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Paper 11
Date: September 10, 2013

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE, INC.,
Petitioner,

v.

WHITSERVE LLC,
Patent Owner.

Case IPR2013-00249
Patent No. 6,981,007

Before THOMAS L. GIANNETTI, MICHAEL J. FITZPATRICK, and CHRISTOPHER L. CRUMBLEY, *Administrative Patent Judges.*

CRUMBLEY, *Administrative Patent Judge*.

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

I. INTRODUCTION

On April 15, 2013, Google, Inc. ("Google") filed a Petition For *Inter Partes* Review of claims 1-9 and 11-15 of U.S. Patent No. 6,981,007 (Ex. 1001, "the '007 patent"). Paper 2, "Pet." The owner of the '007 patent, Whitserve LLC ("Whitserve") filed a Patent Owner's Preliminary Response on July 18, 2013. Paper 10, "Prelim. Resp." With its preliminary response, Whitserve provided evidence it has filed a statutory disclaimer of claims 11-15 pursuant to 37 C.F.R. § 1.321(a). *Id.* at 1; Ex. 2001. We have jurisdiction over remaining claims 1-9 under 35 U.S.C. § 314.

The standard for instituting an *inter partes* review is set forth in 35 U.S.C. § 314(a) which provides as follows:

> THRESHOLD -- The Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.

Upon consideration of the petition, we determine that the information presented establishes that there is a reasonable likelihood that Google would prevail with respect to claims 1-9 of the '007 patent. Accordingly, pursuant to 35 U.S.C. § 314, we authorize an *inter partes* review to be instituted as to claims 1-9.

A. The '007 Patent

The '007 patent is directed to system for backing up data stored on a central computer over the Internet to a local client computer. Ex. 1001, Abstract. In particular, the '007 patent "relates to outsourced, Internet-based data processing

and more particularly to safeguarding customer/client data when a business outsources data processing to third party Internet-based systems." *Id*. at 1:14-17. The system comprises a client computer and a central data processing system, connected by an Internet communications link. *Id*. at 2:45-47. Using the Internet link, the client computer can execute software on the central computer for storing, displaying, updating, and deleting data. *Id*. at 2:50-54. Significantly, the system also has the ability to transmit a copy of the data on the central computer to the local computer for backup, and can later restore any lost data from the local computer back to the central computer. *Id*. at 2:53-56.

B. Exemplary Claim

Of the challenged claims, claims 1, 4, and 7 are independent, while claims 2 and 3 depend from claim 1, claims 5 and 6 depend from claim 4, and claims 8 and 9 depend from claim 7. Claim 1 is exemplary of the claimed subject matter of the '007 patent and is reproduced as follows:

1. A system for onsite backup of internet-based data comprising:

a central computer;

a client computer;

a communications link between said central computer and the Internet;

a communications link between said client computer and the Internet;

at least one database containing a plurality of data records accessible by said central computer, each data record containing a client identification number;

software executing on said central computer for receiving a data backup request from said client computer;

software executing on said central computer for transmitting said data backup to said client computer for onsite backup of internet-based data on said client computer.

C. Prior Art Relied Upon

Google relies upon the following prior art references:

Guck	U.S. Patent 5,848,415	Dec. 8, 1998	(Ex. 1006)
Schrader	U.S. Patent 5,903,881	May 11, 1999	(Ex. 1007)

Wells Fargo website ("WF Site"), *wellsfargo.com*, Internet Archive Wayback Machine (Jan. 19, 1998) (Ex. 1003)

Patricia B. Seybold, CUSTOMERS.COM: HOW TO CREATE A PROFITABLE BUSINESS STRATEGY FOR THE INTERNET AND BEYOND (Oct. 30, 1998) (Ex. 1004)

Google asserts that the WF Site is prior art under 35 U.S.C. § 102(b), Seybold and Schrader are prior art under 35 U.S.C. § 102(a), and Guck is prior art under 35 U.S.C. § 102(e). Pet. 7-8. Whitserve does not contest the prior art status of any reference at this stage of the proceedings. Prelim. Resp. 10 n.4.

D. The Asserted Grounds

Google asserts the following grounds[1] of unpatentability:

1. Claims 1-9 are unpatentable under 35 U.S.C. § 103 as obvious over the combined disclosures of WF Site, Seybold, and Guck; and

[1] Google's petition also asserts that claim 11 is unpatentable under 35 U.S.C. § 102(a) as anticipated by Schrader. Pet. 8. In view of Whitserve's disclaimer of claims 11-15, this ground is moot.

2. Claims 1-9 are unpatentable under 35 U.S.C. § 103 as obvious over the combined disclosures of Schrader and Guck.

II. ANALYSIS

A. Claim Construction

In an *inter partes* review, "[a] claim in an unexpired patent shall be given its broadest reasonable construction in light of the specification of the patent in which it appears." 37 C.F.R. § 42.100(b). Stated differently, we construe claim terms using "the broadest reasonable meaning of the words in their ordinary usage as they would be understood by one of ordinary skill in the art, taking into account whatever enlightenment by way of definitions or otherwise that may be afforded by the written description contained in the applicant's specification." *In re Morris*, 127 F.3d 1048, 1054 (Fed. Cir. 1997). We presume that claim terms have their ordinary and customary meaning. *See In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007) ("The ordinary and customary meaning is the meaning that the term would have to a person of ordinary skill in the art in question.") (internal quotation marks omitted). However, a patentee may rebut this presumption by acting as his own lexicographer, providing a definition of the term in the specification with "reasonable clarity, deliberateness, and precision." *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994).

Google proffers interpretations for eight claim terms: 1) *communications link*; 2) *client identification number*; 3) *data backup*; 4) *data backup request*; 5) *internet-based data*; 6) *retrieving said data backup*; 7) *storing said data backup in a location accessible to said client computer;* and 8) *software executing on said*

central computer for generating a data backup request. Pet. 8-9. Whitserve only submits a proposed interpretation for the claim term *internet-based data*. Prelim. Resp. 3-9. We consider the proposed constructions below, taking into account the plain meaning of the terms and their usage in the specification.

1. Internet-Based Data

Google contends that *Internet-based data* means "data that is accessible, stored, modified, or processed via the Internet." Pet. 9. As support for this construction, Google cites to the declaration of its expert William S. Finkelstein, who states that it is the broadest reasonable construction in light of the specification. Ex. 1009 ¶¶ 29-31. Mr. Finkelstein notes that in the appeal of a district court litigation involving the '007 patent the Federal Circuit discussed the construction a reasonable jury would have given *Internet-based data*, but he asserts that under the broadest reasonable interpretation standard our construction need not be the same as the Federal Circuit's. *Id*. ¶ 30 (citing *Whitserve LLC v. Computer Packages, Inc*., 694 F.3d 10 (Fed. Cir. 2012) (Ex. 1008).

Whitserve counters that Google's proffered construction is too broad and ignores the Federal Circuit's construction that *Internet-based data* "requires the ability to modify centrally stored data from across the Internet, rather than simply sending it across the Internet." Prelim. Resp. 3 (citing *Whitserve*, 694 F.3d at 24 (Ex. 1008 at 20)). Whitserve cites to the specification of the '007 patent for support, noting that "[m]odifying data over the Internet is a distinction between the claimed invention and the prior art as described in the specification." Prelim. Resp. 7. Prior art systems, as depicted in Figure 2 of the patent, typically back up

data that is created, modified, and stored on a client computer to a central computer over the Internet. *Id.* (citing Ex. 1001 Fig. 2). The invention of the '007 patent, by contrast, backs up data from a central processing server over the Internet to a client computer. *Id.* (citing Ex. 1001 Fig. 1).

Other than in the Abstract, the '007 patent does not use the phrase "Internet-based data." Rather, the patent frequently refers to "Internet-based data processing." *See, e.g.,* Ex. 1001 Title, 1:14-5, 1:65-66, 2:7-8. The close association of the terms leads to the conclusion that *Internet-based data* is therefore data that has undergone "Internet-based data processing," i.e., modification while stored on a central server accessible over the Internet.

This interpretation is supported by various other portions of the specification, which emphasize that the backup function of the invention is to protect data that is being stored on a central server for processing. Ex. 1001, 1:65-67 ("What is desired, therefore, is an Internet-based data processing system which safeguards data providing an incentive for companies to outsource their data processing"); *id*. at 1:39-41 ("One difficulty companies face when considering whether to outsource data-processing to third party, Internet-based systems is the safeguarding of their and their clients' data."). Throughout the specification, the emphasis is on protecting data that is being *processed* at a remote location accessible over the Internet. The broadest reasonable interpretation of the term *Internet-based data* must take this emphasis into consideration.

Upon review of the '007 specification, we agree with Whitserve that Google's proffered construction is inconsistent with the specification. Under Google's construction, data that merely is accessed – but not processed – via the

Internet would fall within the scope of the claims. The '007 specification distinguishes and disparages such embodiments as prior art (Ex. 1001, 1:48-55; Figs. 2 and 3), whereas the embodiments described as being part of the invention (*Id*. at 2:44-62; Figs. 1 and 4) include the ability to modify data via the Internet. *See In re Abbott Diabetes Care Inc.*, 696 F.3d 1142, 1149-50 (Fed. Cir. 2012) (broadest reasonable interpretation excluded prior art embodiments disparaged in specification). We, therefore, interpret *Internet-based data* to mean "data that is capable of being modified via the Internet."

2. Remaining Terms

Google has proffered constructions for several other claim terms, but Whitserve does not dispute at this stage of the proceedings whether these limitations are met by the prior art. Thus, we decline to provide express constructions of these remaining terms at this time.

B. Obviousness Over Combination of WF Site, Seybold, and Guck

Google asserts that claims 1-9 are unpatentable under 35 U.S.C. § 103 as having been obvious over the combined disclosures of WF Site, Seybold, and Guck. Pet. 10-29. In support of this asserted ground of unpatentability, Google provides explanations as to how each claim limitation is met by the combined references, and cites to the declaration of Mr. Finkelstein, who provides a detailed claim chart applying the disclosures to the challenged claims. *Id*.; Ex. 1009 ¶ 55. Upon review of Google's analysis and supporting evidence, we determine that Google has demonstrated that there is a reasonable likelihood that it would prevail

with respect to claims 1-9 on the ground that these claims would have been obvious over the combined disclosures of WF Site, Seybold, and Guck.

Whitserve argues that the combined references fail to teach *Internet-based data*, therefore, Google fails to establish a reasonable likelihood that claims 1-9 would have been obvious. Prelim. Resp. 13-15, 17. Whitserve does not argue that any other claim term is absent from the cited art, or that the combinations of references set forth by Google are improper. *Id*. at 10 n.4.

1. The WF Site

The WF Site is a printed archive of the website *wellsfargo.com* as it existed on January 19, 1998. Ex. 1003. The reference details an online banking website and sets forth various features of the service. *Id*. Among the services offered is one identified as "Online Banking," which includes features such as "Transfer funds between your Wells Fargo accounts" and an optional "Online Bill Payment Service." *Id*. at 15. The Online Bill Payment Service is described as permitting customers to schedule payments to merchants and individuals in advance. *Id*. at 16. The WF Site also describes the ability to "[d]ownload your account information into your personal finance software or spreadsheet." *Id.* at 18.

Whitserve argues that the WF Site does not disclose the ability to modify data over the Internet, focusing on the WF Site's description of a user's ability to reconcile accounts and transactions by downloading them to a client computer. Prelim. Resp. 13-14. According to Whitserve, the WF Site "only allows a user access to their fixed cleared transaction data for use by a local program." *Id*. at 14. We disagree. Whitserve's argument ignores the fact that the WF Site also

discloses the ability to transfer funds and pay bills over the Internet, each of which necessarily would modify the account data (e.g., the funds balance) stored on the central computer. For this reason, on the present record, we conclude that the WF Site discloses *Internet-based data*.

2. Guck

Guck discloses a computer-implemented system for modifying the format of content residing on a central computer in response to requests from users. Ex. 1006, 4:34-44. After receiving a request from a user for a document, the central server can "dynamically modify its characteristics to accommodate formatting requirements requested by the [u]ser." *Id*. Figure 1 of Guck discloses that a network such as the Internet (40) resides between the server (50) and the client users (10, 20, 30, 33). *Id*. Fig 1.

Whitserve contends that "Guck simply does not disclose 'internet-based data,'" but provides no evidence to support this argument. Prelim. Resp. 15. Whitserve is incorrect, as the software of Guck modifies centrally-stored data in response to user requests sent over the Internet. On this record, we conclude that Guck teaches "data that is capable of being modified via the Internet" and, therefore, satisfies the limitation *Internet-based data*.

C. Obviousness Over Combination of Schrader and Guck

Google also contends that claims 1-9 are unpatentable under 35 U.S.C. § 103 as having been obvious over the combined disclosures of Schrader and Guck. Pet. 37-57. Google again provides explanations as to how each claim limitation is

taught by the combined references, and cites to the declaration of Mr. Finkelstein, who provides a detailed claim chart applying the disclosures to the challenged claims. *Id*.; Ex. 1009 ¶ 68. Upon review of Google's analysis and supporting evidence, we determine that Google has demonstrated that there is a reasonable likelihood that it would prevail with respect to claims 1-9 on the ground that these claims would have been obvious over the combined disclosures of Schrader and Guck.

Again, Whitserve's sole argument for patentability is that neither Schrader nor Guck discloses *Internet-based data*. Prelim. Resp. 11-13, 15-17. As discussed *supra*, contrary to Whitserve's contention, Guck describes data that may be modified or reformatted via the Internet. In addition, Schrader also teaches *Internet-based data*.

Schrader is directed to a system and software for online banking "that integrates end-user checkbook activities directly with bank statement transactions." Ex. 1007, 1:7-11. The software executes on a user's client computer which is coupled over a network to a central computer of a financial institution. *Id*. at 7:61-64. The user may enter transaction instructions, such as bill payments or fund transfers, into the client software, after which the instructions are sent to the central computer. *Id.* at 9:58-60. The central computer receives the instructions and "performs the necessary actions to process each of the transaction instructions [] in the received file, updating the user's account(s) as needed." *Id.* at 18:58-63.

Whitserve argues that Schrader does not disclose *Internet-based data*, as it "only allows a user access to their fixed cleared transaction data." Prelim. Resp. 13. We conclude, in light of the preceding paragraph, that this is incorrect.

Schrader's software gives users the ability to modify their centrally-stored financial data over the Internet, for example, by instructing the financial institution to pay a bill out of the user's funds. The data of Schrader is, therefore, *Internet-based data* as required in claims 1-9.[2]

III. CONCLUSION

For the forgoing reasons, we determine that the information presented in the petition establishes that there is a reasonable likelihood that Google would prevail with respect to claims 1-9 of the '007 patent.

At this stage of the proceeding, the Board has not made a final determination as to the patentability of any challenged claim.

IV. ORDER

Accordingly, it is

ORDERED that pursuant to 35 U.S.C. § 314, an *inter partes* review is hereby instituted as to Claims 1-9 of the '007 patent for the following grounds:

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[2] Whitserve also argues that the Federal Circuit "found claims 1-9 of the '007 Patent valid over Schrader," and urges us to do the same. Prelim. Resp. 13. This mischaracterizes the Federal Circuit's holding. First, district and appellate courts do not hold patents "valid," but rather may find them "not invalid." *Shelcore, Inc. v. Durham Indus., Inc.*, 745 F.2d 621, 627 (Fed. Cir. 1984) ("A patent is not held valid for all purposes but, rather, not invalid on the record before the court."). Second, the Federal Circuit's holding in *Whitserve* was that the defendant there had failed to "point[] to facts necessary for us to conclude that no reasonable jury could have found the [] '007 Patent's claims to be nonobvious." 694 F.3d 25 (Ex. 1008 at 21). The basis of the Federal Circuit's decision on Schrader was a failure of proof, not a decision on the merits.

1. Claims 1-9 are unpatentable under 35 U.S.C. § 103 as obvious over the combined disclosures of WF Site, Seybold, and Guck; and
2. Claims 1-9 are unpatentable under 35 U.S.C. § 103 as obvious over the combined disclosures of Schrader and Guck.

FURTHER ORDERED that pursuant to 35 U.S.C. § 314(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 decision; and

FURTHER ORDERED that an initial conference call with the Board is scheduled for **3:00 PM** Eastern Time on **October 1, 2013**; the parties are directed to the Office Trial Practice Guide[3] for guidance in preparing for the initial conference call, and should come prepared to discuss any proposed changes to the Scheduling Order entered herewith and any motions the parties anticipate filing during the trial.

[3] Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48765-66 (Aug. 14, 2012).

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