

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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TARGET CORPORATION,  
Petitioner,

v.

PROXICOM WIRELESS, LLC,  
Patent Owner.

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IPR2020-00932  
Patent 8,090,359 B2

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Before BRIAN J. McNAMARA, CHARLES J. BOUDREAU, and  
SEAN P. O'HANLON, *Administrative Patent Judges*.

O'HANLON, *Administrative Patent Judge*.

JUDGMENT  
Final Written Decision  
Determining All Challenged Claims Unpatentable  
*35 U.S.C. § 318(a)*

## I. INTRODUCTION

### A. Background

Target Corporation (“Petitioner”) filed a Petition for *inter partes* review of claims 9, 22, 28, 35, 38–41, and 51 (“the challenged claims”) of U.S. Patent No. 8,090,359 B2 (Ex. 1001, “the ’359 patent”). Paper 2 (“Pet.”), 1. Proxicom Wireless, LLC (“Patent Owner”) filed a Preliminary Response. Paper 9. On November 10, 2020, we instituted an *inter partes* review of the challenged claims on all grounds raised in the Petition. Paper 10 (“Institution Decision” or “Inst. Dec.”), 30.

Subsequent to institution, Patent Owner filed a Patent Owner Response (Paper 18, “PO Resp.”), Petitioner filed a Reply to the Patent Owner Response (Paper 21, “Pet. Reply”), and Patent Owner filed a Sur-reply to Petitioner’s Reply (Paper 22, “PO Sur-reply”). An oral hearing was held on August 19, 2021. A transcript of the hearing has been entered into the record. Paper 28 (“Tr.”).

In our Scheduling Order, we notified the parties that “any arguments for patentability not raised in the [Patent Owner] response may be deemed waived.” *See* Paper 11, 10; *see also* Patent Trial and Appeal Board Consolidated Trial Practice Guide 66 (Nov. 2019) (“The patent owner response . . . should identify all the involved claims that are believed to be patentable and state the basis for that belief.”).<sup>1</sup>

For the reasons that follow, we conclude that Petitioner has proven by a preponderance of the evidence that claims 9, 22, 28, 35, 38–41, and 51 of the ’359 patent are unpatentable.

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<sup>1</sup> Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

#### B. Real Parties in Interest

Petitioner identifies itself as the sole real party in interest. Pet. 5.

Patent Owner identifies itself as the sole real party in interest.

Paper 4, 2.

#### C. Related Matters

The parties indicate that the '359 patent is the subject of the following district court proceedings:

*Proxicom Wireless, LLC v. Target Corporation*, No. 6:19-cv-1886 (M.D. Fla. filed Oct. 2, 2019)<sup>2</sup> and

*Proxicom Wireless, LLC v. Macy's, Inc.*, No. 6:18-cv-00064 (M.D. Fla. filed Jan. 12, 2018).

Pet. 6; Paper 4, 2. The parties further note that the '359 patent is the subject of a petition for *inter partes* review filed by Petitioner and challenging different claims in IPR2020-00931 (“the '931 IPR”). Pet. 6; Paper 4, 2.

#### D. The Challenged Patent

The '359 patent disclosure “is generally concerned with facilitating the exchange of information and transactions between two entities associated with two wireless devices when the devices are in close proximity to each other utilizing both a short range and a long range wireless capability.”

Ex. 1001, 2:53–57. The devices use a short range communication protocol, such as Bluetooth, only to detect the presence of other devices and use a long range communication protocol, such as Wi-Max, to communicate with

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<sup>2</sup> Stayed on June 17, 2020 pending resolution of ten petitions for *inter partes* review filed by Petitioner. See Paper 6.

a central server and to perform the actual substantive communications with other devices. *Id.* at 6:33–46. Each device transmits identifier information via short range communication as a proximity detection process. *Id.* at 6:49–53. This use of peer-to-peer short range communication beneficially allows proximity between devices to be determined without the need of a global positioning system (GPS), which may not always be present or available for use. *Id.* at 3:55–62. Use of a central server to mediate communications between the devices beneficially provides security to the transaction, allows for anonymity between the parties, and implements policy enforcement. *Id.* at 4:12–60.

In one application, only a user's device is capable of long range communication and the second device is only capable of broadcasting its identifier information. Ex. 1001, 7:20–29. This application is illustrated in Figure 2, which is reproduced below:

Figure 2

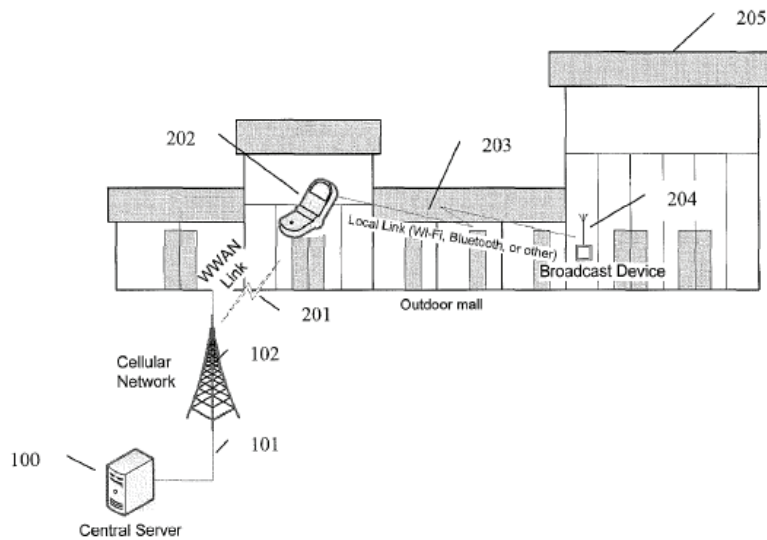


Figure 2 shows a block diagram of fixed broadcast device 204 and mobile device 202. *Id.* at 5:6–7. The user’s mobile device detects the broadcast device and transmits the broadcast device’s identifier information, along with a request for information regarding the broadcast device, to central server 100. *Id.* at 14:48–60. The server determines what information regarding the broadcast device is available and transmits a description of the information to the user’s device. *Id.* at 14:61–63. The user then has the option to download the information. *Id.* at 14:63–15:3. The server may also coordinate the several steps of an electronic commerce transaction between the user’s device and the broadcast device. *Id.* at 17:36–18:64.

#### E. The Challenged Claims

Petitioner challenges claims 9, 22, 28, 35, 38–41, and 51 of the ’359 patent. Pet. 1, 10. All of these claims are dependent claims, with each of claims 9, 28, 35, 38–41, and 51 depending directly from independent claim 1 and claim 22 depending directly from independent claim 14.

Claims 1 and 9 are reproduced below:

1. A method for a central server to exchange information between one or more wireless devices comprising the steps of:
  - the central server receiving second device identifier information from a first wireless device, the second device identifier information having been collected by the first wireless device from a second device and wherein said second device provides the second device identifier information to the first wireless device using short range communication without the use of wires from the second device to the first wireless device;
  - said central server using the second device identifier information to determine one or more of an identity or related information concerning an entity or object located in proximity to the second device; and

subsequent to the step of the central server receiving the second device identifier information from the first wireless device, the central server taking further action to deliver information or a service to the first wireless device based at least in part upon (a) the second device identifier and (b) at least one of the following:

(i) feedback ratings relevant to an entity associated with either the first wireless device or the second device identifier information;

(ii) information representing a reward for an entity associated with the first device's participation in a loyalty program; or

(iii) a current step in a multiple step process for an ongoing electronic commerce transaction.

9. The method of claim 1 wherein the steps performed by the central server further comprise:

facilitating a purchase of the goods or services from a merchant account associated with the second wireless device and a customer account associated with the first wireless device;

providing confirmation to each account; and/or  
receiving customer confirmation of receipt of a good or service via the first wireless device, thereby completing a transaction.<sup>3</sup>

Ex. 1001, 23:35–63, 24:47–56.

#### F. Instituted Grounds of Unpatentability

The Petition relies on the following prior art references:

Name	Reference	Exhibit
Perttila	US 2004/0243519 A1, published Dec. 2, 2004	1006
Swartz	US 6,837,436 B2, issued Jan. 4, 2005	1007

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<sup>3</sup> We note that claim 9 has been modified by a Certificate of Correction. Ex. 1001, 32.

We instituted trial based on all asserted claims and grounds of unpatentability as follows:

Claims Challenged	35 U.S.C. §	Reference(s)
9, 22, 51	102(b) <sup>4</sup>	Perttila
9, 22, 51	103(a)	Perttila
9, 22, 28, 35, 38–41	103(a)	Perttila, Swartz

Pet. 10. Petitioner submits a declaration of Mr. David Hilliard Williams (Ex. 1003, “Williams Declaration”) in support of its contentions. Patent Owner submits a declaration of Michael Foley, Ph.D. (Ex. 2010, “Foley Declaration”) in support of its contentions.

## II. ANALYSIS

### A. Principles of Law

To prevail in its challenge to Patent Owner’s claims, Petitioner must demonstrate by a preponderance of the evidence that the claims challenged in the Petition are unpatentable. 35 U.S.C. § 316(e) (2018); 37 C.F.R. § 42.1(d) (2019). This burden of persuasion never shifts to Patent Owner. *Dynamic Drinkware, LLC v. Nat’l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015).

“Under 35 U.S.C. § 102 a claim is anticipated ‘if each and every limitation is found either expressly or inherently in a single prior art reference.’” *King Pharm., Inc. v. Eon Labs, Inc.*, 616 F.3d 1267, 1274 (Fed.

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<sup>4</sup> The application resulting in the ’359 patent was filed prior to the date when the Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112–29, 125 Stat. 284 (2011), took effect. Thus, we refer to the pre-AIA version of sections 102 and 103.

Cir. 2010) (quoting *Celeritas Techs. Ltd. v. Rockwell Int'l Corp.*, 150 F.3d 1354, 1360 (Fed. Cir. 1998)). “Anticipation requires the presence in a single prior art disclosure of all elements of a claimed invention arranged as in the claim.” *Therasense, Inc. v. Becton, Dickinson & Co.*, 593 F.3d 1325, 1332 (Fed. Cir. 2010) (quoting *Connell v. Sears, Roebuck & Co.*, 722 F.2d 1542, 1548 (Fed. Cir. 1983)).

A claim is unpatentable under 35 U.S.C. § 103(a) if the differences between the claimed subject matter and the prior art are such that the subject matter, as a whole, would have been obvious at the time of the invention to a person having ordinary skill in the art. *KSR Int'l Co. v. Teleflex, Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, (3) the level of skill in the art, and (4) when in evidence, any objective evidence of nonobviousness.<sup>5</sup> *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966).

#### B. Level of Ordinary Skill in the Art

Petitioner contends that a person having ordinary skill in the art at the time of the invention (“POSITA”) would have had “a Bachelor’s degree in Electrical Engineering, or a related field, and approximately 3-5 years of professional experience in the field of wireless communications.” Pet. 14. Petitioner acknowledges that “graduate education could substitute for

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<sup>5</sup> The parties have not directed us to any such objective evidence.

professional experience” and “significant experience in the field could substitute for formal education.” *Id.* (citing Ex. 1003 ¶¶ 36–38).

Patent Owner concedes that the level of skill as defined by Petitioner “is generally sufficient for the Board to evaluate the Petition Grounds.” PO Resp. 15–16. However, Patent Owner also notes that “Petitioner’s proposed level of skill in the art does not include any reference to electronic commerce” and contends that “a POSITA should also have 1-2 years of experience designing or implementing systems for electronic commerce including the use of wireless communications.”<sup>6</sup> *Id.* at 16 (citing Ex. 2010 ¶¶ 6–9, 22–24).

The level of ordinary skill in the art may be evidenced by the references themselves. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001); *In re GPAC Inc.*, 57 F.3d 1573, 1579 (Fed. Cir. 1995); *In re Oelrich*, 579 F.2d 86, 91 (CCPA 1978). The level of ordinary skill proposed by Petitioner appears to be consistent with that of the references, and we apply Petitioner’s proposed level of ordinary skill for purposes of this Decision. We note that we would reach the same conclusions herein using Patent Owner’s alternate definition.

### C. Claim Construction

In an *inter partes* review, claims are construed using the same claim construction standard that would be used to construe the claims in a civil action under 35 U.S.C. § 282(b), including construing the claims in accordance with the ordinary and customary meaning of such claims as

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<sup>6</sup> We note that Patent Owner does not assert that this additional proposed requirement has any bearing on any disputed issue in this case.

understood by one of ordinary skill in the art and the prosecution history pertaining to the patent. 37 C.F.R. § 42.100(b). Thus, we apply the claim construction standard as set forth in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc).

Claim terms are generally given their ordinary and customary meaning as would be understood by one with ordinary skill in the art in the context of the specification, the prosecution history, other claims, and even extrinsic evidence including expert and inventor testimony, dictionaries, and learned treatises, although extrinsic evidence is less significant than the intrinsic record. *Phillips*, 415 F.3d at 1312–17. Usually, the specification is dispositive, and it is the single best guide to the meaning of a disputed term. *Id.* at 1315.

Only those terms that are in controversy need be construed, and only to the extent necessary to resolve the controversy. *Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (citing *Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999)).

Petitioner contends that it “interprets the claim terms according to their plain and ordinary meaning consistent with the specification.” Pet. 15. Petitioner asserts that the challenged claims use “terms of degree (e.g., ‘short range’ communication/link, ‘wide area’ link/network/technology, ‘local [area/wireless] link’),” but does not explain how this assertion affects claim construction. *Id.* (alteration in original). Petitioner acknowledges that “[a] district court in another proceeding has construed terms of this patent,” but argues that those “constructions do not impact the outcome of this IPR as the

prior art . . . meets the limitations under these constructions.” *Id.* at 15 (citing Ex. 1003 ¶ 71; Ex. 1021).

Patent Owner argues that we should interpret two claim terms: “an entity or object located in proximity to the second device” and “wireless device.” PO Resp. 18–26. We address each of these terms below.

*1. “an entity or object located in proximity to the second device”*

Patent Owner argues that “an entity or object located in proximity to the second device,” as used in independent claims 1 and 14, should be construed “to require that the claimed ‘entity or object’ must have a physical presence.” PO Resp. 18. According to Patent Owner, “the reference to the object being ‘located in proximity to the second device’ makes clear that the claimed ‘object’ of that phrase must be physically present.” *Id.* at 19. Patent Owner argues similarly that “located in proximity to the second device” also applies to the recited “entity,” thus requiring “that the ‘entity’ referred to in this claim element must be physically present.” *Id.* at 19–20. Patent Owner argues that “proximity” is used in accordance with its ordinary and customary meaning and refers to physical placement. *Id.* at 21–24.

Petitioner argues that we need not construe “entity or object” to require a physical presence as proposed by Patent Owner because “a device can be ‘in proximity’ to intangible objects.” Pet. Reply 2. Petitioner argues that Patent Owner’s citations to the ’359 patent’s use of “proximity” are not relevant to how the term is used in the claims. *Id.* at 3–4 (citing PO Resp. 21–23). Petitioner argues that Patent Owner’s declarant did not base his interpretation of “proximity” on how the term is used in the specification of the ’359 patent. *Id.* at 4–5.

Patent Owner replies that “object” must be construed to have a physical presence because “the claimed ‘object’ is limited by the requirement that it be ‘located in proximity to the second device.’” PO Sur-reply 1; *see also id.* at 2–4 (presenting similar arguments). Patent Owner contends that Petitioner’s assertions regarding Patent Owner’s declarant take the testimony out of context. *Id.* at 5–9. According to Patent Owner, “[t]he crucial question about ‘an entity or object located in proximity to the second device’ is whether the claimed ‘entity or object’ can be ‘located in proximity to the second device’ if the ‘entity or object’ is not physically present.” *Id.* at 5.

Notwithstanding the arguments in its briefing, Petitioner’s counsel acknowledged during the hearing that the claims require the entity or object to have a physical presence. *See, e.g.,* Tr. 8:17–19 (“[T]here’s no debate . . . that physical presence is connoted by the word ‘proximity’ and by ‘located.’”). There is, accordingly, no controversy regarding whether “an entity or object located in proximity to the second device” requires the entity or object to have a physical presence. Moreover, as explained below our decision does not depend on an express construction of this term. We conclude, therefore, that there is no need for us to construe this term.

## 2. “wireless device”

Patent Owner argues that, as recited in the challenged claims, “wireless device” “refer[s] to wireless communication capabilities, not that a wireless device would be precluded from having any external wires whatsoever.” PO Resp. 25–26. However, Patent Owner concedes that construction of “wireless device” is “not necessary to resolve the dispute here.” *Id.* at 25.

Petitioner argues that “‘wireless device’ should be construed to require a device without external wires,” noting that the claims of the ’359 patent recite a “wireless device” rather than a “wireless communication device.” Pet. Reply 5–6. However, Petitioner also concedes that “no construction of this term is necessary.” *Id.* at 5.

No construction of this term is necessary. The parties both agree that no construction is needed, and as explained below our decision does not depend on a construction of this term.

#### D. Overview of the Asserted Prior Art

##### 1. Perttala

Perttala discloses “a system, apparatus, and method for sending service data in response to electronic communications between a user communications device and a merchant-media arrangement.” Ex. 1006 ¶ 8. Figure 1a shows such a system and is reproduced below:

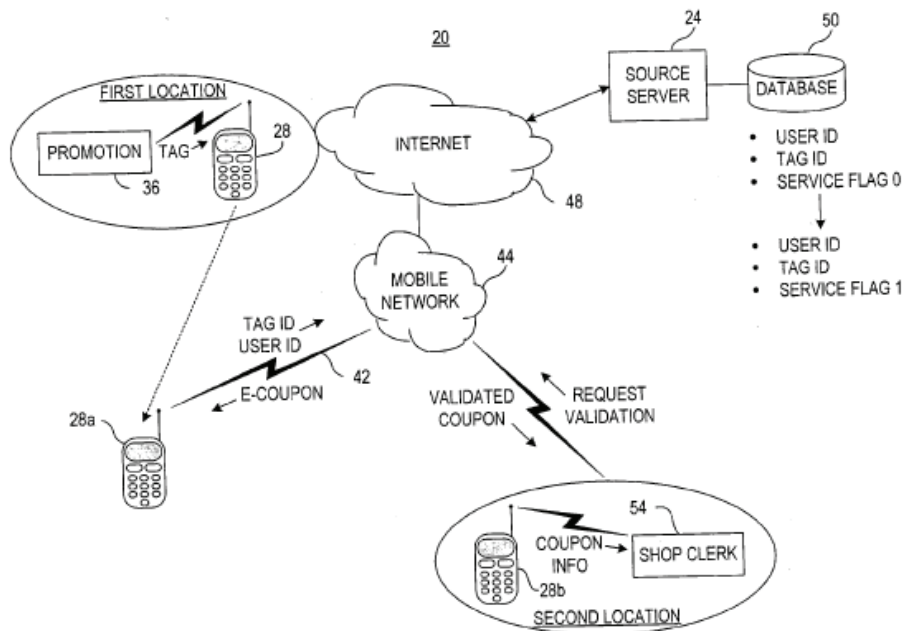


FIG. 1a

Figure 1a shows coupon-retrieval system 20 for the communication of an electronic coupon to user 28 via link 42 established with source server 24 by mobile communications device 28a. *Id.* ¶¶ 19, 36. When the user's mobile device is within proximity of merchant-media arrangement 36, which may be a poster or the like, the arrangement transmits to the mobile device a merchant ID code and, optionally, link information for connecting to the server. *Id.* ¶ 37. This transmission may be via radio frequency identification (RFID) or Bluetooth. *Id.* The mobile device establishes a communication link with the server through a mobile network or the Internet and transmits a merchant-information-request signal to the server. *Id.* ¶ 38. The server first extracts the mobile device ID and the merchant ID code from the request. *Id.* The server then generates an electronic coupon based on the merchant ID code and provides the user with an option to download the coupon. *Id.* ¶¶ 28, 37–39.

## 2. Swartz

Swartz discloses a marketing and shopping system. Ex. 1007, 1:20–25. Figure 1 shows the system and is reproduced below:

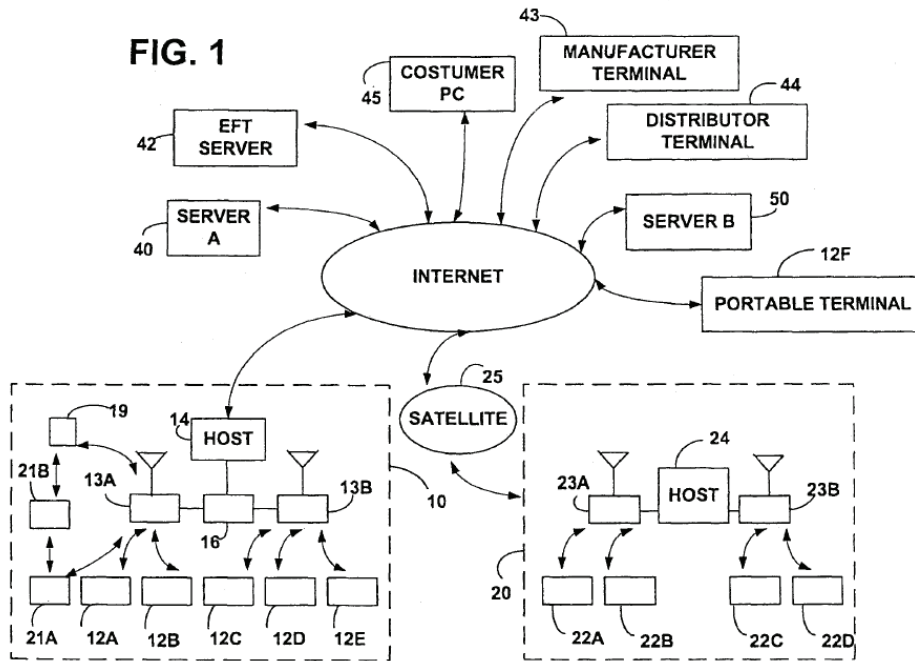


Figure 1 shows a block diagram of a preferred embodiment of the system, which includes portable terminals 12A–12F and central host 14. *Id.* at 3:62–63, 4:58–5:23, 9:8–11. In use, customers identify themselves to the system, such as by inserting a loyalty card into a card reader. *Id.* at 18:29–33. The system then assigns a portable terminal to the user. *Id.* at 18:58–62. Alternatively, customers can use their own portable terminals. *Id.* at 19:48–49. The customer then proceeds through the store and uses the portable terminal to record items the customer wishes to purchase. *Id.* at 20:18–19. This can be done by, for example, using the portable terminal to scan a bar code on each item. *Id.* at 20:19–27. After the customer has selected all of the items to be purchased, the customer returns the portable terminal to the dispenser unit, and information collected with the portable terminal regarding the purchased items is processed by a central processing unit. *Id.* at 22:1–8. The customer then pays for the selected products, with the system accounting for any discounts or coupons to be applied. *Id.*

at 23:8–11, 23:37–45. By allowing the customers, rather than store employees, to scan and bag their selected items as they shop, the store saves money and the customer saves time. *Id.* at 22:48–60.

#### E. Asserted Anticipation by or Obviousness in View of Perttila

Petitioner argues that claims 9, 22, and 51 would have been unpatentable as being anticipated by or obvious in view of Perttila. Pet. 18–45. In support of its showing, Petitioner relies upon the Williams Declaration. *Id.* (citing Ex. 1003). We have reviewed the Petition, Patent Owner Response, Petitioner Reply, Patent Owner Sur-reply, and evidence of record and determine that, for the reasons explained below, Petitioner has shown, by a preponderance of the evidence, that claims 9, 22, and 51 would have been unpatentable in view of Perttila.

Claims 9 and 51 depend directly from independent claim 1, and claim 22 depends directly from independent claim 14. Ex. 1001, 24:47–56, 26:38–47, 28:63–65. Although Petitioner does not challenge the independent claims, the recitations of the independent claims are incorporated into the challenged claims, all of which are dependent claims. Thus, the Petition addresses the recitations of the independent claims. Pet. 25–34, 38–43. Accordingly, we analyze these claims, as well as the challenged claims, below.

##### *1. Independent Claim 1*

Claim 1 recites a method for a central server to exchange information between one or more wireless devices and includes steps performed by a central server, a first wireless device, and a second device. Ex. 1001, 23:35–63. Of particular relevance, claim 1 recites “said central server using

the second device identifier information to determine one or more of an identity or related information concerning an entity or object located in proximity to the second device.” *Id.* at 23:46–49. Petitioner maps Perttila’s electronic coupon to the recited identity or related information and “the content promoted by [Perttila’s] billboard” to the recited entity or object and argues that the “‘remote source server’ generates ‘an electronic coupon’ ‘in the form of an electronic data set corresponding to the merchant-media’s ID code,’ [an] ‘electronic coupon that corresponds to the content promoted by the billboard.’” Pet. 30; *see also id.* at 30–32 (citing Ex. 1006 ¶¶ 15, 27–29, 37, 39).

Patent Owner makes several arguments regarding this recitation. First, Patent Owner interprets the Petition to map Perttila’s billboard to the recited second device and argues that Perttila does not disclose using its merchant-media arrangement’s ID code “to determine information about ‘an entity or object located *in proximity to*’ [the] billboard.” PO Resp. 36; *see also id.* at 41 (“Petitioner has identified the merchant media arrangement/billboard itself as the ‘second device’ of the challenged claims.”). Rather, Patent Owner argues, Perttila’s electronic coupon is associated with the billboard itself. *Id.* at 42 (“The Perttila server merely uses the merchant media ID to determine the billboard to which the ID relates . . . . [T]he Perttila server simply provides the coupon that it has been told to provide based on the merchant media ID.”). “Perttila does not teach that the entity or object being *promoted by* the billboard of the ‘merchant-media arrangement’ is located *in proximity to* the disclosed ‘merchant-media arrangement’ . . . .” *Id.* at 40.

Petitioner replies that Perttila's electronic coupon is related information concerning an object in proximity to the "short-range communicator" (that is, the RFID tag or Bluetooth link). Pet. Reply 7. Petitioner argues that such objects include the billboard and content promoted by the billboard. *Id.*; *see also id.* at 12 ("Because the billboard (and thus the content it is promoting) is, in fact, in proximity to ('co-located' with) the merchant-media arrangement's tag/beacon, . . . the billboard and separately its promotional content each meet the requirement of the claimed object." (citing Pet. 30–32; Ex. 1003 ¶¶ 83, 117–118)).

Patent Owner replies that Petitioner's mapping of the short-range transmitter to the recited second device is inconsistent with Petitioner's mapping of Perttila's merchant ID code to the recited second device identifier information because the merchant ID code identifies the billboard (or its content), but does not identify the RFID tag or Bluetooth link. PO Sur-reply 16–18. Patent Owner argues that mapping the content promoted by Perttila's billboard to the recited object does not satisfy the claim requirements because this mapping "results in reading the claim language to mean '[second device] in proximity to the second device.'" *Id.* at 18–22 (alteration in original).

As we noted in the Institution Decision, Perttila's merchant-media arrangement includes RFID tag 38 (or, alternatively, a Bluetooth link). *See* Inst. Dec. 19. Petitioner maps the short-range transmitter to the recited second device (*see* Pet. 28; Inst. Dec. 19) and maps the electronic coupon to the recited identity or related information (*see* Pet. 30; Inst. Dec. 19). Petitioner maps the billboard and, separately, its contents to the recited entity or object, which is in proximity to the short-range transmitter. *See* Pet. 30;

Pet. Reply 7–8; Inst. Dec. 19. Perttila’s server uses the merchant ID code to generate an “electronic coupon that corresponds to the content promoted by the billboard.” *E.g.*, Ex. 1006 ¶¶ 27, 33. Thus, Perttila supports Petitioner’s contentions.

Patent Owner equates “merchant-media arrangement” as a billboard; that is, a single entity. In the Institution Decision, we noted that the merchant-media arrangement includes a billboard and the RFID tag or Bluetooth link is “co-located” at the merchant-media arrangement. Inst. Dec. 19–20. Petitioner maps the “short-range communicator,” which it defines as the RFID tag or Bluetooth link, to the recited second device. Pet. Reply 7; *see also* Pet. 30–31. Thus, we disagree with Patent Owner’s assertion that the Petition maps the merchant media arrangement, as a singular entity, to both the recited second device and the recited entity or object.

We further disagree with Patent Owner’s assertion that the electronic coupon does not correspond to the content promoted by the billboard. *See* PO Resp. 40–41. Perttila discloses that the “downloadable electronic coupon . . . corresponds to the content promoted by the billboard.” Ex. 1006 ¶ 27 (emphasis added). Perttila’s remote server uses the merchant-media ID code “to associate the promotional information with an e-coupon to be provided to the user visiting this billboard location.” *Id.* ¶ 28.

In its Reply, Petitioner further maps the “store in which the merchant-media arrangement is located” and “product offerings in the store” to the recited entity or object. Pet. Reply 7–8 (citations omitted). We disagree with these mappings. As noted above, Perttila’s e-coupon corresponds to the

content of the billboard. Petitioner has cited no disclosure that Perttila's e-coupon corresponds to the store or an item in the store.

Regarding Petitioner's "store in which the merchant-media arrangement is located" mapping, Petitioner does not explain adequately how Perttila's e-coupon, which Petitioner maps to the recited identity or related information, concerns the store itself. Rather, Petitioner relies only on products offered for sale within the store. *See* Pet. Reply 13; Tr. 22:25–23:24.

Regarding Petitioner's "product offerings in the store" mapping, at best, Petitioner appears to present an inherency argument that if the billboard is placed in a store, the advertised products must be in the store. *See* Pet. Reply 13 ("Perttila expressly discloses the merchant-media arrangement may be placed 'at the store itself' such that the location where product offerings corresponding to the e-coupons are redeemed is the 'same location' as that where the e-coupons are provided." (citing Ex. 1006 ¶¶ 28, 39; Pet. 22, 30–32; Ex. 1003 ¶¶ 87, 117–118)). However, while it may be likely that the advertised products are in the store, this is not necessarily the case. For example, the products may be out of stock, in which case Petitioner acknowledges that the claim language is not satisfied. Tr. 24:7–12 ("[T]he limitations are met when the e-coupon is distributed for a product, and that product is in the store with the merchant media arrangement. If there are times, for example, when the store is sold out of that particular product, that wouldn't be met during those times."). Petitioner's assertions regarding the recited entity or object corresponding to product offerings within the store are based on speculation, which is insufficient to satisfy the requirements for an inherency argument. *In re Robertson*, 169 F.3d 743,

745 (Fed. Cir. 1999) (“Inherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient.” (citations omitted)).

Additionally, Patent Owner argues that Perttila’s server does not make a determination that any object is in proximity to the second wireless device. PO Resp. 38–39; *see also* PO Sur-reply 12–13.

Petitioner argues that claim 1 does not require the central server to make a determination that an object is in proximity to the second device. Pet. Reply 8–9.

Claim 1 requires the central server to make a single determination—the “identity or related information concerning an entity or object located in proximity to the second device”—but does not require the server to also determine that the object (or entity) is in proximity to the second device. Moreover, Patent Owner’s arguments are inconsistent with the ’359 patent, which indicates that the first device is positioned in proximity to an object about which information is delivered rather than the server making a determination that an object is in proximity to the second device. *See, e.g.*, Ex. 1001, 8:43–52 (discussing the first device being “tied to a location or product”). Even if we were to interpret the claims as containing such a requirement, as noted above Perttila’s server “associate[s] the promotional information with an e-coupon to be provided to the user visiting this billboard location.” Ex. 1006 ¶ 28. The “the promotion information is linked to th[e] particular location.” *Id.* Thus, Perttila at least suggests that its server has information that the billboard is in proximity to the RFID tag.

Accordingly, for the foregoing reasons, Perttila supports Petitioner’s contentions. The parties’ arguments in the Petition, Response, Reply, and

Sur-reply are substantially similar to the parties' arguments in the '931 IPR. For the reasons set forth in our Final Written Decision in the '931 IPR, which we issue concurrently with this Decision, we conclude that Petitioner has shown by a preponderance of the evidence that claim 1 is unpatentable as being anticipated by and obvious over Perttila.

*2. Dependent Claim 9*

Claim 9 depends directly from claim 1 and further recites, wherein the steps performed by the central server further comprise:

facilitating a purchase of the goods or services from a merchant account associated with the second wireless device and a customer account associated with the first wireless device;

providing confirmation to each account; and/or  
receiving customer confirmation of receipt of a good or service via the first wireless device, thereby completing a transaction.

Ex. 1001, 24:47–56; *see also id.* at 32 (certificate of correction). Thus, claim 9 recites three alternative steps and Petitioner only needs to show that one such step is in the prior art in order to render this claim unpatentable. In addition to relying on its showing made regarding claim 1, Petitioner argues that Perttila discloses all three steps. Pet. 34–38 (citing Ex. 1003 ¶ 140; Ex. 1006 ¶¶ 28, 42, 45, 53, Fig. 1b).

Patent Owner does not challenge separately the arguments and evidence presented for the dependent claims. *See generally* PO Resp.

Petitioner argues that Perttila's source server 24 facilitates the purchase of goods or services as recited in claim 9 by "receiving a request to 'redeem,' 'verif[ying]' the presence of, and 'void[ing]' a coupon in the database." Pet. 35 (alterations in original) (citing Ex. 1006 ¶¶ 42, 53).

Perttila discloses that source server 24 uses the merchant ID code to generate an “electronic coupon that corresponds to the content promoted by the billboard.” Ex. 1006 ¶ 27. “The merchant-media ID code is used to associate the promotional information with an e-coupon to be provided to the user . . . .” *Id.* ¶ 28. The server “extracts the user/terminal ID along with the tag (merchant-media) ID from the request,” which “are stored by the source server.” *Id.* ¶ 38. Before a coupon is redeemed, source server 24 first validates the coupon. *Id.* ¶ 41. The validation process prohibits a particular coupon from being used more than once or by an unauthorized user. *See, e.g., id.* (disclosing that validation includes marking a coupon as void to “prevent[] a second use and/or use after an attempt to [use] by [an] unauthorized holder of the coupon”). During coupon redemption, “the source server 24 . . . checks the database 50 to determine whether the coupon is valid . . . by searching the database for a file with [the] user ID and tag ID of the [coupon] void request.” *Id.* ¶ 42. Thus, Perttila supports Petitioner’s contentions.

Petitioner argues that Perttila’s source server 24 provides “confirmation to each account” as recited in claim 9 by “[u]pdating the database, which stores the coupon information for both [the merchant and customer] accounts.” Pet. 35 (citing Ex. 1006 ¶¶ 42, 53). Perttila’s coupon redemption process begins with data-processing station 54 sending a coupon void request to the source server. Ex. 1006 ¶ 41. After finding “a file with [the] user ID and tag ID of the void request,” the source server “records a service flag to indicate that the coupon is valid” and “sends an acknowledgement back to the [redemption data-processing] station 54.” *Id.* ¶ 42. Petitioner argues that it would have been obvious for Perttila’s data

processing station to be part of the merchant-media arrangement, in which case, Petitioner argues, “the second device sends the request to redeem the coupon.” Pet. 35–36 (citing Ex. 1003 ¶ 140; Ex. 1006 ¶¶ 42, 53). We are not persuaded by Petitioner’s arguments, which fail to explain adequately how updating a server database constitutes providing confirmation to each of the merchant account associated with the second device and a customer account associated with the first wireless device. As noted, however, claim 9 presents this recitation as an alternative.

Petitioner argues that source server 24 receives customer confirmation as recited in claim 9 when the user redeems a previously purchased movie ticket. Pet. 36 (citing Ex. 1006 ¶¶ 28, 42, 45, 53). Perttila discloses that the electronic coupon can be in the form of a movie ticket. Ex. 1006 ¶ 44. When the user presents the e-ticket to the server, such as at the movie theater, “the server can determine the right phase of the service process and provide the right support for that phase.” *Id.* ¶ 53. This may include, for example, “ticket verification[] in order to gain access to enter the movie theatre.” *Id.* ¶ 45. Thus, Perttila supports Petitioner’s contentions.

Accordingly, for the foregoing reasons, Perttila supports Petitioner’s contentions that Perttila discloses the subject matter of claim 9, and we conclude that Petitioner has shown by a preponderance of the evidence that this claim is unpatentable as being anticipated by and obvious over Perttila.<sup>7</sup>

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<sup>7</sup> “It is well settled that ‘anticipation is the epitome of obviousness.’” *In re McDaniel*, 293 F.3d 1379, 1385 (Fed. Cir. 2002) (quoting *Connell v. Sears Roebuck & Co.*, 722 F.2d 1542, 1548 (Fed. Cir. 1983)).

*3. Dependent Claim 51*

Claim 51 depends directly from claim 1 and further recites “wherein said second device identifier is associated with a unique account or record identifier known to the central server.” Ex. 1001, 28:63–65. In addition to relying on its showing made regarding claim 1, Petitioner argues that Perttila’s source server 24 “associates the received ‘RFID tag’ or ‘Bluetooth’ ‘beacon’ information, including the ‘merchant ID code,’ with a ‘unique ID’ and is ‘pre-programmed’ to retrieve ‘media content information assigned to the unique ID for the media communications arrangement.’” Pet. 44; *see also id.* at 44–45 (citing Ex. 1006 ¶¶ 29, 37, 60–61).

Patent Owner does not challenge separately the arguments and evidence presented for the dependent claims. *See generally* PO Resp.

Perttila discloses that the merchant-media arrangement includes “ID storage device 330 [that] stores a unique ID for the RFID reader arrangement 300.” Ex. 1006 ¶ 60. A transceiver in the merchant-media arrangement sends the unique ID to a remote server, which “is pre-programmed with media content information assigned to the unique ID” and “uses the unique ID to retrieve media content information associated therewith and uses the [user’s RFID] tag information to send the media content information to the user address using the preferred type of communications.” *Id.* ¶ 61; *see also id.* ¶ 29 (disclosing that the remote processing arrangement can be a server). As noted above, the merchant-media arrangement can communicate through alternative short-range communication links, such as a Bluetooth link. *Id.* ¶ 37.

Accordingly, for the foregoing reasons, Perttila supports Petitioner’s contentions that Perttila discloses the subject matter of claim 51, and we

conclude that Petitioner has shown by a preponderance of the evidence that this claim is unpatentable as being anticipated by and obvious over Perttila.

*4. Independent Claim 14*

Claim 14 recites a server for exchanging information including a receiver, a storage device, and a transmitter. Ex. 1001, 25:25–51. Of particular relevance, claim 14 recites “a storage device, for storing the second device identifier information and one or more of an identity or related information concerning an entity or object located in proximity to the second device.” *Id.* at 25:35–38. In addition to relying on its showing made regarding claim 1, Petitioner maps Perttila’s database 50 to the recited storage device and argues that “Perttila discloses that the server stores coupons in ‘the database 50’ according to ‘the user/terminal ID along with the tag (merchant media) ID.’” Pet. 40 (emphasis omitted).

Patent Owner relies on the same interpretation of the Petition advanced regarding claim 1 to map Perttila’s billboard to the recited second device and argues that Perttila does not store information concerning any entities or objects located in proximity to the billboard. PO Resp. 43–44. Patent Owner argues that Perttila’s database does not “store[] the location of the item to which the electronic coupon is directed, or the proximity of that item to the billboard.” *Id.* at 44–46.

Petitioner argues that claim 14 does not require the storage device to store the location of the item to which the electronic coupon is directed. Pet. Reply 9.

We disagree with Patent Owner’s arguments for the same reasons set forth in § II.E.1 above. Perttila discloses that source server 24 uses the merchant ID code to generate an “electronic coupon that corresponds to the

content promoted by the billboard.” Ex. 1006 ¶ 27. “The merchant-media ID code is used to associate the promotional information with an e-coupon to be provided to the user . . . .” *Id.* ¶ 28. The server “extracts the user/terminal ID along with the tag (merchant-media) ID from the request,” which “are stored by the source server.” *Id.* ¶ 38. Perttila explains that during coupon redemption, “the source server 24 . . . checks the database 50 to determine whether the coupon is valid . . . by searching the database for a file with [the] user ID and tag ID of the [coupon] void request” (*id.* ¶ 42), indicating that the merchant ID code (“tag ID”) and electronic coupon are stored in database 50. We further note that Perttila refers to database 50 as “coupon-database.” *Id.*

Accordingly, for the foregoing reasons, Perttila supports Petitioner’s contentions. The parties’ arguments in the Petition, Response, Reply, and Sur-reply are substantially similar to the parties’ arguments in the ’931 IPR. For the reasons set forth in our Final Written Decision in the ’931 IPR, which we issue concurrently with this Decision, we determine that Petitioner has shown by a preponderance of the evidence that claim 14 is unpatentable as being anticipated by and obvious over Perttila.

#### *5. Dependent Claim 22*

Claim 22 depends directly from claim 14 and further recites,  
a processor,

for facilitating a purchase of goods or services from a merchant account associated with the second device and a customer account associated with the first wireless device;  
providing confirmation to each account; and/or  
receiving customer confirmation of receipt of a good or service via the first wireless device, thereby completing a transaction.

Ex. 1001, 26:38–47. Thus, claim 22 recites three alternative functions of the server and Petitioner only needs to show that one such function is in the prior art in order to render this claim unpatentable. In addition to relying on its showings made regarding claims 9 and 14, Petitioner argues that Perttila’s source server includes a processor that performs all three functions. Pet. 43 (citing Ex. 1003 ¶ 166; Ex. 1006 ¶¶ 19, 29, 55).

Patent Owner does not challenge separately the arguments and evidence presented for the dependent claims. *See generally* PO Resp.

As noted above, Perttila discloses that the remote processing arrangement can be a server. *See* Ex. 1006 ¶ 29. We further note that Perttila uses a single reference number to refer both to the “remote processing arrangement” and “source server,” further indicating that the server includes a processor. *See, e.g.*, Ex. 1006 ¶¶ 54 (“remote source server 140”), 55 (“remote processing arrangement 140”). Petitioner’s declarant testifies that a person having ordinary skill in the art “would have understood that [Perttila’s] server has a ‘processor’ to provide the user with a downloadable coupon and ‘process’ the received data from the mobile terminal, including ‘coupon-verification and credit actions.’” Ex. 1003 ¶ 166 (citing Ex. 1006 ¶¶ 16, 42). We credit this testimony of Petitioner’s declarant, which Patent Owner’s declarant does not rebut.

Accordingly, for the foregoing reasons, Perttila supports Petitioner’s contentions that Perttila discloses the subject matter of claim 22, and we conclude that Petitioner has shown by a preponderance of the evidence that this claim is unpatentable as being anticipated by and obvious over Perttila.

## F. Asserted Obviousness in View of Perttala and Swartz

Petitioner argues that claims 9, 22, 28, 35, and 38–41 would have been obvious over the combination of Perttala and Swartz. Pet. 45–62. In support of its showing, Petitioner relies upon the Williams Declaration. *Id.* (citing Ex. 1003). We have reviewed the Petition, Patent Owner Response, Petitioner Reply, Patent Owner Sur-reply, and evidence of record and determine that, for the reasons explained below, Petitioner has shown, by a preponderance of the evidence, that claims 9, 22, 28, 35, and 38–41 would have been obvious in view of Perttala and Swartz and that Petitioner has set forth reasoning with rational underpinnings why it would have been obvious to combine the teachings of Perttala and Swartz.

### *1. Combining the Teachings of Perttala and Swartz*

Each of claims 9, 28, 35, and 38–41 depends directly from claim 1, and claim 22 depends directly from claim 14. Ex. 1001, 24:47–56, 26:38–47, 27:15–18, 27:48–51, 27:60–28:8. Petitioner relies on Perttala as described in § II.E above. Pet. 49–62. Petitioner argues that, “[w]hile Perttala teaches the delivery of a coupon to a user’s device based on its proximity to the mobile-media arrangement, Swartz provides additional implementation details for how to personalize that coupon and subsequently redeem that coupon and purchase goods from the server using the mobile terminal.” *Id.* at 47 (emphasis omitted). Petitioner argues that it would have been obvious to incorporate “Swartz’s teachings of personalizing coupon offerings based on a customer’s history of purchasing behavior in implementing Perttala’s e-coupon system.” *Id.* at 48 (emphasis omitted) (citing Ex. 1003 ¶¶ 98; Ex. 1006 ¶¶ 31, 38). Petitioner’s declarant testifies

that this would “advantageously provide offerings that a user is likely to redeem.” Ex. 1003 ¶ 98 (citing Ex. 1007, 4:47–50, 15:16–24).

Regarding claim 9, for example, Petitioner argues that “Swartz discloses a system for ‘portable shopping and order fulfillment’ wherein a customer uses a ‘cell phone’ to detect and scan products for purchase.” Pet. 49 (emphasis omitted) (citing Ex. 1007, 2:12–14, 6:11–14, 6:45–57, 41:58–65). Petitioner argues that “a POSITA would have been motivated to apply Swartz’s . . . teachings of a server facilitating the purchase of goods from a merchant account associated with the merchant’s store by charging a customer’s ‘credit account’ associated with the customer’s mobile device in implementing Perttila’s server, which performs ‘credit actions.’” *Id.* at 50 (citing Ex. 1003 ¶ 200).

Patent Owner argues that “Perttila’s ‘electronic commerce arrangement’ is its coupon delivery system, including the server that sends the coupon,” and “Perttila is simply a mechanism for delivering ‘e-coupons’ to consumers . . . .” PO Resp. 47–48. “Perttila never mentions ‘electronic commerce transaction’ or ‘e-commerce transaction.’” *Id.* at 48. Patent Owner argues that “Swartz, in contrast, is directed to ‘marketing and shopping system which may be used in a portable shopping and order fulfillment system.’” *Id.* at 48 (emphasis omitted). According to Patent Owner, “Petitioner’s justifications for its combinations imply that the words used in Perttila to describe its coupon system mean something they do not.” *Id.* at 49.

Petitioner argues that “Perttila expressly states that its invention is directed to ‘a system, method and apparatus for processing *electronic commerce* involving radio communication technology.’” Pet. Reply 16

(quoting Ex. 1006 ¶ 1). Petitioner argues that the '359 patent discloses redeeming electronic coupons as part of an electronic commerce transaction. *Id.* at 17–18 (citing Ex. 1001, 14:4–7, 14:40–15:23). Petitioner argues that Patent Owner's arguments are inconsistent with its statements made in a prior litigation involving the '359 patent. *Id.* at 18–19 (citing Ex. 1035, 12–16, 21–22).

Patent Owner replies by clarifying that its argument is not that Perttila fails to disclose electronic commerce. PO Sur-reply 23–24. Rather, Patent Owner faults Petitioner's rationale for combining the teachings of Perttila and Swartz; namely, that “improv[ing] Perttila's ‘electronic commerce arrangement’ . . . does not align with Perttila's teachings and does not support the proposed combination.” *Id.* at 25–26 (quoting Pet. 48).

As noted by Petitioner, Perttila discloses that, “[u]pon receiving [a coupon void] request from the redemption data-processing station 54, the source server 24 performs coupon-verification and *credit actions* and updates its coupon-database accordingly.” Ex. 1006 ¶ 42 (emphasis added). Petitioner relies on Swartz to teach credit actions to be performed by Perttila's server. *E.g.*, Pet. 50 (“charging a customer's ‘credit account’ associated with the customer's mobile device”). Petitioner's declarant opines that “Perttila itself recognizes the benefits of a central server handling ‘coupon-verification and credit actions,’ and a [person of ordinary skill in the art] would have understood that Swartz's teachings provide known implementation details for such an arrangement.” Ex. 1003 ¶ 100. Mr. Williams testifies that an ordinarily skilled artisan would have understood that modifying Perttila's server to provide the credit actions

taught by Swartz “would have improved Perttila’s ‘electronic commerce arrangement.’” *Id.*

Patent Owner’s declarant testifies that “Petitioner’s arguments for why a POSITA would have been motivated to combine [Perttila and Swartz] are not true to the disclosures of Perttila, and imply that the phrases used in Perttila have a different meaning than they do in the context of Perttila.”

Ex. 2010 ¶ 94. Dr. Foley, however, does not address Perttila’s disclosure of its server performing “credit actions,” which is the basis for Mr. Williams’s opinion that it would have been obvious to incorporate Swartz’s teachings into Perttila’s system. *See, e.g.*, Ex. 1003 ¶ 100; Pet. 48 (citing same).

We credit the testimony of Petitioner’s declarant, which relies on Swartz to provide details regarding the credit actions performed by Perttila’s server and which Patent Owner’s declarant does not address squarely. Therefore, we determine that Petitioner has set forth reasoning with rational underpinning explaining why it would have been obvious to combine the teachings of Perttila and Swartz.

## *2. Dependent Claims 9 and 22*

As noted above, claim 9 depends directly from claim 1 and further recites,

wherein the steps performed by the central server further comprise:

facilitating a purchase of the goods or services from a merchant account associated with the second wireless device and a customer account associated with the first wireless device;

providing confirmation to each account; and/or  
receiving customer confirmation of receipt of a good or service via the first wireless device, thereby completing a transaction.

Ex. 1001, 24:47–56; *see also id.* at 32 (certificate of correction).

Claim 22 depends from claim 14 and contains substantially the same recitations. *Id.* at 26:38–47. Petitioner argues that “a POSITA would have been motivated to apply Swartz’s . . . teachings of a server facilitating the purchase of goods from a merchant account associated with the merchant’s store by charging a customer’s ‘credit account’ associated with the customer’s mobile device in implementing Perttila’s server, which performs ‘credit actions.’” Pet. 50 (emphasis omitted) (citing Ex. 1003 ¶ 200).

Patent Owner does not challenge separately the arguments and evidence presented for the dependent claims. *See generally* PO Resp.

Swartz discloses establishing a credit account for the customer to allow the customer to be charged automatically when finished with their shopping. *See, e.g.*, Ex. 1007, 24:5–7 (“[T]he customer may provide his credit/debit information to the store. When the customer finishes shopping the customer can be charged for his selections automatically.”), 32:24–29 (“The store may . . . automatically communicate [a] rebate request to the company providing the rebate. This would provide . . . for the crediting of the consumer’s account at the specific facility.”). Petitioner’s declarant testifies that incorporating Swartz’s credit account into Perttila’s system would facilitate merchant transactions. Ex. 1003 ¶¶ 199–200. We credit this testimony of Petitioner’s declarant, which Patent Owner’s declarant does not rebut.

For the reasons set forth above, we determine that Petitioner has set forth reasoning with rational underpinning for modifying Perttila to include Swartz’s teachings regarding credit actions. Accordingly, for the foregoing reasons, Perttila and Swartz support Petitioner’s contentions that Perttila and

Swartz disclose the subject matter of claims 9 and 22, and we conclude that Petitioner has shown by a preponderance of the evidence that these claims are unpatentable.

### *3. Dependent Claim 28*

Claim 28 depends from claim 1 and further recites “wherein the further action is additionally based on a history of past purchasing behavior associated with an account associated with either the first wireless device or the second device identifier information.” Ex. 1001, 27:15–18. Petitioner argues that Perttila’s server retrieves user profile information to personalize the e-coupon offering. Pet. 52–54 (citing Ex. 1006 ¶¶ 26, 31, 34, 38–39, 42–43). Petitioner argues that Swartz’s central host may access the customer’s prior purchase records within its customer profile database and offer discounts based on the prior purchasing records. *Id.* at 54–56 (citing Ex. 1007, 4:47–50, 15:16–24, 34:41–60, 35:11–27, 56:64–57:5). Petitioner argues that it would have been obvious to incorporate Swartz’s teaching into Perttila’s system. *Id.* at 54–55 (citing Ex. 1003 ¶ 207).

Patent Owner does not challenge separately the arguments and evidence presented for the dependent claims. *See generally* PO Resp.

Perttila discloses that, in embodiments, the first device sends its own ID code (in addition to the merchant-media ID code) to the server, and the server uses the device ID code “to fetch user profile information from the remote server or from another entity in order to provide more personalized offering[s] to the user.” Ex. 1006 ¶ 31. Swartz discloses accessing a user’s prior purchase records within its customer profile database to personalize coupon offerings by, for example, offering a discount to entice the customer to try a new brand of product. Ex. 1007, 34:58–60, 35:20–23. Petitioner’s

declarant testifies that incorporating this teaching into Swartz’s system would “advantageously improve the quality of ‘personalized’ offerings provided by Perttila” and would “better ‘facilitate[] merchant transactions.’” Ex. 1003 ¶ 207 (alteration in original). We credit this testimony of Petitioner’s declarant, which Patent Owner’s declarant does not rebut. Therefore, we determine that Petitioner has set forth reasoning with rational underpinning explaining why it would have been obvious to combine the teachings of Perttila and Swartz and to include Swartz’s teachings regarding using a customer’s past purchasing behavior to personalize coupon offerings.

Accordingly, for the foregoing reasons, Perttila and Swartz support Petitioner’s contentions that Perttila and Swartz disclose the subject matter of claim 28, and we conclude that Petitioner has shown by a preponderance of the evidence that this claim is unpatentable.

#### *4. Dependent Claim 35*

Claim 35 depends from claim 1 and further recites “wherein the information delivered to the first wireless device additionally comprises: an image of an entity or object associated with the second device identifier information.” Ex. 1001, 27:48–51. Petitioner argues that Swartz teaches displaying an image of a scanned product on the user’s portable terminal and argues that it would have been obvious to incorporate this teaching into Perttila’s system. Pet. 58–59 (citing Ex. 1007, 2:22–25, 27:35–38, 28:49–51, 29:51–61; Ex. 1003 ¶ 210).

Patent Owner does not challenge separately the arguments and evidence presented for the dependent claims. *See generally* PO Resp.

Swartz discloses displaying on the user's device an image of a product selected by a user along with additional information, such as how to prepare a selected food product. Ex. 1007, 29:51–57. Petitioner's declarant testifies that incorporating this feature into Perttila's system would have facilitated the transaction by providing information about the product. Ex. 1003 ¶¶ 95, 97–100; *see also id.* ¶ 210 (citing *id.* ¶¶ 97–101). We credit this testimony of Petitioner's declarant, which Patent Owner's declarant does not rebut. Therefore, we determine that Petitioner has set forth reasoning with rational underpinning explaining why it would have been obvious to combine the teachings of Perttila and Swartz and to include Swartz's teachings regarding displaying images on the user's device.

Accordingly, for the foregoing reasons, Perttila and Swartz support Petitioner's contentions that Perttila and Swartz disclose the subject matter of claim 35, and we conclude that Petitioner has shown by a preponderance of the evidence that this claim is unpatentable.

#### *5. Dependent Claim 38*

Claim 38 depends from claim 1 and further recites “wherein the further action taken by the central server comprises: requesting payment information as a step in a process for an electronic commerce transaction.” Ex. 1001, 27:60–63. Petitioner argues that Swartz provides the customer with price information and can charge the customer's credit account. Pet. 59 (citing Ex. 1007, 23:8–27, 23:66–24:7, 51:4–8, 52:13–17). Petitioner argues that an ordinarily skilled artisan would have understood this to be a request for payment information. *Id.* at 59–60 (citing Ex. 1003 ¶ 212).

Patent Owner does not challenge separately the arguments and evidence presented for the dependent claims. *See generally* PO Resp.

Swartz discloses establishing a credit account for the customer to allow the customer to be charged automatically when finished with their shopping. *See, e.g.*, Ex. 1007, 24:5–7 (“[T]he customer may provide his credit/debit information to the store. When the customer finishes shopping the customer can be charged for his selections automatically.”), 32:24–29 (“The store may . . . automatically communicate [a] rebate request to the company providing the rebate. This would provide . . . for the crediting of the consumer’s account at the specific facility.”). Petitioner’s declarant testifies that incorporating Swartz’s credit account into Perttila’s system would have facilitated merchant transactions. Ex. 1003 ¶¶ 199–200, 212. We credit this testimony of Petitioner’s declarant, which Patent Owner’s declarant does not rebut.

For the reasons set forth above, we further determine that Petitioner has set forth reasoning with rational underpinning for modifying Perttila to include Swartz’s teachings regarding credit actions. Accordingly, for the foregoing reasons, Perttila and Swartz support Petitioner’s contentions that Perttila and Swartz disclose the subject matter of claim 38, and we conclude that Petitioner has shown by a preponderance of the evidence that this claim is unpatentable.

#### *6. Dependent Claims 39–41*

Claim 39 depends from claim 1 and further recites “wherein the further action taken by the central server comprises: delivering a confirmation of payment as a step in a process for an electronic commerce transaction.” Ex. 1001, 27:64–67. Claim 40 depends from claim 1 and further recites “wherein the further action taken by the central server comprises: delivering an electronic receipt as step in a process for an

electronic commerce transaction.” *Id.* at 28:1–4. Claim 41 depends from claim 1 and further recites “wherein the further action taken by the central server comprises: delivering a confirmation of payment as a step in a process for an electronic transaction.” *Id.* at 28:5–8. Petitioner argues that Swartz teaches delivering confirmation of payment by sending a receipt to the customer. Pet. 61–62 (citing Ex. 1007, 23:21–36, 41:20–23).

Patent Owner does not challenge separately the arguments and evidence presented for the dependent claims. *See generally* PO Resp.

Swartz discloses that the customer is provided with a receipt that lists “the entire list of all purchased items.” Ex. 1007, 23:27–28. The receipt could be provided as a hardcopy or could be emailed to the customer. *Id.* at 23:27–28, 23:35–36. Petitioner’s declarant opines that modifying Perttala’s system to provide a receipt in this manner would have facilitated merchant transactions. Ex. 1003 ¶ 217. We credit this testimony of Petitioner’s declarant, which Patent Owner’s declarant does not rebut.

For the reasons set forth above, we further determine that Petitioner has set forth reasoning with rational underpinning for modifying Perttala to include Swartz’s teachings regarding credit actions. Accordingly, for the foregoing reasons, Perttala and Swartz support Petitioner’s contentions that Perttala and Swartz disclose the subject matter of claims 39–41, and we conclude that Petitioner has shown by a preponderance of the evidence that these claims are unpatentable.

### III. CONCLUSION<sup>8</sup>

In summary,

<b>Claim(s)</b>	<b>35 U.S.C. §</b>	<b>Reference(s)</b>	<b>Claims Shown Unpatentable</b>	<b>Claims Not Shown Unpatentable</b>
9, 22, 51	102(b)	Perttila	9, 22, 51	
9, 22, 51	103(a)	Perttila	9, 22, 51	
9, 22, 28, 35, 38–41	103(a)	Perttila, Swartz	9, 22, 28, 35, 38–41	
<b>Overall Outcome</b>			<b>9, 22, 28, 35, 38–41, 51</b>	

### IV. ORDER

Accordingly, it is

ORDERED that claims 9, 22, 28, 35, 38–41, and 51 of the '359 patent are determined to be unpatentable; 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.

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<sup>8</sup> Should Patent Owner wish to pursue amendment of the challenged claims in a reissue or reexamination proceeding subsequent to the issuance of this decision, we draw Patent Owner's attention to the April 2019 *Notice Regarding Options for Amendments by Patent Owner Through Reissue or Reexamination During a Pending AIA Trial Proceeding*. See 84 Fed. Reg. 16,654 (Apr. 22, 2019). If Patent Owner chooses to file a reissue application or a request for reexamination of the challenged patent, we remind Patent Owner of its continuing obligation to notify the Board of any such related matters in updated mandatory notices. See 37 C.F.R. §§ 42.8(a)(3), (b)(2).

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