV. STATEMENT OF PRECISE RELIEF REQUESTED FOR EACH CLAIM CHALLENGED

Petitioners set forth below the precise relief requested for each claim challenged in its CBM Patent Review Petition as required by 37 C.F.R. § 42.304(b).

A. Claims for Which Review is Requested (37 C.F.R. § 42.304(b)(1))

Petitioner requests review under 35 U.S.C. § 321 and AIA § 18 of Claims 1-16 of the ‘850 Patent and the cancellation of these claims as unpatentable.

B. Statutory Grounds of Challenge (37 C.F.R. § 42.304(b)(2))

Petitioner requests that each of Claims 1-16 be cancelled as unpatentable under 35 U.S.C. §§ 101 and 112.

C. Claim Construction (37 C.F.R. § 42.304(b)(3))

1. Broadest Reasonable Interpretation

In the context of a CBM review, a claim in an unexpired patent “shall be given its broadest reasonable construction in light of the specification of the patent in which it appears.” 37 C.F.R. § 42.300(b); *see also In re Am. Acad. of Sci. Tech Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004). The “broadest reasonable construction” means that “the words of the claim will be given their plain meaning unless the plain meaning is inconsistent with the specification.” Exhibit 1027, p. 48699 (citing *In re Zletz*, 893 F.2d 319, 321 (Fed. Cir. 1989)). “In the absence of a special definition in the specification, a claim term is presumed to take on its ordinary and customary meaning, a meaning that the term would have to a person of ordinary skill in the art.” Exhibit 1027, pp. 48699-700 (citing *In re Am. Acad. of Sci. Tech Ctr.*, 367 F.3d at 1364).

As set forth in the USPTO’s Office Patent Trial Practice Guide, a party to a CBM review may provide “a simple statement that the claim terms are to be given their broadest reasonable interpretation [(“BRI”)], as understood by one of ordinary skill in the art and consistent with the disclosure.” Exhibit 1030, p. 48764. As the USPTO has further stated, “[P]etitioners are not required to define

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every claim term, but rather merely provide a statement that the claim terms are presumed to take on their ordinary and customary meaning, and point out any claim term that has a special meaning and the definition in the specification.”
Exhibit 1027, p. 48700.

Accordingly, because the ‘850 Patent has not yet expired,⁶ Petitioners hereby provide their “simple statement” that the claims terms should be given their BRI for the purposes of this proceeding (but for the purposes of this proceeding

⁶ The ‘850 Patent expires on Sep. 21, 2019.

only⁷). For each claim term in the '850 Patent, the BRI is the ordinary and customary meaning of the term.⁸

V. THE CHALLENGED CLAIMS ARE INVALID UNDER § 112

A. Claims 1-16 Are Indefinite for Mixing Apparatus and Method Elements

If a single patent claim recites both an apparatus element and a method step, the claim is invalid as indefinite as a matter of law. *IPXL Holdings, LLC v. Amazon.com, Inc.*, 430 F.3d 1377, 1384 (Fed. Cir. 2005) (citing M.P.E.P.

⁷ Petitioners advocate the broadest reasonable interpretation (BRI) for the claim terms of the '850 Patent for the purposes of this CBM review only. Claim construction is analyzed under a different legal standard for the purposes of litigation. *See, e.g., In re Trans Texas Holdings Corp.*, 498 F.3d 1290, 1298-99 (Fed. Cir. 2007). As such, Petitioners reserve the right to advance different claim constructions in connection with litigation in federal court, including in connection with the currently pending litigation identified above.

⁸ Petitioners reserve the right to argue that element (g) of Claim 1 of the '850 Patent is governed by § 112, ¶ 6 and lacks corresponding structure in view of the claim construction standard governing the litigation pending in district court.

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§ 2173.05(p)(II) (1999)). The reason for this bright line rule is that one of ordinary skill cannot determine the boundaries of such a claim, because it is unclear whether infringement occurs when one creates the system or when someone actually uses the system. *IPXL*, 430 F.3d at 1384; *see also Rembrandt Data Techs., LP v. AOL, LLC*, 641 F.3d 1331, 1339 (Fed. Cir. 2011) (affirming summary judgment of invalidity for indefiniteness where apparatus claims recited the step of transmitting).

Claims 1-16 are facially invalid as a matter of law because each independent claim is an apparatus claim (a system claim) that impermissibly requires performance of at least one method step. For example, Claim 1 of the ‘850 Patent is directed to “[a]n information management and synchronous communications system,” but also recites a method step: “parameters being selected from the modifier and submodifier menus.” Exhibit 1031, ‘850 Patent at 14:48-15:11. Similarly, Claim 12 is directed to a “system” but recites a method step: “applications and data are *synchronized* between the central database, at least one wireless handheld computing device, at least one Web server and at least one Web page.” Exhibit 1031, ‘850 Patent at 16:1-23 (emphasis added). Because Claims 1-

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16 are system claims requiring the performance of a method step, each claim is invalid.

Claims 1-16 contain the same flaws that were found fatal in *IPXL* and its progeny. The *IPXL* claim was directed to a system, but also recited a method step: “the user uses the input means to either change the predicted transaction information or accept the displayed transaction type and transaction parameters.” *IPXL Holdings*, 430 F.3d at 1384. Similarly, in *Katz*, the claim was directed to a system with an “interface means for providing automated voice messages . . . to certain of said individual callers, wherein said certain of said individual callers digitally enter data.” *In re Katz Interactive Call Processing Patent Litig.*, 639 F.3d 1303, 1318 (Fed. Cir. 2011). The *IPXL* and *Katz* claims were directed to both a system and a method, and thus were invalid as indefinite. *IPXL Holdings*, 430 F.3d at 1384 (“[I]t is unclear whether infringement of claim 25 occurs when one creates a system that allows the user to change the predicted transaction information or accept the displayed transaction, or whether infringement occurs when the user actually uses the input means to change transaction information or uses the input means to accept a displayed transaction.”); *In re Katz*, 639 F.3d at 1318 (“Katz’s

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claims [] create confusion as to when direct infringement occurs because they are directed both to systems and to actions performed by ‘individual callers.’”).

As in *IPXL* and *Katz*, an accused infringer cannot determine whether the Challenged Claims are infringed when the claimed system is supplied or when a user performs the method steps in the claims. For example, it is unclear if independent Claim 12 of the ‘850 Patent is infringed when the claimed system is supplied, or only when the “applications and data are synchronized.” Likewise, it is unclear if Claim 1 of the ‘850 Patent is infringed when the claim system is supplied, or only when “parameters” have been “selected from the modifier and submodifier menus.”

In *Katz*, the Federal Circuit summarily rejected a “functional limitation” argument, unequivocally stating “[l]ike the language used in the claim at issue in *IPXL* (‘wherein . . . the user uses’), the language used in *Katz*’s claims (‘wherein . . . callers digitally enter data’ and ‘wherein . . . callers provide . . . data’) **is directed to user actions, not system capabilities.**” *Katz*, 639 F.3d at 1318 (emphasis added). Consequently, the Federal Circuit affirmed the district court’s ruling invalidating claims reciting both an apparatus and a method of using that apparatus. *Katz*, 639 F.3d at 1314. The exact same rationale applies

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to the Challenged Claims. See Exhibit 1031, '850 Patent at 15:10-11 ("said parameters being selected from the modifier and sub-modifier menus"); Exhibit 1031 '850 Patent at 16:15 ("wherein application and data are synchronized"); Exhibit 1031 '850 Patent at 8:24-28 ("To accomplish this, first the modifier to be assigned is selected, then the menu item on the tree view that is to be assigned the modifier is clicked on and then Edit>Assign Modifier is clicked on. Or, the modifier can simply be dragged and dropped onto the menu item to link them."); Exhibit 1031 '850 Patent at 12:56-57 ("The information entered by the user is transmitted to the server."); Exhibit 1031 '850 Patent at 11:36-42 ("For example, a reservation made online is automatically communicated to the backoffice server which then synchronizes with all the wireless handheld devices wirelessly. Similarly, changes made on any of the wireless handheld devices will be reflected instantaneously on the backoffice server and the other handheld devices."). Thus, the Challenged Claims are invalid under § 112.

B. The Challenged Claims Do Not Satisfy the Written Description Requirement.

Under 35 U.S.C. § 112, the specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to

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which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention. Therefore, 35 U.S.C. § 112 requires that a patent convey with reasonable clarity to those skilled in the art that, as of the filing date, the applicant was in possession of the claimed invention. 35 U.S.C. § 112, ¶ 1; M.P.E.P. § 2163.02; *Ariad Pharms., Inc. v. Eli Lilly and Co.*, 598 F.3d 1336, 1351 (Fed. Cir. 2010) (*en banc*). “[T]he written description requirement prevents an applicant from claiming subject matter that was not adequately described in the specification as filed. New or amended claims which introduce elements or limitations which are not supported by the as-filed disclosure violate the written description requirement.” M.P.E.P. § 2163(I)(B).

“To comply with the written description requirement of 35 U.S.C. 112, para. 1, or to be entitled to an earlier priority date or filing date under 35 U.S.C. 119, 120, or 365(c), each claim limitation must be expressly, implicitly, or inherently supported in the originally filed disclosure. When an explicit limitation in a claim ‘is not present in the written description whose benefit is sought it must be shown that a person of ordinary skill would have understood, at the time the patent application was filed, that the description requires that limitation.’” M.P.E.P.

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§ 2163(II)(A)(3)(b)) (quoting *Hyatt v. Boone*, 146 F.3d 1348, 1353 (Fed. Cir. 1998)). See also *Tronzo v. Biomet, Inc.*, 156 F.3d 1154, 1158-59 (Fed. Cir. 1998) (claims to generic cup shape were not entitled to filing date of parent application which disclosed “conical cup” in view of the disclosure of the parent application stating the advantages and importance of the conical shape). “One shows that one is ‘in possession’ of the invention by describing the invention, with all its claimed limitations, not that which makes it obvious.” *Lockwood v. Am. Airlines, Inc.*, 107 F.3d 1565, 1572 (Fed. Cir. 1997) (emphasis in original) (citing *Vas-Cath Inc. v. Mahurkar*, 935 F.2d 1555, 1563-64 (Fed. Cir. 1991)); *ICU Med., Inc. v. Alaris Med. Sys., Inc.*, 558 F.3d 1368, 1378 (Fed. Cir. 2009) (affirming invalidity for lack of written description of claims to genus, when only a species was disclosed in the specification).

1. The ‘850 Patent Does Not Provide a Written Description Sufficient to Describe the “Synchronous Communications System” Claimed in Claims 12-16 When Only Use of a Local Database is Described in the Original Specification

The specification fails to provide required written description support necessary to establish that the Applicants were in possession of the full scope of the Challenged Claims of the ‘850 Patent at the time of filing of the original specification. Specifically, the Challenged Claims claim synchronization. For

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example, Claim 12 recites “[a]n information management and synchronous communications system” wherein “applications and data are synchronized between the central database, at least one wireless handheld computing device, at least one Web server and at least one Web page.” Exhibit 1031, ‘850 Patent at 16:1-17. Like Claim 12, the preamble of Claim 1 recites an “information management and synchronous communications system.” Exhibit 1031, ‘850 Patent at 14:48-49.

The specification of the ‘850 Patent describes only one synchronization activity – that of a database on the handheld unit with a master database:

[A]n automated download procedure is provided to transfer the desktop database onto a handheld device and/or Web page.

* * *

The preferred embodiment also supports multiple databases, thus providing for the creation and storing of different menu databases on handheld devices such as breakfast, lunch or dinner menus.

Exhibit 1031, ‘850 Patent at 9:66-10:1, 10:8-12.

Those databases are updated from a master database through a database download when:

If the configuration is deemed acceptable, the handheld device is connected to the desktop PC to ensure that a connection has

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been established; the POS application on the handheld device is exited and File>Download Database is clicked on or the Download Database icon from the toolbar is clicked on. If there is an existing menu database on the handheld device, the system will ask if the existing database should be replaced. Yes is clicked if existing database replacement is desired.

Exhibit 1031, '850 Patent at 8:51-59. The only disclosure of implementation of the synchronization function is that "the menu generation approach of the present invention uses Windows CE," which provides "built-in synchronization between handheld devices." Exhibit 1031, '850 Patent at 10:64-11:1. The '850 Patent also discloses use of web sites as part of the synchronization process, but only as another method of downloading an updated database to a handheld unit:

Advanced database functions are provided in the preferred embodiment of the invention, including an automated download process onto handheld devices and/or Web sites. In the preferred embodiment, the menu generation system of the present invention uses an API called ActiveX Data Objects ("ADO") for database access. ADO is useful in a variety of settings. It is built on top of OLE DB and can be used to talk to databases and, in the future, any data source with any OLE DB driver.

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Exhibit 1031, ‘850 Patent at 10:34-42. These APIs for web-based database access are also standard components that are part of the Windows operating system. Through the Internet, a “single point of entry works to keep all wireless handheld devices and linked Web sites in synch with the backoffice server (central database) so that the different components are in equilibrium at any given time and an overall consistency is achieved.” Exhibit 1031, ‘850 Patent at 11:32-36.

In concurrent litigation, however, Ameranth asserts that the claims should be interpreted such that a “synchronous communications system” includes any communications regardless of whether the handheld device includes a database that contains a local copy or even a local copy of what is “synchronized in real time with analogous information comprising the master menu.” That is, Ameranth asserts that the claimed “information management and synchronous communications system” of the ‘850 Patent encompasses not merely (1) a system that “synchronizes” information stored in a central database with information stored in a database or locally resident on a connected handheld device but also (2) simply sending information stored in a central database through Internet communications to a handheld device. Exhibit 1022, Ameranth’s Fandango Complaint, at ¶ 21 (“Enabling ticketing/ticket sales/ticket purchases and other

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hospitality functions via iPhone, Android, and other internet-enabled wireless handheld computing devices as well as via Web pages . . . and synchronizing applications and data, including but not limited to applications and data relating to orders, between at least one database, wireless handheld computing devices, and at least one Web server and Web page . . . allowing information to be entered via wireless handheld computing devices, transmitted over the internet, and automatically communicated to at least one database and to Web pages”).

As established above, the original specification only arguably supports one of these species – synchronizing information with a central database and a handheld device’s existing local copy of same. Accordingly, the originally filed specification fails to provide the written description support necessary to establish that the Applicants were in possession of the full scope of the genus of “synchronous communications,” as later recited in every Challenged Claim added in the ‘850 Patent. Every Challenged Claim of the ‘850 Patent is therefore invalid under § 112.

For example, the M.P.E.P. provides:

The Federal Circuit has explained that a specification cannot always support expansive claim language and satisfy the requirements of 35 U.S.C. 112 ‘merely by clearly describing

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one embodiment of the thing claimed.’ *LizardTech v. Earth Res. Mapping, Inc.*, 424 F.3d 1336, 1346, 76 U.S.P.Q.2d 1731, 1733 (Fed. Cir. 2005). The issue is whether a person skilled in the art would understand applicant to have invented, and been in possession of, the invention as broadly claimed. In *LizardTech*, claims to a generic method of making a seamless discrete wavelet transformation (DWT) were held invalid under 35 U.S.C. § 112, first paragraph, because the specification taught only one particular method for making a seamless DWT, and there was no evidence that the specification contemplated a more generic method. *See also Tronzo v. Biomet*, 156 F.3d at 1159, 47 U.S.P.Q.2d at 1833 (Fed. Cir. 1998), wherein the disclosure of a species in the parent application did not suffice to provide written description support for the genus in the child application.”)

M.P.E.P. § 2163; *see also Amgen Inc. v. Hoechst Marion Roussel, Inc.*, 314 F.3d 1313, 1330 (Fed. Cir. 2003) (quoting *Vas-Cath Inc. v. Mahurkar*, 935 F.2d 1555, 1561 (Fed. Cir. 1991)) (requiring an applicant to “recount his invention in such detail that his future claims can be determined to be encompassed within his original creation”); *see also PowerOasis, Inc. v. T-Mobile USA, Inc.*, 522 F.3d 1299, 1306 (Fed. Cir. 2008) (“The [written description] requirement operates as a timing mechanism to ensure fair play in the presentation of claims after the original

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filing date and to guard against manipulation of that process by the patent applicant.”).

Accordingly, because the ‘850 Patent fails to disclose both of the species of “synchronous communications” Ameranth now claims, the Challenged Claims are invalid under 35 U.S.C. § 112.

2. Claims 1-11 Fail to Satisfy the Written Description and
Definiteness Requirements

Claims 1-11 of the ‘850 Patent fail to meet the written description requirement and definiteness requirement of 35 U.S.C. § 112 for the following additional reason: the limitation “application software for generating a second menu from said first menu and transmitting said second menu to a wireless handheld computing device or Web page” is not supported by the patent specification and is indefinite.

First, Claim 1 fails to meet the written description requirement of 35 U.S.C. § 112, because the limitation “transmitting said second menu to a . . . Web Page” is not described in the specification. The patent discloses transmission of a menu to a wireless handheld computing device or a web server, but not to a web page. Exhibit 1031, ‘850 Patent at 7:4-12. Despite describing the invention as “solving the problem of converting paper-based menus or Window® PC-based menu

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screens to small PDA-sized displays and Web pages,” the specification fails to describe transmitting a menu to a web page. See Exhibit 1031, ‘850 Patent at 3:32-35. The specification states that an “automated download procedure” is provided to “transfer the desktop database onto a handheld device and/or Web page.” Exhibit 1031, ‘850 Patent at 9:63-10:1. Similarly, the specification indicates the “menu generation approach of the present invention” provides a “means to instantly download the menu configuration onto, e.g., a handheld device or Web page.” Exhibit 1031, ‘850 Patent at 3:15-19. The specification however fails to describe an “automated download procedure” or any means for downloading a menu to a web page. The specification discloses a seven-step process for building a menu ending in the step of downloading the menu database to *a handheld device*. Exhibit 1031, ‘850 Patent at 7:4-12 (emphasis added). Conspicuously absent is any step or description of downloading or transferring a menu to *a web page*. The only teaching of “transmitting” in the context of web pages is the transmission of URLs from a web browser to a web server or the transmission of documents from a web server to a web browser. Exhibit 1031, ‘850 Patent at 12:21-51. Neither of these descriptions relates to transmitting a menu to a web page. Thus, the specification fails to convey with reasonable particularity that the patentee was in

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possession of the claimed subject matter, and Claim 1 is therefore invalid under 35 U.S.C. § 112. Because Claims 2-11 each depend from Claim 1, these claims are also invalid under 35 U.S.C. § 112.

Second, Claim 1 fails to meet the definiteness requirement of 35 U.S.C. § 112, because the limitation “transmitting said second menu to a . . . Web Page” is non-sensical. A “web page” is a document. Exhibit 1042, Larson Decl., ¶ 13. The ordinary and customary meaning of a “web page” at the time of the effective filing date of the applications of the ‘850 Patent was “[a] document on the World Wide Web.” Exhibit 1042B, MICROSOFT® PRESS COMPUTER DICTIONARY 479 (4th ed. 1999); Exhibit 1042, Larson Decl., ¶ 13 (citing same). Likewise, the ordinary and customary meaning of “World Wide Web” indicates documents on the World Wide Web are called “web pages.” Exhibit 1042B at 486. Consequently, the second menu must be transmitted to documents on the “world wide web” (albeit non-sensical). Exhibit 1042, Larson Decl., ¶ 19. The patentee did not otherwise act as a lexicographer and “clearly set forth a definition” of “web page” in the specification. *See CCS Fitness, Inc. v. Brunswick Corp.*, 288 F.3d 1359, 1366 (Fed. Cir. 2002); Exhibit 1042, Larson Decl., ¶ 12.

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In the *Menusoft* case, Ameranth attempted to rewrite the “transmitting . . . to a Web page” claim language to instead read transmitting “to a device that can receive and render a web page visible.” See Exhibit 1037, Defendants’ Claim Construction Brief on “Transmitting . . . To a Web Page” at 4 (quoting Shamos Expert Report at ¶ 97 (“Under the Court’s construction, element 1g requires software having the capability to transmit to both handheld devices and Web pages. I understand this phrasing to mean that the software must be able to send to a wireless handheld device and to a device that can receive and render a Web page visible, e.g. a browser.”)). But Ameranth’s attempted rewrite is contrary to the basic teachings in the ‘850 Patent regarding a browser, documents viewed via a browser, and a hyperlink. Exhibit 1031, ‘850 Patent at 12:21-33. A “web page” is simply not a device or a combination of a browser and a device. Exhibit 1042, Larson Decl., ¶ 17.

Accordingly, because the limitation “transmitting . . . to a Web page” is indefinite, Claim 1 is invalid under 35 U.S.C. § 112. Because Claims 2-11 each depend from Claim 1, these claims are also invalid under 35 U.S.C. § 112.

VI. THE CHALLENGED CLAIMS ARE INVALID UNDER § 101

A. Section 101 Analysis

Section 101 defines the four broad categories of patentable subject matter as “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof” 35 U.S.C. § 101 (2006). Although Section 101 encompasses a broad domain of patentable subject matter, the Supreme Court has recognized “three specific exceptions to § 101’s broad patent-eligibility principles: laws of nature, natural phenomena, and abstract ideas.” *Bilski II*, 130 S. Ct. at 3225; *see also Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1294 (2012). The Supreme Court’s guidance on the patent eligibility analysis was recently confirmed by a majority of judges in the recent *CLS Bank International v. Alice Corporation Pty. Ltd.*, 717 F.3d 1269 (Fed. Cir. 2013). *See Compression Tech. Solutions LLC v. EMC Corp.*, 2013 WL 2368039, at *4 (N.D. Cal. May 29, 2013) (“[B]oth the per curium opinion by Judges Lourie, Dyk, Prost, Reyna, and Wallach as well as the partial concurrences

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by Chief Judge Rader and Judges Linn, Moore, and O'Malley specifically endorse this approach.”).⁹

Claims directed to “an abstract idea preemptive of a fundamental concept or idea that would foreclose innovation” are not eligible for patent protection. *Dealertrack, Inc. v. Huber*, 674 F.3d 1315, 1333 (Fed. Cir. 2012); *Bilski II*, 130 S. Ct. at 3231. Inventions with specific applications or improvements to technologies in the marketplace may not be so abstract that they “override the statutory language and framework of the Patent Act.” *Research Corp. Techs., Inc. v. Microsoft Corp.*, 627 F.3d 859, 869 (Fed. Cir. 2010). The key question is whether the claims do significantly more than simply describe a law of nature or an abstract idea. *Mayo*, 132 S. Ct. at 1297. A claim is not directed to statutory

⁹ The *CLS Bank* opinion “does not otherwise modify the holdings of the prior Federal Circuit cases that came before [(e.g., *Bilski*, *Cybersource*, *Dealertrack*, *Fort Properties*, and *Bancorp*)] or provide a clear test for patent eligibility under Section 101 because “a majority of the judges could only agree on the holding of the case and not on a legal rationale for their conclusion.” See *Compression Tech. Solutions*, 2013 WL 2368039, at *4 n.1.

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subject matter where it merely recites an abstract idea and adds additional steps that merely reflect routine, conventional activity of those who work in the field. *Id.* at 1298. Furthermore, the “prohibition against patenting abstract ideas ‘cannot be circumvented by attempting to limit the use of the [abstract idea] to a particular technological environment’ or adding ‘insignificant postsolution activity.’” *Bilski II*, 130 S. Ct. at 3230 (quoting *Diehr*, 450 U.S. at 191-92). There is a danger when a patented process amounts to no more than instruction to apply the natural law, or otherwise forecloses more further invention than the underlying discovery could reasonably justify. *Mayo*, 132 S. Ct. at 1301.

The basic character of a claim “drawn to an abstract idea is not changed by claiming only its performance by computers.” *CyberSource Corp. v Retail Decisions, Inc.*, 654 F.3d 1366, 1375 (Fed. Cir. 2011). “The mere recitation of computer implementation or hardware in combination with an abstract idea [] is not itself a significant, meaningful limitation on the scope of [] claims.” Exhibit 1063, *SAP Am., Inc. v Versata Dev. Grp.*, No. CBM2012-0001, Paper 70 (P.T.A.B. June 11, 2013) p. 30. Simply adding a computer limitation, without more, “does not impose meaningful limits on the claim’s scope.” *See, e.g., Fort Props.*, 671 F.3d at 1323-24; *CLS Bank*, 717 F.3d at 1287 (“[A]dding generic computer

functions to facilitate performance provides no substantial limitation and therefore is not ‘enough’ to satisfy § 101”). Rather, the computer “must play a significant part in permitting the claimed method to be performed, rather than function solely as an obvious mechanism for permitting a solution to be achieved more quickly, i.e., through the utilization of a computer for performing calculations.” *SiRF Tech., Inc. v. Int’l Trade Comm’n*, 601 F.3d 1319, 1333 (Fed. Cir. 2010).

B. The Challenged Claims Impermissibly Claim an Abstract Idea

The ‘850 Patent recognizes that the basic idea of generating menus has existed for many years in the hospitality industry. Exhibit 1031, ‘850 Patent at 1:19-23. The ‘850 Patent acknowledges that “pen and paper have prevailed” as the traditional approach for ordering merchandise using menus. Exhibit 1031, ‘850 Patent at 1:23-27 (“[O]rdering prepared foods has historically been done verbally, either directly to a waiter or over the telephone, whereupon the placed order is recorded on paper by the recipient or instantly filled.”). The ‘850 Patent credits the prior art for automating the traditional approach for generating menus using computers and wireless handheld devices. Exhibit 1031, ‘850 Patent at 1:30-33 (“[V]arious forms of digital wireless communication devices are in common use, e.g., digital wireless messengers and pagers . . . portable laptop and handheld

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devices.”). Indeed, the ‘850 Patent acknowledges the prior art systems are sometimes referred to as “electronic malls” or “virtual store fronts” because they “enable a user to choose among several retailers’ goods.” Exhibit 1031, ‘850 Patent at 12:45-51. The ‘850 Patent also sets forth the “conventional” method of electronic shopping using a menu:

The user may conventionally search for an item by entering a key word search query in a box on a form. When a user selects an item, the server may provide a linked form that describes that item in further detail. The user may also conventionally enter ordering information into boxes on the form, such as the type and quantity of the item desired. The information entered by the user is transmitted to the server. The user may select multiple items in this manner and then enter a credit card number to pay for the purchases. The retailer processes the transaction and ships the order to the customer. As can be appreciated, ordering merchandise can also be done from menus.

Exhibit 1031, ‘850 Patent 12:51-62 (emphasis added).

Claims 1-11 cover nothing more than the abstract idea of generating menus. Claims 1-11 are directed to a computerized system for facilitating “efficient

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generation of computerized menus” using a general purpose computer.¹⁰ Exhibit 1031, ‘850 Patent 3:15-23 (describing the invention’s “menu generation approach”). In claiming “an information management and synchronous communications system for generating and transmitting menus,” the claims are directed to nothing more than a general purpose computer using general purpose programming. Indeed, the specification states that the system employs “typical” computer equipment, such as a computer workstation, operating system, modem, display screen, keyboard, mouse, and optional removable storage devices (e.g., floppy drive or CD ROM drive). Exhibit 1031, ‘850 Patent 5:33-44. Moreover,

¹⁰ Although the claims are written as system claims, the underlying invention for patent-eligibility purposes is an abstract idea for marketing goods and services. As the Federal Circuit explained in *CyberSource*, the type of claim is not as important as “the underlying invention for patent-eligibility purposes.” 654 F.3d at 1374. Thus, the Federal Circuit has held that “a machine, system, medium, or the like may in some cases be equivalent to an abstract mental process for purposes of patent ineligibility.” *Bancorp Servs., LLC v Sun Life Assurance Co. of Canada*, 687 F.3d 1266, 1277 (Fed. Cir. 2012).

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the ‘850 Patent acknowledges that the general purpose “programming steps are [so] commonly known” that “details are not necessary” to disclose. Exhibit 1031, ‘850 Patent at 11:43-48. The ‘850 Patent also recognizes that these steps for “restaurant ordering, reservations, and wait-list management” were performed by humans years before the patent application. Exhibit 1031, ‘850 Patent at 1:19-27 (“[O]rdering prepared foods has historically been done verbally, either directly to a waiter or over the telephone, whereupon the placed order is recorded on paper by the recipient or instantly filled.”). In essence, the ‘850 Patent simply computerizes the well-known concept of generating menus and facilitating an order from the menus, a concept that has been performed by humans “verbally” or by “pen and paper” for years before the patent application was filed. *See CyberSource*, 654 F.3d at 1372.

Although the claims recite a computer “operating system,” “data storage device,” and “central processing unit,” these computer-aided limitations are insufficient to impart patent eligibility to the otherwise abstract idea. The use of a computer adds no more than its basic function – improving the “efficient generation of computerized menus” so that menus are generated faster than with the non-computerized process. Exhibit 1031, ‘850 Patent at Abstract, 1:53-54, 2:8-

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9, 2:15-16 (describing the prior art methods as “slow” and “unacceptable for the time criticality of ordering” whereas the computerized method facilitates “user-friendly and efficient generation of computerized menus” to allow for “fast and automatic synchronization” and “real-time communication over the internet”). Further, the addition of the computer does not impose a meaningful limitation of the scope of the claims because it “function[s] solely as an obvious mechanism for permitting a solution to be achieved more quickly, i.e., through the utilization of a computer for performing calculations.” *See, e.g., SiRF Tech.*, 601 F.3d at 1333; *Bancorp*, 687 F.3d at 1278 (using a computer for its basic function of making calculations or computations “fails to circumvent the prohibition against patenting abstract ideas and mental processes”).

Moreover, the claimed computer components do not “play a significant part in permitting the claimed method to be performed,” nor do they tie the performance of the menu-based ordering method to a very specific application. *Fort Props.*, 671 F.3d at 1323. Although Claims 1-11 recite a computerized system for efficient generation of menus, the claims fail to specify how the computer is “specifically programmed to perform the steps claimed in the patent.” *See Dealertrack*, 674 F.3d at 1333. Claims 1-11 recite steps and/or what Ameranth

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argues to be functional limitations, but do not disclose (1) an algorithm or mathematical formula related to how the computer is programmed to generate the menus, (2) how the computer formats or maintains the menus, or (3) how the computer synchronizes the menus with other computing devices. In this regard, the Challenged Claims and the ‘850 Patent are silent as to how the computer aids these functions “or the significance of the computer to the performance of the method.” *See id.* Indeed, the ‘850 Patent itself explicitly states that the general purpose programming steps are so “commonly known” that “programming details are not necessary.” Exhibit 1031, ‘850 Patent 11:45-48.

Rather, the Challenged Claims impermissibly set forth basic functions of a general purpose computer at a high level of generality – e.g., generating, formatting, synchronizing, and transmitting menus. *See CLS Bank*, 717 F.3d at 1287 (“[A]dding generic computer functions to facilitate performance provides no substantial limitation and therefore is not ‘enough’ to satisfy § 101”); *Mayo*, 132 S. Ct. at 1300 (“[S]imply appending conventional steps, specified at a high level of generality, . . . abstract ideas cannot make those . . . ideas patentable.”); *see also CyberSource Corp.*, 654 F.3d at 1376-77 (finding claims using the Internet to detect fraud invalid under Section 101); *Bancorp*, 687 F.3d at 1278-79 (finding

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computerized method for managing and valuing a life insurance policy invalid under Section 101); Exhibit 1064, *Vacation Exch. LLC v. Wyndham Exch. & Rentals, Inc.*, No. 2:12-cv-04229, Dkt. No. 27, slip op. at 3 (C.D. Cal. Sept. 18, 2012) (finding a computerized method of exchanging timeshares invalid under Section 101); Exhibit 1065, *Uniloc USA, Inc. v. Rackspace Hosting, Inc.*, 6:12-cv-00375, Dkt. No. 38, slip op. at 9 (E.D. Tex. Mar. 27, 2012) (finding a computerized method for processing floating numbers invalid under Section 101). Claims 1-11's recitation of general computer functions are not enough to satisfy § 101.

Claim 12 is directed to an abstract idea: the placing an order or reservation using a general purpose computer and wireless handheld device. The '850 Patent describes the "invention" as an improvement over "paper-based ordering, waitlist, and reservation management." Exhibit 1031, '850 Patent at 2:33-48. In fact, the "invention" is nothing more than "computerization of these functions." Exhibit 1031, '850 Patent at 2:36. The old technology was hard-wired ("largely limited to fixed computer solutions, i.e., desktop or mainframe") and the "improved" method uses "automated interfaces to handheld and Website menus and ordering options"

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and “software for fully realizing the potential for wireless handheld computing devices.” Exhibit 1031, ‘850 Patent at 2:37-38; 2:47-48; 2:6-7.

The claimed system employs “typical” computer equipment, such as a computer workstation, operating system, modem, display screen, keyboard, mouse, and option removable storage devices (e.g., floppy drive or CD ROM drive). Exhibit 1031, ‘850 Patent at 5:33-55. The patent acknowledges that the general purpose “programming steps are [so] commonly known” that “details are not necessary” to disclose. Exhibit 1031, ‘850 Patent at 11:45-48.

Though Claim 12 recites computer and web-based components (e.g., “database,” “wireless handheld computing device,” “web server,” “web page,” “application software,” etc.), these computer-aided limitations are token post-solution activity that cannot impart patent eligibility to the abstract idea of placing an order or reservation using a general purpose computer and wireless handheld device. The patent describes “the inventive concept” as the “generation of a menu in any context known to those skilled in the art where an objective is to facilitate display of the menu so as to enable selection of items from that menu.” Exhibit 1031, ‘850 Patent at 14:18-21. In essence, Claim 12 more broadly covers any system “that enables a user to shop for and order merchandise” using a general

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purpose computer and wireless handheld device. Exhibit 1031, ‘850 Patent at 12:44. Once the computer-aided limitations are stripped away, Claim 12 effectively preempts the use of a computer and wireless handheld device for placing an order or reservation over the internet.

The use of the computer in Claim 12 adds no more than its basic function—improving “[e]fficiencies with respect to computational speed and equipment.” Exhibit 1031, ‘850 Patent at 14:35-38; *see also* Exhibit 1031, ‘850 Patent at 1:51-55; 2:5-19 (describing the prior art methods as “slow[ing] down” and “unacceptable for the time criticality of ordering” whereas the computerized method facilitates “fast and automatic synchronization” and “real-time communication over the internet”).

Furthermore, the claimed computer components do not play a significant part in permitting Claim 12 to be practiced, nor do they tie the practice of the order placing to a very specific application. Although Claim 12 and its dependent claims recite a computerized communication system for placing orders or reservations over the internet, the claim fails to specify how the computer is specifically programmed to practice the features claimed in the patent. The claims do not disclose how the computer is programmed to communicate with the wireless

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handheld devices, how the computer synchronizes data between the database, wireless handheld computing device, and Web pages, or how the computer enables integration of outside applications with hospitality applications. There is no algorithm or mathematical formula disclosed to practice the features, and the claims are silent as to how the computer aids these features. To the contrary, the patent states that the features are so “commonly known” that “programming details are not necessary.” Exhibit 1031, ‘850 Patent at 11:45-48.

In short, Claim 12 sets forth basic functions of a general purpose computer at a high level of generality – e.g., communicating, synchronizing, and integrating. It is well-established that simply appending conventional steps at a high level of generality to an abstract idea cannot make that idea patentable. *See, e.g., CLS Bank*, 717 F.3d at 1287 (“[A]dding generic computer functions to facilitate performance provides no substantial limitation and therefore is not ‘enough’ to satisfy § 101”); *Mayo*, 132 S. Ct. at 1300 (“[S]imply appending conventional steps, specified at a high level of generality, . . . abstract ideas cannot make those . . . ideas patentable.”); *CyberSource Corp.*, 654 F.3d at 1376-77 (finding claims using the Internet to detect fraud invalid under Section 101); *Bancorp*, 687 F.3d at 1278-79 (finding computerized method for managing and valuing a life

insurance policy invalid under Section 101). Thus, Claim 12 and its dependent claims 13-16 are invalid.

C. The Challenged Claims Fail the “Machine or Transformation Test”

Courts have frequently relied on the “machine or transformation test” to determine whether a process is patentable under § 101.¹¹ Under this test, a process is patentable only if “(1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing.” *Bilski II*, 130 S. Ct. at 3225. Although this is not the sole test for determining patent eligibility, the Supreme Court has indicated the test provides “a useful and important clue” for making that determination. *Bilski II*, 130 S. Ct. at 3227. Not every patent that recites a machine or transformation of an article passes the machine or transformation test. *Bilski I*, 545 F.3d at 961. Instead, to “impart patent-eligibility to an otherwise unpatentable process under the theory that the process is linked to a

¹¹ As discussed above, while the Challenged Claims are apparatus claims, they recite various steps to be performed – i.e., the apparatus claims are effectively directed to a process.

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machine, the use of the machine must impose meaningful limits on the claim's scope." *CyberSource*, 654 F.3d at 1375.

In this case, the Challenged Claims are not linked to a machine in a way that imposes meaningful limits on the claims' scope. The computer limitations in the claims, e.g., computer "operating system," "central processing unit," "data storage device," or "wireless handheld computing devices," do not sufficiently tie the claims to an actual application of the idea. *See Dealertrack*, 674 F.3d at 1333. The '850 Patent readily admits it "does not specify how the computer hardware and database are specially programmed to perform the steps claimed in the patent." *See id.* The Challenged Claims are silent as to how a computer stores the "first menu," "second menu," or "master menu" or how a computer "enables" the various functions related to generating, synchronizing or transmitting menus. The Challenged Claims also disclose neither the extent to which a computer implements the method nor the significance of a computer to the performance of the method. *See id.* Instead, the Challenged Claims state that the "system" is "enabled for" performing certain steps, but the Challenged Claims "contain no hint as to how the information . . . will be sorted, weighed, and ultimately converted into a useable conclusion" to accomplish the claimed methods. *CyberSource*, 654

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F.3d at 1376 n.4. Because the computer “operating system,” “central processing unit,” and “data storage device” can be programmed to perform different tasks in different ways, none of these machines play “a significant part in permitting the claimed method to be performed.” *See Dealertrack*, 674 F.3d at 1333. Thus, simply reciting computerized limitations in a claim covering an abstract concept as the Challenged Claims do here, without more, is insufficient to render the claim patent eligible. *CyberSource*, 654 F.3d at 1375 (recitation of a computer or computer hardware is not sufficient to confer patent eligibility to an abstract process).

Because the Challenged Claims are not tied to a particular machine, they impermissibly seek to cover a general-purpose computer that includes the recited steps. In *Gottschalk v. Benson*, the Supreme Court invalidated claims directed to a mathematical process for converting binary-coded decimal numerals into pure binary numbers on a general purpose digital computer. 409 U.S. at 68. The claims were not eligible for patent protection because they “purported to cover any use of the claimed method in a general-purpose digital computer of any type.” *Id.* at 64 (emphasis added). Similarly, the Challenged Claims purport to cover the generation of computerized menus using a general purpose computer (e.g., “central

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processing unit” and “operating system”) using general computer programming (e.g., “application software”), and thus they are not sufficiently tied to a particular machine to confer patent eligibility. *Compression Tech.*, 2013 WL 2368039, at *8 (“Simply adding a label like ‘computer aided’ or vague references to calculations or ‘digital storage’ will not render an otherwise abstract idea patent eligible”).

Nor do the Challenged Claims claim the transformation of “an article to a different state or thing.” *Bilski II*, 130 S. Ct. at 1326. The claims instead are drawn to an unspecified system dealing with information such as “menu,” “data” and “applications.” These items are not restricted to a physical object. Likewise, selecting and transmitting data is akin to collecting and organizing data, which is not a “transformation” for purposes of the “machine or transformation” test. *See CyberSource*, 654 F.3d at 1370 (“The mere collection and organization of data regarding credit card numbers and Internet addresses is insufficient to meet the transformation prong of the test.”). Generating a computerized menu in accordance with the ‘850 Patent instead of using a paper-based menu is not a “transformation.” A computer-aided approach to an abstract idea is no less abstract. Similarly, in the context of the ‘850 Patent, synchronization is nothing more than the result of the increased speed of communication afforded by

computers. A basic manipulation of data such as selecting, generating, transmitting and synchronizing data in accordance with the '850 Patent fails to transform a specific article into a different state or thing. *Bilski I*, 545 F.3d at 962. Thus, the Challenged Claims cannot meet the “transformation” prong of the “machine or transformation” test.

D. The Challenged Claims Are Invalid Under *Mayo*

In *Mayo v. Prometheus*, the Supreme Court warned against upholding patents that claim processes preempting the use of a natural law, mathematical formula, or abstract idea. 132 S. Ct. at 1293-94, 1297, 1301. The Court ruled that a patent claiming a process applying a natural law must “amount[] to significantly more” than a patent upon the natural law itself. *Id.* at 1294 (citing *Bilski II*, 130 S. Ct. at 3230 (“[T]he prohibition against patenting abstract ideas cannot be circumvented by attempting to limit the use of the formula to a particular technological environment or adding insignificant postsolution activity.”) (case cite omitted)). The Supreme Court stated, “simply appending conventional steps, specified at a high level of generality, to laws of nature, natural phenomena, and abstract ideas cannot make those laws, phenomena, and ideas patentable.” *Id.* at 1300. Applying these principles, the Court invalidated a process applying a natural

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law that involved “well-understood, routine, conventional activity previously engaged in by researchers in the field” because upholding such a patent “would risk disproportionately tying up the use of the underlying natural laws, inhibiting their use in the making of further discoveries.” *Id.* at 1294.

The Challenged Claims claim the abstract idea of generating menus and the abstract idea of placing an order or reservation using a general purpose computer and wireless handheld device according to a “commonly known” and conventional procedure that has been used by the hospitality industry for years. Exhibit 1031, ‘850 Patent at 11:46, 1:19-23. Like the claims in *Mayo* that did not amount to “significantly more” than simply describing the natural correlations between drug dosages and blood metabolites, the Challenged Claims do not amount to “significantly more” than reciting the abstract idea of generating menus using a general purpose computer or the abstract idea of placing an order or reservation using a general purpose computer and wireless handheld device. In addition, the “token postsolution components,” such as a computer operating system, central processing unit, or data storage device, do not make the otherwise abstract concept patentable. *See Mayo*, 132 S. Ct. at 1301.

**E. The Challenged Claims Are Distinguishable From
*Ultramercial***

In *Ultramercial, Inc. v. Hulu, LLC*, 722 F.3d 1335, 1348 (Fed. Cir. 2013), the Federal Circuit reaffirmed that “the mere reference to a general purpose computer will not save a method claim from being deemed too abstract to be patent eligible.” Likewise, *Ultramercial* recognized that claims reciting only “the idea of doing that thing on a computer” are problematic. *Id.* To be patent-eligible, the patent claim should instead be “tied to a computer in a specific way, such that the computer plays a meaningful role in the performance of the claimed invention.” *Id.* at 1349.

The *Ultramercial* invention addressed a problem inherently tied to computers and the Internet, namely the ease of distributing copyrighted works over the Internet and the drawbacks of prior art banner advertising. *Id.* at 1349-50. Because “several steps plainly require[d] that the method be performed through computers, on the internet” and required “complex computer programming,” the *Ultramercial* invention was not unpatentably abstract. *Id.* at 1350. In contrast, the ‘850 Patent attempts to claim only the idea of menu generation and ordering on a computer. In fact, the ‘850 Patent acknowledges that its use of automated interfaces and software is merely an alternative to conventional, computerless

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“paper-based ordering, waitlist and reservation management.” Exhibit 1031, ‘850 Patent at 2:33-34. Simply practicing an abstract concept on a computer does not result in patent eligibility. *Accenture Global Servs. GmbH*, 2013 WL 4749919 at *8 (“simply implementing an abstract concept on a computer, without meaningful limitations to the concept, does not transform a patent-ineligible claim into a patent-eligible one”).

In the end, the Challenged Claims cover nothing more than an abstract idea of generating menus and the abstract idea of placing an order or reservation using a general purpose computer and wireless handheld device, and, therefore, they fail on their face to satisfy the patent eligibility requirement of 35 U.S.C. § 101.

VII. CONCLUSION

For the reasons set forth above, it is more likely than not that at least one of Claims 1-16 of U.S. Patent No. 6,384,850 is unpatentable under 35 U.S.C. §§ 101 or 112, and therefore Petitioners respectfully request that the Board institute a CBM review of the ‘850 Patent.

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Respectfully submitted,

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