UNITED STATES PATENT AND TRADEMARK OFFICE
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BEFORE THE PATENT TRIAL AND APPEAL BOARD
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GOOGLE, INC.,
Petitioner,

v.

WHITSERVE LLC,
Patent Owner.

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Case IPR2013-00249
Patent No. 6,981,007

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Before THOMAS L. GIANNETTI, MICHAEL J. FITZPATRICK, and
CHRISTOPHER L. CRUMBLEY, *Administrative Patent Judges.*

CRUMBLEY, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
35 U.S.C. § 318 and 37 C.F.R. § 42.73

I.   BACKGROUND

On April 15, 2013, Google, Inc., filed a Petition (Paper 2, "Pet.") requesting *inter partes* review of claims 1-9 and 11-15 of U.S. Patent No. 6,981,007 (Ex. 1001, "the '007 patent"). Whitserve, LLC, the owner of the '007 patent, filed a Patent Owner's Preliminary Response on July 18, 2013. Paper 10, "Prelim. Resp." With its Preliminary Response, Whitserve provided evidence it had filed a statutory disclaimer of claims 11-15 pursuant to 37 C.F.R. § 1.321(a). *Id.* at 1; Ex. 2001. In a September 10, 2013, Decision to Institute (Paper 11, "Dec."), we instituted trial of remaining claims 1-9 on the following grounds:

1. Whether claims 1-9 are unpatentable under 35 U.S.C. § 103 as obvious over the combined disclosures of WF Site,[1] Seybold,[2] and Guck;[3] and

2. Whether claims 1-9 are unpatentable under 35 U.S.C. § 103 as obvious over the combined disclosures of Schrader[4] and Guck.

Dec. 13.

Following institution, Whitserve filed a Patent Owner Response to the Petition (Paper 18, "PO Resp."), and Google filed a Reply (Paper 21, "Pet.

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[1] Ex. 1003, Wells Fargo website, *wellsfargo.com*, Internet Archive Wayback Machine (Jan. 19, 1998). Whitserve has not argued that WF Site—or any other reference cited in our Decision to Institute—is not prior art to the '007 patent.
[2] Ex. 1004, Patricia B. Seybold, CUSTOMERS.COM: HOW TO CREATE A PROFITABLE BUSINESS STRATEGY FOR THE INTERNET AND BEYOND (Oct. 30, 1998).
[3] Ex. 1006, U.S. Patent No. 5,848,415 (Dec. 8, 1998).
[4] Ex. 1007, U.S. Patent No. 5,903,881 (May 11, 1999).

Reply"). Oral hearing was requested by both parties and was held on April 1,
2014. A transcript of the oral hearing is included in the record. Paper 31, "Tr."

Both parties presented witness testimony via declaration. With its Petition,
Google provided a Declaration from William S. Finkelstein. Ex. 1009. With its
Patent Owner Response, Whitserve presented a Declaration from Frederick G.
Sayward. Ex. 2003.

We have jurisdiction under 35 U.S.C. § 6(c). This Final Written Decision,
issued pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73, addresses issues and
arguments raised during trial. For the reasons discussed below, we determine that
Google has met its burden to prove, by a preponderance of the evidence, that
claims 1-9 of the '007 patent are unpatentable.

A. *The '007 Patent*

The '007 patent is directed to a system for backing up data stored on a
central computer, over the Internet, to a local client computer. Ex. 1001, Abstract.
In particular, the '007 patent "relates to outsourced, Internet-based data processing
and more particularly to safeguarding customer/client data when a business
outsources data processing to third party Internet-based systems." *Id*. at 1:14-17.
According to the patent, there is an increase in companies moving data processing
systems online, while providing the ability for customers to access and manipulate
the data via web interfaces. *Id*. at 1:21-24. A related patent is provided as an
example of such an outsourced data processing system, but the '007 patent notes
that "[m]any other Internet based order entry and payment billing systems exist."
Id. at 1:25-27.

The system disclosed in the '007 patent comprises a client computer and a central data processing system, connected by an Internet communications link. *Id*. at 2:45-47. Using the Internet link, the client computer can execute software on the central computer for storing, displaying, updating, and deleting data. *Id*. at 2:50-54. Significantly, the system also has the ability to transmit a copy of the data on the central computer to the local computer for backup, and can later restore any lost data from the local computer back to the central computer. *Id*. at 2:53-56. This is essentially the converse of what the '007 patent describes as known prior art systems, which provide offsite backup of locally stored data. *Id*. at 1:49-56; Fig. 2. The system of the '007 patent permits the customer to safeguard its data by maintaining a local backup, in the event the central computer loses the data or the third party hosting company goes out of business. *Id*. at 1:40-48.

B. The Challenged Claims

Of the challenged claims remaining in this proceeding, claims 1, 4, and 7 are independent, while claims 2 and 3 depend from claim 1, claims 5 and 6 depend from claim 4, and claims 8 and 9 depend from claim 7. Claim 1 is illustrative of the claimed subject matter of the '007 patent and is reproduced as follows:

1. A system for onsite backup of internet-based data comprising:

a central computer;

a client computer;

a communications link between said central computer and the Internet;

a communications link between said client computer and the Internet;

at least one database containing a plurality of data records accessible by said central computer, each data record containing a client identification number;

software executing on said central computer for receiving a data backup request from said client computer;

software executing on said central computer for transmitting said data backup to said client computer for onsite backup of internet-based data on said client computer.

Ex. 1001, 3:30-44.

II. DISCUSSION

A. Claim Construction

In an *inter partes* review, "[a] claim in an unexpired patent shall be given its broadest reasonable construction in light of the specification of the patent in which it appears." 37 C.F.R. § 42.100(b). Under this standard, we construe claim terms using "the broadest reasonable meaning of the words in their ordinary usage as they would be understood by one of ordinary skill in the art, taking into account whatever enlightenment by way of definitions or otherwise that may be afforded by the written description contained in the applicant's specification." *In re Morris*, 127 F.3d 1048, 1054 (Fed. Cir. 1997). We presume that claim terms have their ordinary and customary meaning. *See In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007) ("The ordinary and customary meaning is the meaning that the term would have to a person of ordinary skill in the art in question.") (internal quotation marks omitted). However, a patentee may rebut this presumption by acting as his own lexicographer, providing a definition of the term in the

specification with "reasonable clarity, deliberateness, and precision." *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994).

For purposes of our Decision to Institute, we gave each claim term its broadest reasonable interpretation, as understood by one of ordinary skill in the art and as consistent with the specification of the '007 patent. We expressly construed the claim term *Internet-based data* as "data that is capable of being modified via the Internet." Dec. 8. During trial and at oral hearing, the parties continued to disagree regarding the proper construction of *Internet-based data* and, in addition, disputed the meaning of the claim limitations *data backup* and *software executing on said central computer for retrieving said data backup*. We address each of these limitations below.

Internet-based data

Independent claims 1, 4, and 7 each recite "[a] system for onsite backup of *Internet-based data*." (emphasis added). In its Petition, Google argued that the broadest reasonable interpretation of *Internet-based data* is "data that is accessible, stored, modified, or processed via the Internet." Pet. 9. Whitserve disagreed, noting the Federal Circuit's decision in *Whitserve LLC v. Computer Packages, Inc.*, 694 F.3d 10 (Fed. Cir. 2012), an appeal of a District Court litigation asserting infringement of the '007 patent. In that decision, the Federal Circuit stated that *Internet-based data*, as used in the '007 patent, "requires the ability to *modify* centrally stored data from across the Internet, rather than simply *sending* it across the Internet." 694 F.3d at 25. Whitserve emphasized that "[m]odifying data over

the Internet is a distinction between the claimed invention and the prior art as described in the specification." Prelim. Resp. 7.

In our Decision to Institute, we determined that, based on the specification of the '007 patent, *Internet-based data* is data that has undergone "Internet-based data processing," i.e., modification while stored on a central server accessible over the Internet. Dec. 7 (citing Ex. 1001, 1:14-5, 1:65-66, 2:7-8). We also noted that the specification "emphasize[s] that the backup function of the invention is to protect data that is being stored on a central server for processing." *Id.* (citing Ex. 1001, 1:65-67, 1:39-41). We, therefore, agreed with Whitserve's argument that Google's proffered construction was too broad, as it would encompass data that merely is accessed—but not processed—via the Internet. *Id.* at 7-8. As such, we construed *Internet-based data* to mean "data that is capable of being modified via the Internet."

Although, in our Decision to Institute, we agreed with both Whitserve and the Federal Circuit's *Computer Packages* decision, Whitserve argued during trial that our interpretation of *Internet-based data* is "contrary to the Federal Circuit's analysis and construction in view of the specification of the '007 patent." PO Resp. 11 n.3. Upon questioning at oral argument, Whitserve's counsel explained that, although both constructions use the same word "modify," it is the *application* of that word by the Board with which Whitserve now disagrees. Tr. 37-39. According to Whitserve, the Federal Circuit's construction—and the broadest

reasonable interpretation—of *Internet-based data* requires that "modify" include "updating and deleting." PO Resp. 6-7.[5]

To support its argument, Whitserve relies on a statement in the Federal Circuit's *Computer Packages* decision that "Internet-based data . . . appears to be data resulting from outsourced data-processing that is stored on a central computer separated from the client's network by the Internet." PO Resp. 10 (citing 694 F.3d at 21) (Whitserve's emphasis omitted). This outsourced data processing, Whitserve argues, must necessarily include updating and deleting of the data. Tr. 32 ("Without update and delete, we no longer have a data processing system, which the patent is clearly disclosing."). Whitserve points to the '007 specification, which describes software residing on the data processing system "for displaying, updating, and deleting data stored on the central data processing system." Ex. 1001, 2:50-53.

We are not persuaded by Whitserve's attempt to narrow the scope of the term *Internet-based data* further than our prior construction. Whitserve has not explained adequately why the "updating and deleting data" functions stated in the specification are requirements, as opposed to merely an exemplary set of functions that a data processing system may perform. Indeed, Whitserve's position is undercut by the fact that the sentence in the specification describes software for

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[5] Whitserve's proffered construction for *Internet-based data* is stated in whole as "data centrally stored on a central computer via an internet-based data processing system which can further be modified on the central computer, including updating and deleting, via the internet-based data processing system." PO Resp. 6-7.

"displaying, updating, and deleting data," yet Whitserve's construction would require only two of these functions. By omitting the "displaying" function, Whitserve treats the specification's description as an exemplary list from which functions may be chosen, but asks us to interpret the claims to *require* the particular functions that it has chosen.

Dictionary definitions of the term "data processing" do not require a particular set of functions that must be performed. *See* McGraw-Hill Dictionary of Scientific and Technical Terms (5th ed. 1994) (data processing: "*any operation or combination of operations on data*, including everything that happens to data from the time they are observed or collected to the time they are destroyed") (emphasis added) (Ex. 3001); Collins English Dictionary (2000) (data processing: "a sequence of operations performed on data, especially by a computer, to extract information, reorder files, etc.") (Ex. 3002); Oxford Dictionary of English (3d ed. 2010) (data processing: "the carrying out of operations on data, especially by a computer, to *retrieve, transform, or classify* information") (emphasis added) (Ex. 3003).

We, therefore, conclude that the ordinary and customary meaning of "data processing," as understood by those of ordinary skill in the art, does not require any particular set of functions.[6] Nor do we consider the list of "displaying, updating, and deleting data" provided in the specification to evidence an attempt

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[6] We also note that none of the cited dictionary definitions include "deleting" among the functions listed, contrary to Whitserve's assertion that deleting is an essential function of data processing.

by the patentee to act as his own lexicographer. As noted above, the list is exemplary, and therefore not a definition of the term with sufficient "reasonable clarity, deliberateness, and precision." *See In re Paulsen*, 30 F.3d at 1480.

Whitserve's construction of *Internet-based data* proffered during trial invites us to import limitations from the '007 specification into the claims, which we may not do. *See In re Van Geuns,* 988 F.2d 1181, 1184 (Fed. Cir. 1993). Nor would such a construction be the broadest reasonable interpretation of the claims in light of the specification, because the specification expressly contemplates other functions such as "displaying." For these reasons, we do not adopt Whitserve's narrowing construction, and instead construe *Internet-based data* as we did in our Decision to Institute: "data that is capable of being modified via the Internet."

data backup

Claims 1, 4, and 7 each require software on the central computer for transmitting a *data backup* to the client computer, "for onsite backup of internet-based data on said client computer." Google contends that the broadest reasonable interpretation of *data backup* is "a copy of stored data." Pet. 9. To support its contention, Google relies on the declaration of Mr. Finkelstein, who notes that the specification of the '007 patent recites that the data processing system transmits "a copy of stored data" to the client computer. Ex. 1009, ¶ 25 (citing Ex. 1001, 2:54).

Whitserve proffers a narrower construction, asserting that *data backup* means "a copy of one or more data records in a format capable of being retrieved by and stored on the central computer." PO Resp. 11. According to Whitserve, the requirement of "a format capable of being retrieved by and stored on the central

computer" arises from the stated purpose of the invention. Whitserve notes that the '007 patent is concerned with the difficulties of outsourcing data processing to third parties, including "continuity of service if, for example, the third party were to go out of business." PO Resp. 12 (citing Ex. 1001, 1:46-48).

Whitserve also directs our attention to the embodiment of Figure 1 of the '007 patent, which is reproduced below.
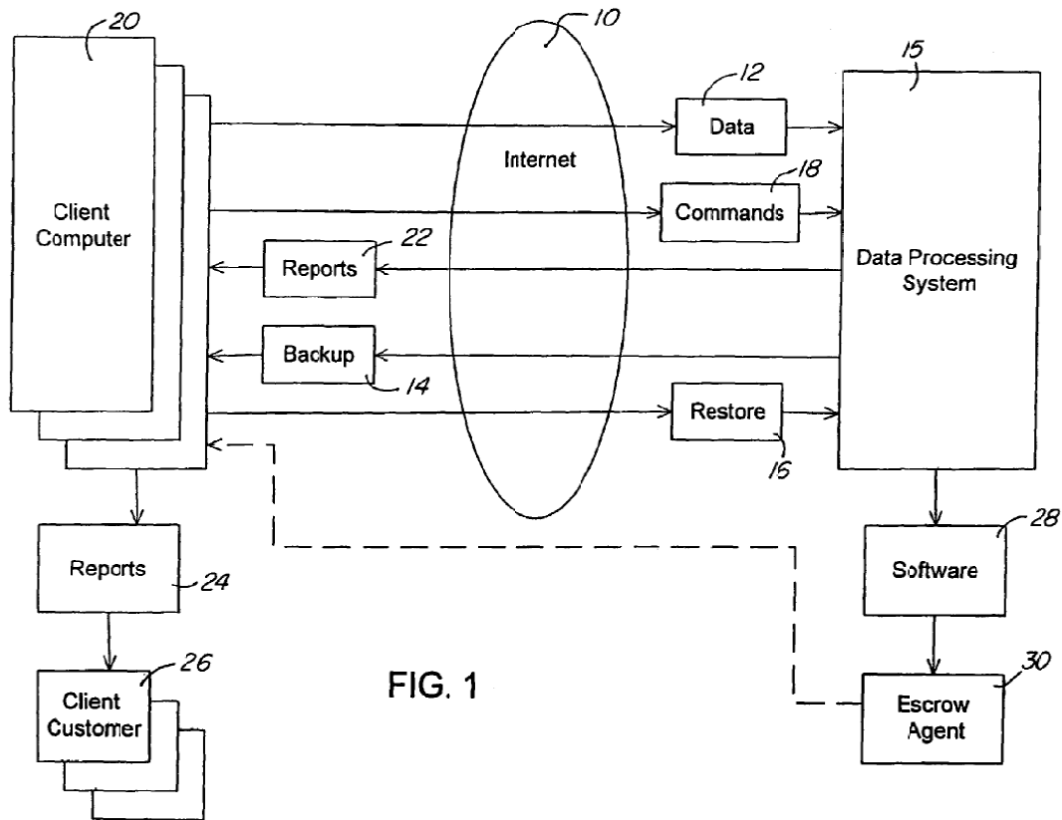

FIG. 1

Figure 1 depicts client computer 20 which stores data 12 and issues commands to central data processing system 15, which returns reports 22 and data backup 14 to the client computer.

Figure 1 of the '007 patent shows "data processing system 15 transmit[ting] 14 a copy of stored data to the client computer 20," after which "[t]he client computer 20 issues commands 18 for transmitting (restoring) data 16 back to the data processing system 15." PO Resp. 12 (citing Ex. 1001, 2:53-56). By Whitserve's argument, the specification's description that the backup can be later restored to the central computer implies that the *data backup* must be in a format capable of being retrieved by and stored on the central computer.

The error in Whitserve's argument is that it ignores Figure 4 of the '007 patent, which shows an alternative embodiment of the invention that "illustrat[es] additional format conversion and encryption features." Ex. 1001, 3:15-16. In this embodiment, after receiving the data backup request from the client computer, the central computer (called a "data backup system" in this embodiment) "accesses data[], reformats the data, encrypts the data, and transmits the data" to the client computer. *Id*. at 3:19-22. No mention is made of any ability of the data to be restored to the central computer. The fact that the data is reformatted and encrypted leaves open the possibility that the *data backup* may not be in a format capable of being subsequently stored on the central computer.

Absent a clear disclaimer in the specification, the broadest reasonable interpretation of a claim should not be limited to any particular embodiment described in the specification, even when it is the sole embodiment described. *In re Am. Acad. of Sci. Tech. Ctr.*, 367 F.3d 1359, 1369 (Fed. Cir. 2004). By extension, where there are two or more embodiments disclosed in the specification, each of which would reasonably fall within the claim, the broadest reasonable interpretation should cover these embodiments. *See In re Morris*, 127 F.3d at 1056

(under broadest reasonable interpretation standard, "the fact that appellants can point to definitions or usages that conform to their interpretation does not make the PTO's definition unreasonable when the PTO can point to other sources that support its interpretation").

As noted above, only the embodiment of the invention shown in Figure 1, and the corresponding portions of the specification, disclose the ability to restore the backup to the central computer. Construing *data backup* to require "a format capable of being retrieved by and stored on the central computer," as Whitserve suggests, would read into the claims a function that is disclosed as part of the embodiment of Figure 1, to the exclusion of certain embodiments disclosed in Figure 4. "It is improper to read limitations from a preferred embodiment described in the specification—even if it is the only embodiment—into the claims absent a clear indication in the intrinsic record that the patentee intended the claims to be so limited." *Liebel-Flarsheim Co. v. Medrad, Inc.*, 358 F.3d 898, 913 (Fed. Cir. 2004). The broadest reasonable interpretation of *data backup* consistent with the specification is, as Google asserts, "a copy of stored data."

software executing on said central computer
for retrieving said data backup

The final claim interpretation issue disputed by the parties relates to dependent claims 3, 6, and 9, which further require that the claimed system comprise *software executing on said central computer for retrieving said data backup*. Central to the parties' dispute is the meaning of the verb "retrieving," and, in particular, the location from which the data backup is being retrieved.

According to Google, the broadest reasonable interpretation of the claim phrase *retrieving said data backup* is "retrieving a copy of stored data." Pet. 9. Mr. Finkelstein testifies that this is consistent with the understanding of the person of ordinary skill in the art, who would recognize that the specification only describes retrieving data from "the data backup system." Ex. 1009 ¶¶ 32-33 (citing Ex. 1001, 3:19-22). Google concedes that Figure 1 of the '007 patent depicts data being restored from the client computer to the central computer, whereas Figure 4 shows data being retrieved from a central database by the data backup processing system. Pet. Reply 12. Google's proffered construction, therefore, is silent as to the *source* of the data backup that is being retrieved by the central computer.

By contrast, Whitserve's construction specifies a source from which the central computer must retrieve the data backup. Whitserve argues that *software executing on said central computer for retrieving said data backup* refers to "the central computer retrieving the data backup from the client computer." PO Resp. 13-14. According to Whitserve, this construction is implied by the structure and language of the claims themselves.

For example, Whitserve notes that claim 3, in which the term *software executing on said central computer for retrieving said data backup* appears, depends from claim 2, which in turn depends from claim 1. *Id.* at 14. Claim 1 recites, *inter alia*, "software executing on said central computer for transmitting said data backup," while claim 2 adds the limitation of "software executing on said client computer for storing said data backup." *Id.* Reading claim 3's limitation of "software executing on said central computer for retrieving said data backup" in the context of these preceding claims, Whitserve argues, leads to the conclusion

that claim 3 is referring to retrieving the data backup from the client computer. In other words, because claim 1 includes software to *transmit* the data backup to the client computer, and claim 2 includes software to *store* the data backup on the client computer, it logically follows that claim 3 would require software to retrieve the data backup *from* the client computer. Similar arguments are made with respect to claims 6 and 9 in the context of their claim dependencies. PO Resp. 15-17.

Google argues that this interpretation of the claims, based on claim dependencies, improperly imports a temporal requirement into a system claim, such that the function of claim 3 is performed after the function of claim 2. Pet. Reply 13. At oral argument, counsel for Whitserve denied that this was the case, arguing that the claim dependencies were "more of a context" in which the proper interpretation must be made. Tr. 62-63.

Regardless of whether the argument is framed as "temporal" or merely one of "context," we consider it improper to base our claim construction on the order of claim dependencies, especially in the case of the system claims at issue here. The system of claim 1, for example, describes a system that comprises, *inter alia*, two software modules for performing particular functions. Dependent claims 2 and 3 add additional software modules for performing other functions. Nothing in the claims requires that the software of claims 2 or 3 execute after the "transmitting" software of claim 1; nor do those claims rely on it for antecedent basis.

Our conclusion is further supported by the language of claims 3, 6, and 9. None of those claims recites a source from which the data backup is retrieved by the software. Therefore, in the absence of an express statement to the contrary in

the specification, the claims merely require retrieval of a data backup, regardless of source.

The specification of the '007 patent uses the word "retrieve" in two contexts. First, in the portion of the specification describing Figure 2—which depicts a prior art system—the patent states that "[t]he client computer executes software for retrieving data 54 stored on the data backup system 55." In Figure 2, reproduced below, this function is depicted as "Restore."
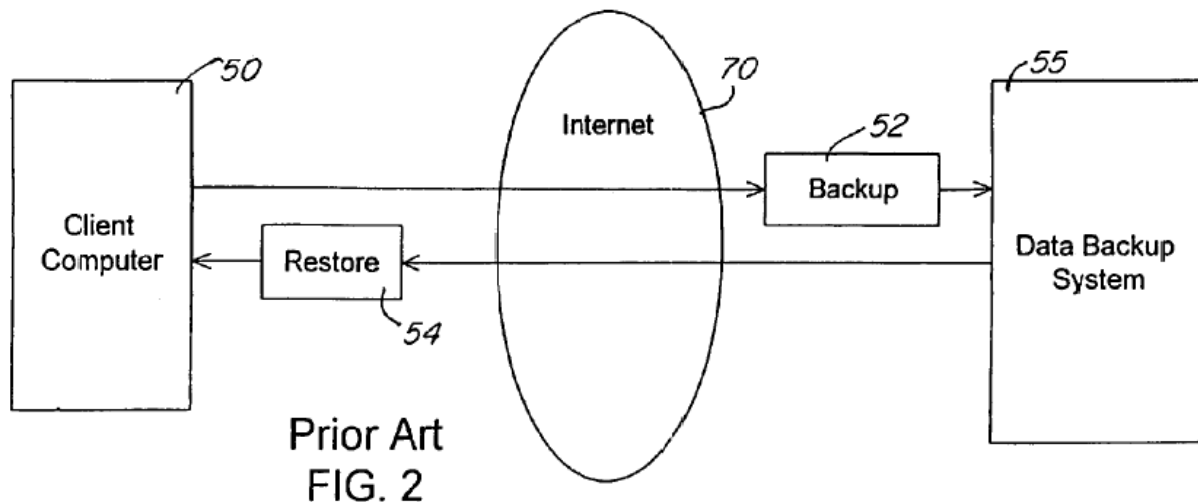

Figure 2 depicts a prior art system in which client computer 50 transmits a copy of data 52 to backup system 55 which transmits restore data 54.

The embodiment of Figure 1 also depicts a function labeled "Restore 16," which is described in the specification as "transmitting (restoring) data 16 back to the data processing system 15." Ex. 1001, 2:55-56. It is this restoring/transmitting function that Whitserve claims is the function recited in claims 3, 6, and 9.

The second instance of "retrieving" in the '007 patent is in Figure 4, which is reproduced below.
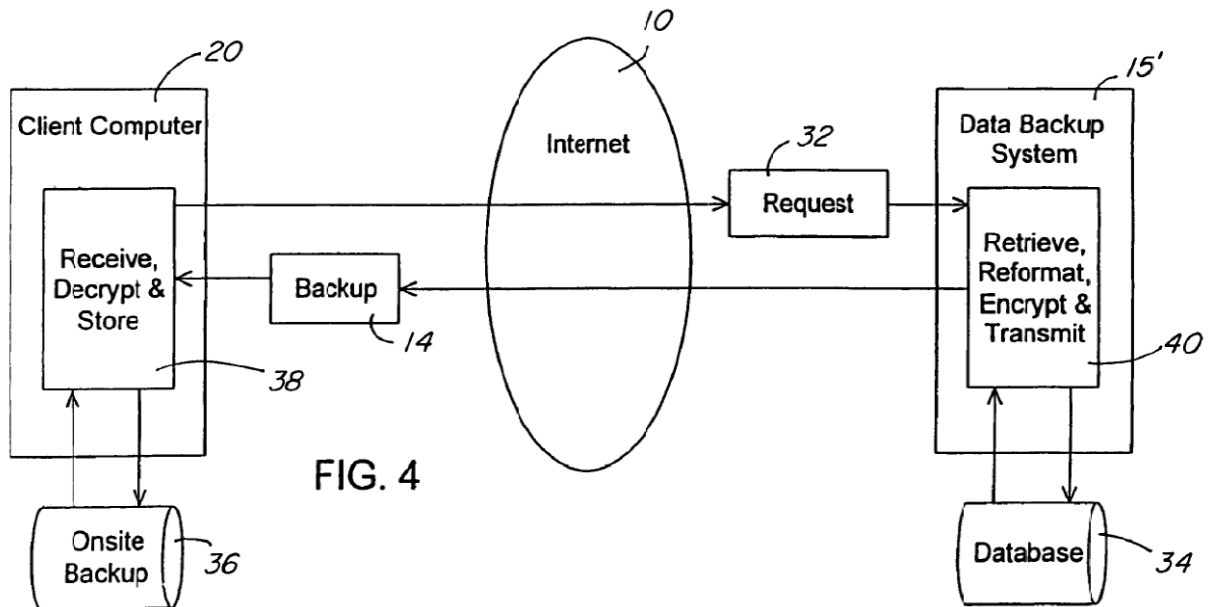
Figure 4 depicts a system in which client computer 20 transmits request 32 to data backup system 15', which retrieves, reformats, encrypts and transmits backup 40, 14.

As seen above, in the system of Figure 4, the data backup system (central computer) receives a request, retrieves data from the database, and then reformats, encrypts, and transmits the data. The portion of the specification describing Figure 4 does not use the word "retrieve," but rather states that the "data backup system 15' *accesses* data (stored on the data backup system 34)." Ex. 1001, 3:19-21.

The '007 patent, therefore, uses the term *retrieving* interchangeably with two other verbs: *accessing* (as in Figure 4, retrieving data from a database to create a backup) and *restoring* (as in Figures 1 and 2, retrieving a backup from another computer). Under the broadest reasonable interpretation standard, we must read the claims in light of the specification and these teachings. *In re Suitco Surface,*

Inc., 603 F.3d 1255, 1260 (Fed. Cir. 2010). In order to be consistent with the specification, the broadest reasonable interpretation of claims 3, 6, and 9 must encompass both usages of "retrieve." As a result, we do not construe *software executing on said central computer for retrieving said data backup* as Whitserve suggests, as it would exclude software that retrieves a data backup from a central database, as depicted in Figure 4.

The claim language of claims 3, 6, and 9 does not specify a source from which the data backup is to be retrieved, and the specification of the '007 patent describes at least two potential sources. We, therefore, conclude that the broadest reasonable interpretation of *software executing on said central computer for retrieving said data backup* does not require retrieval from a particular source.

B. Effect of Federal Circuit's Decision in Whitserve v. Computer Packages

As discussed above, the Federal Circuit in the *Whitserve LLC v. Computer Packages, Inc*. decision expressly addressed the construction of the term *Internet-based data*. Our construction above is consistent with the Federal Circuit's.

Whitserve contends that, in its decision, the Federal Circuit also "specifically recognized that dependent claims 3, 6 and 9 require the central computer retrieving the data backup from the client computer." PO Resp. 17. At oral argument, Whitserve's counsel asserted that the Federal Circuit "ruled as a matter of law that depend[ent] Claims 3, 6 and 9 do mean what we now . . . submit they mean." Tr. 64. Whitserve cites the following passage from the Federal Circuit's decision:

> In addition to saving a copy of the Internet-based data, dependent claims 3, 6, and 9 go on to claim "software executing on said central computer for retrieving said data backup." *Essentially, those claims recite the central computer's ability to restore any lost data by retrieving it from the client's personal computer*.

694 F.3d at 21 (emphasis added).

Whitserve argues that this statement by the Federal Circuit controls our construction of claims 3, 6, and 9, and requires us to adopt Whitserve's proffered construction instead of the broadest reasonable interpretation discussed above. We disagree.

First, we do not consider the Federal Circuit's statement to be contrary to our construction of the claims. The ability referenced by the Court—that the central computer can retrieve data from the client computer—is one of the two usages of "retrieving" in the '007 patent we discussed above, and thus falls within our adopted construction of the term. The Federal Circuit's statement does not exclude other usages, such as retrieving data from a central database to create the data backup.

Second, we note that in the *Computer Packages* appeal, the only issue pertaining to the '007 patent that was appealed from the District Court decision was anticipation of claims 1-15 by Schrader; CPI had conceded that it infringed the '007 patent, if valid. 694 F.3d at 21. The Federal Circuit noted that CPI had focused its anticipation case on claim 10, and proceeded to analyze claim construction and the disclosure of Schrader in the context of that claim. *Id*. at 22-24. Ultimately, the Federal Circuit concluded that no reasonable juror could have found claim 10 not anticipated by Schrader, and reversed the denial of CPI's

motion for JMOL. *Id.* Notably, the *retrieving said data backup* limitation of claims 3, 6, and 9 was not analyzed by the panel, because the limitation did not appear in claim 10.

With respect to the remaining claims, however, the Federal Circuit did not find the evidence sufficient to overturn the jury verdict. *Id.* at 24. At trial, CPI's expert had testified specifically regarding the elements of claim 10, but only provided generalized and conclusory testimony on the remaining claims. *Id.* The Federal Circuit concluded that "[w]e find this generalized exchange, which failed to articulate how the Schrader Patent anticipated the other claims' specific elements, to be a far cry from the 'overwhelming amount of evidence' needed to require us to overturn the jury's verdict." *Id.* A construction of claims 3, 6, and 9, therefore, was not required to reach the Court's decision on appeal.[7]

The Federal Circuit declines to resolve claim construction issues "that do not actually affect the . . . controversy between the parties." *Jang v. Boston Scientific Corp.*, 532 F.3d 1330, 1336 (Fed. Cir. 2008) (citing *Coffman v. Breeze,* 323 U.S. 316, 322–24 (1945) ("The Supreme Court has explicitly held that Article III does not permit the courts to resolve issues when it is not clear that the resolution of the question will resolve a concrete controversy between interested parties."); *see Superior Indus., Inc. v. Masaba, Inc.*, 553 F. App'x 986, 989 (Fed. Cir. 2014).

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[7] Claims 3, 6, and 9 were subsequently discussed in the context of what elements a reasonable juror *could* have found absent from Schrader, but the panel did not make this the basis of its decision that there was insufficient evidence to overturn the jury's verdict. 694 F.3d at 25.

Having found that the expert witness's generalized testimony was insufficient to overturn the jury's verdict, a construction of claims 3, 6, or 9 would not "actually affect" the controversy between the parties. Consequently, we do not consider the Federal Circuit's statement regarding the *retrieving said data backup* limitation of these claims to be a construction.

Finally, even if the Federal Circuit had set forth a construction of claims 3, 6, and 9 that differs from ours, we note that the *Computer Packages* appeal was from a district court infringement suit, and therefore applied the claim construction standard articulated in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005). By contrast, in *inter partes* review proceedings the Board applies the broadest reasonable interpretation consistent with the specification. 37 C.F.R. § 42.100(b); *see also SAP America, Inc. v. Versata Development Group, Inc.*, CBM2012-00001, Paper 70, slip op. 7-18 (PTAB June 11, 2013) (discussing adoption of the broadest reasonable interpretation standard). The Federal Circuit has affirmed prior Board decisions adopting claim constructions that differ from those reached under the standard discussed in *Phillips*. *See In re Trans Texas Holdings Corp.*, 498 F.3d 1290, 1298 (Fed. Cir. 2007); *In re Translogic Tech., Inc.*, 504 F.3d at 1257. Furthermore, the Court has recognized that "different results" in the outcome of validity challenges "in the two forums may be entirely reasonable." *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1428 (Fed. Cir. 1988).

"It would be inconsistent with the role assigned to the PTO in issuing a patent to require it to interpret claims in the same manner as judges who, post-issuance, operate under the assumption the patent is valid." *In re Morris*, 127 F.3d at 1054. If the different claim construction standards are to lead to differing

constructions, it is in cases such as the one at hand. The specification of the '007 patent uses the term "retrieve" in two equally reasonable contexts: retrieving a data backup from the central database, and retrieving a data backup from the client computer. In such a situation, the broadest reasonable interpretation consistent with the specification is the one that encompasses both usages of "retrieve." Under the district court standard, however, considerations such as preservation of validity or the notice function of claims may lead to the adoption of the narrower of two equally plausible constructions. *See Liebel-Flarsheim Co. v. Medrad, Inc.*, 358 F.3d 898, 911 (Fed. Cir. 2004); *Athletic Alternatives, Inc. v. Prince Mfg., Inc.*, 73 F.3d 1573, 1581 (Fed. Cir. 1996). It is not for us to speculate whether such considerations entered into the jury's deliberations, or the Federal Circuit's reasoning. Our claim construction standard, however, does not take factors such as the preservation of validity into account.

For these reasons, we do not consider the Federal Circuit's decision in *Whitserve LLC v. Computer Packages, Inc.* to mandate that we disregard the broadest reasonable interpretation of claims 3, 6, and 9.

C. Obviousness Over WF Site, Seybold, and Guck

There is no material dispute between the parties regarding whether most of the limitations of claims 1-9 are disclosed by the combination of WF Site, Seybold, and Guck. For example, Whitserve does not contend that the references fail to disclose a central computer, a client computer, or at least one database containing a plurality of data records accessible by the central computer, each data record containing a client identification number. Given the evidence before us that the

references disclose these elements, and the lack of dispute over these elements, we conclude that Google has shown by a preponderance of the evidence that these undisputed elements are present in the combined disclosures of WF Site, Seybold, and Guck.

The parties' dispute centers on whether WF Site, Seybold, and Guck teach the three elements construed above: *Internet-based data, data backup*, and *software executing on said central computer for retrieving said data backup*. Whitserve also argues that a person of ordinary skill would not have combined Guck with WF Site and Seybold. We address these issues in turn below.

1. Internet-based data

According to Google, WF Site discloses an online banking system which processes transaction data and downloads a copy of that data to a client computer. Pet. 10. Using the WF site system, a user "may access and control their account data by transferring funds between accounts and paying bills over the Internet." Pet. Reply 5-6 (citing Ex. 1003, 9, 15). As stated in our Decision to Institute, the transactions disclosed by WF Site would necessarily result in data—such as the account balance—being modified on the central computer. Because these transactions are being performed at the request of the client computer, the modifications are made via the Internet.

Whitserve argues that WF Site does not disclose *Internet-based data*, because "[n]owhere in WF Site is an Internet-based data processing system that provides a user with 'access to and control over their own data' and 'the ability to obtain a copy of their data' disclosed." PO Resp. 34-35. Neither of these features

is required by our construction of *Internet-based data*, or for that matter, even Whitserve's proffered construction of the term that we have declined to adopt. Rather, Whitserve apparently gleans these requirements from the specification of the '007 patent, such as the background description and the objects of the invention. *Id*. at 34. To the extent that Whitserve contends that the prior art must be compared to the specification, as opposed to the construed claims, its contention is inapposite.

Also inapposite are Whitserve's arguments premised on the narrow construction of *Internet-based data* we declined to adopt. *See id*. at 35 (arguing that WF Site "does not allow a user to centrally store data on a central computer via an internet-based data processing system and then further modify the data on the central computer, including updating and deleting, via the internet based data processing system."). Similarly unpersuasive is the argument that "[w]hile a user can enter a new transaction," on the WF Site, "once it is entered the transaction is a permanent record that cannot be edited by the user." *Id*. The claims of the '007 patent do not require that *all* data stored on the central computer be *Internet-based data* that is capable of being modified via the Internet. It is sufficient that some of the data—such as the account balance—be capable of being modified via the Internet, and WF Site discloses such a capability. Nor do the claims require the capability to delete a transaction after it has been entered, as Whitserve argues. *Id*. at 38.

We do not find persuasive Whitserve's arguments regarding the deposition testimony of Mr. Finkelstein, such as the fact that "Mr. Finkelstein admitted that a user cannot store or edit their beginning balance or available balance." *Id*. at 36-

39. Whitserve's criticism appears to be based on an interpretation that *all* data on the central computer must be capable of being modified, a construction that was never advocated and which we do not adopt. In fact, Mr. Finkelstein's deposition testimony establishes that, as described in WF Site, users can enter a new transaction via the Internet to modify a previous balance. Ex. 2005, 72-75. Whitserve's declarant, Mr. Sayward, also testified that WF Site discloses the ability to transfer funds and pay bills over the Internet, which would modify account data. Ex. 1011, 186-87. The '007 patent requires nothing more in this regard; in fact, the patent expressly names "Internet based order entry and *payment billing systems*" as examples of data processing systems on the Internet. Ex. 1001, 1:26-27 (emphasis added).

2. *data backup*

Google contends that WF site discloses downloading a copy of account history data to a local computer via the Internet, and therefore teaches a *data backup*, which we have construed as "a copy of stored data." Pet. 16; Pet. Reply 9. Whitserve disputes this, for two reasons. First, Whitserve argues that WF Site does not provide "a copy of one or more data records," but rather "a subset of a user's account information," such as the last 60 days of account history. PO Resp. 45. Whitserve characterizes this as a "report," not a *data backup*, and contends that the '007 patent distinguishes between the two.

While the '007 patent does state that the client computer can request "reports" from the data processing system (Ex. 1001, 2:57-59), it does not define what constitutes such a report, or how a report differs from "a copy of stored data."

Whitserve's declarant, Mr. Sayward, testified that a person of ordinary skill in the art would recognize a "subset of data" to be a report. Ex. 2003 ¶ 84. The basis for such a conclusion, however, is unclear. Furthermore, as Google notes, Mr. Sayward contradicted himself at his deposition, agreeing that the *data backup* of the claims could be a subset of the overall data package. Ex. 1011, 32.

Based on the evidence before us, we find that WF Site discloses a *data backup*, in that it permits downloads of account history to a local computer. Whitserve has not explained convincingly how a "report" in the context of the '007 patent differs from a *data backup*, or why a subset of a user's account data is a report and not a backup. In any event, we do not consider the data to be merely a "report," because the WF Site discloses that the data may be entered into client-side applications, such as Quicken or Microsoft Money, for further processing. Ex. 1003, 5, 12, 13.

Whitserve also argues that the WF Site download is not a *data backup* because it is not in a format capable of being retrieved by and stored on the central computer. We reject this argument, as it is based on Whitserve's overly narrow claim construction, which we do not adopt.

Google has proved sufficiently that WF Site discloses downloading a copy of stored data, and thus a *data backup*.

3. *software executing on said central computer for retrieving said data backup*

According to Google, WF Site teaches *software executing on said central computer for retrieving said data backup*, because it discloses that, upon receiving a request from a user to download account history data, the central computer

retrieves a copy of the data, which is then transmitted to the user's computer. Pet. Reply 14 (citing Ex. 1003, 5, 12). Google notes that Mr. Sayward agreed that the WF Site central computer retrieves account history data prior to sending it to a user. *Id.* at 14-15 (citing Ex. 1011, 242). Whitserve's argument to the contrary relies on its assertion that WF Site does not disclose "a system capable of retrieving a report of a user's account history downloaded by a user and storing it on Wells Fargo's system." PO Resp. 49-50. Whitserve's argument is unavailing, as Whitserve again relies on an overly narrow claim construction we do not adopt. Claims 3, 6, and 9 do not require that the central computer retrieve data from the client computer.

4. Reason to Combine

Google argues that a person of ordinary skill in the art would have had reason to combine the teachings of WF Site, Seybold, and Guck. Both WF Site and Seybold, Google contends, discuss the features and implementation of the *wellsfargo.com* website, and it would have been obvious to combine these references discussing the same system. Pet. 11. Further, Google contends that it would have been obvious to combine WF Site with Guck, as WF Site teaches transformation of data according to user requests, and Guck discloses techniques for transformation of stored data into desired formats. *Id.*

A person of ordinary skill in the art would not have combined Guck with WF Site and Seybold, Whitserve argues, because Guck discloses allowing a user to store a document created local on a server. PO Resp. 50. For security reasons, banks do not permit users to re-upload their data back to the system. *Id.* Because

of these security rules, Whitserve contends that a person of ordinary skill in the art would not have thought to combine the uploading tool of Guck with the banking systems of WF Site and Seybold. *Id.*

We find Google's reasoning persuasive, and not sufficiently rebutted by Whitserve. Although Guck may disclose uploading a document to a central server, this is not the aspect of the reference on which Google relies in its proposed combination. Rather, it is Guck's disclosure of a system that transforms stored data prior to transmittal that Google advocates would be combined with WF Site and Seybold. *See, e.g.*, Pet. 25-26. We do not discern any reason why the source of the data to be transformed—whether previously uploaded by the user or produced via offsite data processing—is relevant. Google has articulated a sufficient reason why a person of ordinary skill in the art would have combined the data transformation and reformatting elements of Guck with WF Site and Seybold.

D. Obviousness Over Schrader and Guck

As with the combination discussed above, the parties' dispute regarding the combination of Schrader and Guck focuses on just a few issues. There is no material dispute that the combined disclosures teach most of the limitations of the claims, such as a central computer, a client computer, or at least one database containing a plurality of data records accessible by the central computer, each data record containing a client identification number. We find that Google has met its burden of demonstrating by a preponderance of the evidence that these claim elements are disclosed by the combination of Schrader and Guck.

Turning to the disputed elements, Whitserve again argues that the combined disclosures do not teach *Internet-based data, data backup*, and *software executing on said central computer for retrieving said data backup*. Whitserve also argues that it would not have been obvious to combine Schrader with Guck.

1. *Internet-based data*

The online banking system of Schrader teaches *Internet-based data*, according to Google. Pet. 37-39; Pet. Reply 4-5. The disclosed system permits users to send transaction instructions to a bank via the Internet, after which the bank's central computer executes the transaction instructions and updates the user's account data. Pet. Reply 5 (citing Ex. 1007, 18:55-63). In our Decision to Institute, we concluded that Schrader discloses *Internet-based data* because it permits users to instruct the bank to make payments out of a user's funds, thereby modifying their stored data such as an account balance. Dec. 12.

Whitserve again premises its arguments on the construction of *Internet-based data* not adopted herein, stating "Schrader does not allow a user to centrally store data on a central computer via an internet-based data processing system and then further modify the data on the central computer, including updating and deleting, via the internet based data processing system." PO Resp. 20. We reject this argument, and Whitserve's arguments regarding the inability of users to delete transactions, for the same reasons discussed above with respect to WF Site, Seybold, and Guck.

Whitserve makes one additional argument with respect to Schrader not discussed above, that the Federal Circuit's decision in *Whitserve LLC v. Computer*

Packages, Inc. agreed with its analysis of *Internet-based data.* PO Resp. 21. According to Whitserve, the Federal Circuit further found that "claims 1-9 require Internet-based data, which is not clearly disclosed by the Schrader Patent . . . because, as disclosed in the '007 Patent, that element *requires* the ability to modify centrally stored data from across the Internet, rather than simply sending it across the Internet." PO Resp. 21 (citing 694 F.3d at 25) (Whitserve's emphasis).

Contrary to Whitserve's argument, however, the Federal Circuit did not decide that Schrader does not disclose *Internet-based data.* Rather, as noted previously, it held that the defendant had failed to provide evidence sufficient to overturn the jury's verdict with respect to claims 1-9 and 11-15 of the '007 patent. The passage quoted by Whitserve discusses elements which "a reasonable jury could find absent from the Schrader patent," but this is far from holding that the elements are necessarily missing from the disclosure of the reference.

Furthermore, in district court litigation, defendants must prove invalidity by clear and convincing evidence (*Microsoft Corp. v. i4i Ltd. P'ship,* 564 U.S. ___, 131 S. Ct. 2238, 2245 (2011)), whereas the standard in *inter partes* review proceeding is the lower preponderance of the evidence standard. 35 U.S.C. § 316(e). Given these differing evidentiary standards, the same evidence that the jury found insufficient could meet the burden of proof in an *inter partes* review. Thus, even if the Federal Circuit had definitively concluded Schrader does not teach *Internet-based data* under the clear and convincing standard, it would not foreclose our determination that Schrader meets the preponderance standard. *See Ethicon*, 849 F.2d at 1428-29 ("if the district court determines a patent is not

invalid, the PTO should continue its reexamination because, of course, the two forums have different standards of proof for determining invalidity.")

We find that Schrader discloses *Internet-based data*, in that it permits users to submit transactions via the Internet, thereby modifying data residing on a central computer.

2. *data backup*

Whitserve's arguments that Schrader does not disclose a *data backup* mirror those addressed for WF Site above. First, Whitserve argues that Schrader only downloads a subset of data from the central computer, which is a "report," not a *data backup*. We find this argument unpersuasive for the same reasons discussed above with respect to WF Site. Similarly, we reject Whitserve's second argument that the backup of Schrader is not in a format capable of being retrieved by and stored on the central computer, as it is based on a claim construction we declined to adopt.

Schrader discloses downloading a copy of stored data to a client computer in the form of a response file containing a set of cleared transactions. Ex. 1007, 17-18. This a *data backup*, as it is "a copy of stored data."

3. *software executing on said central computer for retrieving said data backup*

Whitserve argues that Schrader does not disclose *software executing on said central computer for retrieving said data backup* because it does not disclose that the central computer is capable of retrieving the data backup from the client

computer. PO Resp. 32. As we have construed claims 3, 6, and 9, this is not required. Therefore, Whitserve's argument is unpersuasive.

Google asserts that Schrader discloses "a software-driven system for retrieving a copy of stored data," specifically a computer system that retrieves requested data and creates a response file that is sent to the client. Pet. Reply 14 (citing Ex. 1007, 17:6-30). Again, Google notes that Whitserve's witness agreed that the central computer retrieves the data before transmitting it. *Id.* (citing Ex. 1001, 242). We find that Schrader's disclosure of such a function meets the limitations of dependent claims 3, 6, and 9.

4. Reason to Combine References

Google contends that a person of ordinary skill in the art would have combined Schrader and Guck for three reasons: 1) Schrader teaches an online financial system that stores records and information on a server; 2) Guck teaches a server/database system that is capable of converting data into different formats; and 3) it was well-known that databases could be combined with financial systems to provide enhanced functionality. Pet. 38. To support this final reason, Google cites to the testimony of Mr. Finkelstein, who has 38 years of experience in computer, network, database, and systems engineering, including heading the development of the *wellsfargo.com* banking website. Ex. 1009 ¶¶ 7, 63. Whitserve does not challenge Mr. Finkelstein's testimony on this point. Rather, Whitserve repeats the same arguments regarding a reason to combine Schrader and Guck that it made for the combination of WF Site, Seybold, and Guck. PO Resp. 32-33. We find these arguments unavailing for the same reasons discussed above.

Google has provided articulated reasoning with rational underpinning to support its contention that a person of ordinary skill in the art would have combined Schrader and Guck. *See KSR Intern. Co. v. Teleflex Inc.,* 550 U.S. 398 (2007) (citing *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006)).

III. CONCLUSION

We have considered the scope and content of the prior art; the differences between the prior art and the challenged claims; and the level of ordinary skill in the art.[8] *See Graham v. John Deere Co.*, 383 U.S. 1, 18-19 (1966). We conclude that Google has demonstrated by a preponderance of the evidence that claims 1-9 of the '007 patent are unpatentable under 35 U.S.C. § 103, as they would have been obvious over the combined disclosures of WF Site, Seybold, and Guck, as well as the combined disclosures of Schrader and Guck.

IV. ORDER

In consideration of the foregoing, it is

ORDERED that claims 1-9 of U.S. Patent No. 6,981,007 are *unpatentable*; and

FURTHER ORDERED that, because this is a final decision, parties to the proceeding seeking judicial review of the decision must comply with the notice and service requirements of 37 C.F.R. § 90.2.

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[8] No objective evidence of nonobviousness was presented.

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