

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GLOBAL TEL*LINK CORPORATION,
Petitioner,

v.

SECURUS TECHNOLOGIES, INC.,
Patent Owner.

Case CBM2017-00044
Patent 8,340,260 B1

Before KEVIN F. TURNER, BARBARA A. BENOIT, and
BEVERLY M. BUNTING, *Administrative Patent Judges*.

BUNTING, *Administrative Patent Judge*.

DECISION

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

I. INTRODUCTION

A. Background

Global Tel*Link Corporation (“Petitioner”) filed a Petition (Paper 2, “Pet.”) requesting review under the transitional program for covered business method patents of claims 2, 5, 8, 9, 11, 12, and 14–18 (“challenged claims”) of U.S. Patent No. 8,340,260 B1 (Ex. 1001, “’260 Patent”). Securus Technologies, Inc. (“Patent Owner”) filed a Preliminary Response (Paper 6, “Prelim. Resp.”) thereto.

We have authority under 35 U.S.C. § 324,¹ which provides that a covered business method patent review may not be instituted unless the information presented in the Petition demonstrates “that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.” Institution of a covered business method patent review is discretionary. *See* 35 U.S.C. § 324(a); 37 C.F.R. § 42.208(a). Furthermore, the Office “may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.” *See* 35 U.S.C. § 325(d). For the reasons set forth below, we do not institute a covered business method patent review on any of claims 2, 5, 8, 9, 11, 12, and 14–18 of the ’260 patent on any ground.

¹ *See* Section 18(a)(1) of the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284, 329–30 (2011) (“AIA”), which provides that the transitional program for covered business method patents will be regarded as a post-grant review under chapter 32 of title 35 of the U.S. Code, and will employ the standards and procedures of a post-grant review, subject to certain exceptions.

B. Related Matters

The parties inform us that the '260 patent is the subject of a patent infringement suit brought by Patent Owner captioned *Securus Techs., Inc. v. Global Tel*Link Corp.*, Case No. 3:16-cv-01338 (N.D. Tex.). Pet. 4, Paper 5, 1. Petitioner notes that it previously filed a petition for *inter partes* review of the '260 patent, IPR2014-00824 ("the '824 IPR"), on May 27, 2014 (Pet. 5), and a final written decision was entered in the record on December 2, 2015 (Ex. 2005). *See Global Tel*Link Corp. v. Securus Techs., Inc.*, Case IPR2014-00824 (PTAB, Dec. 2, 2015) (Paper 36). Petitioner filed another petition requesting *inter partes* review of the '260 patent on May 15, 2017 in IPR2017-01436.

Petitioner notes that the '260 patent claims priority to U.S. Patent No. 7,529,357, and that it concurrently filed a petition for covered business method review of U.S. Patent No. 7,529,357 (CBM2017-00043). Pet. 5.

C. Standing

Section 18 of the AIA governs the transitional program for covered business method patent reviews. Section 18(a)(1)(B) of the AIA limits such reviews to persons, or their privies, that have been sued or charged with infringement of a covered business method patent. In asserting that it has standing to file the Petition, Petitioner states that it was charged with infringement of the '260 Patent in the U.S. district court case on May 13, 2016. Pet. 6. Petitioner further states that because statutory challenges based on 35 U.S.C. § 101 could not have been raised during an *inter partes* review proceeding, it is not estopped from requesting review of the challenged claims under 35 U.S.C. § 101. *Id.* at 7. While Patent Owner agrees that §

101 challenges cannot be raised in an *inter partes* review, Patent Owner argues that Petitioner is estopped under § 315(e)(1) from relying on obviousness arguments made in the '824 IPR. PO Resp. 31–34.

We recognize that Petitioner could not have filed a petition for covered business method review of the '357 patent prior to May 13, 2016, despite the issuance of a final written decision in the '824 IPR on December 2, 2015. Moreover, as both parties agree, Petitioner could not have challenged the claims under § 101 in the '824 IPR. In the present proceeding, Petitioner does not assert “any ground that the petitioner raised or reasonably could have raised during that *inter partes* review. 35 U.S.C. § 315(e)(1). As such, on the present record, we agree that Petitioner has standing to bring this challenge.

D. The '260 Patent (Ex. 1001)

The '260 patent, titled “Inmate Management and Call Processing Systems and Methods,” issued December 25, 2012 , and is a continuation of U.S. Patent No. 7,529,357, which is a continuation-in-part of U.S. Patent No. 7,899,167. Ex. 1001 [10], [54], [45], [63].

The '260 patent describes providing centralized inmate management and call processing capabilities to controlled-environment facilities, such as prisons. Ex. 1001, Abstract, 2:62–65. The described techniques, for example, address information management problems that may occur when an inmate is transferred to a different facility. *Id.* at 2:52–59; *see generally id.* at 1:65–2:51. Such problems include gathering information multiple times, processing the same information by multiple facilities, and storing

information about an inmate in different systems so that multiple systems must be accessed to obtain information about an inmate. *Id.* at 2:52–58.

Figure 1 of the '260 patent is set forth below:

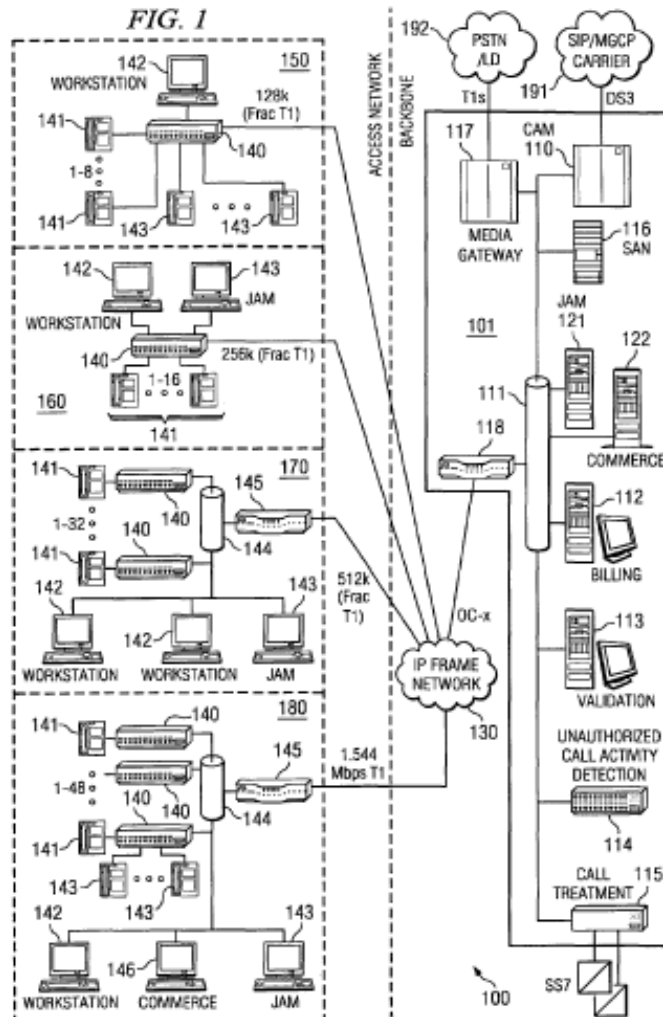


Figure 1 illustrates a centralized inmate management and call processing system 100. *Id.* at 6:37–40.

Centralized inmate management and call processing system 100 provides calling services to facilities 150, 160, 170, 180 and includes computer-based platform 101, which communicates with facilities 150, 160, 170, 180 through network 130. *Id.* at 6:37–42, 6:53–55. Call processing gateways 140, at or near sites for which inmate management and calling services are to be provided (i.e., facilities 150, 160, 170, 180), convert analog

signals associated with telephone terminals 141 (or visitation telephones 143) to digital data packets sent over network 130. *Id.* at 6:66–7:3, 7:12–16.

Computer-based platform 101 includes, among other components, call application management system 110, which controls completing a call between a party using one of telephone terminals 141 (or visitation telephones 143) and another party using a telephone terminal (not shown), over the public switched telephone network (“PSTN”) 192 or digital network 191. *Id.* at 9:14–21. Call application management system 110 provides a data interface coupling call application management system 110 through network 130 and providing Voice over Internet Protocol (“VoIP”) communication between call application management system 110 and facilities 150, 160, 170, 180. *Id.* at 9:34–38.

Computer-based platform 101 also includes validation system 113 and unauthorized call activity detection system 114 to provide “call intelligence” to determine whether a particular call should be permitted. *Id.* at 10:33–39.

Computer-based platform 101 also includes justice application management system 121, which is an information management system providing data collection and sharing among facilities 150, 160, 170, 180. Ex. 1001, 8:60–9:9. An inmate management database includes information about inmates and may be managed by justice application management system 121 or a similar inmate management system. *Id.* at 14:47–53. Information for an inmate record may include biometric data (such as finger prints, voice prints, and retina scans), information about an inmate’s arrest, visitation records, call records, medical records, and contact information of third parties known to the inmate, who may be notified of an inmate’s transfer between facilities. *Id.* at 16:7–13, 16:30–47, 17:37–42.

Records stored into the inmate management database are accessible to multiple facilities, such as county and municipal jails, state penitentiaries, and federal prisons. *Id.* at 17:15–18. An inmate record created upon arrest or during incarceration at a first facility may be used when the inmate is transferred to a subsequent facility. *Id.* at 18:56–59. The '260 patent describes an example in which a person is arrested and taken by “a police squad car (or any other mobile police station)” to the police department. *Id.* at 15:28–32. An inmate record is created in the squad car and then transmitted to the inmate management database of computer-based platform 101, from which the information is accessed during a booking procedure at the police department. *Id.* at 15:28–32, 15:45–51.

E. Illustrative Claims

The challenged claims depend directly or indirectly from independent claims 1 and 10 respectively, as reproduced below.

1. A computer-based system, at a plurality of facilities, for managing inmate information, each of the facilities having one or more telephone terminals and computer terminals, the computer-based system located remotely from at least one of the plurality of facilities, the system comprising:

a networking device exchanging Voice over Internet Protocol (VoIP) data packets with call processing gateways at the plurality of facilities over communication links, the call processing gateways processing the VoIP data packets to or from the telephone terminals for transmission over the communication links;

an inmate management system coupled to the networking device for providing shared data access of inmate records to computer terminals at said plurality of facilities, said inmate records created with first inmate information collected from a first computer terminal at a first facility of the plurality of facilities and

second inmate information from a second computer terminal at a second facility of the plurality of facilities; and

a call application management system connecting a call to or from the telephone terminals over a telephone carrier network responsive to receiving a request for connecting the call and the call being authorized based on the inmate records provided by the inmate management system.

Ex. 1001, 25:32–55.

10. A method for managing inmate information at multiple facilities including a first facility and a second facility, each facility comprising multiple telephone terminals and computer terminals, the method carried out in a computer-based system located remotely from at least one of the multiple facilities, the method comprising:

receiving, from a first computer terminal at the first facility, first inmate information associated with an inmate;

receiving, from a second computer terminal at the second facility, second inmate information associated with the inmate;

generating an inmate record based on the first inmate information and the second inmate information;

storing the inmate record in the computer-based system for shared access across to the inmate record computer terminals in the multiple facilities;

receiving a request from one of the multiple telephone terminals for connection of a call over a telephone carrier network; and

connecting the call from one of the telephone terminals over a telephone carrier network and a communication link responsive to authorizing the call based on the inmate records stored in the computer-based system.

Id. at 26:15–39.

F. Covered Business Method Patent

Under § 18(a)(1)(E) of the AIA, we may institute a transitional review proceeding only for a covered business method patent. A “covered business

method patent” is a patent that “claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service, except that the term does not include patents for technological inventions.” AIA 18(d)(1); *see also* 37 C.F.R. § 42.301 (defining “[c]overed business method patent” and “[t]echnological invention”).

1. Financial Product or Service

The Federal Circuit has recognized that “as a matter of statutory construction, the definition of ‘covered business method patent’ is not limited to products and services of only the financial industry, or to patents owned by or directly affecting activities of financial institutions.” *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1325 (Fed. Cir. 2015). At the same time, “[n]ecessarily, the statutory definition of a [covered business method] patent requires that the patent have a claim that contains, however phrased, a financial activity element.” *Secure Axxess, LLC v. PNC Bank Nat’l Ass’n*, 848 F.3d 1370, 1381 (Fed. Cir. 2017).

Petitioner contends that the ’260 patent is eligible for covered business method patent review because the claims “recite the practice, administration and management of a financial product or service — storing/establishing accounts for charging fees (claims 8/16) and charging fees to those accounts (claims 9/17). And these claims are not directed to technological inventions.” Pet. 7. Specifically, Petitioner asserts that (1) claims 8 and 16 recite an apparatus used in the practice of a financial service, e.g., “storing or establishing ‘*inmate accounts for charging fees to*’ third parties associated with the inmates or the inmate account” (*id.* at 11); and (2) claims 9 and 17

similarly recite the financial service of “*charg[ing] for expenses incurred by said inmates for an activity other than placing the calls*” (*id.* at 11–12).

Patent Owner counters that claims 8 and 16, and claims 9 and 17, are directed to a computer-based method for providing shared access to computer records over a computer network and connecting telephone calls based on these records, and not a financial product or service. Prelim. Resp. 21–22. Patent Owner continues that the capability of the system and method for charging a fee demonstrates that the claims “involve a *potential* sale of a good or service” and not that they are “financial in nature.” *Id.* at 22 (citing *Unwired Planet, LLC v. Google Inc.*, 841 F.3d 1376, 1382 (Fed. Cir. 2016)). Patent Owner characterizes the recitation of charging fees for certain activities in the dependent claims as “incidental to or complementary to the *use* of the claimed computer-based systems and methods.” *Id.* at 23–24 (citation omitted). Patent Owner points out that the claims do not require that a fee be charged until an inmate places a call. *Id.* at 25.

We agree with Petitioner that the claims contain limitations for performing data processing or other operations that include a financial service. For example, claim 8 recites that “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.” Ex. 1001, 26:7–11. In addition, claim 9, which depends from claim 8, recites that “inmate accounts are charged for expenses incurred by said inmates for an activity other than placing the calls.” *Id.* at 26:12–14. Claims 16 and 17 include similar limitations. *Id.* at 26:57–64.

Specifically, charging or billing an inmate account is a financial service. We find nothing in the record that indicates the system of the ’260

Patent would or should be implemented *without* charging or billing the inmate account, such that we are not persuaded that such activity is incidental or complementary to other services. Accordingly, we determine that these claims satisfy the “financial product or service” component of the definition for a covered business method patent set forth in § 18(d)(1) of the AIA.

2. Technological Invention

The definition of a “covered business method patent” in § 18(d)(1) of the AIA excludes therefrom patents for “technological inventions.” When determining whether a patent is for a technological invention, we consider the following: “whether the claimed subject matter as a whole [(1)] recites a technological feature that is novel and unobvious over the prior art; and [(2)] solves a technical problem using a technical solution.” 37 C.F.R. § 42.301(b).

For the technological invention exception to apply, both prongs (1) and (2) of the inquiry must be met affirmatively, meaning that a negative answer under either prong renders inapplicable the technological invention exception. *See Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1240 (Fed. Cir. 2016) (“We need not address this argument regarding whether the first prong of 37 C.F.R. § 42.301(b) was met, as we affirm the Board’s determination on the second prong of the regulation—that the claimed subject matter as a whole does not solve a technical problem using a technical solution.”); *Blue Calypso, LLC v. Groupon, Inc.*, 815 F.3d 1331, 1341 (Fed. Cir. 2016) (addressing only whether the claimed invention solves a technical problem using a technical solution). In this case, we discuss both prongs of the inquiry, even though the discussion of only one is necessary. For the reasons discussed below, neither prong of the technological invention inquiry is met.

Petitioner argues that the '260 patent claims fail both prongs of the technological invention exception because they do not recite any technological feature that is novel or unobvious over the prior art, or that solves a technical problem using a technical solution. Pet. 13–22. In the '824 IPR, independent claims 1 and 10 were determined to be obvious. Ex. 2005, 61. Petitioner relies on this determination in asserting that the challenged claims utilize the known technologies of the independent claims “to accomplish well-known processes such as establishing or storing a financial account and notifying a third-party of a condition.” Pet. 14. For example, claims 2 and 14 recite the type of information that may be included in an inmate record (*id.* at 14–16 (citing Ex. 1002 ¶¶ 58–62, 80–84)); claims 5 and 12 limit the facility to a mobile police station (*id.* at 16–17 (citing Ex. 1002 ¶¶ 63–65, 77–79)); claims 8 and 16 control access to stored data based on logon information (*id.* at 17–18 (citing Ex. 1002 ¶ 67)); claims 9 and 17 provide for use of the inmate account for charging non-telecommunication expenses (*Id.* at 18–19 (citing Ex. 1002 ¶¶ 72, 73, 92, 93)); claim 11 recites timing of data receipt (*id.* at 19 (citing Ex. 1002 ¶¶ 74–76)); claim 15 recites notification regarding the inmates arrest (*id.* at 20 (citing Ex. 1002 ¶¶ 85–89)); and claim 18 provides for the notification of the transfer of the inmate (*id.* (citing Ex. 1002 ¶¶ 94–97)).

Petitioner further argues that the challenged claims do not solve a technical problem, rather “a problem related to organizing human activities and information about inmates in distributed prison systems.” *Id.* at 21. Petitioner contends that centralization of records is not a technological solution. *Id.* at 21–22.

Patent Owner disagrees, characterizing Petitioner's arguments as "conclus[ory]." Prelim. Resp. 28–33. Patent Owner asserts that Petitioner's reliance on Spadaro is unavailing because Spadaro was disqualified as prior art with respect to the challenged claims of the '260 patent. *Id.* at 28–29 (citing the '824 IPR, Paper 36, 24). Patent Owner also argues that the '260 patent provides a technological solution to technical problems associated with collection of inmate information at different facilities. *Id.* at 29–30. These technical improvements include

1. A validation system that improves the responsiveness of validation determinations. (Ex. 1001, 12:13–26).
2. A virtual local facility call processor system. (Ex. 1001, 14:13–34).
3. A centralized configuration that allows synchronization across various facilities. (Ex. 1001, 15:14–17:29).
4. Optimization of communication lines and improved telephone trunking. (Ex. 1001, 22:6–45).

Id. at 31. Patent Owner contends that these benefits are achieved using a technical solution, namely by providing a computer-based system over a 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" (*id.* at 32); (2) "an inmate management system coupled to the networking device that provides shared access to inmate records" (*id.*); and (3) "a call application management system that connects calls to or from the telephone terminals" over a network (*id.*).

We agree with Petitioner that the challenged claims do not recite a novel and unobvious technological feature which would invoke application of the technological invention exception. That is, the generic recitation of "a networking device," "an inmate management system," and "call application

management system” is neither specific nor unconventional. As such, merely reciting known technologies and their use to accomplish the otherwise non-technological method does not render the challenged claims a technological invention.

We also agree with Petitioner that the challenged claims do not involve a technical solution to a technical problem which would invoke application of the technological invention exception. The challenged claims seek to solve the problem of managing inmate information, but the ’260 patent does not describe specifically any technical issues associated with managing inmate information that presents a technical problem to be solved. Meanwhile, the claimed solution— of “centralized or nodal inmate management and telephone call processing capabilities to controlled environment facilities and law enforcement agencies” (Ex. 1001, 2:63–65)—is recited more as a fait accompli than a technical solution. Indeed, the ’260 patent itself discusses how various authorities (local police, county, state and federal) already have individual inmate data collection and management systems. *See* Ex. 1001, 2:50–55. At most, the solution described by the ’260 patent is implemented through the use of known communication and data processing devices, but this is not sufficient to constitute a technological invention exempt from covered business method patent review. *See Versata*, 793 F.3d at 1327 (“[E]ven if the invention required the use of a computer, the claim did not constitute a technological invention.”).

3. Summary

The challenged claims satisfy the definition for a covered business method as set forth in § 18(d)(1) of the AIA. Accordingly, the ’260 patent is

eligible for review under the transitional program for covered business method patents.

G. Asserted Grounds of Unpatentability

Petitioner challenges the patentability of claims 2, 5, 8, 9, 11, 12, and 14–18 of the '260 patent under 35 U.S.C. § 101. Pet. 23–58.

II. ANALYSIS

A. Claim Construction

In a covered business method patent review, we interpret claim terms in an unexpired patent according to the broadest reasonable interpretation in light of the specification of the patent in which it appears. 37 C.F.R. § 42.300(b). Only those terms that are in controversy, however, need be construed, and only to the extent necessary to resolve the controversy. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (*quoting Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999)).

Petitioner proposes, and Patent Owner does not disagree, that we maintain the construction of “call application management system” adopted in the '824 IPR. Pet. 22–23, Prelim. Resp. 20. Having considered the evidence presented, we determine that express construction of any claim terms is not necessary for purposes of this Decision.

B. Statutory Subject Matter Under 35 U.S.C. § 101

Petitioner contends that claims 2, 5, 8, 9, 11, 12, and 14–18 of the '260 patent do not recite patent eligible subject matter under 35 U.S.C. § 101,

because they are directed to an unpatentable abstract idea, and do not contain an “inventive concept” that amounts to significantly more than the abstract idea. Pet. 23–58. Patent Owner disagrees. Prelim. Resp. 39–62.

We have reviewed the provided arguments and supporting evidence, and are not persuaded that Petitioner has demonstrated that it is more likely than not that claims 2, 5, 8, 9, 11, 12, and 14–18 of the ’260 do not recite patent eligible subject matter under 35 U.S.C. § 101. We begin our analysis with the principles of law that apply generally to a ground based on patent eligible subject matter, and then address the parties’ contentions in turn.

1. Principles of Law

An invention is patent-eligible if it claims a “new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101. The Supreme Court, however, has long interpreted § 101 to include implicit exceptions: “[l]aws of nature, natural phenomena, and abstract ideas” are not patentable. *E.g., Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014).

In determining whether a claim falls within the abstract idea exception, we are guided in our analysis by the Supreme Court’s two-step framework, described in *Mayo* and *Alice*. *Id.* at 2355 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1296–97 (2012)). In accordance with that framework, we first determine whether the claim is “directed to” a patent-ineligible abstract idea. *See Alice*, 134 S. Ct. at 2355. We evaluate “the ‘focus of the claimed advance over the prior art’ to determine if the claim’s ‘character as a whole’ is directed to excluded subject matter.” *Affinity Labs of Tex., LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1257 (Fed. Cir. 2016) (internal quotation marks omitted). “[W]hen considering claims

purportedly directed to ‘an improvement of computer functionality,’ we ‘ask whether the focus of the claims is on the 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.’”

Smartflash LLC v. Apple Inc., 680 F. App’x 977, 982 (Fed. Cir. 2017) (unpublished) (quoting *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335–36 (Fed. Cir. 2016)).

The following method is then used to determine whether what the claim is “directed to” is an abstract idea:

[T]he decisional mechanism courts now apply is to examine earlier cases in which a similar or parallel descriptive nature can be seen—what prior cases were about, and which way they were decided. *See, e.g., [Elec. Power Grp., LLC v. Alstom S.A., 830 F.3d 1350, 1353–54 (Fed. Cir. 2016)]*. That is the classic common law methodology for creating law when a single governing definitional context is not available. *See generally* Karl N. Llewellyn, *The Common Law Tradition: Deciding Appeals* (1960). This more flexible approach is also the approach employed by the Supreme Court. *See Alice*, 134 S.Ct. at 2355–57. We shall follow that approach here.

Amdocs (Israel) Ltd. v. Openet Telecom, Inc., 841 F.3d 1288, 1294 (Fed. Cir. 2016) (footnote omitted).

If the claim is “directed to” a patent-ineligible abstract idea, we then consider the elements of the claim—both individually and as an ordered combination—to assess whether the additional elements transform the nature of the claim into a patent-eligible application of the abstract idea. *Alice*, 134 S. Ct. at 2355. This is a search for an “inventive concept”—an element or combination of elements sufficient to ensure that the claim amounts to “significantly more” than the abstract idea itself. *Id.*

2. Discussion

a. Whether the Claims are Directed to an “Abstract Idea”

Petitioner asserts that independent claims 1 and 10, as well as the challenged claims, are directed to the abstract idea of “centrally and remotely managing inmate information.” Pet. 25–35. Specifically, that the ’260 patent is directed to organizing human activities, “i.e., gathering information about arrestees and sharing that information with other[s]” (*id.* at 26 (citing Ex. 1001, 3:19–25, 1:66–2:12)); and that it was known in the art to utilize a computer-based system that also provides call processing (*id.* at 26–27 (citing Ex. 1001, 2:23–25, 7:20–23, 9:10–14, 9:54–61, 11:57–60, 12:60–64)). Patent Owner counters that Petitioner’s analysis is “premised on a gross ‘oversimplification’ that ‘fails to account for the specific requirements of the claims.’” Prelim. Resp. 50, citing *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1313 (Fed. Cir. 2016). In Patent Owner’s view, the claims do not preempt all systems and methods for “centrally and remotely managing inmate information” because of the specific configurations required by the challenged claims. *Id.* at 50–51.

As noted by the parties, we first analyze what the claims are “directed to” using step one of *Alice*, and then determine whether what the claim is “directed to” is an abstract idea. Our reviewing court has cautioned against overgeneralizing what the claims are “directed to” when performing this analysis. *Enfish*, 822 F.3d at 1337. Because the parties focus their analysis on independent claims 1 and 10, we do likewise.

In arguing that claims 1 and 10 are directed to “centrally and remotely managing inmate information,” Petitioner is placing emphasis on certain terms in the preamble. Yet, in its entirety, the preamble of claim 1 recites

“[a] computer-based system, at a plurality of facilities, for managing inmate information, each of the facilities having one or more telephone terminals and computer terminals, the computer-based system located remotely from at least one of the plurality of facilities.” Ex. 1001 25:32–36. Claim 10 is similar. *Id.* at 26:15–20. Patent Owner contends that the claims 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.

Id. at 50–51 (citing Ex. 1001, 25:32–55). These claim requirements involve telecommunications according to Patent Owner, and do more than organize information in a central location, rather “they **connect** telephones and computers in a particular configuration.” *Id.* at 51.

We agree with Patent Owner that independent claims 1 and 10 are directed to a computer-based system that “provide[s] centralized or nodal inmate management and telephone call processing capabilities to controlled environment facilities and law enforcement agencies,” “to monitor, control and connect telephone calls based on information in a centralized system.” *Id.* at 1.

We also assess whether those claims are directed to an abstract idea.

As Patent Owner explains,

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.*

Id. at 51–52 (emphases added). For example, the SENTRY system (Ex. 1018) Petitioner discusses can centrally and remotely manage inmate information without using a centralized call processing system, VoIP, or authorize calls based on inmate information in the database, but does not use a call management system to connect calls from telephone terminals based on inmate records in the system. *Id.* at 52 (citing Pet. 28). In considering the claims as an ordered combination, we agree with Patent Owner’s contention that Petitioner does not explain sufficiently “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.” *Id.* at 53 (citation omitted). Indeed, as Patent Owner points out, the inventive solution used telecommunication means that combined various systems into one computer-based system using VoIP data links, call processing gateways to interface with multiple facilities, and as an external interface with a telephone carrier network to connect calls. *Id.* at 54 (citing Ex. 2:62–3:7).

Based on the present record, we agree with Patent Owner that Petitioner fails to demonstrate that it is more likely than not, that the claims “merely apply a fundamental economic practice or mathematical equation to

a general-purpose computer.” *Id.* (citing *Thales Visionx Inc. v. United States*, 850 F.3d 1343, 1349 (Fed. Cir. 2017) (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.”)).

On this record, we are not persuaded that claims 1 and 10 are directed merely to “centrally and remotely managing inmate information” and not “improving the way inmate management systems or call processing systems operate.” Pet. 25–26. Instead, we agree with Patent Owner that independent claims 1 and 10 are not directed to a patent-ineligible abstract idea as presented by Petitioner, rather claims 1 and 10 recite the technological invention of using a computer-based call management system to connect calls from telephone terminals based on inmate records in the system.

Petitioner asserts that dependent claims 2, 5, 8, 9, 11, 12, and 14–18 are directed to the same abstract idea as claims 1 and 10. Pet. 30–36. In view of the foregoing, we are not persuaded that Petitioner has demonstrated that dependent claims 2, 5, 8, 9, 11, 12, and 14–18 are directed to a patent-ineligible abstract idea.

b. Whether the Claims Recite “Significantly More” than an Abstract Idea

The second step in our analysis requires us to determine whether the claims include an “inventive concept,” i.e., an element or combination of elements sufficient to ensure that the patent in practice amounts to

significantly more than a patent on the abstract idea, itself. *Alice*, 134 S. Ct. at 2355. Because we are not persuaded that Petitioner has demonstrated that the challenged claims of the '260 patent are directed to a patent-ineligible abstract idea, we need not, and, therefore, do not, assess whether Petitioner has demonstrated that these claims satisfy the second step in the § 101 analysis under *Alice*.

3. Summary

On this record, we determine that Petitioner has not shown that it is more likely than not that claims 2, 5, 8, 9, 11, 12, and 14–18 are directed to patent ineligible subject matter under § 101.

C. Discretion Under § 325(d).

Because we determine that the information presented in the Petition does not demonstrate that it is more likely than not that Petitioner would prevail with respect to at least one of the challenged claims, we need not address Patent Owner's request that we exercise our discretion and decline to institute a covered business method review. Prelim. Resp. 36–39.

III. CONCLUSION

For the foregoing reasons, we determine that the information presented in the Petition does not establish that it is more likely than not that the challenged claims are directed to patent ineligible subject matter under 35 U.S.C. § 101. We, therefore, decline to institute a covered business method patent review of claims 2, 5, 8, 9, 11, 12, and 14–18 of the '260 patent.

IV. ORDER

Accordingly, it is:

ORDERED that, a covered business method patent review is not instituted as to claims 2, 5, 8, 9, 11, 12, and 14–18 of the '260 patent.

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