

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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BLOOMBERG INC.; BLOOMBERG L.P.;  
BLOOMBERG FINANCE L.P.;  
THE CHARLES SCHWAB CORPORATION;  
CHARLES SCHWAB & CO., INC.;  
E\*TRADE FINANCIAL CORPORATION; E\*TRADE SECURITIES LLC;  
E\*TRADE CLEARING LLC; OPTIONSXPRESS HOLDINGS INC.;  
OPTIONSXPRESS, INC.; TD AMERITRADE HOLDING CORP.;  
TD AMERITRADE, INC.; TD AMERITRADE IP COMPANY, INC.; and  
THINKORSWIM GROUP INC.

Petitioner

v.

MARKETS-ALERT PTY LTD.

Patent Owner

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Case CBM2013-00005

Patent 7,941,357

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Before JAMESON LEE, SALLY C. MEDLEY, and JONI Y. CHANG,  
*Administrative Patent Judges.*

MEDLEY, *Administrative Patent Judge.*

FINAL WRITTEN DECISION  
*35 U.S.C. § 328(a) and 37 C.F.R. § 42.73*

## I. INTRODUCTION

Petitioner “Bloomberg” filed a petition on October 15, 2012, requesting a covered business method patent review of U.S. Patent No. 7,941,357 (“the ’357 patent”) pursuant to section 18(a) of the Leahy-Smith America Invents Act (“AIA”).<sup>1</sup> Paper 1 (“Pet.”). Patent Owner Markets-Alert filed a patent owner preliminary response. Paper 16 (“Prelim. Resp.”). Taking into account Markets-Alert’s preliminary response, the Board determined that it was more likely than not that the challenged claims are unpatentable. Pursuant to 35 U.S.C. § 324, the Board instituted this trial on March 29, 2013, as to claims 1-4 of the ’357 patent. Paper 18 (“Dec. on Inst.”).

Subsequent to institution, Markets-Alert filed a patent owner response (Paper 38; “PO Resp.”) and a substitute motion to amend (Paper 42; “Mot. to Amend”)<sup>2</sup> requesting cancellation of claims 1-4 and addition of proposed claims 5-8. Mot. to Amend 1-2. Bloomberg filed a reply to the patent owner response (Paper 51; “Pet. Reply”) and an opposition to the substitute motion to amend (Paper 50; “Opp.”). Markets-Alert filed a reply to the motion to amend. Paper 54 (“PO Reply”).

Markets-Alert also filed a motion to exclude (Paper 58; “Mot. to Exclude”) certain testimony of the second declaration of Bloomberg’s declarant, Steven R. Kursh and certain exhibits. Bloomberg filed an

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<sup>1</sup> Pub. L. No. 112-29, 125 Stat. 284, 329 (2011).

<sup>2</sup> Markets-Alert requested, and received authorization from the Board, to file a substitute motion to amend, which replaced an earlier motion. Paper 41. It is the substitute motion to amend that is before us for consideration.

opposition to the motion to exclude (Paper 62; “Exclude Opp.”), and Markets-Alert filed a reply (Paper 64; “Exclude Reply”).

An oral hearing was held on December 19, 2013.<sup>3</sup>

The Board has jurisdiction under 35 U.S.C. § 6(c). This decision is a final written decision under 35 U.S.C. § 328(a) and 37 C.F.R. § 42.73.

For the reasons that follow, the portion of Markets-Alert’s substitute motion to amend requesting cancellation of claims 1-4 is granted; however, that portion of the motion requesting the addition of proposed claims 5-8 is denied.

#### *A. Related Litigation*

“Bloomberg” is comprised of fourteen individual entities. Pet. 58. In compliance with 37 C.F.R. § 42.302(a), Bloomberg certifies that it has been sued for infringement of the ’357 patent. Pet. 7-8. The identified related cases are before the U.S. District Court for the District of Delaware, and are stayed pending this review. Exs. 1018-1021, 3001.<sup>4</sup>

#### *B. The ’357 Patent*

The ’357 patent, entitled “Trading System,” issued from the National Stage (Application No. 10/415,022) of a PCT International Application (PCT/AU01/01380; PCT Pub. No. WO02/35400) filed October 26, 2001, and claims priority to Australian application (AU) PR1097, filed October 27, 2000. The ’357 patent issued on May 10, 2011.

The ’357 patent generally relates to a trading system that monitors

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<sup>3</sup> A transcript of the oral hearing is included in the record as Paper 70 (“Tr.”).

<sup>4</sup> Ex. 3001 is a copy of the decision to stay the related cases.

stock data and provides notification to a remote device using a network based system. Ex. 1001.

Figure 1 of the '357 patent is reproduced below.

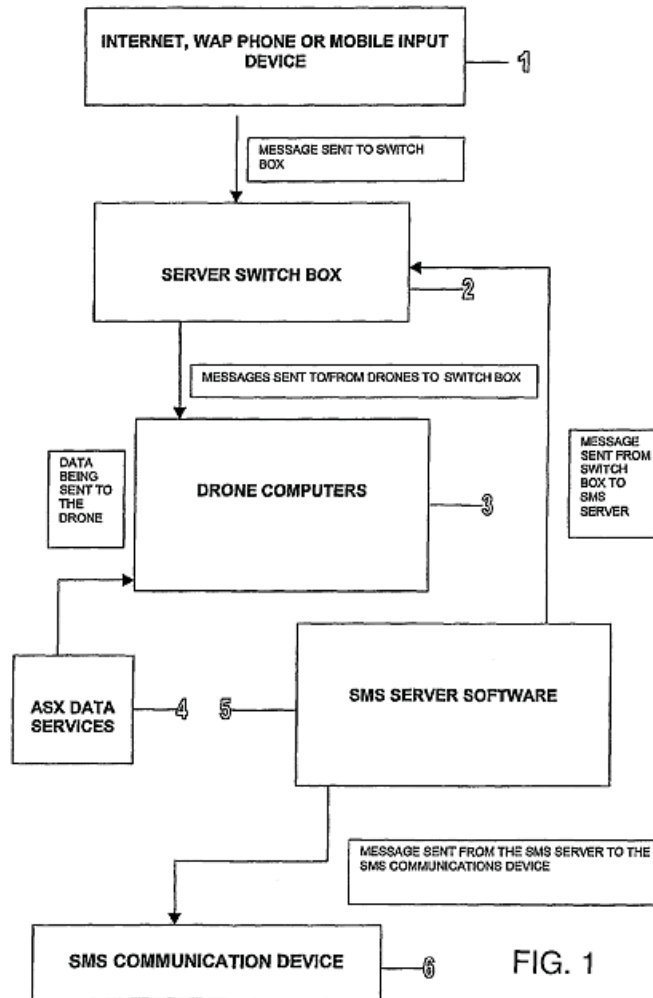


Figure 1 shows an arrangement of the trading system.

Figure 1 shows drone computers 3, which receive and process technical indicator instructions from user's device 1 through switch 2. *Id.* at 3:47-48. Drone computers analyze the stock market at a specified interval and apply the user's technical indicator instructions to the data. A message

is sent ultimately to the user's device from the SMS server indicating that a valid technical response has been reached. *Id.* at 3:62-64.

Figure 2 is of the '357 patent is reproduced below.

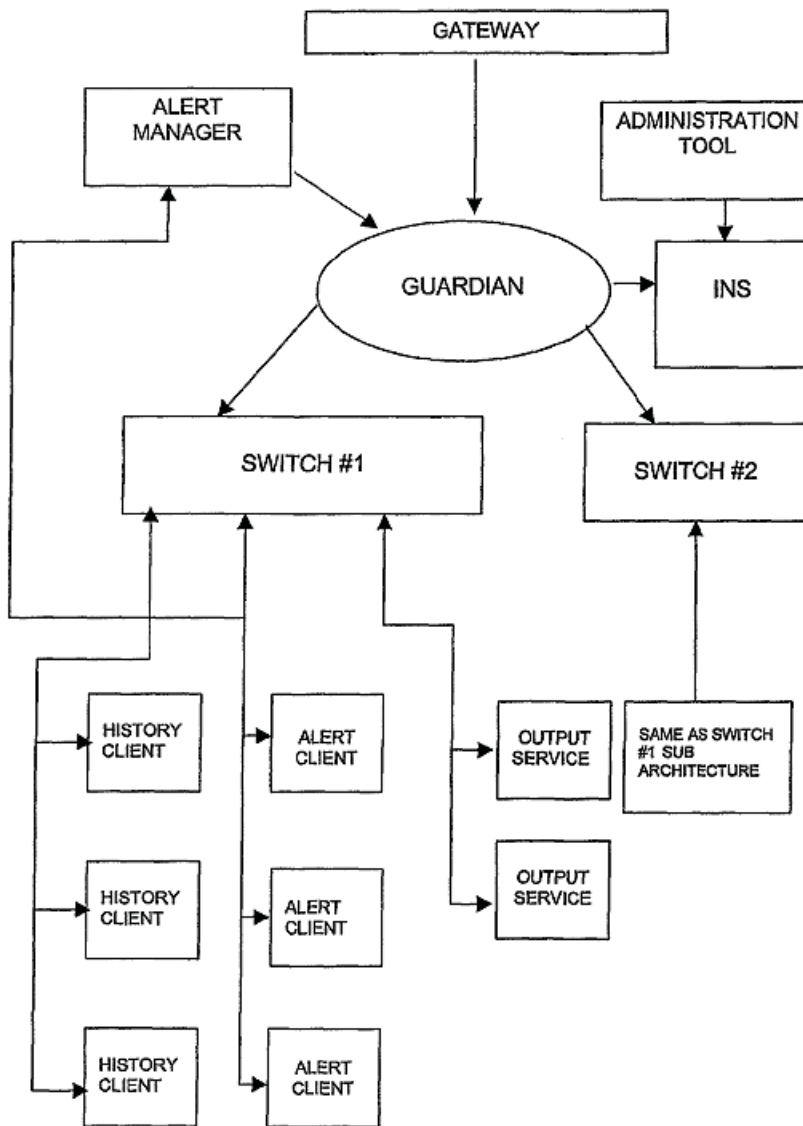


FIG. 2

Figure 2 shows an internal server infrastructure of the trading system.

Figure 2 illustrates “an alternative extended computer system to that of FIG. 1.” *Id.* at 3:29-30. The Gateway is connected to the Internet and allows users and network appliances to connect to the correct server. The guardian keeps track of all major servers on the network and has the ability to funnel small amounts of data from the load management tools and administrator tools directly to the switchbox for routing and processing. *Id.* at 4:1-9. The alert manager stores and distributes all created alerts to the least busy drone computer, and the administration tool allows a third party administrator to connect to the system and edit, remove, or add users without interrupting the flow of data. *Id.* at 4:10-15. The switch server(s) route packets from one server to the other. “Any switch[’]s main job is keeping the network free from traffic bouncing between many erroneous servers before getting to its destination. Switchboxes are also used to apply ‘load balancing’ to components of the network which are connected to it.” *Id.* at 4:22-27.

Claim 1, along with proposed claim 5, both reproduced below, are central to the issues in this case.

1. A method of informing users of stock market events comprising the steps of:
  - (a) receiving real-time stock market data on a network of computers;
  - (b) receiving on the network of computers instructions from a user to specify watch data defining an event, the watch data including a stock market technical analysis request specifying technical analysis formulae to be applied to the real-time stock market data;

(c) using the network of computers to periodically apply the user-specified watch data including the stock market technical analysis formulae to the real-time stock market data in real-time to ascertain whether a valid response to the watch data has occurred based on the real-time stock market data, thereby determining an occurrence of the event defined by the user-specified watch data; and

(d) causing a real-time notification by the network of computers to be provided to the user via a remote communications device upon the occurrence of the event defined by the user-specified watch data, the real-time notification directed to a remote communications device of the user so that the user can then provide instructions for share market transactions on an instantaneous basis.

5. (proposed) A real-time method of providing technical analysis and notification of stock market events comprising the steps of:

receiving real-time stock market data on a provider's network of computers, which is server-based, scalable and redundant;

receiving watch data specified by a user on the provider's network of computers, from a user system in remote communication with the provider's network of computers, wherein the user-specified watch data comprises a request to apply more than one technical analysis formula for predicting price trends based on market action and defines a valid stock market event;

applying the user-specified watch data to the real-time stock market data as the real-time stock market data is received by the provider's network of computers to determine if the valid stock market event has occurred; and

generating a notification in real-time when the valid

stock market event has been determined to have occurred by the provider's network of computers, wherein the notification is provided in real-time by the provider's network of computers to a remote communication device of the user.

*C. Prior Art Relied Upon*

The prior art references applied by Petitioner to claims 1-4 are:

PCT Publication No. WO 00/11587, Mar. 2, 2000  
("Satow") (Ex. 1004);

*Product Review: TradeStation 4.0 Build 15*, Stocks & Commodities, Dec. 1996 at 649 ("S&C Review") (Ex. 1005);

*AIQ Opening Bell Monthly*, Vol. 8 Issue 10, October 1999 ("Opening Bell") (Ex. 1014);

U.S. Patent 5,954,793, Sep. 21, 1999 ("Stutman") (Ex. 1015).

*D. Grounds of Unpatentability*

The Board instituted the instant covered business method patent review based on the following grounds of unpatentability:

Reference[s]	Basis	Claims challenged
Satow	§ 102	1-4
S&C Review	§ 102	1-4
Opening Bell	§ 102	1-4
Stutman and Opening Bell	§ 103	1-4



## II. ANALYSIS

### A. *Markets-Alert's Patent Owner Response*

A patent owner response is a patent owner's opportunity to respond to the petition once a trial has been instituted. 35 U.S.C. § 326(a)(8); 37 C.F.R. § 42.220. The response is "to the petition addressing any ground for unpatentability not already denied." The "patent owner response is filed as an opposition [to the petition] and is subject to the page limits provided in § 42.24." 37 C.F.R. § 42.220(a). It is clear from these requirements that a patent owner response is an opposition to the petition and should address any ground for unpatentability not already denied with respect to *the claims upon which a trial is instituted*.

Markets-Alert's patent owner response is not an opposition to the petition because it does not *respond* to the petition or address the grounds for unpatentability with respect to claims 1-4, the claims upon which the trial was instituted. Instead, the patent owner response only addresses Markets-Alert's proposed claims 5-8.<sup>5</sup> PO Resp. iv ("Markets-Alert's Response is based upon the following [proposed] claims [5-8]."). The response primarily explains how the proposed claims 5-8 (1) respond to the Board's claim construction provided in the Decision to Institute; and (2) are patentable over the references applied to claims 1-4. *Id.* at 13-49. Nowhere in the response is there a discussion of original claims 1-4, other than on page 1 of the response where Markets-Alert summarizes the Decision to Institute. *Id.* at 1.

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<sup>5</sup> In its substitute motion to amend, Markets-Alert seeks to add proposed claims 5-8 to the '357 patent. Mot. to Amend 1-2.

Specifically, Markets-Alert's patent owner response addresses the patentability of proposed claims 5-8 with respect to the same prior art that was applied to claims 1-4. *Id.* at 20-49. Markets-Alert's addressing the patentability of proposed claims 5-8 with respect to the prior art that was applied to claims 1-4, however, is not relevant to showing how claims 1-4 are patentable over the same prior art. As discussed below, regarding Markets-Alert's substitute motion to amend, proposed claims 5-8 are very different from original claims 1-4. In the patent owner response, Markets-Alert focuses on certain features found in proposed claims 5-8, but not found in claims 1-4, to distinguish proposed claims 5-8 over the prior art involved in the trial. *See, e.g., id.* at 20. The petition only addressed original claims 1-4, not proposed claims 5-8. The patent owner response, therefore, is not responsive, and is not an opposition, to the petition.

Markets-Alert's patent owner response is not a response that complies with 35 U.S.C. § 326(a)(8) and 37 C.F.R. § 42.220(a), but is an unauthorized extension of Markets-Alert's substitute motion to amend. The patent owner response includes such statements as "Markets-Alert's Response is based on, in part, and hereby incorporates, its [Substitute] Motion to Amend." *Id.* at 1. In addition, there are several instances where the patent owner response refers to the substitute motion to amend, as if incorporating the substitute motion to amend into the response. *See, e.g., id.* at 4, 13, 14, 15, 18, 19.

A motion to amend, or the content of a motion to amend, should not be included in a patent owner response. Rather, a motion to amend must be filed as a separate paper, under 37 C.F.R. § 42.20. A motion to amend is limited to 15 pages. 37 C.F.R. § 42.24. Here, Markets-Alert did not request an extension for additional pages for its motion to amend beyond the allotted

15 pages.<sup>6</sup> Instead, Markets-Alert included in its patent owner response content that should have been provided in a motion to amend, resulting in an unauthorized 58-page extension to Markets-Alert's substitute motion to amend. Such actions are not in accordance with the rules.

In sum, Markets-Alert's patent owner response fails to comply with 35 U.S.C. § 326(a)(8) and 37 C.F.R. § 42.220(a), and is not a response, but is instead an unauthorized 58-page extension of Markets-Alert's substitute motion to amend. For the reasons provided, we need not and do not consider Markets-Alert's patent owner response, and because we do not consider the patent owner response, there also is no occasion to consider Bloomberg's reply.

*B. Markets-Alert's Substitute Motion to Amend*

*Claims 1-4 are cancelled*

Markets-Alert's substitute motion to amend is before us for consideration. In the motion, Markets-Alert requests cancellation of claims 1-4 and requests to add proposed claims 5-8. Mot. to Amend 1-2. The cancellation of claims 1-4 is not based on any contingency. There is no indication, for example, that the proposed claims 5-8 should be considered only if the original patent claims 1-4 are determined unpatentable. Rather, the substitute motion to amend leaves no doubt that Markets-Alert unequivocally requests cancellation of claims 1-4. None of the papers filed by Markets-Alert, once trial was instituted, indicates that Markets-Alert is

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<sup>6</sup> Markets-Alert was made aware of the Petitioner's allegations that the patent owner response "is inappropriate as it merely contains arguments as to why the proposed substitute claims are patentable over the prior art." Paper 41 at 2. Nonetheless, Markets-Alert did not seek authorization to file a substitute patent owner response.

arguing for the patentability of claims 1-4. Bloomberg understood the record to mean that Markets-Alert seeks to cancel claims 1-4, not based on any contingency. Pet. Rep. 1 (“MA has unambiguously canceled each of the challenged ’357 Patent claims 1-4, upon which the Board instituted trial.”); Tr. 5:11-18.

During oral argument, counsel for Markets-Alert indicated that Markets-Alert intended the cancellation of claims 1-4 to be contingent upon a Board determination as to the patentability with respect to claims 1-4. *See, e.g.*, Tr. 22-26. When asked where in Markets-Alert’s papers did Markets-Alert indicate that cancellation of claims 1-4 was contingent on a Board’s determination with respect to the patentability of claims 1-4, counsel for Markets-Alert explained that there was no explicit indication of contingency. Tr. 25-26 (“JUDGE MEDLEY: And where did you – what you just said where is that, could you point us to where in your papers you make that type of contingency type argument? MR. CHOUNG: That’s where, Your Honor, I can’t say to you that we explicitly said that as a contingency.”).

The only reasonable reading of the record is that the cancellation of original claims 1-4 was not contingent on anything. Because Markets-Alert requested cancellation of claims 1-4, not based on any contingency, Markets-Alert has waived any issues with respect to claims 1-4, and, therefore, we need not address the patentability of those claims. For these reasons, we *grant* Markets-Alert’s request to cancel claims 1-4.

*Insufficient showing of written description support  
for proposed claims 5-8*

A motion to amend must set forth the support in the original disclosure of the patent for each claim that is added or amended and the

support in an earlier-filed disclosure for which the benefit of the filing date of the earlier filed disclosure is sought. 37 C.F.R. § 42.221(b). The requirement that the motion to amend must set forth the support in the original disclosure of the patent is with respect to each claim, not for a particular feature of a proposed claim. In other words, it is not sufficient for a motion to amend only to address where a particular added term or phrase is found in the specification. The motion must account for the entire claim in showing where there is written description support for the claim.

Markets-Alert's substitute motion to amend does not set forth the support in the original disclosure of the patent for *each claim* that is added. Instead, the motion only addresses "language not previously contained in the Original Claims." Mot. to Amend 5. For this reason alone, Markets-Alert's request that proposed claims 5-8 be added to the '357 patent is insufficient.

In addition, we understand Markets-Alert as arguing that the description in the specification of the '357 patent on which it relies for support is the same description in the original disclosure.<sup>7</sup> Even assuming that to be true, Markets-Alert has failed to show where it has support in the original disclosure of the '357 patent for all of the features not previously contained in the original claims. For example, proposed claim 5 recites "a provider's network of computers, which is server-based, scalable and redundant."

As an initial matter, Markets-Alert does not explain what is meant by "server-based, scalable and redundant." Although original claim 1 recites a network of computers, the network of computers is not claimed as "server-

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<sup>7</sup> We note that references should have been made to the original disclosure and not to the specification of the '357 patent.

based, scalable and redundant.” The terms “server-based,” “scalable,” and “redundant” are not found in the specification of the ’357 patent, and, therefore, the specification of the ’357 patent does not shed light on the meaning of these terms. In the substitute motion to amend, Markets-Alert argues that “a provider’s network of computers, which is server-based, scalable and redundant” excludes “a third-party personal computer (PC) connected to the Internet by itself or just the Internet in general.” Mot. to Amend 5. Although the motion explains what the phrase excludes, the motion does not explain what the phrase *includes*. For example, we do not know what features and structure are required of a provider’s network of computers to make it “server-based, scalable, and redundant.” In support of its motion to amend, Markets-Alert directs attention to the declaration of Mr. Neal Goldstein. Ex. 2023. Mr. Goldstein does not explain what meaning a person of ordinary skill in the art would have given to the terms “server-based,” “scalable,” and “redundant” in the context of “a provider’s network of computers.” Without such an explanation, we do not have an understanding of the claim language so as to make a determination as to whether there is written description support for such language.

Markets-Alert fails, for additional reasons, to show sufficiently where there is support in the original disclosure of the ’357 patent for a network of computers that is “server-based, scalable and redundant.” Markets-Alert refers to the server switch box, exchange data server, and drone computers of Figures 1 and 2, and argues that the configuration and interconnection of the elements teaches a person of ordinary skill in the art that the network may be scaled up or down as needed and provides redundancy, which leads

to high availability. Mot. to Amend 7. Mr. Goldstein's testimony essentially repeats that argument. Ex. 2023 ¶¶ 73-74.

Mr. Goldstein does not explain how the elements shown and described in Figures 1 and 2 provide written description support for what is claimed in proposed claim 5. For example, we do not know what it is about Figures 1 and 2 that show redundancy or show that the network of computers is server-based or scalable. Concluding that a phrase has written description support in the original specification as filed, without supporting the conclusion with sufficient facts, does not assist the trier of fact. For these reasons, Mr. Goldstein's testimony as to the phrase "a provider's network of computers, which is server-based, scalable and redundant" is entitled to little weight. *See* 37 C.F.R. § 42.65(a).

Claim 5 also recites "applying the user-specified watch data to the real-time stock market data as the real-time stock market data is received." Independent claim 8 recites a similar limitation with respect to applying the technical analysis in real-time. Markets-Alert argues that the phrase is supported by the specification of the '357 patent based on the description in the specification that the drone computers apply the technical analysis at a specified interval, including as the data are received, and that technical analysis indicators can be set to repeat over certain time periods. Mot. to Amend 10 (citing Ex. 2001, 3:47-51, 4:49-51). We are not persuaded by the argument. The claim 5 limitations of applying the watch data "to the real-time stock market data as the real-time stock market data is received" and the similar limitations in proposed claim 8 do not appear in the original claims. The limitations are broader than what is in original claims 1-4, because claims 1-4 require that the watch data or formulas be applied to data

at *specified intervals or periodically*. For example, original claim 1 recites “using the network of computers to *periodically apply*<sup>8</sup> the user-specified watch data including the stock market technical analysis formulae to the real-time stock market data.” By eliminating the “periodically apply” limitation from proposed claim 5 and proposed claim 8, Markets-Alert has broadened the claims. Markets-Alert has failed to show that the specification provides written description support for the claims. The specification of the ’357 patent only describes periodically applying the watch data (technical analysis) to the stock market data. Markets-Alert has failed to show where the specification of the ’357 patent describes applying the watch data or technical analysis, unconditionally or continuously, for example, as the real-time data are received. In other words, the proposed claims appear to be broader in scope than what is described in the specification of the ’357 patent.

Disclosure of a species does not always provide sufficient written description for a broader claim. *In re Curtis*, 354 F.3d 1347, 1356-1357 (Fed. Cir. 2004) (“[W]e have never held that in all such cases [disclosure of a species] . . . the claim to the genus is adequately described under § 112, ¶ 1.”); *Bilstad v. Wakalopulos*, 386 F.3d 1116, 1124 (Fed. Cir. 2004) (“Thus, this court has continued to apply the rule that disclosure of a species may be sufficient written description support for a later claimed genus including that species.”); *see also University of California v. Eli Lilly & Co.*, 119 F.3d 1559, 1568 (Fed. Cir. 1997).

The key to resolving the issue lies in what does the disclosed species

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<sup>8</sup> In the Decision on Institution, we construed “periodically apply” to include one or more time intervals. Dec. on Inst. 19-20.



tell one with ordinary skill in the art about possession by the inventor of the entire genus. Predictability among species is a factor to be considered.

*Bilstad*, 386 F.3d at 1125; *In re Curtis*, 354 F.3d at 1352-53. The question, too, is whether the differences between species even matter. *Bilstad*, 386 F.3d at 1124. Here, Markets-Alert does not explain how the narrower disclosure conveys to one with ordinary skill in the art that the inventor of the '357 patent had possession of the broader concept claimed in proposed claim 5 and proposed claim 8.

Claims 6 and 7 depend from claim 5 and include the limitations of claim 5, and, thus, suffer from the same deficiencies as claim 5. In addition, proposed claim 6 recites several additional features not accounted for sufficiently with respect to where the added features find written description support. For example, claim 6 recites the additional step of “updating a cache of stock market data on a data server.” The term cache is not found in the specification of the '357 patent, let alone updating a cache. Markets-Alert argues, directing us to the declaration of Mr. Goldstein, that the specification of the '357 patent supports the claimed phrase. Mr. Goldstein testifies that the network of computers may include “history servers” that “scoop” data from a data feed so that the data are stored and accessible on the network, and that the specification further describes a central data storage that houses the databases created by the history server. Mr. Goldstein then concludes that, therefore, “the foregoing disclosures support the additional step of updating a cache of stored stock market data on a data server.” Ex. 2023 ¶ 82. We do not know what it is about the history servers that scoop data from a data feed, or the central data storage that houses the databases created by the history server, that shows written description

support for “updating a cache of stock market data on a data server” as claimed. That data are scooped from a data feed and eventually stored has not been shown sufficiently to mean that a cache is *updated*. Mr. Goldstein does not explain sufficiently the factual basis for the conclusions he makes, and, therefore, his testimony is entitled to little weight. *See* 37 C.F.R. § 42.65(a).

Claim 7 depends from claim 6 and recites the additional step of including, in the real-time notification, “a *live link* between the user’s remote communication device and the provider’s network of computers.” Markets-Alert does not explain how the “live link” should be construed. The limitation “live link” does not appear in the specification of the ’357 patent and, therefore, the specification of the ’357 patent does not shed light on the meaning of this claim limitation. Mr. Goldstein does not explain how a person of ordinary skill in the art would construe a “live link.”

Mr. Goldstein merely opines that a person of skill in the art would understand that the link, e.g., the pathway between the network of computers and a remote communication device seen in Figures 1 and 2, on the alerting end may be “live” and included with the notification that already is sent to the user, in order to enable the user to send back an instruction. Ex. 2023 ¶ 89. That testimony does not assist the trier of fact, because Mr. Goldstein does not explain what it is about the pathway between the network of computers and remote communication device that make it a “live link.”

Independent claim 8 recites “a network guardian, which comprises one or more switches.” Markets-Alert has failed to show where it has support in the original disclosure of the ’357 patent for a network guardian, which comprises *one or more switches*. For example, Figure 2 does show a

box labeled “guardian,” but there are no switches inside the guardian box. The only switches shown, switch #1 and switch #2, are separate from and outside of the guardian box. The specification of the ’357 patent does not describe the guardian as comprising one or more switches. Ex. 1001, 4:4-9. Lastly, Mr. Goldstein does not explain that a person of ordinary skill in the art would have recognized that Markets-Alert had possession of a guardian comprising one or more switches. Ex. 2023 ¶¶ 90-96.

For all of the reasons provided, Markets-Alert has failed to meet its burden to establish that it is entitled to the requested relief under 37 C.F.R. § 42.20, because Markets-Alert has failed to demonstrate sufficiently that there is support in the original disclosure of the ’357 patent for any of proposed claims 5-8.

*None of the proposed claims 5-8 are shown to be responsive to a ground of unpatentability involved in the trial*

As set forth in 37 C.F.R. § 42.221(a)(2), a motion to amend may be denied where the amendment does not respond to a ground of unpatentability involved in the trial. Markets-Alert incorrectly states that proposed claim 5 and dependent claims 6 and 7 include all of the substantive limitations of claim 1 and that proposed independent claim 8 includes all of the structural and functional limitations of original claim 1. Mot. to Amend 2.

In actuality, Markets-Alert removes certain features from original claims 1-4. For example, claim 1 recites “using the network of computers to periodically apply the user-specified watch data.” Claim 5 and independent claim 8 eliminate the requirement that the network of computers periodically

apply the watch data. Claim 1 recites “causing a real-time notification by the network of computers to be provided to the user via a remote communications device.” Claim 5 and independent claim 8 eliminate the requirement that the notification be provided to the user. Markets-Alert does not explain how the removal of certain features is responsive to a ground of unpatentability. In order to be responsive to a ground of unpatentability, a proposed substitute claim only should add features to an original claim, absent an adequate explanation otherwise. For these reasons, Markets-Alert motion to amend fails to comply with 37 C.F.R. § 42.221(a)(2).

*Proposed claims 5-8 do not represent a reasonable number of substitute claims*

The presumption is that only one substitute claim is needed to replace each challenged claim. The presumption may be rebutted by a demonstration of need. 37 C.F.R. § 42.221(a)(3). A desire to obtain a new set of claims having a hierarchy of different scope typically does not constitute a sufficient special circumstance. Absent special circumstances, a challenged claim can be replaced by only one claim. Each proposed claim should be traceable to an original challenged claim as a proposed substitute claim for that challenged claim.

Here, none of the proposed claims appears to be traceable to an original challenged claim as a proposed substitute claim for that challenged claim. For example, original claim 1 and the dependent claims 2-4 are method claims. Proposed independent claim 8 is a system claim that recites numerous elements, such as a network guardian, a history database subsystem, an alert managing subsystem, and an output connector—

elements that never were recited in any of original claims 1-4. In addition, and explained above, claim 8 removes features from original claim 1. Markets-Alert does not explain adequately how proposed claim 8 constitutes a substitute for any original claim. Proposed claim 8 is not traceable to any original claim, and, therefore, is not a “substitute” for any original claim. Each of the other claims 5, 6, and 7, likewise, is not traceable to the challenged claim it allegedly replaces. As explained above, independent claim 5 removes features from original claim 1. Claims 6 and 7 depend from claim 5, and by their dependency, also are broader than claim 1 in some respects. Markets-Alert does not explain adequately how proposed claims 5-7 constitute substitutes for any original claims. Therefore, substitute claims 5-8 are not proper substitute claims for challenged claims 1-4.

Moreover, Markets-Alert proposes each of claims 5, 6, 7, and 8 as a substitute for original claim 1. Mot. to Amend 2. Markets-Alert, however, does not demonstrate that there is need for three additional substitute claims, beyond, for example, the one-for-one substitute claim 5 for original claim 1, and, therefore, at least claims 6, 7, and 8 will not be considered for this additional reason.

*The motion does not show that the proposed claims 5-8 are patentable over any prior art*

A motion to amend is a motion under 37 C.F.R. § 42.20, and, thus, is subject to the requirements of that rule. The rule includes that “[t]he moving party has the burden of proof to establish that it is entitled to the requested relief.” 37 C.F.R. § 42.20(c). A covered business method patent review is

not a patent examination proceeding or a patent reexamination proceeding. Like an *inter partes* review, a covered business method patent review is more adjudicatory than examinational in nature. *See, e.g., Abbott Labs. v. Cordis Corp.*, 710 F.3d 1318, 1326 (Fed. Cir. 2013). A proposed substitute claim, in a motion to amend, is not entered automatically and then examined. If a patent owner's motion to amend is granted, the claim will be added directly to the patent, without examination. In that regard, the motion to amend is not a rebuttal to an Office Action, as though the proceeding is a patent examination or a reexamination. In the context of a motion to amend, it is the patent owner that seeks entry for its proposed new claims. A patent owner must set forth sufficient reasoning and evidence to show that it is entitled to those claims by showing that its proposed new claims are patentable over prior art. Markets-Alert fails to show that proposed claims 5-8 are patentable over prior art, because Markets-Alert does not account for *any* prior art in its substitute motion to amend.<sup>9</sup> As such, the substitute motion to amend is denied with respect to claims 5-8 for this additional reason.

For the reasons stated above, Markets-Alert has not, in its substitute motion to amend, set forth a prima facie case for the relief requested. Accordingly, consideration of Bloomberg's opposition, which solely

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<sup>9</sup> Even if the substitute motion to amend addressed the patentability of claims 5-8 with respect to the specific references applied by Petitioner in the Petition, e.g., Satow, S&C Review, Opening Bell, and Stutman, that would not be sufficient to demonstrate patentability over the prior art in general, sufficient to have the proposed claims 5-8 added to the patent, without examination. *See, e.g., Idle Free Sys., Inc. v. Bergstrom, Inc.*, IPR2012-00027, Paper 66 at 33-37 (Jan. 7, 2014).

addresses the proposed claims 5-8, and Markets-Alert's reply, which solely addresses the proposed claims 5-8, is unnecessary.

Markets-Alert's Substitute Motion to Amend is granted with respect to the request to cancel claims 1-4, but is otherwise denied.

*C. Markets-Alert's Motion to Exclude Evidence*

Markets-Alert moves to exclude paragraphs 7, 12-15, 17, 32-34, 44, and 46-57 of Exhibit 1043 (the "Second Kursh Decl.") and Exhibits 1036-1041. Exhibit 1043 was relied on by Bloomberg in support of Bloomberg's opposition to Markets-Alert's substitute motion to amend. Markets-Alert's substitute motion to amend failed to establish a prima facie case that proposed claims 5-8 are patentable. Therefore, there was no occasion to reach Bloomberg's opposition to Markets-Alert's substitute motion to amend or consider Exhibit 1043 in relation to Bloomberg's opposition.

Exhibits 1036-1041 were relied on by Bloomberg in support of Bloomberg's opposition to Markets-Alert's substitute motion to amend and Bloomberg's reply. Markets-Alert's substitute motion to amend failed to establish a prima facie case that proposed claims 5-8 are patentable, and, therefore, there was no occasion to reach Bloomberg's opposition to the motion to amend, or consider Exhibits 1036-1041 in relation to Bloomberg's opposition. Markets-Alert's patent owner response is not considered, and, therefore, there was no occasion to reach Bloomberg's reply, or to consider Exhibits 1036-1041 in relation to Bloomberg's reply.

For all of these reasons, Markets-Alert's motion to exclude is dismissed.

### III. CONCLUSION

Markets-Alert's request for the cancellation of original claims 1-4 is granted. Markets-Alert has not shown that it is entitled to proposed claims 5-8.

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

### IV. ORDER

It is

ORDERED that Markets-Alert's request to cancel claims 1-4 is *granted*;

FURTHER ORDERED that Markets-Alert's request to add proposed claims 5-8 is *denied*; and

FURTHER ORDERED that Markets-Alert's motion to exclude evidence is *dismissed*.



Case CBM2013-00005

Patent 7,941,357

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