

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ACXIOM CORPORATION,
Petitioner,

v.

PHOENIX LICENSING, LLC,
Patent Owner.

Case CBM2015-00180
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 *Inter Partes* Review
37 C.F.R. § 42.108

DISH Network Corporation, DISH Network L.L.C. (collectively “the Dish Entities”), Advance America, Cash Advance Centers, Inc. (“Advance America”), and Acxiom Corporation filed a Corrected Petition (Paper 9, “Pet.”) to institute a covered business method review of claims 1, 9, 16, 18–25, 34, 49–52, 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 the Dish Entities (Paper 13). We also granted a Joint Motion to Terminate this proceeding with respect to Advance America (Paper 17). Thus, Acxiom Corporation (“Petitioner” or “Acxiom”) is the sole remaining Petitioner. Phoenix Licensing, LLC (“Patent Owner”) filed a Preliminary Response (Paper 16, “Prelim. Resp.”). We have jurisdiction under 35 U.S.C. § 324. *See* Section 18(a)(1) of the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284, 329 (2011) (“AIA”) (“[t]he transitional proceeding implemented pursuant to this subsection shall be regarded as, and shall employ the standards and procedures of, a post-grant review under chapter 32 of title 35, United States Code,” subject to exceptions).

Upon consideration of 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 AIA and 37 C.F.R. § 42.302. Accordingly, we deny institution of a covered business method patent review of the challenged claims of the ’317 patent.

A. Related Proceedings

Petitioner and Patent Owner state the ’317 patent has been asserted in a substantial number of district court proceedings. Pet. 5; Paper 7, 1–3.

We denied for lack of standing a previous Petition by Acxiom and other petitioners seeking a covered business method review of the ’317 patent. *Acxiom*

Corp. v. Phoenix Licensing, LLC, Case CBM2015-00068 (PTAB Aug. 11, 2015) (Paper 23), *reh'g. denied* (PTAB Oct. 29, 2015) (Paper 26) (“*Acxiom I*”).

The parties also identify a substantial number of reexamination and covered business method proceedings within the Patent and Trademark Office for patents that are asserted to be related to the '317 patent. Pet. 5; Paper 7, 1–2. In each of cases CBM2015-00134 through 00140, directed to patents related to the '317 patent, and based on facts similar to those now before us, the petitions were denied based on lack of standing.

II. ANALYSIS

A. *Standing for Covered Business Method Patent Review*

The parties disagree as to whether Petitioner has standing to file a petition for a covered business method review of the '317 patent. *See* Pet. 20–23; Prelim. Resp. 9–19.

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.

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.*

As 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).

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). *Acxiom 1*, CBM2015-00068 (Paper 23, 3), *reh’g. denied* (Paper 26); *Global Tel*Link Corp. v. Securus Technologies., Inc.*, Case CBM2014-00166, (PTAB Feb. 6, 2015) (Paper 17).

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

1. Petitioners as a “Single Legal Entity”

The Petition asserts that “the Petitioner” is a “single legal entity consisting of” Acxiom, the Dish Entities, and Advance America. Pet. 1. Based on this assertion, Acxiom states that, at the time of filing the Petition, the “single legal entity” had been sued for infringement of the ’317 patent. *Id.* at 20–21 (citing Ex. 1803 and Ex. 1816). Exhibit 1803 is a complaint for patent infringement, filed July 30, 2015, asserting that Advance America infringes the ’317 patent.

Ex. 1803, 1, 16. Exhibit 1816 is a complaint for patent infringement, filed October 17, 2014, asserting that the Dish Entities infringe the '317 patent. Ex. 1816, 1, 5.

Acxiom has not asserted that it has been sued for infringement of the '317 patent, nor has Acxiom directed us to any evidence that it has been sued for infringing the '317 patent. Patent Owner states that it “has not sued Acxiom.” Prelim. Resp. 1.

In *Acxiom I*, we rejected the argument that multiple petitioners are treated as a “single legal entity” for purposes of standing to file a CBM petition. *Acxiom I*, CBM2015-00068 (Paper 23), *reh'g. denied* (Paper 26, 6). We held that “*each petitioner must have standing at time of filing*, and if instituted, the case will proceed procedurally with the multiple petitioners treated as a single entity.” *Id.* (emphasis added). In the case before us, Acxiom has not demonstrated that *it* was sued for infringement of the '317 patent or has been charged with infringement under the '317 patent. Thus, Acxiom does not have standing to file a CBM petition in this case on the basis that it has been sued.

2. *Suits Against Privies*

The fact that Acxiom itself has not been sued for infringement, or charged with infringement, does not preclude Acxiom from filing a CBM petition. The statute provides other grounds to establish standing. As explained in *Acxiom I*, Acxiom may acquire standing if a party sued for, or charged with, infringement is Acxiom's real party-in-interest; or if the party sued for, or charged with, infringement is a privy of Acxiom. *Acxiom I*, CBM2015-00068 (Paper 23, 5), *reh'g. denied* (Paper 26) (citing 37 C.F.R. § 42.302(a)).

Acxiom asserts standing because “several of Acxiom's customer[s] have been sued for infringement of the '317 Patent at the time of filing of this petition based on their use of Acxiom's software and services.” Pet. 21–22. Acxiom also

states that its sued customers have requested indemnification from Acxiom. *Id.* at 22 n.7. Acxiom concludes from these facts that “its sued customers are privies of Acxiom.” *Id.* at 22–23.

In the context of standing to file a CBM petition, the intent of § 18(a)(1)(B) of the AIA was to look to the law establishing declaratory jurisdiction in federal courts. *See* Ex. 3001, 4 (“[T]he [Patent and Trademark] Office should adopt a standard similar to the test for invoking declaratory judgment jurisdiction in the federal courts.”). This comment by Senator Schumer, one of the principal authors of Section 18, was made in the context of determining whether a petitioner has been charged with infringement. *Id.* Declaratory judgment jurisprudence also is helpful in informing us as to whether a customer is a “privy” of a petitioner for purposes of determining standing to file a CBM petition.

Acxiom must establish more than just the fact that it has sold products to an entity that has been sued for infringement. It must establish that the relationship between itself and a sued customer is sufficient to constitute privity.¹ The evidence provided by Acxiom, which will be discussed in detail below, in short, indicates that Acxiom has sold some unspecified software and/or other goods and services to a variety of entities and that some of those entities have approached Acxiom with claims of indemnity. We are not persuaded that these requests for indemnity without evidence or an acknowledgement of an obligation to indemnify are sufficient to establish privity. *See Microsoft Corp. v. DataTern, Inc.*, 755 F. 3d 899 (Fed. Cir. 2014); *Arris Group, Inc. v. British Telecomm. PLC*, 639 F.3d 1368, 1375 (Fed. Cir. 2011).

¹ *See generally* Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,759 (Aug. 14, 2012) (discussing the terms “real party-in-interest” and “privy” particularly in the context of statutory estoppel provisions).

Arris concerned the question of standing to bring a declaratory judgment action in district court for a determination of non-infringement and invalidity. In *Arris*, the Federal Circuit found jurisdiction over a declaratory judgment action because an actual controversy existed between the parties. 639 F.3d at 1371. British Telecommunications (“BT”) accused Arris customers of infringing its patents by using Arris’s products. *Id.* There was substantial communication between BT, the customers, and Arris regarding *BT’s theories of infringement against both Arris and its customers* before the declaratory judgment action was filed. *Id.* at 1372. BT explicitly and repeatedly singled out Arris’s products to support its infringement contentions. *Id.* at 1377. Additionally, the customers had demanded that Arris indemnify them from BT’s assertions of infringement. *Id.* at 1372. Arris was involved directly and substantially in BT’s infringement and licensing negotiations with Arris’s customers. *Id.* at 1378. Moreover, the Federal Circuit found that the “protracted process between Arris and BT” supports the conclusion that there was an issue between Arris and BT as to whether Arris was contributorily infringing the patents-in-suit. *Id.* at 1379. Based on these facts, the Federal Circuit reversed the district court’s dismissal for lack of subject matter jurisdiction and remanded for further proceedings.

In *Arris*, the Federal Circuit set forth a two-part test to determine standing of a supplier to bring a declaratory judgment action based on allegations of infringement against its customers:

where 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 (a) the supplier is obligated to indemnify its customers from infringement liability, or (b) there is a controversy between the patentee and the supplier as to the

supplier's liability for induced or contributory infringement based on the alleged acts of direct infringement by its customers.

Id. at 1375.

Concerning the first part of the *Arris* test, in *GSI Commerce Solutions, Inc., v. Arunachalam*, Case CBM2014-00101, slip op. at 3–4 (PTAB Oct. 7, 2014) (Paper 10), 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. Acxiom has made no such representation in this case.

Similarly, in *Texas Assoc. of Realtors, v. Property Disclosure Technologies, LLC*, Case CBM2015-00069, slip op. at 10, (PTAB July 28, 2015) (Paper 15), the Board declined to find privity where the Petitioner did not “proffer[] sufficient facts to establish that the Petitioner is *obligated to indemnify its client and customers* who have been sued by Patent Owner” (emphasis added). In so holding, the Board relied on *Arris Group, Inc. Id.*

In *Acxiom Corp. v. Phoenix Licensing, LLC*, Case CBM2015-00134, slip op. at 5, (PTAB Nov. 19, 2015) (Paper 22) (“*Acxiom 2*”), the Board denied the petitions for lack of standing because “Petitioner has not provided evidence sufficient to show that it has *an obligation to indemnify* Gerber or any other entity that may have been sued for infringement” (emphasis added).

Thus, a customer demand for indemnification alone is not enough to establish standing to file a CBM petition; there must be an obligation to

indemnify.² *Microsoft*, 755 F.3d at 904 (Fed. Cir. 2014) (rejecting an argument that a customer request to indemnify gives rise to standing without regard to the merit of the customer request).

Concerning the second part of the *Arris* test, on the record before us, as discussed below, there is no persuasive argument or evidence that there is a controversy between the patentee and Acxiom as to Acxiom's liability for induced or contributory infringement based on the alleged acts of direct infringement by its customers.

Accordingly, we look to the evidence on which Acxiom relies to determine whether Acxiom has an obligation to indemnify its customers who have been sued for, or threatened with suit for, infringement of the '317 patent. As explained below, the evidence before us does not establish that Acxiom is obligated to indemnify its customers.

Acxiom relies on evidence that several of its customers have been sued for infringement based on their use of Acxiom's software and services. Pet. 21–22 (citing Exhibits 1802, 1804, 1807, 1808, 1815). Acxiom also relies on evidence that its customers Advance America, American Express Co., and Amica Insurance Co. sent letters to Acxiom requesting indemnification for costs and potential liabilities. *Id.* at 22 n.7 (also citing the same Exhibits 1802, 1804, 1807, 1808, 1815).

² Acxiom misconstrues *Acxiom I* in asserting that the *Acxiom I* Decision denying institution of a CBM review held that “a Petitioner’s privies include its customers.” Pet. 21 (citing *Acxiom I* (Paper 23, 5–6)). The quoted statement does not mean that every customer is a “privy.” As pointed out in *Acxiom I*, this statement was in the context of explaining that “the party sued must be a *privy of Acxiom*, not the converse.” *Acxiom I*, (Paper 23, 5–6 (citing *Arris Group, Inc.*)).

a. The Lloyd Declaration – Ex. 1802

Michael Lloyd, a Group Vice President of Sales and Account Management of Acxiom, testifies that Acxiom customers have been sued for allegedly infringing the '317 patent. Ex. 1802 ¶¶ 1–3. Mr. Lloyd also testifies that Acxiom has agreements with its customers that include an indemnification provision.

Id. at ¶¶ 4, 5. Additionally, Mr. Lloyd testifies that several of Acxiom's customers have requested indemnification under these agreements for costs and potential liabilities arising from the lawsuits. *Id.* at ¶ 6. Mr. Lloyd concludes that “[b]ased on these requests, and based on Acxiom’s observation that these patents have been asserted against many Acxiom customers, in serial fashion, Acxiom apprehends financial and business-related risks surrounding these patents.” *Id.* at ¶ 11.

Mr. Lloyd does not testify, however, that Acxiom has an obligation to indemnify its customers under any of the cited agreements. Moreover, Acxiom’s mere “[apprehension of] financial and business-related risks” does not establish that Acxiom has standing to file a CBM petition. *Arris*, 639 F.3d at 1374 (“economic injury is not alone sufficient to confer standing” in patent cases seeking a declaratory judgment); *Texas Assoc. of Realtors*, slip op. at 7, Case CBM2015-00069 (Paper 15) (“suffering an attenuated, non-proximate, effect from the existence of a patent, however, does not meet the Supreme Court’s requirement for an adverse legal controversy of sufficient immediacy and reality to warrant the issuance of a declaratory judgment” (citing *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 127 (2007))).

b. Advance America

Acxiom relies on a letter from counsel for Advance America to counsel for Acxiom, dated September 4, 2015 (Ex. 1804) (Pet. 22), and a Limited Data Agreement, dated May 25, 2007 (Exhibit 1805) (Pet. 23), as evidence of CBM

standing based on a suit against its customer Advance America. We note that the letter from counsel does not refer to the Limited Data Agreement.

i. Indemnity Demand Letter – Exhibit 1804

The letter from counsel for Advance America informs counsel for Acxiom that Advance America has been sued for infringing six patents, one of which is the '317 patent. Ex. 1804, 1. The letter also states “Advance America utilizes software and services provided by Acxiom for marketing to customers and potential customers.” *Id.* at 2. The letter does not link the “software and services provided by Acxiom” to the '317 patent. The letter demands, however, that “Acxiom indemnify and hold Advance America harmless from the infringement allegations contained in the Complaint.” *Id.* Counsel for Advance America asserts that “Acxiom could be found . . . liable to Phoenix Licensing for infringement, or to Advance America for indemnity or contribution.”³ *Id.* The letter concludes, “good business practices recommend taking on the defense of your customers, such as Advance America, who merely are using Acxiom’s products and services for their intended purposes.” *Id.*

The record before us does not contain any evidence that Acxiom responded to this letter in any way or agreed to indemnify Advance America. Moreover, we have not been directed to any persuasive evidence indicating that the basis of the suit against Advance America for allegedly infringing the '317 patent was the

³ We have not been directed to any persuasive evidence that the Patent Owner made any allegation, directly or indirectly, that Acxiom itself was liable for direct or contributory infringement of the '317 patent, or for inducing infringement. *Cf. Arris*, 639 F.3d 1379 (“[E]ven in the absence of an express accusation against Arris, we think the circumstances indicate there is a dispute between Arris and BT concerning Arris’s liability for contributory infringement.”); *see also Microsoft*, 755 F.3d at 904–05 (holding that suits against customers do not automatically give rise to a case or controversy regarding induced infringement).

software and services provided by Acxiom.⁴ We are not persuaded that this “demand” letter alone is evidence that Acxiom was obligated to indemnify Advance America for the alleged infringement of the ’317 patent. *Microsoft*, 755 F.3d at 904 (a customer request to indemnify does not give rise to standing without regard to the merit of the request).

ii. The 2007 Agreement – Exhibit 1805

The 2007 Limited Data Agreement is approximately three pages. The entire agreement is redacted except for the first six lines, which merely identify the type of agreement, the parties, and the effective date, and two sections of an “Indemnification” clause. Ex. 1805. Paragraph 13.1 states that the “Client” [Advance America] agrees to *indemnify Acxiom* for use of “Products” in breach of the terms of the Agreement. Ex. 1805, 2. The redacted exhibit does not identify the “Products.”

Paragraph 13.2 states that Acxiom agrees to indemnify its Client for any liability resulting from “use of the Client Data by Acxiom” in breach of the Agreement. Acxiom’s indemnity obligation under Paragraph 13.2 does not mention an indemnity for patent infringement liability.

There is no evidence that this Agreement relates in any way to the goods or services that are alleged to infringe the ’317 patent. Moreover, Petitioner has not provided evidence sufficient to show that it has an obligation under this Agreement or otherwise to indemnify Advance America for allegedly infringing the ’317 patent.

⁴ Compare the generic statement from Advance America seeking indemnity because it “utilizes software and services provided by Acxiom” to the substantial evidence in *Arris* linking the Arris products to the act of infringement. 639 F.3d at 1377 (“BT explicitly and repeatedly singled out Arris’s products used in Cable One’s network to support its infringement contentions.”).

c. Amica

Acxiom relies on a letter from Amica to Acxiom, dated September 4, 2015 (Ex. 1807) (Pet. 22), a Services and Data Agreement, dated December 5, 2011 (Exhibit 1808) (*id.*), and a Data Agreement, dated July 29, 2011 (Ex. 1815) (*id.*), as evidence of CBM standing based on a suit against its customer Amica.

i. Indemnity Demand Letter – Exhibit 1807

The indemnity demand letter from Amica invokes the indemnification provisions in the December 5, 2011 (Ex. 1808), and the July 29, 2011 (Ex. 1815) agreements based on allegations of patent infringement in a lawsuit against Amica alleging, among other things, infringement of the '317 patent. *See* Ex. 1806, 17–19. According to the letter, the allegations “stem from Amica’s use of the licensed Acxiom products.” Ex. 1807.

The record before us does not contain any evidence that Acxiom responded to this letter in any way or agreed to indemnify Amica. We have not been directed to any persuasive evidence linking the accusation of infringement of the '317 patent to the Acxiom products or services provided to Amica. Similar to our analysis above, we are not persuaded that this “demand” letter alone establishes that Acxiom was obligated to indemnify Amica for the alleged infringement of the '317 patent. *Microsoft v. DataTern*, 755 F.3d at 904 (a customer request to indemnify does not give rise to standing without regard to the merit of the request).

ii. The 2011 Agreements – Exhibits 1808, 1815

The entirety of the 2011 Agreements are redacted except for the first several lines, which merely identify the type of agreement, the parties, and the effective date, four sections of an “Indemnification” clause, and signatures. Ex. 1808, 1815. In each Agreement, the four sections of the Indemnity clause that are not redacted substantially are identical. *Compare* Ex. 1808 §§ 11.1–11.4, *with* Ex. 1815

§§ 13.1–13.4. Accordingly, we address only the Indemnification clause in Exhibit 1808.

Under Section 11.1(a) of Exhibit 1808, each party shall defend and indemnify the other from liabilities arising out of any claim that “the materials provided to it by the indemnifying party pursuant to this Agreement (including Client⁵ provided data, Work Product, Confidential Information, Acxiom Data, or Client-provided content) infringes a valid patent.” Ex. 1808, 2.

The indemnification clause applies only if: (1) the *indemnified party* provides “prompt written notice of such claim and reasonable cooperation, information, and assistance in connection therewith,” and (2) the *indemnifying party* has “sole control and authority with respect to the defense, settlement, or compromise of any such claim.” *Id.*

Section 11.1(c) also qualifies and limits the indemnification clause. Under Section 11.1(c),

Neither party shall have any liability or obligation to the other for any infringement claim to the extent caused by or based upon: (i) the combination of materials with other products or services not furnished or authorized by the party providing the materials; or (ii) additions or modifications made to the materials after delivery that are not made by the party providing the materials or authorized by this Agreement.

Id.

We do not find the 2011 Agreements to be sufficient to show that Acxiom has standing to bring this Petition. *See* 37 C.F.R. § 42.304(a) (stating 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.”). Acxiom has not provided evidence sufficient to show

⁵ Per the definitions in the Agreement, Amica is the “Client.” Ex. 1808, 1.

that it has an obligation to indemnify Amica under the terms of its Agreements. There is no persuasive evidence linking the products and services provided by Acxiom under these agreements to the actions of Amica alleged to infringe the method and apparatus recited in the challenged claims.

d. American Express

As evidence of CBM standing based on a suit against its customer American Express, Acxiom relies on a letter from American Express to Acxiom, dated May 7, 2015 (Ex. 1810) (Pet. 22), and a Master Services Agreement, dated October 1, 2009 (Ex. 1811).

i. Indemnity Demand Letter – Exhibit 1810

The indemnity demand letter from American Express refers to the Master Services Agreement. The letter states that based on American Express’ “internal investigation of Plaintiff’s claims and recent events in the litigation, it has become clear that Acxiom’s involvement in allegedly infringing activities is significant and that Phoenix LPL’s claims are largely ‘based upon . . . materials provided by [Acxiom]’”. Ex. 1810, 1. The letter refers to Section 12.1 of the Master Services Agreement as the basis of its indemnity demand. *Id.* at 2. The complaint for infringement against American Express provided by Petitioners is dated May 21, 2014 (Ex. 1809, 14), approximately one year before the demand letter was sent. By the time the letter was written, a tentative settlement was being finalized. Ex. 1810, 2. Nonetheless, American Express requested Acxiom to assume the defense of the case “to the extent it relates to Acxiom functionality or contribute \$400,000 towards [American Express’s] settlement of this Action.” *Id.* American Express also requested Acxiom to “reimburse [American Express] for at least 40% of its defense costs to date, approximately \$500,000, which we believe reasonably relate to the Acxiom functionality.” *Id.*

While a specific demand was made, American Express indicates its demand is negotiable. American Express requested a response by the next day confirming that Acxiom would accept the defense as it relates to Acxiom functionality or advise “what amount Acxiom will contribute to the settlement of this Action.” *Id.* American Express also asked Acxiom to state “what amount Acxiom will reimburse [American Express] for its already incurred defenses costs.”

The record before us does not contain any evidence that Acxiom responded to this letter in any way or agreed to indemnify American Express. Moreover, we have not been directed to any persuasive evidence linking the accusation of infringement of the '317 patent to the Acxiom products or services provided to American Express. We are not persuaded that this “demand” letter alone establishes that Acxiom was obligated to indemnify American Express for the alleged infringement of the '317 patent. *Microsoft*, 755 F.3d at 904 (a customer request to indemnify does not give rise to standing without regard to the merit of the request).

ii. The 2009 Agreement – Exhibit 1811

The entirety of 2009 Agreement is redacted except for the first several lines, which merely identify the type of agreement, the parties, and the effective date, five sections of an “Indemnification” clause, Sections 12.1–12.5, and signatures. Ex. 1811.

The Agreement covers “alleged infringement or violation of any intellectual property right.” *Id.* at 2 (Article 12.1). The Agreement also gives the “Vendor” (Acxiom) “the right to *conduct the defense* of any such claim or action and, consistent with Amexco’s rights hereunder, *all negotiations* for its settlement; provided, however, that Amexco may participate in such defense or negotiations to protect its interests.” *Id.* (emphasis added). As stated above, by the time American

Express sent its indemnity demand letter, a tentative settlement was “being *finalized*.” Ex. 1810, 2 (emphasis added).

Article 12.4 qualifies and limits the indemnification clause:

Neither party shall have any liability or obligation to the other for any infringement claim to the extent caused by or based upon: (i) the combination of materials with other products or services not furnished or authorized by the party providing the materials; or (ii) additions or modifications made to the materials after delivery that are not made by the party providing the materials or authorized by this Agreement.

Ex. 1811, 3. Based on the demand letter, American Express indicates that not all of the alleged liability relates to Acxiom’s products, thus suggesting Article 12.4 may apply. Ex. 1810, 2 (reimburse “40% of its defense costs to date, approximately \$500,000, which we believe reasonably relate to the Acxiom functionality”).

Article 12.5 also limits any indemnification liability. It states, “[n]o party shall have any obligation to defend or indemnify the other party pursuant to this Article 12 if the indemnifying party is not notified promptly of the claim and is materially prejudiced thereby.” Ex. 1811, 3. As noted above, American Express notified Acxiom of the suit and indemnity demand about 1 year after American Express was sued, at a time when a tentative settlement was being finalized. The settlement was so close to being completed that Acxiom was given only one day to respond to the indemnity demand. Ex. 1810, 2.

We do not find the American Express Agreement to be sufficient to show that Acxiom has standing to bring this Petition. *See* 37 C.F.R. § 42.304(a) (stating 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”). Acxiom has not provided evidence sufficient to show that it has an obligation to indemnify American Express under

the terms of its Agreement. There is no persuasive evidence linking the products and services provided by Acxiom under this Agreement to the actions of American Express alleged to infringe the method and apparatus recited in the challenged claims.

3. Standing to Bring a Declaratory Judgment Action

Acxiom also argues that it has standing because its co-Petitioners, the Dish Entities and Advance America, have been sued for infringing the '317 patent, as have several other Acxiom customers, thus giving Acxiom standing to bring a declaratory judgment action in Federal court. Pet. 23. We disagree. Any standing that the Dish Entities and Advance America may have had is not conferred on Acxiom merely because Acxiom is a co-Petitioner. Based on our determination in *Acxiom I* that the governing statute and rules require each entity named as a petitioner in a CBM petition to have standing for that petitioner to be able to file and participate in a CBM review, Acxiom's unrelated co-petitioners cannot confer their standing on Acxiom.

III. CONCLUSION

On the record before us, there is no persuasive evidence linking the products and services provided by Acxiom to the acts of Acxiom's customers alleged to infringe the '317 patent. On the record before us, Acxiom has never acknowledged that it has an indemnity obligation for any infringement liability its customers may incur. The customer Agreements on which Acxiom relies clearly mention indemnification, but provide substantial exclusions from any indemnification obligation. Thus, it is uncertain whether Acxiom, in fact, has such an obligation. The record is devoid of any correspondence from Acxiom to its customers regarding their indemnification demands.

It is understandable that Acxiom may have an interest in indemnifying its customers from infringement contentions premised, even in part, on their use of Acxiom products and services. On the record before us, however, the evidence presented regarding that interest is insufficient to establish standing upon which a CBM review may be predicated.

On the record before us, Acxiom has not established that it satisfies the standing requirement for filing a petition for covered business method patent review.

IV. ORDER

For the reasons given, it is:

ORDERED that the Petition is denied; and

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

CBM2015-00180
Patent 8,352,317 B2

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