

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

EXPERIAN MARKETING SOLUTIONS, INC., EPSILON
DATA MANAGEMENT, LLC, and CONSTANT CONTACT, INC.,
Petitioner,

v.

RPOST COMMUNICATIONS LIMITED,
Patent Owner.

Case CBM2014-00064
Patent 8,161,104 B2

Before KEVIN F. TURNER, TREVOR M. JEFFERSON, and
JAMES B. ARPIN, *Administrative Patent Judges*.

TURNER, *Administrative Patent Judge*.

DECISION

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

I. BACKGROUND

Experian Marketing Solutions, Inc., Epsilon Data Management, LLC, and Constant Contact, Inc. (collectively, “Petitioner”) filed a Petition (Paper 1; “Pet.”) requesting institution of a covered business method patent review of claims 1 and 27 of U.S. Patent No. 8,161,104 B2 (Ex. 1001, “the ’104 Patent”) pursuant to 35 U.S.C. §§ 321-29. RPost Communications Limited (“Patent Owner”) filed a Preliminary Response (Paper 12; “Prelim. Resp.”). We have jurisdiction under 35 U.S.C. § 324.

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

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

Petitioner challenges claims 1 and 27 as unpatentable under 35 U.S.C. §§ 102, 103, and 112. For the reasons that follow, the Petition is *denied*.

A. The ’104 Patent (Ex. 1001)

The ’104 Patent, entitled “SYSTEM AND METHOD FOR VERIFYING DELIVERY AND INTEGRITY OF ELECTRONIC MESSAGES,” issued on April 17, 2012. The ’104 Patent relates to a system and method of later providing proof regarding the delivery and content of an e-mail message. Ex. 1001, 1:20-25. Certain header information is added to an e-mail such that, when the e-mail is opened, the recipient’s Mail User Agent (“MUA”) returns a response e-mail called a MUA notice to the

sender. *Id.* at 8:61-9:3. An e-mail is transmitted first from the sender to an intermediary server, which adds a notification header to the e-mail, and thereafter the intermediary server forwards the e-mail to the recipient, where the addition of the specialized header results in a compliant MUA sending a notification back. *Id.* at 9:57-61. When the intermediary server receives such a notification, the server determines to which e-mail the notice relates and generates and sends a read receipt to the e-mail sender. *Id.* at 9:62-10:3; 15:53-16:22.

B. Related Matters

The '104 Patent has been asserted in the proceedings listed in the Petition. Pet. 3. The '104 Patent currently is asserted against Petitioner in *RPost Holdings, Inc. v. Epsilon Data Management, LLC*, Civil Case No. 2:12-cv-00511-JRG (E.D. Tex.); *RPost Holdings, Inc. v. Experian Marketing Solutions, Inc.*, Civil Case No. 2:12-cv-00513-JRG (E.D. Tex.); and *RPost Holdings, Inc. v. Constant Contact, Inc.*, Civil Case No. 2:12-cv-00510-JRG (E.D. Tex.). Exs. 1002-1004.

C. Illustrative Claim

Claim 1 of the '104 Patent is illustrative of the claims at issue:

1. A method of transmitting a message from a sender to a recipient and providing an indication that the message was opened by the recipient, comprising:

- receiving the message at a server from the sender, the server being displaced from the recipient,

- adding a link to the message by the server, the link configured to execute when the message is opened at the

recipient to provide an indication that the message has been opened by a recipient,

transmitting the message and the link from the server to the recipient,

executing the link when the message is opened at the recipient to control the server to provide an indication that the message has been opened at the recipient,

providing an authenticatable information related to the message, including the indication of the opening of the message at the recipient, at the server, and

transmitting the indication of the opening of the message at the recipient, and the authenticatable information from the server to the sender.

D. Asserted References

In its petition, Petitioner relies on the following references:

Yamazaki	JP H10-293732	Nov. 4, 1998	Ex. 1011
Micali	US 5,629,982	May 13, 1997	Ex. 1013
Venkatraman	WO 98/49643	Nov. 5, 1998	Ex. 1014

Richard Smith, *The Web Bug FAQ Version 1.0*, Nov. 11, 1999, http://w2.eff.org/Privacy/Marketing/web_bug.html. (Ex. 1023, hereinafter “Web Bug FAQ”).

Petitioner also seeks to demonstrate that claims 1 and 27 are unpatentable in view of a public use of “PostX Envelope Version 2.0,” not cited as a published reference, but through corroboration of its public use. Pet. 67-68.

E. Asserted Grounds of Unpatentability

Petitioner challenges the patentability of claims 1 and 27 of the ’104 Patent based on the following asserted grounds of unpatentability:

Description/Reference(s)	Basis	Claims challenged
“Written Description”	§ 112	1 and 27
“Lack of Enablement”	§ 112	1 and 27
Yamazaki	§ 102	1 and 27
Micali and Venkatraman	§ 103	1 and 27
Micali and PostX Envelope Version 2.0	§ 103	1 and 27
Micali and Web Bug FAQ	§ 103	1 and 27

II. ANALYSIS

A. Financial Product or Service

A “covered business method patent” is a patent that “claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service, except that the term does not include patents for technological inventions.” Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”) § 18(d)(1); *see* 37 C.F.R. § 42.301(a). For purposes of determining whether a patent is eligible for a covered business method patent review, the focus is on the claims. *See Transitional Program for Covered Business Method Patents—Definitions of Covered Business Method Patent and Technological Invention*, 77 Fed. Reg. 48,734, 48,736 (Aug. 14, 2012) (Final Rule). A patent need have only one claim directed to a covered business method to be eligible for review. *Id.*

In promulgating rules for covered business method patent reviews, the Office considered the legislative intent and history behind the AIA’s definition of “covered business method patent.” *Id.* at 48735. The

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

As Petitioner points out, the Specification of the ’104 Patent details that the claimed electronic messaging system and methods are complementary to the financial activity of selling products and services. Pet. 7. Specifically, Petitioner notes that “[t]he registered queries, complaints, *orders; offers to purchase*, and other information 46 are sent to the e-business 30 by the system. Receipts are then provided to the customers 34 via SMTP server 38.” *Id.* at 10; Ex. 1001, 26:57-60. As identified by Petitioner, the e-commerce embodiments are directed to the buying and selling of products or services over electronic systems such as the Internet. *Id.* at 11. We are persuaded that this comports with “*an agreement between two parties stipulating movements of money or other consideration now or in the future.*” *Apple, Inc. v. Sightsound Techs, LLC*, CBM2013-00019, slip op. at 12 (PTAB Oct. 8, 2013) (Paper 17)(internal citations omitted). We also are persuaded by Petitioner that these e-commerce transactions represent the type of activities that are “complementary or incidental to the financial activity of sales.” Pet. 9.

Patent Owner argues that even under a broad definition of covered business method patent, the ’104 Patent is not encompassed by that definition. Prelim. Resp. 7. Patent Owner also argues that the steps of the

method claims are unrelated to financial activities (*id.* at 7-8) and have “nothing to do with movement of money; financial institution; sale of a service, product or digital content; agreement for consideration; valuing an object; insuring an object; or anything else remotely related to something monetary” (*id.* at 8).

Patent Owner’s arguments are not persuasive. The Board reviews petitions on their own facts to determine whether the challenged patent is a “covered business method patent” under the AIA definition. The presence of the e-commerce embodiment makes clear that the method claims have directed to financial processes. Patent Owner’s argument that its claimed subject matter “would be no more related to the financial institution as would be a stapler” (*id.* at 8) ignores the specific recitations in the ’104 Patent discussed above. Further, we do not agree with Patent Owner that the ’104 Patent has nothing to do with finance. The Specification of the ’104 Patent states that the disclosed method may be used in e-commerce, as discussed above. *See* Ex. 1001, 26:57-60.

As such, we are persuaded that the challenged claims of the ’104 Patent meet the “financial product or service” component of § 18(d)(1) of the AIA.

B. Technological Invention

The definition of “covered business method patent” in § 18(d)(1) of the AIA does not include patents for “technological inventions.” To determine whether a patent is for a technological invention, we consider “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). The following claim drafting techniques, for example, typically do not render a patent a “technological invention”:

(a) Mere recitation of known technologies, such as computer hardware, communication or computer networks, software, memory, computer-readable storage medium, scanners, display devices or databases, or specialized machines, such as an ATM or point of sale device.

(b) Reciting the use of known prior art technology to accomplish a process or method, even if that process or method is novel and non-obvious.

(c) Combining prior art structures to achieve the normal, expected, or predictable result of that combination.

Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,763-64 (Aug. 14, 2012).

Pet. 12-14. Petitioner argues that the ’104 Patent does not recite any novel and unobvious technological feature, and does not solve a technical problem. Pet. 13. Petitioner also argues that “[m]oreover, the problem purportedly solved by the ’104 Patent is determining whether someone opened a particular email. . . . That is not a technical problem, it a social or commercial one—did the recipient read my letter, receive my purchase order, or open my advertisement?” *Id.* at 14. We must weigh these arguments against the counterarguments raised by Patent Owner. We are unpersuaded by Petitioner’s arguments that the ’104 Patent is not directed to a technological invention.

Patent Owner argues that the “technical problem is more complex than Petitioners allude.” Prelim. Resp. 12. The ability to provide proof that an e-mail has been opened is required, via the Specification of the the

'104 Patent, to be platform-independent and need not require the cooperation of the email recipient. *Id.* at 12-13; Ex. 1001, 2:15-61. Patent Owner further maintains that skilled artisans would have understood that this is not merely a social problem and that existing technology did not provide such capabilities. Prelim. Resp. 15. Patent Owner asserts that the '104 Patent provides a technical solution of an intermediary server, without requiring special e-mail software by the sender or the recipient. *Id.* at 16-17. While the testimony of Petitioner's affiant, Dr. Paul Clark, was proffered to demonstrate a lack of proper written description of specific claims (Pet. 32; Ex. 1009 ¶¶ 27-28), Dr. Clark acknowledges that the receipt of a corroboration of the opening of the e-mail would work only in specific systems, as pointed out by Patent Owner. Prelim. Resp. 16. As such, we are not persuaded that Petitioner has demonstrated that the claimed platform-independent processes and systems were generally known in the art.

While Petitioner argues that providing some form of proof of delivery and providing an indication to a sender that an e-mail has been opened were known (Pet. 13-14), that does not mean necessarily that the use of the specific steps of independent claims 1 and 27 are not novel or unobvious. Petitioner has provided insufficient analysis of the specific steps of claims 1 and 27 in arguing that claims of the '104 Patent fail to address a technical problem and lack a technical solution (*id.*), but has alleged instead that aspects thereof are wholly unsupported by the Specification. Petitioner also has failed to demonstrate that the use of the electronic message systems, per the claimed processes, would achieve only the normal, expected, or predictable result of that combination. Additionally, Petitioner has not

persuaded us that such a server configuration and method, as discussed in the '104 Patent, were known at that time. In contrast, Patent Owner provides that

[t]he technical problem solved by the '104 patent is summarized by the statement: Therefore, there exists a need for an e-mail system/method that can provide reliable proof of the content and delivery of electronic messages which does not require the compliance or co-operation of the recipient, which requires no special e-mail software on the part of sender or recipient, which operates with the same or nearly the same convenience and speed of use as conventional e-mail, and which can be operated economically by a service provider.

Prelim. Resp. 15 (citing Ex. 1001, 2:62-3:2).

Lastly, merely because a patent's claims recite a method, and such a method is applicable to a financial process, that does not obviate the need to determine whether the invention is directed to a technical invention. Providing conclusory language in a petition to the effect that the claims do not require any novel and unobvious technological implementation, or solve a technical problem, without more, is not sufficient to demonstrate that a patent is not a technical invention.

In view of the foregoing, we are not persuaded that the claims of the '104 Patent are directed to a covered business method patent under AIA § 18(d)(1).

III. CONCLUSION

For the foregoing reasons, we conclude that the information presented in the Petition fails to establish that it is more likely than not that Petitioner

would prevail in establishing the '104 Patent is the proper subject of covered business method patent review.

IV. ORDER

Accordingly, it is

ORDERED that the Petition is *denied* as to all challenged claims.

FURTHER ORDERED that no covered business method patent review is instituted.

PETITIONER:

Kenneth J. Sheehan
John Hilten
BAKER & HOSTETLER LLP
ksheehan@bakerlaw.com
jhilten@bakerlaw.com

Arthur Dresner
Jarrad M. Gunther
DUANE MORRIS LLP
ADresner@duanemorris.com
JMGunther@duanemorris.com

Michael Eisenberg
Richard G. Frenkel
LATHAM & WATKINS LLP
michael.eisenberg@lw.com
rick.frenkel@lw.com

PATENT OWNER:

Lewis E. Hudnell, III
COLVIN HUDNELL LLP
lewis@colvinhudnell.com

John K. Fitzgerald
FULWIDER PATTON LLP
jfitzgerald@fulpat.com