

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE INC.,
Petitioner,

v.

LOCATIONET SYSTEMS LTD.,
Patent Owner.

Case CBM2016-00062
Patent 6,771,970 B1

Before KARL D. EASTHOM, MICHAEL W. KIM, and FRANCES L. IPPOLITO, *Administrative Patent Judges*.

EASTHOM, *Administrative Patent Judge*.

DECISION

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

I. INTRODUCTION

Petitioner, Google Inc., filed a Petition (Paper 1, “Pet.”) requesting a covered business method (CBM) patent review of claims 14–17 and 19 of U.S. Patent No. 6771,970 B1 (Ex. 1001, “the ’970 patent”). In response, Patent Owner, LocationNet Systems Ltd., filed a Preliminary Response. Paper 6 (“Prelim. Resp.”).

We have jurisdiction under 35 U.S.C. § 6(b). Under 35 U.S.C. § 324, a covered business method patent review may not be instituted “unless . . . it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.” Because we determine that the ’970 patent is not a covered business method patent, we deny the Petition.

A. Related Matters

Petitioner and Patent Owner identify several related district court cases filed in the U.S. District Court for the District of Delaware. Pet. 29; Paper 5, 1. Additionally, Petitioner identifies IPR2014-00199 (instituting review, and finding unpatentable, claim 18 of the ’970 patent), IPR2014-00920 (instituting review of claims 1–17 and 19, and thereafter terminating due to a settlement), and Reexamination Control No. 90/013,370 (confirming patentability of claims 1–17 and 19, and adding new claims 20–42). *See id.* at 4–5, 33 (citing Ex. 1004, 8; Ex. 1005, 10; Ex. 1006, 17).

B. Petitioner’s Standing

Petitioner states that it has been sued for infringement. Pet. 29. Petitioner also states that it is not estopped from challenging the claims on the grounds identified in the Petition. *Id.*

C. The '970 Patent (Ex. 1001)

The '970 patent describes a location determination system for providing information that locates mobile platforms, including with map and other types of information associated with the location. See Ex. 1001, Abs.; 2:2–45, 3:4–24. Figure 1 of the '970 patent follows:

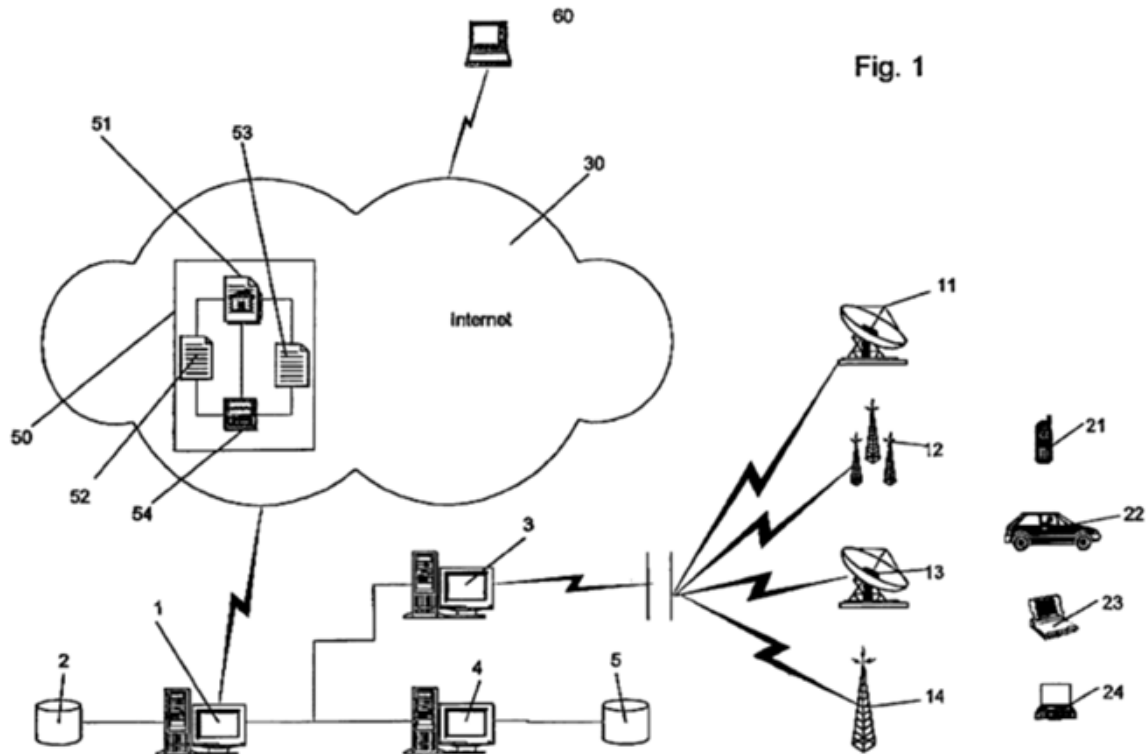


Fig. 1

Figure 1 illustrates mobile platforms, including mobile telephone 21, car 22, laptop 23, and briefcase 24, and location tracking systems 11, 12, 13, 14 that communicate with communication subsystem 3 of location determination system 1. *Id.* at 3:31–32; 3:44–4:11.

Location determination system 1 links to database 2 and map server 4. A subscriber to location determination system 1, equipped with computer 60, accesses website 50 and selects mobile platform 21–24 for which to request a location. *Id.* at 4:29– 39. Location determination system 1

processes the request and accesses database 2 to determine the appropriate location tracking system (11–14) with which to locate the subscriber-selected mobile platform. *Id.* at 4:39–42; *see id.* at 4:12–15. Location determination system 1 passes the request and details of the appropriate location tracking system (11–14) to communication subsystem 3. *Id.* at 4:42–45. The respective location tracking system 11–14 receives the request from communication subsystem 3, determines the location of the requested mobile platform, and transmits the location information back to communication subsystem 3. *Id.* at 4:46–52; 5:51–6:11.

Communication subsystem 3 associates the location information with the request and passes it to location determination system 1, which passes the location of the requested mobile platform 21–24 to map server 4. *Id.* at 4:52–56. Map server 4, using a map engine, obtains a map of the area surrounding the located mobile platform, marks the position of the mobile platform on the map, and passes that information to location determination system 1. *Id.* at 4:56–59. Subscriber computer 60, running a web browser, then receives the location and map information. *Id.* 4:60–61; *see id.* at 5:19–24.

In addition to providing platform location and map data, “data related to the determined location could also be incorporated in the output. A location data server (120) may be linked to a number of location databases, examples of which include traffic information data bases (121), Yellow Pages databases (122) and databases of video of the location (123).” *Id.* at 5:5–10. Application servers 130 also may provide optional information, including “navigation information (131), managing movement of resources (132), such as for route planning between multiple destinations, billing

and/or advertising (133) and emergency service management (134).” *Id.* at 5:37–42, *see* Fig. 6 (showing servers 120 and 130).

D. Illustrative Claim

Independent claims 14, 16, and 19 are similar, and challenged claims 15 and 17 respectively depend from claims 14 and 16.

Independent claim 14 follows:

14. A method of determining the location of mobile platforms, said mobile platforms between them being locatable by a plurality of remote tracking systems, each which is adapted to determine the location of a respective mobile platform according to a property that is predetermined for each mobile platform, the method comprising:

(a) accepting inputs from a subscriber identifying one or more mobile platforms to be located;

(b) determining for each mobile platform one of the remote tracking systems that is capable of locating said mobile platform;

(c) communicating the identity of the one or more mobile platforms to be located to the determined remote tracking system(s);

(d) receiving the location of each mobile platform from the respective remote tracking system; and

(e) transmitting the location of each mobile platform to said subscriber.

II. CBM REVIEW

A CBM 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.”

Leahy-Smith America Invents Act § 18(d)(1), Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”). A CBM patent, therefore, contemplates two distinct aspects: (1) the financial product or service inquiry; and (2) the technological invention exception. Patent Owner disputes both aspects asserted by Petitioner. Prelim. Resp. 14–59. Petitioner bears the burden of demonstrating that the ’970 patent is a CBM patent. *See* 37 C.F.R. § 42.304(a). For the reasons below, Petitioner has not met its burden of establishing the dispositive financial product or service aspect necessary to its demonstration.

A. Disclaimed Claim 4

Petitioner challenges claim 4. Patent Owner, however, disclaimed claim 4 subsequent to the filing of the Petition. *See* Prelim. Resp. 12 (citing Ex. 2001). Claim 4 ultimately depends from claim 1 (which recites elements that are similar to elements that claim 14 recites). Claim 4 recites the following: “A system according to claim 3, wherein said location information system obtains location information from selected ones of traffic information systems, electronic Yellow Page databases, video databases, L-commerce systems and free advertising systems.” Ex. 1001, 7:25–29.

Petitioner contends that claim 4 confers CBM status on the ’970 patent as follows: “Claim 4 explicitly claims advertising systems because advertising information is received as the location information from electronic Yellow Page databases, L-commerce systems, and free advertising systems.” Pet. 12. Petitioner explains that advertising is “incidental or complementary to a financial activity.” *Id.* (citations omitted). Petitioner also contends that “the ’970 Patent discloses that financial and advertising information is incorporated with the claimed transmission of

location information, confirming that claim 4 of the '970 Patent is incidental or complementary to the financial activity of product or service sales.” Pet. 15 (citing Ex. 1001, 5:3–42).

Patent Owner disagrees and contends that “as a consequence of the disclaimer, the Board cannot base its determination on whether or not to institute a trial on claim 4.” Prelim. Resp. 12–13 (citing C.F.R. § 42.207(e) (“[n]o post-grant review will be instituted based on disclaimed claims”) and *Great West Casualty Company v. Intellectual Ventures II*, CBM2015-00171, slip op. at 7 (PTAB Feb. 9, 2016) (disclaimed claims 1–10 not subject to consideration of CBM eligibility)).

We agree with Patent Owner. Although previous non-precedential decisions of the Board do not bind this panel, several Board panels confronted with the issue of CBM eligibility on the basis of disclaimed claims reached the same conclusion. *See, e.g., CoreLogic, Inc. v. Boundary Solutions, Inc.*, Case CBM2016-00016, slip op. at 6–7 (PTAB May 24, 2016) (Paper 9) (“[T]he disclaimed claims should not be consulted when determining whether the patent is a covered business method patent.”); *AT&T Mobility LLC v. Intellectual Ventures II LLC*, Case CBM2015-00185, slip op. at 10 (PTAB May 4, 2016) (Paper 10) (“[W]e will not consider the now-statutorily disclaimed claims in our determination.”); *Great West Casualty Co. v. Intellectual Ventures II LLC*, Case CBM2015-00171, slip op. at 7 (PTAB Feb. 9, 2016) (Paper 10) (“[F]or the purposes of whether or not to institute a covered business method patent review, we treat [the disclaimed claims] as never having existed.”); *Google Inc. v. SimpleAir, Inc.*, Case CBM2015-00019, slip op. at 14–15 (PTAB May 19, 2014) (Paper

11) (“[W]e treat the [challenged] patent as though [the disclaimed claims] never existed.”).

On the other hand, other non-binding decisions have held that a disclaimed dependent claim that includes finance-related subject matter may be considered for purposes of CBM eligibility. *See, e.g., J.P. Morgan Chase & Co. v. Intellectual Ventures II LLC*, Case CBM2014-00157, slip op. at 2–3 (PTAB Feb. 18, 2015) (Paper 11) (“[S]tanding for covered business method patent review remains at least because disclaimer of claim 12 does not change the scope of independent claim 1, from which it depends.”).

In conferring CBM status based on a disclaimed claim, *J.P. Morgan Chase* reasons that the surviving independent claim necessarily is broad enough to encompass the finance-related subject matter of a disclaimed dependent claim. *See id.* That rationale does not apply here, because disclaimed claim 4 does not depend from any of challenged claims 14–17 and 19, and Petitioner has not articulated adequately any relevant relationship between disclaimed claim 4 and the other challenged claims.

Based on the foregoing discussion, we do not consider disclaimed claim 4 in determining whether the ’970 patent is a CBM patent.

B. Claims 14–17 and 19

Petitioner contends that claims 14–17 and 19 also are directed to activities that are financial in nature, or at least incidental or complementary to the financial activity of product or service sales for two reasons: (1) because they are directed to advertising systems and methods since they are configured to transmit location information obtained from free advertising databases and financial systems, *e.g.*, L-commerce systems and Yellow page databases, to subscribers, and (2) because the claims explicitly require transmitting location and/or a map to “*subscribers*” whereby a subscriber includes an advertiser under

plaintiff Callwave Communications, LLC's ("Callwave") construction of the term.

Pet. 16–17 (Ex. 1001, 5:3–42; Ex. 1026 ¶ 81).

Petitioner points to extrinsic evidence that tends to show yellow pages databases and L-commerce systems provide advertising. *See* Pet. 13 (citing Ex. 1008; Ex. 1022; Ex 1026 ¶ 77). Patent Owner also cites to a disclosure in the '970 patent that describes supplying advertising data (in addition to other data) in some embodiments:

In addition to supplying map-based location data to requesting Web browsers, *the location determination system (1) may also be configured to communicate with external application servers (130) via the Internet, PSTN or other communication medium. The application server may run a proprietary or commercial software system for, for example, supplying navigation information (131), managing movement of resources (132), such as for route planning between multiple destinations, billing and/or advertising (133) and emergency service management (134).*

Pet. 13–14 (quoting Ex. 1001, 5:33–42) (emphasis by Petitioner).

Patent Owner responds that claims 14–17 and 19 are not directed towards “advertising systems and methods.” Prelim. Resp. 17. Patent Owner summarizes as follows:

1) Claims 14–17 and 19 do not mention, let alone *claim*, L-commerce systems, free advertising systems or Yellow Pages databases; and

2) Nothing in the claims recites or even suggests that obtaining and/or transmitting advertising materials is an element of the claimed system or methods.

Prelim. Resp. 17.

Patent Owner explains that

the claims are expressly directed to a method of *determining the location of a mobile platform* (claim[s] 14–15), a computer program product for *determining a location of a mobile platform systems* (claims 16–17), and a program storage device with instructions executable to perform a method of *determining the location of mobile platforms* (claim 19). Nothing in these claims expressly recites any financial product or service, let alone claim any activity incidental to a financial product or service.

Prelim. Resp. 16.

With respect to the '970 patent disclosure, Patent Owner explains that [e]ven if the mere mention of the words “*free advertising systems*”, “*Lcommerce systems*” and “*Yellow Pages databases*” in the specification *as a source for location information* somehow matters (which it does not because it does not implicate a financial product or service) such language is simply not recited in claims 14–17 and 19.

Id. at 17–18.

Patent Owner’s arguments are persuasive. Claims 14–17 and 19 do not recite any elements that require any financial information, including advertising. Even though, as Petitioner alleges and as discussed in the Introduction (*supra* Section I.C), the Specification describes providing some optional information that may be described as financial (billing and/or advertising), the Specification describes using these, at most, as possible sources of information in some embodiments that may be supplied in addition to myriad types of other information. By way of example, the cited passages also show that the disclosed invention may include supplying non-advertising information such as route planning and navigation information, as optional additional data that may be supplied with the subject of claims

14–17 and 19—location and map data for a moving platform. *See* Ex. 1001, Abstract, 3:1–41, 4:4–22, 5:33–42.

It is not enough that a claim of general applicability, such as claims 14–17 and 19, may read on prior art systems that happen to include finance-related elements. Rather, finding CBM eligibility requires a “focus[] on the claim language at issue” to determine whether there is anything “explicitly or inherently financial in the construed claim language.” *Blue Calypso, LLC v. Groupon, Inc.*, 815 F.3d 1331, 1340 (Fed. Cir. 2016).

Similar logic applies to Petitioner’s argument that a plaintiff in the related District Court litigation alleged infringement scenarios wherein claim 14 reads on an advertiser acting as the claimed “subscriber” who may send an advertisement containing location information. *See* Pet. 18–20 (citing Ex. 1025, 13; Ex. 1026 ¶¶ 84–85). Petitioner does not provide a citation to the ’970 patent Specification that specifically describes an advertiser as a subscriber who seeks a location of a mobile platform. Petitioner also fails to explain how challenged claim 14 requires or implies that a subscriber must be an advertiser who supplies advertisements. *See id.* Reading the challenged claims onto advertisers within the broad category of subscribers, who in turn optionally may provide financial activity and location data in the form of advertisements, is not sufficient to convert the generic claims into a finance-related claim eligible for CBM review. As indicated above, the disclosed system may provide optional advertisement information as one of a myriad of options to a typical subscriber (a non-advertiser) who primarily seeks to locate a vehicle platform by determining a tracking system capable of locating that platform (with possible map information). *See* Ex. 1001, Abstract, 2:42–45, 4:31–33, 4:55–61, 5:37–42; *supra* Section I.C.

Several non-binding Board decisions have determined, under a similar analysis, that patents reciting generic claims that read on what may be described as financial activity disclosed in the patent as part of a general utility system, are not CBM eligible. *See, e.g., Qualtrics, LLC v. OpinionLab, Inc.*, Case CBM2015-00164, slip op. at 5–6 (PTAB Feb. 3, 2016) (Paper 8) (disclosed feedback employed to enhance “marketing” does not convert a patent generically claiming “soliciting feedback” into a CBM patent); *ServiceNow, Inc. v. Hewlett-Packard Co.*, Case CBM2015-00077, slip op. at 5–12 (PTAB Sept. 17, 2015) (Paper 12) (disclosed “online ordering system” and Web services for “currency conversion” does not convert a patent with a generic claim reciting “a system for managing a Web service” into a CBM patent) (citing similar CBM cases); *ServiceNow, Inc. v. BMC Software, Inc.*, Case CBM2015-00107, slip op. at 10–15 (PTAB Sept. 11, 2015) (Paper 12) (in a specification describing a general utility system, reading patent claims reciting “fault analysis” onto a disclosed automatic teller machine does not convert the patent into a CBM patent).

For similar reasons, contrary to Petitioner’s related arguments, merely reciting a “subscriber” in the challenged claims at issue here does not invoke CBM status as a financially related activity. *See* Pet. 20 & n.2 (stating that “[a] ‘subscriber’ includes one who agrees ‘to receive and pay for a periodical, service, etc.’”). Petitioner describes a subscriber as *including* a payment requirement and “an advertiser who pays for advertising services,” and also “identifies” a related District Court construction “in the event the Board finds that an express construction is necessary.” *Id.* at 34 (emphasis added). Petitioner then notes that in the District Court construction, a “subscriber” is “[a] person or company that subscribes to the location

determination services.” *Id.* This latter construction does not require a payment as a necessary condition of satisfying the challenged claims. *See* Pet. 33. Furthermore, the ’970 patent does not specifically describe any money exchange, financial distribution, or financial data exchange as a result of having a subscription or as a result of being a subscriber. Rather, as indicated above, the focus of the disclosed ’970 patent system involves providing generic subscribers information concerning “location tracking of mobile platforms” wherein the system chooses from “a plurality of remote tracking systems.” *See* Ex. 1001, Abstract.

Petitioner cites to another non-binding CBM Board case as “describing a user interface that allows promotional material to be displayed as incidental or complementary to a financial activity.” Pet. 20 (citing *Allscripts Healthcare Solutions, Inc. v. Mymedical Records, Inc.*, Case CBM2015-00022, slip. op. at 10–11 (PTAB May 5, 2015) (Paper 10)). Notwithstanding that characterization, the panel in that case also found that “a necessary step in the [disclosed] enrollment process is that the user must enter valid credit card information, thereby completing the sale of the service for providing online access to health records,” which the panel tied to specific claim language. *See Allscripts*, slip op. at 11 (tying the disclosure to claim reciting “associating access information . . . to access a server”).

Similarly, in other cases cited by Petitioner, the claims specifically recite advertising or other forms of finance-related activity, or at least closely tie financial activity as implied in claim terms to a prominently described aspect of the disclosed invention. *See* Pet. 15 (citing *Google v. Unwired Planet, LLC*, Case CBM 2014-00004, slip op. at 10 (PTAB Apr. 8, 2014) (Paper 8) (Petitioner stating that “the Board found that a claim

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directed to a ‘method for receiving an advertisement over a mobile network’ was CBM eligible”)); *id.* at 16 (citing *Google Inc. v. Patrick Zuili*, Case CBM2016-00008, slip op. at 10 (PTAB Apr. 25, 2016) (Paper 18) (“Claim 1 refers to web pages that are associated with merchants. In addition, the specification contains numerous references to advertising and states that an objective of the invention is to ‘fairly invoice merchants’ by identifying fraudulent click activity.”)).

C. Summary

Petitioner has failed to meet its burden of showing that the ’970 patent is eligible for the transitional covered business method patent review program.

III. CONCLUSION

For the foregoing reasons, we determine that the ’970 patent is not a covered business method patent.

IV. ORDER

In consideration of the foregoing, it is hereby

ORDERED that pursuant to 35 U.S.C. § 324(a), a covered business method patent review is not instituted as to any claim of the ’970 patent.

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