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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GLOBAL TEL*LINK CORPORATION
Petitioner,

v.

SECURUS TECHNOLOGIES, INC.
Patent Owner.

CBM2017-00044
U.S. Patent No. 8,340,260

**PATENT OWNER'S PRELIMINARY RESPONSE TO PETITION FOR
COVERED BUSINESS METHOD REVIEW OF CLAIMS 2, 5, 8, 9, 11, 12,
AND 14-18 OF U.S. PATENT NO. 8,340,260**

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Exhibit Number	Description
2001	CBM2017-00034, Paper 2 - Petition
2002	CBM2017-00034, Paper 6 – Preliminary Response
2003	IPR2014-00824, Paper 8 – Preliminary Response
2004	'0824 IPR, Paper 9 – Institution Decision
2005	'0824 IPR, Paper 36 – Final Written Decision
2006	IPR2017-01436, Paper 2 – Petition
2007	PGR2016-00044, Paper 7 – Institution Decision

I. INTRODUCTION

Patent Owner Securus Technologies, Inc. (“Securus”) hereby files with the Patent Trial and Appeal Board (the “Board”) this Preliminary Response to the Petition for Covered Business Method Review of Claims 2, 5, 8, 9, 11, 12, and 14-18 of U.S. Patent No. 8,340,260 (the “Petition”) filed by Petitioner Global Tel*Link Corporation (“GTL”). GTL raises just one ground in the Petition: that the challenged claims of the ’260 patent are patent ineligible under 35 U.S.C. § 101.

As an initial matter, the ’260 patent is not eligible for covered business method (“CBM”) review because it is not a patent that *claims* a financial product or service. Instead, the claims cover technological inventions that – at best – are incidental to or complementary to financial activity. The claims provide centralized or nodal inmate management and telephone call processing capabilities to controlled environment facilities and law enforcement agencies, which solves numerous problems with prior art systems by providing a means to monitor, control, and connect telephone calls based on information in a centralized system. While a few dependent claims reference fees charged to inmates, the claims merely contemplate a *possible* sale of a good or service in connection with the use of the claimed systems and methods. Remarkably, GTL’s argument that the ’260 patent is CBM eligible contradicts its prior assertions to the Board in connection with its own patents. *See, e.g.,* Ex. 2002 (CBM2017-00034, Paper 6) at 19 (“[B]illing for use of a telephone

system is not a financial service that confers CBM jurisdiction.... At best, billing for use of a telephone system is merely an incidental or a complementary activity for receipt of telecommunications services.”).

Further, GTL should be estopped from re-asserting arguments that were previously rejected by the Board in a prior *inter partes* review (“IPR”) concerning the alleged obviousness of the challenged claims. GTL previously petitioned the Board for IPR of all claims of the ’260 patent in IPR2014-00824 (the “’0824 IPR”). In its Final Written Decision, the Board determined that GTL failed to demonstrate that the challenged claims were invalid and unpatentable over the cited prior art (Spadaro and Hodge against claims 2, 8, 9, 11, 14, 16, and 17; Spadaro, Hodge, and Boykin against claims 5 and 12; and Spadaro, Hodge, and Nguyen against claims 15 and 18). Ex. 2005 (’0824 IPR, Paper 36) at 24. Unsatisfied with this outcome, GTL has reasserted its prior obviousness arguments in an attempt to show that the challenged claims are CBM eligible and lack patentable subject matter under § 101. But GTL is estopped from re-litigating obviousness grounds under 35 U.S.C. § 315(e)(1).

Even if the GTL were not estopped by § 315(e)(1), the Board should exercise its discretion under 35 U.S.C. § 325(d) to deny institution, since the Petition is nothing more than a legally deficient follow-on and afterthought to GTL’s prior unsuccessful attempt to invalidate all the claims of the ’260 patent, and it would

waste the finite resources of the Board. *See Blue Coat Sys., Inc., v. Finjan, Inc.*, IPR2016-01441, Paper 14 at 8-9 (PTAB Jan. 23, 2017).

The Board should also deny institution because GTL fails to demonstrate that it is more likely than not that the challenged claims are unpatentable under § 101. GTL misapplies the Supreme Court’s test from *Alice Corp. v. CLS Bank Int’l*, --- U.S. ----, 134 S. Ct. 2347 (2014), by oversimplifying the express limitations of the challenged claims to an alleged abstract idea of “centrally, remotely managing inmate information.” Petition at 24-25. But the claims cover much more than merely the idea of “managing information” in a centralized manner – they fundamentally implement a telecommunications network in controlled environment facilities using a centralized computer platform and networking devices. GTL also incorrectly emphasizes statements in the patent’s background and specification *over* the claim language to allege that the challenged claims are “directed to organizing activities that are performed by people, i.e., gathering information about arrestees and sharing that information with other controlled environment facilities in the form of an ‘inmate record.’” *Id.* at 25-28.

But the challenged claims of the ’260 patent do not recite a mathematical algorithm or a fundamental economic or longstanding commercial practice that can be performed without the aid of a computer. The claims cover novel and nonobvious computer-based telecommunications systems and methods for managing inmate

information from a plurality of facilities to monitor, control, and connect inmate telephone calls. The challenged claims require the use of numerous discrete features of a telecommunications system, including, e.g., to connect telephone calls from a telephone terminal over a telephone carrier network and a digital link, to authorize and validate calls based on inmate records stored in a centralized computer system, to send data packets over a computer network, and to share data access of inmate records to computer terminals at multiple prison facilities.

GTL also fails to consider the challenged claims as a whole, focusing only on whether individual discrete components of the claimed inventions were known in, or obvious in view of, the prior art in contravention of the Federal Circuit's decision in *BASCOM Global Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1349 (Fed. Cir. 2016). While there may have been preexisting systems to monitor and track inmate data, there is no indication that such systems utilized the claimed centralized or nodal computer-based information system to monitor, control, and connect inmate telephone calls – a key improvement of the '260 patent over the prior art. Because the challenged claims are necessarily rooted in telecommunications technology to overcome a problem specifically arising in the realm of controlled telecommunications systems (e.g., the inability to monitor, control, and connect telephone calls with inmate information in a centralized telecommunications platform), they are patent eligible.

II. THE STATE OF THE PRIOR ART BEFORE THE '260 PATENT

Historically, controlled environment facilities have stored arrestee and inmate information in separate, segregated systems. '260 patent, 2:49-51 (“Today, each police, county, state, and federal authority implements its own inmate data collection and management system.”). “[I]nitial information may be collected, for instance, in a patrol car or the like.” *Id.*, 2:7-8. “Before being fully processed into the controlled environment facility, an arrestee may go through a classification process, medical examination, hygienic processing (e.g., shower and delousing, etc.),” during which “staff members may be required to complete a file in an inmate management system.” *Id.*, 2:19-25.

Some arrestees are placed in temporary holding cells, during which they can make telephone calls, but, prior to the '260 patent, local controlled environment facilities did not ordinarily have the capability to monitor, control, or charge for these calls. *Id.*, 2:26-34. Arrestees are often transferred between controlled environment facilities (e.g., from a local police station to a county jail), but because each facility has its own inmate data collection and management system, “redundant information is gathered and processed by each facility.” *Id.*, 2:52-55. And, since “[t]he information collected by these different facilities is not connected in any way,” “investigators must visit or contact each such entity when seeking information related to a single case or person.” *Id.*, 2:55-58.

III. OVERVIEW OF THE '260 PATENT

The '260 patent, titled “Inmate Management and Call Processing Systems and Methods,” sought to solve these problems with specific configurations of telecommunications technology. The '260 patent discloses “systems and methods that provide centralized or nodal inmate management and telephone call processing capabilities to controlled environment facilities.” '260 patent (Ex.1001), Abstract. The system disclosed by the patent manages inmate information in order to process telephone calls made by inmates. It further “serves a plurality of facilities and includes an inmate information database.” *Id.* “The database is shared across the facilities and contains inmate records that may be accessed and modified by each facility as the inmate is transferred among those facilities.” *Id.*

“Each controlled environment facility may utilize the inmate management and call processing system to store, retrieve, and/or modify a record associated with an arrestee or inmate in the inmate information database.” *Id.*, 3:8-11. Records are created “[w]hen a person is arrested for the first time” and may be updated with new information over time (e.g., if the arrestee has been arrested before, the arrestee’s existing record may be updated). *Id.*, 3:19-31. “[A]s the arrestee is moved or transferred among different controlled environment facilities (e.g., from police department to county jail), the receiving facility may access the inmate management and call processing system and retrieve the inmate’s record from the inmate

database” and may modify and/or add data collected by the facility. *Id.*, 3:56-63. Thus, “an inmate’s entire incarceration history beginning with his or her arrest is maintained in a centralized or nodal database.” *Id.*, 3:63-65.

The inmate management and call processing system thereby allows for the sharing of inmate information “across several facilities” irrespective of their affiliation with one another:

[T]he inmate management and call processing system provides for data sharing, aggregation, and/or analysis across multiple facilities served, whether affiliated (such as facilities of a particular city, county, or state or facilities having an association, e.g., sheriff’s association) or non-affiliated (such as all facilities served by the service provider). Information, such as inmate booking information, dossiers, etc., may be shared across several facilities.

Id., 3:65-4:6. The specification discloses that “one centralized inmate management and call processing system may be implemented with respect to a plurality of facilities serviced.” *Id.*, 4:48-50. “Additionally or alternatively, a plurality of inmate management platforms, such as might be deployed regionally and/or to provide redundancy, may be networked to a plurality of facilities serviced.” *Id.*, 4:51-54.

To allow sharing between different facilities, the inmate management and call processing system uses a telecommunications network. *Id.*, 3:11-18. The data connections between the facilities carry “telephone call content ... from a location at which calling services are provided to an inmate management and call processing

system providing all or substantially all call processing functionality, such as calling party identification, call validation, call routing, connection to the public switched telephone network (PSTN), call recording etc.” *Id.*, 4:12-21. “Additionally or alternatively, calls may be placed on a network at the facility.” *Id.*, 4:21-22.

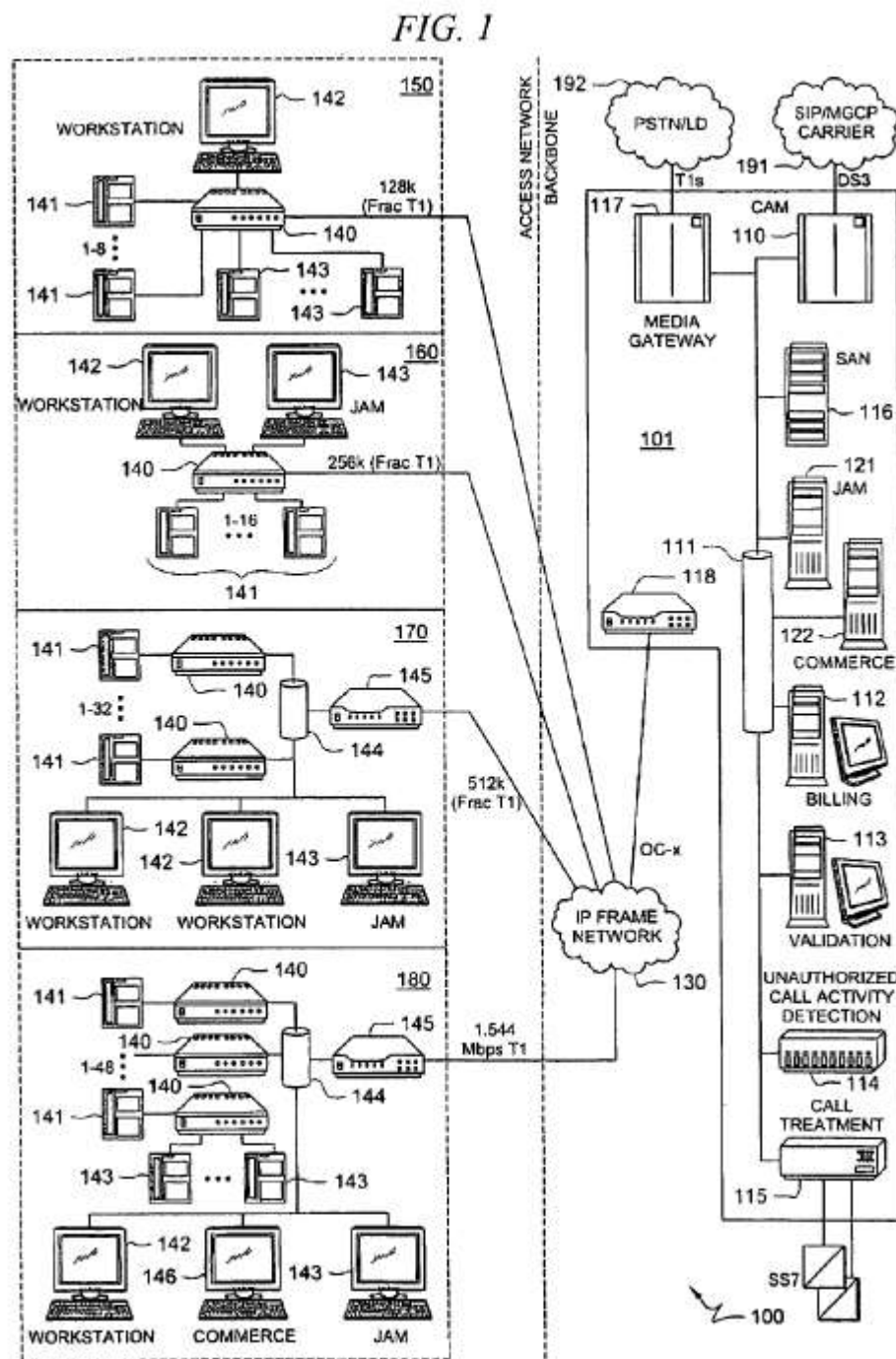
The system also uses “call processing gateways” (i.e., VoIP gateways or integrated access devices) “to provide plain old telephone service (POTS) analog line interfaces for use with a plurality of telephone sets disposed for use at the facility and at least one wide area network (WAN) interface for providing high speed communication to an inmate management and call processing system.” *Id.*, 4:26-38. The call processing gateways also “provide additional interfaces, such as a local area network (LAN) for connecting systems such as management terminals to the gateway and/or inmate management and call processing system and/or switched network interfaces such as to couple PSTN lines directly to the gateway, if desired.” *Id.*, 4:39-44. The call processing gateways “become the collection point for calls and data for a particular facility and provide a link to one or more central sites for call processing and other functionality.” *Id.*, 4:45-48.

The system additionally employs “high capacity and high speed routing/switching functionality, such as a router and gigabit Ethernet switch, to facilitate low latency data communication between call processing functionality and/or PSTN interfacing functionality of the call processing gateways of a plurality

of facilities.” *Id.*, 4:65-5:4. The system may utilize “a plurality of servers operable under control of instruction sets defining operation to provide call processing features such as calling party identification, call validation, call routing, etc.” *Id.*, 5:4-9. “PSTN interfacing functionality ... may be provided as a data connection (e.g., media gateway control protocol (MGCP) or session initiation protocol (SIP) to the PSTN,” “as POTS trunking or other more traditional telephone line interface,” or using “VoIP protocols.” *Id.*, 5:9-24.

Figure 1, depicted below, “shows an inmate management and call processing

system according to an embodiment of the present invention”:



Id., Fig. 1, 6:25-26, 6:37-39. The exemplary system “includes computer-based platform 101 in communication with facilities 150-180 via network 130.” *Id.*,

6:40-42.

Call processing gateways 140 are located “at or near sites for which inmate management and call processing services are to be provided” (e.g., facilities 150-180). *Id.*, 6:66-7:3. The “call processing gateways 140 provide a plurality of analog telephone line interfaces (e.g., POTS line interfaces) for coupling to a plurality of telephone terminals 141 and providing loop current, dial tone, etc. thereto.” *Id.*, 7:3-9. They also “provide at least one WAN interface (e.g., T1 interface) for coupling to a data, e.g., packet switched network” and “conversion of analog signals associated with telephone terminals 141 and visitation telephones 143 and digital data packets of the packet switched network to provide a VoIP gateway.” *Id.*, 7:9-16. They may also provide LAN or wireless interfaces. *Id.*, 7:16-20.

Where multiple call processing gateways 140 are located at a particular facility, they “may be coupled to cooperate in providing call processing services using a network, such as network 144.” *Id.*, 7:41-45. “A network router or switch, such as router 145, may be utilized in coupling call processing gateways 140 to computer-based platform 101 via network 130.” *Id.*, 7:45-48. Local management terminals (e.g., workstations 142) or other data processing equipment (e.g., justice application management 143 and/or commerce system 146) may be coupled to the network 144 or directly to the call processing gateways 140. *Id.*, 7:46-8:9.

“The data links between call processing gateways 140 and computer-based

platform 101 are preferably packet switched links, such as those provided using various IP or frame relay protocols.” *Id.*, 8:31-34. “Computer-based platform 101 ... includes router/switch 118 coupling network 130 to various systems and components comprising computer-based platform 101 via network 111.” *Id.*, 8:41-44. The computer-based platform 101 may include additional functionality, including “[c]all application management system 110, billing system 112, validation system 113, unauthorized call activity detection system 116, and media gateway 117.” *Id.*, 8:50-58.

“Call application management system 110 ... as may comprise one or more processor-based servers ... forms the heart of call processing functionality provided by inmate management and call processing system 100.” *Id.*, 9:10-14. For example, the call application management system 110 may “control completing a call between a party using any one of the telephone terminals 141 or visitation telephones 143 and another party, such as may be using one of visitation telephones 143 or a telephone terminal (not shown) coupled to computer-based platform 101 via SIP/MGCP network 191 or PSTN 192.” *Id.*, 9:14-21. It also “provides a data interface coupling call application management system 110 to facilities 150-180 via network 130 and provid[es] VoIP communication therebetween.” *Id.*, 9:34-38. It additionally “provides a data interface coupling call application management system 110 to user terminals (e.g., telephone terminals, not shown) via SIP/MGCP network 191 and

provid[es] VoIP communication through the carrier network to a point more near the user terminal.” *Id.*, 9:39-44.

Computer-based platform 101 also includes “media gateway 117 in communication with call application management system 110 via network 111” to allow communication outside of the digital domain. *Id.*, 9:50-54. It “provides interfacing and arbitration between a number of protocols, signals, and/or interfaces, such as to facilitate communications between digital VoIP protocols present on network 111 and analog protocols present on PSTN 192.” *Id.*, 9:54-61. Thus, media gateway 117 allows call application management system 110 to “provide communications to user terminals (e.g., telephone terminals, not shown) via PSTN 192.” *Id.*, 9:61-64.

“Validation system 113, as may comprise one or more processor-based servers ..., may operate to make determinations with respect to allowing a particular call to be completed and/or continued.” *Id.*, 11:57-60. “For example, validation system 113 may cooperate with call application management system 110 when a call is initiated to verify the identity of the calling party, that the calling party is authorized to place a call, that the called party will receive calls or is authorized to receive calls from the calling party, ..., etc.” *Id.*, 11:60-12:5.

The specification discloses a number advantages of the centralized system of the ’260 patent over the prior art. For example, it states that the validation system 113

improves the responsiveness of validation determinations:

It should be appreciated that the validation process as provided by validation system 113 of a preferred embodiment provides ***improved validation determination response as compared to a typical distribution validation scheme***. For example, where a distributed architecture is utilized, validation often requires a call processor local to the calling party to establish a link with one or more centralized clearing houses or other databases to perform a validation. However, the centralized configuration of the inmate management and call processing architecture of FIG. 1 ***provides for communication between application management system 110 and validation system 113 locally, using packet transmissions, thereby facilitating improved validation determination responsiveness***.

Id., 12:13-26 (emphasis added).

Additionally, the inmate management system provides “a virtual local facility call processor system ... using the aforementioned management terminals disposed locally at a facility and coupled to the centralized call processing platform via a data connection.” *Id.*, 14:13-17. “Accordingly, a facility can enjoy the benefits of having a call processor system without the full expense of such systems.” *Id.*, 14:17-20. For example, Figure 1 shows that “a facility may have only a few telephone terminals, a general purpose computer system for use as a management terminal, and a data network connection coupled to a call processing gateway in order to receive the benefits of a full featured call processing system.” *Id.*, 14:20-25. “Expansion and

updating of such a call processing system with respect to each facility is highly simplified as most updates and expansions may be accomplished centrally, at the call processing platform, without direct involvement of the facility or its personnel.” *Id.*, 14:25-29. The necessary level of involvement of the facility or its personnel in expansions or updates “is insubstantial, such as to deploy additional call processing gateways, connect additional telephone terminals thereto, and provide a network connection.” *Id.*, 14:29-34.

The centralized configuration of the system allows the database to be updated in such a manner that data “is synchronized across the state, county or other jurisdiction.” *Id.*, 15:19-22. This allows facilities to retrieve existing records from the inmate management database and make modifications based on new reports. *Id.*, 15:14-16:55; *see also id.*, 17:16-19. Thus, “when an inmate is transferred from local police department facility 15 to jail 170, the inmate’s unique code ... may be utilized to populate a database entry of facility 170” *Id.*, 17:19-26. This foregoes “the administrative time associated with soliciting and entering such information” and avoids “the additional opportunity for data entry error.” *Id.*, 17:26-29. Further, whenever an arrestee or inmate makes a phone call, the system can use the database to charge an account associated with the inmate and can process the calls “to implement call restrictions, recording, monitoring, warnings, and other functions.” *Id.*, 16:56-17:15.

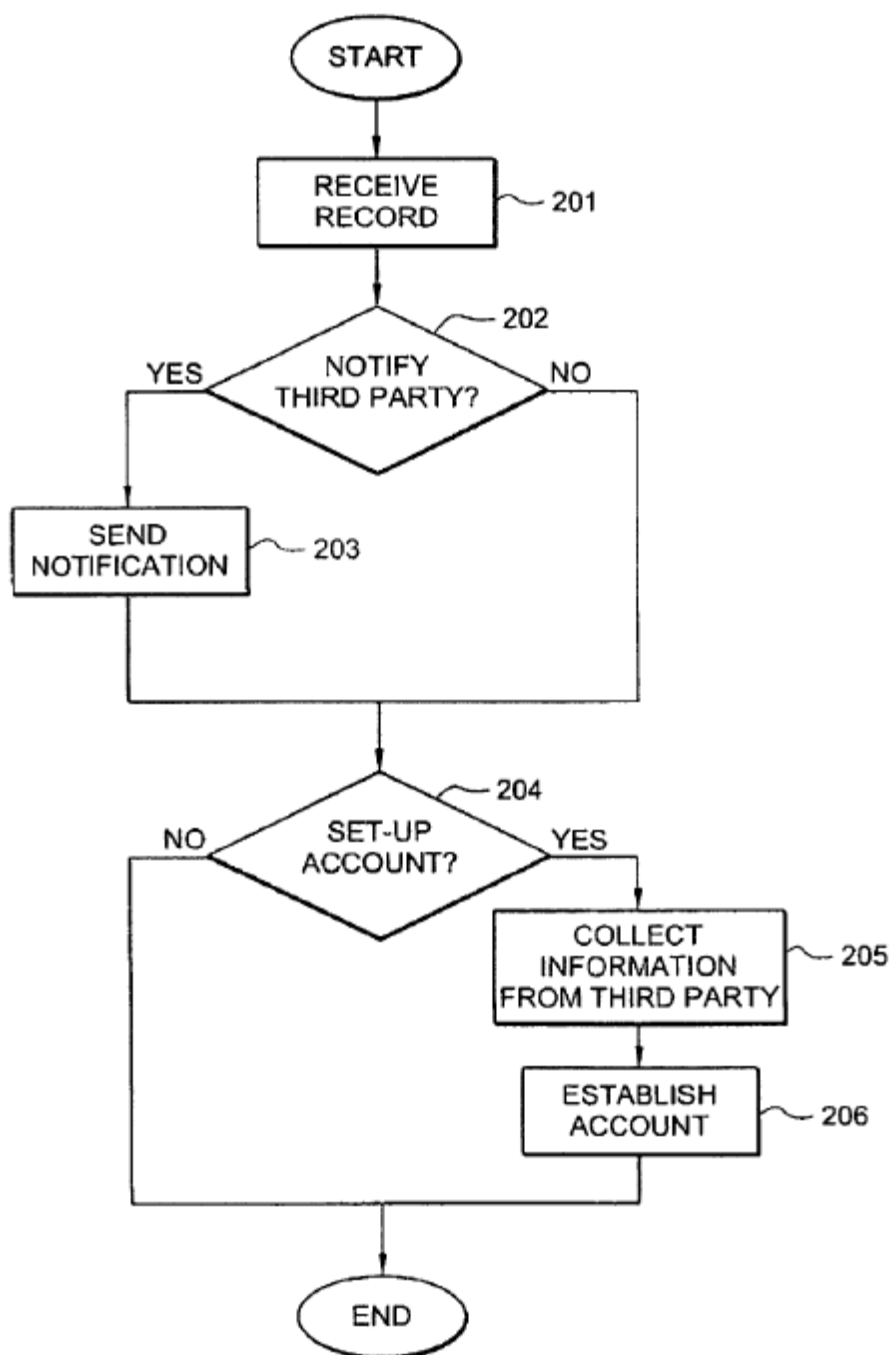
The centralized configuration also allows “the use of communication lines [to] be optimized.” *Id.*, 22:6-8. The “centralized configurations ... allow improved telephone trunking such that telephone lines on the order of one to every four or five telephone terminals served at the facilities by the call processing platform will be sufficient,” since “each of the facilities is unlikely to be experiencing similar calling demand simultaneously.” *Id.*, 22:11-19. In contrast, “where discrete call processing systems are deployed with respect to facilities, it may be necessary to purchase telephone lines on the order of one to every two or three telephone terminals provided at the facility.” *Id.*, 22:8-11. “The variations in calling across all of the facilities allows centralized call processing systems of the present invention to optimize utilization of bandwidth.” *Id.*, 22:28-30.

The “trunking of resources at the call processing platform substantially mitigates capacity limitations with respect to each particular facility.” *Id.*, 22:31-34. “For example, rather than being limited at any one instant to processing a number of calls equal to the individual telephone lines (or telephone line equivalents) purchased with respect to a particular facility, embodiments of the present invention will allow processing of a number of calls equal to the number of telephone terminals at a particular facility.” *Id.*, 22:34-40. This takes “advantage of the fact that digital communications (e.g., VoIP) allows aggregating calls into less bandwidth as well as taking advantage of the optimized utilization of bandwidth discussed above.” *Id.*,

22:40-45.

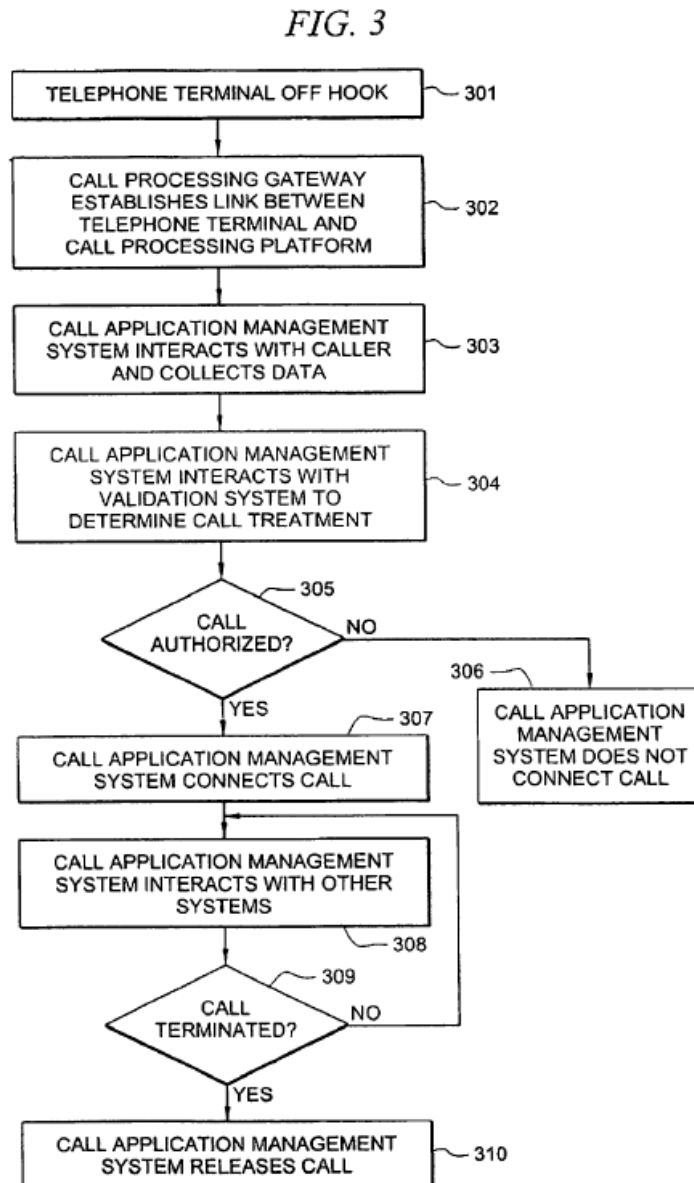
Figure 2 depicts “a flow diagram of an exemplary notification and account set-up method utilizing the inmate management and call processing system of FIG. 1”:

FIG. 2



Id., Fig. 2, 6:27-30, 18:15-18.

Figure 3 depicts “a flow diagram of a call processing operation of the inmate management and call processing system of FIG. 1”:



Id., Fig. 3, 6:31-33.

IV. LEVEL OF ORDINARY SKILL IN THE ART

Based on the disclosure of the '260 patent, one of ordinary skill in the art

would have a B.S. degree in Electrical Engineering, Computer Science, or an equivalent field as well as at least 3-5 years of academic or industry experience in telephony systems. This assessment is consistent with the level of skill determined by the Board in the '0824 IPR. *See* '0824 IPR, Paper 36 at 29-31 (stating that a person of ordinary skill would have “a Bachelor of Science degree in electrical engineering, computer science, or an equivalent field, as well as at least three years of academic or industry experience in telephony systems”).

V. CLAIM CONSTRUCTION

The Board previously construed the term “call application management system” of claim 1 as “a system that performs the enumerated function—‘connecting a call to or from the telephone terminals over a telephone carrier network responsive to receiving a request for connecting the call.’” ’0824 IPR, Paper 36 at 27. GTL does not propose a construction of any other claim terms, but proposes that the “Board maintain [its] construction” of the term “call application management system.” Petition at 22-23. For the purpose of this Preliminary Response, Securus does not contest this construction of “call application management system.” With the exception of certain specific arguments made below regarding dependent claims 8-9 and 16-17, Securus relies on the ordinary and customary meaning of the claim terms, but reserves the right to propose its own construction of any and all claim terms in the event the Board institutes this CBM.

VI. GTL FAILS TO SHOW THAT THE '260 PATENT IS A COVERED BUSINESS METHOD PATENT.

“Petitioner bears the burden of demonstrating that the [] patent is a covered business method patent.” *Fairchild Semiconductor Corp. v. In-Depth Test LLC*, CBM2015-00060, Paper 11 at 5 (PTAB Aug. 3, 2015) (citing 37 C.F.R. § 42.304(a)). A “covered business method patent” is a patent that “claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service, except that the term does not include patents for technological inventions.” AIA § 18(d)(1); 37 C.F.R. § 42.301(a). The Board should deny institution because GTL fails to show that the '260 patent qualifies under this statutory definition.

A. The '260 Patent Is Not Directed to a Financial Product or Service.

GTL does not dispute that the vast majority of the claims of the '260 patent have nothing to do with financial activity. Instead, it contends that claims 8-9 and 16-17 relate to a financial product or service because they recite “storing/establishing accounts for charging fees (claims 8/16) and charging fees to those accounts (claims 9/17).” Petition at 7-8. But these claims “are not *directed to* ‘performing data processing or other operations’ or ‘used in the practice, administration, or management of a financial product or service’ as required by” § 18(d). *See Unwired Planet, LLC v. Google Inc.*, 841 F.3d 1376, 1382 (Fed. Cir. 2016) (emphasis added). Instead, these claims are directed to computer-based

systems and methods that provide shared access to inmate records over a computer network and connect telephone calls based on those records. The fact that the systems and methods are capable of charging fees for certain activities merely shows that they involve a ***potential*** sale of a good or service. But that is insufficient to confer CBM eligibility. See *Unwired Planet*, 841 F.3d at 1382.

To be eligible for CBM review, a patent must include claims that are ***financial in nature***. See *Unwired Planet*, 841 F.3d at 1380 & n.5. But the Federal Circuit recently reiterated that patents relating to activities that are “***incidental to*** a financial activity, or ***complementary to*** a financial activity” are ***not*** part of the statutory definition of a covered business method patent. *Secure Access, LLC v. PNC Bank Nat’l Ass’n*, 848 F.3d 1370, 1380-81 (Fed. Cir. 2017) (emphasis added). As explained by the Federal Circuit in *Unwired Planet*:

The patent for a novel lightbulb that is found to work particularly well in bank vaults does not become a CBM patent because of ***its incidental or complementary use in banks***. Likewise, it cannot be the case that a patent covering a method and corresponding apparatuses becomes a CBM patent because ***its practice could involve a potential sale of a good or service***. All patents, at some level, relate to potential sale of a good or service. Take, for example, a patent for an apparatus for digging ditches. Does the sale of the dirt that results from ***the use of the ditch digger*** render the patent a CBM patent? No, because the claims of the ditch-digging method or apparatus are not directed to “performing data processing or other operations” or “used in the practice, administration,

or management of a financial product or service,” as required by the statute. ***It is not enough that a sale has occurred or may occur, or even that the specification speculates such a potential sale might occur.***

Unwired Planet, 841 F.3d at 1382 (emphasis added).

Tellingly, GTL relies only pre-*Unwired Planet* cases (cases that rely on the erroneous “incidental to” or “complementary to” standard) to support its argument that claims 8-9 and 16-17 cover a “financial product or service.” See Petition at 11 (citing *Apple Inc. v. SightSound Techs., LLC*, CBM2013-00020, Paper 14 at 11-15, (PTAB 2013), *aff’d SightSound Techs., LLC v. Apple Inc.*, 809 F.3d 1307 (Fed. Cir. 2015)); Petition at 12 (citing *Square, Inc. v. Unwired Planet, LLC*, CBM2014-00156, Paper 40 (PTAB Dec. 22, 2015)). And it ignores both *Unwired Planet* and *Secure Access*, placing undue emphasis on various statements in the specification about potential uses of the systems and methods in the exemplary embodiments. *Id.* at 11-13.

As discussed above, the ’260 patent claims are directed to computer-based systems and methods that provide shared access to inmate records over a computer network and connect telephone calls based on those records. They are not directed to “performing data processing or other operations” or “used in the practice, administration, or management of a financial product or service.” Although certain dependent claims reference charging fees for certain activities, those fees are merely incidental to or complementary to the *use* of the claimed computer-based systems

and methods. *See Google Inc. v. HBAC Matchmaker Media Inc.*, CBM2016-00097, Paper 16 at 22 (PTAB Feb. 27, 2017) (“Mere ability to apply the claimed invention in a financial context, standing alone, does not require a finding that the financial prong has been met, especially when the specification as a whole suggests a broader application.”).

The nature of the problems addressed and solutions provided by the '260 patent is instructive. *See ServiceNow, Inc. v. BMC Software, Inc.*, CBM2015-00107, Paper 12 at 11-12 (PTAB Sept. 11, 2015) (panel found instructive that the problem addressed by the patent was non-financial in nature, and that a significant portion of the specification described the claimed method in general terms). The '260 patent solves numerous problems with the prior art that are non-financial in nature, including the inability to monitor and control telephone calls by new arrestees, the redundant gathering of information from transferred arrestees and inmates, and the wasted resources associated with gathering information from various facilities for investigations. '260 patent, 2:26-58. The specification further describes numerous improvements over the prior art unrelated to financial activities, such as improved validation determination response, the reduction of equipment and expense associated with call processing systems, the ability to synchronize records across facilities, the optimization of communication lines, and the substantial mitigation of capacity limitations on calls at each facility. *Id.*, 12:13-26, 14:13-34,

15:19-17:29, 22:6-45.

Contrary to GTL's argument, dependent claims 8-9 and 16-17 are unlike those at issue in *SightSound* and *Square*.¹ Dependent claim 8 adds "wherein the inmate management system further stores inmate accounts for charging fees to the third parties associated with the inmates for connecting calls placed by the inmates from the plurality of telephone terminals," whereas claim 16 adds the step of "establishing an inmate account for charging fees to the third party for connecting calls placed by the inmate associated with the inmate account." But these claim limitations do not require charging fees. Instead, they require *storing* or *establishing an inmate account*. While the claims anticipate that such accounts are *capable* of being used to charge fees, actual use is not required by the claim language because any charge is contingent upon the placement of a call by an inmate. *See In re Johnson*, 435 F.3d 1381, 1384 (Fed. Cir. 2006) ("As a matter of linguistic precision, optional elements do not narrow the claim because they can always be omitted."); *see also Ericsson, Inc. v. D-Link Sys., Inc.*, 773 F.3d 1201, 1216-17 (Fed. Cir. 2014) (holding that claim language, such as "for playing fantasy football," "for preventing execution," "for

¹ Notably, the patent owner in *Square* did not even "contest Petitioner's argument that claim 1 is directed to a covered business method." *Square*, CBM2014-00156, Paper 40 at 9-10.

obtaining a Downloadable,” and “for arranging information,” requires mere capability, as opposed to actual operation). This *potential* use of the claimed inmate accounts does not make the ’260 patent CBM eligible. *See Unwired Planet*, 841 F.3d at 1382.

Dependent claim 9 adds “wherein the inmate accounts are charged for expenses incurred by said inmates for an activity other than placing the calls,” whereas claim 17 adds “charging said inmate account for an expense incurred by said inmate for an activity other than placing the calls.” But like claims 8 and 16, any charge is contingent upon the inmate engaging in “an activity other than placing the calls.” Thus, this claim language does not require actual use (i.e., actual charges), but instead anticipates that the inmate accounts are *capable* of being used to charge fees for such expenses. *See In re Johnson*, 435 F.3d at 1384; *Ericsson*, 773 F.3d at 1216-17; *see also Ex Parte Katz*, Appeal No. 2010-006083, 2011 WL 514314, at *4-5 (PTAB Jan. 27, 2011) (finding the conditional method step of “deducting from a charge for the purchase transaction a value” to be non-limiting, and the corresponding apparatus claim to require capability). Again, this *potential* use of the claimed inmate accounts does not make the ’260 patent CBM eligible. *See Unwired Planet*, 841 F.3d at 1382.

Even if the broadest reasonable interpretation of claims 8-9 and 16-17 were to require actually charging fees, such activity is merely incidental to or

complementary to the use of the claimed systems and methods. As discussed, the '260 patent is concerned with providing shared access to inmate records over a computer network and connecting telephone calls based on those records – not on any financial services. Indeed, GTL admits in CBM2017-00034 that “*billing for use of a telephone system is not a financial service that confers CBM jurisdiction*” – “[a]t best, billing for use of a telephone system is *merely an incidental or a complementary activity for receipt of telecommunications services.*” Ex. 2002 (CBM2017-00034, Paper 6) at 19 (emphasis added). GTL should not be allowed to take a contrary position in this matter merely because it involves a Securus (as opposed to its own) patent.²

Further, GTL fails to show that claims 8-9 and 16-17 are representative of the other claims in the '260 patent. Therefore, GTL has not met its burden of demonstrating that the remaining claims cover “a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service.” AIA § 18(d)(1);

² The patent at issue in CBM2017-00034 is notably different than the '260 patent. It employs “billing” language throughout the claims because billing is a key purpose of the invention. *See* Ex. 2001 (CBM2017-00034, Paper 2) at 15-18.

37 C.F.R. § 42.301(a). Thus, if the Board institutes CBM review, it should be limited to, at most, claims 8-9 and 16-17.

B. The '260 Patent Claims a Technological Invention.

As noted above, a “covered business method patent” does not include patents for “technological inventions.” AIA § 18(d)(1). The regulations consider technological inventions in the following manner:

In determining whether a patent is for a technological invention solely for purposes of the Transitional Program for Covered Business Methods (section 42.301(a)), the following will be considered on a case-by-case basis: *whether the claimed subject matter as a whole recites a technological feature that is novel and unobvious over the prior art; and solves a technical problem using a technical solution.*

37 C.F.R. § 42.301(b) (emphasis added); *see also Blue Calypso, LLC v. Groupon, Inc.*, 815 F.3d 1331, 1338-39 (Fed. Cir. 2016). GTL fails to demonstrate either prong of this definition.

GTL alleges that the challenged claims of the '260 patent do not recite a technological invention because the “remaining claims are not novel or nonobvious” and “do not solve a technical problem with a technical solution.” Its allegations, however, amount to mere conclusions without factual or legal basis.

In its attempt to show that the challenged claims “are not novel or nonobvious,” GTL relies on combinations of Spadaro (Ex. 1014), Hodge (Ex. 1005),

Boykin (Ex. 1006), and Nguyen (Ex. 1007). Petition at 13-21. *But the asserted combinations were considered and rejected by the Board in the '0824 IPR.*

Notably, the Board found that, because:

Spadaro is disqualified prior art and so is *not* available to preclude patentability in an obviousness challenge under § 103(a) against claims 2, 5, 8, 9, 11, 12, and 14–18. We conclude, therefore, that Petitioner has *not* met its burden of persuasion to demonstrate by a preponderance of the evidence that (i) claims 2, 8, 9, 11, 14, 16, and 17 would have been obvious over Spadaro and Hodge, (ii) claims 5 and 12 would have been obvious over Spadaro, Hodge, and Boykin, or (iii) claims 15 and 18 would have been obvious over Spadaro, Hodge, and Nguyen.

'0824 IPR, Paper 36 at 24 (emphasis in original). GTL's arguments with respect to novelty and obviousness in its CBM petition fail for the same reason. Indeed, GTL does not dispute the Board's finding with respect to Spadaro. And while GTL relies partially on new asserted art related to the Federal Bureau of Prisons' SENTRY system (Exs. 1016-18), it does not contend that the SENTRY system art discloses all limitations that were allegedly disclosed by Spadaro.

In addition, the '260 patent provides solutions to technical problems associated with the collection of inmate information at different facilities that lack any means to coordinate such information or provide a means for facilities to be connected for data access or modification:

- Considerable time and expense are involved in accepting an inmate

at a controlled environment facility. '260 patent, 1:66-67.

- The arresting officer may then complete some paperwork identifying the individual, describing the reason for arrest or detention, list any impounded property, etc. This initial information may be collected, for instance, in a patrol car or the like. '260 patent, 2:1-7.
- Before being fully processed into the controlled environment facility, an arrestee may go through a classification process, medical examination, hygienic processing (e.g., shower and delousing), etc. In connection with these procedures, staff members may be required to complete a file in an inmate management system. '260 patent, 2:19-25.
- [L]ocal facilities do not ordinarily have the means to charge for subsequent calls, or even limit the amount of calls made a particular arrestee. As a result, the arrestee's phone calls are often provided as free service and without any control or monitoring. '260 patent, 2:36-40.
- Therefore, at each step in the inmate's incarceration history beginning with his or her arrest up until his or her last transfer, redundant information is gathered and processed by each facility. The information collected by these different facilities is not connected in any way, and investigators must visit or contact each such entity when seeking information related to a single case or person. '260 patent, 2:52-58.

Contrary to GTL's argument, the '260 patent discloses much more than the "concept of centralization" to solve these problems and improve the prior art.

Petition at 21-21. The '260 patent solves these problems in technical ways using “systems and methods that provide centralized or nodal inmate management and telephone call processing capabilities to controlled environment facilities and law enforcement agencies.” '260 patent, 2:62-65. For example, the claims provide the following technical improvements over the prior art:

- The computer-based systems and methods of the claims use a validation system that improves the responsiveness of validation determinations. *Id.*, 12:13-26.
- The computer-based systems and methods of the claims provide “a virtual local facility call processor system” that saves expense and allows efficient updating of the system. *Id.*, 14:13-34.
- The centralized configuration of the claimed computer-based systems and methods allows synchronization across various facilities. *Id.*, 15:14-17:29.
- The centralized configuration of the claimed computer-based systems and methods allows the optimization of communication lines and improved telephone trunking, which substantially mitigates capacity limitations of the telephone lines. *Id.*, 22:6-45.

A technical solution is required to implement these benefits over the prior art. The claims provide these improvements by providing or using a computer-based

system over a plurality of facilities (but remote from at least one of the plurality of facilities) that includes: (1) a networking device that exchanges VoIP data packets over communication links with call processing gateways at the plurality of facilities that process the VoIP data packets to or from telephone terminals (the centralized configuration allows the optimization of communication lines and improved telephone trunking); (2) an inmate management system coupled to the networking device that provides shared access to inmate records from computer terminals at the plurality of facilities (the centralized configuration allows synchronization across various facilities), and (3) a call application management system that connects calls to or from the telephone terminals over a telephone carrier network (the centralized configuration saves costs and expense associated with distributed call processing systems and allows the optimization of communication lines and improved telephone trunking) when calls are authorized based on the inmate records in the inmate management system (the centralized configuration improves validation responsiveness).

Although GTL cites to art relating to the SENTRY system (Exs. 1016-19) as alleged evidence that the '260 patent does not provide a technical solution, it fails to acknowledge that the SENTRY system lacks the fundamental improvements provided by the challenged claims of the '260 patent. Petition at 21-22. The SENTRY system is nothing more than a database of information about federal

inmates. It does not, for example, purport to disclose a centralized system for connecting telephone calls with inmates using VoIP, much less the use of centralized records to authorize or validate phone calls to or from inmates, as claimed by the '260 patent. *See, e.g.*, Ex. 1018 at 2-3 (listing information that is collected from the SENTRY system, but not including any call connection, authorization, or validation functions). In other words, SENTRY is not a telecommunications system, such as covered by the challenged claims, but instead is merely a data sharing platform “to assist the Attorney General and the Bureau of Prisons in meeting statutory responsibilities for the safekeeping, care and custody of incarcerated persons” and is “used to manage the BOP inmate population including housing and work assignments, sentence computation and implementation, discipline, security classification, and program needs.” *Id.* at 4-5.

Accordingly, GTL has failed to show that the '260 patent is a CBM patent.

VII. GTL IS ESTOPPED FROM RELYING ON GROUNDS OF OBVIOUSNESS THAT WERE PREVIOUSLY REJECTED BY THE BOARD IN A FINAL WRITTEN DECISION, AND REASONABLY COULD HAVE BEEN RAISED BY GTL IN THAT PROCEEDING.

GTL contends that it is not estopped from challenging claims 2, 5, 8, 9, 11, 12, and 14-18 under 35 U.S.C. § 101 because “[s]tatutory challenges based on eligibility under 35 U.S.C. § 101 cannot be raised during an *inter partes* review proceeding.” Petition at 6-7. While GTL is correct that § 101 challenges cannot be raised in an IPR, the estoppel provision of § 315(e)(1) still precludes GTL from

relying on obviousness arguments in support of the Petition that were raised or reasonably could have been raised in the earlier proceeding. Section 315(e)(1) states:

Proceedings before the Office—*The petitioner in an inter partes review of a claim in a patent under this chapter that results in a final written decision under section 318(a), or the real party in interest or privy of the petitioner, may not request or maintain a proceeding before the office with respect to that claim on any ground that the petitioner raised or reasonably could have raised during that inter partes review.*

35 U.S.C. § 315(e)(1) (emphasis added).

As noted above, GTL previously petitioned for *inter partes* review of the challenged claims in the '0824 IPR. In that proceeding, GTL argued that the challenged claims were obvious in view of a number of references. After the IPR was instituted, the Board found in its Final Written Decision that GTL had failed to demonstrate that claims 2, 5, 8, 9, 11, 12, and 14-18 were obvious in view of the art raised by GTL. '0824 IPR, Paper 36 at 24. In particular, the Board determined:

We conclude, therefore, that Petitioner has ***not*** met its burden of persuasion to demonstrate by a preponderance of the evidence that (i) claims 2, 8, 9, 11, 14, 16, and 17 would have been obvious over Spadaro and Hodge, (ii) claims 5 and 12 would have been obvious over Spadaro, Hodge, and Boykin, or (iii) claims 15 and 18 would have been obvious over Spadaro, Hodge, and Nguyen.

Id. As a result, GTL is barred under § 315(e)(1) from maintaining any proceeding

before the PTO with respect to the challenged claims “on any ground that petitioner raised or reasonably could have raised during that *inter partes* review.” § 315(e)(1). This includes any argument that Spadaro and Hodge render claims 2, 8, 9, 11, 14, 16, and 17 obvious, any claim that Spadaro, Hodge, and Boykin render claims 5 and 12 obvious, and any claim that Spadaro, Hodge, and Nguyen render claims 15 and 18 obvious.

Yet GTL relies heavily on these references (and the Board’s prior determinations of obviousness with respect to claims 1, 7, and 10 based on this art) in attempting to show that the challenged claims “are *not novel* or *nonobvious*,” that the challenged claims recite abstract ideas, and that the challenged claims do not have inventive concept. Petition at 13-21, 25-35, 36-58 (emphasis added). It further raises new obviousness arguments with respect to the challenged claims based on the Federal Bureau of Prisons’ SENTRY system that were never raised in the ’0824 IPR, despite the fact that the documents it cites relating to the SENTRY system were available to GTL when it filed the prior IPR. *See, e.g.*, Petition at 15-16, 21, 28, 30, 39, 41, 48, Exs. 1016-19. The Petition is therefore based on grounds of obviousness that were, in fact, raised, or reasonably could have been raised, by GTL in a prior IPR against these claims. GTL is therefore estopped from raising these arguments in this proceeding.

GTL should not be permitted to circumvent § 315(e)(1) by reasserting failed

obviousness arguments as arguments in support of a petition CBM review. *See* 37 C.F.R. § 42.302(b) (“A petitioner may not file a petition to institute a covered business method patent review of the patent where the petitioner ... is estopped from challenging the claims on the grounds identified in the petition.”).

VIII. THE PETITION IS NOTHING MORE THAN A LEGALLY DEFICIENT FOLLOW-ON AND AFTERTHOUGHT TO GTL’S PRIOR UNSUCCESSFUL ATTEMPT TO INVALIDATE THE ’260 PATENT, AND IT WOULD WASTE THE FINITE RESOURCES OF THE BOARD TO CONSIDER IT.

Even if GTL is not estopped from submitting its Petition, the Board should nevertheless deny institution because it would be a waste of the Board’s finite resources to consider the merits of the Petition in a trial proceeding. The Board has the discretion to institute or not institute CBM review. *See* 37 C.F.R. § 42.208 (“[T]he Board *may* authorize the review to proceed on all or some of the challenged claims and on all or some of the grounds of unpatentability asserted for each claim.”) (emphasis added). The Board should consider the following factors in deciding whether to exercise that discretion to institute review:

- (1) the finite resources of the Board;
- (2) the requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than one year after the date on which the Director notices institution of review;
- (3) whether the same petitioner previously filed a petition directed to the same claims of the same patent;
- (4) whether, at the time of filing the earlier petition, the petitioner knew

- of the prior art asserted in the later petition or should have known of it;
- (5) whether, at the time of filing the later petition, the petitioner already received the patent owner's preliminary response to the earlier petition or received the Board's decision on whether to institute review in the earlier petition;
 - (6) the length of time that elapsed between the time the petitioner learned of the prior art asserted in the later petition and the filing of the later petition;
 - (7) whether the petitioner provides adequate explanation for the time elapsed between the filing dates of multiple petitions directed to the same claims of the same patent; and
 - (8) whether the same or substantially the same prior art or arguments previously were presented to the Office.

Blue Coat Sys., Inc., v. Finjan, Inc., IPR2016-01441, Paper 14 at 8-9 (PTAB Jan. 23, 2017). Not all factors need to be present and equal weight need not be given to each factor in reaching a decision. *Id.* at 10.

In this proceeding, the *Blue Coat* factors weigh heavily in favor of denying the Petition. Regarding *Blue Coat* factor (3), it is undisputed that GTL previously filed the '0824 IPR petition against the challenged claims. Regarding *Blue Coat* factors (4) and (8), it is clear that Petitioner "knew of the prior art asserted in the later petition or should have known of it." As discussed above, GTL relies on the *same* prior art used in the initial petition (Ex. 2004 ('0824 IPR, Paper 9) at 7) in an attempt to show that the challenged claims are *not nonobvious*, that the claims are

directed to an abstract idea, and that the claims lack inventive concept. Thus, the same petitioner (GTL) not only knew about the prior art, but asserted the same prior art in the same combinations. GTL also relies on art that could have been raised in that prior proceeding, including *inter alia*, Exhibits 1016-19 relating to the SENTRY system, which were all available before the filing of the '0824 IPR petition. Petition at v-vi (listing Exhibits 1016-19 and purported dates of availability).

Regarding *Blue Coat* factors (5), (6), and (7), the record establishes that at the time of filing its CBM petition, GTL already received Securus' preliminary response to the earlier petition and received the Board's decision on whether to institute review in the '0824 IPR. Exs. 2003-04 ('0824 IPR, Papers 8-9). In fact, the Board rendered its Final Written Decision in the '0824 IPR on December 2, 2015, ***over 1.5 years ago***. *Id.*, Paper 36. But GTL delayed ***three years*** between the filing of the '0824 IPR petition and its CBM petition. GTL provides no excuse for its delay in filing its CBM petition or raising the newly cited prior art. Instead, GTL appears to have filed its CBM petition merely because its prior IPR against the challenged claims failed.

Regarding *Blue Coat* factors (1) and (2), it is clear that the Board's "resources would be more fairly expended on initial petitions, rather than on follow-on petitions." *Alarm.com Inc. v. Vivint, Inc.*, IPR2016-01091, Paper 11 at 13 (PTAB Nov. 23, 2016). It would not be an effective use of the Board's finite resources to

revisit and relitigate the same grounds of obviousness directed to the same claims of the same patent from the same petitioner. This is especially true considering that GTL has now filed *yet another* IPR against the challenged claims in IPR2017-01436 based on similar art. *See* Ex. 2006 (Paper 2, Petition for *Inter Partes* Review of Claims 2, 5, 8, 9, 11, 12, and 14-18 of U.S. Patent No. 8,340,260). GTL's redundant, serial petitions against the challenged claims will only further stretch the Board's limited resources and jeopardize its ability to issue a final written decision before the one-year statutory deadline.

Accordingly, under the *Blue Coat* factors, the Board should exercise its discretion to deny institution of this proceeding.

IX. GTL FAILS TO DEMONSTRATE THAT THE CHALLENGED CLAIMS ARE UNPATENTABLE UNDER § 101.

A. Legal Standards for Patentability Under § 101

Section 101 of the Patent Act broadly defines patentable subject matter as “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.” 35 U.S.C. § 101. “In choosing such expansive terms ... modified by the comprehensive ‘any,’ Congress plainly contemplated that the patent laws would be given wide scope.” *Diamond v. Chakrabarty*, 447 U.S. 303, 308 (1980). Indeed, the legislative history shows that “Congress intended statutory subject matter to ‘include anything under the sun that is made by man.’” *Diamond v. Diehr*, 450 U.S. 175, 182 (1981). Thus, the Supreme

Court has “more than once cautioned that courts ‘should not read into the patent laws limitations and conditions which the legislature has not expressed.’” *Id.*

“The Supreme Court has articulated only three exceptions to the Patent Act’s broad patent-eligibility principles: ‘laws of nature, physical phenomena, and abstract ideas.’” *Research Corp. Techs., Inc. v. Microsoft Corp.*, 627 F.3d 859, 867 (Fed. Cir. 2010). The Supreme Court has described “the concern that drives this exclusionary principle as one of pre-emption.” *Alice*, 134 S. Ct. at 2354. “The abstract idea exception prevents patenting a result where ‘it matters not by what process or machinery the result is accomplished.’” *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1312 (Fed. Cir. 2016). “‘A patent is not good for an effect, or the result of a certain process’ because such patents ‘would prohibit all other persons from making the same thing by any means whatsoever.’” *Id.* This concern requires a careful balance: while “[m]onopolization” of “[l]aws of nature, natural phenomena, and abstract ideas” – “the basic tools of scientific and technological work” – would “tend to impede innovation more than it would tend to promote it,” it is also true that too broad an application of “this exclusionary principle” would “swallow all of patent law,” as “[a]t some level all inventions ... embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas.” *Alice*, 134 S. Ct. at 2354 (quotations omitted). Accordingly, the Board should not assume that the challenged claims are directed to patent ineligible subject matter.

McRO, 837 F.3d at 1312.

“The § 101 eligibility inquiry is only a threshold test.” *Bilski v. Kappos*, 561 U.S. 593, 594 (2010). Section 101 “directs primary attention to ‘the conditions and requirements of [Title 35].’” *Research Corp.*, 627 F.3d at 868 (alterations in original). “In refocusing the eligibility inquiry on the statute, the Supreme Court advised that section 101 eligibility should not become a substitute for a patentability analysis related to prior art, adequate disclosure, or the other conditions and requirements of Title 35.” *Id.* “In other words, section 101 does not permit a court to reject subject matter categorically because it finds that a claim is not worthy of a patent.” *Id.*

In considering whether the abstract idea exception applies under *Alice*, the Board must “first determine whether the claims at issue are directed to a patent-ineligible concept.” *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1334 (Fed. Cir. 2016). “The Supreme Court has not established a definitive rule to determine what constitutes an ‘abstract idea’ sufficient to satisfy the first step of the ... inquiry.” *Id.* Nonetheless, the Federal Circuit has recognized that the claims must be “considered in their entirety to ascertain whether their character as a whole is directed to excluded subject matter.” *McRO*, 837 F.3d at 1312. The “disqualifying characteristic should exhibit itself so *manifestly* as to override the broad statutory categories of eligible subject matter and the statutory context that directs primary attention on the

patentability criteria of the rest of the Patent Act.” *Research Corp.*, 627 F.3d at 868 (emphasis added).

The Federal circuit has repeatedly “cautioned that courts ‘must be careful to avoid oversimplifying the claims’ by looking at them generally and failing to account for the specific requirements of the claims.”” *McRO*, 837 F.3d at 1313. As the Federal Circuit explained in *Enfish*:

[The Supreme Court’s] formulation plainly contemplates that the first step of the inquiry is a meaningful one, i.e., that a substantial class of claims are ***not*** directed to a patent-ineligible concept. The “directed to” inquiry, therefore, cannot simply ask whether the claims ***involve*** a patent-ineligible concept, because essentially every routinely patent-eligible claim involving physical products and actions ***involves*** a law of nature and/or natural phenomenon—after all, they take place in the physical world. Rather, the “directed to” inquiry applies a stage-one filter to claims, considered in light of the specification, based on whether “their character as a whole is directed to excluded subject matter.”

822 F.3d at 1335 (emphasis in original). “Whether at step one or step two of the *Alice* test, in determining the patentability of a method, a court must look to the claims as an ordered combination, without ignoring the requirements of the individual steps.” *McRO*, 837 F.3d at 1313. This is because “[t]he specific, claimed features [may] allow for the improvement realized by the invention.” *Id.*

Both the Supreme Court and the Federal Circuit “have found it sufficient to

compare claims at issue to those claims already found to be directed to an abstract idea in previous cases.” *Id.* For example, “fundamental economic and conventional business practices are often found to be abstract ideas, even if performed on a computer.” *Id.* This includes directed to the concepts of risk hedging; intermediated settlement; classifying and storing digital images; anonymous loan shopping; price determination; budgeting; retaining online information; price optimization; using advertising as a currency; collecting, recognizing, and storing data; and contracting. *Alice*, 134 S. Ct. at 2357; *In re TLI Commc’ns Patent Litig.*, 823 F.3d 607, 610-13 (Fed. Cir. 2016); *Mortgage Grader, Inc. v. First Choice Loan Servs., Inc.*, 811 F.3d 1314, 1324 (Fed. Cir. 2016); *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1333-34 (Fed. Cir. 2015); *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1367 (Fed. Cir. 2015); *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1348 (Fed. Cir. 2015); *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362-63 (Fed. Cir. 2015); *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014); *Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat’l Ass’n*, 776 F.3d 1343, 1347 (Fed. Cir. 2014); *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1354-55 (Fed. Cir. 2014). Such claims are unlike the claims at issue here.

On the other hand, it is also well established that “inventions with specific applications or improvements to technologies in the marketplace are not likely to be

so abstract that they override the statutory language and framework of the Patent Act.” *Research Corp.*, 627 F.3d at 869; *see Enfish*, 822 F.3d at 1335 (“[S]ome improvements in computer-related technology when appropriately claimed are undoubtedly not abstract, such as a chip architecture, an LED display, and the like.”). Further, not all claims “directed to software, as opposed to hardware, are inherently abstract.” *Enfish*, 822 F.3d at 1335. Both hardware and software “can make non-abstract improvements to computer technology, and sometimes the improvements can be accomplished through either route.” *Id.* Thus, the relevant inquiry under the first step of the *Alice* analysis concerns “whether the claims are directed to an improvement to computer functionality versus being directed to an abstract idea.” *Id.* In other words, “the first step ... asks whether the focus of the claims is on [a] specific asserted improvement in computer capabilities ... or, instead, on a process that qualifies as an ‘abstract idea’ for which computers are invoked merely as a tool.” *Id.* When “the plain focus of the claims is on an improvement to computer functionality itself, not on economic or other tasks for which a computer is used in its ordinary capacity,” the claims are not directed to an abstract idea. *Id.*

The claims at issue in *Enfish* were not directed to abstract ideas for this very reason. They were “directed to a specific improvement to the way computers operate, embodied in [a] self-referential table.” *Id.* at 1336. Both the individual claim limitations and the specification showed that claims were “not simply directed to

any form of storing tabular data” – they were “specifically directed to a *self-referential* table for a computer database.” *Id.* at 1337 (emphasis in original). The specification described how self-referential tables function differently than inferior conventional database structures. *Id.* In particular, while prior art “databases require[d] a programmer to predefine a structure and subsequent [data] entry must conform to that structure,” the claimed database did “not require a programmer to preconfigure a structure to which a user must adapt data entry.” *Id.* The specification’s description of how the claims “achieve[d] other benefits over conventional databases, such as increased flexibility, faster search times, and smaller memory requirements” further “bolstered” the Federal Circuit’s “conclusion that the claims [were] directed to an improvement of an existing technology” and “in the functioning of a computer.” *Id.*

Likewise, the claims at issue in *Research Corp.* “present[ed] functional and palpable applications in the field of computer technology” and “address[ed] ‘a need in the art for a method of and apparatus for the halftone rendering of gray scale images in which a digital data processor is utilized in a simple and precise manner to accomplish the halftone rendering.’” 627 F.3d at 868-69. Certain claims’ requirements for “a ‘high contrast film,’ ‘a film printer,’ ‘a memory,’ and ‘printer and display devices’” confirmed that the invention was not abstract, despite the fact that the claims incorporated algorithms and formulas. *Id.* at 869.

In *McRO*, the Federal Circuit clarified that “processes that automate tasks that humans are capable of performing are patent eligible if properly claimed.” 837 F.3d at 1313. There, the claims covered “rules ... embodied in computer software that is processed by general-purpose computers,” but there was “no evidence that the process previously used by animators is the same as the process required by the claims.” *Id.* at 1314. Thus, “[t]he computer ... is employed to perform a distinct process to automate a task previously performed by humans.” *Id.* The *McRO* court distinguished the claims from those at issue in “*Flook*, *Bilski*, and *Alice*, where the claimed computer-automated process and the prior method were carried out in the same way.” *Id.*

Most recently in *Thales Visionx Inc. v. United States*, 850 F.3d 1343 (Fed. Cir. 2017), the Federal Circuit addressed two simple claims for tracking the motion of an object relative to a moving reference frame:

1. A system for tracking the motion of an object relative to a moving reference frame, comprising:
 - a first inertial sensor mounted on the tracked object;
 - a second inertial sensor mounted on the moving reference frame;
 - and
 - an element adapted to receive signals from said first and second inertial sensors and configured to determine an orientation of the object relative to the moving reference frame based on the signals received from the first and second inertial sensors.

22. A method comprising determining an orientation of an object relative to a moving reference frame based on signals from two inertial sensors mounted respectively on the object and on the moving reference frame.

Id. at 1345-46. The court held that these claims are not “directed” to an abstract idea, noting that “[t]he claims specify a particular configuration of inertial sensors and a particular method of using the raw data from the sensors in order to more accurately calculate the position and orientation of an object on a moving platform.” *Id.* at 1349. Like the claims in *Diehr*, they were not abstract merely because they used a mathematical calculation. *Id.* at 1348-49.

If – and only if – the claims are directed to an abstract idea, the Court “determine[s] whether the additional elements ‘transform the nature of the claim’ into a patent eligible application.” *Id.* at 1334. “This second step is the search for an ‘inventive concept,’ or some element or combination of elements sufficient to ensure that the claim in practice amounts to ‘significantly more’ than a patent on an ineligible concept.” *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1255 (Fed. Cir. 2014). The Supreme Court recognized in *Alice* that claims “purport[ing] to improve the functioning of the computer itself” or “effect an improvement in any other technology or technical field” may add sufficient inventive concept to transform an abstract idea into a patent-eligible invention. 134 S. Ct. at 2359-60. The challenged claims fall into this category of inventions.

For example, the claims at issue in *Diehr* were patentable “because they improved an existing technological process [of curing rubber], not because they were implemented on a computer.” *Id.* at 2358. Although the claims in *Diehr* employed a “well-known” mathematical equation, they “used that equation in a process designed to solve a technological problem in ‘conventional industry practice.’” *Id.* Specifically, they “used a ‘thermocouple’ to record constant temperature measurements inside [a] rubber mold—something ‘the industry ha[d] not been able to obtain.’” *Id.* “The temperature measurements were then fed into a computer, which repeatedly recalculated the remaining cure time by using the mathematical equation.” *Id.* Those “additional steps . . . transformed the process into an inventive application of the formula.” *Id.*

Similarly, the claims at issue in *DDR* added sufficient inventive concept because “the claimed solution [was] necessarily rooted in computer technology to overcome a problem specifically arising in the realm of computer networks.” 773 F.3d at 1257. The claims in *DDR* “address[ed] the problem of retaining website visitors that, if adhering to the routine, conventional functioning of Internet hyperlink protocol, would be instantly transported away from a host’s website after ‘clicking’ on an advertisement and activating a hyperlink.” *Id.* at 1257. They solved this problem by using “an ‘outside provider’ having a web server which directs the visitor to an automatically-generated hybrid web page that combines visual ‘look

and feel’ elements from the host website and product information from the third-party merchant’s website related to the clicked advertisement.” *Id.* Thus, the claims altered the “normal” operating of a computer network by sending website visitors to a “hybrid web page that presents product information from the third-party and visual ‘look and feel’ elements from the host website.” *Id.* at 1258-59.

In *BASCOM*, the Federal Circuit held that “the installation of a filtering tool at a specific location, remote from the end-users, with customizable filtering features specific to each end user” was an “inventive concept.” 827 F.3d at 1350. This design “tak[es] advantage of the ability of at least some ISPs to identify individual accounts that communicate with the ISP server, and to associate a request for Internet content with a specific individual account.” *Id.* This ordered combination of limitations “transform[ed] the abstract idea of filtering content into a particular, practical application of that abstract idea.” *Id.* at 1352.

B. The Claims of the ’260 Patent Are Not Directed to Abstract Ideas.

GTL asserts that “[i]ndependent claims 1 and 10 are directed to the abstract idea of centrally and remotely managing inmate information” and are “not directed to improving the way inmate management systems or call processing systems operate.” Petition at 25-26. And GTL asserts that the challenged claims (2, 5, 8, 9, 11, 12, and 14-18) “add nothing that would remove them from the realm of organizing human activity using conventional and well-understood technology.”

Petition at 30. But GTL's analysis is incorrect, and premised on a gross "oversimplification" that "fails to account for the specific requirements of the claims." *See McRO*, 837 F.3d at 1313.

GTL's argument ignores the fact that the claims do not preempt all systems and methods for "centrally and remotely managing inmate information." Petition at 25. Indeed, GTL fails to show that *all* systems and methods for "centrally and remotely managing inmate information" would necessarily have the specific configurations covered by the challenged claims. *See McRO*, 837 F.3d at 1314-15 (finding no abstract idea where "[t]he specific structure of the claimed rules would prevent broad preemption of all rules-based means of automating lip synchronization, unless the limits of the rules themselves are broad enough to cover all possible approaches" and "[t]here [was] no showing that any rules-based lip-synchronization process must use rules with the specifically claimed characteristics"). Nor could it. The '260 patent claims specific systems and methods that use:

(1) a computer-based system at a plurality of facilities, but located remotely from at least one of the plurality of facilities;

(2) each of the facilities having (a) one or more telephone terminals and (b) computer terminals and (c) call processing gateways that process the VoIP data packets to or from the telephone terminals

for transmission over communication links;

(3) a networking device exchanging VoIP data packets with the call processing gateways over communication links;

(4) an inmate management system coupled to the networking device for providing shared data access of inmate records to the computer terminals at the facilities; and

(5) a call application management system that connects calls to or from the telephone terminals over a telephone carrier network when a connection is requested and the call is authorized based on the inmate records from the inmate management system.

See, e.g., '260 patent, 25:32-55. GTL's alleged abstract idea fails to account for **any** of these claim requirements. Notably, GTL's oversimplified abstract idea fails to account for **any** of the telecommunications aspects of the claimed inventions. It completely ignores the fact that the claimed systems and methods do not merely organize information in a central location; they **connect** telephones and computers in a particular configuration that provides advantages over the prior art, much like the claims at issue in *Thales Visionix*. *See* 850 F.3d at 1349.

Further, there are certainly many ways to “centrally and remotely manag[e] inmate information” that do **not** require the claimed configurations, e.g., that do not use computers at all; that do not use a computer-based system at a plurality of

facilities, but remote from at least one facility; that do not use VoIP; that do not use an inmate management system coupled to a computer network; and that do not use a call management system to connect calls from telephone terminals based on inmate records in the system. In fact, the system cited by GTL in its brief is an example of a system that can centrally and remotely manage inmate information ***without practicing the claims***. The SENTRY system does not, for example, employ a centralized call processing system, much less implement VoIP or authorize calls based on inmate information in the database. *See* Petition at 28 (citing SENTRY as “a real-time information system consisting of various applications for processing sensitive but unclassified (SBU) inmate information that stores data relating to the care, classification, subsistence, protection, discipline, and programs of federal inmates,” but failing to cite SENTRY for any telecommunications functions).

Further, while GTL contends that any technology employed by the challenged claims is “conventional and used for its ordinary purpose,” it fails to consider the technology employed by the challenged claims ***as a whole***. *See McRO*, 837 F.3d at 1313 (“Whether at step one or step two of the *Alice* test, in determining the patentability of a method, a court must look to the claims ***as an ordered combination, without ignoring the requirements of the individual steps***.”) (emphasis added). Instead, it considers each limitation individually, without analyzing whether the ordered combinations covered by the challenged claims were

conventional in the prior art. *See* Petition at 30-35, 37-56. The ordered combinations of the challenged claims were not conventional. Indeed, as the Board ruled in the '0824 IPR, none of the prior art combinations involving Spadaro demonstrate that the challenged claims were obvious, much less conventional.

Notably, while GTL claims that the claims “are directed to ‘organizing human activity,’” it fails to show how any human could possibly implement the claimed systems or perform the claimed method without interacting with numerous discrete features of a computer network and telephone system. *See* Ex. 2007 (*Securus Techs., Inc. v. Global Tel*Link Corp.*, PGR2016-00044, Paper 7 (PTAB March 9, 2017)) at 21 (“On closer consideration, however, the major flaw is evident, in that the asserted action cannot be performed solely in the human mind because *it requires human interaction with numerous discrete features of a telephone system*, such as ‘three-way call,’ ‘hook-flash,’ and ‘ring tone.’”) (emphasis in original). Even GTL’s purported expert, Dr. Forys, does not contend that the claimed systems and methods could be implemented entirely by humans.

The '260 patent is clear that the claimed invention is **not** performed by humans. Indeed, one problem solved by the claims was that people “were required to complete a file,” which resulted in “redundant information” at each facility, and “local facilities [that did] not ordinarily have the means to charge for subsequent calls, or even limit the amount of calls made [by] a particular arrestee.” '260 patent,

2:26-58. This was not a mere organizational problem that was solved by non-technical means—it was a technological problem associated with conventional inmate facilities, which did not use a centralized computer system for connecting phone calls. The inventive solution required telecommunications means that combined different systems into one computer-based system using VoIP data links and call processing gateways as an internal interface to multiple facilities and as an external interface to a telephone carrier network for connecting calls from authorized inmates. ’260 patent, 2:62-3:7.

And as discussed *supra* Section VI.B, these claimed technological features allow for the technical improvements realized by the invention over the prior art. They do not merely apply a fundamental economic practice or mathematical equation to a general-purpose computer. *See, e.g., Thales Visionix*, 850 F.3d at 1349 (noting that the claimed configuration and method provide improvements over the prior art); *McRO*, 837 F.3d at 1313 (“The specific, claimed features of these rules allow for the improvement realized by the invention.”); *Enfish*, 822 F.3d at 1339 (“[W]e are not faced with a situation where general-purpose computer components are added post-hoc to a fundamental economic practice or mathematical equation. Rather, the claims are directed to a specific implementation of a solution to a problem in the software arts.”).

Accordingly, GTL fails to demonstrate that the challenged claims are directed

to an abstract idea.

C. The Claims of the '260 Patent Recite an Inventive Concept.

Again failing to consider the claims as a whole, GTL relies on conclusory statements such as “all of the recited information management, networking, and call processing components operate in a conventional way for their usual and intended purposes.” Petition at 36. But GTL fails to establish that its oversimplified dissection of independent claims 1 and 10 into constituent parts (i.e., a networking device, inmate management system, and call application management system) renders the ordered combination of the challenged claims without an inventive concept. *See* Petition at 37-47 (arguing that claims 1 and 10 “only cover[] ‘selecting information, by content or source, for collection, analysis, and display’ which ‘does nothing significant to differentiate [the claim] from ordinary mental processes’”).

Tellingly, GTL relies on the Board’s prior decision that “claims 1 and 10 are unpatentable over the combination of Spadaro and Hodge.” *See* Petition at 37 (citing *Global Tel*Link Corporation*, IPR2014-00824, Final Written Decision at 32-55, 67). The Board’s prior decision, however, only reached claims 1, 3, 4, 6, 7, 10, 13, 19, and 20. In other words, GTL attempts to replace a recognition that each claim element of the claims 1, 3, 4, 6, 7, 10, 13, 19, and 20 was known, with an analysis that asks whether the arrangement of elements in claims 2, 5, 8, 9, 11, 12, and 14-18 is an inventive concept. GTL’s flawed argument fails to consider the impact of

removing Spadaro from the analysis, since that reference is not prior art to the challenged claims. Without Spadaro, GTL's analysis falls apart. For at least this reason, GTL fails to show that the challenged claims lack inventive concept.

In any event, claims 2, 5, 8, 9, 11, 12, and 14-18 recite an inventive concept. Regarding claims 2 and 14, GTL asserts that "Hodge teaches that an inmate record includes 'biometric data of ... inmates' and 'biometric data may be required to access the system.'" Petition at 47 (citing Hodge ¶ [0056]). GTL also relies on the SENTRY art in an attempt to demonstrate that "stored inmate records that included a wide-variety of data associated with an inmate including the inmate's name, a physical description of the inmate, the inmate's social security number, and information related to the arrest of the inmate." Petition at 48.

But neither Hodge nor SENTRY answer a critical question of whether it was innovative to share inmate information and connect telephone calls in the ordered combinations covered claimed by claims 2 and 14. *See BASCOM*, 827 F.3d at 1349-52. For example, the system of Hodge is configured to "provide a telephone call system including a means for identifying and authenticating an institutional calling party." Hodge ¶ [0043]. Hodge provides that "[a] user must have a system account established in order to make telephone calls from a specific facility." Hodge ¶ [0285]. But that information is stored with the system until the "inmate is transferred from one facility to another [whereby] *only the inmate's account*

information, COS, and telephone lists are transferred to that facility.” Hodge ¶ [0285] (emphasis added). In other words, Hodge discloses creating a new redundant and incomplete account at a new facility. This is exactly the problem the ’260 patent claims solve. Hodge, therefore, does not show that claims 2 and 14 were not innovative, but does demonstrate there was a known problem of redundancy in the prior art.

Regarding claims 5 and 12, GTL alleges that “Boykin teaches acquiring inmate information in mobile environments such as a police vehicle.” Petition at 48-49. But GTL does not disclose whether any such information is part of an inmate record that is available to disparate multiple facilities. GTL merely relates this capability of Boykin back to the background discussion in the ’260 patent, which identifies the problem of “redundant information” at each facility. And GTL does not rely on Boykin to show that the mobile station has access to an inmate record that is created using information from the mobile station. Instead, the invention of Boykin can merely capture and transmit data (e.g., video) back to a “second location.” Boykin, 1:47-60. The information only goes one way in Boykin and the mobile station disclosed merely acts as a one-way conduit for information. Boykin does not disclose the claimed configurations of claims 5 and 12, and, therefore does not support GTL’s argument that the ordered combinations of the claims lack inventive concept. *See BASCOM*, 827 F.3d at 1349-52.

Regarding claims 8, 9, 16 and 17, GTL alleges that the claims “add only a way to store or establish (respectively) inmate accounts in order to charge fees for connecting calls to a third party associated with the inmate” and add the limitation allowing “the inmate account is used to charge a third-party for activities other than inmate phone calls, which would include activities such as commissary usage.” Petition at 49-51. GTL relies on Hodge to show that “charging a third party for calls” is not meaningful. Petition at 50. But, unlike the claimed features of claims 8, 9, 16, and 17 where inmate accounts are established or stored “for charging fees [and expenses] *to third parties*” (emphasis added), Hodge only discloses that the family “may control the inmate’s access” or “may add funds to the debit account.” This does not mean that Hodge is capable of charging fees or expenses “to third parties”; rather, Hodge discloses that they are charged to the inmate’s account, i.e., a debit account, which in some cases may be replenished by funds from a third party, but the account remains that of the inmate. The ’260 patent provides a description of “charging fees [and expenses] to third parties”:

If insufficient funds are present in an inmate’s account or an inmate does not have an account, operation of the present invention may attempt to obtain alternate funding for the desired service. For example, call application management system 110 of inmate management and call processing system 100 *may place a call to a third party associated with the inmate and/or account allowing them to replenish or establish the account on behalf of the inmate if they desire to receive*

the phone call. For example, when a call is blocked call application management system 110 may place an automated call to the called party asking if they would like to accept the call and, if so, providing instructions as to how funding for the call may be provided. The called party may be allowed to input credit card information over the telephone for replenishing the inmate's account, for example.

'260 patent, 19:40-54 (emphasis added); *see also* 20:19-40 (describing how expenses are charged to third parties using information stored in an inmate account). Here, the '269 patent provides that, at the point of a call being placed, the inmate account has information for charging fees to a third party, namely the phone number of the third party to which the inmate management and call processing system places a call. Hodge, therefore, does not establish or store inmate account information for charging a third party, but is limited in capability to charging only the inmate's account. Hodge does not support GTL's argument that the ordered combinations of claims 8, 9, 16 and 17 lack inventive concept. *See BASCOM*, 827 F.3d at 1349-52.

Regarding claim 11, GTL alleges (without citation to any evidence) that “[r]eceiving information upon arrest has happened for as long as there have been arrests.” Petition at 51-52. GTL cites Hodge at paragraph 6, but this discloses nothing about the claimed limitation of receiving “first inmate information” upon the inmate's arrest. Instead, the sentence plainly reads that the “telephone account” is provided “upon arrival” at “the penal institution.” Hodge ¶ [0006]. And “[e]ach

individual receives an account number.” *Id.* This does not affirmatively state that a computer terminal receives inmate information “upon arrest,” as claim 11 requires. To the contrary, Hodge indicates that the telephone account number is provided long after arrest, when the inmate is already incarcerated. GTL does not establish that receiving (by the claimed system) inmate information upon arrest as part of an accessible and shared inmate record was not innovative, and has not even shown the prior art teaches such a limitation.³

Regarding claims 15 and 18, GTL alleges that “Nguyen discloses such a notification process.” Petition at 52-53. Nguyen teaches that “[w]hen the control station receives a change of inmate status deemed relevant, it automatically calls and informs the victim.” Nguyen, 2:2-5. Each victim, however, has a “communication receiving device such as telephone.” Changes of “inmate status” recorded at host computers 10 (which are located where “the inmates are incarcerated or placed”) are communicated to a victim through a central control center 14. Nguyen, 1:53-2:9. But Nguyen does not teach that such victims are notified of an arrest of a defendant. In fact, Nguyen is directed to “victims” who wish to be “alerted to the early release” of

³ Dr. Forys’ reliance on Spadaro in paragraph 76 of his declaration (Exhibit 1002) is also improper since the Board explicitly disqualified that reference as prior art in the ’0824 IPR.

defendants to avoid “victims being forced to make repeated and, in many instances unsuccessful, calls” and the “high potential of injurious attacks perpetrated by certain vindictive [sic.] defendants.” Nguyen, 1:7-34. In other words, a defendant’s changes of status in Nguyen are events related to a defendant being released where he can do harm to victims, and do not include “arrests” of inmates.

Dr. Forys’ explanation for how a defendant’s change of status could include an arrest, as claim 15 requires, is mere *ipse dixit*, as he states without further explanation that “[t]he arrest of an inmate justifies notification to the victim for the same reason as the inmate being released—as any change in the inmate’s arrest status has an appreciable impact on the victim.” Petition at 53 (citing Forys Decl. ¶¶ 87-89). Plus, Nguyen expressly discloses that the host computers are located where the defendants are “incarcerated.” Dr. Forys does not explain how an arrest, presumably that occurs outside of a prison, would be recorded and reported to the central control station for notification purposes.

Furthermore, regarding claim 18, GTL asserts that “Hodge teaches establishing another inmate account associated with the third party responsive to transferring the inmate to the other facility.” Petition at 55. Hodge, however, teaches transferring only some information to a separate new account at a separate facility. Hodge ¶ 285. And “previous information may remain in an archived database or other storage system.” Hodge ¶ 285. In other words, Hodge does not teach what is

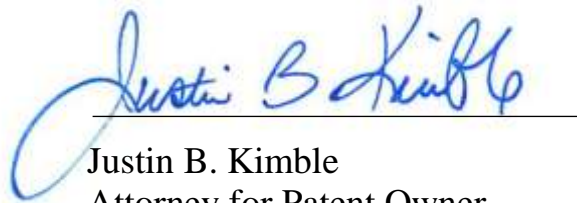
claimed—“an inmate record” stored “in the computer-based system for shared access” where “another inmate account” is established. Instead, Hodge teaches what the ’260 patent identified as the problem in the prior art, redundant data being stored in separate accounts at disconnected facilities. Accordingly, claim 18 solves the redundancy problem of Hodge, and GTL has failed to demonstrate that the ordered combinations of claims 15 and 18 are not innovative. *See BASCOM*, 827 F.3d at 1349-52.

X. CONCLUSION

For the reasons set forth above, Securus respectfully requests that the Board deny GTL’s request to institute CBM review of the challenged claims of the ’260 patent on the ground that they are not patent eligible under § 101.

Dated: July 6, 2017

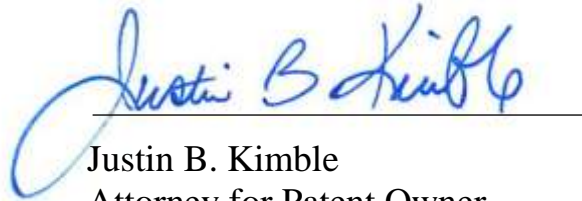
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CERTIFICATE OF SERVICE

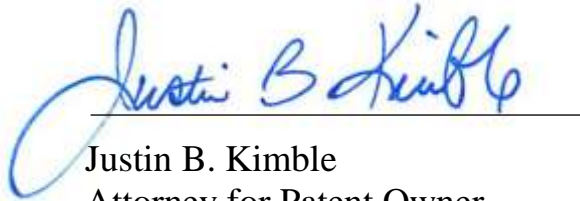
The undersigned hereby certifies that document was served via electronic mail on July 6, 2017, to Petitioner via counsel, at the following email addresses lgordon-PTAB@skgf.com, mray-PTAB@skgf.com and rrichardson-PTAB@skgf.com, pursuant to Petitioner's consent in its Petition at page 5.



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CERTIFICATE OF COMPLIANCE

As required by 37 C.F.R. § 42.24, the undersigned hereby certifies that the foregoing Preliminary Response contains 13,773 words, excluding those portions identified in 37 C.F.R. § 42.24(a)(1), as measured by the word-processing system used to prepare this paper.



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