

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,
Petitioner

v.

AMERANTH, INC.,
Patent Owner.

Case CBM2014-00013
Patent 6,982,733 B1

and

AGILYSYS, INC., ET AL.,
Petitioner,

v.

AMERANTH, INC.,
Patent Owner.

Case CBM2014-00015
Patent 6,384,850 B1
Case CBM2014-00016
Patent 6,871,325 B1

Held: October 24, 2014

Before JAMESON LEE, MEREDITH C. PETRAVICK, and NEIL T.
POWELL, *Administrative Patent Judges*.

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24 The above-entitled matter came on for hearing on Friday, October 24,
25 2014, commencing at 1:35 p.m., at the U.S. Patent and Trademark Office,
26 600 Dulany Street, Alexandria, Virginia.
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30 P R O C E E D I N G S

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1 JUDGE LEE: Please have a seat. Good afternoon. Welcome to
2 the Board. Today we have a consolidated oral argument for three
3 proceedings: CBM2014-00013, CBM2014-00015, and CBM2014-00016.

4 We sent out a trial hearing order. Are there any questions as to
5 which party goes first and how much time each party has? If you have any
6 questions, please ask now.

7 MR. ZEMBEK: No questions for Petitioner, Your Honor.

8 JUDGE LEE: Thank you.

9 MR. OSBORNE: No questions, Your Honor.

10 JUDGE LEE: Thank you. Because this is a consolidated hearing,
11 to the extent anything you say is applicable in any of the three underlying
12 cases, they will be usable by the Board in whichever case the issue appears.
13 I just wanted the parties to understand that as well.

14 With that, any time you're ready. Can I have lead counsel
15 introduce your party or your colleague, please, for both sides?

16 MR. ZEMBEK: Yes, Your Honor. My name is Richard Zembek
17 with Fulbright and Jaworski, and my partner, Bert Greene is here with me.
18 He's the designated back up counsel, and I'm the designated lead counsel for
19 Petitioner.

20 JUDGE LEE: Thank you. For Patent Owner?

21 MR. OSBORNE: John Osborne with Michael Fabiano. I'm lead
22 counsel. He is back up. We also have Keith McMally, who is a lead
23 inventor and president of my client, Ameranth.

24 JUDGE LEE: All right. Thank you very much.

25 MR. FABIANO: Good afternoon, Your Honor.

1 JUDGE LEE: Any time you're ready, Mr. Zembek, proceed.

2 MR. ZEMBEK: May I approach, Your Honor?

3 JUDGE LEE: Yes.

4 MR. ZEMBEK: Your Honor, Mr. Greene and I will be dividing
5 the argument. He will be beginning, and we would like to reserve 30
6 minutes for rebuttal.

7 JUDGE LEE: All right. That's fine.

8 MR. ZEMBEK: Thank you.

9 MR. GREENE: I would like to thank the Board for your time and
10 consideration today and throughout the pendency of these cases. I want to
11 begin today with a brief recap of how we got to this point and what brings us
12 here today, and that's what we see on slide 2 here. Last year, Petitioner filed
13 four CBM petitions for the '733 patent. That would be the '013 case. The
14 petition challenged Claims 1 through 16 under 35 USC Sections 101 and
15 112. As we see here, trial was instituted on Claims 1 through 16 under the
16 Section 101 grounds.

17 For the '854 patent, that would be the '015 case, the petition
18 challenged Claims 1 through 16 again under Sections 101 and 112. Trial
19 was instituted on Claims 1 through 11, which the Board described as the
20 claims directed to generating menus, and that was under Section 101.

21 Trial was not instituted on Claims 12 through 16, which the
22 institution decision described as the claims directed to application and data
23 synchronization.

24 For the '325 patent, that is the '016 case, the petition challenged
25 Claims 1 through 15 under 35 USC, again Sections 101 and 112. Trial was

1 instituted on Claims 1 through 10, again directed to generating menus under
2 Section 101. Trial was not instituted on Claims 11 through 15 directed to
3 application and data synchronization.

4 There was a fourth petition filed against a fourth patent in this
5 family, the '077 patent, and trial was not instituted as to any claims in that
6 patent on any grounds, and the challenged grounds were again Sections 101
7 and 112.

8 As the Board knows, these patents are generally directed to the
9 concept of generating menus. There are many different features and
10 embodiments and elements disclosed in the specifications of these patents,
11 which are effectively common specifications. They're almost identical,
12 although the '733 specification adds some additional material, but of course
13 not every feature described in the specification shows up in the claims of the
14 patents, which of course is not uncommon in the patent world, especially
15 when we have, as we do here, multiple patents that are -- come from the
16 same specification, and even within those patents, we have multiple different
17 groupings of claims.

18 Now, to save the instituted claims. Under Section 101, what the
19 Patent Owner invites the Board to do in its response is to read certain
20 features disclosed in the specification into the claims of course ignoring long
21 standing case law saying that is impermissible, so what we would like to do
22 at the outset here is focus the Board's attention on the actual claim language
23 of the instituted claims which will hopefully keep top of mind what actually
24 is in these claims when we are inevitably shown passages from the

1 specification today describing features that actually aren't described in the
2 claims.

3 So with that, as we see on slide 3 here, this is Claim 1 of the '733
4 patent. It has seven elements, if you will, enumerated or demarcated A
5 through G. These are recitations of generic computer structure, a central
6 processing unit, a data storage device, an operating system, a first menu, a
7 modifier menu, a sub-modifier menu and application software. It concludes
8 with two wherein clauses, the second wherein clause at the very end there
9 reciting manual modification of a menu.

10 So moving to slide 4, this is Claim 1 of the '850.

11 JUDGE LEE: I'm sorry, before you move on, can we go back to
12 slide 3, please?

13 MR. GREENE: Sure.

14 JUDGE LEE: Of all the elements that you colored red, what, if
15 anything, there reasonably can be -- can be deemed as having something to
16 do with synchronous communication?

17 MR. GREENE: Your Honor, it's the Petitioner's position that
18 none of them, that there is nothing in these instituted claims that you see in
19 Claim 1 here certainly that relates to synchronous communication.

20 JUDGE LEE: So are you saying whether it's the colored red
21 elements or anything else in the body of the claims, there's nothing there that
22 one could reasonably regard as having something to do with synchronous
23 communication?

24 MR. GREENE: Well, I guess it depends on how you define
25 synchronous communication, Your Honor. The way the Board construed

1 the term synchronized in the '077 institution decision is that synchronized
2 was to I believe make, arise or exist at the same time, and so certainly I
3 guess you could interpret that to say that if the same document exists in two
4 places at the same time, then that document has been synchronized between
5 those two places. It's a pretty basic I would say interpretation of what it
6 means to be synchronized.

7 JUDGE LEE: Well, if it just coexists by happenstance, that
8 wouldn't be synchronization. You would have to make an effort to make
9 sure that they actually correspond to each other. Then that would be
10 synchronized.

11 MR. GREENE: I think that's right. I think under the Board's, as I
12 said, construction under the BRI in the '077 decision, it says to marks to
13 exist at the same time, so I think that implies some sort of affirmative act.

14 JUDGE LEE: So hypothetically, if we adopt that, what, if
15 anything, in here would be encompassed by that?

16 MR. GREENE: I think applying that definition, one could say
17 that the idea of transmitting a second menu to a separate forum, meaning the
18 wireless handheld computing device, that under that very broad definition of
19 synchronized, I could certainly see how it would be argued that that fits
20 under that definition.

21 JUDGE LEE: I see. So but mere transmitting it to the other side
22 would constitute synchronization because you have a copy here, and I'm
23 sending it to another location, so the mere sending and the consequent
24 receiving thereof would constitute synchronization.

1 MR. GREENE: I think under that broad definition of
2 synchronization, Your Honor, I think that would be correct. I think the
3 relevance here though is that these patents describe different types of
4 synchronization, some that are certainly much more complicated than that
5 very basic concept of transmitting something from one place to another.

6 JUDGE LEE: Well, that kind of makes sense because you have in
7 the preamble, an information management and synchronous communication
8 system. I'm just wondering where in the claim would we have anything
9 relating to that, but by what you just said, it doesn't seem like anything is off
10 because transmitting and receiving is encompassed by the broad scope of
11 synchronous communication.

12 MR. GREENE: I think under that definition, under that very basic
13 long standing principle of sending something from one place to another, if
14 that's synchronization, then I think the claim certainly describes that,
15 although I would highlight that what element G isn't about is the actual
16 transmission.

17 What it recites is application software for generating and
18 transmitting, so this is a system claim that as described certainly isn't about
19 the actual act of transmission.

20 JUDGE LEE: Now, what if the term is not that broad, what if
21 synchronous communication is something narrower than sending and
22 receiving, then what do we have here? You have in the preamble that says
23 information management and synchronous communication system, and yet
24 none of the elements thereafter has anything to do with that, so where does
25 that leave us?

1 MR. GREENE: Well, it doesn't leave us anywhere. It's a
2 common situation for the preamble to be a nonlimiting element of the
3 claims, and so if synchronous is giving a much more sophisticated meaning
4 in other claims, frankly that is not in this claim, and so at that point the
5 preamble really doesn't relate to the rest of the claim. It doesn't give life and
6 meaning to the claim.

7 JUDGE LEE: So you would just have us disregard it?

8 MR. GREENE: Certainly, yes.

9 JUDGE LEE: All right. Thank you.

10 MR. GREENE: Moving on to Claim 1 of the '850 patent, it's
11 identical to Claims 1 of the '733 patent that we just looked at, except that
12 that second wherein clause relating to manual modification is not present at
13 the end of this claim, but in all other respects, it's identical to Claim 1 of the
14 '733 patent.

15 This is Claim 1 of the '325 patent, again identical to Claim 1 of the
16 '733, and the '850 except as regards to that second wherein clause. The
17 second wherein clause of the '733 Claim 1 has been replaced by a new
18 second wherein clause that relates to the -- a predetermined type of ordering,
19 which certainly it would be our position that that would just be a field of use
20 type limitation drafted on to the end of these claims.

21 JUDGE LEE: Do these patents share essentially the same
22 specification?

23 MR. GREENE: They do. The '733 adds a little bit of extra
24 disclosure, but for the most part they're identical.

1 JUDGE LEE: Are you able to point us to anywhere in these
2 disclosures something that would support a broadly construing synchronous
3 communication so that it would be met by sending a copy of something and
4 have that received at another location, and therefore the two places have the
5 same document?

6 MR. GREENE: I can't recite the specification disclosure as I
7 stand here, Your Honor. The Board's rationale in the institution decision for
8 the '077 was that the plain and ordinary meaning of synchronized, I think the
9 Board even cited Webster's, it's where that definition came from, so to the
10 extent that definition or that term has that broad definition, that concept of
11 sending and receiving certainly is throughout the specification.

12 JUDGE LEE: So you don't disagree with that?

13 MR. GREENE: With that construction?

14 JUDGE LEE: Yes.

15 MR. GREENE: I do not, Your Honor. Petitioner does not.

16 JUDGE LEE: But there's no specific embodiment which is that
17 broad.

18 MR. GREENE: Described in the specification?

19 JUDGE LEE: Yes.

20 MR. GREENE: Well, the specification certainly describes what's
21 happening in Claim 1 of these patents, which is just generating a menu that
22 can then be transmitted to a wireless handheld or a web page, so to the
23 extent these claims have support in the specification, and I think they do in
24 that regard, that broad regard, if they're taken at face value like that, then
25 that's in the specification.

1 JUDGE LEE: Thank you.

2 MR. GREENE: So it's Petitioner's position that the terms in these
3 claims are relatively straightforward and don't require construction. In fact,
4 in the petitions, Petitioner took the position that these terms in these claims
5 are entitled to their plain and ordinary meaning under the broadest
6 reasonable interpretation standard that applies to this proceeding.

7 The Patent Owner obviously disagrees and in their response seeks
8 to have the Board construe numerous terms from these claims without really
9 any explanation of how construing those terms is relevant to the Section 101
10 analysis that is before us today.

11 It's Petitioner's position that two of those terms for which the
12 Patent Owner seeks construction are arguably relevant to the 101 analysis,
13 and so because of that, we'll briefly address the construction of those terms
14 here today.

15 The first of those is the preamble, which Judge Lee has already hit
16 upon. It is Patent Owner's position that the preamble should be construed as
17 a limitation, and in reading the arguments put forth by Patent Owner, I think
18 it's quite clear that that is because Patent Owner seeks to use the preamble as
19 a vehicle to import limitations into these claims that simply are not there,
20 and so that's where the relevance of the preamble as a limitation comes up.

21 Petitioner submits that if the preamble is a limitation, it actually
22 doesn't change the analysis if it's properly read as Judge Lee and I were
23 discussing, but if it's interpreted and viewed with these elements that are not
24 found anywhere in the body of the claim, then that is really what Patent
25 Owner's entire argument hinges upon, and so that is why we certainly would

1 dispute that it should be a limitation in that sense certainly when you apply
2 the rationale that Patent Owner is applying to get to arguing that the
3 preamble is a limitation in these claims, and that rationale is the following:
4 The Patent Owner says that the preamble should be a limitation because the
5 Board should adopt the prior constructions of the earlier District Courts that
6 construed these claims.

7 Well, if we're going to apply that rationale, then let's look at what
8 those courts said, and so we'll move to slide 6 here, and this is from Judge
9 Everingham construction in the Ameranth v. Menusoft litigation, and as you
10 can see from Patent Owner's own brief, they note that Judge Everingham
11 found that the parties in that case, which are not the Petitioners here,
12 separate parties, agreed that the preamble was a limitation, so it certainly
13 wasn't as the Judge affirmatively construed the preamble to be a limitation.
14 It was that the parties agreed to it.

15 JUDGE LEE: Were you a party in that case?

16 MR. GREENE: We were not, Your Honor. None of the --

17 JUDGE LEE: None of the 35 companies?

18 MR. GREENE: What's that?

19 JUDGE LEE: None of the 35 companies that make up Petitioner
20 in this proceeding were a party to that case.

21 MR. ZEMBEK: Judge Lee, just for purposes of clarification, I did
22 represent one of the defendants in the underlying case, but that defendant,
23 after winning at trial, settled with Ameranth and is not a Petitioner in this
24 case.

1 MR. GREENE: So moving to slide 7, this is another District
2 Court construction relating to the preamble, and as we see here, the Court in
3 that case rejected the parties' attempts to stipulate to the preamble being
4 limiting, and so kind of putting all this together, if we look at Patent Owner's
5 logic that the Board should adopt all of the District Court constructions here,
6 applying that logic then, the broadest reasonable interpretation is that the
7 preamble is not limiting, and so that's what the previous District Courts
8 essentially tell us through their constructions.

9 Moving to slide 8 here, this is Claim 12 of the '850 patent. Claim
10 12 is not instituted here, but it's instructive on this issue because the
11 beginning of the preamble of Claim 12 does recite that same language, "an
12 information management and synchronous communications system," but if
13 we look down in the body of the claim, we have the language as highlighted
14 here, "wherein applications and data are synchronized between," it actually
15 lists four things: A central database, a wireless handheld computing device,
16 one web server and at least one web page, and then there's other limitations
17 also buried in there, "wherein the application program interface enables
18 integration of outside applications with the hospitality applications and
19 wherein the communications control module is an interface between the
20 hospitality applications and any other communications protocol."

21 None of that disclosure there or elements of that claim are found
22 in the instituted claims, certainly Claim 1 of the '850 patent, and so of
23 course, what Patent Owner is attempting to do, respectfully, is import
24 several of those limitations into the instituted claims such as Claim 1 via this
25 construction of the preamble, and in viewing this term "synchronous

1 communications" with several elements that are found in this claim and not
2 found in that claim, and the point of this slide is to say that when the Patent
3 Owner wanted to imbue the claims with those elements, it certainly knew
4 how to add those elements to the claim, so Patent Owner cannot now
5 through claim construction add elements, these elements to the claims that
6 frankly just aren't there.

7 JUDGE LEE: I'm just curious, on what basis then did the
8 Petitioner argue that Claim 12 was patent ineligible under 101? I know we
9 didn't institute, but since you're noting it as an example of where the Board
10 did not institute perhaps based upon all of those specifically recited
11 elements, I'm just curious then why did you file a petition alleging that that
12 was patent ineligible?

13 MR. GREENE: Certainly, Your Honor, it's Petitioner's position --
14 and respectfully we disagree with the Board's decision not to institute on
15 those claims. Petitioner's position is that all of that disclosure in that claim
16 is still generic and it's still -- it's still generic computer disclosure with
17 computers and computer elements operating in a generic traditional way
18 wrapped around an abstract idea.

19 So that was Petitioner's position. We understand the Board
20 disagreed with that position, but that is the position Petitioner's took, and
21 that is Petitioner's position today.

22 JUDGE LEE: Can you expound on that because from what I hear,
23 you seem to think that as long as all of the hardware components used is
24 known and used for their specifically designed purpose, then you can say it's
25 a generic component, they add nothing to the invention?

1 MR. GREENE: I think that might be a slight oversimplification
2 of what the Alice case says, but I think that's largely what the Alice case
3 says. When we have a situation where we have an abstract idea that the
4 claim is directed to, and then we have generic computer elements
5 performing in their traditional generic way, in their conventional way, and
6 those elements aren't integrated into the system in a way that improves the
7 functioning of a machine or that improves technology, that that claim does
8 fail Section 101 under the Alice case, Your Honor.

9 JUDGE LEE: I see. So is it fair to say that even under your view,
10 you still leave plenty of room for technical innovation such as if you have a
11 cache memory system that's much faster, and you say, okay, you store
12 frequently accessed information in the cache rather than in the slower
13 memory, and then on the one hand you can say, well, it's a memory used for
14 it's intended purpose, but it's generic.

15 You're not saying that, right, because you have a faster memory,
16 you store most recently accessed information, that would be a technical
17 innovation even though it's a memory used for storing information? You
18 wouldn't say that that's not patent eligible.

19 MR. GREENE: Correct. If it's improving the functioning of a
20 machine, improving the technology, even though it's using traditional
21 components to do that, that is what the Supreme Court and the Federal
22 Circuit's case law tells us is patent eligible. The classic example would be
23 the Diamond v. Deer case in the Supreme Court where the abstract idea that
24 was identified was the Arrhenius equation, and that abstract idea was
25 utilized to improve the function of a rubber molding machine, which was a

1 machine that was known, certainly traditional elements, but in that case the
2 abstract idea was used to improve the function of the machine, and so the
3 Supreme Court said that passes muster under Section 101.

4 What we see here on slide 9 is an excerpt from Patent Owner's
5 briefing in one of the earlier cases. This is from the Ameranth v. Par case,
6 and I want to set some context for you of what happened here. Claim 1 of
7 the '850 patent had been invalidated by a jury for being anticipated, and so
8 Claim 12 was in an issue in a subsequent case, and Ameranth faced -- Patent
9 Owner faced a motion to dismiss.

10 To deal with that motion to dismiss, this is what they said: "The
11 differences between those claims are striking and would have been easily
12 discernable even under the most rudimentary inspection."

13 So we point that out again to highlight that elements that are in
14 Claim 12 are not in Claim 1, and it's improper for Patent Owner to try to
15 read these elements in through this construction of the preamble, especially
16 in light of statements that the Patent Owner has said in public forums.

17 JUDGE LEE: I would like to ask you: You didn't file any prior
18 art grounds against these claims, so does that mean as far as you're
19 concerned there's something inventive in these claims?

20 MR. GREENE: Certainly not, Your Honor. There's obviously
21 litigation going on in another forum, and the Petitioner group obviously
22 made the decision that this was the forum to bring these 101 and 112
23 grounds for strategic purposes, and then the prior art grounds were perhaps
24 better handled in a different forum.

1 That's not to say that the group may decide on another case that
2 this would be a forum to bring prior art challenge, but at this point in time
3 when these petitions were brought, the decision was made to focus on the
4 101 and 112 grounds.

5 JUDGE LEE: So if I were to ask you what are the -- what is the
6 inventive concept for say Claim 1 of the '733 patent, what would your
7 answer be?

8 MR. GREENE: Well, we will certainly get into this, but it's
9 Petitioner's position that there is no inventive concept, and that's exactly why
10 that claim fails under the Alice case.

11 JUDGE PETRAVICK: What's the abstract idea?

12 MR. GREENE: The abstract idea of these claims as found by the
13 Board is generating menus. I believe the Board said for the '733 patent it
14 was slightly different. It was generating and transmitting menus. Petitioner
15 agrees with that analysis, and I'm happy to jump ahead to those slides.
16 There's disclosure in the specification I think that really supports that. This
17 is slide 13. This is where the Board found that the abstract idea is generating
18 a menu.

19 JUDGE PETRAVICK: What specific disclosures of the
20 specifications support that?

21 MR. GREENE: So we move ahead here, this is slide 15. This is
22 the background section that talks about the menu generation approach of the
23 present invention. Note that there is no discussion there of other elements of
24 synchronization, of things you are going to hear the Patent Owner talk about
25 today.

1 They talk about the menu generation approach, and they even say
2 here that what that approach solves is the problem of converting paper based
3 menus. I think if this is compared to the other Supreme Court and Federal
4 Circuit cases where Section 101 was at issue, this lines up quite clearly with
5 what those Courts found to be an abstract idea.

6 There are other disclosure I could point to you, Judge Petravick.
7 On slide 16, this is more disclosure from the specification that says: "The
8 preferred embodiment of the invention is for the generation of restaurant
9 menus. The inventive concept encompasses the generation of a menu.
10 Menus can be generated in accordance with the present invention."

11 JUDGE PETRAVICK: The claims aren't as broad as just
12 generating -- typing a menu into a computer generates a menu that way. It
13 has a little more, right? Like, for example, Claim 1 of the '850, you're
14 creating the menu from another menu; a first menu you're editing to create a
15 second menu.

16 MR. GREENE: Agree completely.

17 JUDGE PETRAVICK: So it is an idea of -- an abstract idea of
18 generating a menu from another menu. Is that still an abstract idea?

19 MR. GREENE: Absolutely, Your Honor. It would be Petitioner's
20 position that generating -- whether it's a second menu, a third men, a 20th
21 menu, if you're just generating menus, it's all still the abstract idea.

22 JUDGE PETRAVICK: What about if you're generating two
23 menus and then transmitting it, is that still --

24 MR. GREENE: It's the same thing.

25 JUDGE PETRAVICK: -- still abstract?

1 MR. GREENE: Sorry to interrupt, Judge Petravick. Yes,
2 Petitioner would say again generating menus and then tacking on the very
3 routine basic conventional step of sending that onto someone else does not
4 get the claim over the 101 hurdle and that lines up with what the Supreme
5 Court said in Mayo, again that adding conventional routine activity to a
6 claim doesn't allow the claim to pass muster under Section 101.

7 JUDGE PETRAVICK: But you still define the abstract idea as
8 not talking about the inventive concept but as generating -- a claim of
9 generating the menu.

10 MR. GREENE: I think that it's clear that's what it is. We distill
11 the claims down to the core to get to this abstract idea, and frankly we listen
12 to what the Patent Owner says in their own specification, and they say the
13 inventive concept is generating menus, and so from their own mouth in the
14 specification, I think that supports a finding that generating menus is the
15 abstract idea of these claims.

16 JUDGE PETRAVICK: So the specification talks about that the
17 use of paper and pencil to create a menu, but it doesn't tell you how -- when
18 to use the pencil and paper to create a menu, and the claim says you're going
19 to pick, make a second menu from these other menus. That's not quite the
20 same as taking the paper and pen and writing out a menu that's described in
21 the background.

22 MR. GREENE: Understood, and Judge Petravick, I think the
23 response to that is that the idea of selecting options, modifiers to put in your
24 menu, that's really no different than you would do to build a paper restaurant
25 menu.

1 JUDGE PETRAVICK: Is there anything in the spec that supports
2 the fact that selecting modifiers from a menu is wholly known?

3 MR. GREENE: Your Honor, I don't know that that is specifically
4 supported in the specification as old and well known. I think this is a case
5 where you just look at what happens in the non-computer context. You
6 select modifiers. If you have a hamburger, for example, the menu recites
7 cheese. It recites lettuce. It recites mustard, and so that concept of modifiers
8 is frankly as old as the hills.

9 JUDGE PETRAVICK: Where is the evidence of that statement?

10 MR. GREENE: Where is evidence for that statement?

11 JUDGE PETRAVICK: In the record.

12 MR. GREENE: I'm not seeing it there. Do you want to field this
13 question, Mr. Zembek?

14 MR. ZEMBEK: Sure. In column 1 in the background of the
15 invention, what is being explained to us is that computers have dramatically
16 improved many aspects of modern life, and what's being identified as a
17 shortcoming is using menu -- using computers as part of the everyday
18 aspects of modern life in the context of food ordering, reservations, wait list
19 management, and I think that this discussion of using a computer to make
20 the generation of a menu easier, to make a reservation easier, to handle wait
21 list management, would be an example of applying a computer to the well-
22 known concept of creating menus.

23 JUDGE PETRAVICK: So just before a computer gets to menu,
24 sub menus and modifier menus?

1 MR. ZEMBEK: Well, we could also take a look at the patent
2 specification, Your Honor, in which there's a description in column 6 of the
3 '850 patent when it talks about building a menu, and when we look at
4 column 6 at approximately line 55, we see the standard menu that we may
5 see when we go into a restaurant. You're going to start with your entry, and
6 from your entry, you may select a red meat or you may select a fish, and if
7 you're going to select a red meat, you may select a strip.

8 So this would be an example from paper and pen where you
9 already had a list of modifiers and sub-modifiers that existed in the art that is
10 just being computerized.

11 JUDGE PETRAVICK: What's being shown in column 6 is the
12 description of the invention. What I'm asking for is where is evidence that
13 shows that it's conventional?

14 MR. ZEMBEK: That the creation of a --

15 JUDGE PETRAVICK: A GUI with menu, menu of selections.

16 MR. ZEMBEK: Well, there's a separate part of the patent
17 specification that talks about the GUIs themselves are a conventional part of
18 a Windows based computer, and I think Mr. Greene may have a citation.

19 MR. GREENE: I will take back over there. Your Honor, there is
20 a specific disclosure in the spec, and I will point you to institution decision
21 of the '850, that's paper 20 at page 23. I don't have the actual cite for the
22 spec itself, but that is where the institution decision cites the spec and says
23 that GUIs that display menus and allow for the creation and modification of
24 those menus are conventional, and so the Board certainly found disclosure
25 supporting that in the institution decision.

1 JUDGE PETRAVICK: Thank you.

2 MR. GREENE: I want to back up just a little bit on Alice since
3 we dove into the abstract idea of these, and then talk about what the test is.
4 The Supreme Court's decision in Alice was issued only a few months after
5 the institution decisions in this case, and fortunately what the Supreme Court
6 did in that case was applied the exact framework that the Board applied in
7 this case, which was take the framework of the Supreme Court's Mayo case
8 and apply that to abstract ideas.

9 This is what we're left with from the Alice case, that when a claim
10 is directed to an abstract idea, what we do is look at the claim elements
11 individually and as an order combination to determine whether the
12 additional elements beyond the abstract idea provide what's known as an
13 inventive concept.

14 So that's the test that we're left with after Alice. I think it's really
15 not a new test. As I said, it's really the Supreme Court just applying the
16 Mayo framework, and really the lineage of it really goes back even older
17 than that.

18 JUDGE LEE: Can I interrupt you right there? Is there really any
19 case where there's not an abstract idea in the case, because the Court doesn't
20 tell us where to stop because you can keep generalizing an invention to a
21 point where every invention becomes an abstract idea. I'm having trouble
22 seeing any case where we cannot find an abstract idea to begin with, and
23 then you can go into whether all the additional elements are meaningful or
24 not.

1 But the first step, can you tell us where we're supposed to stop
2 looking for an abstract idea and conclude, well, in this claim there is no
3 abstract idea?

4 MR. GREENE: Judge Lee, I think the Supreme Court even
5 acknowledged that tension in the Alice decision, that if you're not careful,
6 this abstract idea concept can swallow the whole. Unfortunately, the
7 Supreme Court didn't draw the line for us in that case, and so that's not
8 before us today, but we recognize in this claim before us in this case, that
9 this method of intermediated settlement is an abstract idea.

10 So I can't tell you what the line is. Unfortunately, we don't have
11 the guidance from the Court. I can tell you in this case when you have
12 disclosure in the specification I think from the Patent Owner saying this
13 claim is about menu generation, the inventive concept they even say is menu
14 generation.

15 JUDGE LEE: So we haven't gone broader than what the Patent
16 Owner itself acknowledged to be their invention.

17 MR. GREENE: I think that's the way to look at it, Your Honor,
18 quite frankly.

19 Moving on to the next slide, I think it's important to note though
20 that this test described in Alice of looking for an inventive concept, that's the
21 test. What Patent Owner invites the Board to do in its response is to move
22 that test into the Section 102 and Section 103 realm, meaning to look for
23 novelty and nonobviousness of the claim, and if that's there, then the claim
24 necessarily meets 101, and where the Patent Owner gets that is there is
25 language in the Alice decision that uses the term new and useful.

1 And so Patent Owner latches on to that and says, well, that means
2 102 and 103 are effectively read into 101. Well, that's not actually a
3 remarkable quote in Alice, and that quote is actually quoting the Supreme
4 Court's old Benson case, and the phrase new and useful, as you can see here
5 on slide 12, that phrase is in Section 101, and so the fact that the Supreme
6 Court choose those words in the Alice decision wasn't anything new.

7 They're just quoting the statute, and in fact, when the Supreme
8 Court has been invited to collapse Section 101 into Sections 102 and 103,
9 the Supreme Court has flatly declined, and that's what this quote from the
10 Mayo case says, that the Court declines the invitation to do that, and before
11 that, in Diamond v. Deer, the Supreme Court said something very similar,
12 and so we do want to make it clear that it's certainly Petitioner's position, a
13 fair reading of the Alice case is that we look at this inventive concept
14 framework, and we don't read Sections 102 and 103 into Sections 101.

15 We spoke about the abstract idea, and so we will move on to the
16 inventive concepts.

17 JUDGE LEE: You're going into your rebuttal time, but I will give
18 you an extra ten minutes because we asked a lot of questions.

19 MR. GREENE: This part is actually fairly quick so I'm about
20 done. Thank you very much.

21 What the Supreme Court says then is when we look for the
22 inventive concept, we look for the additional elements beyond the abstract
23 idea and we see if there's something beyond traditional conventional uses of
24 technology, and these are the quotes from Alice. The mere recitation of a

1 generic computer is not good enough. Having computer functionality that's
2 purely conventional, generic computer functions are not good enough.

3 Another quote from Alice, it's not on these slides, is that hardware
4 that is purely functional and generic is not good enough, so that's the
5 guidance given to us by the Alice case, and it's certainly Petitioner's position
6 that the specification of these patents confirms that that's exactly what the
7 elements of the claims are here, the additional elements.

8 Here on slide 18, these are recitations from the spec that the
9 present invention uses typical hardware elements. You can't say it any more
10 clear than that.

11 JUDGE LEE: What about the function though? Are they able to
12 say, well, no one before us has actually transmitted from the table some --
13 generate a menu to a server located somewhere else, and we don't have
14 anything in the record that says that was old?

15 MR. GREENE: Well, certainty transmitting something from one
16 location to another is old.

17 JUDGE LEE: Right, but not the particular thing, like a menu
18 generating.

19 MR. GREENE: It would be our position that under the Supreme
20 Court's cases, Bilski, Flook, that type of transmission, limiting it to a
21 restaurant environment, that's just a field of use. That's just -- that's not a
22 meaningful limitation on the claims as that phrase gets used in Alice.

23 JUDGE PETRAVICK: Is there anything in the spec that says
24 transmitting data from a central place to a handheld device or something is
25 conventional or was known?

1 MR. GREENE: No particular recitations come to mind, but I will
2 look for that and certainly point that out on rebuttal. I'm sure they're there.

3 Moving through the specification here, I think this is another
4 telling passage from the specification, especially in light of the fact that
5 Petitioner refers to this application software element, element G of these
6 claims as inventive software.

7 Well, what we see here is in their own specification they say the
8 discrete programming steps are commonly known, and thus programming
9 details are not necessary. That is a classic example of a disclosure that this
10 is just commonly known conventional usage. This is not something that is
11 going to provide an inventive concept.

12 Again I would actually say, I believe to answer your question you
13 just asked, there's a passage in the specification that says "any display in
14 transmission means can be used with the invention." That's in the '733
15 patent, Exhibit 1033, at 15 -- column 15, lines 39 to 42.

16 I think that's a pretty strong concession in the specification that the
17 concept of transmission is very conventional, and the transmission that's
18 happening in fact in these claims is very conventional.

19 With that, unless the Board has any other questions, I will reserve
20 the remainder of my time for rebuttal.

21 JUDGE LEE: You still have 30 minutes because we asked many
22 questions. We already gave you an extra 10.

23 MR. GREENE: Thank you very much.

24 MR. OSBORNE: Your Honors, we need a couple of minutes to
25 move our equipment over.

1 MR. FABIANO: With your permission, Your Honors, I would
2 like to distribute our copies of our slides.

3 JUDGE LEE: I think we're still on the record. We had trouble
4 finding Patent Owner's demonstratives because there was no paper. It was
5 just an exhibit filed, and it was labeled a huge number. It wasn't the next
6 number in the exhibit chain, so in future cases, the best way to do that is
7 when you file a paper, notice of filing demonstrative exhibit and say, It's
8 Exhibit Number such and such, and then you follow the exhibit, give it the
9 next Exhibit Number. That will ensure that we all know where it is.

10 MR. OSBORNE: We appreciate that. That was our mistake.

11 MR. FABIANO: Thank you.

12 MR. OSBORNE: We saw that procedure in some of the other
13 cases. We saw the other procedures, so we thought that would work, but we
14 apologize.

15 JUDGE LEE: Thank you.

16 MR. OSBORNE: Thank you, Your Honors. I'm happy to be here
17 representing Patent Owners today.

18 With regard to the opening points that were asked of Mr. Greene, I
19 would just like to start out by saying that the patents are not directed to the
20 general concept of generating menus. The claims are directed to
21 synchronously generating menus via specialized software for particular user
22 client devices.

23 Judge Lee asked Mr. Greene what in the claims requires
24 synchronous communications. The answer is the preamble and the
25 application software for transmitting generated menus to different client

1 interfaces. We think we'll be able to show you that the specification and
2 other factors require that interpretation, so synchronous communication is
3 not just sending and receiving. It's making something the same with
4 something else.

5 With regard to a disclosure in the specification describing
6 synchronization and transmission of menu information, that's shown in '850,
7 column 11, lines 24 to 42. There's no embodiment in the patents of just
8 transmitting menu information. It's always synchronizing information --

9 JUDGE PETRAVICK: What about downloading and
10 downloading it to another device, is that synchronizing.

11 MR. OSBORNE: That is synchronizing because it's making the
12 menu information at the back office.

13 JUDGE PETRAVICK: So a system can just -- downloading from
14 one device to another is synchronizing the data between those two devices.

15 MR. OSBORNE: If it's downloading the menu with all of its
16 constituents and linkages to the other device, that's a synchronization.

17 JUDGE PETRAVICK: Okay.

18 MR. OSBORNE: A further point that Mr. Greene made that we
19 disagree with is that he said that we were simply asking for the District
20 Court claim constructions to be adopted just because the District Court did
21 them. That's not what we're asking. We're asking that the Board look
22 seriously at the District Court's claim constructions and to adopt them
23 because they were in fact the correct instructions.

24 There's only one correct construction of a claim ideally according
25 to Federal Circuit, and his constructions were based on a detailed analysis of

1 the intrinsic evidence. That's the only way the claims work together based
2 on specification and other intrinsic evidence.

3 With regard to the Menusoft verdict that Mr. Greene and Mr.
4 Zembek referred to, no claims of these patents are invalid. The invalidity
5 verdict the Petitioner refers to was vacated because Mr. Zembek's former
6 client settled after the chief mediator of the CAFC told them that they had
7 serious issues on appeal because of what he viewed as inadequacies of proof
8 presented at trial. The verdicts were vacated after that settlement, so there is
9 no -- there is no verdict of invalidity. It doesn't exist.

10 Also, Petitioner Hilden in these proceedings, which is a defendant
11 in the District Court case that's pending now, moved for application of
12 collateral estoppel in the District Court based on that vacated invalidity
13 verdict, and their motion was denied, so clearly we wouldn't be here today if
14 the claims were invalid.

15 I would also like to note that with regard to the synchronous
16 preamble claim term and menu generation and transmission, the title of our
17 patents, at least the '850 and '325, is information management and
18 synchronous communication system with menu generation. All of the menu
19 generation and the transmission described in the patents is in a synchronous
20 system.

21 I have a number of slides in the demonstratives, which I hope to
22 get to today, which show that that's the only embodiment, synchronous
23 communication that generates a menu and transmits it to specialized
24 displays, meaning handhelds or actually hand web pages according to Judge
25 Everingham's construction.

1 JUDGE LEE: What is the broadest interpretation for synchronous
2 communication?

3 MR. OSBORNE: What does it mean, is that what you're saying?

4 JUDGE LEE: As broad as we can get without -- without
5 committing an error?

6 MR. OSBORNE: It means making the menus at the back office
7 server be the same as the menus on the target devices. The target devices
8 are recited in these claims, a web page client and a handheld client. The
9 menus are generated via excruciating detailed limitations in the claims and
10 transmitted to a client.

11 You can't ignore that they're going to a handheld device on a web
12 page. They have to be configured for display on that handheld device on the
13 web page. That's the invention, making the back office menu be the same as
14 what the person who is online ordering on his iPhone is seeing.

15 JUDGE PETRAVICK: How many devices are required in the
16 system, two, the server and a device that you're seeing --

17 MR. OSBORNE: In '850 Claim 1?

18 JUDGE PETRAVICK: Yes, let's take '850, Claim 1.

19 MR. OSBORNE: A server, one handheld device and one web
20 page.

21 JUDGE PETRAVICK: It says "or web page."

22 MR. OSBORNE: It does, but Judge Everingham construed that to
23 mean it required the capability for both, which we argued against initially,
24 but then we realized he's right, and we haven't contested that since. That
25 was Mr. Zembek's argument. He won on that argument. You were right,

1 Rich, so what I'm saying is Judge Everingham realized that there had to be
2 the capability to do both or otherwise "or" made no sense. So it has both
3 capabilities.

4 JUDGE LEE: But your broadest claims don't even have that back
5 office server having a menu.

6 MR. OSBORNE: They have a synchronous and communication
7 system for generating and transmitting menus. Then they have the first
8 menu stored on a data storage device. There's a central processing unit
9 associated with that data storage device. That's what I'm calling a back
10 office menu, and in the spec, the wording is central server, central database,
11 back office server. That's the wording used.

12 In the claims we used terminology, central processing unit when
13 we're referring to the origin of the menu, and we use second menu for the
14 terminology for what is generated for the handheld to the web page device,
15 but clearly we were referring to the ultimate configured menu, and second, it
16 is just a patent draftsman's term of art, first menu changes it to a second
17 menu, sends it to a handheld or a web page.

18 JUDGE LEE: So if you send that menu to the handheld device, is
19 that alone enough to constitute synchronous communication?

20 MR. OSBORNE: To send it just without the synchronous -- that
21 is enough to render these claims patent eligible because it's a special
22 configuration of the menu for the handheld device on the web page.

23 JUDGE LEE: That's enough to satisfy synchronous
24 communication, right, to have that first menu downloaded onto the handheld
25 device?

1 MR. OSBORNE: Yes, and that's why --

2 JUDGE LEE: That constitutes synchronous communication?

3 MR. OSBORNE: Yes, and synchronous communication and
4 generation and transmission in the context of these particular target client
5 devices is why we're saying synchronous is a limitation in the preamble
6 because no --

7 JUDGE LEE: It really doesn't matter because you have it in the
8 body anyway.

9 MR. OSBORNE: We do. We would assert that the body of the
10 claims standing alone is patent eligible. It's a special configuration of a
11 menu for target devices, but to read the claim as a whole in the proper
12 context, the point is that it requires synchronization, and synchronous is
13 recited in the preamble. We think it makes sense to view it as a limitation,
14 even though it doesn't have to be to be patent eligible.

15 JUDGE LEE: Right, but it doesn't get you anything more because
16 according to you, merely downloading that menu to the handheld device is
17 synchronous.

18 MR. OSBORNE: It's not just merely downloading a menu. It's a
19 menu that is configured to be displayable on that handheld device. As the
20 Board construed web page, it's required to be viewable in a web browser.
21 By the same token, the menu for the handheld device --

22 JUDGE LEE: Right, whatever menu you generated in the server,
23 you download it to the handheld device, according to what I just heard, you
24 would treat that as enough to meet to constitute synchronous
25 communication?

1 MR. OSBORNE: Yes, I would, because it's making it be the
2 same. We don't believe there's any timing aspects on synchronous.

3 JUDGE LEE: So it's completely moot whether the preamble
4 should be read into the claim because according to you, under the broadest
5 reasonable interpretation, whatever is in the body is already synchronous
6 communication.

7 MR. OSBORNE: If the Board accepts my argument about the
8 body. If the Board had some kind of qualm of what I'm telling you about
9 generating and transmitting and being viewable on a web browser for
10 instance, then I would argue that synchronized, which is the same as
11 synchronous in the preamble limitation, helps you understand what the body
12 means. That's what I'm saying.

13 JUDGE LEE: Okay.

14 JUDGE PETRAVICK: What about column 8 where it talks about
15 connecting the handheld device to a desktop PC and then downloading the
16 database, is that the synchronous system?

17 MR. OSBORNE: That is a species of synchronization because the
18 menu is being configured on the back office server.

19 JUDGE PETRAVICK: It says desktop PC.

20 MR. OSBORNE: I'm sorry?

21 JUDGE PETRAVICK: Column 8, line 52, it doesn't say server.
22 It says desktop PC.

23 MR. OSBORNE: Oh, a desktop PC is just -- this was 1998 when
24 this was written. A desktop PC was a PC that somebody might have to do
25 their business, and PCs can be servers. There's nothing magical --

1 JUDGE PETRAVICK: So a server can be just the desktop
2 connected to two devices.

3 MR. OSBORNE: Yes, and they are. Yes, and they are. Desktop
4 PCs can act as servers. Larger computers with more horsepower can be
5 services.

6 JUDGE PETRAVICK: What does the word "central" add?

7 MR. OSBORNE: Excuse me?

8 JUDGE PETRAVICK: In this description, it has a desktop PC
9 connected to one handheld device.

10 MR. OSBORNE: Yes.

11 JUDGE PETRAVICK: So that's two devices connected to each
12 other, and that's a synchronization system.

13 MR. OSBORNE: Yes, but the spec also discloses server software,
14 which can be used in the context of a desktop PC or any other PC that's
15 being used as a server.

16 JUDGE LEE: Do you agree with the concept that if the computer
17 is only used to make things run faster, then it's not -- it doesn't render an
18 abstract idea patentable?

19 MR. OSBORNE: Yes, yes.

20 JUDGE LEE: If the full use of the computer is to make whatever
21 you can do by hand just doing it faster.

22 MR. OSBORNE: Yes, absolutely, but that's not what we have
23 here.

24 JUDGE LEE: So what if in your back office you have someone
25 creating the menu by hand completely and then -- say I'm doing it. I'm

1 creating this menu, first menu, modifying menu, sub-modifying menu
2 maybe with a chalkboard and I copy it on to a piece of paper, and then I get
3 somebody and say, hey, I have ten waiters and waitresses out there, can you
4 run a copy of this, just bring it out by hand to each one of my staff on paper,
5 and they can do that. Wouldn't that essentially be the same thing except it's
6 a non computer environment?

7 MR. OSBORNE: No, no, no, because this invention starts with
8 the existence of computerized menus. What happened to warrant the
9 inventors to start thinking about this was that there were back office menu
10 systems. They all had the same screen. This was 1998, 1999. They all had
11 the same screen. Menus were displayed on those screens, but the idea was
12 what if somebody wants to use it on a handheld screen, which is very small
13 and has different display requirements.

14 What are you going to do? Well, in that day, actually one of Mr.
15 Zembek's clients had a device that had an entire menu system on the
16 handheld device. There was no synchronization of the entire menu system
17 between those two. They communicated. Somebody on the handheld could
18 send an order to the kitchen from the handheld device, but when the
19 restaurant operator wanted to change the main menu in the back office
20 where the standard display is, they would change that.

21 Then they would gather up their four handheld devices or however
22 many they had in the restaurant and go in and change every one of them the
23 same way, so you can see this invention being able to change that back
24 office menu in one fell swoop, just make the change back there, and then the
25 software conforms the small handheld screen, small handheld menu to the

1 particular screen, target display constraints. You can see why that was a big
2 labor saver.

3 This isn't a big labor saver. It couldn't have been done at all. So
4 we're not talking about speeding up the process using computers. We're not
5 talking about saving labor per se. We're talking about enabling a handheld
6 device to actually be used practically in a restaurant.

7 JUDGE LEE: How is that commensurate with the scope of these
8 claims? None of the limitations here tell you that you actually had a
9 handheld device that wasn't capable of displaying the entire menu, which is
10 the premise of what you were saying. There was a problem, but it doesn't
11 come through in these claims that you're working with handheld devices that
12 had a problem.

13 MR. OSBORNE: Well, I have a lot of slides in my
14 demonstratives, which you can look through if I don't get a chance to go
15 through them, but the entire specification was directed to conforming menus
16 that are generated from an existing back office menu to a small screen
17 display. That's what it was for. These claims are directed to taking all those
18 elements of the back office menu, making a change to the back office menu,
19 then generating the second menu which is going to go to the handheld or the
20 web page, and it's going to fit. It's going to work properly.

21 That is in the claims, and that is evidenced by the fact that your
22 web page construction requires it to be viewable in a web page, in a web
23 browser, and that's what the spec says throughout, and the spec says nothing
24 else. It doesn't say anything different.

1 JUDGE PETRAVICK: What specific limitations require that
2 transmitting or changing of the menu looking at Claim 1 in the '850 patent?

3 MR. OSBORNE: The entire wherein clause. In '850, Claim 1,
4 and the other wherein clauses, there's a limitation, there's a wherein
5 limitation that requires that the menu, that's already -- that's already
6 described, the constituents and the links are already described up in the body
7 of the claim, wherein that is generated and transmitted using that application
8 software making those selections, but the real point here for our purposes is
9 that it's being transmitted to a handheld device and web page.

10 JUDGE PETRAVICK: So the phrase transmitting from a wireless
11 handheld or a web page, you would have us read all of that into that phrase?

12 MR. OSBORNE: Yes, that's what is happening. The application
13 software is programmed to facilitate that generation of that second menu for
14 a wireless handheld computing device and web page under what we believe
15 is the right construction, but at least a handheld device, and that was the
16 invention. That was the problem that it solved, recognizing that problem
17 and making it practical to do or even possible to do it. It just wasn't done
18 before.

19 JUDGE LEE: Why would we be limited to seeing the invention
20 from the perspective of your inventor? Your inventor might have came up
21 with the invention from that angle, oh, preexisting computerized menus had
22 a problem, so I'm inventing something to solve that, that's his perspective,
23 but why are we limited to that? Why can't we look at it from the basic
24 environment where we have no computers, and then like I described before,
25 just pen and paper, sending somebody to run out these paper sheets to my

1 staff and say, hey, let's use a computer, computerize everything, everybody
2 hold a handheld device and I'll just download it to all the devices?

3 MR. OSBORNE: Well, you can say that anything is an abstract
4 idea and can be implemented on computers, but you're not allowed to do
5 that. You have to look at what the computer is doing and decide if that is
6 adding something technological to what existed before, and we assert that
7 that is the case here.

8 I will point you to -- I think this is a case that particularly
9 addresses this. This is one of the Board's own cases, PNC v. Secure Access.
10 The number is CBM2014-00100. I think the decision there was particularly
11 pertinent. There were a couple decisions, one non institutional, and one
12 denial for hearing request.

13 In that -- in those decisions the Board said that there was no
14 abstract idea where the claim language recited transforming one thing, and
15 I'm quoting here, "receive data to create something else formatted data."

16 That's what the Board concluded. The Board also said "the
17 Petitioner's argument was unpersuasive in regards to an assertion that 'the
18 transforming limitation was merely manipulation or reorganization of data.'"

19 So I would say likewise here, there's no mere manipulation or
20 reorganization of data because a first menu configuration is transformed
21 synchronously into a second menu configuration suitable for the specialized
22 display requirements of handheld and web page clients which requires a
23 restructuring of the first configuration to conform to the display client
24 requirements, and that's a transformation into something new and physically
25 different.

1 JUDGE LEE: Where is that claim? I'm not familiar with that as a
2 claim application, the formatting, the transforming of the formatting? I don't
3 see that.

4 MR. OSBORNE: If I'm able to get to the slides, I can show you
5 that there's nothing in the patent specification except a statement, repeated
6 statement throughout that synchronous communications applies to the
7 invention. It's used everywhere. It's used explicitly in the summary of the
8 invention. There is no configuration generation, transmission of menus to
9 these target devices, other than in the context of the synchronous
10 communication system which is described in the preamble, and that's why
11 we make a big deal out of it because it is a big deal. That's what the
12 specification says the invention is.

13 JUDGE LEE: I'm not talking about synchronous communication
14 anymore. I'm talking about what you just said, which is the change in
15 formatting.

16 MR. OSBORNE: Well, the change in formatting adds something
17 over just an abstract idea of computerizing something.

18 JUDGE LEE: Where is the change in formatting in the claims?

19 MR. OSBORNE: The claims require specific structures for the
20 menus, for back office menus. It's a hierarchical system, and then they're
21 transformed into another hierarchical system. That's a transformation of one
22 data structure into another data structure, and for instance --

23 JUDGE LEE: Point me to some words.

24 MR. OSBORNE: In '850, Claim 1, element D is a first menu
25 consisting of menu categories. Said menu categories consisting of menu

1 items. Said first menu stored on said storage data device, displayable in a
2 window of said graphical interface and a hierarchical tree format, and then
3 on down, E is a modifier menu. F is a sub-modifier menu. All these are
4 hierarchical starting from the top, and the patent examiner, by the way,
5 found this application software and the sub-modifier menu to be nonobvious
6 and novel over the prior art.

7 So it's those elements that are being transformed by the
8 application software into a second menu, not that same first menu, not that
9 same structure but a second menu that is going to be displayed on the
10 handheld or the web page. It has to be transmitted there, but the reason it's
11 being transformed, being reconfigured, being regenerated is because it's
12 different from the first menu. It's different because it's going on to a much
13 smaller screen, and for instance, there might be a need to have additional
14 pages on a handheld device versus the larger screen version of the menu
15 because all of the levels of that particular level -- all the constituents of that
16 particular level might not fit on one page.

17 JUDGE PETRAVICK: Where in the specification does it talk
18 about transmitting and the formatting? The specification talks about using
19 the menu, the sub menu and the modifier menu by adding, selecting things
20 from one or the other to create the second menu. Where exactly does
21 specification talk about reformatting the second menu to be in a format to
22 put on the display or a web page?

23 MR. OSBORNE: The specification --

24 JUDGE PETRAVICK: Other than saying that that's what it's
25 going to do.

1 MR. OSBORNE: The specification throughout talks about --

2 JUDGE PETRAVICK: Give me one particular place.

3 MR. OSBORNE: It's in the summary of the invention which is

4 particularly pertinent because the summary carries special significance.

5 Column 3, line 15, the menu generation approach of the present invention

6 includes a desktop software that enables the rapid creation of building of a

7 menu and provides a means to instantly download the menu configuration

8 on to, e.g. a handheld device or web page and to seamlessly interface with

9 standard phone cell systems to enable automatic database updates and

10 communication exchanges when a change or input occurs in any of the other

11 system elements. To solve the above and other related problems, an

12 information management and communication system is provided which

13 results in dramatic reduction in the amount of time and its cost to generate

14 and maintain computerized menus for, e.g.," and this is the critical point,

15 "restaurants and other related applications that utilize non PC standard

16 graphical formats, display sizes or applications."

17 This is a transformation into another format for a different type

18 GUI.

19 JUDGE PETRAVICK: Do your specs say anything about how

20 that's specifically done in your invention?

21 MR. OSBORNE: There are other statements of this level of

22 granularity.

23 JUDGE PETRAVICK: So kind of broad statements.

1 MR. OSBORNE: It is a broad statement. There's nothing wrong
2 with broad statements. The Board itself made a statement that specificity is
3 not required for the 101 determination.

4 Can I say one other thing on that point, additional information in
5 the spec? Figure 5 is a schematic representation of a display customization
6 dialogue box to conform with the preferred embodiment of the present
7 invention, and then figure 5 shows how menus can be customized for
8 different devices, and you will note there it says at the top row, select
9 columns, format columns, other things. This is related to functionality for
10 configuring that target menu.

11 JUDGE PETRAVICK: All right. Now, could you please
12 reconcile that with the statement in the specs that Windows CE provides the
13 built in synchronization between the handheld devices, the Internet and the
14 desktop infrastructure? That's in the '850 patent. It's on page 10 or column
15 10, line 67 through column 1, line 3.

16 MR. OSBORNE: Going to slide 46.

17 JUDGE PETRAVICK: I just want to ask.

18 MR. OSBORNE: Sorry.

19 JUDGE PETRAVICK: So if that's the important part of your
20 invention, then why does the step say that Windows CE is providing the
21 synchronization?

22 MR. OSBORNE: Because the spec was providing background
23 information, but right after that synopsis you read, if you will look at slide
24 46, it says "Windows CE provides a basic set of database and

1 communication tools for developer use. However, interfacing with these
2 tools to provide application specific results can be a complex task."

3 Now we get into the invention part. "In addition to the menu
4 generation described above, a set of software libraries described herein in
5 conformance with the present invention not only enhances the basic
6 Windows CE functionality by adding new features but also maximizes the
7 full potential of wireless handheld computer devices. Such features include
8 fast synchronization between a central database and multiple handheld
9 devices, synchronization and communication between a web server and
10 multi handheld devices."

11 This lasts two-thirds of this paragraph which goes right after the
12 paragraph you just read is a statement of the invention. We described -- we
13 disclosed Windows CE because that was part of the preferred embodiment
14 disclosing it is part of the best mode. It didn't make it the invention.

15 JUDGE LEE: Counsel, I think when I hear you, I understand
16 what you're saying, but then when I go to the claims, I don't see the claims
17 reflecting what you're arguing. For instance, according to Claim 1 of the
18 '850 patent, the handheld device is no more capable of displaying the second
19 menu than it is able to display the first menu. There's nothing here that says
20 what you say, that there's some problem in displaying the first menu, and
21 somehow you transformed it to a second menu which is easier to display on
22 the handheld. That doesn't come out on the claim.

23 MR. OSBORNE: The specification disclosure is directed entirely
24 to generating menus for specialized devices.

25 JUDGE LEE: Yes, but it's not in the claim.

1 MR. OSBORNE: But to construe the claims you must look at the
2 specification, and synchronous communication system is used in the
3 specification to generate for a specialized handheld device. That's another
4 one we think it should be construed.

5 JUDGE LEE: No, but you told us your inventor solved the
6 problem. The second menu supposedly much more easily displays it.

7 MR. OSBORNE: It's possible to be displayed. It couldn't be
8 displayed before. It can't be displayed without --

9 JUDGE LEE: Where does that concept come out in the claim,
10 that the -- it's only possible to display the second menu but it's not possible
11 to display the first menu?

12 MR. OSBORNE: The display -- if you're focusing on the
13 particular word display, that is a function of it being a handheld device and
14 being a web page. The Board itself construed web page to require the aspect
15 of being viewable in a web browser. That has to apply to the handheld itself,
16 and element G states application software for generating a second menu
17 from said first menu and transmitting said second menu to a wireless
18 handheld computing device or web page.

19 You don't transmit a menu to a handheld device for it to sit there.
20 It's going to be displayed.

21 JUDGE LEE: All right. But nothing here says the same thing
22 can't be done with the first menu.

23 MR. OSBORNE: Why would it be a requirement to say what
24 couldn't be done with the first menu? It's just saying start with this first
25 menu and produce something that will work on a handheld device.

1 JUDGE LEE: No, that's not a requirement, but you're telling me
2 the invention lies in a first non-displayable first menu, and the invention is
3 converting to a format that's displayable in a handheld, but I don't see any of
4 that in the claim.

5 MR. OSBORNE: I agree with you, that there's nothing in the
6 claim that says, this is a particular size menu, but it is a first menu. It is a
7 menu that the second one starts from, and the second one is the key with
8 regard to the displayability aspect which is required from the Board's
9 construction.

10 JUDGE LEE: So really it doesn't matter how the menu is
11 generated. You download a menu for display on a handheld. Isn't that what
12 the claim invention says?

13 MR. OSBORNE: It matters how it is generated because it has to
14 start with an initial menu and it has to be in conformance with the display
15 requirements of the second menu but yes, this claim does cover a large
16 universe of sources. It could be servers in the Cloud. It could be PCs in a
17 single restaurant. It could be a lot of different things where the first menu is.
18 The claim doesn't require any particular first menu, just a first menu that is
19 different from the ones generated for the handheld.

20 JUDGE LEE: Right, but your argument -- you were trying to
21 make an argument saying the invention is great because it solves this
22 problem. You have a first menu that's not displayable and transforming it to
23 a different format that's suitable for display. I'm just pointing out I don't see
24 that in the claim, and you seem to agree with me now that the claim is not of
25 comparable scope to what you were arguing.

1 MR. KREW: No, I was giving you background on the genesis of
2 the invention.

3 JUDGE LEE: Please don't give us background. We want to focus
4 on the claim.

5 MR. OSBORNE: Okay. I appreciate that. Sorry about that. The
6 first menu is displayable. It is displayable in this claim. It's not limited to a
7 large screen terminal.

8 JUDGE LEE: You just told us it wasn't possibly displayable and
9 now --

10 MR. OSBORNE: No, no, no. This is a fundamental
11 misconception. I'm not saying it's not displayable anywhere. It is clearly
12 displayed in Claim 1. I'm saying it wasn't necessarily displayed for a
13 handheld device until it's configured for the handheld device which this
14 claims requires.

15 JUDGE LEE: That's my question.

16 MR. OSBORNE: It can be anywhere --

17 JUDGE LEE: There's nothing in here that says a handheld can't
18 display a first menu.

19 MR. OSBORNE: It could, but there would be no purpose for this
20 claim. There would be no purpose for you to use this if you started out with
21 a handheld device.

22 JUDGE LEE: Maybe that's it. Maybe there is no purpose, but we
23 can't automatically assume that you got a good claim, right? That's what
24 we're here for. Do you have a good claim? If you start with the premise that
25 it's not possible for me not to have a good claim, then why are we here?

1 MR. OSBORNE: No, we're not -- I'm not saying not a good
2 claim. I'm saying a claim that anyone would practice. Judge Everingham in
3 his claim construction, after looking at everything, concluded that the system
4 was a client server system and that there was no requirement in the claim
5 that a client device would be -- would necessarily require a database so that
6 construction prevents using a handheld to generate another handheld menu.

7 JUDGE LEE: I'm sorry, let me try again. What problem does
8 your claim invention solve?

9 MR. OSBORNE: Providing a handheld menu that will fit on the
10 handheld and the web page as well starting from any menu. That's what it
11 provides.

12 JUDGE LEE: Providing a menu that's displayable on a handheld.

13 MR. OSBORNE: Yes.

14 JUDGE LEE: That wasn't previously achievable?

15 MR. OSBORNE: It was not previously achievable from
16 another -- from a central server, from another location, a menu at another
17 place or another system.

18 JUDGE LEE: All right. How do we know from the claim that the
19 second menu is displayable in a handheld?

20 MR. OSBORNE: Because it's clear that when something is
21 transmitted to a handheld device, it's for display on that handheld device.
22 That's the first level argument. Then the Board --

23 JUDGE LEE: That doesn't hold because you can transmit the first
24 menu to the handheld too, even if it's not capable of being displayed.

1 MR. OSBORNE: Yeah, you can have it transmitted and it lie
2 there, but we have Judge Everingham construing that recitation --

3 JUDGE LEE: Please just focus on us here and now.

4 MR. OSBORNE: The claim should be construed as requiring the
5 capability to transmit to a handheld, and having a handheld means you're
6 going to display it, and we think that's what the Board concluded with regard
7 to web page because it construed web page as requiring that it be transmitted
8 to a document that's viewable in a web browser. That's the common --

9 JUDGE LEE: Do you also want us to read into the claim that the
10 handheld is not capable of displaying the first menu?

11 MR. OSBORNE: No, I don't think that matters. That doesn't
12 matter. I'm saying if you start with the first menu --

13 JUDGE LEE: Just answer my question. I don't care if it matters.
14 It matters to me if I'm asking the question.

15 MR. OSBORNE: Would you repeat that again? I'm not sure if I
16 understood it.

17 JUDGE LEE: You want us to read into the claim the limitation
18 that the handheld display is capable of displaying the second menu, correct?

19 MR. OSBORNE: I don't want you to read into it. I want you to
20 construe the claim to require that.

21 JUDGE LEE: Construe the claim --

22 MR. OSBORNE: Yes, yes.

23 JUDGE LEE: -- so that it's necessary that the handheld is capable
24 of displaying the second menu.

25 MR. OSBORNE: That is viewable.

1 JUDGE LEE: The question now is: Do you want us to construe
2 the claim so that the handheld is incapable of displaying the first menu?

3 MR. OSBORNE: No, I don't because you're right, there's nothing
4 in that claim that says --

5 JUDGE LEE: What problem are you solving? If the handheld is
6 capable of displaying the first menu as well as the second menu, what
7 problem are you solving?

8 MR. OSBORNE: I'm not aware that that existed before.

9 JUDGE LEE: That's not my question. What problem are you
10 solving?

11 MR. OSBORNE: That is what we believe will be an incorrect
12 construction of the claim or review of the claim would not be solved. It
13 doesn't solve anything. It's redundant. We think the claim is directed to a
14 central server system, which requires something other than a handheld as the
15 back office computer.

16 JUDGE LEE: So it doesn't solve anything under that
17 circumstance?

18 MR. OSBORNE: Under your hypothetical, it wouldn't solve
19 anything. If you already have a handheld menu configuration and you send
20 it to another handheld, it wouldn't solve anything unless it's configuring for a
21 particular display attribute of another handheld, which would be possible in
22 today's world.

23 JUDGE LEE: Yeah, but you just told us you don't want us to
24 construe the claims so that a handheld is incapable of displaying the first, so
25 it's broad enough to display either the first or the second, so the claims you

1 have then don't solve any problem, and I ask you then, and you say under
2 that circumstance your claim doesn't solve anything.

3 MR. OSBORNE: I think the requirement of this claim, a common
4 sense view of this claim is it takes a first menu that's at a central server in
5 your hypothetical. It's on a handheld let's say. It still has to do some sort of
6 reconfiguration to make it suitable for whatever the target device is. That's a
7 fair reading of the claim.

8 The claim is not reading on every implementation of handhelds
9 that would send any information, menu or otherwise, to another handheld
10 device. That's not a fair reading of the claims.

11 JUDGE LEE: All right. Thank you.

12 MR. OSBORNE: I would like to go to the manual modification
13 issue in '733 patent. Petitioner says that the claims -- this will be on slide 47.
14 Petitioner says that the claims require a computer to modify a menu in the
15 sense that the menu being modified is a paper menu, but manual
16 modification as recited is not modification of a paper menu with a pen. It's
17 modifying the second menu generated by the computer, thereby using the
18 computer to generate a third version of the computerized menu. You can't
19 modify computer GUIs or displays with pen and paper, and we submit that's
20 not what's claimed anyway.

21 The claims require transformation of handwriting or human voice
22 into computer data. That is quintessentially a transformation including
23 converting analog inputs into digital form, so we think the machine or
24 transformation test is satisfied there, irrespective of anything else with
25 regard to the first part of '733, Claim 1.

1 We would say that along that line, Petitioners -- the Petitioner
2 repeatedly urged the Board to view a menu as something that was just paper
3 and the invention transformed it into something that's not paper. I think
4 we're well passed that point now, but just in case we're not, I'll say that the
5 invention's directed to taking one first computerized menu and transforming
6 it into another one suitable for display.

7 I would also like to say that with regard to Petitioner's late
8 submitted evidence in its reply, these were Exhibits 1069 through 1074,
9 those were not in reply to anything we said. They were just an attempt to
10 put in some evidence that wasn't in the original petition that we thus think
11 they're improper.

12 This goes to several of the points Judge Petravick asked Mr.
13 Greene. We think they failed in their petition to point to evidence of
14 conventionality with regard to a lot of things in particular, all of the
15 dependent claims, so the Petitioner fails as to those without any further
16 consideration.

17 With regard to the '325 dependent claims, actually starting out
18 with Claim 1 --

19 JUDGE LEE: I beg your pardon here. Did you ever raise that
20 issue earlier?

21 MR. OSBORNE: No, I didn't because I'm aware that the Board
22 disfavors motions to exclude.

23 JUDGE LEE: So it would be a surprise to the other side?

24 MR. OSBORNE: Oh, no, it would not. We served objections on
25 them. We served them with objections.

1 JUDGE LEE: If not, I would want you to elaborate, so they
2 would have a chance to respond, but you're saying it was sufficiently aired
3 that they could respond in their rebuttal?

4 MR. OSBORNE: I'm saying that all we --

5 JUDGE LEE: Counsel for Petitioner, have you heard enough that
6 you know what he's talking about and you can properly respond in your
7 rebuttal time?

8 MR. ZEMBEK: Your Honor, we received objection as to certain
9 exhibits. We didn't receive anything beyond that, and the parties never had
10 further communications or engaged in any meeting to confer.

11 JUDGE LEE: Generic objection like insufficient for you to know
12 of the basis?

13 MR. ZEMBEK: Yeah, they objected that certain of our exhibits
14 were not responsive to the positions that they raised in their Patent Owner's
15 response. That was the substance of the objections.

16 JUDGE LEE: So would you like to hear more so you can respond
17 in your rebuttal time?

18 MR. ZEMBEK: Yes, Your Honor. We're happy to do that.

19 JUDGE LEE: I think it's appropriate, counsel, that you articulate
20 sufficiently in detail so that they know how to respond to your objections.

21 MR. OSBORNE: The issue is conventionality. They offered
22 some references to show alleged conventionality. They don't show that as
23 you can see from some of our slides, but I won't have the time to go through
24 all of them, but if they didn't bother to try to show in the petition what was
25 conventional, we don't think it's proper for them to be able to reply with

1 additional alleged evidence after we pointed out that what we say in our
2 response was nonrebuttable, so that's the issue.

3 Then also they put in various things showing that Windows CE,
4 for instance, was known, that a handheld emulator was known. Those also
5 don't show the claimed aspect in the dependent claims in the context of a
6 menu generated from a first menu, second menu for a particularized display,
7 but nonetheless, they put that evidence in because they didn't address it all in
8 the petition, and as we understand the Board rules, the Petitioner has to put
9 forth a case that can be decided in favor of Petitioner, and it just didn't, so
10 that's our petition on that.

11 I would like to move on unless you have another question on that.

12 JUDGE LEE: You mentioned Exhibit 1069 and 1074, are they
13 the same exhibits numbers for all three cases?

14 MR. OSBORNE: Yes, they entered all of them in all three cases,
15 1069 through 1074. Yes, that's right.

16 JUDGE LEE: Okay. Thank you.

17 MR. OSBORNE: On slide 51, '325, Claim 1, adds the limitation
18 predetermined type of ordering. Petitioner tried to make this seem like it
19 was some sort of pre or post processing and excluded on that basis alone.
20 That's not what is being claimed. This is for particular functionality. A
21 predetermined order, for instance, could be table side ordering.

22 On slide 52 we have '325, claims 2 through 6. Two is table based
23 ordering. Three is drive through. Four is customer ordering. All these
24 require particularized coded functionality in the application software, and I
25 will take one example. For instance, table side ordering requires coursing,

1 for instance, e.g., you would need to be able to order drinks, salads,
2 appetizers, entries, desserts in the right sequence so that is what is being
3 claimed by predetermined ordering.

4 JUDGE PETRAVICK: Where is that discussed in the
5 specification? Can you find that?

6 MR. OSBORNE: It's toward the end. On slide 53, we have an
7 excerpt from the specification, which refers to the menu generation aspect of
8 the invention is equally applicable to table based, drive through, Internet,
9 telephone, wireless or other modes of customer order entry. That is a -- that
10 is a statement that the menu being generated by the application software is
11 suitable for these types of order entry. A person of skill in the art would
12 know what table side ordering requires and that it's different from drive
13 through or --

14 JUDGE PETRAVICK: Do you have evidence in the record to
15 support that a person of ordinary skill in the art would --

16 MR. OSBORNE: Nothing more detailed than that, but we think
17 this is sufficient for a person of skill in the art knowing what coursing is and
18 knowing what software it is would do.

19 There is some further definition, I apologize, Mr. Fabiano has
20 pointed to '850, column 13, starting at line 62. It's also within the scope of
21 the invention to generate menus automatically in response to predetermined
22 criteria. For example, in the restaurant menu generation embodiment, a
23 modified menu can be generated to comply with the particular specification
24 or group of criteria such as, e.g., dinner, low cholesterol. Now, this is
25 related more to the '733, manual modification type of ordering than

1 predetermined, but that is a predetermined type of ordering capability that's
2 in the software is the main point for this.

3 A person of ordinary skill in the art would understand how
4 coursing in restaurants. As a matter of fact, we all as restaurant diners
5 understand that, but I just wanted to be sure that the Board understood what
6 predetermined means here. It doesn't just mean, hey, we're going to write
7 some software and we're going to do it for a restaurant. That's not what
8 we're talking about. A POSA would know that.

9 I would just like to point to claim -- slide 57, please. As just an
10 example of Petitioners in the case, numerous of them, in the District Court
11 cases and parties here are decrying the lack of benefits for the claimed
12 invention, but at the same time, they have been -- ever since 1999 when Mr.
13 McNally and his co-inventors came up with this invention -- they have been
14 incorporating aspects into their products and declaring them to be
15 innovative, next slide, innovative and I think breakthrough technology,
16 Domino's. Marriott said it was innovative. Domino's said it was
17 breakthrough.

18 There is -- just within the last few weeks, Domino's launched a
19 television ad, a campaign for voice ordering, which is covered by '733
20 claims, which they've referred to in public statements as the first APP in the
21 restaurant industry, and that it is an example of their creation of tech forward
22 ordering capabilities.

23 This new Domino's product is a mobile APP for iPhone and
24 Android that features ordering from the Domino's menus via voice
25 recognition and command, and that's precisely what's claimed in the '733

1 patent under a proper construction, and as I said, many of the Petitioner
2 companies are continuously claiming to have come up with these sorts of
3 attributes covered by these claims 15 years ago. We think that's an
4 indication of a very high indicator of unconventionality.

5 Can we turn to 59, please? '733, Claims 4, 5 and 12 all recite
6 synchronized in the wherein clause. We would ask the Board to consider
7 that it has already allowed Claim 12 of the '850 patent and similar claims
8 based on the recitation of synchronized in the body of the claim. We think
9 the same rationale applies to Claims 4, 5 and 12 of '733.

10 With regard to the preamble, how information management and
11 synchronization communication systems adds meaning to the claims, if you
12 look at '850, specification column 3, line 59 to column 4, line 63, it just says
13 the synchronous includes communication from, e.g., a handheld device to a
14 server, not just server to handheld, both ways.

15 I would like to, if we could go to Claim 19.

16 MR. FABIANO: Slide 19.

17 MR. OSBORNE: Slide 19. I said earlier that information
18 management and synchronous communication system is an aspect of every
19 embodiment of the invention and is recited in the preamble of every claim in
20 these patents. You can see in the abstract, it's an information management
21 and synchronous communication system; slide 20, field of the invention, the
22 invention relates to an information management and synchronous
23 communications system. It's recited again down further in the field of the
24 invention.

1 In the summary of the invention, again the information
2 management and synchronous communication system of the present
3 invention. We have more, but I just -- I would like the Board to appreciate
4 the significance of that terminology.

5 If we could turn to page 23, please, slide 23. The Board made a
6 significant conclusion with regard to '850 patents with regard to Petitioner's
7 112 argument. Petitioners argued that the full scope of the claims did not
8 encompass all species encompasses by the genus of synchronous
9 communications systems. The Board, in fact, held that the full scope of
10 these particular claims, Claim 1, of the '850, '325 and '733, do -- are
11 disclosed by the specification.

12 The Board said the specification discloses synchronization and
13 communication between the central database and multiple handheld devices,
14 central database. This is what the Board concluded, and I would ask you if
15 the preamble is not a limitation and it's not clear from the claims that we're
16 talking about, a menu on a central database to a client, why were Petitioners
17 asking the Board to find that the full scope of the claim was not enabled? It
18 doesn't make any sense. We believe that's an admission by Petitioner.

19 JUDGE LEE: Do you have some claims that actually require
20 display of the second menu on the handheld?

21 MR. OSBORNE: There are. '850 -- some of the '850 claims.
22 '850, Claim 3, defense from Claim 1 and requires wherein the second menu
23 is capable of being displayed on the display screen of a wireless computing
24 device, so irrespective of anything we discussed before about displayability
25 in Claim 1 is resolved by claim 3.

1 JUDGE LEE: All right. But here's a different question though.
2 Right now my question is not capable but requires actual display.

3 MR. OSBORNE: It is a capability. It's a software capability, but
4 the application software is what's being claimed, so the application software
5 enables that to occur. That functionality is what gets us over 101. We don't
6 have to go to the handheld and look at it to see that it's there. In practice, in
7 business you go and look to see if it's there but the claim doesn't require that.

8 JUDGE LEE: So the answer is no, because you're not answering
9 my question?

10 MR. OSBORNE: I'm trying.

11 JUDGE LEE: I'm not asking whether the claim requires actual
12 display.

13 MR. OSBORNE: No, the claim does not require actual display.

14 JUDGE LEE: None of the claims require actual display.

15 MR. FABIANO: Your Honor, may I address that? If you look at
16 '325, Claim 2, I'll give you a moment to -- I'm sorry '733 claims, my
17 mistake. It's the system.

18 JUDGE LEE: Give us a second to pull it up on the computer here.

19 MR. FABIANO: I apologize, we don't have it on the slide. '733
20 claim 2, we have it on a slide?

21 JUDGE LEE: Okay.

22 MR. FABIANO: It's a dependent claim. It's the system of Claim
23 1, slide 48.

24 MR. OSBORNE: It's on slide 48.

25 MR. FABIANO: Here you go.

1 MR. OSBORNE: Sorry, I was referring to the '850.

2 MR. FABIANO: It's on slide 48, the modified second menu can
3 be printed directly from the graphical user interface of a handheld device
4 which means it's being necessarily displayed on the graphical of that
5 handheld device, same with Claims 3 and 10 and 11.

6 MR. OSBORNE: Yes, and in other claims.

7 JUDGE LEE: So when you previously said '850, Claim 3, you
8 actually meant '733?

9 MR. OSBORNE: No, no, no. I was talking about '850 because I
10 don't think the capability issue of whether it's capable of or actually done -- I
11 don't think that matters for 101 purposes because it's in the software. That's
12 what I was saying.

13 JUDGE LEE: So the actual display is in the '733 patent.

14 MR. OSBORNE: Yes.

15 MR. FABIANO: Yes, Your Honor.

16 MR. OSBORNE: Oh, Your Honor, it is in Claim 3 of '850. It's
17 not in Claim 1.

18 JUDGE LEE: Okay.

19 MR. OSBORNE: The capable of language that I was confused
20 about momentarily was related to capability of transmitting to, but this is
21 capability of actually displaying, so that's a different capability than
22 Petitioner was talking about with -- in that sense using the word capable.
23 We would say that this Claim 3 does require actual display because it doesn't
24 make any sense otherwise.

25 Can I ask how much time I have?

1 JUDGE LEE: Let's see. Actually two minutes, but if you need a
2 little more we can give you a little more.

3 MR. OSBORNE: I would appreciate a little more, if I could.

4 JUDGE LEE: We gave them ten, so you can have ten more, until
5 3:30.

6 MR. FABIANO: Thank you.

7 MR. OSBORNE: I would like to say that Petitioner essentially is
8 arguing that the BRI construction standard allows terms to be read out of
9 claims, but that's wrong. The BRI standard is a claim construction standard.
10 It's not a claim term negation standard. Petitioner also argues that the BRI
11 standard requires that a preamble is ipso facto nonlimiting. That's not true.

12 I would point the Board to MPEP Section 2111, that's 2111 which
13 directs how to apply the BIR standard, and it requires that the determination
14 of the effect of a preamble is to be made consistent with general Federal
15 Circuit authority on preamble construction. That particular point is in
16 Section 2111.02 to be precise.

17 Petitioner also argued that the Board's decision not to construe
18 certain terms for purposes of its institution decisions should be taken as a
19 final determination that elements not construed by the Board at that stage are
20 not in the claims at all. They say that, for instance, in '850 reply at page 1,
21 but we submit that the Board did not make any such determination. It
22 simply decided what it believed it needed to at the institution stage and that
23 it is now appropriate to construe the claims to properly understand them with
24 reference to the specification.

25 Could we have slide 10, please?

1 JUDGE LEE: I wonder what the answer was to my previous
2 question: Must we look at the issues from the same perspective that your
3 inventor did? Why can't we look at it from a different angle; in other words,
4 in an all paper environment directly to your invention versus starting with a
5 preexisting computerized menu which perhaps had some problems that your
6 inventor tried to improve?

7 MR. OSBORNE: You have to look at it from the perspective of a
8 person of skill in the art, and a person skilled in the art at the time would
9 have known about restaurant systems, but they would not have known about
10 synchronous communication to handheld devices or web pages at the time.
11 You have to look at it from --

12 JUDGE LEE: Yes, but someone skilled in the art would have also
13 known about pen and paper.

14 MR. OSBORNE: Correct.

15 JUDGE LEE: So I'm just wondering why we have to look at the
16 issue from the perspective that your inventor saw it versus from scratch,
17 paper and pen.

18 MR. OSBORNE: Well, you have to look it from the POSA's
19 perspective, and I think the way my inventor saw it was from the POSA's
20 perspective. That's all I can say about that. I can't say you can't look at
21 anything else. I'm just saying if it doesn't make sense to look at it because
22 it's not the way a POSA would look at it, then the solution is never going to
23 get solved under KSR or anything else if you look at something that would
24 never be applied.

1 There has to be some sort of reason, some sort connection, some
2 reason to combine.

3 JUDGE LEE: Different people can arrive at the same invention in
4 different ways, right? So perhaps your inventor approached it that way, but
5 perhaps another inventor comes at it from a paper and pen perspective and
6 says, oh, I can computerize this paper and pen thing and arrive at the same
7 claimed invention.

8 MR. OSBORNE: But you can't because we start with a first menu
9 already computerized to go to a second menu configured for a handheld
10 displayed. We don't start with pen and paper. The patent specification
11 never says anything about starting from pen and paper. It says problems in
12 pen and paper were existing, and this further removes problems that exists,
13 but it wasn't a transformation of paper into computer.

14 JUDGE LEE: I'm playing the devil's advocate now. With a pen
15 and paper, I can say, Well, I can generate a first menu and fiddle with it and
16 come up with a second menu; isn't that the same thing? You have the first
17 menu on the computer to start with and I say, I have a pen and paper and I
18 start with the first menu, hierarchical first menu and I can change that to a
19 second menu. It's all on paper.

20 MR. OSBORNE: But you didn't do anything that was a special
21 reconfiguration. Just because you can do something on paper doesn't mean
22 that it can be solved via computer by a particular set of application software
23 instructions. If that was the case, nothing in software would ever be
24 patentable, and that's not what Alice said. We think the particular
25 limitations here gets us out of 101.

1 With regard to the Secure Access case that I cited before, it was a
2 decision to not institute trial, and it held that paper menu functionality was
3 not recited in the claims, which is also the case with the Ameranth patent
4 claims. There's no recitation of paper. In Secure Access they were trying to
5 reduce it to something that could be -- was done from time of memorial via
6 paper, putting an authentication stamp on a piece of paper. That wasn't what
7 it was. The Board recognized that. The same is true here.

8 The VirnetX case from the Federal Circuit, I believe the one is
9 that -- said that claim terms -- claim terms -- the preamble terms need to be
10 construed by reference to the specification when there is extensive
11 discussion in the specification and particularly the summary of the invention
12 limiting the -- limiting the invention to what is stated in the specification.

13 I think we cited that in our brief. We may not have. It was the
14 VirnetX v. Cisco, case number 2013, 1489. We didn't cite it because it was
15 just last month. The Federal Circuit held that giving primacy to particular
16 attributes in the summary of the invention strongly indicates that those
17 attributes are part of the invention.

18 Here's it's even clearer because the particular terminology is used
19 in the claims, and I would also point out that all of the terminology we're
20 asking the Court to construe is actually in the claims. Petitioner alleges that
21 we're trying to import limitations in. That's not the case at all.

22 VirnetX also held that repeated and consistent use of terminology
23 suggests that it should be read as part of a claim, and again here it's in the
24 claim.

25 Just a moment, please.

1 The voice transformations in the '733 claims are analog to digital.
2 That is a quintessential transformation, and not only that, the Petitioner did
3 put forth in its reply what we thought should be stricken exhibits on
4 handwriting, but they put nothing in on voice recognition. This was taking a
5 menu on a screen -- on a handheld device screen or other screen and actually
6 modifying it via voice input, which is analog at that point, so it has to be
7 converted. The menu gets converted into a third menu. They have
8 absolutely nothing in a petition reply or anywhere else that teaches that that
9 was conventional with regard to a menu system as claimed.

10 JUDGE LEE: Do you have a figure that shows the second menu
11 as displayed on a handheld?

12 MR. OSBORNE: Yes, that's figure 7. This is exemplary. It's
13 figure 7 on slide 5 or 6 or something like that. Slide 5.

14 MR. FABIANO: Figure 7 in the '850 patent, Your Honor.

15 MR. OSBORNE: It's on slide 5?

16 MR. FABIANO: Yes.

17 JUDGE LEE: That's generated from the first menu that having a
18 modifier menu and a sub-modifier menu?

19 MR. OSBORNE: Yes. And '850, there's also an exemplary first
20 menu shown in figure 1 of the '850 patent as well. Again this was 15 years
21 ago. There are a lot of different variations of that first menu, and there are a
22 lot of different variations of the second menu, the handheld menu shown in
23 the '850 patent, but the idea is it's smaller, and it has much more limited
24 configuration parameters than a larger screen does.

1 JUDGE LEE: Do you have a picture of the corresponding first
2 menu so we can --

3 MR. OSBORNE: You can look at figure 1. I don't have it on a
4 slide, but you can look at figure 1 of the '850 patent. This was a particular
5 type of first menu. It could be organized to look like the -- like the slide up
6 on the projector now. It could look -- the first menu could look like that as
7 long as it had all the capability to select from to make the change and then
8 generate the second menu for the handheld.

9 JUDGE PETRAVICK: Is figure 7 only for handheld?

10 MR. OSBORNE: It's given here -- it's identified in the spec as a
11 handheld display.

12 JUDGE PETRAVICK: But it could be a web page.

13 MR. OSBORNE: If this is handheld that's web enabled, it's also a
14 web page.

15 JUDGE PETRAVICK: It's also a web page?

16 MR. OSBORNE: Yes.

17 JUDGE PETRAVICK: So handheld and web page aren't
18 different?

19 MR. OSBORNE: They don't have to be.

20 JUDGE PETRAVICK: They don't have to be.

21 MR. OSBORNE: They don't have to be. In 1999, the one
22 application was to have a handheld in a restaurant to enable servers not to
23 have to run back and forth, so that embodiment is obviously captured, but
24 also a web page is required because that's another nonstandard way to
25 display a menu for ordering.

1 JUDGE LEE: So figure 1 menu, according to you, is non
2 displayable on the handheld.

3 MR. OSBORNE: No, no, no. It's not displayable on the
4 handheld. The claim doesn't require that it be displayable on the handheld.
5 It's just the first menu from which the second menu comes. That's all the
6 claim requires.

7 JUDGE LEE: Not displayable because it's too complex?

8 MR. OSBORNE: No. It's just because that's not the point of the
9 invention. The point of the invention is to start with the first menu and get it
10 into some form that will be displayable on a handheld.

11 JUDGE LEE: If it was already displayable on a handheld, I'm just
12 trying to see where the invention is.

13 MR. OSBORNE: The invention is in the application software
14 because it configures one menu for display on a particular handheld device.

15 JUDGE LEE: But assuming the menu you start with is not
16 displayable on the handheld, if it's already displayable on a handheld, then
17 there's nothing to convert.

18 MR. OSBORNE: It would have to be displayable on the
19 particular handheld device that has the same parameters, and in that
20 hypothetical that would be -- that would be true. There wouldn't be any
21 purpose for doing that, but in the situation where if you did have your
22 handheld as your master computer, the handheld could be -- conforming it to
23 generating it for display on different devices, on Apple devices, Samsung
24 devices, it would have different parameters.

1 JUDGE LEE: Right. That's why I wanted to ask you: Do you
2 have a picture of a first menu that's not displayable on a handheld and then I
3 can compare that to your figure 7 in '850.

4 MR. OSBORNE: Figure 1. Figure 1 is the first menu. The
5 specification doesn't say this cannot be displayed on a handheld, and the
6 claim doesn't, but the point is that the claim starts with the first menu, and
7 this is an example of a first menu you would start with, and you would show
8 it has various levels and has various constituents and lengths between those
9 levels.

10 That's what figure 1 of the '850 patent shows.

11 JUDGE LEE: So is the figure 1 menu displayable or not on the
12 handheld as shown in figure 1?

13 MR. OSBORNE: I don't know that it's not displayable, but that's
14 not the purpose of the claims. We don't need to display figure 1 on the
15 handheld. We do need to display the second menu, figure -- this. We need
16 to display that on the handheld, so you're reading in a limitation that doesn't
17 exist in the claims of displayability. The first menu is displayable, and this
18 picture, figure 1 of '850, is displayable. It doesn't have to be displayed on
19 the handheld. It's displayed on the screen associated with the server, the
20 central server and the client server system.

21 JUDGE PETRAVICK: But the server can't be a handheld?

22 MR. OSBORNE: I guess it's not practical to think of the handheld
23 as being a server when you look at what's claimed here.

24 JUDGE LEE: What needs to happen to this figure 1 in order for it
25 to be displayable on a handheld?

1 MR. OSBORNE: It needs to be reconfigured, which could
2 include reducing in size. It could include taking the various levels -- the
3 various particular structures, changes the constituents, changing the levels
4 even for a particular handheld device so that everything fits in a uniform
5 way and is consistent with what's offered in a back office. It doesn't have to
6 be like that.

7 JUDGE LEE: It may not be necessary. It may be displayable as
8 is.

9 MR. OSBORNE: The claim doesn't require that it be displayable
10 on a handheld device. So I'm saying to answer your hypothetical, I don't
11 know if it could be displayed on a handheld device because I've never tried
12 to do that, but my claim doesn't require that. It requires it be displayed on a
13 GUI associated with a central server. If you have a handheld device --

14 JUDGE LEE: If it's already displayable, then what does the
15 conversion mean?

16 MR. OSBORNE: The conversion means you have a small
17 handheld device. You have a device like this laptop screen or an even
18 bigger screen, and you need to make sure it works on the handheld device,
19 and it may require a lot more than just reducing the size as evidenced by all
20 the selection --

21 JUDGE LEE: So it depends on the exact handheld you want it to
22 fit on.

23 MR. OSBORNE: Yes. Yes.

24 JUDGE LEE: So maybe it requires a lot of processing. Maybe it
25 doesn't require any processing.

1 MR. OSBORNE: It requires what you would be using as a server.
2 If there's a handheld device from the year 1999 when this application was
3 filed, I think I'm fairly safe in saying there was nothing available at the time
4 that would allow you to use a handheld as a server to perform this invention.

5 I think that's probably the best way to look at it, but I can't tell you
6 categorically that there's -- that there isn't a handheld device right now or
7 never would be a handheld device that couldn't act as a server computer in
8 this invention. That's true.

9 JUDGE LEE: So your answer is maybe it's displayable, maybe
10 it's not, and maybe it requires a lot of conversion steps, maybe it requires
11 very little conversion steps. It's all nebulous.

12 MR. OSBORNE: It's not nebulous. The claim gives you the
13 capability to do whatever you need to do.

14 JUDGE LEE: Do whatever you need to do may be a lot or very
15 little depending on the handheld device.

16 MR. OSBORNE: Yes, that's true.

17 JUDGE LEE: All right. Thank you.

18 MR. OSBORNE: I appreciate the extra time.

19 JUDGE PETRAVICK: I have one more question. I want you to
20 reconcile two statements for me. In your response, you were talking about
21 the synchronous and generating the menus, and you make a statement that
22 the programming is not trivial, specifically page 10 of the 013 case, and that
23 it's unique.

1 In the spec itself then tells us that the discrete programming steps
2 is commonly known and programming details are not necessary to a written
3 description of the invention.

4 So if the programming is not trivial but in the spec it says it's
5 commonly known, throughout your argument, you've been telling us that
6 one of ordinary skill in the art would know about a bunch of this
7 functionality and how it related into the software, so is it trivial or
8 commonly known?

9 MR. OSBORNE: I think there's a fundamental misunderstanding
10 here. The patent specification says that you can use common computer
11 languages and discrete steps can be used to construct the software algorithm
12 to perform this function, but as I showed you in part of the specification
13 deals with Windows CE and how we went well beyond Windows CE
14 providing the application software capability, an inventor is not required to
15 invent his own language. He's not required to not use particular types of
16 functions known with existing computer software programming capabilities.

17 As a matter of fact, all computer software inventions start with
18 existing software and move forward unless you truly do invent a NewCo.
19 Those statements in the specification are a general statement that we start
20 out with C++ or Cobalt or something, and we know particular functions
21 within that realm, and we can use that to code this particular application
22 software. I don't think that argument has merit at all.

23 JUDGE PETRAVICK: But the programming is not trivial.

24 MR. OSBORNE: The programming is not trivial. There are steps
25 in known software at the time that can be used. That doesn't mean this

1 application software is trivial. If you look at this slide, we say that Windows
2 CE was limited. The particular application software claimed here and
3 disclosed in the specification enhances basic Windows CE functionality by
4 adding new features, and further down it says exactly what those features
5 are, include vast synchronization between a central database and multiple
6 handheld devices, synchronization and communication between a web server
7 and multiple handheld devices. That's what the software did.

8 Does that answer your question?

9 JUDGE PETRAVICK: I think I understand. Thank you.

10 MR. OSBORNE: I appreciate that. Thank you then. I will vacate
11 the podium. I appreciate the opportunity today. Thank you.

12 MR. GREENE: Your Honors, if I may proceed, I certainly don't
13 want to belabor any of these points, but I do think there are some points that
14 are worth addressing that were raised in Patent Owner's argument.

15 Maybe for the sake of efficiency, the closing discussion here
16 related to this concept of customizing display layouts and whether that
17 concept shows up in these instituted claims.

18 What I would point to the Board, this is not something that Patent
19 Owner is arguing for the first time. They argued this in their papers that
20 Claims 1 through 11 of the '850 patent reflect this concept of customizing
21 display layouts. Of course we dispute that. That's just from our reply, and
22 I'll show you why.

23 This is Claim 1 of the '077 patent, which was not instituted, and if
24 you look at what's highlighted there and even move a little bit above, this
25 claim recites the elements of a menu configured for display with a

1 customized display layout for handhelds, so when they wanted to include
2 elements in their claims that relate to particularly citing the display for
3 handhelds, they knew how to add those elements to their claims. Obviously
4 that language is not in the instituted claims, and therefore it should not be
5 construed to be there.

6 Backing up to slide 20, and this addresses the question you asked
7 earlier, Judge Petravick, and then you actually quoted this language yourself
8 at one point. You asked me if there's anything in the disclosure that talks
9 about how transmitting information between devices is conventional. Well,
10 this passage from the specification hits that solidly, and I apologize I didn't
11 jump right on to it when you asked the question.

12 This is again talking about specifically about Windows CE and
13 how it's used in the embodiments of the invention, and Windows CE
14 includes flat out of the specification built in synchronization between
15 handheld devices, Internet and desktop infrastructure, so I think that does
16 make the point that even in the specification, there's acknowledgment that
17 this idea of transmitting documents and data between devices was
18 conventional and was known.

19 I didn't get to this slide earlier, and I wanted to come back to it
20 because we heard in Patent Owner's presentation that these claims recite the
21 elements of a central server and that that is another thing that leads to these
22 claims, including concepts from the specification that just aren't there, and
23 the central server argument you heard was tied to this element in the claims,
24 a central processing unit. That's what the claim says.

1 Patent Owner would like that to be construed as a central server,
2 but when you look at the specification, a snippet of which we have here on
3 slide 10, a central processing unit is equated with a Pentium microprocessor.
4 This is out of their own specification, so the notion that the CPU should be
5 construed as something much more complicated, i.e. a central server
6 according to Patent Owner, is belied by their own specification, but I would
7 note that even if central processing unit is construed as a central server,
8 there's nothing in the spec certainly that would say that central server is
9 something more complex than just a generic server, and so even with their
10 construction, they still don't win, but it is worth noting that central
11 processing unit should be construed as a microprocessor.

12 Jumping back to this concept of synchronization, you heard Patent
13 Owner say at one point and point out that in Claims 4, 5 and 12 of the '733,
14 they specifically recite synchronization, and that because the Board
15 instituted certain claims from the other patents that recites synchronization,
16 that should carry the day. These claims are patent eligible under that same
17 rationale. We should all go home.

18 Well, of course again this is back to that slide 20. In their own
19 specification, they note that synchronization was built into Windows CE, so
20 exciting the magic incantation of synchronization in Claims 4, 5 and 12
21 certainly shouldn't save those claims in light of their owner disclosure in the
22 specification, and certainly as we discussed earlier, the Board is aware of the
23 concept of synchronization, and in fact the Board construed it in the '077
24 institution decision and construed it very broadly as we discussed to make it
25 to exist at the same time.

1 So it's not that synchronization in and of itself is so complex that it
2 necessarily elevates these claims simply by being in there. The Board was
3 aware that synchronization was recited in Claim 4 in the institution decision
4 for the '733 patent. The Board quoted that language, so it's not like this
5 revelation that synchronization is recited in the '733 magically transformed
6 the claims, and in fact I would point out that in the institution decision for
7 the '850 in which Claim 12 was not instituted, the Board certainly didn't say
8 that it was not instituted because it recites synchronization.

9 The Board says it at page 24 of that institution decision, that's
10 paper 20, that claim was not instituted, and the Board runs through a litany
11 of what that claim contains: Web servers, hospitality applications. Actually
12 I'll jump to the slide so we can all look at it together. This is in the wherein
13 clause. Actually it's throughout the claim: Web servers, hospitality
14 applications, an application programming interface, a communication
15 control module, synchronizing data and applications, integration of outside
16 applications with hospitality applications, interfacing between hospitality
17 applications and other communication protocols. Those were all cited by the
18 Board in its institution decision with regard to why it did not institute on
19 Claim 12.

20 Obviously as I said before, we disagree, but the notion from the
21 argument that Patent Owner offered that because certain claims recite
22 synchronizing, they should be equated with this claim that the Board did not
23 institute on certainly doesn't hold water.

24 That's true also for the claims in the '077. The Patent Owner
25 argued in their response that the claims of -- the instituting claims were

1 effectively the same as the claims of the '077, all of which weren't instituted,
2 and therefore the instituted claims should pass muster under 101 under the
3 same rationale, but I'll again point out that in the institution decision for the
4 '077, this is at page 38 and 39, that provides the Board's rationale on why it
5 didn't institute on the '077, and it simply wasn't because of just the simple
6 concept of synchronization.

7 The Board talks about formatting automatically a configuration
8 for display as being one of the reasons, the concept of realtime,
9 communication control software. None of these elements are in the
10 instituted claims, and so trying to align the instituted claims with the
11 noninstituted claims simply doesn't hold water given that elements relied
12 upon by the Board to not institute are not in the instituted claims.

13 JUDGE LEE: Because the concept or the abstract idea is menu
14 generation, why generate a second menu when you already have a first
15 menu?

16 MR. GREENE: I think it's a fantastic idea, and I don't think
17 there's any teaching that really ever helps us understand that. It seems to be
18 a gratuitous step at least as the claim is described, certainly the instituted
19 claims as it's described.

20 JUDGE LEE: Yeah. It definitely seems gratuitous unless you
21 step into the Patent Owner's shoes where it's very meaningful because I want
22 it to be displayable easily on the handheld. So on the one hand you say it's a
23 gratuitous step, it doesn't mean anything, and on the other hand, oh, it's very
24 meaningful because the whole claim is about display on the handheld, and it
25 suddenly has a lot of meaning to go from the first menu to the second menu.

1 MR. GREENE: We would submit, Your Honor, as Petitioner that
2 translating one menu into another menu is a trivial step. There's nothing
3 described in the specification that would say that was anything other than
4 trivial, so maybe it was significant to the inventor, but it's still a trivial
5 action, and so at that point it doesn't elevate the claim above the 101
6 threshold. It's just converting from one format to another, especially given
7 the specification doesn't indicate it's anything other than trivial.

8 Next very briefly I have a few slides on this concept of manual
9 modification.

10 JUDGE LEE: I'm sorry, but would that tend to support Patent
11 Owner's argument that the abstract idea is not about menu generation. It's
12 actually something about the handheld device. Otherwise it's meaningless to
13 go from first menu to a second menu.

14 MR. GREENE: All I would say, Your Honor, is that in their own
15 specification they say over and over that the invention is about menu
16 generation. Now whether it's converting from paper to a first menu or
17 generating a second menu from the first menu, it's still generating menus,
18 and so I think that is why their specification says the inventive concept is the
19 generation of menus.

20 Did that answer your question?

21 JUDGE LEE: Yes.

22 MR. GREENE: So this concept of manual modification as we
23 pointed out earlier shows up in the second wherein clause of the '733 claims,
24 wherein said second menu is manually modified after generation. Patent
25 Owner, as you heard in their presentation, I think put a lot of stock in this as

1 somehow in viewing this claim with the special sauce that gets it above
2 Section 101.

3 I would point out that this is a classic depiction of exactly what
4 the Court in *Bain Corp.*, this is the Federal Circuit speaking, doesn't work for
5 101, and that is when a computer simply performs more efficiently what
6 could otherwise be accomplished manually, so grafting a step on the end of
7 the claim that literally recites doing something manually surely does not get
8 the claims over the Section 101 hump.

9 Then you heard some argument about the dependent claims and
10 how the dependent claims add certain elements to the invention that invue it
11 with 101 patent eligibility. We saw dependent claims that refer to things
12 like selectively printing, handwriting capture, voice capture. I think clearly
13 Patent Owner is -- I certainly haven't heard them argue in their briefs and I
14 don't see anywhere in the patent where they're alleging to have invented
15 printing something or a new way of printing something or voice capture or
16 handwriting recognition.

17 I think all of these fall under what the Supreme Court would call
18 token post solution activity, and grafting such token post solution activity
19 onto a claim certainly doesn't make it patent eligible under 101. The
20 Supreme Court has said that in *Flook*. They've said that in *Bilski*, and
21 obviously the Federal Circuit has said it many times as well.

22 Then again there's other dependent claims and even independent
23 claims that have steps grafted onto the end that focus on things like table
24 based ordering. Well, I think that pretty clearly falls under a field of use
25 type limitation, which again the Supreme Court has been empathic in *Bilski*

1 and Flook and other cases that a field of use limitation grafted onto a claim
2 does not make it patent eligible.

3 There are certain dependent claims that even talk about creating
4 something with HTML. Certainly I don't think I've heard Patent Owner
5 argue and their specification doesn't claim that they created HTML, so
6 adding a step to their claim that says, Do this in HTML, again that's not a
7 meaningful limitation that should import patent eligibility. The Supreme
8 Court has been very clear about that.

9 This meaningful limitation concept flows from Alice, Mayo, this
10 whole line of cases that to get over the 101 threshold, the limitations have to
11 be meaningful. They cannot just simply be the draftsman art that adds
12 something to the claim that really doesn't mean anything.

13 And with that, I will hand off to Mr. Zembek very briefly to
14 address this issue of the exhibits that Patent Owner has objected to.

15 Thank you for your time today, Your Honors.

16 MR. ZEMBEK: Your Honors, Patent Owner has objected to the
17 exhibits that we added in our reply brief. The specific exhibits that I believe
18 they're objecting to relate to the conventional functionality found in
19 Windows CE. The patent specification admits that Windows CE is
20 conventional. Our petition discusses Windows CE, and effectively what
21 they're arguing is that Windows CE did not have certain functionality within
22 it, and the exhibit that we included rebutted those positions directly that they
23 took with respect to Windows CE.

24 Our opening petition also discussed a number of the admitted
25 conventional handheld devices such as the PDAs and the like, and the

1 exhibit that we submitted is just another example of such a conventional
2 PDA, so I think we're in a position here in which each of our additional
3 exhibits directly responds to an argument that has been raised by the
4 patentee in its responsive brief, and it also is directly tied to the arguments
5 that we had in our opening brief as well. Unless the Board has any questions
6 with respect to that.

7 Just for purposes of the record, Petitioner objects to the additional
8 cases and arguments that were raised for the first time admittedly in the
9 Patent Owner's response. We appreciate that the Board will give appropriate
10 consideration as to whether or not that should be admitted, and we
11 specifically object to the discussion of 408 communications from another
12 proceeding that's not cited anywhere in any of the prior papers as well.

13 JUDGE LEE: Are you talking about their citation to other cases?

14 MR. ZEMBEK: Their citations to confidential settlement
15 communications where we did not represent the party as part of the Federal
16 Circuit's mediation program. Thank you, Your Honor.

17 JUDGE LEE: Patent Owner, you have an opportunity to respond
18 to those objections.

19 MR. OSBORNE: I would just like to say that we do not believe
20 the reply properly addressed points raised in our response. Our response
21 merely pointed out that there was no evidence of conventionality for these
22 various things in the party. They're not entitled to a second shot. We
23 showed that it was not rebuttable, and they failed to do that. They just
24 changed courses. It's not allowed to do that under the rules as we understand
25 it. Also Windows CE and emulators and everything else they tried to show

1 in this inadmissible stuff they put in with their reply doesn't have anything to
2 do with using that functionality in the context of the menus as claimed.

3 Thank you.

4 JUDGE LEE: Do you also have some objections you could
5 respond to those?

6 MR. OSBORNE: I cannot address specifically what he's talking
7 about with regard to 408 communications. I don't remember that, but it was
8 in the record. We put it in. If we put it in with our response, we think we
9 were entitled to put it in with our response. I don't understand why that
10 would be objectionable.

11 JUDGE LEE: Can you tell us where?

12 MR. FABIANO: Just to address the point regarding the Federal
13 Circuit case that Mr. Osborne mentioned earlier and the CBM decisions,
14 both of which were issued respectfully by the Federal Circuit and by the
15 PTAB within the last month and thus obviously could not have been in our
16 responsive brief which we filed in July.

17 MR. OSBORNE: Again I don't have the detailed knowledge right
18 now to address his complaint about a 408 document. I don't understand why
19 that would be objectionable. Thank you.

20 JUDGE LEE: Thank you. We appreciate your presence and the
21 case is submitted. Thank you.

22 **(Whereupon, at 3:55 p.m. the hearing was concluded.)**
23
24
25

Cases CBM2014-00013, CBM2014-00015, CBM2014-00016
Patents 6,982,733 B1, 6,384,850 B1, 6,871,325 B1

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