

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ACXIOM CORPORATION,
Petitioner,

v.

PHOENIX LICENSING, LLC,
Patent Owner.

Case CBM2015-00068
Patent 8,352,317 B2

Before BARRY L. GROSSMAN, STACEY G. WHITE, and
PETER P. CHEN, *Administrative Patent Judges*.

GROSSMAN, *Administrative Patent Judge*.

DECISION

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

I. INTRODUCTION

Acxiom Corporation, AT&T Mobility LLC, AT&T Services, Inc., and Ford Motor Company filed a Petition (Paper 4, “Pet.”) to institute a covered business method review of claims 1, 9, 16, 18–25, 34, 49, 50–52, and 57 (“the challenged claims”) of U.S. Patent No. 8,352,317 B2 (Ex. 1001, “the ’317 patent”). We granted a Joint Motion to Terminate this proceeding with respect to AT&T Mobility LLC and AT&T Services, Inc. (Paper 18). We also granted a Joint Motion to Terminate this proceeding with respect to Ford Motor Company (Paper 20). Thus, Acxiom Corporation (“Petitioner” or “Acxiom”) is the sole remaining Petitioner. Phoenix Licensing, LLC (“Patent Owner”) filed a Preliminary Response (Paper 13, “Prelim. Resp.”). We have jurisdiction under 35 U.S.C. § 324. After considering the Petition and Preliminary Response, we determine that Acxiom does not have standing to file a Petition for a covered business method review of the ’317 patent under § 18(a)(1)(B) of the Leahy-Smith America Invents Act (“AIA”)¹ and 37 CFR § 42.302. Accordingly, we deny institution of a covered business method patent review of the challenged claims of the ’317 patent.

II. ANALYSIS

A. *Standing*

Standing to file a covered business method patent review is a threshold issue. Under § 18(a)(1)(B) of the AIA,

A person may not file a petition for a transitional proceeding with respect to a covered business method patent unless the person or the person’s real party in interest or privy has been sued for infringement of the patent or has been charged with infringement under that patent.

¹ Pub. Law 112–29, 125 Stat. 284, 331 (Sept. 16, 2011).

See also 37 C.F.R. §§ 42.206, 42.302(a), 42.304(a) (trial rules on standing in a covered business method review). A petition for covered business method review must set forth the petitioner’s grounds for standing. 37 C.F.R. § 42.304(a). Rule 42.304(a) states that it is Petitioner’s burden to “demonstrate that the patent for which review is sought is a covered business method patent, and that the petitioner meets the eligibility requirements of § 42.302.” *Id.*

Under 37 C.F.R. § 42.302(a), a person may not file a petition for covered business method patent review, “unless the petitioner, the petitioner’s real party-in-interest, or *a privy of the petitioner* has been sued for infringement of the patent or has been charged with infringement under that patent” (emphasis added).

As the U.S. Patent and Trademark Office explained in comments to the Final Rules governing covered business method patent review,

To establish standing, a petitioner, at a minimum, would be required to *certify with explanation* that the patent is a covered business method patent and that the petitioner meets the eligibility requirements of § 42.302. This requirement is to ensure that a party has standing to file the covered business method patent review and would help prevent spuriously instituted reviews. *Facially improper standing is a basis for denying the petition without proceeding to the merits of the decision.*

Changes to Implement Inter Partes Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents, 77 Fed. Reg. 48,680, 48,709 (Aug. 14, 2012) (Response to Comment 102; emphases added). Consequently, the petition must show that the petitioner meets the requirements of 37 C.F.R. § 42.302, and such “[a] showing can only be made through sufficient proof.” *Id.* (Response to Comment 106). For example in *Global Tel*Link Corp. v. Securus Technologies, Inc.*, Case CBM2014-0016, slip op. at 9 (PTAB Feb. 17, 2015) (Paper 10), the Board denied institution of a covered

business method review based on the determination that Petitioner's assertion of standing in the Petition was not supported sufficiently by proof in the Petition.

For the reasons discussed below, we conclude that the Petition fails to show sufficient proof to support the assertion that Acxiom has standing to file the request for a covered business method review.

B. The Petition

As discussed above, the Petition was filed by four entities, Acxiom Corporation, AT&T Mobility LLC, AT&T Services, Inc., and Ford Motor Company. Also, as discussed above, this proceeding has been terminated with respect to the two AT&T entities and Ford, leaving only Acxiom as a Petitioner.

The Petition states that the '317 patent has been asserted against Ford Motor Company and AT&T Mobility LLC. Pet. 4. The Petition does *not* assert that that the '317 patent was asserted against Acxiom.

Patent Owner contends that the Petition is “defective because it does not show how Petitioner has standing under AIA Section 18(a)(1)(B) to bring a CBM petition; the Petition does not provide any proof, or even allegation, that Acxiom Corporation has been sued or has had a real-party-in-interest or privy sued.”

Prelim. Resp. 1. Additionally, Patent Owner states that “Patent Owner has never sued Petitioner, i.e., Acxiom, nor charged Acxiom with infringement.” Prelim. Resp. 7.

The Petition states that “Acxiom Corporation, AT&T Mobility LLC, AT&T Services, Inc., and Ford Motor Company are the real parties-in-interest.” Pet. 4. As the “Grounds for Standing,” however, the Petition states only that “Acxiom Corporation and AT&T Services, Inc. are both *real parties-in-interest to and/or privies of* one or more parties who have been sued for infringement of the '317 Patent.” Pet. 20 (emphasis added). Petitioner does not direct us to any persuasive

evidence that Acxiom is a real party-in-interest to, and/or privy of, one or more parties who have been sued for infringement.

“A petitioner may not file with the Office a petition to institute a covered business method patent review of the patent unless the petitioner, the petitioner's real party-in-interest, or a privy of the petitioner has been sued for infringement of the patent or has been charged with infringement under that patent.”

37 CFR § 42.302(a). Thus, Acxiom may acquire standing if (1) Acxiom has been sued for, or charged with, infringement of the patent for which it seeks review; or (2) if a party sued for, or charged with, infringement, is Acxiom's real party-in-interest; or (3) if the party sued for, or charged with, infringement is a privy of Acxiom. *Id.* Petitioner has not directed us to persuasive evidence that it has standing under any of these options. The Petition does not assert that Acxiom has been sued or charged with infringement. We have not been directed to persuasive evidence that either Ford Motor Company or AT&T Mobility LLC, the parties sued for infringement of the '317 patent, are Acxiom's real party-in-interest or are privies of Acxiom.

The allegation that Acxiom is a *privy of* one or more parties who have been sued for infringement (Pet. 20), even if supported by evidence, would not establish standing for Acxiom. During the September 2011 Senate debates on the AIA, Senator Schumer indicated that the word “privy,” in the context of § 18 of the AIA, “effectively means customers of the petitioner.” 157 Cong. Rec. S5432 (daily ed. Sept. 8, 2011) (statement of Sen. Schumer). Thus, for example, the fact that Ford has been sued for infringement of the '317 patent does not thereby confer standing on every privy, or customer, of Ford to file a request for a covered business method patent review. Under the applicable statute and rules discussed above, in order to confer standing on Acxiom, the party sued must be a *privy of Acxiom*, not the

converse. *Cf. Arris Group, Inc. v. British Telecomm. PLC*, 639 F.3d 1368, 1375 (Fed. Cir. 2011) (“[W]here a patent holder accuses customers of direct infringement based on the sale or use of a supplier’s equipment, the supplier has standing to commence a declaratory judgment action if . . . the supplier is obligated to indemnify its customers from infringement liability.”).²

Accordingly, based on the analysis above and the record before us, and for purposes of this Decision, we determine that the information presented in the Petition does not establish that Acxiom had standing to file the Petition or to be named as a Petitioner.

III. CONCLUSION

Petitioner has not established that it satisfies the standing requirement for filing a petition for covered business method patent review.

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition is *denied*; and

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

² See *GSI Commerce Solutions, Inc., v. Arunachalam*, Case CBM2014-00101, slip op. at 3–4 (PTAB Oct. 7, 2014) (Paper 10), in which the Board found standing to file a covered business method patent review based on undisputed representations in the Petition that Petitioner’s customers had been sued and that Petitioner was obligated to indemnify those customers.

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