

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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FIRST DATA CORPORATION,  
Petitioner,

v.

COQUI TECHNOLOGIES, LLC,  
Patent Owner.

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Case IPR2015-01667  
Patent 7,580,864 B2

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Before GRACE KARAFFA OBERMANN, BRYAN F. MOORE, and  
JENNIFER S. BISK, *Administrative Patent Judges*.

BISK, *Administrative Patent Judge*.

DECISION  
Denying Institution of *Inter Partes* Review  
*37 C.F.R. § 42.108*

## I. INTRODUCTION

Petitioner, First Data Corporation, filed a Petition to institute an *inter partes* review of claims 1–5 of U.S. Patent No. 7,580,864 B2 (Ex. 1001, “the ’864 patent”). Paper 2 (“Pet.”).

We have authority to determine whether to institute an *inter partes* review. 35 U.S.C. § 314(b); 37 C.F.R. § 42.4(a). Upon consideration of the Petition, we determine that Petitioner has not established a reasonable likelihood of prevailing in showing the unpatentability of the challenged claims. Accordingly, we decline to institute *inter partes* review.

### A. Related Matters

Petitioner reports that a case in the Eastern District of Texas may affect or be affected by a decision in this proceeding.<sup>1</sup> *Coqui Techs., LLC v. Kohl’s Corp.*, Case No. 2:15-cv-93 (E.D. Tex.). Pet. 1. Petitioner has filed a second *inter partes* review petition challenging claims 6–27 of the ’864 patent—IPR2015-01668. Pet. 1.

### B. The Asserted Grounds

Petitioner challenges claims 1–5 as obvious over Stoutenburg<sup>2</sup> and Karas.<sup>3</sup>

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<sup>1</sup> Patent Owner, however, states that “no judicial matters would affect or be affected by a decision in this proceeding.” Paper 5.

<sup>2</sup> U.S. Patent No. 7,086,584 B2, issued Aug. 25, 1999 (Ex. 1002). Petitioner asserts that Stoutenburg incorporates by reference U.S. Patent Application No. 2002/0104878, published Aug. 8, 2002 (Ex. 1003) (“Seifert”) and, therefore, treats Seifert as part of Stoutenburg for purposes of its analysis. Pet. 2–3, n.1.

<sup>3</sup> U.S. Provisional Application 60/256,127, filed Dec. 15, 2000 (Ex. 1004).

*C. The '864 Patent*

The '864 patent describes a system and method for circulating electronic gift certificates. Ex. 1001, Title. Specifically, the '864 patent describes a method for “quickly and accurately” purchasing, gifting, and using an electronic gift certificate—“a multimedia message including barcode data”—through a communication terminal over a wired or wireless network. *Id.* at Abstract, 1:7–16, 2:31–46, 11:5–6. For use of the electronic gift certificate, the barcode data can be displayed on a communications terminal. *Id.* at 7:33–35.

Figure 1 of the '864 patent is reproduced below.

FIG.1

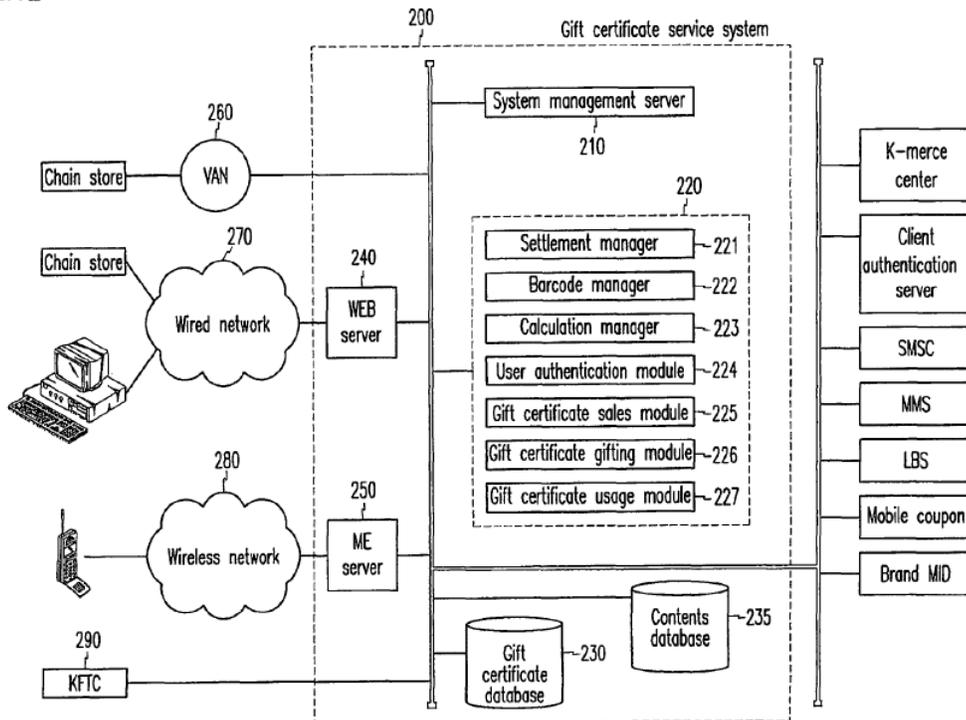


Figure 1 shows a preferred embodiment of the '864 patent's electronic gift circulation system. *Id.* at 3:48–50. Electronic gift certificate service

system 200 includes system management server 210, gift certificate service server 220, gift certificate database 230, and contents database 235. *Id.* at 4:23–26. A chain store and a computer both access system 200 through wired network 270. *Id.* at 4:26–32. A communication terminal accesses system 200 through wireless network 280. *Id.* Server 220 authenticates and manages requests for electronic gift certificates from the communication terminal or the chain store. *Id.* at 4:47–50. Database 230 stores information related to gifting and using the electronic gift certificates, including “a gifting history and a usage history as well as a history of gift certificates bought by the client.” *Id.* at 4:66–5:9.

*D. The Challenged Claims*

Petitioner challenges claims 1–5. Pet. 1. Claim 1 is independent and is reproduced below:

1. A gift certificate service system for managing sales, gifting, and usage of electronic gift certificates according to a request by a user’s communication terminal through a wired network, wireless network, or both, comprising:

a gift certificate service server for managing purchase, gifting, and usage operations on the electronic gift certificates from the communication terminal;

a gift certificate database, accessed by the gift certificate service server, for storing electronic gift certificate information prior to transferring the gift certificate to a transferee, and processing a reply to an inquiry of electronic gift certificate usage from the gift certificate service server; and

a network server accessed by the gift certificate service server and accessed by the user’s communication terminal through the wired network, wireless network, or both, for performing a client interface function with the purchase, gifting, and usage of the electronic gift certificates, and transmitting the

user's gift certificate purchase particulars and gift certificate information for usage of the corresponding gift certificate to the communication terminal,

wherein the electronic gift certificate is a multimedia message including barcode data, wherein the network server is responsive to use of the electronic gift certificate occasioned by displaying the barcode data on the communication terminal, and wherein the electronic gift certificate information stored by the gift certificate database includes at least one of a gifting history of the gift certificates or a usage history of the gift certificates.

Ex. 1001, 10:50–11:25.

## II. ANALYSIS

### A. Claim Construction

In an *inter partes* review, claim terms are given their broadest reasonable interpretation in light of the specification in which they appear and the understanding of others skilled in the relevant art. *See* 37 C.F.R. § 42.100(b). Applying that standard, we interpret the claim terms of the '864 patent according to their ordinary and customary meaning in the context of the patent's written description. *See In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007).

Petitioner proposes explicit constructions for two terms recited by independent claim 1—“gift certificate” (Pet. 6–7) and “multimedia message including barcode data” (*id.* at 7–8). For purposes of this decision, however, we need not address explicitly the construction of these terms.

Petitioner also proposes constructions for all of the limitations of dependent claims 2, 3, and 4 that are written in means-plus-function

format—17 limitations total.<sup>4</sup> Pet. 8–17. Petitioner asserts that all 17 limitations are means-plus-function limitations under 35 U.S.C. § 112, ¶ 6<sup>5</sup> and identifies specific portions of the '864 patent specification that allegedly describe structure corresponding to the claimed function for each limitation. *Id.*

We agree with Petitioner that the 17 limitations identified by Petitioner as being written in means-plus-function format are governed by 35 U.S.C. § 112, ¶ 6, because they all use the phrase “means for” modified by functional language without being modified by any structure to perform the claimed function. *See Williamson v. Citrix Online, LLC*, 792 F.3d 1339, 1347–48 (Fed. Cir. 2015). The scope of these limitations is, thus, defined by the structure disclosed in the specification plus any equivalents of that structure. *Aristocrat Techs. v. Int’l Game Tech.*, 521 F.3d 1328, 1331 (Fed. Cir. 2008). “The specification must contain sufficient descriptive text by which a person of skill in the field of the invention would ‘know and understand what structure corresponds to the means limitation.’” *Typhoon Touch Techs., Inc. v. Dell, Inc.*, 659 F.3d 1376, 1383–84 (Fed. Cir. 2011) (quoting *Finisar Corp. v. DirecTV Grp.*, 523 F.3d 1323, 1340 (Fed. Cir. 2008)). Except for a narrow exception concerning functions that are

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<sup>4</sup> Petitioner addresses several, very similar limitations together, and therefore groups the 17 means-plus-function limitations into 12 distinct sections. Pet. 8–17.

<sup>5</sup> Section 4(c) of the AIA re-designated 35 U.S.C. § 112, ¶¶ 1, 2, and 6 as 35 U.S.C. §§ 112(a), (b), and (f). Because the '864 patent has a filing date before September 16, 2012 (effective date), we will refer to the pre-AIA version of 35 U.S.C. § 112.

“coextensive” with a microprocessor itself, such as “processing” data, “receiving” data, and “storing” data, a computer-implemented means-plus-function element is indefinite, under § 112, ¶ 2, unless the specification discloses the specific algorithm used by the computer to perform the recited function. *EON Corp. IP Holdings LLC v. AT&T Mobility LLC*, 785 F.3d 616, 621 (quoting *In re Katz Interactive Call Processing Patent Litigation*, 639 F.3d 1303, 1316 (Fed. Cir. 2011)).

We are not persuaded that Petitioner has shown that the ’864 specification describes an algorithm adequate to provide structure to the corresponding function for all the means-plus-function limitations of claims 2, 3, and 4. For example, claim 2 recites the limitation “means for checking a settlement state of the electronic gift certificate bought by the user.” We agree with Petitioner that the claimed function of this limitation is “checking a settlement state of the electronic gift certificate bought by the user” (“the checking function”). Pet. 8–9. We do not, however, agree that Petitioner has pointed to adequate corresponding structure in the ’864 specification to support this function. Specifically, Petitioner points to server 220 and settlement manager 221, 223 as shown in Figure 1, and steps S70 and S80 of Figure 2, as providing the required structure. *Id.* at 9. Nothing in the figures themselves, however, clarifies anything other than that servers to accomplish the checking function exist in the system and steps are taken to achieve the checking function during the process shown in Figure 2. Ex. 1001, Fig. 1, Fig. 2 (S70 labeled “Internal settlement exists?,” S80 labeled “Process internal settlement”). Neither figure includes “description of the means or steps taken to accomplish the end result.” *Function Media, L.L.C. v.*

*Google, Inc.*, 708 F.3d 1310, 1317 (Fed. Cir. 2013). Petitioner also points to language in the '864 patent as providing structure for the checking function. *Id.* at 9 (citing Ex. 1001, 4:33–37, 4:51–57, 6:13–18). These portions of the '864 specification, like the figures, explain that servers exist in the system (Ex. 1001, 4:33–37) and the servers perform settlement processes, but they contain no explanation of how the servers specifically perform the checking function. For example, the specification states only that the settlement manager 221 “performs internal settlement processes” (*id.* at 4:51–57) and external settlement processes are processed “through the VAN 260 or the KFTC 290” (*id.* at 6:13–18). At most, therefore, Petitioner points to language disclosing “an ‘abstraction that describes the function’ to be performed.” *See Function Media*, 708 F.3d 1310, 1318 (quoting *Blackboard Inc. v. Desire2Learn, Inc.*, 574 F.3d 1371, 1383 (Fed. Cir. 2009)).

Claims 3 and 4 each have at least one limitation with similar problems. For example, claim 3 recites “means for updating the users [sic] gift certificate information, storing the updated information in the gift certificate database together with the transferee’s gift certificate information,” and claim 4 recites “means for allowing processing of the settlement on the price information when the settlement is possible based on the usage of the gift certificate.” We agree with Petitioner’s recitation of the functions recited by these limitations. Pet. 14, 16. For reasons similar to those discussed with respect to claim 2 and the checking function, however, we do not agree that Petitioner has pointed to adequate corresponding structure in the '864 specification to support these functions (Pet. 14 (citing Ex. 1001, Fig. 1 (230), 4:66–5:9); Pet. 16 (citing Ex. 1001, Fig. 1 (220, 221,

223), Fig. 4 (S280), 4:33–37, 4:51–57, 7:20–26)).

*B. Claims 2–4*

Claims 2–4 are written using several means-plus-function limitations. As indicated in the claim construction section above, we are not persuaded that Petitioner has pointed out adequate structure corresponding to at least one of these limitations in each of claims 2, 3, and 4. Because of this deficiency, Petitioner has not properly provided sufficient information for a determination of the scope of these claims and, we cannot conduct the necessary factual inquiry for determining obviousness. *See In re Aoyama*, 656 F.3d 1293, 1298 (Fed. Cir. 2011) (quoting *Enzo Biochem, Inc. v. Applera Corp.*, 599 F.3d 1325, 1332 (Fed. Cir. 2010)) (“[A] claim cannot be both indefinite and anticipated.”); *In re Steele*, 305 F.2d 859, 862–63 (CCPA 1962) (reversing the Board’s decision of obviousness because it relied on “what at best are speculative assumptions as to the meaning of the claims”). We are unable to conclude, therefore, that there is a reasonable likelihood that Petitioner would prevail in its challenge of claims 2–4.

*C. Claims 1 and 5*

Petitioner asserts that claims 1 and 5 would have been obvious over Stoutenburg and Karas. Pet. 22–51.

Stoutenburg describes methods for configuring point-of-sale (“POS”) systems. Ex. 1002, Abstract. Certain embodiments of the POS device are capable of issuing “stored value cards” that “can be gift certificates, phone cards, debit cards, and the like.” *Id.* at 13:48–51. The stored value card may include “an identification number, in human readable form, on a magnetic-stripe, in a bar code, or the like.” *Id.* at 22:17–23. Stoutenburg describes the

use of a database that contains information about the stored value cards, including whether the cards are physical or virtual, card balances, minimums and maximums, and merchant information. *Id.* at 20:62–67. A processing system works in cooperation with this database to permit “information to be updated,” which may be received “from a variety of sources,” including “through the Internet . . . by any type of computer,” “to permit cards to be issued, to permit transactions to occur, and the like.” *Id.* at 20:67–21:8. Stoutenburg also describes “transferring value via value transfer system 600.” *Id.* at 30:1–6.

Karas is a provisional patent application describing enclosing “branded electronic gift certificates” within electronic greeting cards. Ex. 1004, 5.

For claims 1 and 5, Petitioner primarily relies on Stoutenburg for the allegations of unpatentability. Pet. 22–38, 50–51. Disclosures in Karas appear to be offered as an alternative to the corresponding disclosure of Stoutenburg for certain limitations. *Id.* at 26–28, 50–51. Petitioner, however, never describes how Stoutenburg differs from the claimed subject matter such that a particular teaching of Karas would be relied upon to overcome that deficiency. *Id.* For example, when discussing the preamble of claim 1, Petitioner first spends four pages describing Stoutenburg’s system and then adds that “Karas also teaches gifting certificates through use of a ‘gift certificate service server,’” followed by a few sentences discussing Karas. Pet. 22–26. Petitioner neglects to explain how it is proposing that a person of ordinary skill would have combined the two different systems. *Id.*

Petitioner’s analysis of the limitations of claims 1 and 5 does not

clarify the situation. For each limitation of claim 1, Petitioner relies mainly on Stoutenburg. *Id.* at 28–38. The only citation to Karas is in reference to the first limitation—“a gift certificate service server for managing purchase gifting, and usage operations on the electronic gift certificates from the communication terminal.” *Id.* at 28–29. In the midst of explaining how Stoutenburg discloses each part of this limitation (*id.* at 28–29), Petitioner, without further comment, states that “[s]imilarly, Karas discloses a ‘payment enabler’ to manage the gifting of electronic gift certificates” (*id.* at 28).<sup>6</sup> For claim 5, the only citation to Karas is that “Karas similarly discloses a database record ‘for storing information pertinent to . . . person-to-person payment methods.’” Pet. 50. Petitioner, however, neglects to explain the relevance of these parallel teachings. We are left to wonder which portion of Karas Petitioner is relying on, and what portion of Stoutenburg that teaching is meant to supplement. Dr. Tygar’s testimony, which repeats the arguments in the brief, sheds no further light on the issue. Ex. 1006 ¶¶ 105–160, 197–202.

Petitioner subsequently states that a person of ordinary skill would have been motivated to combine “the teachings of Stoutenburg with those of Karas” to “learn additional methods that might be used to transfer/gift stored value, particularly with branded electronic gift certificates.” *Id.* at 26–27. Because it is unclear, however, which “additional methods” of Karas

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<sup>6</sup> In the claim chart for claim 1, another limitation—“a gift certificate database . . .”—contains citations to several pages of Karas without any explanation. Pet. 37–38. The section of the Petition discussing this limitation, however, does not mention Karas. *Id.* at 29–30.

Petitioner is relying on to supplement the teachings of Stoutenburg and how such teachings would have been used by a skilled artisan, this statement, by itself, does not provide an adequate rationale for combining the cited teachings. It certainly does not provide a sufficiently “articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.” *KSR*, 550 U.S. at 418 (quoting *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006)).

In support of its assertion that a person of ordinary skill would have combined the two references, Petitioner points to language in Stoutenburg stating that “it should be recognized that the preceding stored value card examples are merely illustrative and that a number of modifications to the examples are possible. For example, such stored value card processes can be used in conjunction with a value transfer system, where the value transfer system effectuates payment for a purchased stored value card.” Pet. 27 (quoting Ex. 1002, 28:6–12). Petitioner does not explain why this language would inspire a person of ordinary skill to look to Karas or which portions of Karas, specifically, that person would be interested in. Instead, the quoted language follows a detailed description of an embodiment using a “phone card system” and introduces a paragraph describing various alternative systems, such as including multiple function central controls. Ex. 1001, 27:56–28:25. This language, therefore, does not, by itself, make plain why a person of ordinary skill would look to Karas to learn “additional methods that might be used to transfer/gift stored value.” In sum, Petitioner does not explain *how* or *why* a person of ordinary skill would have combined the teachings of Stoutenburg and Karas. *See KSR*, 550 U.S. at 418 (“Often, it

will be necessary for a court to . . . determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue.”). We are, therefore, not persuaded that Petitioner has demonstrated a reasonable likelihood that it would prevail on the ground that claims 1 and 5 are unpatentable over Stoutenburg and Karas.

### III. CONCLUSION

For the foregoing reasons, based on the information presented in the Petition, we are not persuaded that there is a reasonable likelihood that Petitioner would prevail in showing unpatentability of claims 1–5 of the ’864 patent. We, therefore, decline to institute *inter partes* review as to any of the challenged claims. 37 C.F.R. § 42.108.

### IV. ORDER

It is ordered that the Petition is *denied* as to all challenged claims, and no trial is instituted.

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