

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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IBG LLC,  
INTERACTIVE BROKERS LLC, TRADESTATION GROUP, INC.  
TRADESTATION SECURITIES, INC., TRADESTATION  
TECHNOLOGIES, INC., and IBFX, INC.,  
Petitioner,

v.

TRADING TECHNOLOGIES INTERNATIONAL, INC.,  
Patent Owner.

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Case CBM2015-00182  
Patent 6,772,132 B1

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Before SALLY C. MEDLEY, MEREDITH C. PETRAVICK, and  
JEREMY M. PLENZLER, *Administrative Patent Judges*.

PLENZLER, *Administrative Patent Judge*.

DECISION  
Institution of Covered Business Method Patent Review  
*37 C.F.R. § 42.208*

## INTRODUCTION

### *A. Background*

IBG LLC, TradeStation Group, Inc., TradeStation Securities, Inc., TradeStation Technologies, Inc., and IBFX, INC. (collectively, “Petitioner”) filed a Petition on September 11, 2015 requesting covered business method patent review of claims 1–56 (the “challenged claims”) of U.S. Patent No. 6,772,132 B1 (Ex. 1001, “the ’132 patent”). Paper 7 (“Pet.”). On December 21, 2015, Trading Technologies International, Inc. (“Patent Owner”) filed a Preliminary Response. Paper 15 (“Prelim. Resp.”).

We have jurisdiction under 35 U.S.C. § 324, which provides that a covered business method patent review may not be instituted “unless . . . it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.”

Upon consideration of the Petition and Preliminary Response, we determine that Petitioner has demonstrated that it is more likely than not that the challenged claims are unpatentable. Accordingly, we institute a covered business method review of claims 1–56 of the ’132 patent.

### *B. Expanded Panel Request*

Patent Owner suggests that the decision on institution be made by an expanded panel of administrative patent judges. Prelim. Resp. 77–78. Discretion to expand a panel rests with the Chief Judge, who, on behalf of the Director, may act to expand a panel on a suggestion from a judge or panel. *AOL Inc. v. Coho Licensing LLC*, Case IPR2014-00771, slip op. at 2 (PTAB Mar. 24, 2015) (Paper 12) (informative). Patent Owner’s suggestion was considered by the Acting Chief Administrative Patent Judge, who declined to expand the panel.

*C. Related Proceedings*

The parties indicate that the '132 patent is the subject of numerous related U.S. district court proceedings. Pet. 2; Paper 10, 2–6.

The '132 patent was the subject of petitions for covered business method patent review in *TD Ameritrade Holding Corp. v. Trading Technologies International, Inc.*, CBM2014-00135 (PTAB) and *CQG, Inc. v. Trading Technologies International, Inc.*, CBM2015-00058 (PTAB). Trial was instituted, but later terminated, for CBM2014-00135. Institution was denied for CBM2015-0058.

Numerous patents are related to the '132 patent and the related patents are or were the subject of numerous petitions for covered business method patent review and reexamination proceedings.

*D. Asserted Grounds*

Petitioner contends that the challenged claims are unpatentable under 35 U.S.C. §§ 101 and 103 based on the following grounds (Pet. 14–80).

<b>References</b>	<b>Basis</b>	<b>Claims Challenged</b>
N/A	§ 101	1–56
Silverman <sup>1</sup> , Gutterman <sup>2</sup> , and Belden <sup>3</sup>	§ 103	1–3, 5–10, 13–16, 18–23, 25–33, 35–43, and 45–56
Silverman, Gutterman, Belden, and May <sup>4</sup>	§ 103	4, 11, and 17
Silverman, Gutterman, Belden, and Paal <sup>5</sup>	§ 103	23, 34, and 44

<sup>1</sup> U.S. Pat. No. 5,077,665, iss. Dec. 31, 1991 (Ex. 1010, “Silverman”).

<sup>2</sup> U.S. Pat. No. 5,297,031, iss. Mar. 22, 1994 (Ex. 1011, “Gutterman”).

<sup>3</sup> PCT Pub. No. WO 90/11571, pub. Oct. 4, 1990 (Ex. 1012, “Belden”).

<sup>4</sup> CA 2 305 736 A1, pub. Apr. 22, 1999 (Ex. 1013, “May”).

<sup>5</sup> U.S. Pat. No. 5,263,134, iss. Nov. 16, 1993 (Ex. 1014, “Paal”).

References	Basis	Claims Challenged
TSE <sup>6</sup> and Belden	§ 103	1–3, 7–10, 14–16, 20–28, 30–38, 40–48, and 50–56
TSE, Belden, and May	§ 103	4, 11, and 17
TSE, Belden, and Gutterman	§ 103	5, 6, 12, 13, 18, 19, 29, 39, and 49

Petitioner provides testimony from David Rho (Ex. 1006; “the Rho Declaration) and Kendyl A. Román (Ex. 1007; “the Román Declaration”) to support its challenges.

*E. The '132 Patent*

The '132 patent is titled “Click Based Trading with Intuitive Grid Display of Market Depth.” Ex. 1001, (54). The '132 patent describes a display, named the “Mercury” display, and method of using the display to trade a commodity. *Id.* at Abstract, 3:5–10. The '132 patent explains that the Mercury display is a graphic user interface (“GUI”) that dynamically displays the market depth of a commodity traded in a market and allows a trader to place an order efficiently. *Id.* at 3:11–24. The Mercury display is depicted in Figure 3, which is reproduced below.

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<sup>6</sup> Tokyo Stock Exchange Operation System Division, Futures/Option Purchasing System Trading Terminal Operation Guide (1998) (Ex. 1016). Citations to this reference refer to its English translation (Ex. 1017).

FIG. 3

SYCOM FGBL DEC99					
E/W	10:48:44	BidQ	AskQ	Prc	LTQ
L	3		104	99	
R	5		24	98	
	720		33	97	
X	10		115	96	
	0		32	95	
	10 1H		27	94	
	50 3H		63	93	
S 0 W 24	1K 5H		45	92	
S 0 W 7	CLR		28	91	
X	10		20	90	10
	17		18	89	
B 0 W 15	CXL		97	88	
B 0 W 13	+ -		30	87	
	NET 0		43	86	
B 0 W 17	NET REAL		110	85	
			23	84	
			31	83	
			125	82	
			21	81	

Figure 3 of the '132 patent illustrates an example of the Mercury display with example values for trading a commodity including prices, bid and ask quantities relative to price, and trade quantities.

The Mercury display includes a plurality of columns. Column 1005 is a static price axis, which includes a plurality of price values for the commodity. *See id.* at 7:36–48. The '132 patent explains that “[t]he column does not list the whole prices (e.g. 95.89), but rather, just the last two digits (e.g. 89).” *Id.* at 7:38–40. Columns 1003 and 1004 are aligned with the static price axis and dynamically display bid and ask quantities, respectively, for the corresponding price values of the static price axis. *See id.* at 7:35–51. The '132 patent explains that “[t]he exchange sends the price, order and fill information to each trader on the exchange” and that “[t]he physical

mapping of such information to a screen grid can be done by any technique known to those skilled in the art.” *Id.* at 4:61–5:1.

Column 1002 contains various parameters and information used to execute trades, such as the default quantity displayed in cell 1016. *See id.* at 8:3–37. A trader executes trades using the Mercury display by first setting the desired commodity and default parameters, such as default quantity. *See id.* at 9:3–17; Fig. 6, step 1302. Then, a trader can send a buy order or sell order to the market with a single action, such as clicking on the appropriate cell in column 1003 or 1004. *See id.* at 9:7–10:3; Fig. 6, steps 1306–1315.

*F. Illustrative Claim*

As noted above, Petitioner challenges claims 1–56. Claims 1, 8, and 14 are independent. Claim 1 is illustrative of the claimed subject matter and is reproduced below:

1. A method of placing a trade order for a commodity on an electronic exchange having an inside market with a highest bid price and a lowest ask price, using a graphical user interface and a user input device, said method comprising:

setting a preset parameter for the trade order

displaying market depth of the commodity, through a dynamic display of a plurality of bids and a plurality of asks in the market for the commodity, including at least a portion of the bid and ask quantities of the commodity, the dynamic display being aligned with a static display of prices corresponding thereto, wherein the static display of prices does not move in response to a change in the inside market;

displaying an order entry region aligned with the static display prices comprising a plurality of areas for receiving commands from the user input devices to send trade orders, each area corresponding to a price of the static display of prices; and

selecting a particular area in the order entry region through single action of the user input device with a pointer of the user input device positioned over the particular area to set a plurality of additional parameters for the trade order and send the trade order to the electronic exchange.

Ex. 1001, 12:2–27.

## ANALYSIS<sup>7</sup>

### A. Claim Construction

In a covered business method patent 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. § 42.300(b); *In re Cuozzo Speed Techs., LLC*, 793 F.3d 1268, 1278–79 (Fed. Cir. 2015), *cert. granted sub nom. Cuozzo Speed Techs., LLC v. Lee*, 84 U.S.L.W. 3218 (U.S. Jan. 15, 2016) (No. 15-446).

Applying that standard, we interpret the claim terms of the '132 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). Any special definitions for claim terms must be set forth with reasonable clarity, deliberateness, and precision. *In re Paulsen*,

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<sup>7</sup> Both Petitioner and Patent Owner reference our prior decisions denying institution in CBM2014-00135 and CBM2015-00058 and decisions of district courts in related proceedings. We do not give much, if any, deference to our prior decisions and the decisions of the district courts in determining whether to institute a covered business method patent review in this proceeding. Those prior decisions were based on different parties, different evidence, and in the case of the district court proceedings based on different standards of proof and claim construction standards. Additionally, we give no consideration to the arguments Patent Owner presents in letters sent to the Director of the United States Patent and Trademark Office.

30 F.3d 1475, 1480 (Fed. Cir. 1994). Petitioner proposes constructions for “single action” and “working order” (Pet. 13–14), and Patent Owner offers no proposed claim constructions. For purposes of this Decision, we determine that the only terms requiring an express construction in order to conduct properly our analysis are those discussed below.

*1. “single action” limitations*

Petitioner contends that

The ’132 patent specification defines this term: “Any action by a user within a short period of time, whether comprising one or more clicks of a mouse button or other input device, is considered a single action of the user for the purposes of the present invention.” (’132 patent, 4:15-20; Román Decl. ¶ 78.)

Pet. 14. Patent Owner does not dispute this construction. Upon review, we agree, and adopt that construction for purposes of this decision.

Each of the independent claims recites the “single action.” The relation of the “single action” to the subsequent language in the claims merits discussion. Claim 1 recites “selecting a particular area in the order entry region through single action of the user input device . . . to set a plurality of additional parameters for the trade order and send the trade order to the electronic exchange.” Claim 8 similarly recites

a fourth program code for receiving a command as a result of a selection of a particular area in the order entry region by a single action of the user input device . . . , to set a plurality of additional parameters for the trade order and send the trade order to the electronic exchange.

Claim 14 recites

a trade order sending component for receiving a command as a result of a selection of the area in the order entry region by a single action of the user input device . . . , to set a plurality of additional parameters for the trade order and send the trade order to the electronic exchange.



While neither party offers an express interpretation for this language, the parties appear to read the claims as requiring that the “single action” sets the additional parameters for the trade order and sends the trade order. *See, e.g.*, Pet. 44–48, 69–72; Prelim. Resp. 75–76.

We do not read the claims as requiring that the “single action” sets the additional parameters for the trade order or sends the trade order.<sup>8</sup> To the extent it is unclear whether the claim language requires setting parameters and sending the order based on the “single action,” the broader construction is consistent with the specification of the ’132 patent and supported by the prosecution history of ’132 patent.<sup>9</sup>

The only embodiment discussed in the specification of the ’132 patent includes setting trade parameters and sending a trade order based on a single action, but the specification does not limit the scope of the claims to such an arrangement. *See* Ex. 1001, 9:61–11:11. Based on the record before us, we do not limit the scope of the claims to that embodiment. *See In re Am Acad. Of Science Tech Ctr.*, 367 F.3d 1359, 1369 (Fed. Cir. 2004). Review of the prosecution history reveals that our interpretation is the proper reading of the

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<sup>8</sup> The claim language at issue in this proceeding is different than that in the related proceedings, such as CBM2015-00161 and CBM2015-0181. For example, claim 1 of U.S. Patent No. 6,766,304 B2, at issue in CBM2015-00161, requires that the setting of the parameters for a trade order and the sending the trade order be *in response* to the selection of a particular location of the order entry region by a single action.

<sup>9</sup> CBM2014-00135 addressed the same patent as this proceeding and applied a more narrow scope to the “single action” limitation. *See* Ex. 1032, 21. The prosecution history, however, does not appear to be in the record of CBM2014-00135 and we have reconsidered the breadth of the “single action” limitation in light of the prosecution history, which is of record in this proceeding.

claim, showing that the intent of the patentee of the '132 patent was not to have this claim language require setting parameters and sending an order as a result of the “single action.” *See* Ex. 1002, 265–267, 861. For example, the patentee specifically removed language from the claims that would have imparted this narrower meaning. *See id.* at 265–267. Further, the patentee explicitly stated its interpretation of claim scope as “*allowing for* parameters of a trade order to be set and for the trade order to be sent . . . in response to a selection of a location in an order entry region through a single action” when characterizing the claims after the amendment, rather than setting the parameters and initiating placement of the trade order via the single action as recited before the claims were amended. *Id.* at 861 (emphasis added).

Accordingly, based on the record before us in this proceeding, we determine that the “single action” recited in claims 1, 8, and 14 does not require setting the additional parameters or sending the trade order. Rather, the claims require that the *selection* of the area in the order entry is accomplished by the “single action,” and that “single action” *allows for* additional parameters to be set and the trade order to be sent. Accordingly, this limitation could be met, for example, as a result of the “single action” itself resulting in the setting and sending or through some subsequent user action, such as the “single action” resulting in the user being provided the opportunity to set the additional parameters and send the trade order.

2. “*computer readable medium having program code recorded thereon*”

Claims 8–13, 30–39, and 51 recite “computer readable medium having program code recorded thereon.” Petitioner contends that “[u]nder the broadest reasonable interpretation (‘BRI’), the scope of this term is broad enough to encompass a transitory, propagating signal that is encoded.” Pet.

18. Petitioner explains that the specification neither defines this term nor provides examples. Patent Owner does not provide a proposed construction for this limitation, but implies that the word “recorded” limits the claim to non-transitory media. *See* Prelim. Resp. 51. Patent Owner does not dispute that the specification of the ’132 patent neither defines this term nor provides examples for a “computer readable medium,” and after reviewing the specification we see no reference to “computer readable medium” other than that in the claims.

The addition of the phrase “having program code recorded thereon” to “computer readable medium” does not limit the medium to non-transitory media. A definition of the verb “record” is “to set down in writing” or “to cause (as sound, visual images, or data) to be registered on something (as a disc or magnetic tape) in reproducible form.” Ex. 3001 (Merriam-Webster’s Collegiate Dictionary, 10th ed. definition of record). This definition does not preclude the program code from being recorded, albeit temporarily, on transitory media. *See Ex parte Mewherter*, 107 USPQ2d 1857, 1859–60 (PTAB 2013) (precedential) (determining that a computer readable storage medium having a computer program stored thereon encompasses transitory propagating signals).

On this record, we determine that the broadest reasonable interpretation of “computer readable medium having program code recorded thereon” is any medium that participates in providing instruction to a processor for execution and having program code recorded thereon.

*B. Covered Business Method Patent*

Section 18 of the AIA<sup>10</sup> provides for the creation of a transitional program for reviewing covered business method patents. A “covered business method patent” is a patent that “claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service, except that the term does not include patents for technological inventions.” AIA § 18(d)(1); *see* 37 C.F.R. § 42.301(a). A patent need have only one claim directed to a covered business method to be eligible for review. *See* Transitional Program for Covered Business Method Patents—Definitions of Covered Business Method Patent and Technological Invention, 77 Fed. Reg. 48,734, 48,736 (Aug. 14, 2012) (“CBM Rules”) (Comment 8).

In this Petition, Petitioner contends that “while a patent need only one claim directed to a CBM to be eligible for CBM review . . . all the claims qualify,” and particularly cites claims 1, 4–8, and 14. Pet. 4.

*1. Financial Product or Service*

Petitioner asserts that claim 1 is directed to a covered business method because it recites a method of placing a trade order for a commodity on an electronic exchange including the steps of displaying market information and sending a trade order, which are financial in nature. *Id.* Based on this record, we agree with Petitioner that at least the subject matter recited by claim 1 is directed to activities that are financial in nature, namely “displaying . . . a plurality of bids and a plurality of asks in the market for the commodity” and “selecting a particular area in the order entry region . . .

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<sup>10</sup> Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284, 329 (2011) (“AIA”).

to . . . send the trade order to the electronic exchange,” which are recited in the claim. Patent Owner acknowledges that “the claims include financial terms [and] that the claimed GUI tool can be used to trade,” but contends that “improvements to software tools or GUIs, even if used to implement a trading strategy or other financial activity, are outside the scope of CBMR.” Prelim. Resp. 7–8. Patent Owner cites to various portions of the legislative history as support for its proposed interpretation. *Id.*

The “legislative history explains that the definition of covered business method patent was drafted to encompass patents ‘claiming activities that are financial in nature.’” 77 Fed. Reg. at 48,735 (quoting 157 Cong. Rec. S5432 (daily ed. Sept. 8, 2011) (statement of Sen. Schumer)). The legislative history indicates that “financial product or service” should be interpreted broadly to “encompass patents ‘claiming activities that are financial in nature, incidental to a financial activity or complementary to a financial activity.’” *Id.*; *see Versata Dev. Grp., Inc. v. SAP America, Inc.*, 793 F.3d 1306, 1323–26 (Fed. Cir. 2015).

We are not persuaded by Patent Owner’s argument that the legislative history of the AIA establishes that novel user interfaces for commodities, as a category, were intended to be exempt from covered business method patent review. *See* Prelim. Resp. 8–11. As Petitioner argues, although the legislative history includes certain statements that certain novel software tools and graphical user interfaces that are used by the electronic trading industry worker are not the target of § 18 of the AIA (*see* Prelim. Resp. 8–11 (reproducing statements by Senator Durbin and Schumer)), the language of the AIA, as passed, does not include an exemption for all user interfaces for commodities from covered business method patent review. *See* Pet. 8–10.

Each patent has to be evaluated individually to determine if it is eligible for a covered business method patent review. A determination of whether a patent is eligible for a covered business method patent review under the statute is made on a case-by-case basis on the facts of each case. 37 C.F.R. § 42.301(b).

For the reasons stated above, and based on the particular facts of this proceeding, we conclude that the '132 patent includes at least one claim that meets the financial in nature requirement of § 18(d)(1) of the AIA.

### *2. Exclusion for Technological Inventions*

To determine whether a patent is for a technological invention, we consider “whether the claimed subject matter as a whole recites a technological feature that is novel and unobvious over the prior art; and solves a technical problem using a technical solution.” 37 C.F.R. § 42.301(b).

The following claim drafting techniques, for example, typically do not render a patent a “technological invention”:

- (a) Mere recitation of known technologies, such as computer hardware, communication or computer networks, software, memory, computer-readable storage medium, scanners, display devices or databases, or specialized machines, such as an ATM or point of sale device.
- (b) Reciting the use of known prior art technology to accomplish a process or method, even if that process or method is novel and non-obvious.
- (c) Combining prior art structures to achieve the normal, expected, or predictable result of that combination.

Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,763–64 (Aug. 14, 2012).

Both prongs must be satisfied in order for the patent to be excluded as a technological invention. *See Versata*, 793 F.3d at 1326–27.

Petitioner contends that rather than reciting a technical feature that is novel or unobvious over the prior art, the claims of the '132 patent generally recite trading software that is implemented on a conventional computer. Pet. 5–7. Patent Owner disagrees, arguing that GUI features in the claims provide novel and non-obvious technological features. Prelim. Resp. 14–16.

We are persuaded by Petitioner's contentions that at least claim 1 of the '132 patent does not recite a novel and non-obvious technological feature. The specification of the '411 patent treats as well-known all potentially technological aspects of the claims. For example, the '132 patent discloses that its system can be implemented “on any existing or future terminal or device” (Ex. 1001, 4:4–7), each of which is known to include a display, and discloses that the input device can be a mouse (*id.* at 4:9–11), which is a known input device. The '132 patent further discloses that “[t]he scope of the present invention is not limited by the type of terminal or device used.” *Id.* at 4:7–9. The '132 patent also describes the programming associated with the GUI as insignificant. *See, e.g.*, Ex. 1001, 4:62–5:1 (explaining that “present invention processes [price, order, and fill] information and maps it through simple algorithms and mapping tables to positions in a theoretical grid program” and “[t]he physical mapping of such information to a screen grid can be done by any technique known to those skilled in the art”).

Petitioner also asserts that the claims of the '132 patent do not fall within § 18(d)(1)'s exclusion for “technological inventions” because the '132 patent does not solve a technical problem using a technical solution.

Pet. 7–8. Petitioner notes that “[a]ccording to the ’132 patent, the ‘problem’ with prior art trading GUIs was that the market price could change before a trader entered a desired order, causing the trader to ‘miss his price.’” *Id.* at 7 (citing Ex. 1001, 2:53-63). Petitioner contends that “the ’132 patent’s solution is not technical” because Patent Owner “simply [] rearrange[d] how known and available market data is displayed on a GUI” and “did not design a more accurate mouse or a computer that responded faster.” *Id.* at 8.

Patent Owner argues that the ’132 patent solves a technical problem using a technical solution. Prelim. Resp. 14, 17–20. According to Patent Owner, the ’132 patent “claims a specific combination of features of a GUI that purportedly was lacking in the prior art and that solved problems relating to speed, accuracy and usability—all technical problems.” *Id.* at 17.

We are persuaded that the ’132 patent does not solve a technical problem with a technical solution. The ’132 patent purports to solve the problem of a user missing an intended price because a price level changed as the user tried to click to send an order at an intended price level in a GUI tool. *See* Ex. 1001, 2:23–63. As written, claim 1 requires the use of only known technology. Given this, we determine that at least claim 1 does not solve a technical problem using a technical solution and at least claim 1 does not satisfy the second prong of 37 C.F.R. § 42.301(b).

### *3. Conclusion*

In view of the foregoing, we conclude that the ’132 patent is a covered business method patent under AIA § 18(d)(1) and is eligible for review using the transitional covered business method patent program.



*C. Section 101 Patent-Eligible Subject Matter*

Petitioner challenges claims 1–56 as directed to patent-ineligible subject matter under 35 U.S.C. § 101. Pet. 14–26. Patent Owner disagrees. Prelim. Resp. 30–52.

Under 35 U.S.C. § 101, we must first identify whether an invention fits within one of the four statutorily provided categories of patent-eligibility: “processes, machines, manufactures, and compositions of matter.” *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 713–14 (Fed. Cir. 2014).

Initially, we note that Petitioner asserts that claims 8–13, 30–39, and 51 are “broad enough to encompass a transitory, propagating signal that is encoded, which is not eligible for patenting.” Pet. at 18 (citing *In re Nuijten*, 550 F.3d 1346, 1357 (Fed. Cir. 2007)). Patent Owner argues that “Petitioners misapply *In re Nuijten*” and “also have not addressed the recitation of ‘recorded’ in the claims, and fail to explain why this would not restrict the claim to non-transitory media.” Prelim. Resp. 51–52.

As indicated above, however, we determine that the broadest reasonable interpretation of “computer readable medium having program code recorded thereon” is any medium that participates in providing instruction to a processor for execution and having program code recorded thereon. Given this interpretation, claims 8–13, 30–39, and 51 encompass transitory, propagating signals. Transitory, propagating signals are not covered by the four statutory classes of subject matter of 35 U.S.C. § 101. *In re Nuijten*, 500 F.3d at 1352.

There is no dispute that the remaining claims fit within one of the four statutorily provided categories of patent-eligibility. Even if claims 8–13,

30–39, and 51 were to fit within one of the categories of patent-eligibility, we are persuaded that they do not recite patent-eligible subject matter for the reasons that follow.

*1. Abstract Idea*

Section 101 “contains an important implicit exception: Laws of nature, natural phenomena, and abstract ideas are not patentable.” *Alice Corp. Pty. Ltd. V. CLS Bank. Intern.*, 134 S. Ct. 2347, 2354 (2014) (citing *Assoc. for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2116 (2013) (internal quotation marks and brackets omitted)). In *Alice*, the Supreme Court reiterated the framework set forth previously in *Mayo Collaborative Services v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1293 (2012) “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice*, 134 S. Ct. at 2355. The first step in the analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts.” *Id.*

Petitioner argues that the challenged claims are directed to the abstract idea of “placing an order based on observed (plotted) market information, as well as updating market information.” Pet. 16. Patent Owner appears to contend that the recitation of a “static display of prices” in the claims removes them from being directed to an abstract idea. *See, e.g.*, Prelim. Resp. 38–39.

Independent claims 1, 8, and 14 recite similar limitations, with claim 1 being directed to a “method,” claim 8 being directed to a “computer readable medium,” and claim 14 being directed to a “client system.” We are persuaded that the challenged claims are more likely than not drawn to a

patent-ineligible abstract idea. The '132 patent purports to solve the problem of reducing the amount of time to place a trade order. *See* Ex. 1001, 2:66–3:2. Claims 1, 8, and 14 are directed to displaying market information in a particular manner. Claim 1, for example, recites “a dynamic display of a plurality of bids and a plurality of asks in the market for the commodity . . . aligned with a static display of prices corresponding thereto, wherein the static display of prices does not move in response to a change in the inside market.” Although certain limitations, such as use of a “static display of prices,” may add a degree of particularity, the concept embodied by the majority of the limitations describes only the abstract idea of displaying market information to facilitate setting parameters and placing a trade order.

## *2. Inventive Concept*

Next we turn to “the elements of each claim both individually and as an ordered combination” to determine whether the additional elements “transform the nature of the claim” into a “patent-eligible application.” *Mayo*, 132 S. Ct. at 1297–98. The additional elements must be more than “well-understood, routine, conventional activity.” *Id.* at 1298. On this record, Petitioner has established that the challenged claims of the '132 patent do not add an inventive concept sufficient to ensure that the patent in practice amounts to significantly more than a patent on the abstract idea itself. *Alice*, 134 S. Ct. at 2355.

Patent Owner argues that “the claims require particular technological features of a GUI tool that solve problems with prior art GUI tools.” Prelim. Resp. 41. Patent Owner contends that the claims “recite specific structural and functional features of a GUI tool that solve, *inter alia*, the problem of a

user missing her intended price because a price level changed as the user tried to click to send an order at an intended price level in the GUI tool” (*id.* at 42–43) and that “[t]he claimed invention changes the computer’s function to achieve a result that cannot be achieved without the claimed software invention” (*id.* at 47). Patent Owner, however, does not appear to contend that the claimed invention somehow changes the way the computer itself functions.

As noted above, the specification of the ’132 patent treats as well-known all potentially technical aspects of the claims. For example, the ’132 patent discloses that its system can be implemented “on any existing or future terminal or device” (Ex. 1001, 4:4–7), each of which is known to include a display, and discloses that the input device can be a mouse (*id.* at 4:9–11), which is a known input device. The ’132 patent further discloses that “[t]he scope of the present invention is not limited by the type of terminal or device used.” *Id.* at 4:7–9.

Any contention Patent Owner may have that making the display of prices static is an inventive concept is unpersuasive. Patent Owner does not dispute that displaying bid and ask quantities relative to a price axis was known, and there appear to be two options for displaying prices: (1) the prices change with changing bid and ask quantities; or (2) the prices are fixed (static) as bid and ask quantities are updated. We are not persuaded that choosing one display format over another involves an inventive concept, particularly where the ’132 patent concedes that there is nothing inventive regarding the programming associated with displaying the price, bid, and ask data. *See, e.g.*, Ex. 1001, 4:62–5:1 (explaining that “present invention processes [price, order, and fill] information and maps it through simple

algorithms and mapping tables to positions in a theoretical grid program” and “[t]he physical mapping of such information to a screen grid can be done by any technique known to those skilled in the art”).

Moreover, Petitioner contends, and we are persuaded, that the use of a common static price axis having price levels that correspond to bid and ask quantity indications in bid and ask columns on a trading GUI was known. Pet. 20 (*citing* Ex. 1017, 107). Furthermore, with respect to the independent claims, the “static display of prices” does not appear to “solve . . . the problem of a user missing her intended price because a price level changed as the user tried to click to send an order at an intended price level in the GUI tool” as Patent Owner contends. Prelim. Resp. 42–43. We are not apprised of anything in those claims that ties the “static display of prices” to anything that would increase the speed of submitting a trade order to prevent a user missing an intended price. Rather, it simply appears to provide information for a user to view to facilitate setting parameters and placing a trade order.

Given the above, we determine that the elements of the claims do not transform the nature of the claims into a patent-eligible application of the abstract idea. They do not add significantly more to the abstract idea.

Patent Owner’s arguments regarding *DDR Holdings, LLC v. Hotels.com, LP.*, 773 F.3d 1245 (Fed. Cir. 2014) are unpersuasive. *See* Prelim. Resp. 41–45. Unlike the claimed combination of elements in *DDR Holdings*, the claims of the ’132 patent appear to combine elements according to their known functions to achieve routine and conventional results. *See DDR Holdings*, 773 F.3d at 1257–58.

### *3. Dependent Claims*

Petitioner contends that the additional elements recited by dependent claims 2–7, 9–13, and 15–56 do not add significantly more to the abstract idea so as to render the claims patent-eligible. Pet. 22–24. Patent Owner makes no arguments specifically directed to the dependent claims. To the extent those claims require trade parameters that are set by the “single action,” that feature also does not appear to remove those claims from being directed to an abstract idea or involve an inventive concept. *See, e.g.*, Ex. 1011, 13:27–46. On this record, we determine that Petitioner demonstrates that dependent claims 2–7, 9–13, and 15–56 are more likely than not patent ineligible under 35 U.S.C. § 101.

### *4. Conclusion*

Having considered the information provided in the Petition and the Preliminary Response, we are persuaded that Petitioner has demonstrated that it is more likely than not that the challenged claims are unpatentable under 35 U.S.C. § 101.

#### *D. Obviousness Challenges*

##### *1. Silverman Challenges*

Petitioner challenges claims 1–3, 5–10, 13–16, 18–23, 25–33, 35–43, and 45–56 as having been obvious over Silverman, Gutterman, and Belden, claims 4, 11, and 17 as having been obvious over Silverman, Gutterman, Belden, and May, and claims 23, 34, and 44 as having been obvious over Silverman, Gutterman, Belden, and Paal (“the Silverman challenges”). Based on the record before us, Petitioner has failed to demonstrate that it is more likely than not that it will prevail at trial on those challenges.

Claims 1, 8, and 14 each recite bid and ask quantities aligned with “a static display of prices,” as well as an order entry region aligned with “the

static display of prices.” Petitioner cites Gutterman’s “column 136 of price ticks” as corresponding to the “static display of prices.” Pet. 41–42 (citing Ex. 1011, 12:1–6). The portion of Gutterman cited by Petitioner as teaching the “static display of prices” describes Figure 2a from Gutterman, which is reproduced below.

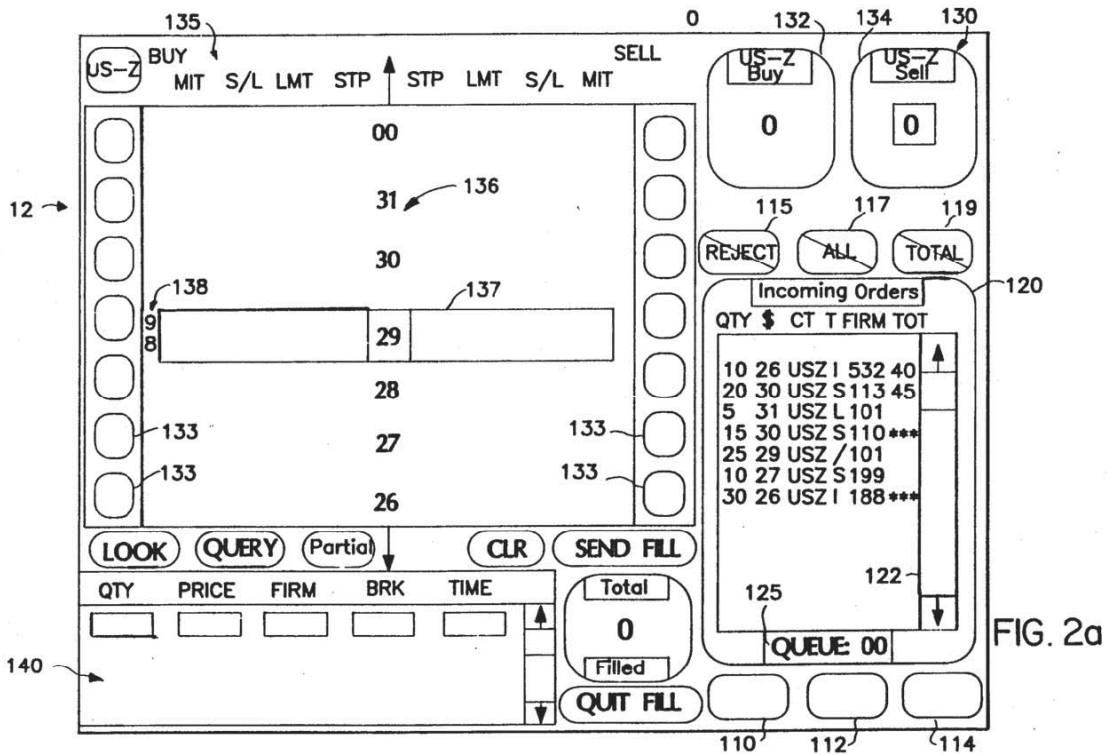


Figure 2a is an illustration of a display screen of a broker workstation. Display 12 includes deck pane 135, which is separated into a buy side and a sell side by the column of price ticks 136 (i.e., a display of prices). Ex. 1011, 12:1–6. Similar to the ’132 patent, Gutterman displays order totals 133 relative to price ticks 136. *Id.* at 12:44–50. Gutterman additionally includes market bar 137 that is positioned at the current trade price. *Id.* at 12:7–12. Gutterman explains that “market bar 137 moves up

and down along column 136 in response to changes in the market.” *Id.* at 12:15–17.

Patent Owner disputes Petitioner’s characterization of Gutterman teaching a static display of prices, contending that “market bar [137] ‘mov[ing] up and down’ along a column of price ticks says **nothing** about whether there is a static price axis as claimed.” Prelim. Resp. 73. We agree. Petitioner’s explanation as to why Gutterman teaches a “static display of prices” is conclusory. With respect to market bar 137, Petitioner simply asserts that “[t]he operation of the market bar of Gutterman is further evidence that the display of prices (column 136 of price ticks) is static,” without further explanation. Pet. 42. Petitioner additionally notes that “Gutterman discloses that the price column can be manually scrolled using ‘touch-sensitive up and down arrows disposed at the extremes of the price tick column’” (*id.* (citing Ex. 1011, 12:51-56)), but offers no explanation as to why this teaches price column 136 being static. We are apprised of no reason why movement of market bar 137 or the ability to scroll price column 136 teaches a static price column. Our review of Gutterman reveals no indication of whether or not price column 136 is static when scrolled or with movement of market bar 137. Petitioner’s citation to paragraph 107 of the Román Declaration does not cure this deficiency, as that portion also simply concludes that Gutterman teaches this limitation and that one skilled in the art would have understood price column 136 to be static, without explanation. *See* 37 C.F.R. § 42.65.

Having considered the information provided in the Petition and the Preliminary Response, we are not persuaded that Petitioner has



demonstrated that it is more likely than not that the challenged claims are unpatentable under 35 U.S.C. § 103 based on the Silverman challenges.

## *2. TSE Challenges*

Petitioner challenges claims 1–3, 7–10, 14–16, 20–28, 30–38, 40–48, and 50–56 as having been obvious over TSE and Belden, claims 4, 11, and 17 as having been obvious over TSE, Belden, and May, and claims 5, 6, 12, 13, 18, 19, 29, 39, and 49 as having been obvious over TSE, Belden, and Gutterman (“the TSE challenges”). Based on the record before us, we are persuaded that Petitioner has demonstrated that it is more likely than not that it will prevail at trial on those challenges.

### *a. TSE Printed Publication Status*

Petitioner argues that TSE is prior art under 35 U.S.C. § 102(a). Pet. 11. In support of its showing that TSE qualifies as prior art, Petitioner relies on a November 21, 2005 deposition testimony of Atsushi Kawashima taken during litigation between Patent Owner and a third party eSpeed, Inc. Ex. 1019. Patent Owner argues that Petitioner presents insufficient evidence to show that TSE was publically accessible, that the testimony of Atsushi Kawashima is not reliable, and that a jury already has concluded that TSE is not prior art. Prelim. Resp. 52–57. For the reasons that follow, we determine that, at this juncture of the proceeding, Petitioner has established that TSE is prior art.

Patent Owner argues that we should give deference to a previous jury determination that “TSE is not prior art as of March 2, 2000.” Prelim. Resp. 57 (citing Ex. 2030, 11; Ex. 2032). That determination, to the extent that Patent Owner has shown sufficiently its relevance to this proceeding, is not binding on us. Petitioner was not involved in that case. Moreover,

Petitioner need only show by a preponderance of the evidence that TSE is prior art, not by the higher clear and convincing standard used in district court proceedings. 35 U.S.C. § 326(e).

Nor are we persuaded by Patent Owner's argument that Mr. Kawashima's testimony is not reliable. In particular, Patent Owner argues that Mr. Kawashima admitted that the company he worked for, the Tokyo Stock Exchange (TSE), "provided art, including TSE documents, to the Japanese patent office" making Mr. Kawashima an interested witness. *Id.* at 55–56. Patent Owner does not explain sufficiently what it means by this or how Kawashima's testimony supports the assertion. For example, we cannot discern what patent or proceeding is being referred to per Exhibit 1019, and Patent Owner does not direct us to other evidence to support the assertions made. Such vague arguments that the company Mr. Kawashima worked for at some time submitted some prior art during some Japanese proceeding are insufficient to show that Mr. Kawashima is not a disinterested witness and that his testimony is unreliable for purposes of this proceeding. At this juncture of the proceeding, we will not disregard Mr. Kawashima's testimony.

We next turn to the issue of whether Petitioner has established that TSE is prior art under 35 U.S.C. § 102(a). Whether a document qualifies as a printed publication under 35 U.S.C. § 102(a) is a question of law based on underlying findings of fact. *See In re Hall*, 781 F.2d 897, 899 (Fed. Cir. 1986). Documents qualify as prior art so long as the interested public has a means of accessing them. *See, e.g., Hall*, 781 F.2d at 899. "Accessibility goes to the issue of whether interested members of the relevant public could obtain the information if they wanted to." *Constant v. Advanced Micro-*

*Devices, Inc.*, 848 F.2d 1560, 1569 (Fed. Cir. 1988). Moreover, “[i]f accessibility is proved, there is no requirement to show that particular members of the public actually received the information.” *Id.*

TSE is entitled “Futures/Option Purchasing System Trading Terminal Operation Guide” of the “Tokyo Stock Exchange Operation System Division.” Ex. 1017, 1. In the middle of page 5 is the annotation “August, 1998” above the words “Tokyo Stock Exchange Operation System Division.” *Id.* at 5. Petitioner argues that TSE is prior art under 35 U.S.C. § 102(a) because it was published in August of 1998 by giving two copies to each of the about 200 participants in the Tokyo Stock Exchange, who were free to do whatever they wanted with their copies of the publication. Pet. 11 (citing Ex. 1019, 12–33).

In support of its arguments regarding TSE as prior art, Petitioner directs us to portions of Mr. Kawashima’s testimony. At the time of his testimony, Mr. Kawashima testified that TSE “is the current TSE futures options trading system terminal document, manual” that was prepared August of 1998 by the Tokyo Stock Exchange. Ex. 1019, 10. He further testified that the purpose of the manual was that “in 1998 we replaced the futures options trading system and so this new manual was prepared because there were changes to the way the trading terminals were operating.” *Id.* at 12. Mr. Kawashima further testified that the manual was distributed to participants who were “securities companies for banks who are able to carry out futures options trading at the TSE” and that the “manual was given to explain those changes” made with respect to the operation of the TSE trading system and terminals. *Id.* at 12, 14.

Contrary to Patent Owner's assertions, Petitioner does not assert that "TSE was distributed to traders." Prelim. Resp. 54. Rather, Petitioner asserts that TSE was distributed to *participants* in the Tokyo Stock Exchange. Pet. 11. Based on the evidence before us, the participants were securities companies for banks. The purpose of the manual was to alert the securities companies of changes to the way the trading terminals of the Tokyo Stock Exchange operated. Ex. 1019, 12, 14. Indeed, TSE is a manual that includes for example, in Chapter 2, instructions for terminal system configuration to enable a participant, such as a security company to connect to the Tokyo Stock Exchange. Ex. 1017, 10–25. Chapter 15, entitled "Response To A Problem" provides detailed explanations should a problem arise with terminal equipment, communication circuit difficulties, central system recovery difficulties, etc., along with in-house procured terminal problem handling instructions. *Id.* at 5. Thus, TSE is a manual that covers how to electronically connect to the Tokyo Stock Exchange.

The evidence before us supports us finding that TSE was made accessible to securities companies who would have employed technical support personnel, such as computer scientists and engineers, who would have needed a copy of the TSE manual to configure their own system to electronically communicate, and to continue to trade securities, with the Tokyo Stock Exchange. Thus, the securities companies would have included computer scientists and engineers as well as traders. We find that such persons who worked at the securities companies would have been "interested members of the relevant public."

Patent Owner's narrow focus on whether a GUI designer actually received TSE is misplaced. Prelim. Resp. 54. Our reviewing court has

explained that the inquiry is whether interested members of the relevant public could obtain the information if they wanted to; not whether such interested members actually received the information. *Constant*, 848 F.2d at 1569. As explained above, we do not find that interested members of the relevant public is limited to GUI designers, and Patent Owner has not shown sufficiently why we should find otherwise.

In any event, even assuming that interested members of the relevant public is limited to GUI designers, we find Mr. Kawashima's testimony that the securities companies were free to do whatever they wanted with their copies of the publication to be probative. Ex. 1019, 15. Based on the record before us, we find that such GUI designers could have located the TSE manual through reasonable diligence. No restrictions were placed on the 200 company recipients of the manual, such that they could freely share the document upon inquiry. That is all the law requires. It does not require a showing that interested members of the relevant public actually received the document. Thus, we are not persuaded by Patent Owner's arguments that Mr. Kawashima's testimony is suspect and not reliable because there is no corroborating evidence that TSE was obtained by, or distributed to, participants. *See, e.g., In re Hall*, 781 F.2d 897 (Fed. Cir. 1986).

Based on the record before us, at this preliminary juncture of the proceeding, we find the evidence sufficient to establish that TSE was publically accessible prior to the effective filing date of the '132 patent.

*b. Challenges*

With respect to claims 1, 8, and 14, Petitioner cites TSE as teaching each limitation of the claims. Petitioner acknowledges that "TSE does not teach that both the claimed 'setting' and 'sending' are achieved 'through a

single action of the user input device,” and cites Belden for this teaching. Pet. 63. As noted above, however, we do not read the claims as requiring “setting” and “sending” via the “single action.”

Patent Owner does not yet dispute the majority of Petitioner’s contentions regarding the alleged teachings of the references involved in the TSE challenges or the reasoning for their combination. Rather, at this stage of the proceeding, Patent Owner’s response to the TSE challenges only alleges that: (1) “TSE does not teach that a user can select part of a trade region in the Board Screen to send an order” (Prelim. Resp. 73–74); (2) due to an ambiguity in the translation of TSE, it is unclear whether the automatic updating of Board information actually occurs on the screen (*id.* at 57–59); and (3) “Belden lacks the claimed ‘selecting a particular area in the order entry region through single action . . . to set a plurality of additional parameters for the trade order and send the trade order to the electronic exchange” (*id.* at 71–72). This Decision addresses specifically only the portions of the TSE challenges that are addressed by Patent Owner.

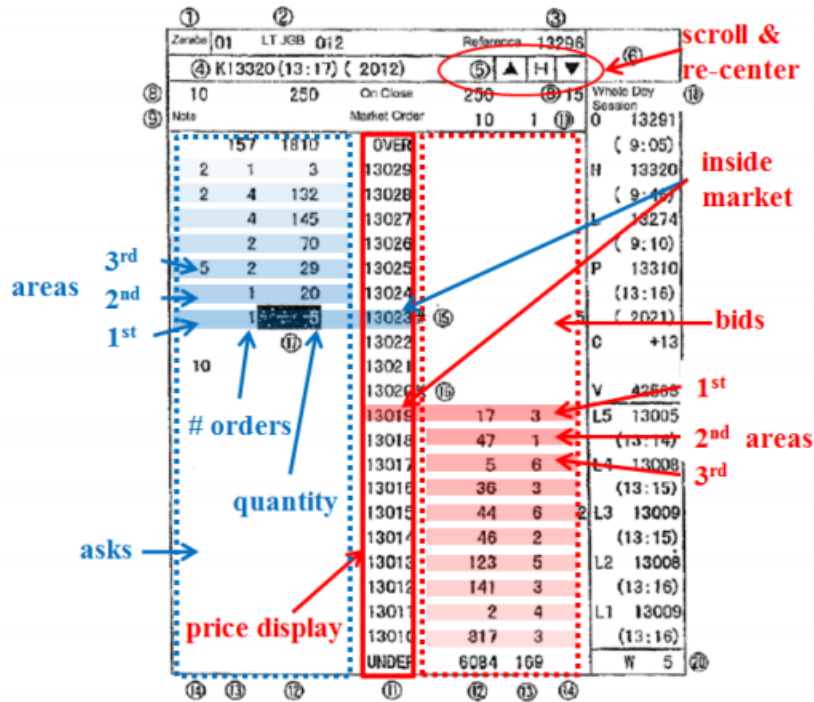
*i. “order entry region”*

Claims 1, 8, and 14 each recite an “order entry region” aligned with the static display prices and including a plurality of areas for receiving commands to send trade orders. Petitioner cites the figure on page 137<sup>11</sup> of TSE as illustrating an order entry region. Pet. 69. Petitioner contends that “[a]s depicted in Román’s FIG. C, the Board Screen (in Scroll Screen mode) displays at least one order entry region having a plurality of bids and asks” and explains that “Román’s FIG. C highlights three exemplary areas associated with bids and three exemplary areas associated with asks (‘1st,’

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<sup>11</sup> It appears that Petitioner intended to refer to page 107 of TSE.

[‘]2nd,’ and ‘3<sup>rd</sup>’)” with “[e]ach of the displayed bids and asks include[ing] an area that can receive commands from the user input device.” *Id.* The figure referred to as “Román’s FIG. C” is reproduced below.



**FIGURE C**

“Román’s FIG. C” is an annotated version of the figure illustrated on page 107 of TSE depicting a Board Screen, and is found at page 76 of the Román Declaration. Mr. Román’s annotations indicate the portions of the Board Screen considered to correspond to the claim elements.

TSE describes a trading system that facilitates trading with an electronic exchange by receiving bid and offer information, displaying it to a user, and accepting and sending bid and offer orders. Ex. 1017, 6–13, 35. A trading terminal displays a GUI for depicting market information on the Board Screen shown in “Román’s FIG. C” above. The Board Screen includes a central order price at column 11—a price display. *Id.* at 111. The

Board Screen can be placed in a “Scrolling Screen” mode where “the price display positions do not change automatically.” *Id.* at 115. TSE describes a number of ways to scroll the Board Screen to vertically scroll, including using the up/down scroll buttons, vertically moving the cursor, and pressing the up or down key on the keyboard. *Id.* at 116. To the left and right of order price column 11, at a location corresponding to price, are bid and offer indicators consisting of numbers representing the quantity of orders in respective columns 12, 13, and 14. *Id.* at 112. The Board Screen is automatically updated with new bid and offer information from a central system every three seconds. *Id.* at 91. TSE explains that “[t]he board information on each Board Screen is automatically updated even if it has been scrolled vertically.” *Id.* TSE describes a user entering an order by double-clicking at a location along the price axis, which automatically displays a pop-up window displaying the selected price. *Id.* at 134, 137. Clicking a send button sends an order to the exchange. *Id.* at 143.

Patent Owner acknowledges that in TSE “an Order Input Window is opened and . . . used to send an order.” Prelim. Resp. 73 (citing Ex. 1017, 137). The cited portion of TSE explains that the Order Input Window can be displayed by double-clicking on various areas of the Board Screen, including areas aligned with the price display, as illustrated on page 137 of TSE. Ex. 1017, 137. TSE further explains parameters can be automatically set in the Order Input Window as a result of the area selected with the double-click. *Id.* Patent Owner acknowledges that the Order Input Window “is used to send orders with a ‘send’ button.” Prelim. Resp. 74 (citing Ex. 1017, 137). It appears that Patent Owner’s contentions are based on TSE’s failure to send a trade order via the double-click.



Patent Owner's contentions are unpersuasive because, as noted above, we do not read the claims as requiring "sending" via the "single action" (i.e., the double-click in TSE).

*ii. translation issues*

Patent Owner's allegations regarding the alleged translation ambiguity are also unpersuasive. Patent Owner cites to an alleged discrepancy on page 116 of TSE (Prelim. Resp. 58), which Petitioner cites as describing automatically updating information on the Board Screen (Pet. 68). This, however, is not the only portion of TSE cited by Petitioner to support its contention. *See id.* (citing Ex. 1017, 91). Page 91 of TSE also states that "[t]he board information on each Board Screen is automatically updated even if it has been scrolled vertically." Patent Owner does not allege any ambiguity or error in the translation of page 91 of TSE. Accordingly, even if the translation on the pages of TSE identified by Patent Owner included the alleged ambiguity, we are not persuaded that such an ambiguity "is fatal to the TSE grounds" as Patent Owner contends. Prelim. Resp. 59.

*iii. "single action" limitations*

Patent Owner's contentions regarding Belden are based on an interpretation of the claims requiring "sending" via the "single action." *See* Prelim. Resp. 74–76. Patent Owner's contentions are not persuasive because, as explained above in our claim construction discussion, we do not read the claims as requiring "sending" via the "single action."

As noted above, at this stage of the proceeding, Patent Owner does not dispute Petitioner's contentions regarding the teachings of the asserted references relative to the other limitations in claims 1, 8, and 14 or those in dependent claims 2–7, 9–13, and 15–56, or Petitioner's rationale for

combining the teachings of the references asserted in the TSE challenges. We have reviewed Petitioner's contentions regarding those limitations and the rationale for their combination, and determine them to be sufficient for purposes of this decision.

Having considered the information provided in the Petition and the Preliminary Response, we are persuaded that Petitioner has demonstrated that it is more likely than not that the challenged claims are unpatentable under 35 U.S.C. § 103 based on the TSE challenges.

*E. Alleged Misuse of Covered Business Method Process and Previous Consideration of Proposed Combinations*

Patent Owner alleges that the filing of the Petition is a misuse of the covered business method process and argues that we should exercise our discretion to deny institution. Prelim. Resp. 20–26. According to Patent Owner, we should not institute covered business method patent review because: 1) we “should not condone the defendants’ misuse of [covered business method review] for litigation gamesmanship; and 2) because the grounds have been presented to the Board before, in proceedings Petitioners could have joined,” such as CBM2014-00135. *Id.* at 21–22. Patent Owner additionally argues that because the asserted references were previously considered in the original prosecution of the ’132 patent and in subsequent reexamination proceedings, we should use our discretion to deny the Petition on that basis. *Id.* at 59–71.

We are not persuaded by Patent Owner's argument that the Petition should be denied for an alleged abuse of process. Section 42.12 of our Rules provide that the Board *may* impose sanctions against a party for misconduct, including for abuse of process, and that sanctions may include dismissal of the petition. 37 C.F.R. § 41.12(a)(6),(b)(8). We are not persuaded that the

imposition of sanctions is appropriate here. Patent Owner does not proffer sufficient evidence to establish that Petitioner is abusing these proceedings as a vehicle for alleged litigation gamesmanship.

We also are not persuaded by Patent Owner's arguments that the Petition should be denied because similar grounds have been presented in CBM2014-00135 or because the asserted references were considered previously in the original prosecution of the '132 patent and the subsequent reexamination proceedings. Section 325(d) of the statute states: "In determining whether to institute or order a proceeding . . . the Director *may* take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office" (emphasis added). Section 325(d) provides that, if another proceeding involving the same patent is before the Office, the Board may terminate any such matter and that the Board may take into account whether the same or substantially the same prior art or arguments were previously presented to the Office.

We are not required by the statute to reject a petition based upon the fact that certain arguments were previously presented to the Office. Petitioner was not a party in CBM2014-00135, and Patent Owner identifies no reason why Petitioner should have been required to join that proceeding. With respect to Patent Owner's contentions regarding the original prosecution of the '132 patent and subsequent reexamination proceedings, as Petitioner notes, Petitioners did not have the opportunity to participate in either of those proceedings. Accordingly, based on the specific facts of this proceeding, we decline to exercise our discretion to deny the Petition.

*F. Real Party-in-Interest*

Patent Owner contends that the Petition fails to name all of the real-parties-in-interest as required by 35 U.S.C. § 322(a)(2). Prelim. Resp. 27–30. According to Patent Owner, CQG, Inc. and CQGT, LLC (collectively, “CQG”) are real-parties-in-interest that are not identified in the Petition and, thus, institution should be denied. *Id.* Patent Owner further contends that if CQG is a real-party-in-interest, the Petition is barred under 35 U.S.C. § 325(a)(1). *Id.* at 27 (citing *CQG v. Trading Techs.*, CBM2015-00058, Paper 12 (PTAB July 10, 2015)).

According to Patent Owner, the Petition “is part of a larger scheme of coordination” amongst the defendants in the related litigation. *Id.* at 28 (citing Ex. 2026). Both Petitioner and CQG are defendants in the related litigation and co-petitioners of related petitions for covered business method patent review. Patent Owner points to two statements made in a paper filed in the related litigation as evidence of the alleged coordination. *Id.* at 28 (citing Ex. 2017, 7–8; Ex. 2026, 2). Those statements are: “Defendants respectfully request a short period of time to coordinate on these PTAB actions” (Ex. 2026, 2); and “For CQG’s part, it is preparing to file CBMR petitions on the ’411, ’374, ’768, and ’724 patents in the next several weeks” (Ex. 2017, 7). Prelim. Resp. 28.

Patent Owner also contends that Petitioner “uses counsel shared with CQG in an earlier proceeding” and, as a result, “CQG at least partially funded this proceeding” because it “recycles the work from that [earlier] proceeding where CQG was admittedly an RPI.” Prelim. Resp. 29 (citing CBM2015-00179).

Whether a non-identified party is a real party-in-interest to a proceeding is a highly fact-dependent question. Office Patent Trial Practice Guide, 77 Fed. Reg. at 48,759 (citing *Taylor v. Sturgell*, 553 U.S. 880 (2008)). “A common consideration is whether the non-party exercised or could have exercised control over a party’s participation in a proceeding.” *Id.* “The concept of control generally means that ‘it should be enough that the nonparty has the actual measure of control or opportunity to control that might reasonably be expected between two formal coparties.’” *Id.* (quoting Charles Wright, et al., 18A Federal Practice & Procedure §§ 4449, 4451 (2d ed. 2011)).

We are not persuaded that Patent Owner’s evidence reasonably establishes that CQG is a real-party-in-interest in this proceeding. Initially we note that the ’132 patent is not included in the list of patents referenced by Patent Owner in Exhibit 2017. Moreover, Petitioner’s statements made in the papers filed in the related litigation, when read in context, do not establish sufficiently that CQG had control over the filing of the Petition in this proceeding. *See* Ex. 2017, 7; Ex. 2026, 2. The proffered statements were made with regards to a request, by the co-defendants, to continue a stay in the related district court litigation (Ex. 2017, 7; Ex. 2026, 2) and do not establish sufficiently Patent Owner’s alleged “larger scheme of coordination.” Status as a co-defendant of a joint defense group is insufficient to establish that CQG had control over the filing of the Petition in this proceeding. Office Patent Trial Practice Guide, 77 Fed. Reg. at 48,760.

Even if Petitioner recycled portions of the petition and evidence from CBM2015-00179 as Patent Owner alleges, that does not establish

sufficiently that CQG had control over the filing of the Petition in this proceeding. Initially, we note that Petitioner is a party in CBM2015-00179. Further, the allegedly recycled material from CBM2015-00179 was publicly accessible (with the petition in that proceeding filed on September 2, 2015) prior to the filing of the Petition in this proceeding. On this record, Patent Owner has not directed us to sufficient evidence to question whether CQG had any control over Petitioner's decision to use material used in CBM2015-00179. *See JP Morgan Chase & Co. v. Maxim Integrated Product, Inc.*, CBM2014-00179, slip op. at 6–13 (PTAB Feb. 20, 2015) (Paper 11) (determining that a substantial resubmission of a petition filed in an original proceeding, alone, was not a sufficient basis for determining that a co-petitioner in the original proceedings was a real-party-in-interest in the later proceeding).

On this record, we are not persuaded that CQG is a real-party-in-interest in this proceeding.

## CONCLUSION

For the foregoing reasons, we determine that the information presented in the Petition establishes that it is more likely than not that Petitioner would prevail in establishing the unpatentability of claims 1–56 of the '132 patent.

The Board has not made a final determination on the patentability of any challenged claims.

ORDER

For the reasons given, it is:

ORDERED that a covered business method patent review is instituted  
as to:

- A. Claims 1–56 as being directed to patent ineligible subject matter under 35 U.S.C. § 101;
- B. Claims 1–3, 7–10, 14–16, 20–28, 30–38, 40–48, and 50–56 as being unpatentable under 35 U.S.C. § 103 over TSE and Belden;
- C. Claims 4, 11, and 17 as being unpatentable under 35 U.S.C. § 103 over TSE, Belden, and May; and
- D. Claims 5, 6, 12, 13, 18, 19, 29, 39, and 49 as being unpatentable under 35 U.S.C. § 103 over TSE, Belden, and Gutterman.

FURTHER ORDERED that pursuant to 35 U.S.C. § 324(d) and 37 C.F.R. § 42.4, notice is hereby given of the institution of a trial; the trial commencing on the entry date of this Order.

CBM2015-00182  
Patent 6,772,132 B1

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