

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE, INC., ET AL
Petitioner,

v.

AMERANTH, INC.
Patent Owner.

Case CBM2014-00013
Patent 6,982,733 B1

Before JAMESON LEE, RICHARD E. RICE, and STACEY G. WHITE,
Administrative Patent Judges.

WHITE, *Administrative Patent Judge.*

DECISION
Institution of Covered Business Method Patent Review
37 C.F.R. § 42.208

I. INTRODUCTION

Apple Inc., Fandango, LLC, OpenTable, Inc., Domino's Pizza, Inc., and Domino's Pizza, LLC. ("Petitioner") filed an amended petition (Paper 10, "Pet.") requesting a review under the transitional program for covered business method patents of claims 1-16 of U.S. Patent No. 6,982,733 B1 (Ex. 1033, "the '733 Patent"). Ameranth, Inc. ("Patent Owner") filed a preliminary response (Paper 13, "Prelim. Resp."). The Board has jurisdiction under 35 U.S.C. § 324.¹

The standard for instituting a covered business method patent review is set forth in 35 U.S.C. § 324(a), which provides as follows:

THRESHOLD—The Director may not authorize a post-grant review to be instituted unless the Director determines that the information presented in the petition filed under section 321, if such information is not rebutted, would demonstrate that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.

Petitioner challenges the patentability of claims 1-16 of the '733 Patent under 35 U.S.C. §§ 101 and 112. Taking into account Petitioner's evidence and arguments and Patent Owner's preliminary response, we determine that the '733 patent is a covered business method patent and that Petitioner has demonstrated that it is more likely than not that claims 1-16 are directed to non-statutory subject matter and, thus, unpatentable under 35 U.S.C. § 101. Therefore, we institute a covered business method patent

¹ See Section 18(a) of the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284, 329 (2011) ("AIA").

review for claims 1-16 of the '733 Patent based upon Petitioner's challenge that the claims are unpatentable under § 101.

A. The '733 Patent (Ex. 1033)

The '733 Patent relates to an information management and synchronous communications system and method for generating and transmitting computerized menus for restaurants. Ex. 1033, Abstract. Figure 1 of the '733 Patent is set forth below:

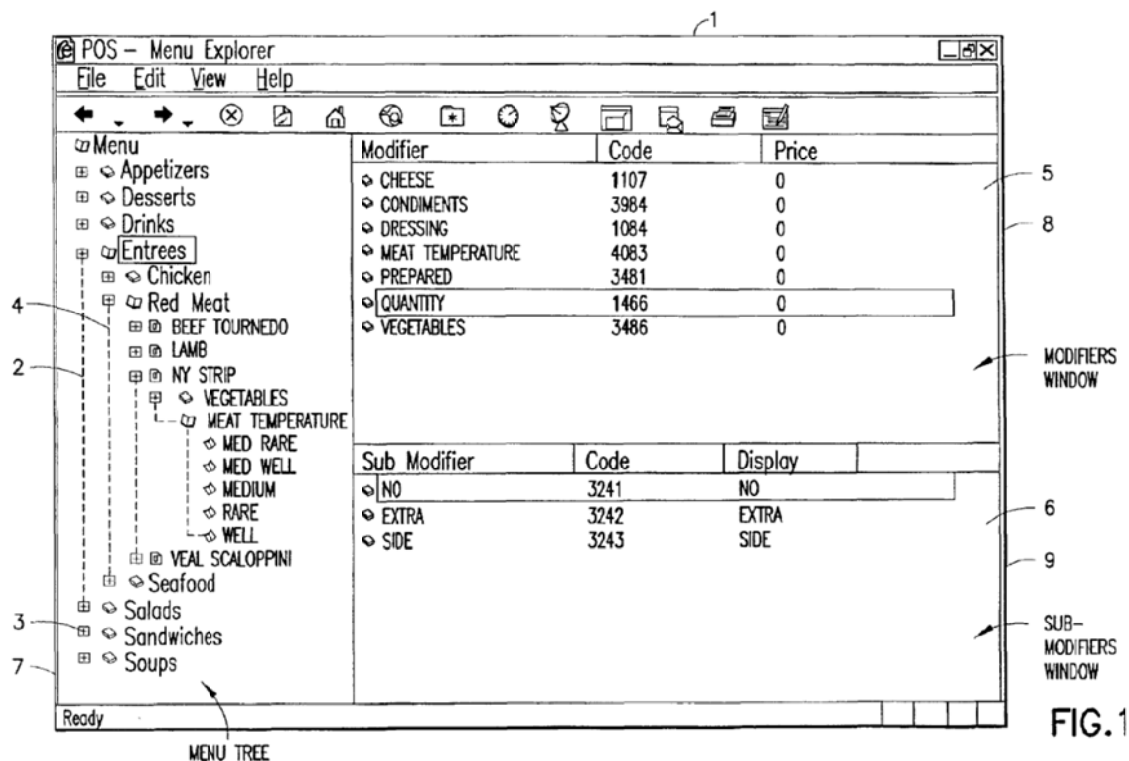


Figure 1 is a schematic representation of the menu display/user interface of the preferred embodiment of the '733 Patent. *Id.* at 5:41-45, 7:25-27. As shown in Figure 1, Graphical User Interface ("GUI") 1 includes menu tree 7, modifiers window 8, and sub-modifiers window 9. *Id.* at 7:44-48. GUI 1 is

use 1 to build menu on a desktop or other computer. *Id.* at 7:28-29. Menu items are categorized and displayed in a hierarchical manner in menu tree 7. Modifiers (e.g., salad dressing) are shown in modifiers window 8 and sub-modifiers (e.g., Italian dressing, French dressing, Ranch dressing, etc.) are shown in sub-modifiers window 9. Ex. 1033, 7:30-36. Once the menu is built using GUI 1, the menu may be downloaded to a handheld device or Web page. *Id.* at 10:1-9, 11:12-18.

Figure 7 is reproduced below:

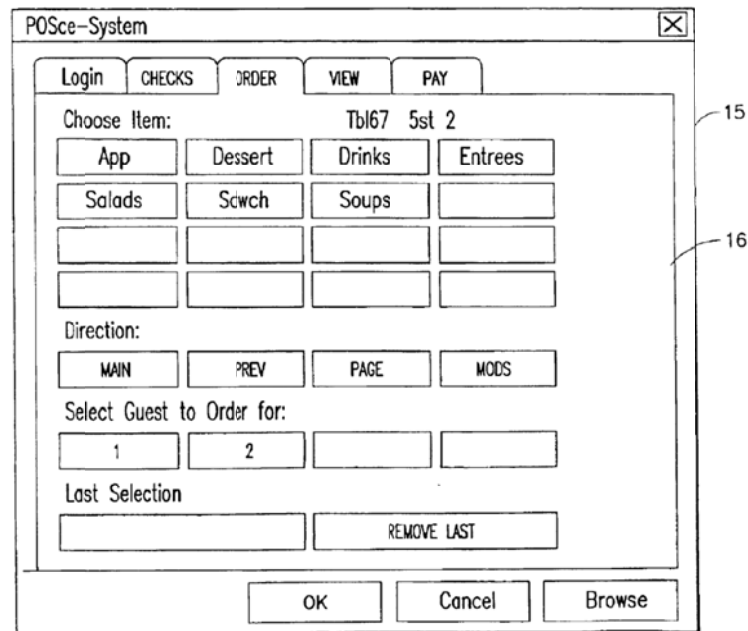


FIG.7

Figure 7 depicts the interface on a typical wireless device used in conformity with the invention of the '733 Patent. *Id.* at 13:2-4. As shown in Figure 7, “the page menu is displayed in a catalogue-like point-and-click format . . . [thereby allowing] a person with little expertise [to] ‘page through’ to complete a transaction with the POS [point of sale] interface and avoid

having to review the entire menu of Fig. 1 to place an order.” *Id.* at 11:34-39. This interface could be shown on a PDA or Web page. *Id.* at 11:40.

Figure 8 is reproduced below:

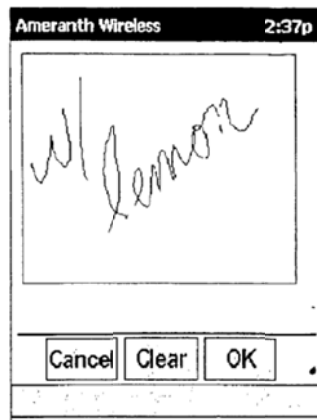


Figure 8 depicts the handwritten screen according to one embodiment of the '733 Patent. In that embodiment, a server may take a drink order by selecting "Iced Tea" from the menu on the handheld device. Ex. 1033, 4:6-7. As shown in Fig. 8, the server then manually modifies the order by writing "w/ lemon" on the screen on the device. *Id.* at 4:7-9, Fig. 8. The manually modified drink order is then presented to the individual preparing the drinks. *Id.* at 4:9-11.

B. Related Matters

Petitioner identifies the following proceedings in the U.S. District Court for the Southern District of California involving the '733 patent: *Ameranth, Inc. v. Apple Inc.*, No. 3-12-cv-02350; *Ameranth, Inc. v. Fandango, Inc.*, No. 3-12-cv-01651; *Ameranth, Inc. v. Domino's Pizza, LLC et al.*, No. 3-12-cv-00733; *Ameranth, Inc. v. OpenTable, Inc.*, No. 3-12-cv-00731; *Ameranth, Inc. v. OpenTable, Inc.*, No. 3-13-cv-01840; *Ameranth,*

Inc. v. Fandango, Inc., No. 3-13-cv-01525; and *Ameranth, Inc. v. Domino's Pizza, LLC et al*, No. 3-13-cv-01520. Pet. 10-11.

Petitioner also requested review of the following patents related to the '733 Patent — U.S. Patent No. 6,384,850 B1 (CBM2014-00015), U.S. Patent No. 8,146,077 B2 (CBM2014-00014), and U.S. Patent No. 6,871,325 B1 (CBM2014-00016).

C. Illustrative Claims

Petitioner challenges all sixteen claims of the '733 patent. Claims 1 and 12 are illustrative of the claims at issue and read as follows:

1. An information management and synchronous communications system for generating and transmitting menus comprising:
 - a. a central processing unit,
 - b. a data storage device connected to said central processing unit,
 - c. an operating system including a graphical user interface,
 - d. a first menu consisting of menu categories, said menu categories consisting of menu items, said first menu stored on said data storage device and displayable in a window of said graphical user interface in a hierarchical tree format,
 - e. a modifier menu stored on said data storage device and displayable in a window of said graphical user interface,
 - f. a sub-modifier menu stored on said data storage device and displayable in a window of said graphical user interface,and

g. 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,

wherein the application software facilitates the generation of the second menu by allowing selection of categories and items from the first menu, addition of menu categories to the second menu, addition of menu items to the second menu and assignment of parameters to items in the second menu using the graphical user interface of said operating system, said parameters being selected from the modifier and sub-modifier menus, wherein said second menu is manually modified after generation.

12. In a computer system having an input device, a storage device, a video display, an operating system including a graphical user interface and application software, an information management and synchronous communications method comprising the steps of:

- a. outputting at least one window on the video display;
 - b. outputting a first menu in a window on the video display;
 - c. displaying a cursor on the video display;
 - d. selecting items from the first menu with the input device or the graphical user interface;
 - e. inserting the items selected from the first menu into a second menu, the second menu being output in a window;
 - f. optionally adding additional items not included in the first menu to the second menu using the input device or the graphical user interface;
 - g. storing the second menu on the storage device; and
- 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, and wherein said second menu is manually modified after generation.

D. The Alleged Grounds of Unpatentability

Petitioner challenges claims 1-16 of the '733 Patent on the grounds that the claims do not recite patent-eligible subject matter under 35 U.S.C. § 101, and under 35 U.S.C. § 112 for improperly claiming method and apparatus elements in a single claim and for providing insufficient written description to support the claims.

II. ANALYSIS

We turn to Petitioner's asserted grounds of unpatentability and Patent Owner's arguments in its preliminary response to determine whether Petitioner has met the threshold of 35 U.S.C. § 324(a).

A. Claim Construction

As an initial step in our analysis, we determine the meaning of the claims for purposes of this decision. In a covered business method patent 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). Under the broadest reasonable construction standard, claim terms are given their ordinary and customary meaning, as would be understood by one of ordinary skill in the art in the context of the entire disclosure. *In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007). Petitioner asserts that all claim terms should be given their ordinary

and customary meaning. Pet. 29. Petitioner provides a chart listing several terms that it maintains should receive their ordinary and customary meaning, and listing ordinary and customary definitions for the following term: (1) Web page, (2) central processing unit (CPU), and (3) operating system. *Id.* at 31-32. Patent Owner proposes that the Board adopt all of the previous judicial constructions from four district court claim construction orders. Prelim. Resp. 36 (citing Exs. 2014, 2015, 2016, and 2017). We note that many of the terms construed in the district court claim construction orders refer to claim language found in various patents related to the '733 Patent, but not found in the claims of the '733 Patent itself. In light of the parties' substantive disputes regarding patentability of the '733 Patent claims, we have determined that construction is necessary for the term "Web page." All other terms in the challenged claims are given their ordinary and customary meaning and need no further construction at this time.

"Web Page"

The term "Web page" is found in claim 1 of the '733 Patent. According to Petitioner, the ordinary and customary meaning of "Web page" is "[a] document on the World Wide Web." Pet. 31. Dr. Ray R. Larson supports Petitioner's construction by citing a definition from the Microsoft Computer Dictionary. Ex. 1042 ¶ 13 (citing Ex. 1042, Ex. B, Microsoft Press Computer Dictionary 479 (4th ed. 1999)). We note, however, that the full definition found in the Microsoft Dictionary supports Patent Owner's construction, discussed below. The definition is as follows:

Web page *n*. A document on the World Wide Web. A Web page consists of an HTML file, with associated files for graphics and scripts, in a particular directory on a particular machine (and thus identifiable by a URL). Usually a Web page contains links to other Web pages. *See also* URL.

Ex. 1042, Ex. B. Patent Owner responds that “Web page” has been construed in other cases involving related patents and that that construction should be adopted in this case. Prelim. Resp. 38-39. The previous construction of “Web page” is “a document, with associated files for graphics, scripts, and other resources, accessible over the internet and viewable in a web browser.” *Id.* at 39. We are persuaded that the ordinary and customary meaning of “Web page” is consistent with Patent Owner’s proposed construction. Accordingly, we construe “Web page” as “a document, with associated files for graphics, scripts, and other resources, accessible over the internet and viewable in a web browser.”

B. Standing

Section 18 of the AIA provides for the creation of a transitional program for reviewing covered business method patents. A “covered business method patent” is 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* 37 C.F.R. § 42.301(a). A patent need have only one claim directed to a covered business method to be eligible for review. *See* Transitional Program for Covered Business Method Patents—Definitions of

Covered Business Method Patent and Technological Invention; Final Rule, 77 Fed. Reg. 48,734, 48,736 (Comment 8) (Aug. 14, 2012). Section 18 limits reviews to persons or their privies that have been sued or charged with infringement of a “covered business method patent.” AIA §§ 18(a)(1)(B), 18(d)(1); *see also* 37 C.F.R. § 42.302.

It is undisputed that Petitioner has been sued for infringement of the ’733 Patent. The only dispute is whether the ’733 Patent is a “covered business method patent,” as defined in the AIA and 37 C.F.R. § 42.301. *See* Pet. 14-27; Prelim. Resp. 8-34. For the reasons explained below, we conclude that the ’733 Patent is a “covered business method patent.”

1. Financial Product or Service

A “covered business method patent” is 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* 37 C.F.R. § 42.301(a). In order to determine whether a patent is eligible for a covered business method patent review, we must focus on the claims. *See* 77 Fed. Reg. 48,734, 48,736 (Aug. 14, 2012). A patent need have only one claim directed to a covered business method to be eligible for review. *Id.*

In promulgating rules for covered business method reviews, the Office considered the legislative intent and history behind the AIA’s definition of “covered business method patent.” *Id.* at 48,735-36. The “legislative history explains that the definition of covered business method patent was

drafted to encompass patents ‘claiming activities that are financial in nature, incidental to a financial activity or complementary to a financial activity.’” *Id.* (citing 157 Cong. Rec. S5432 (daily ed. Sept. 8, 2011) (statement of Sen. Schumer)). The legislative history indicates that “financial product or service” should be interpreted broadly. *Id.*

The invention of the ’733 Patent relates to “a software tool for building a menu . . . and making manual or automatic modifications to the menu after initial creation.” Ex. 1033, 3:43-47. The manual modification described in the ’733 Patent “solves a long-standing, operational issue in restaurant/hotel/casino food/drink ordering when customers want something unusual and not anticipated and available through normal computerized selections.” *Id.* at 10:54-57. Petitioner argues that the claimed systems and methods all relate to financial transaction/service in the hospitality industry such as ordering food and drinks. Pet. 17. Patent Owner responds by asserting that the claims are not directed to “ordering” or other financial transactions, but the claims are instead “directed to specialized computer software system functionality which may be used in those contexts.” Prelim. Resp. 9.

Claim 12 of the ’733 Patent recites a method of using a computer system to create and communicate a menu. In addition, Figure 7, which depicts a menu pursuant to the claims of the ’733 Patent, includes an “order” screen for ordering food and drinks and a “pay” tab for paying for the ordered items. Ex. 1033, Fig. 7; *see also id.* at 11:44-51 (stating that the handheld device “supports pricing in the database or querying prices” and

that it “provides for billing, status and payment with respect to orders.”). We agree with Petitioner; and, on this record, we have determined that the ’733 Patent’s menus relate to a commercial transaction. We determine that such activity falls within a financial product or service as it is incidental or complementary to a financial activity, namely sales of food or drinks. Thus, we are persuaded that at least one claim of the ’733 Patent covers data processing or corresponding apparatuses for performing data processing used in the practice, administration, or management of a financial product (e.g., a menu used to order food or drinks).

Patent Owner argues that the claims are directed to “‘technologies common in business environments across sectors’ with ‘no particular relation to the financial services sector’ and thus[, are] excluded from CBM review.” Prelim. Resp. 10 (citing Ex. 2006). The legislative history of the AIA, however, indicates that the phrase “financial product or service” is *not* limited to the products or services of the “financial services industry” and is to be interpreted broadly. 77 Fed. Reg. at 48,735–36 (“[t]he plain meaning of ‘financial product or service’ demonstrates that section 18 is not limited to the financial services industry”) (statement of Sen. Schumer). On this record, we are persuaded that claim 12 recites a method for performing data processing or other operations used in the practice, administration, or management of a financial product or service, as required by Section 18(d)(1) of the AIA.

2. Not a Technological Invention

In view of the “technological inventions” exception of AIA § 18(d)(1), the legislative history of § 18(d)(1), and the definition of “technological invention” under 37 C.F.R. § 42.301(b), the Office Patent Trial Practice Guide provides the following guidance with respect to claim content that typically would not render a patent a technological invention:

- (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 the process or method is novel and non-obvious.
- (c) Combining prior art structures to achieve the normal, expected, or predictable result of that combination.

77 Fed. Reg. at 48,763–64 (Aug. 14, 2012).

There are two requirements for a technological invention; namely, (1) the claimed subject matter as a whole must recite a technological feature that is novel and unobvious over the prior art; and (2) it must solve a technical problem using a technical solution. 37 C.F.R. § 42.301(b). If a claim fails to satisfy either of those requirements, then it is not a technological invention for the purposes of determining whether a patent is a covered business method patent under AIA § 18(d)(1).

Petitioner asserts that the ’733 Patent claims are not directed to a technological invention. Pet. 22. According to Petitioner, to the extent that

the claims contain any technological features, they are neither new nor nonobvious. *Id.* Petitioner notes that the specification states 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.” *Id.* at 23 (quoting Ex. 1033, 12:61-65); *see also* Ex. 1033, 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.”)

Patent Owner responds that the inventive software system includes a central database that maintains “database equilibrium,” has a “single truth” for the hospitality data contained in the database, and causes substantive menu data to be formatted, sequenced, displayed, and updated correctly across a variety of devices. Prelim. Resp. 16. In addition, the system enables “manual modification” of the second menu through handwriting or voice capture. *Id.*

On this record, we agree with Petitioner. The specification states that database access is programmed using Microsoft’s APIs for ActiveX Data Objects, and the programming steps were “commonly known.” Ex. 1033, 11:54-56, 12:61-65. In addition, the claims are not directed to, nor does the specification disclose, an inventive device for manually modifying menus.

Id. at 6:47-52 (describing hardware used in the inventive system as “typical”). Thus, we are persuaded that the claims of the ’733 Patent do not recite a technological feature that is novel and unobvious over the prior art.

In addition, we are not persuaded by Patent Owner’s arguments that the claimed subject matter as a whole solves a technical problem using a technical solution. The ’733 Patent was intended to “solve[] a long-standing, operational issue in restaurant/hotel/casino food/drink ordering when customers want something unusual and not anticipated and available through normal computerized selections.” Ex. 1033, 10:54-57. Claim 12 is directed to a method that purportedly solves this problem by allowing for manual modification of the menu. This “long-standing operational issue”, however, is more of a business problem than a technical problem. Patent Owner maintains that the ’733 Patent addresses the problem of displaying menus on a variety of devices with different sizes and characteristics. Prelim. Resp. 15. This, however, is not addressed by claim 12, which is directed to a method for displaying and generating a menu on a computer system. Claim 12’s computer system synchronizes data with a data storage medium, but the claim does not recite displaying the menu on a display associated with this storage medium. Thus, claim 12 does not address displaying menus on a variety of devices. Therefore, on this record we are persuaded that claim 12 is not directed to a technical problem.

In view of the foregoing, we conclude that the presence of claim 12 means that the ’733 patent is a covered business method patent under AIA § 18(d)(1).

C. Asserted Ground Based on 35 U.S.C. § 112

1. Improperly Mixing Method and Apparatus Elements

Petitioner argues that apparatus claims 1-11 are unpatentable under 35 U.S.C. § 112, second paragraph² because they impermissibly require performance of at least one method step. Pet. 32. Independent claim 1 is directed to an “information management and synchronous communications system.” It recites, in relevant part:

wherein the application software facilitates the generation of the second menu by allowing selection of categories and items from the first menu, addition of menu categories to the second menu, addition of menu items to the second menu and assignment of parameters to items in the second menu using the graphical user interface of said operating system, said parameters being selected from the modifier and sub-modifier menus, *wherein said second menu is manually modified after generation.*

Ex. 1033, 16:16-25 (emphasis added). Independent claims 4 and 5 also are directed to information management and synchronous communications systems and recite similar wherein clauses that include language directed to manual modification of the second menu. *Id.* at 16:32-17:13. Claims 2-3, and 6-11 depend from independent claims 1, 4, and/or 5.

Petitioner argues that it is unclear if independent claim 1 of the '733 Patent is infringed when the claimed system is supplied, or only when the

² Section 4(c) of the AIA re-designated 35 U.S.C. § 112, second paragraph, as 35 U.S.C. § 112(b). Because the '733 patent has an effective filing date before September 16, 2012, we refer to the pre-AIA version of 35 U.S.C. § 112.

“second menu is *manually* modified . . . after generation.” Pet. 34. Petitioner asserts that claim 4’s manual modification by “handwriting or voice recording” “are actions performed by a user, and are not simply capabilities of a computer system; indeed computer systems cannot *handwrite*.” Pet. 35 (citing Ex. 1033, 16:51-53). Patent Owner argues that “the manually modified menu is produced by software functionality *in response to* an input.” Prelim. Resp. 50. As such, the manual modification language is “a recitation of functional capability, not user action.” *Id.*

On this record, we are not persuaded that the challenged claims are ambiguous as to whether they are satisfied by an information management and synchronous communications system alone or whether they require the step of performing a modification to the claimed menu. For example, claim 1’s wherein clause is directed to “application software” with the ability to facilitate “generation of the second menu” by “selection of categories,” addition of menu categories and items to the second menu, and assignment of parameters. We are persuaded that the manual modification clause is a further limitation regarding the application software’s ability to facilitate generation of the second menu. We are not persuaded that the claims require the user to act upon the system; instead, we are persuaded that the claims are directed to capabilities of the system, as limitations on the “application software” that is a structural element of the claims. For the foregoing reasons, we are not persuaded that Petitioner has demonstrated that claims 1-11 are unpatentable under 35 U.S.C. § 112, second paragraph, for impermissibly mixing system and method elements.

2. *Lack of Written Description for “Synchronous Communications”
Claim Elements*

Petitioner challenges claims 1-16 of the '733 patent as lacking adequate written description support in regards to the “synchronous communications” element found in all of the challenged claims. Pet. 39-45. Petitioner admits that the specification describes synchronous communication between a database on a handheld device and a master database. *Id.* at 40-41 (citing Ex. 1033, 10:1-9, 11:16-18, and 11:25-29). Petitioner, however, disputes whether the specification provides support for synchronous communication wherein the handheld device does not have a local database. *Id.* at 42-43. Petitioner’s expert, Dr. Larson, does not opine on this issue. *See* Ex. 1042.

Patent Owner argues that the '733 Patent claims are original claims and as such are entitled to a “strong presumption” of compliance with the requirements of Section 112. Prelim. Resp. 51. The Federal Circuit, however, has held that “[n]either the statute nor legal precedent . . . distinguishes between original and amended claims.” *Ariad Pharm. v. Eli Lilly & Co.*, 598 F.3d 1336, 1351 (Fed. Cir. 2010) (en banc). Thus, while “many original claims will satisfy the written description requirement, certain claims may not.” *Id.* at 1349; *see also id.* (noting that an original claim directed to a genus may be insufficient to demonstrate that the applicant invented species sufficient to support a claim to the genus). Determining whether the requirements of Section 112 have been met “requires an objective inquiry into the four corners of the specification from

the perspective of a person of ordinary skill in the art. Based on that inquiry, the specification must describe an invention understandable to that skilled artisan and show that the inventor actually invented the invention claimed.” *Id.* Therefore, we must examine the specification’s disclosure in order to ascertain whether it contains sufficient support for the disputed claim language.

Patent Owner asserts that “there is nothing in any of the claims requiring synchronization with a handheld device ‘database’” and that the term “local database” is not used in the ’733 Patent. *Id.* at 54. In addition, Patent Owner maintains that the “synchronous communications” limitation is supported fully by the specification. The ’733 Patent specification describes

fast synchronization between a central database and multiple handheld devices, synchronization and communication between a Web server and multiple handheld devices, a well-defined API that enables third parties such as POS companies, affinity program companies and internet content providers to fully integrate with computerized hospitality applications, real-time communication over the internet with direct connections or regular modem dialup connections and support for batch processing that can be done periodically throughout the day to keep multiple sites in synch with the central database.

Ex. 1033, 4:66-5:11. This portion of the specification describes synchronization between handheld devices and a central database. It does not describe the devices as having databases resident on the devices. This is in contrast to portions of the specification cited by Petitioner that recite “multiple databases.” Pet. 40 (citing Ex. 1033, 11:25-29). In addition, we

note that a portion of the specification cited by Petitioner describes the process for downloading a database to a device and states that “*If there is an existing menu database on the handheld device, the system will ask if the existing database should be replaced.*” *Id.* at 40-41 (quoting Ex. 1033, 10:1-9) (emphasis added). On this record, we are persuaded that the specification provides support for synchronous communications between a central database and handheld device both with and without a database resident on the handheld device. Thus, for the foregoing reasons, we are not persuaded that claims 1-16 are more likely than not unpatentable for lacking an adequate written description under 35 U.S.C. § 112, first paragraph.

3. *Indefiniteness of and Lack of Written Description for “Transmitting Said Second Menu to a . . . Web Page”*

Petitioner asserts that claims 1-3 of the ’733 Patent are unpatentable because the term “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,” as recited in claim 1, is not supported by the specification and is indefinite. Pet. 45-46. Specifically, Petitioner argues that the specification does not disclose transmission to a Web page. *Id.* at 46. In addition, Petitioner maintains that transmitting to a Web page is indefinite because it is “non-sensical.” *Id.* at 47.

We are not persuaded by Petitioner’s arguments. First, Petitioner’s indefiniteness argument is based on its proposed construction of Web page as “a document on the World Wide Web.” Pet. 46-47. Petitioner argues that transmitting a menu to a document is non-sensical. *Id.* at 47. As discussed

in Section II.A, for the purposes of this decision, we construe “Web page” to be “a document, with associated files for graphics, scripts, and other resources, accessible over the internet and viewable in a web browser.”

Thus, we are persuaded that one of ordinary skill in the art would understand that a menu may be transmitted to a Web page as an associated file or other resource that is accessible over the internet and viewable in a browser.

Thus, on this record, we are not persuaded that claims 1-3 are unpatentable under 35 U.S.C. § 112, second paragraph.

Second, we agree with Patent Owner’s assertion that the term is supported by the specification. As Patent Owner points out, the specification recites that “the preferred embodiment facilitates preview of the handheld device or Web page version of the POS menu on the desktop before downloading and configuration.” Prelim. Resp. 55 (quoting Ex. 1033, 11:19-21); *see also* Ex. 1033, 11:40-44 (discussing a “Web page format” that could be used to display a menu) and 12:30-40 (discussing synchronization between a Web server and multiple handheld devices). In addition, the specification states that “the present invention is a software tool for building a menu, *optimizing the process of how the menu can be downloaded to either a handheld device or Web page*, and making manual or automatic modifications to the menu after initial creation.” Ex. 1033, 3:43-47 (emphasis added). Thus, on this record, we are persuaded that the specification provides support for transmitting a menu to a Web page and therefore, we are not persuaded that claims 1-3 are unpatentable under 35 U.S.C. § 112, first paragraph.

D. Asserted Ground Based on 35 U.S.C. § 101

Petitioner challenges claims 1-16 as unpatentable for claiming patent-ineligible subject matter under 35 U.S.C. § 101. Pet. 49-66. Specifically, Petitioner asserts that the “[c]hallenged [c]laims cover nothing more than the abstract idea of generating menus.” *Id.* at 53. Patent Owner argues that the challenged claims are not directed to an abstract idea and instead claim menu generation and transmission functionality that was previously unknown. Prelim. Resp. 62-63. Upon review of Petitioner’s analysis and supporting evidence and Patent Owner’s preliminary response, we have determined that on this record Petitioner has demonstrated that it is more likely than not that claims 1-16 are directed to patent-ineligible subject matter.

Patent eligible subject matter is defined in Section 101 of the Patent Act, which recites:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

There are, however, three limited, judicially created exceptions to the broad categories of patent-eligible subject matter in Section 101: laws of nature, natural phenomena, and abstract ideas. *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1293 (2012). These exceptions are to be applied narrowly. *Ultramercial Inc. v. Hulu, LLC*, 772 F.3d 1335, 1342 (Fed. Circ. 2013).

While an abstract idea by itself is not patentable, a practical application of an abstract idea may be deserving of patent protection. *Mayo*, 132 S. Ct. at 1293-94; *Bilski*, 130 S. Ct. at 3230; *Diamond v. Diehr*, 450 U.S. 175, 187 (1981). To be patent-eligible, a claim cannot simply state the abstract idea and add the words “apply it.” *Mayo*, 132 S. Ct. at 1294. The claim must incorporate enough meaningful limitations to ensure that it claims more than just an abstract idea and is not merely a “drafting effort designed to monopolize the [abstract idea] itself.” *See id.* at 1297.

As an initial matter, Patent Owner contends that it is improper to challenge the claims under Section 101 in a review under the transitional program for covered business method patents. Prelim. Resp. 77. We disagree. Under the AIA, any ground that could be raised under 35 U.S.C. §§ 282(b)(2) or (3) can be raised in a post-grant review or (with exceptions not relevant here) in a covered business method patent review. *See* 35 U.S.C. § 321(b). The final rules implementing post-grant review and covered business method patent review in the Federal Register, state that the “grounds available for post-grant review include 35 U.S.C. §§ 101 and 112, with the exception of compliance with the best mode requirement.” 77 Fed. Reg. 48,680, 48,684 (Aug. 14, 2012). This interpretation is consistent with both the relevant case law and the legislative history. *See, e.g., Mayo*, 132 S. Ct. at 1305 (2012) (addressing invalidity under § 101 when it was raised as a defense to an infringement claim); *Graham v. John Deere Co.*, 383 U.S. 1, 12 (1966) (stating that the 1952 Patent Act “sets out the conditions of patentability in three sections,” citing 35 U.S.C. §§ 101, 102, and 103);

Dealertrack, Inc. v. Huber, 674 F.3d 1315, 1330 n.3 (Fed. Cir. 2012); H.R. Rep. No.112-98, at 47 (2011); 157 Cong. Rec. S1375 (daily ed. Mar. 8, 2011). Thus, Section 101 is a proper ground for a review under the transitional program for covered business method patents.

Petitioner asserts that “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.” Pet. 55 (citing *CyberSource v. Retail Decisions, Inc.*, 654 F.3d 1366, 1372 (Fed. Cir. 2011)). Patent Owner asserts that Petitioner misapprehends the claims and maintains that the combination of previously known components with “specific new and inventive software and synchronization functionality” is patent eligible. Prelim. Resp. 64. Thus, we must analyze the claims to determine whether the claimed subject matter is patent-eligible.

The ’733 Patent contains both system and method claims. Class of invention, however, is not by itself determinative of whether a claim is directed to patentable subject matter. The Federal Circuit has indicated that “a machine, system, medium, or the like may in some cases be equivalent to an abstract mental process for the purposes of patent ineligibility.” *Bancorp Servs. v. Sun Life Assurance Co.*, 687 F.3d 1266, 1275 (Fed. Circ. 2012). Independent claim 4 recites:

4. An information management and synchronous communications system for generating menus comprising:
 - a. a central processing unit,

- b. a data storage device connected to said central processing unit,
- c. an operating system including a graphical user interface,
- d. a first menu stored on said data storage device,
- e. 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 and 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, wherein said second menu is manually modified by handwriting or voice recording after generation.

As can be seen above, claim 4 recites a system that includes a CPU, a data storage device, and software (both application software and an operating system). Independent claim 1 is similar to claim 4, but it includes a wireless handheld computing device. Independent claim 5 also is similar to claim 4, but it specifies microprocessor instead of a CPU, and it includes a display device and an input device. Claim 12 is directed to a method for generating and synchronizing menus. The dependent claims add limitations directed to printing menus, linking a customer to a menu, handwriting capture, and voice recognition.

The inclusion of a CPU (or microprocessor), data storage device, software, and display and input devices indicate that the claims require some

form of a computer or computer system. The Federal Circuit, however, has stated that simply adding a computer to a claim covering an abstract concept is insufficient to make that claim patent eligible. *Bancorp*, 687 F.3d at 1278. “To salvage an otherwise patent-ineligible process, a computer must be integral to the claimed invention, facilitating the process in a way that a person making calculations or computations could not.” *Id.* (citing *SiRF Tech. Inc., v. Int’l Trade Comm’n*, 601 F.3d 1319, 1333 (Fed. Cir. 2010)).

Petitioner notes that “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).” Pet. 54 (citing Ex. 1033, 6:48-7:3). As to the software, according to the claims, it is used to facilitate the generation of a menu by allowing items to be selected for addition to the menu, adding items to a menu, and assigning parameters to those items. The software also synchronizes the various menus in the system and allows for hand-written or oral modifications to a menu. The specification states that

While computers have dramatically altered many aspects of modern life, pen and paper have prevailed in the hospitality industry, e.g., for restaurant ordering, reservations and wait-list management, because of their simplicity, ease of training and operational speed. For example, ordering 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.

Ex. 1033, 1:26-36. It goes on to say that the “unavailability of any simple technique for creating restaurant menus and the like for use in a limited display area wireless handheld device or that is compatible with ordering over the internet has prevented widespread adoption of computerization in the hospitality industry.” *Id.* at 2:48-53. Thus, this invention was intended to transition the hospitality industry from “pen and paper” based ordering systems to a computerized ordering system.

On this record, we are persuaded that the claims as a whole are directed to generating and transmitting menus, and we agree with Petitioner that this is an abstract idea not eligible for patent protection. The specification describes the hardware used in the preferred embodiment as “typical” and the software as something that could be “written in any commonly used computer language” with programming steps that are “commonly known.” Ex. 1033, 6:47-7:3, 12:61-65. On this record, we are persuaded that the computer-related limitations are routine and conventional uses of a computer. *See Mayo*, 132 S. Ct. at 1298. Thus, the use of a computer in the challenged claims is not a meaningful limitation that could salvage these claims and make them patent eligible. Therefore, we are persuaded that Petitioner has demonstrated on this record that it is more likely than not that claims 1-16 are directed to patent-ineligible subject matter under 35 U.S.C. § 101.

E. Conclusion

In view of the foregoing, Petitioner has demonstrated on this record that it is more likely than not that claims 1-16 are unpatentable under 35 U.S.C. § 101 as being directed to non-statutory subject matter. All other proposed grounds are denied. The Board has not made a final determination on the patentability of the challenged claims.

III. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that pursuant to 35 U.S.C. § 324(a), a covered business method patent review is hereby instituted as to claims 1-16 of the '733 Patent on the ground of 35 U.S.C. § 101;

FURTHER ORDERED that all other grounds raised in the petition are *denied* for the reasons discussed above;

FURTHER ORDERED that pursuant to 35 U.S.C. § 324(d) and 37 C.F.R. § 42.4, notice is hereby given of the institution of a trial; the trial commencing on the entry date of this Order; and

FURTHER ORDERED that an initial conference call with the Board is scheduled for April 15, 2014 at 2pm eastern; the parties are directed to the Office Trial Practice Guide, 77 Fed. Reg. at 48,765-66, for guidance in preparing for the initial conference call, and should be prepared to discuss any proposed changes to the Scheduling Order entered herewith and any motions the parties anticipate filing during the trial.

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