

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AUTODESK, INC.
Petitioner

v.

UNILOC USA, INC. and UNILOC LUXEMBOURG S. A.
Patent Owner

Case CBM2016-00043
U.S. Patent 8,515,820 B2

PATENT OWNER'S NOTICE OF APPEAL

via PTAB E2E
Patent Trial and Appeal Board

via Priority Express Mail
Director of the United States Patent & Trademark Office
c/o Office of the General Counsel
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

via CM/ECF
United States Court of Appeals for the Federal Circuit

Pursuant to 35 U.S.C. §§ 141(c), 142, 319; 37 C.F.R. §§ 90.2(a), 90.3(a) and Federal Circuit Rule 15, notice is hereby given that Uniloc USA, Inc. and Uniloc Luxembourg S.A. (“Patent Owner”) appeals to the United States Court of Appeals for the Federal Circuit from the Written Decision (Paper 15) entered by the Patent Trial and Appeal Board on September 11, 2017 in covered business method review case no. CBM2016-00043 and from all underlying orders, decisions, rulings, and opinions regarding Patent Owner’s U.S. Patent No. 8,515,820 (“the ’820 Patent”), including, without limitation, the Decision – Institution of Covered Business Method Patent Review (Paper 7) entered on September 21, 2016. This notice is timely filed within sixty-three (63) days of the Board’s Final Written Decision. 37 C.F.R. § 90.3(a)(1).

In accordance with 37 C.F.R. §§ 90.2(a)(3)(ii), Patent Owner’s issues on appeal may include, without limitation, (i) the Patent Trial and Appeal Board’s finding that that the ’820 patent is a covered business method patent under AIA § 18(d)(1); (ii) the institution of Covered Business Method Patent Review of the ’820 Patent; (iii) the Patent Trial and Appeal Board’s claim construction; (iv) the Patent Trial and Appeal Board’s finding that that claims 1, 2, 4–7, and 12–19 of the ’820 Patent are unpatentable under 35 U.S.C. § 101 for lack of patent-eligible subject matter; and (v) any findings or determinations supporting or related to the aforementioned issues as well as all other issues decided adversely to Patent Owner

in any orders, decisions, or rulings in CBM2016-00043.

Simultaneously with this submission, Patent Owner is filing a true and correct copy of this Notice of Appeal with the Director of the United States Patent and Trademark Office and with the Clerk of the United States Court of Appeal for the Federal Circuit, along with the required filing fee, as set forth in Federal Circuit Rule 52.

Date: November 13, 2017

Respectfully submitted,

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CERTIFICATE OF SERVICE AND FILING

Pursuant to 37 C.F.R. §§ 90.2, the undersigned hereby certifies that, on November 13, 2017, in addition to being filed and served electronically through the Board's E2E System, a true and correct copy of the foregoing Patent Owner's Notice of Appeal was delivered by Priority Express Mail to the Director of the United States Patent and Trademark Office at the following address:

Director of the United States Patent & Trademark Office
c/o Office of the General Counsel
United States Patent and Trademark Office
P.O. Box 1450
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The undersigned further certifies that, on November 13, 2017, an electronic copy of the foregoing Patent Owner's Notice of Appeal, along with the required docketing fee, was submitted electronically with the United States Court of Appeals for the Federal Circuit.

The undersigned further certifies that, on November 13, 2017, a true and correct copy of the foregoing Patent Owner's Notice of Appeal was served by electronic mail on the following:

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UNILOC USA, INC. AND UNILOC LUXEMBOURG, S.A.,
Patent Owner.

Case CBM2016-00043
Patent 8,515,820 B2

Before RAMA G. ELLURU, MATTHEW R. CLEMENTS,
and CHRISTOPHER M. KAISER, *Administrative Patent Judges*.

KAISER, *Administrative Patent Judge*.

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

INTRODUCTION

A. Background

Autodesk, Inc. (“Petitioner”) filed a Petition (Paper 2, “Pet.”) requesting a covered business method patent review of claims 1–20 of U.S. Patent No. 8,515,820 B2 (Ex. 1001, “the ’820 patent”). Pursuant to 35 U.S.C. § 324(a), we determined that the Petition showed that it was more likely than not that at least one of the challenged claims was unpatentable, and we instituted this covered business method patent review. Paper 7 (“Inst. Dec.”). After institution, Uniloc USA, Inc. and Uniloc Luxembourg S.A. (“Patent Owner”) filed a Patent Owner Response. Paper 9 (“Resp.”). Petitioner filed a Reply. Paper 10 (“Reply”). An oral hearing was held before the Board. Paper 14 (“Tr.”).

We issue this Final Written Decision pursuant to 35 U.S.C. § 328(a) and 37 C.F.R. § 42.73. Having considered the record before us, we determine that Petitioner has shown by a preponderance of the evidence that each of the challenged claims is unpatentable.

B. Related Matters

The parties identify related district court litigation, *Uniloc USA, Inc. and Uniloc Luxembourg, S.A. v. Autodesk, Inc.*, No. 2:15-cv-01187-JRG-RSP (E.D. Tex.). Pet. 50; Paper 5, 2. Petitioner also challenges the claims of U.S. Patent No. 7,783,523 B2, which is related to the ’820 patent, in concurrently filed CBM2016-00042.

C. The Instituted Ground of Unpatentability

Petitioner contends that claims 1–20 of the ’820 patent are unpatentable for lack of patent-eligible subject matter under 35 U.S.C. § 101. Pet. 25–50. Petitioner’s arguments rely on a Declaration from

Dr. Philip Greenspun. Ex. 1002 (“the Greenspun Declaration” or “Greenspun Decl.”).

D. The '820 Patent

The '820 patent relates to “[a] method and system for a rapid and automated creation of a price schedule.” Ex. 1001, at [57]. During the design phase of construction projects, “construction plan drawings are generated.” *Id.* at 1:15–16. Although these drawings are “usually [generated] with a computer-implemented tool, such as an architectural CAD (Computer Aided Design) software product,” the estimation of the cost of the construction project typically is done “in a completely separate process.” *Id.* at 1:16–22. According to the '820 patent, “[t]his separate process . . . adds a significant amount of time and effort to the process of generating a construction job price.” *Id.* at 1:23–25. This process also has the disadvantage of generating a price that is difficult to revise if it “needs to be changed, for example, due to cost overruns, competitive bidding and/or other factors.” *Id.* at 1:30–35.

The '820 patent describes an improvement on this process that involves “using a plug-in (or add-on) computer software code component that has an ability to work within . . . an architectural CAD (Computer Aided Design) software product.” *Id.* at 46:31–34. The user selects a “construction . . . element,” “such as a window, an acrylic glass block, a door and/or a skylight,” and the construction element is “inset into the building . . . plans via one or more selected parametric symbols that are . . . present in the plug-in.” *Id.* at 46:41–45. “Each parametric symbol . . . adds a . . . representation of the associated (corresponding) construction product to the construction plans.” *Id.* at 46:49–52. This allows a “final price” to be

“calculated by an online . . . database” for each selected construction element. *Id.* at 46:53–57. This price may “include a price comparison . . . between different available manufacturers . . . within a selected” geographical area, which allows “a user [to] procure ‘the’ best or most competitive price for [each] selected construction product.” *Id.* at 46:58–66. Finally, “a price schedule that includes the foregoing costs [can] be created . . . by the . . . database . . . , and then the price schedule [can] be inset directly into the building . . . plans by the plug-in.” *Id.* at 47:14–20.

The ’820 patent makes clear that the actual implementation of these components is not critical. *See, e.g., id.* at 78:12–15 (“those of ordinary skill in the art will recognize numerous variations, modifications and substitutions of that which has been described and illustrated which can be made, and which are within the scope and spirit of the invention”). In addition, “[a]ll of the materials and equipment that are employed in the methods and systems of the [invention of the ’820 patent] are commercially available from sources that are known by those of ordinary skill in the art.” *Id.* at 78:6–9.

E. Illustrative Claim

Of the challenged claims in the ’820 patent, claims 1, 4, 7, 12, 13, 14, 16, and 19 are independent, and claim 1 is illustrative. It recites:

1. A non-transitory computer readable medium usable by a computer that includes a processor and a memory, the medium comprising:
an add-on computer software code that runs as an internal component within a software design tool on the computer,
wherein execution of the add-on computer software code by the processor causes the computer to generate a price schedule for a construction plan file created by the software design tool, the

construction plan file including one or more construction plan elements, by at least:

transmitting data corresponding to the one or more construction plan elements from the computer to a database storing current pricing data for construction materials;

receiving from the database pricing data for the one or more construction plan elements; and

generating the price schedule from the received pricing data.

Ex. 1001, 78:43–60.

ANALYSIS

A. *Claim Construction*

In a covered business method patent review, we construe claim terms in an unexpired patent according to their broadest reasonable construction in light of the specification of the patent in which they appear. 37 C.F.R. § 42.300(b); *see Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2144 (2016) (upholding the use of the broadest reasonable interpretation standard). Claim terms also generally are given their ordinary and customary meaning, as would be understood by one of ordinary skill in the art in the context of the entire disclosure. *In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007). An inventor may define specific terms used to describe an invention, but must do so “with reasonable clarity, deliberateness, and precision” and must “set out his uncommon definition in some manner within the patent disclosure’ so as to give one of ordinary skill in the art notice of the change” in meaning. *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994) (quoting *Intellicall, Inc. v. Phonometrics, Inc.*, 952 F.2d 1384, 1387–88 (Fed. Cir. 1992)).

Petitioner proposes a construction for “add-on computer software code.” Pet. 22. Patent Owner proposes constructions both for “add-on computer software code” and for “price schedule.” Resp. 42–43.

1. Add-On Computer Software Code

Both parties propose construing “add-on computer software code,” a term that appears in every challenged claim. Ex. 1001, 78:43–82:36. Petitioner argues that this term should be interpreted as a “set of computer code that cannot be run independently from a parent program.” Pet. 22. Patent Owner argues that the term should be interpreted as “set of computer code that is designed to run within a parent computer software application or code, particularly architectural CAD software (or another architectural, civil, industrial, or other software design tool), as an internal component.” Resp. 42–43. We agree with Patent Owner. Patent Owner’s construction is taken directly from the written description of the ’820 patent, which provides a reasonably clear, deliberate, and precise definition of the term. *See Paulsen*, 30 F.3d at 1480; Ex. 1001, 61:42–51 (“The plug-in (add-on) computer software code is . . .”). To the extent that Petitioner’s proposed construction seeks to limit add-on software code further by requiring that the software code be incapable of running independently from a parent program, as opposed merely to being designed to run within the parent program as an internal component, this further limitation is inconsistent with the lexicography undertaken by the patentee of the ’820 patent. Accordingly, we construe “add-on computer software code” as a “set of computer code that is designed to run within a parent computer software application or code, particularly architectural CAD software (or another architectural, civil, industrial, or other software design tool), as an internal component.”

2. *Price Schedule*

The term “price schedule” appears in all the challenged claims of the ’820 patent. Ex. 1001, 78:43–82:36. The term appears in limitations reciting “wherein execution of the add-on computer software code by the processor causes the computer to generate a price schedule” (claims 1, 4, 7, 12, 13, and 16) as well as in limitations reciting “generating the price schedule from [or based on] the received pricing data.” *Id.* Patent Owner argues that this term should be construed as

editable or noneditable schedule, spreadsheet, table and/or the like that includes pricing data and/or information that corresponds with one or a plurality of construction plan (or other) elements and/or parametric symbols, and one or a plurality of selected characteristics that correspond with the various construction plan (or other) elements and/or parametric symbols, such as height, width, color, quality and/or the like.

Resp. 43. Petitioner does not propose a construction, but, as discussed more fully below, the parties disagree about the extent to which the term “price schedule” requires collecting, analyzing, and displaying information relating to the price of construction plan elements, as opposed to non-price information about those elements. *Id.* at 13–15; Reply 7–9.

Patent Owner’s proposed construction parrots the text of the definition offered in the written description of the ’820 patent. Ex. 1001, 38:36–44. Moreover, this is also the construction given to “price schedule” by the District Court in the related infringement litigation. Ex. 2013, 21–23. Thus, we would be inclined to adopt this construction if it were reasonably clear, deliberate, and precise. *Paulsen*, 30 F.3d at 1480. However, this construction does not address whether a price schedule under this definition requires “pricing data.” Under this definition, a price schedule must include

“one or a plurality of selected characteristics that correspond with” the symbols or elements that make up the construction plan drawing, and it must also include “pricing data and/or information that corresponds with” the symbols or elements that make up the construction plan. Patent Owner argues that “pricing” modifies only “data,” such that this second requirement can be satisfied by the inclusion of non-pricing “information that corresponds with” the construction plan symbols or elements. Resp. 14–15; Tr. 31:8–34:11. But it is also possible that “pricing” in “pricing data and/or information” modifies both “data” and “information,” such that the phrase means “data and/or information” that relates to pricing. Because the inventor’s lexicography is unclear on this point, we cannot simply adopt it as the interpretation of “price schedule.”

Although Patent Owner argues that the definition of “price schedule” does not require the inclusion of pricing data, Resp. 14–15, we disagree. The definition requires a schedule “that includes pricing data and/or information that corresponds with one or a plurality of construction plan (or other) elements and/or parametric symbols.” Ex. 1001, 38:36–44. The District Court interpreted this as allowing a price schedule that “does not [have] pricing data for each parametric symbol (or element) so long as it includes pricing data that corresponds with one or a plurality of symbols (or elements).” Ex. 2013, 22. That is, under the District Court’s construction, a price schedule may or may not have pricing data for each and every individual parametric symbol or element, but it must have some pricing data that corresponds with at least one symbol or element.

Moreover, as noted above, the challenged claims require “generating the price schedule from the received pricing data” (claims 1, 7,¹ 13, 16, and 19) or “generating a price schedule based on the received pricing data” (claim 4). *Id.* at 78:43–82:36. Claim 12 does not necessarily require the presence of pricing data, but it requires the generation of a price schedule by “generating a schedule indicating . . . pricing data” when such data is available. *Id.* at 80:9–30. Patent Owner does not explain how a schedule that does not include pricing data could indicate that data or be generated “from” or “based on” that data.

Given the definition in the written description of the ’820 patent and the claim limitations that require the indication of pricing data on the price schedule or the use of pricing data to generate the price schedule, we interpret “price schedule” as “editable or non-editable schedule, spreadsheet, table and/or the like that includes pricing data and/or pricing information that corresponds with one or a plurality of construction plan (or other) elements and/or parametric symbols, and one or a plurality of selected characteristics that correspond with the various construction plan (or other) elements and/or parametric symbols, such as height, width, color, quality and/or the like.” We note further that this construction requires the presence in the price schedule of both “pricing data and/or pricing information that corresponds with selected parametric symbols” and “selected characteristics that correspond with selected parametric symbols.”

¹ Claim 7 requires both “generating a first price schedule” and “generating a second price schedule from the received . . . set[s] of pricing data.” Ex. 1001, 79:51–56.

As noted above, our construction differs from the construction given this term by the District Court. Specifically, our construction requires “pricing data and/or pricing information,” and the District Court construction requires “pricing data and/or information.” Ex. 2013, 21–23. We do not, however, understand this difference in language as reflecting any difference in scope. As discussed above, the District Court made clear that its construction required “pricing data that corresponds with one or a plurality of symbols (or elements).” *Id.* at 22. Accordingly, the District Court did not read “pricing data and/or information” as permitting the inclusion of only non-pricing information. Our language, which changes “pricing data and/or information” to “pricing data and/or pricing information,” merely clarifies that this is the appropriate reading of the phrase.

3. *Pricing Data and/or Pricing Information*

As noted above, we construe “price schedule” as requiring the presence of “pricing data and/or pricing information.” Thus, a proper construction of “price schedule” requires understanding the scope of “pricing data and/or pricing information.” Neither party expressly proposes construing this term, but the parties’ dispute over whether price schedules must contain information about the prices of construction plan elements may be understood principally as a dispute over whether “pricing data and/or pricing information” must contain data or information about prices, or whether it also could be data or information related only to the non-price characteristics of construction plan elements. Accordingly, we consider it proper to construe this term. *O2 Micro Int’l Ltd. v. Beyond Innovation Tech.*

Co., 521 F.3d 1351, 1361–62 (Fed. Cir. 2008) (it is error to fail to resolve the scope of the claims during claim construction).

We are persuaded that “pricing data and/or pricing information” must contain data or information regarding prices. As noted above, we construe “price schedule” as requiring both “pricing data and/or pricing information” and “one or a plurality of selected characteristics that correspond with the various construction plan (or other) elements and/or parametric symbols, such as height, width, color, [or] quality.” Construing “pricing data and/or pricing information” as merely “data and/or information” unrestricted to pricing would render these two separate requirements redundant. Thus, “pricing data and/or pricing information” must be more limited in scope. The only indication of how the scope of this term should be limited is the use of the word “pricing” to modify “data” and “information.” The ’820 patent does not define “pricing,” but it does define the similar term “price.” Ex. 1001, 38:22–35. That term “means the actual cost at which a material, good, item or product . . . is procured or obtained, typically as a result of a purchaser . . . purchasing the same from a seller.” *Id.* at 38:22–28. Accordingly, we interpret “pricing data and/or pricing information” as “data and/or information relating to the actual cost at which a material, good, item, or product is procured or obtained.”

B. Statutory Disclaimer

During the pendency of this proceeding, Patent Owner filed a disclaimer pursuant to 35 U.S.C. § 253(a) and 37 C.F.R. § 1.321(a). Ex. 2014. According to this disclaimer, Patent Owner disclaims claims 3, 8–11, and 20 of the ’820 patent. *Id.*; *see also* Resp. 1 (“Contemporaneously with the filing of this Response, Patent Owner is disclaiming claims 3, 8, 9, 10,

11, and 20 of the '820 Patent.”). Our rules provide for entry of adverse judgment against a Patent Owner who disclaims “a claim such that the party has no remaining claim in the trial.” 37 C.F.R. § 42.73(b)(2). Although Patent Owner does not disclaim all the challenged claims, and although Patent Owner therefore has some claims remaining in this trial, we construe the disclaimer of claims 3, 8–11, and 20 as a request for the entry of adverse judgment solely with respect to those claims. We grant the request and enter adverse judgment with respect to claims 3, 8–11, and 20.

C. Covered Business Method Patent

Section 18 of the AIA provides for the creation of a transitional program for reviewing covered business method patents. A “[c]overed 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; Final Rule, 77 Fed. Reg. 48,734, 48,736 (Aug. 14, 2012) (“CBM Rules”) (Comment 8).

1. Financial Product or Service

Petitioner asserts that claim 1 “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,” AIA § 18(d)(1), because it is directed to pricing products. Pet. 13–14; Reply 2–3. Patent Owner argues that “if the elements which satisfy the CBM

definition do not appear in the claims, the patent does not claim a covered business method” and that “the challenged claims do not contain a single element related to a ‘financial product or service.’” Resp. 12. Instead, argues Patent Owner, “the claims of the ’820 Patent are directed toward CAD drawings and CAD software [that] functions . . . internally within the CAD software.” *Id.* at 8–9. Further, Patent Owner argues that the claim limitations related to “pricing data” and “price schedule[s]” do not constitute “data processing . . . used in the practice, administration, or management of a financial product or service.” *Id.* at 13–15.

In deciding CBM eligibility, “‘financial product or service’ should be interpreted broadly.” *Unwired Planet, LLC v. Google Inc.*, 841 F.3d 1376, 1380 n.6 (Fed. Cir. 2016).² “[B]roadly” in this context, however, does not mean without limits. As the Federal Circuit explained, “[t]he plain text of the statutory definition contained in § 18(d)(1)—‘performing . . . operations used in the practice, administration, or management of a financial product or service’—on its face covers a wide range of *finance-related activities*.” *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1325 (Fed. Cir. 2015) (emphasis added). Although the range of “finance-related activities” encompassed by the phrase “financial product or service” is broad, “it cannot be the case that a patent covering a method and corresponding apparatuses becomes a CBM patent because its practice could involve a

² Our Institution Decision in this proceeding was issued before the Federal Circuit issued its decisions in *Unwired Planet* and *Secure Access*. Because those decisions clarified the requirements for CBM eligibility, and because the parties presented arguments during the trial phase of this proceeding directed to CBM eligibility, we once again consider here the issue of whether the ’820 patent is eligible for CBM review.

potential sale of a good or service.” *Unwired Planet*, 841 F.3d at 1382. Instead, the *claims must be directed to* a method or apparatus “used in the practice, administration, or management of a financial product or service.” *Id.* In other words, “the statutory definition of a CBM patent requires that the patent have a claim that contains, however phrased, a financial activity element.” *Secure Access, LLC v. PNC Bank Nat’l Assoc.*, 848 F.3d 1370, 1381 (Fed. Cir. 2017); *see also Blue Calypso, LLC v. Groupon, Inc.*, 815 F.3d 1331, 1340 (Fed. Cir. 2016) (stating that “§ 18(d)(1) directs us to examine *the claims* when deciding whether a patent is a CBM patent”). Accordingly, we agree with Patent Owner that the determination of whether a patent satisfies the “financial product or service” element of the CBM eligibility test must focus on whether the claims recite a limitation that requires (as opposed to merely and incidentally encompassing) something financial in nature.

We agree with Petitioner, however, that the claims of the ’820 patent contain such a limitation. Each challenged claim recites “add-on computer software code” the execution of which “causes the computer to generate a price schedule.” Ex. 1001, 78:43–82:36. As discussed above, we construe “price schedule” as “editable or non-editable schedule, spreadsheet, table and/or the like that includes pricing data and/or pricing information that corresponds with one or a plurality of construction plan (or other) elements and/or parametric symbols, and one or a plurality of selected characteristics that correspond with the various construction plan (or other) elements and/or parametric symbols, such as height, width, color, quality and/or the like.” Thus, every claim of the ’820 patent requires the creation of a schedule “that includes pricing data and/or pricing information that corresponds with one or

a plurality of construction plan (or other) elements and/or parametric symbols.” As also discussed above, we interpret the phrase “pricing data and/or pricing information” in this definition as referring to data or information about prices. Accordingly, every claim of the ’820 patent requires the creation of a schedule that includes data or information about prices, where that data or information corresponds with selected parametric symbols.

Thus, the claims of the ’820 patent recite a system that locates and retrieves data from a database, where that data consists of data or information relating to the prices of items. The data is used to generate a schedule that correlates the symbols for those items, the prices of those items, and other characteristics of those items. A “method for determining a price of a product” “fall[s] well within the terms of the statutory definition of a ‘covered business method patent.’” *Versata Dev. Grp.*, 793 F.3d at 1325–26. We are persuaded, therefore, that the claims of the ’820 patent recite “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.” AIA § 18(d)(1).

2. *Exclusion for Technological Inventions*

Petitioner asserts that the claims of the ’820 patent do not fall within § 18(d)(1)’s exclusion for “technological inventions.” Pet. 14–21; Reply 11–17. In particular, Petitioner argues that claim 1 does not claim “subject matter as a whole [that] [i] recites a technological feature that is novel and unobvious over the prior art[] and [ii] solves a technical problem using a technical solution.” Pet. 14 (quoting 37 C.F.R. § 42.301(b)) (second and fourth alterations in original). Patent Owner disagrees and argues that claim

1, as a whole, recites at least one technological feature that is novel and unobvious over the prior art. Resp. 19–41.

In our Institution Decision, we concluded that at least claim 1 of the '820 patent does not recite a technological feature that is novel and unobvious over the prior art. Inst. Dec. 9–11. Patent Owner argues that conclusion was incorrect because there is no evidence that any claim of the '820 patent is non-novel or obvious. Resp. 21–39. We do not find this argument persuasive. Proof of CBM eligibility does not require proof of the lack of novelty or the obviousness of the claims being challenged in the CBM proceeding. If this were the case, there would be no need for a trial on the merits in CBM proceedings. Instead, the proof of unpatentability necessary to institute a trial would be sufficient to resolve the trial at its outset. The fact that CBM proceedings are required to “employ the standards and procedures of[] a post-grant review under chapter 32 of title 35, United States Code,” AIA § 18(a)(1), and that those procedures include both an institution decision, 35 U.S.C. § 324, and a final decision, 35 U.S.C. § 328, means that CBM proceedings are not intended to operate in the manner that Patent Owner suggests.

In any case, we need not decide whether the claims of the '820 patent recite a technological feature that is novel and unobvious over the prior art. Even assuming they do, under our rules, a technological invention both recites such a technological feature and “solves a technical problem using a technical solution.” 37 C.F.R. § 42.301(b). Although the solution offered by the claims of the '820 patent may be technical, the problem solved by those claims is not. Patent Owner argues otherwise, contending that the problem solved is “the technical problem of gathering and collecting

characteristics of the construction plan elements of a CAD drawing in a real-time or current timeframe and providing this current information to a user while interacting internally with the software design tool.” Resp. 39–40. But this conflates the solution offered by the claims with the problem that the solution is intended to solve. Claims 1–18 recite “[a] non-transitory computer readable medium” containing “an add-on computer software code” whose execution “causes the computer to generate a price schedule” by carrying out particular recited steps. Ex. 1001, 78:43–82:2. Claims 19 and 20 recite “[a] system for creating a pricing schedule.” *Id.* at 82:4–36. This suggests that the problem those claims intend to solve is the problem of creating a price schedule. This is supported by the Specification of the ’820 patent, which states that “[i]t was a goal of the present invention to solve the . . . problems” of quickly and efficiently generating a price schedule to support the goal of determining a firm price, as opposed to a mere price estimate, of a construction project. *Id.* at 1:61–62. The challenged claims of the ’820 patent do not recite a technological invention at least because they do not solve a technical problem. Accordingly, the ’820 patent is eligible for a covered business method patent review.

3. *Conclusion*

In view of the foregoing, we conclude that the ’820 patent is a covered business method patent under AIA § 18(d)(1) and is eligible for review under the transitional covered business method patent program.

D. Statutory Subject Matter

Petitioner challenges claims 1, 2, 4–7, and 12–19 as directed to patent-ineligible subject matter under 35 U.S.C. § 101.³ Pet. 23–50; Reply 17–23. Analyzing the challenged claims using the two-step framework established by *Alice Corp. Pty, Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347 (2014), Petitioner asserts that all the challenged claims are directed to an abstract idea without additional elements that transform the claims into a patent-eligible application of that idea. *Id.* Specifically, Petitioner argues that the challenged claims are directed to the abstract idea of “calculating the price of construction plan elements [or] generating a price schedule for those elements.” Pet. 25. Patent Owner argues that this characterization of the claimed invention is too “highly generalized” to satisfy *Alice*, which, according to Patent Owner, “cautioned against reducing the patent claims to a strained, high level of generality, because all inventions can be reduced to an abstract core.” Resp. 47–49. Patent Owner also argues that, even if the claims of the ’820 patent are directed to an abstract idea, the claims are limited to a patent-eligible application of that idea. *Id.* at 49–50.

Under 35 U.S.C. § 101, we first must 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, 713–714 (Fed. Cir. 2014). Here, each of the challenged claims recites either a “manufacture” or a “machine” under § 101. Claims 1–18 recite a “non-transitory computer

³ As noted above, Petitioner challenges claims 1–20, but Patent Owner has requested, and we enter, adverse judgment as to claims 3, 8–11, and 20. Accordingly, we address here only claims 1, 2, 4–7, and 12–19.

readable medium,” which is a type of “manufacture,” while claims 19 and 20 recite a “system,” which is a type of “machine.” Ex. 1001, 78:43–82:36. Section 101, however, “contains an important implicit exception [to subject matter eligibility]: Laws of nature, natural phenomena, and abstract ideas are not patentable.” *Alice*, 134 S. Ct. at 2354 (citing *Assoc. for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2116 (2013) (internal quotation marks omitted)). We must determine if Petitioner has met its burden to show that the challenged machine and manufacture claims fall within one of the implicit exceptions to patentable subject matter.

In *Alice*, the Supreme Court reiterated the framework set forth previously in *Mayo Collaborative Servs. v. Prometheus Labs.*, 566 U.S. 66, 70 (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.* If so, the second step in the analysis is to consider the elements of the claims “individually and ‘as an ordered combination’” to determine whether there are additional elements that “‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (quoting *Mayo*, 566 U.S. at 79, 78). In other words, the second step is to “search for an ‘inventive concept’—*i.e.*, an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Id.* (alteration in original) (quoting *Mayo*, 566 U.S. at 72–73).

1. Alice Step One

The first step of the *Alice* framework “is a meaningful one,” and “a substantial class of claims are *not* directed to a patent-ineligible concept.” *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016). The mere fact that claims are directed to software does not mean that they necessarily are directed to a patent-ineligible concept. *Id.* (“claims directed to software . . . are [not] inherently abstract and therefore [are not] only properly analyzed at the second step of the *Alice* analysis”). Accordingly, we must evaluate the claims here with respect to the first step of the *Alice* framework, rather than proceeding directly to the second step. *Id.* For claims directed to computer software, we carry out the first step of the *Alice* analysis by “ask[ing] whether the focus of the claims is on [a] specific asserted improvement in computer capabilities . . . or, instead, on a process that qualifies as an ‘abstract idea’ for which computers are invoked merely as a tool.” *Id.* at 1335–36.

As discussed above, the ’820 patent describes solving problems with the generation of cost estimates of construction projects, including that the process takes significant time and effort, that the estimates produced are difficult to revise, and that the estimates can be inaccurate, leading to cost overruns and difficulties obtaining construction loans. Ex. 1001, 1:15–62. The claims recite a computer readable medium or system for automating the process of generating a price schedule, which is used to develop the overall project cost estimate. *Id.* at 78:43–82:36. In so doing, the claims do not recite any “specific asserted improvement in computer capabilities,” such as the “self-referential table for a computer database” in *Enfish*, 822 F.3d at 1336. Instead, the claims of the ’820 patent “invoke[]” known aspects of

computer technology, including “[a] non-transitory computer readable medium,” “a computer that includes a processor and a memory,” “an add-on computer software code,” “a software design tool,” and “a database,” “merely as a tool” for solving the problem of improving the known process of generating construction project cost estimates. *Id.*; Ex. 1001, 78:43–60. Accordingly, the claims of the ’820 patent are not like those considered in *Enfish*, where the claims were determined at the first step of the *Alice* framework not to be directed to abstract ideas because they were directed to “[a] specific asserted improvement in computer capabilities.” 822 F.3d at 1336.

Instead, Petitioner has shown by a preponderance of the evidence that the challenged claims of the ’820 patent are focused “on a process that qualifies as an ‘abstract idea.’” *Id.* The ’820 patent makes clear that the heart of the claimed subject matter is generating prices for construction projects, a process that can be accomplished without automation technology. Ex. 1001, 1:15–62. The claims themselves recite “[a] non-transitory computer readable medium [that] causes [a] computer to generate a price schedule” and “[a] system for creating a pricing schedule.” *Id.* at 78:43–51, 82:4. As discussed above, the computer technology recited in the claims is used merely as a tool to automate the process of determining the price of a construction project. Determining a price is an abstract idea. *See Versata Dev. Grp.*, 793 F.3d at 1333–34 (Fed. Cir. 2015). Thus, on the current record, Petitioner has made a sufficient showing that the claims of the ’820 patent are directed to an abstract idea under the first step of the *Alice* analysis.

We are not persuaded otherwise by Patent Owner’s arguments. Patent Owner argues first that “*Alice* . . . cautioned against reducing the patent claims to a strained, high level of generality.” Resp. 48. Patent Owner is correct in its summary of the case law, but we are not persuaded that characterizing the challenged claims as directed to the abstract idea of creating a price schedule reduces them to a strained, high level of generality. As noted above, the challenged claims actually recite this function, claiming a “system for creating a pricing schedule” or an “add-on computer software code” whose execution “causes the computer to generate a price schedule.” Ex. 1001, 78:43–82:36.

Nor are we persuaded by Patent Owner’s argument that, because the challenged claims recite some limitations that require the use of a computer, the claimed method could not have been performed with pen and paper. Resp. 48–49. We note that Patent Owner is correct that the challenged claims recite, for example, “a computer that includes a processor and a memory” and “add-on computer software code that runs as an internal component within a software design tool.” Ex. 1001, 78:43–60. But the presence of some technological components within the challenged claims does not necessarily mean that the claims survive the first step of the *Alice* analysis. If so, there would be no need for the second step. Instead, because “the focus of the claims [of the ’820 patent] is . . . on a process that qualifies as an ‘abstract idea,’” we must proceed to the second step of the *Alice* analysis. *Enfish*, 822 F.3d at 1336.

2. *Alice Step Two*

Turning to the second step of the analysis, we look for additional elements that can “transform the nature of the claim” into a patent-eligible

application of an abstract idea. *Mayo*, 566 U.S. at 78. Petitioner argues that the challenged claims have no such elements, because “the challenged claims add nothing more than well-understood, routine, conventional activity to the abstract idea of calculating a price.” Pet. 32–48. Patent Owner argues that the presence of the add-on computer software code limitations in the challenged claims transforms those claims into patent-eligible applications. Resp. 49–50. We are persuaded that Petitioner has shown by a preponderance of the evidence that the challenged claims of the ’820 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.

a. Claim 1

The specific way in which claim 1 carries out the process of determining a price involves placing on a “non-transitory computer readable medium” “an add-on computer software code” whose execution “causes the computer to generate a price schedule” by “transmitting data corresponding to . . . one or more construction plan elements . . . to a database storing current pricing data for construction materials,” then “receiving from the database pricing data for the one or more construction plan elements” and “generating the price schedule from the received pricing data.” Ex. 1001, 78:43–60. These steps employ the following materials and equipment: “a computer that includes a processor and a memory,” “an add-on computer software code,” “a software design tool,” and “a database storing current pricing data.” *Id.* The ’820 patent states that “[a]ll of the materials and equipment that are employed in the methods and systems of the present invention are commercially available from sources that are known by those

of ordinary skill in the art.” *Id.* at 78:6–9. Moreover, Petitioner directs us to evidence establishing that generating price schedules using add-ons for CAD software to retrieve updated price information from a database was known at the time of invention of the ’820 patent, as were add-ons for CAD software to provide palettes of parametric symbols. Pet. 36 (citing Ex. 1030, 1, 8), 45 (citing Ex. 1031, 4). Patent Owner does not dispute this evidence. Resp. 49–50. Thus, the limitations of claim 1 add to the abstract idea steps that merely use known, commercially available materials and equipment to carry out “purely conventional” functions. *See Alice*, 134 S. Ct. at 2359. The linkage of existing materials and equipment to existing price determination processes, as claimed here, appears to be “well-understood, routine, conventional activit[y]’ previously known to the industry.” *Id.* (quoting *Mayo*, 566 U.S. at 73). Petitioner has shown that none of the limitations of claim 1, viewed “both individually and ‘as an ordered combination,’” transform the nature of the claim into patent-eligible subject matter. *Id.* at 2355 (quoting *Mayo*, 566 U.S. at 78, 79).

We are not persuaded otherwise by Patent Owner’s arguments. Patent Owner argues that the USPTO “previously established” that “[t]he inventions as claimed in the ’820 Patent are directed toward patent-eligible subject matter.” Resp. 49 (citing Ex. 2008, 4–7). As evidence of this prior determination of patent eligibility, Patent Owner directs us to the prosecution history of the ’820 patent. Ex. 2008, 4–7. During prosecution, the claims were rejected as unpatentable under § 101. *Id.* Following amendment to add the add-on computer software code limitations, the claims were allowed. Patent Owner argues that this series of actions means that the claims cannot now be found unpatentable under § 101. We disagree. The

Federal Circuit has held that “the PTAB acted within the scope of its authority delineated by Congress in permitting a § 101 challenge under AIA § 18.” *Versata Dev. Grp.*, 793 F.3d at 1330. In addition, if it were the case that the previous allowance of claims by the USPTO resolved the issue of unpatentability § 101, there would be no reason for Congress to have created post-grant proceedings such as CBM patent reviews, in which we examine the unpatentability of already-issued claims, including under § 101. Moreover, even assuming that the Examiner’s allowance was a correct interpretation of § 101 in 2013, when the ’820 patent issued, it does not necessarily follow that it remains correct, because our reviewing courts have since clarified the law interpreting § 101. *See, e.g., Alice*, 134 S. Ct. at 2354–59 (issued in 2014). In short, the fact that the challenged claims were allowed over a § 101 rejection by the USPTO has no bearing on whether those claims may be challenged properly under § 101 in this proceeding.⁴

b. Claim 2

Claim 2 depends from claim 1 and adds a limitation requiring that the add-on software code “insert[] one or more parametric symbols selected by a user into the construction plan file, wherein the parametric symbols correspond to one or more construction plan elements.” Ex. 1001, 78:61–67. As discussed above, Petitioner directs us to evidence that shows that add-ons for CAD software to provide palettes of parametric symbols were known at the time of invention of the ’820 patent. Pet. 45 (citing Ex. 1031, 4). Patent

⁴ We do not suggest that the prosecution history of a challenged patent is completely irrelevant to a CBM proceeding, only that overcoming a rejection under § 101 during prosecution does not necessarily forever immunize the issued claims from § 101 challenges in CBM proceedings.

Owner does not dispute this evidence.⁵ Resp. 49–50. Thus, the limitation of claim 2 adds to the abstract idea a step that merely uses known, commercially available materials and equipment to carry out “purely conventional” functions. *See Alice*, 134 S. Ct. at 2359. Petitioner has shown by a preponderance of the evidence that none of the limitations of claim 2, viewed “both individually and ‘as an ordered combination,’” transform the nature of the claim into patent-eligible subject matter. *Id.* at 2355 (quoting *Mayo*, 566 U.S. at 78, 79).

c. Claim 4

Claim 4 is an independent claim similar to claim 1, but with an additional limitation requiring that the add-on software code “extract[] data from the construction plan file” before transmitting the data to the database. Ex. 1001, 79:4–25. Petitioner directs us to evidence that shows that using add-ons for CAD software to extract data from a drawing file, then retrieve corresponding updated price information from a database was known at the time of invention of the ’820 patent. Pet. 36 (citing Ex. 1030, 1, 8). Patent Owner does not dispute this evidence. Resp. 49–50. Thus, the limitations of claim 4 add to the abstract idea steps that merely use known, commercially available materials and equipment to carry out “purely conventional” functions. *See Alice*, 134 S. Ct. at 2359. The linkage of existing materials

⁵ We previously instructed Patent Owner that “any arguments for patentability not raised in the [Patent Owner Response] will be deemed waived.” Paper 8, 3; *see also* 37 C.F.R. § 42.23(a) (“Any material fact not specifically denied may be considered admitted.”); *In re Nuvasive*, 842 F.3d 1376, 1379–82 (Fed. Cir. 2016) (holding Patent Owner waived argument addressed in Preliminary Response by not raising argument in the Patent Owner Response).

and equipment to existing price determination processes, as claimed here, appears to be “‘well-understood, routine, conventional activit[y]’ previously known to the industry.” *Id.* (quoting *Mayo*, 566 U.S. at 73). Petitioner has shown by a preponderance of the evidence that none of the limitations of claim 4, viewed “both individually and ‘as an ordered combination,’” transform the nature of the claim into patent-eligible subject matter. *Id.* at 2355 (quoting *Mayo*, 566 U.S. at 78, 79).

d. Claims 5 and 6

Claims 5 and 6 both depend directly from claim 4. Ex. 1001, 79:26–34. Claim 5 adds a limitation requiring that the add-on software code insert the completed price schedule “into the construction plan file,” and claim 6 adds a limitation requiring that the add-on software code insert the completed price schedule “into a file separate from the construction plan file.” *Id.* Petitioner directs us to evidence establishing that, at the time of invention of the ’820 patent, inserting price schedules on computer-created drawings and exporting price schedules as files separate from drawings were both known. Pet. 41 (citing Ex. 1031, 1; Ex. 1034, 14-2, 16-25–16-26). Patent Owner does not dispute this evidence. Resp. 49–50. Thus, the limitations of claims 5 and 6 add to the abstract idea steps that merely use known, commercially available materials and equipment to carry out “purely conventional” functions. *See Alice*, 134 S. Ct. at 2359. Petitioner has shown by a preponderance of the evidence that none of the limitations of claims 5 and 6, viewed “both individually and ‘as an ordered combination,’” transform the nature of the claim into patent-eligible subject matter. *Id.* at 2355 (quoting *Mayo*, 566 U.S. at 78, 79).

e. Claim 7

Claim 7 is an independent claim similar to claim 1, but with additional limitations requiring the receipt of two separate sets of pricing data from the database and the generation of two separate price schedules, one from each set of pricing data. Ex. 1001, 79:35–56. Neither party has directed us to any legal authority that suggests that performing an abstract idea twice is any more patent-eligible than performing the same abstract idea only once. Moreover, Petitioner has directed us to evidence that shows that generating a second price schedule upon noting changes to the construction plan drawing or pricing data was known at the time of invention of the '820 patent. Pet. 42–43 (citing Ex. 1001, 60:50–62; Ex. 1031, 3; Ex. 1038, 3, 30). Patent Owner does not dispute this evidence. Resp. 49–50. Thus, the limitations of claim 7 add to the abstract idea steps that merely use known, commercially available materials and equipment to carry out “purely conventional” functions. *See Alice*, 134 S. Ct. at 2359. Petitioner has shown by a preponderance of the evidence that none of the limitations of claim 7, viewed “both individually and ‘as an ordered combination,’” transform the nature of the claim into patent-eligible subject matter. *Id.* at 2355 (quoting *Mayo*, 566 U.S. at 78, 79).

f. Claim 12

Claim 12 is an independent claim similar to claim 1, but with the following limitation in place of claim 1’s limitation requiring generation of a pricing schedule: “generating a schedule indicating for each of the one or more construction plan elements the available pricing data or an indication that pricing data is not available.” Ex. 1001, 80:9–29. Petitioner has directed us to evidence establishing that it was known at the time of

invention of the '820 patent to output a pre-determined message if no data was returned from the database. Pet. 42 (citing Ex. 1002 ¶ 119). Patent Owner does not dispute this evidence. Resp. 49–50. Thus, the limitations of claim 12 add to the abstract idea steps that merely use known, commercially available materials and equipment to carry out “purely conventional” functions. *See Alice*, 134 S. Ct. at 2359. Petitioner has shown by a preponderance of the evidence that none of the limitations of claim 12, viewed “both individually and ‘as an ordered combination,’” transform the nature of the claim into patent-eligible subject matter. *Id.* at 2355 (quoting *Mayo*, 566 U.S. at 78, 79).

g. Claim 13

Claim 13 is an independent claim similar to claim 1, but with an additional limitation requiring that the add-on software code insert the completed price schedule “into the construction plan file.” Ex. 1001, 80:30–49. As discussed above with respect to claim 5, Petitioner shows that this limitation was known at the time of invention of the '820 patent. Pet. 41 (citing Ex. 1031, 1; Ex. 1034, 14-2, 16-25–16-26). Thus, the limitations of claim 13 add to the abstract idea steps that merely use known, commercially available materials and equipment to carry out “purely conventional” functions. *See Alice*, 134 S. Ct. at 2359. Patent Owner does not dispute this evidence. Petitioner has shown by a preponderance of the evidence that none of the limitations of claim 13, viewed “both individually and ‘as an ordered combination,’” transform the nature of the claim into patent-eligible subject matter. *Id.* at 2355 (quoting *Mayo*, 566 U.S. at 78, 79).

h. Claims 14 and 15

Claim 14 is an independent claim similar to claim 1, but requiring the receipt from the database of “green information” indicating “whether or not the construction plan elements fulfill . . . predetermined environmental or efficiency criteria,” and further requiring that the price schedule include “the received green information.” Ex. 1001, 80:50–81:5. Claim 15 depends directly from claim 14 and adds requirements that the add-on software code receive pricing data from the database and include the received pricing data on the price schedule. *Id.* at 81:6–12. These limitations do not add to the abstract idea of determining a price; rather, they merely specify additional information to be included in the price schedule that allows the price to be determined. Patent Owner does not argue for the patentability of these claims separately. Petitioner has shown by a preponderance of the evidence that none of the limitations of claims 14 and 15, viewed “both individually and ‘as an ordered combination,’” transform the nature of the claim into patent-eligible subject matter. *Alice*, 134 S. Ct. at 2355 (quoting *Mayo*, 566 U.S. at 78, 79).

i. Claim 16

Claim 16 is an independent claim similar to claim 1, but requiring the following in place of claim 1’s transmission of data to a database and receipt of pricing data from the database: “assigning a code to at least one of the construction plan elements,” transmitting that code to the database, and receiving from the database pricing information “at least partially based on the assigned code.” Ex. 1001, 81:13–32. Petitioner has directed us to evidence establishing that it was known to assign attributes to drawing symbols in a construction plan drawing, then extract those attributes from

the drawing for purposes of generating price schedules. Pet. 46 (citing Ex. 1002 ¶¶ 140–43; Ex. 1030, 7–8; Ex. 1039, 9, 28). Patent Owner does not dispute this evidence. Resp. 49–50. Thus, the limitations of claim 16 add to the abstract idea steps that merely use known, commercially available materials and equipment to carry out “purely conventional” functions. *See Alice*, 134 S. Ct. at 2359. Petitioner has shown by a preponderance of the evidence that none of the limitations of claim 16, viewed “both individually and ‘as an ordered combination,’” transform the nature of the claim into patent-eligible subject matter. *Id.* at 2355 (quoting *Mayo*, 566 U.S. at 78, 79).

j. Claims 17 and 18

Claim 17 depends directly from claim 16 and adds a limitation requiring that the add-on software code “transmit[] geographic information to the database.” Ex. 1001, 81:33–37. Claim 18 depends directly from claim 17 and adds a limitation requiring that the pricing data received from the database be “based on the geographic information.” *Id.* at 82:1–2. “[T]ailoring content based on . . . location . . . is ‘a fundamental . . . practice long prevalent in our system,’” and it is accordingly “an abstract idea” that does not transform a claim into patent-eligible subject matter. *Intellectual Ventures I LLC v. Capital One Bank*, 792 F.3d 1363, 1369 (Fed. Cir. 2015) (quoting *Alice*, 134 S. Ct. at 2356). Patent Owner also does not argue the patentability of these claims separately. Petitioner has shown by a preponderance of the evidence that none of the limitations of claims 17 and 18, viewed “both individually and ‘as an ordered combination,’” transform the nature of the claim into patent-eligible subject matter. *Id.* at 2355 (quoting *Mayo*, 566 U.S. at 78, 79).

k. Claim 19

The specific way in which claim 19 carries out the process of determining a price involves “a computer having a processor coupled to a memory,” “a software design tool,” “a database,” and “an add-on computer software code.” Ex. 1001, 82:4–33. As discussed above, the ’820 patent states that “[a]ll of the materials and equipment that are employed in the methods and systems of the present invention are commercially available from sources that are known by those of ordinary skill in the art.” *Id.* at 78:6–9. Moreover, Petitioner directs us to evidence establishing that generating price schedules using add-ons for CAD software to retrieve updated price information from a database was known at the time of invention of the ’820 patent, as were add-ons for CAD software to provide palettes of parametric symbols. Pet. 36 (citing Ex. 1030, 1, 8), 45 (citing Ex. 1031, 4). Patent Owner does not dispute this evidence. Resp. 49–50. Thus, the limitations of claim 19 add to the abstract idea steps that merely use known, commercially available materials and equipment to carry out “purely conventional” functions. *See Alice*, 134 S. Ct. at 2359. The linkage of existing materials and equipment to existing price determination processes, as claimed here, appears to be “well-understood, routine, conventional activit[y]’ previously known to the industry.” *Id.* (quoting *Mayo*, 566 U.S. at 73). Petitioner has shown by a preponderance of the evidence that none of the limitations of claim 19, viewed “both individually and ‘as an ordered combination,’” transform the nature of the claim into patent-eligible subject matter. *Id.* at 2355 (quoting *Mayo*, 566 U.S. at 78, 79).

CONCLUSION

Upon consideration of the Petition, the Response, the Reply, the transcript of the oral hearing, and the evidence before us, we determine that Petitioner has shown by a preponderance of the evidence that claims 1, 2, 4–7, and 12–19 are unpatentable under 35 U.S.C. § 101 for lack of patent-eligible subject matter. We also grant Patent Owner’s request for the entry of adverse judgment as to claims 3, 8–11, and 20.

ORDER

It is hereby

ORDERED that adverse judgment is entered against Patent Owner as to claims 3, 8–11, and 20;

FURTHER ORDERED that claims 1, 2, 4–7, and 12–19 are unpatentable under 35 U.S.C. § 101 for lack of patent-eligible subject matter; and

FURTHER ORDERED that, because this is a Final Written 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.

CBM2016-00043
Patent 8,515,820 B2

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