

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

INFORMATICA CORPORATION,
Petitioner,

v.

PROTEGRITY CORPORATION,
Patent Owner.

CBM2015-00010
Patent 8,402,281 B2

Before KEVIN F. TURNER, MEREDITH C. PETRAVICK, and
GREGG I. ANDERSON, *Administrative Patent Judges*.

PETRAVICK, *Administrative Patent Judge*.

DECISION ON REQUESTS FOR REHEARING
37 C.F.R. § 42.71(d)

I. INTRODUCTION

On October 14, 2014, Informatica Corporation (“Petitioner”) filed an amended Petition (Paper 1, “Pet.”) requesting a review under the transitional program for covered business method patents of U.S. Patent No. 8,402,281 B2 (Ex. 1001, “the ’281 patent”). On February 13, 2015, Protegrity Corporation (“Patent Owner”) filed a Preliminary Response (Paper 6,

“Prelim. Resp.”).

The Board instituted covered business method patent review of the '281 patent based upon the following grounds:

Ground	Prior Art	Challenged Claims
§ 101	n/a	1–60
§ 102	Denning ¹	1–4, 6, 9, 17–20, 22, and 25
§ 103	Denning and FIPS-PUB 140-1 ²	12–14, 16, 28–30, and 32
§ 103	Denning and Shear ³	11 and 27

Paper 13 (“Decision”). The Board did not institute covered business method patent review upon the following grounds:

Ground	Prior Art	Challenged Claims
§ 102	Denning	5, 10, 12–16, 21, 26, 28–38, 43–52, 55, and 57–60
§ 103	Denning and FIPS-PUB 140–1	7, 8, 23, 24, 39, 40, 43–46, 53, 54, and 57–60
§ 103	Denning and Shear	42 and 56

Patent Owner filed a Request for Rehearing asking the Board to expand the panel and reconsider its Decision. Paper 15 (“PO Req.”). Petitioner also filed a Request for Rehearing asking the Board to reconsider its Decision. Paper 17 (“Pet. Req.”). We have considered each of the

¹ DOROTHY ELIZABETH ROBLING DENNING, *CRYPTOGRAPHY AND DATA SECURITY*, 1–400 (1982) (Ex. 1006).

² U.S. DEPT. OF COMM., NAT’L INST. OF STANDARDS AND TECH., *FED. INFO. PROCESSING STANDARDS PUBL’N: SEC. REQUIREMENTS FOR CRYPTOGRAPHIC MODULES FIPS-PUB 140-1*, 1–48 (Jan. 11, 1994) (retrieved from: <http://csrc.nist.gov/publications/fips/fips1401.htm>) (last visited Aug. 16, 2010) (Ex. 1007).

³ US Patent No. 5,050,213 (issued Sept. 17, 1991) (Ex. 1008).

parties' requests, but decline to modify our Decision in view of either Request.

II. ANALYSIS

A. Standard of Review

When rehearing a decision on petition, the Board will review the decision for an abuse of discretion. *See* 37 C.F.R. § 42.71(c). An abuse of discretion may be determined if a decision is based on an erroneous interpretation of law, if a factual finding is not supported by substantial evidence, or if the decision represents an unreasonable judgment in weighing relevant factors. *See Arnold Partnership v. Dudas*, 362 F.3d 1338, 1340 (Fed. Cir. 2004).

The party challenging the decision has the burden of showing a decision should be modified, and the request for rehearing must identify specifically all matters the party believes the Board misapprehended or overlooked. 37 C.F.R. § 42.71(d). In its Request for Rehearing, the dissatisfied party must (1) “specifically identify all matter that party believes the Board misapprehended or overlooked” and (2) identify the place where each matter was previously addressed. *Id.*

B. Patent Owner's Request for Rehearing

i. Expanded Panel Request

Patent Owner requests that the panel be expanded to at least five administrative patent judges because, according to Patent Owner, our Decision conflicts with other non-precedential decisions regarding the issue of standing to institute covered business method patent review and conflicts

with the precedential decision *SecureBuy, LLC v. Cardinal Commerce Corp.*, CBM2014-00035, Paper 12. *See* PO Req. 1–7.

Discretion to expand a panel rests with the Chief Judge, who, on behalf of the Director, may act to expand a panel on a suggestion from a judge or panel. *AOL Inc. v. Coho Sicensing LLC*, Case IPR2014-00771, slip op. at 2 (PTAB Mar. 24, 2015) (Paper 12) (informative). “[P]arties are not permitted to request, and panels do not authorize, panel expansion.” *Id.* The Chief Judge was informed of Patent Owner’s request, and the Chief Judge declined to expand the panel.

ii. 35 U.S.C. § 325(a)(1)

Patent Owner argues that the Board ignored the plain language of 35 U.S.C. § 325(a)(1) and the precedential Board decision in *SecureBuy, LLC v. Cardinal Commerce Corp.*, CBM2014-00035 (PTAB April 25, 2014) (Paper 12). PO Req. 3. Patent Owner argues that the statute and *SecureBuy, LLC* precludes the present Petition because Petitioner filed a civil action challenging the validity of a claim of the ’281 patent prior to filing the Petition. *Id.*

We did not ignore the statute or the precedential decision *SecureBuy, LLC*. *See* Decision 9–10. As we stated in our Decision, a party may not petition for post-grant review if it has filed a civil action challenging the validity of a claim of the patent before the petition is filed. 35 U.S.C. § 325(a)(1); 37 C.F.R. § 42.201(a); *see Securebuy, LLC*, CBM2014-00035, (PTAB Apr. 25, 2014) (Paper 12, precedential) (explaining that 35 U.S.C. § 325(a)(1) applies to covered business method patent review proceedings).

In this case, however, Petitioner’s filing of a civil action before filing the Petition did not trigger the statutory bar because the civil action was

dismissed without prejudice. *See id.* Dismissal without prejudice does not trigger the statutory bar. *See* Decision 9 (citing *Cyanotech Corp. v. Bd. of Trustees of the Univ. of Ill.*, IPR2013-00401, slip op. at 11–12 (PTAB Dec. 19, 2013) (Paper 17) (“Excluding an action that de jure never existed from the scope of § 315(a)(1) is consistent with both relevant case law and legislative history.”); *Callidus Software, Inc. v. Versata Software, Inc.*, CBM2013-00052, slip op. at 5–7 (PTAB Mar. 4, 2014) (Paper 21).); “The dismissal of an action without prejudice leaves the parties as though the action had never been brought. *Ariosa Diagnostics v. Isis Innovation Ltd.*, IPR2012-00022, slip op. at 16–18 (PTAB Sept. 2, 2014)(Paper 166) (citing *Graves v. Principi*, 294 F.3d 1350, 1356 (Fed. Cir. 2002)).

In *SecureBuy, LLC*, the Board determined the 35 U.S.C. § 325(a)(1) applied to covered business method review proceedings, but made no determination as to whether or not a dismissal without prejudice triggered the statutory bar. *See SecureBuy, LLC*, CBM2014-00035 (PTAB April 25, 2014)(Paper 12).

iii. CBM Standing — Financial Product or Service

Patent Owner argues that the Board overlooked its arguments concerning standing in a covered business method patent review. PO Req. 4–7. In particular, Patent Owner argues that the Board overlooked its argument that the claim language does not describe the use of the claimed data processing method as for a financial service and failed to address conflicting panel decisions raised by the Patent Owner. *Id.* According to Patent Owner, “CBM review is not intended for patents that may be relevant to the financial industry but which do not claim activities involved in a financial activity.” *Id.* at 4.

We did not overlook Patent Owner’s argument. *See* Decision 11. As we stated in our Decision, a covered business method patent “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.” Decision 10–11 (quoting AIA § 18(d)(1)). 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.’” *Transitional Program for Covered Business Method Patents—Definitions of Covered Business Method Patent and Technological Invention*, 77 Fed. Reg. 48,734, 48,735 (Aug. 14, 2012) (Final Rule) (quoting 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.* at 10.

We do not interpret the statute as requiring the literal recitation of the terms data processing of financial products or services. As recognized in the legislative history: “[t]o meet this [eligibility] requirement the patent need not recite a specific financial product or service. Rather, the patent claims must only be broad enough to cover a financial product or service.” 157 Cong. Rec. S1365 (daily ed. Mar. 8, 2011) (Statement of Sen. Schumer).

Claim 1 recites, “determining whether each of the one or more data processing rules associated with [a] requested data portion are satisfied.” The Specification discloses the claimed data processing rules are used to protect against unauthorized access of a data portion in a database. *See* Ex. 1001, col. 4, ll. 35–47. The data processing rules can restrict which user or

program can access or process the data portion in a database. *Id.* at col. 4, ll. 20–26; col. 9, ll. 26–55; claims 2–4. The Specification discloses that banking is a field where protection against unauthorized access to databases that are used for administering and storing sensitive information is desired. *Id.* at col. 1, ll. 35–39. Banking is a financial activity. Further, Figure 5 of the '281 patent depicts an example of a user interface by which a person can alter the data processing rules. *Id.* at col. 11, ll. 4–8; Fig. 5. In the example, a “Financial manager” or “Controller” is a person who is authorized to access a data portion, which is depicted as a “Social allowance” or “Housing allowance” data element type. *See id.* at Fig. 5.

We, thus, are not persuaded by Patent Owner that we abused our discretion in determining that at least claim 1 encompasses a method for performing data processing or other operations that are at least incidental or complementary to the practice, administration, or management of a financial product or service.

Patent Owner also argues that we overlooked its argument regarding allegedly conflicting non-precedential Board decisions, in particular *PNC Financial Services Grp., Inc. v. Intellectual Ventures I, LLC*, CBM2014-00032 (PTAB, May 22, 2014)(Paper 13); *J.P. Morgan Chase & Co. v. Intellectual Ventures II LLC*, CBM2014-00160 (PTAB, Jan. 29, 2015) (Paper 11); and *Salesforce.com, Inc. v. Applications in Internet Time, LLC*, CBM2014-00162 (PTAB, Feb. 2, 2015)(Paper 11). PO Req. 6–7. Patent Owner cites these decisions to support its argument that a method, which could be used in the financial service industry, is not necessarily eligible for covered business method review. *Id.*

The decisions cited by the Patent Owner are not precedential and are not binding on this panel. Nonetheless, we have reviewed the allegedly conflicting decisions. Our review of these decisions, however, reveals that the determination of whether the patent is a covered business method patent rests upon the specific facts of those proceedings. For example, in *PNC Financial Services*, the Board determined that a showing that the patent was asserted against a financial service in an infringement proceeding was not enough to establish that the patent was a covered business method patent. *See PNC Financial Services*, CBM2014-00032, slip op. at 14. The Board stated that whether an allegedly infringing product was a financial service was just one factor and that the Petitioners had not shown how “the ’298 patent, either through its claims, Specification, or prosecution history, encompasses ‘activities that are financial in nature, incidental to a financial activity or complementary to a financial activity.’”) *Id.* at 13–14. Similarly in *J.P. Morgan* and *Salesforce*, the Board determined whether the patent was a covered business method patent based upon the particular facts of those proceedings. Patent Owner does not establish that the facts in those proceedings are sufficiently similar to the facts in this proceeding. As discussed above, we determined, based upon the facts in this proceeding, that the ’281 patent is a covered business method patent.

We, thus, are not persuaded by Patent Owner’s argument that we abused our discretion in determining that at least claim 1 encompasses a method for performing data processing or other operations that are at least incidental or complementary to the practice, administration, or management of a financial product or service.

iv. CBM Standing — Technological Invention

Patent Owner argues that the Board overlooked its argument that the '281 patent recites a technological feature that is novel and unobvious over the prior art or solves a technological problem with a technological solution. PO Req. 8–9. Patent Owner argues that the Board failed to analyze the claims as whole. *Id.*

We did not overlook Patent Owner's argument in the Preliminary Response. *See* Decision 12–14. First, in the Preliminary Response, Patent Owner argues:

The claims of the '281 Patent recite technological features that were novel and unobvious over the prior art at the time of the invention. For example, independent claims 1, 17, 33, and 47 . . . require an unconventional data protection table (all claims), a specific association between data processing rules and data portions or data categories (all claims), and a specially configured processor (claims 17 and 47 and their dependent claims). The '281 Patent's claims are directed to protection of data in a database based on rules stored in a second table where those rules are not user-based, but are based on data categories.

Prelim. Resp. 21–22 (citation to the '281 patent omitted). As we stated in our Decision, a patent need have only one claim directed to a covered business method to be eligible for review (Decision 10), and we determined at least claim 1 does not recite a technological feature that is novel or unobvious over the prior art (*id.* at 13–14). Patent Owner's argument in the Preliminary Response is not commensurate with the scope of claim 1. Claim 1 recites a data processing method that is “computer-implemented” and requires maintaining two separate databases. Data processing computers having databases, which store the data, were known at the time of filing the '281 patent. *See* Decision 13–14 (citing Ex. 1001, col. 1, ll. 28–33); *see* Ex.

1002 ¶¶ 16–18. Further, a database containing access rules for a data portion in a separate database were known at the time of filing the '281 patent. *See* Ex. 1002 ¶¶ 16–18. Mere recitation of known technologies, such as . . . databases typically do not render a patent a technological invention. Decision 12 (citing 77 Fed. Reg. at 48,763–64).

Contrary to Patent Owner's argument, claim 1 does not require an unconventional data protection table, a specific association between data processing rules and data categories, or a specially configured processor.

Second, in the Preliminary Response, Patent Owner argues:

The technical problem, as explained by the '281 Patent specification, is the incomplete data protection in a database that was provided by prior art protection methods and systems, such as “shell protections,” under which data “can often relatively easily be subjected to unauthorized access.” [Ex. 1001] at 2:10-25. Specifically, the '281 Patent solves the problem of how to protect information stored in a database from users who might have appropriate access to the database, but should be denied access to sensitive *portions* of records in the database.

The technical solution provided by the '281 patent is (i) associating each data element type with one or more protection attributes, “which are stored in a separate data element protection catalogue” and (ii) making compelling calls to the data element protection catalogue when data is requested. *Id.* at 3:52-4:44.

Prelim. Resp. 22.

As we stated in our Decision, we were persuaded by Petitioner that the '281 patent fails to solve a technical problem with a technical solution (Decision 14). As discussed in our Decision, Claim 1 recites a data processing method that grants access to data only if associated rules are satisfied. The method is “computer-implemented,” requires a database

comprising data portions, and a separate database comprising data processing rules associated with the data portions. As discussed above, these features were known at the time of filing the '281 patent.

We, thus, are not persuaded by Patent Owner that we abused our discretion in determining that at least claim 1 of the '281 patent does not recite a novel or unobvious technological feature and does not solve a technological problem with a technological solution.

v. Abstract Idea

Patent Owner argues that the Board overlooked its argument that the '281 patent is not directed to an abstract idea because the '281 patent “addresses a technical problem necessarily rooted in computer technology.” PO Req. 10–12 (citing *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 f.3d 1245 (Fed. Cir. 2014)). Patent Owner states that “[t]he Board ignored that Denning expressly states that data protection must be done at the record-level, and not at the data element level.” *Id.* at 10 (citing Ex. 1005, 148).

We did not overlook Patent Owner’s argument regarding patent-eligibility in reaching our Decision. As we stated in our Decision, we were not persuaded by Patent Owner’s argument in the Preliminary Response because it was not commensurate with the scope of the claims. Decision 21 (citing Prelim. Resp. 29–34). In the Preliminary Response, Patent Owner argues that the claims are directed toward data protection systems and methods that work on the cell or data element level. Prelim. Resp. 33 (“the '281 Patent is not directed to some abstract idea, but rather a specific improvement in computing technologies to protect data in a database at the date element level.”); *see also* PO Req. 11 (“Computers do not come with the ability to perform field-level or data element-level encryption on

databases”). The claims, however, do not require that data protection at the data element level or preclude data protection at the record-level. *See* Decision 17–18.

We also did not ignore Patent Owner’s argument regarding the cited disclosure of Denning. Although, Denning is evidence included in the record of this proceeding, Patent Owner does not identify where it was raised in its Preliminary Response with regards to Patent Owner’s abstract idea argument, and we can find no such argument in its Preliminary Response. *See* PO Req. 10–12; *see* Prelim. Resp. 29–34. We could not have overlooked or ignored an argument that was not raised in the Preliminary Response. Nonetheless, Patent Owner’s argument regarding Denning’s alleged disclosure that “that data protection must be done at the record-level, and not at the data element level” (PO Req. 10) is unpersuasive because it is not commensurate with the scope of the claims. The claims do not require that data protection at the data element level or preclude data protection at the record-level. *See* Decision 17–18.

We, thus, are not persuaded by Patent Owner that we abused our discretion in determining that the claims of the ’281 patent are more likely than not directed to a patent-ineligible abstract idea.

vi. Anticipation by Denning

Patent Owner argues that the Board misapprehend Denning in determining that claim 1, 2, 6, 9, 17, 18, 22, and 25 are anticipated by Denning. PO Req. 12. Patent Owner states that Denning’s access controls incorporate the concept that users may dispense and revoke privileges for object they own. *Id.* (citing Ex. 1005, 191). Patent Owner argues that independent claim 1 and 17’s requirement that the data portion be associated

with data processing rules precludes the data portion from being associated with a user. *Id.*

As we stated in our Decision, claims 1 and 17 do not preclude the data process rules from being user-based. Decision 15–16, 24–25. Patent Owner’s argument is not commensurate with the scope of the claim. We, thus, are not persuaded by Patent Owner that we abused our discretion in determining that the claims 1, 2, 6, 9, 17, 18, 22, and 25 are more likely than not anticipated by Denning.

C. Petitioner’s Request for Rehearing

Petitioner requests for rehearing of our decision not to institute covered business method patent review of claims 15, 31, 33, and 47, and claims dependent therefrom, on the ground of anticipation by Denning. Pet. Req. 1. Petitioner first argues that the Board misapprehended Petitioner’s argument regarding the “data category” limitation of claims 15, 31⁴, 33 and 47. Pet. Req. 1–5, 7–8. According to Petitioner, it argued in the Petition that Denning discloses that the “object” in the access matrix is associated with a data category because it corresponds to a column of a relational database, which is associated with an attribute (data category). *Id.* at 3–5. Petitioner also argues that we overlooked the testimony of Petitioner’s declarant. *Id.* at 7–8.

We have reconsidered Petitioner’s argument but remain unpersuaded by Petitioner’s argument that claims of claims 15, 31, 33, and 47, and the claims dependent therefrom, are anticipated by Denning. Petitioner

⁴ Claims 15 and 31 recites “data type” and not “data category.” Petitioner, however, argues in the Petition that “data element type” is synonymous with “data category.” Pet. 26–27.

identifies pages 25–28, 32, and 33 as the place where this matter was first raised in the Petition. *See* Pet. Req. 3. The Petition, on these pages 25–28, contains an explanation as to how Denning anticipates the “data category” limitation of these claims. Pet. 26–61. The pertinent portion states:

A person of ordinary skill in the art would have understood data element types as corresponding to columns of a database table. Ex. 1010 at ¶ 58. Denning discloses that a column can be an “object” to which access is controlled by an access matrix:

A is an access matrix, with rows corresponding to subjects and columns to objects. An entry $A [s, o]$ lists the access rights (or privileges) of subject s for object o .

Ex. 1006 at 192; Ex. 1010 at ¶ 60 . . . Denning disclose a ‘relational database system [Codd70, Codd79] developed at the IBM Research Laboratory in San Joes,’ in which the data objects of the system ‘consist of relations, which are sets (tables) of n-tuples (row or records), where each n-tuple has n **attributes (columns).**’ Ex. 1006 at 213. Denning therefore discloses that each data portion is a data category, under the broadest reasonable construction, as required by claims 33 and 47. Ex. 1010 at ¶ 60.

Id. at 27–28 (emphasis original); *see also* Ex. 1010 ¶¶ 60 (testimony of Dr. Michael Shamos substantively repeating the above quotation).

“A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.” *Verdegaal Bros., Inc. v. Union Oil Co. of Cal.*, 814 F.2d 628, 631 (Fed. Cir. 1987). “[T]he prior art reference—in order to anticipate under 35 U.S.C. § 102—must not only disclose all elements of the claim within the four corners of the document, but must also disclose those elements ‘arranged as in the claim.’” *Net MoneyIN, Inc. v. VeriSign, Inc.*, 545 F.3d 1359, 1369 (Fed. Cir. 2008) (quoting *Connell v. Sears, Roebuck &*

Co., 722 F.2d 1542, 1548 (Fed. Cir. 1983). “[I]t is not enough that the prior art reference . . . includes multiple, distinct teachings that the artisan might somehow combine to achieve the claimed invention.” *Id.* at 1371.

“[D]ifferences between the prior art reference and a claimed invention, however slight, invoke the question of obviousness, not anticipation.” *Id.*

Petitioner first quotes a passage from Denning that describes the columns of the access matrix as corresponding to objects which are controlled by the access matrix. *See* Ex. 1006, 192. Petitioner then quotes a disparate portion of Denning that describes a relational database system that consists of n-tuples having n attributes or columns, with respect to authorization lists, which are a different type of access control. *See id.* at 213. Neither of these quoted passages links the objects of the access matrix model to the columns of the relational database system, described in connection with the authorization lists, or provides any other adequate explanation as to how Denning discloses that the object of the access matrix model “corresponds” to the columns of the relational database system. In the Petition, Petitioner and its declarant also state that Denning discloses that the access matrix is applicable to database systems. Pet. 3; Ex. 1010 ¶ 54 (citing Ex. 1006, 192). However, this also does not describe the objects of the access matrix model as columns of the relational database system.

Petitioner alternatively argues that Denning’s objects at the top of the columns of the access matrix model are associated with a data category, when “data category” is given the broadest reasonable construction adopted in the Decision. Pet. Req. 3, 9. Petitioner states: “[f]or example, M1 refers to a division of data that shares a common attribute of being stored in memory segment M1.” *Id.* Petitioner, however, does not identify where this

argument was raised in the first instance in the Petition, and we can find no such argument in the Petition. We could not have overlooked or misapprehended an argument that was not raised in the Petition.

We, thus, are not persuaded by Petitioner that we abused our discretion in denying institution of covered business method patent review of claims 15, 31, 33, and 47 on the ground of obviousness over Denning.

D. Conclusion

We are not persuaded of an abuse of discretion either by Patent Owner or Petitioner.

III. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that each Request for Rehearing is *denied*.

CBM2015-00010
Patent 8,402,281 B2

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