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

FANDANGO, LLC, OPENTABLE, INC., APPLE INC., DOMINO'S PIZZA, INC., AND DOMINO'S PIZZA, LLC

Petitioners

v.

AMERANTH, INC.

Patent Owner

U.S. Patent No. 6,982,733
Issue date: January 3, 2006

Title: Information Management and Synchronous Communications System with Menu Generation, and Handwriting and Voice Modification of Orders

CBM: Unassigned

PETITION FOR COVERED BUSINESS METHOD REVIEW OF U.S. PATENT NO. 6,982,733 UNDER 35 U.S.C. § 321 AND § 18 OF THE LEAHY-SMITH AMERICA INVENTS ACT

TABLE OF CONTENTS

PAGE

TABLE OF AUTHORITIES

Page(s)

CASES

STATUTES

RULES

OTHER AUTHORITIES

PETITIONERS' MASTER LIST OF EXHIBITS

EXHIBIT NO.	DESCRIPTION (BOLDED IF USED)
FANDANGO 1001*	U.S. Patent No. 8,146,077
FANDANGO 1002*	Litigation Report on U.S. Patent No. 8,146,077
FANDANGO 1003*	Ameranth August 15, 2011 Press Release
FANDANGO 1004	**Ameranth July 2, 2012 Press Release**
FANDANGO 1005*	Litigation Report on U.S. Patent No. 6,384,850
FANDANGO 1006	***Ameranth, Inc. v. Menusoft Sys. Corp., et al.*, No. 2:07-CV-271, 2010 WL 4952758, at 1-2 (E.D. Tex. Sept. 20, 2010)**
FANDANGO 1007	**Menusoft, ECF No. 331**
FANDANGO 1008*	Eventbrite Complaint
FANDANGO 1009*	'077 Notice of Allowability Examiner's Amendment
FANDANGO 1010*	'077 Aug. 21, 2009 Reply & Amendment
FANDANGO 1011	**Certificate of Service**
FANDANGO 1012	**Powers of Attorney**
FANDANGO 1013*	Kayak Complaint
FANDANGO 1014*	Hotels.com Complaint
FANDANGO 1015*	Orbitz Complaint
FANDANGO 1016*	Hotel Tonight Complaint
FANDANGO 1017*	Travelocity Complaint

EXHIBIT NO.	DESCRIPTION (BOLDED IF USED)
FANDANGO 1018*	Expedia Complaint
FANDANGO 1019*	Hotwire Complaint
FANDANGO 1020*	Wanderspot First Amended Complaint
FANDANGO 1021*	Micros First Amended Complaint
FANDANGO 1022	**Fandango Complaint**
FANDANGO 1023*	StubHub Complaint
FANDANGO 1024*	Ticketmaster and Live Nation Complaint
FANDANGO 1025*	OpenTable's Second Amended Complaint
FANDANGO 1026	**77 Fed. Reg. 157, pp. 48734 - 48753**
FANDANGO 1027	**77 Fed. Reg. 157, pp. 48680 - 48732**
FANDANGO 1028	***SAP America, Inc. v. Versata Development Grp., Inc.*, CBM2012-00001, Paper No. 36 (P.T.A.B. January 9, 2013)**
FANDANGO 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**
FANDANGO 1030	**77 Fed. Reg. 157, pp. 48756 - 48773**
FANDANGO 1031*	U.S. Patent No. 6,384,850
FANDANGO 1032*	U.S. Patent No. 6,871,325
FANDANGO 1033	**U.S. Patent No. 6,982,733**
FANDANGO 1034	**Petitioners' Address List**
FANDANGO 1035	**'850 Office Action of May 22, 2001 at 2-3**

EXHIBIT NO.	DESCRIPTION (BOLDED IF USED)
FANDANGO 1036	***Interthinx, Inc. v. Corelogic Solutions, LLC*, No. CBM2012-00007 (BJM), Paper 16 at 18 (P.T.A.B. Jan. 31, 2013)**
FANDANGO 1037	**Menusoft ECF No. 235**
FANDANGO 1038	**Opentable First Amended Complaint**
FANDANGO 1039*	Papa John's II Complaint
FANDANGO 1040	**Litigation Report on U.S. Patent No. 6,982,733**
FANDANGO 1041*	Litigation Report on U.S. Patent No. 6,871,325
FANDANGO 1042	**Larson Declaration (including Exhibits A-B)**
FANDANGO 1043	**157 Cong. Rec. S1360-1394**
FANDANGO 1044	**Apple Complaint**
FANDANGO 1045	**Domino's Third Amended Complaint**
FANDANGO 1046	**Ameranth's Infringement Contentions to Fandango**
FANDANGO 1047*	Ameranth's Infringement Contentions to StubHub
FANDANGO 1048*	Ameranth's Infringement Contentions to Micros Systems
FANDANGO 1049*	Agilysys Complaint
FANDANGO 1050*	Best Western Complaint
FANDANGO 1051*	Grubhub First Amended Complaint
FANDANGO 1052*	Hilton First Amended Complaint
FANDANGO 1053*	Hyatt First Amended Complaint
FANDANGO 1054*	Marriott Complaint

EXHIBIT NO.	DESCRIPTION (BOLDED IF USED)
FANDANGO 1055*	Mobo Systems Complaint
FANDANGO 1056*	Ordr.in Complaint
FANDANGO 1057*	Pizza Hut Complaint
FANDANGO 1058*	Seamless First Amended Complaint
FANDANGO 1059*	Starbucks Complaint
FANDANGO 1060*	Starwood First Amended Complaint
FANDANGO 1061*	Usablenet First Amended Complaint
FANDANGO 1062	NOT USED
FANDANGO 1063	***SAP America, Inc. v. Versata Development Grp., Inc.*, CBM2012-00001, Paper No. 70 (P.T.A.B. June 11, 2013)**
FANDANGO 1064	***Vacation Exch. LLC v. Wyndham Exch. & Rentals, Inc.*, No. 2:12-cv-04229, Dkt. No. 27 (C.D. Cal. Sept. 18, 2012)**
FANDANGO 1065	***Uniloc USA, Inc. v. Rackspace Hosting, Inc.*, 6:12-cv-00375, Dkt. No. 38 (E.D. Tex. Mar. 27, 2012)**

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

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. 6,982,733 (the "'733 Patent"). In particular, Petitioners request a cancellation of Claims 1-16 of the '733 Patent ("Challenged Claims") as unpatentable under 35 U.S.C. § 101 and 112.

The '733 Patent was originally filed on November 1, 2001 as U.S. Patent Application No. 10/016,517 ("'517 Application"). The '517 Application is a continuation-in-part of U.S. Patent No. 6,384,850 ("'850 Patent").[1]

The '733 Patent is directed to an "information management and synchronous communications system for generating and transmitting menus" for hospitability industry such as restaurant/hotel/casino food/drink ordering (Claims 1-11) and an information management and synchronous communications method for generating and modifying such a menus in a computer system (Claims 12-16).

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[1] Petitioners along with other sued companies are contemporaneously filing a covered business method review petition on the '850 Patent.

Targeting activities that are financial in nature such as point-of-sale systems, Ameranth has filed 9 different patent infringement actions alleging infringement of the '733 Patent by at least three different and distinct industries.[2] 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, Ameranth's July 2, 2012 Press Release at 2.

While Ameranth currently asserts the '733 patent against Petitioners, this is not the first time Ameranth has litigated the '733 Patent. On June 28, 2007, Ameranth sued Menusoft Systems Corporation and Cash Register Sales & Service

[2] *See* Exhibit 1040, Litigation Report on U.S. Patent No. 6,982,733; 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 (4) "restaurant point of sale, and/or reservations, and/or online/mobile ordering companies.").

of Houston, Inc. (collectively, "Menusoft") in the Eastern District of Texas for alleged infringement of the '850, '325,[3] and '733 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 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.

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[3] 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.

[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.

In addition, the claimed subject matter of Claims 1-16 of the '733 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 '733 Patent is not a patent for technological inventions. Therefore, the '733 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 '733 Patent as a covered business method patent are unpatentable under 35 U.S.C. §§ 101 and 112 and must be canceled.

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

Claims 1-16 of the '733 Patent fail to satisfy the written description and definiteness requirements of § 112 and are therefore invalid.

First, Claims 1-11 are indefinite because they recite systems including a method step. For example, independent Claim 4 in the '733 Patent is directed to "[a]n information management and synchronous communications system," but also recites a method step: "said second menu is manually modified by handwriting or voice recording after generation." As yet another example, Claim 1 is directed to

"[a]n information management and synchronous communications system" but recites a method step of "said second menu is manually modified after generation." Indeed, this same step is found in method Claim 12. Independent Claim 5 recites a system but also claims a step that "said modified menu is manually modified after generation."

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, 4, 5, and 12 are indefinite, as are their dependent claims, which comprise all of the Challenged Claims.

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 1033, '733 Patent at 8:21-29 (stating that the steps taken in building a menu includes "Download the menu database to the handheld device."); '733 Patent at 12:13-20 ("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 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 1-3 are invalid based on the written description requirement and definiteness requirement. 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). 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 Challenged Claims are merely directed to a computerized system for facilitating "efficient generation of computerized menus" using a general purpose computer. Exhibit 1033, '733 Patent at Abstract. In claiming "an information management and synchronous communications system for generating and transmitting menus," the claims (albeit concerning use for a financial product or service) are directed to nothing more than a general purpose computer using general purpose programming, and the specification states that the system employs "typical" computer elements. Exhibit 1033, '733 Patent at 6:47-7:3. Furthermore, the specification fails to disclose any algorithms for the synchronous communications of menus. In essence, the '733 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 the claims recite 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 the Challenged Claims cover nothing more than an abstract idea of generating menus, they 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) Apple Inc.;

b) Domino's Pizza, Inc.;

c) Domino's Pizza, LLC;

d) Fandango, LLC (formerly known as Fandango, Inc.); and

e) OpenTable, Inc. (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. Apple Inc.*, Case No. 3-12-cv-02350 (S.D. Cal., filed Sept. 26, 2012);

b) *Ameranth, Inc. v. Fandango, Inc.*, Case No. 3-12-cv-01651 (S.D. Cal., filed June 29, 2012);

c) *Ameranth, Inc. v. Domino's Pizza, LLC et al*, Case No. 3-12-cv-00733 (S.D. Cal., filed March 27, 2012);

d) *Ameranth, Inc. v. OpenTable, Inc.*, Case No. 3-12-cv-00731 (S.D. Cal., filed March 27, 2012);

e) *Ameranth, Inc. v. OpenTable, Inc.*, Case No. 3-13-cv-01840 (S.D. Cal., filed August 8, 2013);

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

f) *Ameranth, Inc. v. Fandango, Inc.*, Case No. 3-13-cv-01525 (S.D. Cal., filed July 1, 2013); and

g) *Ameranth, Inc. v. Domino's Pizza, LLC et al*, Case No. 3-13-cv-01520 (S.D. Cal., filed July 1, 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), Apple, Inc. identifies James M. Heintz (Reg. No. 41,828) as lead counsel and Ryan W. Cobb (Reg. No. 64,598) as back-up counsel, both of DLA Piper LLP (US); 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.; and Fandango, LLC and OpenTable, Inc. 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.

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

Petitioners identify the following service information:

James M. Heintz DLA Piper LLP (US) One Fountain Square 11911 Freedom Drive Suite 300	Frank A. Angileri Brooks Kushman 1000 Town Center 22nd Floor Southfield, MI 78075	Richard S. Zembek Norton Rose Fulbright Fulbright Tower 1301 McKinney, Suite 5100

Reston, VA 20190-5602 Tel: 703-773-4148 Fax: 703-773-5008	Tel: 248-358-4400 Fax: 248-358-3351	Houston, Texas 77010 Tel: 713-651-5283 Fax: 713-651-5246

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. Certificate 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.

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 '733 Patent] is unpatentable." 35 U.S.C. § 324(a).

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 '733 Patent. *See* Exhibit 1022 (complaint

against Fandango, Inc.); Exhibit 1038 (first amended complaint against Opentable, Inc.); Exhibit 1044 (complaint against Apple); Exhibit 1045 (third amended complaint against Domino's Pizza, Inc. and Domino's Pizza, LLC).

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

Petitioners are not estopped from challenging the claims of the '733 Patent on the grounds identified in this Petition.

C. The '733 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 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 at least 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 '733 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,*. No. CBM2012-0001, Paper 36 (P.T.A.B. Jan. 09, 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 in the '733 Patent squarely meet the definition of a CBM. Specifically, the Challenged Claims of the '733 Patent are directed to an "information management and synchronous communications system for generating and transmitting menus" for hospitability industry such as restaurant/hotel/casino food/drink ordering (Claims 1-11) and an information management and synchronous communications method for generating and modifying such menus in a computer system (Claims 12-16). Therefore, the claimed systems in Claims 1-11 are for a financial transaction/service in the hospitability industry such as restaurant/hotel/casino food/drink ordering, and the claimed methods in Claims 12-16 are for generating and modifying menus in rendering a financial transaction/service in the hospitability industry such as restaurant/hotel/casino

food/drink ordering. As such, the '733 Patent covers a "financial product or service" as a covered business method patent.

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 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."). All three independent system claims are directed to an "information management and synchronous communications system" and recite a "graphical user interface." Similarly, independent method claim 12 recites an "information management and synchronous communications method" and a "graphical user interface." Likewise, the '733 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 1033, '733 Patent at 1:13-23; *see also* '733 Patent at

3:4-8 ("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.").

Furthermore, in the pending litigations against Petitioners, the patent holder Ameranth has alleged that financial products and services infringe the '733 Patent. *See e.g.*, Exhibit 1046, Ameranth's Infringement Contentions to Fandango, at 14 ("The Accused System is enabled to facilitate and complete ***payment processing*** directly from the wireless handheld computing device."); Exhibit 1046 at 34 ("The Fandango Ticketing System includes one or more APIs that . . . enable integration of outside applications (including, but not limited to, email and affinity program, ***payment processing, gift card processing*** . . .)") (emphasis added). 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 '733 Patent is deemed to cover a financial product or service. Exhibit 1043, 157 Cong. Rec. S1365 ("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.

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 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 PTO 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 1033, '733 Patent at 3:40-43 ("solving the problem of converting paper-based menus or Windows® PC-based menu screens to small PDA-sized displays and Web pages"). Finally, even if the problem could be characterized as a technical problem, the alleged invention claimed in the '733 Patent is ***not*** a technical solution as explained below.

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 '733 Patent claims do not recite a "technological feature" that is novel and nonobvious. Indeed, the '733 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 1033, '733 Patent at 12:61-65; *see also* 15:31-42 ("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 the extent the claimed subject matter arguably includes technical features, the PTO recognized in the parent application 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 the 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 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 '733 Patent is neither directed at a technical problem nor do the Challenged Claims provide a technical solution. Based on the '733 Patent's own description, the problem allegedly solved by the alleged invention is not a technical problem – it is a business problem using the routine practice for providing more user friendly processes through well-known and widely-used computerization of non-computerized processes. *See* Exhibit 1033, '733 Patent at 3:40-43 ("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 '733 Patent is ***not*** a technical solution. In this regard, to the extent that hardware is recited in the claims, the '733 Patent admits that this is conventional hardware rather than a technical solution. Exhibit 1033, '733 Patent at 6:47-52 ("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."). To the extent Ameranth contends it claims a "software

solution," conspicuously absent is any algorithm that ties to the various functions of limitations in the Challenged Claims. Instead, only conventional software packages, such as Microsoft Windows and Office, are disclosed. See Exhibit 1033, '733 Patent at 12:13-40. "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 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 '733 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 '733 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 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 '733 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 only[7]). For each claim term in the '733 Patent, the BRI is the ordinary and customary meaning of the term.[8]

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[6] The '733 Patent expires on Sep. 21, 2019.

[7] Petitioners advocate the broadest reasonable interpretation (BRI) for the claim terms of the '733 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 and element (e) of Claim 4 of the '733 Patent are governed by § 112, ¶ 6 and lack corresponding structure in view of the claim construction standard governing the district court case.

V. THE CHALLENGED CLAIMS ARE INVALID UNDER § 112

A. Claims 1-11 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. § 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 1-11 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, independent Claim 4 of the '733 Patent is directed to "[a]n information management and synchronous communications system," but also recites a method step: "said second menu is manually modified by handwriting or voice recording after generation." Exhibit

1033, '733 Patent at 16:32-53. Similarly, Claim 1 is directed to a system but recites a step that "said second menu is manually modified after generation," and independent Claim 5 is directed to a "system" but recites a step that "said modified menu is manually modified after generation." Exhibit 1033, '733 Patent at 15:60-16:25, 16:54-17:13. Critically, the same method step recited in system Claim 1 appears in method Claim 12: "said second menu is manually modified after generation." Exhibit 1033, '733 Patent at 18:22-23. Because Claims 1-11 are each system claims requiring the performance of a method step, each claim is invalid.

Claims 1-11 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 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 1 of the '733 Patent is infringed when the claimed system is supplied, or only when the "second menu is manually modified after generation."

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 to the Challenged Claims, *i.e.* Claims 1-11 are each system claims that impermissibly include a method step "directed at user actions, not system capabilities." *Id.*

As evident from the plain language of Claims 1-11, the recited method steps are directed at user action and not system capability. As discussed above, independent claims 1, 4, and 5 each recite the method step "said second menu is ***manually*** modified . . . after generation." Exhibit 1033, '733 Patent at 16:24-25 (claim 1), 16:51-53 (claim 4), 17:12-13 (claim 5). By their plain language, these method steps are not directed at a system capability, but rather at the action of a user "manually" modifying the menu. *Id.* In this regard, claim 4 explicitly recites that the manual modification be by "handwriting or voice recording." Exhibit 1033, '733 Patent at 16:51-53. These are actions performed by a user, and are not simply capabilities of a computer system; indeed computer systems cannot handwrite.

The patent specification further clarifies that "manually" modifying a menu requires the action of a user, and does not simply describe a system capability. Exhibit 1033, '733 Patent at 4:6:9 ("For example, ***a restaurant server*** taking a drink order could select menu of her hand-held device's screen 'Iced Tea', and then ***manually write*** in the literal screen of her hand-held 'with lemon' as shown in Fig. 8."), Exhibit 1033, 4:18-22 ("Similarly, ***a server*** taking a drink order could select from a menu of her hand-held device's screen 'Iced Tea', and then ***record the voice message*** 'with lemon' using her hand-held device integral microphone."), Exhibit 1033, 4:27-32 ("Both the literal screen capture method and the voice recorded message method combine the power of automatic fixed menu generation with the expanded flexibility to resolve operational issues that exist throughout the hospitality market without this innovative solution."), Exhibit 1033, 4:32-37 ("hand-writing and voice recognition technologies can be utilized to convert the ***manual*** operator inputs . . . "), Exhibit 1033, 3:48-51 ("Manual modifications to the generated menus include ***handwritten*** screen captures and/or ***voice recorded*** message captures . . . ") (emphasis added).

Because the Claims 1-11 are system claims that impermissibly include method steps directed at user actions, as opposed to system capabilities, 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 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. § 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 '733 Patent Does Not Provide a Written Description Sufficient to Describe the "Synchronous Communications System/Method" Claimed in the Challenged Claims When Only Use of a Local Database is Described in the Original Specification

The specification fails to provide the required written description support necessary to establish that the Applicants were in possession of the full scope of the Challenged Claims of the '733 Patent at the time of filing of the original specification of its parent application. Specifically, the Challenged Claims are each directed to a "synchronous communication system" or "synchronous communication method." Exhibit 1033, '733 Patent at 15:60-61 (claim 1), 16:33-34 (claim 4), 16:54-55 (claim 5), 18:1-2 (claim 12). Independent Claims 4, 5, and 12 further recite limitations requiring the synchronization of data with other computing devices. Exhibit 1033, '733 Patent at 16:48-51 ("wherein data comprising the second menu is synchronized between the data storage device connected to the central processing unit and at least one other computing device"), 17:10-12 ("wherein data comprising the modified menu is synchronized between

the data storage device and at least one other computing device"), 18:18-21 ("synchronizing the data comprising the second menu between the storage device and at least one other data storage medium, wherein the other data storage medium is connected to or is part of a different computing device").

The specification of the '733 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.

Exhibit 1033, '733 Patent at 11:16-18.

> 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 1033, '733 Patent at 11:25-29.

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

> the configuration is deemed acceptable, the handheld device is connected to the desktop PC to ensure that a connection has 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 1033, '733 Patent at 10:1-9. 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 1033, '733 Patent at 12:13-18. The '733 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.

Exhibit 1033, '733 Patent at 11:51-59. 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 1033, '733 Patent at 12:49-53.

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 target computing device includes a database that contains a local copy or even a local copy of the data to be synchronized. That is, Ameranth asserts that the claimed "synchronous communications system/method" of the '733 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 device, but also (2) simply sending information stored in a central database through Internet communications to a connected device. Exhibit 1022, Ameranth's Fandango Complaint, at ¶ 62 ("Enabling ticketing/ticket sales/ticket purchases and other 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"); Exhibit 1046, Ameranth's Infringement Contentions to Fandango at 1-2 ("The 'Fandango Ticketing System' or 'Accused System,' as used throughout this claim chart, means and includes . . . wireless and internet POS integration, integration with movie theaters, online and mobile ticketing (via, for example, Fandango's website, mobile website, iPhone app (currently version 5.7), Android app (currently version 4.6), Windows Phone app (currently version 1.5.0.0), and Blackberry app (currently version 2.1.3)), integration with Passbook, e-mail and affinity programs and social media applications such as Facebook, Twitter and/or other third-party web-based applications, and other hospitality aspects.").

As established above, the original specification only arguably supports one of these species – synchronizing information with a central database and a handheld'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," recited in independent claims 1, 4, 5, and 12 of the '733 Patent. Claims 1, 4, 5, 12 and their depending claims are 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 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 filing date and to guard against manipulation of that process by the patent applicant.").

Accordingly, because the '733 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 1-3 Fail to Satisfy the Written Description and Definiteness Requirements

Claims 1-3 of the '733 Patent fail to meet the written description and definiteness requirements 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" in independent Claim 1 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 1033, '733 Patent at 8:21-29. Despite describing the invention as "solving the problem of converting paper-based menus or Window® PC-based menu screens to small PDA-sized displays and Web pages," the specification fails to describe transmitting a menu to a web page. *See* Exhibit 1033, '733 Patent at 3:40-43. The specification states that an "automated download procedure" is provided to "transfer the desktop database onto a handheld device and/or Web page." Exhibit 1033, '733 Patent at 11:16-18. 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 1033, '733 Patent at 3:24-32. 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 1033, '733 Patent at 8:21-29 (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 1033, '733 Patent at 13:38-14:1. Neither of these descriptions relates to transmitting a menu to a web page. Likewise, the teaching that changes on a wireless handheld device would be "reflected" on a "backoffice server, web pages and the other handheld device" (Exhibit 1033, '733 Patent, at 5:32-34) does not address "transmitting" or a "menu." Exhibit 1042, Larson Decl. ¶ 19. Thus, the specification fails to convey with reasonable particularity that the patentee was in possession of the claimed subject matter, and claim 1 is invalid under 35 U.S.C. § 112. Because claims 2 and 3 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.

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 (citing 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 '733 Patent regarding a browser, documents viewed via a browser, and a hyperlink. Exhibit 1033, '733 Patent at 13:38-60. 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 and 3 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 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

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[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.*, 2013 WL 2368039, at *4 n.1.

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 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. *Mayo,* 132 S. Ct. 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 1269, 1287 (Fed. Cir. 2013) ("[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 '733 Patent recognizes that the basic idea of generating menus has existed for many years in the hospitality industry. Exhibit 1033, '733 Patent at 1:31-35. The '733 Patent acknowledges that "pen and paper have prevailed" as the traditional approach for ordering merchandise using menus. Exhibit 1033, '733

Patent at 1:27-29, 1:30-35 ("[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 '733 Patent credits the prior art for automating the traditional approach for generating menus using computers and wireless handheld devices. Exhibit 1033, '733 Patent at 1:37-40 ("[V]arious forms of digital wireless communication devices are in common use, e.g., digital wireless messengers and pagers . . . portable laptop and handheld devices."). Indeed, the '733 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 1033, '733 Patent at 13:62-66. The '733 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 1033, '733 Patent 14:1-13 (emphasis added).

The Challenged Claims cover nothing more than the abstract idea of generating menus. The Challenged Claims are directed to a computerized system for facilitating "efficient generation of computerized menus" using a general purpose computer.[10] Exhibit 1033, '733 Patent at 3:39-47 (describing the invention's "menu generation approach"). In claiming "an information

[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).

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 1033, '733 Patent at 6:48-7:3. Moreover, the '733 Patent acknowledges that the general purpose "programming steps are [so] commonly known" that "details are not necessary" to disclose. Exhibit 1033, '733 Patent at 12:62-65. The '733 Patent also recognizes that these steps for "restaurant ordering, reservations, and wait-list management" were performed by humans years before the patent application. Exhibit 1033, '733 Patent at 1:31-35 ("[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.") (emphasis added). In essence, the '733 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," "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. Exhibit 1033, '733 Patent at Abstract, 1:60-61, 2:15-16, 2:23-24 (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 the Challenged Claims 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. The Challenged Claims recite steps and/or what Ameranth 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 '733 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 '733 Patent itself explicitly states that the general purpose programming steps are so "commonly known" that "programming details are not necessary." Exhibit 1033, '733 Patent 12:62-65.

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 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). This is not enough to satisfy § 101.

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

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[11] As discussed above, while Claims 1-11 are apparatus claims, they recite various steps to be performed – i.e., the apparatus claims are effectively directed to a process. Claims 12-16 are method (or process) claims.

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 '733 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 Dealertrack*, 674 F.3d at 1333. 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 Dealertrack*, 674 F.3d at 1333. 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 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 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 unspecified system dealing with information such as "menu" and "data." 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 '733 Patent instead of using a paper-based menu is not a "transformation." A computer-aided approach to an abstract idea is no less abstract. In the context of the '733 Patent, synchronizing an application and data 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 '733 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 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 1033, '733 Patent at 1:27-31, 12:63. 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.* at 1348. 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 '733 Patent attempts to claim only the idea of menu generation and ordering on a computer. In fact, the '733 Patent acknowledges that its use of automated

interfaces and software is merely an alternative to conventional, computerless "paper-based ordering, waitlist and reservation management." Exhibit 1033, '733 Patent at 2:41-42. 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 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. 6,982,733 is unpatentable under 35 U.S.C. §§ 101 or 112, and therefore Petitioners respectfully requests that the Board institute a CBM review of the '733 Patent.

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Respectfully submitted,

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