

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LIGHTSPEED COMMERCE INC.,
Petitioner,

v.

CLOUDOFCHANGE, LLC,
Patent Owner.

IPR2022-01143
Patent 11,226,793 B2

Before HUBERT C. LORIN, JEREMY M. PLENZLER, and
CARL M. DEFRANCO, *Administrative Patent Judges*.

PLENZLER, *Administrative Patent Judge*.

DECISION
Granting Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

A. Background and Summary

Lightspeed Commerce Inc. (“Petitioner”) filed a Petition requesting *inter partes* review of claims 1–4, 7–28, and 31–44 of U.S. Patent No. 11,226,793 B2 (Ex. 1001, “the ’793 patent”). Paper 1 (“Pet.”).

CloudofChange, LLC (“Patent Owner”) file a Preliminary Response. Paper 6 (“Prelim. Resp.”).

Under 35 U.S.C. § 314(a), an *inter partes* review may not be instituted unless the information presented in the petition “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.” For the reasons stated below, we determine that Petitioner has established a reasonable likelihood that it would prevail with respect to at least one of the challenged claims. We hereby institute an *inter partes* review in this proceeding.

B. Related Matters

The ’793 patent is a continuation filing of U.S. Patent No. 10,083,012 B2 (Ex. 2016, “the ’012 patent”), which is continuation of U.S. Patent No. 9,400,640 B2 (Ex. 2015, “the ’640 patent”).

The parties indicate that the ’793 patent is involved in *CloudofChange, LLC v. Lightspeed POS Inc.*, 6:21-cv-01102 (W.D. Tex. Oct. 22, 2021) (“the Lightspeed Litigation”). Pet. 1 (P[atent] O[wner]’s May 2, 2022 amended complaint in the Lightspeed Litigation alleged infringement of . . . the ’793 patent.); Paper 5, 1.

The ’640 and ’012 patents are also involved in the Lightspeed Litigation, and were both previously involved in a lawsuit *CloudofChange, LLC v. NCR Corporation*, 6-19-cv-00513 (W.D. Tex. Aug. 30, 2019) (“the NCR Litigation”), which resulted in a jury verdict for Patent Owner, but is still pending final judgment. *See* Paper 5 (referencing the NCR Litigation).

The ’640 patent is challenged in IPR2022-00779 and the ’012 patent is challenged in IPR2022-00997. Trial has been instituted for both proceedings and is currently pending.

C. The '793 Patent

The '793 patent relates to “a system and a method for online, web-based point of sale (POS) building and configuration.” Ex. 1001, Abstract. According to the '793 patent, “[c]urrent practice in the field of assembling point of sale systems includes manually coding front-of-screen information,” which “contains menu selections, page selections, and general answers to business questions.” *Id.* at 1:33–37.

The '793 patent explains that “in the prior art, a specialized programmer had to design the layout and data for these POS touch keys,” but “[w]ith this invention, the store operator will be able to build his POS screens online over the Internet.” Ex. 1001, 3:5–7, 13–14.

The '793 patent explains that its “POS builder system can be provided as a service or deployed within a corporation,” and notes that “[f]or example, Software as a Service (SMS) is a software distribution model in which applications are hosted by a vendor or service provider and made available to customers over a network, typically the Internet.” Ex. 1001, 6:11–16.

D. Illustrative Claim

1. A web-based point of sale (POS) builder system comprising:

at least one server configured to:

communicate with one or more POS terminals over a network comprising the Internet, wherein the one or more POS terminals are configured to display one or more POS screens;

receive, over the network from a POS builder interface, information used for creating or modifying the one or more POS screens including creating or modifying one or more display interfaces for display on the one or

more POS screens, the one or more display interfaces being associated with one or more items;

receive, from at least one of the one or more POS terminals over the network, further information regarding one or more POS transactions corresponding to the one or more items;

configure the one or more POS terminals with the information over the network to create or modify based on the further information regarding one or more POS transactions the one or more POS screens displayed on the one or more POS terminals; and

wherein the further information regarding the one or more POS transactions, the information used for creating or modifying the one or more POS screens, or a combination thereof comprises one or more of employee clock information, customer add/update information, item add/update information, promotion information, loyalty point information, discount information, taxation information, item cost information, or inventory information;

wherein said further information regarding the one or more POS transactions relate to one or more transactions by corresponding customers respectively associated with at least one of said one or more POS terminals.

Ex. 1001, 6:29–64.

E. Evidence and Asserted Grounds

Petitioner asserts that claims 1–4, 7–28, and 31–44 would have been unpatentable on the following grounds:

Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
1–4, 7–28, 31–44	103	Woycik ¹
1–4, 7–28, 31–44	103	Tengler ²

Petitioner submits a declaration from Stephen Gray (Ex. 1002).
Patent Owner submits a declaration from Alex Chang. (Ex. 2012).

II. ANALYSIS

A. Legal Standards

Petitioner bears the burden of persuasion to prove unpatentability, by a preponderance of the evidence, of the claims challenged in the Petition. 35 U.S.C. § 316(e). This burden never shifts to Patent Owner. *Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015). The Board may authorize an *inter partes* review if we determine that the information presented in the Petition and Patent Owner's Preliminary Response shows that there is a reasonable likelihood that Petitioner will prevail with respect to at least one of the claims challenged in the Petition. 35 U.S.C. § 314(a). "When instituting *inter partes* review, the Board will authorize the review to proceed on all of the challenged claims and on all grounds of unpatentability asserted for each claim." 37 C.F.R. § 42.108(a) (2021).

¹ US Patent Pub. No. US 2007/0265935 A1, published Nov. 15, 2007 (Ex. 1004).

² US Patent Pub. No. US 2005/0049921 A1, published Mar. 3, 2005 (Ex. 1005).

B. Level of Ordinary Skill in the Art

Petitioner contends that “[a] ‘person of ordinary skill in the art’ (POSITA) on the ’793 patent’s effective filing date would have had a working knowledge of designing, developing, and deploying web-based systems” and “would have a Bachelor of Science in computer science or a related field, and approximately two years of professional experience or equivalent study in the design and development of web-based systems, including web-based POS systems.” Pet. 7; *see also* Ex. 1002 ¶¶ 29–30 (repeating the same). Petitioner contends that “[a]dditional graduate education could substitute for professional experience, or significant experience in the field could substitute for formal education.” Pet. 7; *see also* Ex. 1002 ¶¶ 29–30 (repeating the same). Patent Owner does not contest Petitioner’s articulation of the level of skill in the art. *See* Prelim. Resp. 14.

For purposes of this decision, we analyze the asserted prior art with respect to the level of skill set forth by Petitioner.

C. Claim Construction

In an *inter partes* review, we construe a patent claim “using the same claim construction standard that would be used to construe the claim in a civil action under 35 U.S.C. § 282(b).” 37 C.F.R. § 42.100(b) (2021). Under this standard, the words of a claim generally are given their “ordinary and customary meaning,” which is the meaning the term would have to a person of ordinary skill at the time of the invention, in the context of the entire patent including the specification. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312–13 (Fed. Cir. 2005) (en banc).

1. *“wherein the further information regarding the one or more POS transactions, the information used for creating or modifying the one or more POS screens, or a combination thereof comprises one or more of” (all claims)*

Petitioner contends that “[t]his term recites two lists of alternatives and is met if any of ‘the information,’ ‘the further information,’ or ‘a combination thereof’ includes at least one of the enumerated information types.” Pet. 8 (citation omitted). Petitioner contends that “[a] POSITA would understand that ‘a combination’ of ‘the information’ and ‘the further information’ includes a combination of all or some of each category of information (e.g., if information from each category is used to create/modify a POS screen).” *Id.* (citing Ex. 1002 ¶ 49).

Patent Owner disputes Petitioner’s reading of the claim language noted above, but simply alleges, without further explanation, that “[c]onsistent with Judge Albright’s construction in the Lightspeed litigation, the term ‘wherein the further information regarding the one or more POS transactions, the information used for creating or modifying the one or more POS screens, or a combination thereof comprises one or more of . . . ’ should have its plain and ordinary meaning.” Prelim. Resp. 22.

Petitioner’s construction is not proposing a specific meaning for any particular term in the claim. Rather, it simply proposes a reading of the claim that uses the word “or” in the language noted above to read as an alternate, as one ordinarily would understand the use of the word “or.” We fail to see how the “plain and ordinary meaning” alleged by Patent Owner differs from Petitioner’s understanding of the claim.

Moreover, we note that in addressing the challenges presented by Petitioner, Patent Owner does not identify any particular deficiency based on

the difference between the “plain and ordinary meaning” and the understanding of the claim language presented by Petitioner.

2. *“display interfaces” (all claims)*

Petitioner proposes a construction of “display interfaces,” which Patent Owner contends is narrower than required by the claim. Pet. 8; Prelim. Resp. 23–24. There is no dispute at this time, however, that this narrower interpretation would at least meet the broader scope of the claim alleged by Patent Owner.

3. *“the input interface element” (claim 23)*

Petitioner proposes a construction of “the input interface element,” which Patent Owner does not dispute. Pet. 8–9; Prelim. Resp. 24.

4. *“the web server”/“the at least one web server” (claim 38)*

Petitioner proposes a construction of “the web server”/“the at least one web server,” which Patent Owner does not dispute. Pet. 9; Prelim. Resp. 24.

5. *“creating or modifying functionality of the one or POS terminals” (claim 44)*

Petitioner proposes a construction of “creating or modifying functionality of the one or POS terminals,” which Patent Owner contends is narrower than required by the claim. Pet. 9–10; Prelim. Resp. 24–26. There is no dispute at this time, however, that this narrower interpretation would at least meet the broader scope of the claim alleged by Patent Owner.

We do not need to construe any terms expressly to reach our decision. *See Realtime Data LLC v. Iancu*, 912 F.3d 1368, 1375 (Fed. Cir. 2019) (“The Board is required to construe ‘only those terms . . . that are in controversy, and only to the extent necessary to resolve the controversy.’”)

(quoting *Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999))).

D. Discretion on Whether to Institute Trial

1. 35 U.S.C. § 325(d)

Patent Owner asks that we exercise our discretion and deny institution under 35 U.S.C. § 325(d). Prelim. Resp. 29–36.

35 U.S.C. § 325(d) states, in relevant part: “In determining whether to institute or order a proceeding under this chapter, chapter 30, or chapter 31, the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.” The Board uses a two-part framework for evaluating arguments under § 325(d):

(1) whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office; and

(2) if either condition of first part of the framework is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.

Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH, IPR2019-01469, Paper 6 at 8 (PTAB Feb. 13, 2020) (precedential).

“[T]he *Becton, Dickinson* factors provide useful insight into how to apply the framework under 35 U.S.C. § 325(d).” *Id.* at 9 (footnote omitted). The non-exclusive *Becton, Dickinson* factors are:

(a) the similarities and material differences between the asserted art and the prior art involved during examination;

(b) the cumulative nature of the asserted art and the prior art evaluated during examination;

(c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection;

(d) the extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes the prior art;

(e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art; and

(f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments.

Becton, Dickinson & Co. v. B. Braun Melsungen AG, IPR2017-01586, Paper 8 at 17–18 (PTAB Dec. 15, 2017) (precedential as to § III.C.5, first paragraph). *Becton, Dickinson* factors (a), (b), and (d) relate to the first part of the *Advanced Bionics* framework (whether the same or substantially the same art or arguments previously were presented to the Office), and *Becton, Dickinson* factors (c), (e), and (f) relate to the second part of that framework (previous Office error). *Advanced Bionics*, IPR2019-01469, Paper 6 at 9–11. Below, we use this framework to evaluate which, if any, of Petitioner’s grounds of unpatentability implicate § 325(d).

As explained below, both Woycik and Tengler were before the Office, but Woycik was not applied by the Examiner and Tengler was not applied in the same manner as set forth in the Petition during the prosecution of the application that resulted in the ’793 patent. Accordingly, we look to the second part of the *Advanced Bionics* framework and consider *Becton, Dickinson* factors (c), (e), and (f).

Patent Owner contends that “[b]ecause Petitioner fails to identify any error that the Examiner made in finding the limitations of the ’793 Patent patentable over Woycik and Tengler, references that the Examiner expressly

searched, Petitioner cannot satisfy its burden of showing that the Office committed ‘material error’ in allowing the ’793 Patent.” Prelim. Resp. 35. Patent Owner further contends that “Petitioner ignored the fact that the Examiner expressly searched both references.” *Id.* at 36. Other than providing the general allegations that the Examiner considered Woycik and Tengler, Patent Owner provides no explanation regarding the extent of consideration given the references or even where in the prosecution history (Ex. 1003) those references were applied by the Examiner.

Woycik and Tengler are both listed on the face of the ’793 patent. Ex. 1001 (56) (“References Cited”). Based on our review of the prosecution history, Woycik was never applied in a rejection during the prosecution that resulted in the ’793 patent. Nor does Patent Owner allege that Woycik was applied in any rejection. Tengler was applied by the Examiner in an obviousness rejection of dependent claims. *See* Ex. 1003, 101–102. Specifically, the Examiner found that

Tengler teaches the feature wherein the at least one web server is further configured to receive from the one or more POS terminals one or more videos captured by one or more cameras, wherein the one or more videos are correlated with the one or more POS transactions and wherein the one or more videos and the one or more POS transactions are indexed using a same clock (paragraphs [0018] and [0103]).

Id. at 102. Patent Owner does not identify, nor can we find, anywhere in the prosecution history where a teaching from Tengler asserted by the Examiner was disputed by Patent Owner. In fact, after the Examiner provided the reasons for allowance, Patent Owner expressly stated that “Applicant takes no position regarding any reasons for allowance presented by the Examiner (in the Notice of Allowance and/or elsewhere in the application’s file history)” and “any reasons for allowance presented by the Examiner should

not be attributed to Applicant as an indication of the basis for Applicant's belief that the claims are patentable.” *Id.* at 14.

Based on the record before us, we find Petitioner’s mapping of the claims to Woycik and Tengler sufficient to identify material error. As noted above, Woycik was not specifically applied to any claim in a rejection. As Petitioner points out, although Tengler was applied in a rejection, it was used in a very limited fashion. And, as noted above, the teachings from Tengler asserted by the Examiner during prosecution were not disputed by Patent Owner.

In this Petition, Woycik is the sole reference in one of Petitioner’s two challenges, and Tengler is the sole reference applied in the other challenge. Although the same art was previously before the Office, the application of that art was virtually non-existent during prosecution. Based on the limited record before us, which includes effectively no specific argument from Patent Owner, Petitioner’s mapping of essentially every element of every challenged claim to each of Woycik and Tengler is sufficient to identify material error. As explained below, for example, with respect to claim 1, Petitioner has established a reasonable likelihood of success on each of its challenges.

Accordingly, we decline Patent Owner’s invitation for us to apply our discretion under 35 U.S.C. § 325(d) to deny the petition.

2. *35 U.S.C. § 314(a)*

Patent Owner asks that we deny institution under 35 U.S.C. § 314(a) in view of the Lightspeed Litigation. Prelim. Resp. 36–48. Patent Owner acknowledges the recent guidance from the Director of the United States

Patent and Trademark Office regarding discretionary denials.³ *Id.* at 43. Patent Owner, however, fails to appreciate that the Guidance Memo requires that “the PTAB will not discretionarily deny institution in view of parallel district court litigation where a petitioner presents a stipulation not to pursue in a parallel proceeding the same grounds or any grounds that could have reasonably been raised before the PTAB.” Guidance Memo 3.

In this proceeding, Petitioner stipulates that “if this IPR is instituted and *Fintiv*^[4] remains precedential at the time of institution, Petitioner stipulates not to pursue in the district court any ground raised or that could have reasonably been raised in IPR (i.e., under §§102 or 103 based on prior art patents or printed publications alone).” Pet. 11.

Accordingly, we decline Patent Owner’s invitation for us to apply our discretion under 35 U.S.C. § 314(a) to deny the petition.

E. Ground 1–Woycik

Petitioner asserts that claims 1–4, 7–28, and 31–44 are unpatentable under 35 U.S.C. § 103 as obvious over Woycik in view of the knowledge of a person of ordinary skill in the art. Pet. 21–72.

1. Woycik

Woycik “relates generally to computer-based systems used for ordering goods and services and, more particularly, to self-service terminals

³ USPTO, Memorandum on Interim Procedure for Discretionary Denials in AIA Post-grant Proceedings with Parallel District Court Litigation (June 21, 2022), available at [uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621.pdf](https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621.pdf) (“Guidance Memo”).

⁴ *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (designated precedential May 5, 2020).

and software tools for administering self-service terminals.” Ex. 1004 ¶ 4. Woycik explains that “Point of Sale (POS) systems provide a means by which ordering and purchasing transactions can be carried out electronically at the store or other venue where the goods or services are supplied.” *Id.* ¶ 6. According to Woycik, “[s]elf-service POS systems typically have a central computer acting as a server and one or more terminals which are the individual client units that are used by customers to input their orders.” *Id.* ¶ 7.

Woycik describes an “administration tool application [that] includes a menu editor that enables the administrator to create and edit the interactive menu screens provided by the self-order application at the self-service client terminals.” Ex. 1004 ¶ 16. “The menu editor enables the administrator to, during creation/editing of an interactive menu screen, select a template for the interactive menu screen and associate functions with the buttons included on the selected template.” *Id.* ¶ 19.

Woycik explains that “there are many possible arrangements and the administrative tool application may be located at a variety of locations, including . . . an offsite location provided that the administrative tool application is able to communicate with the server.” Ex. 1004 ¶ 17. One “approach is to have the administrative tool loaded on the central server 22 and then provide the chain operator 20 with web access to the central server 22.” *Id.* ¶ 75.

With Woycik’s administration tool, “the store owner or chain operator can carry out administration of the system using a simplified user interface that requires little if any training or experience with computers.” Ex. 1004, ¶ 80. “Furthermore, the web services platform provided by .NET can be used to provide remote administration by the chain operator from any

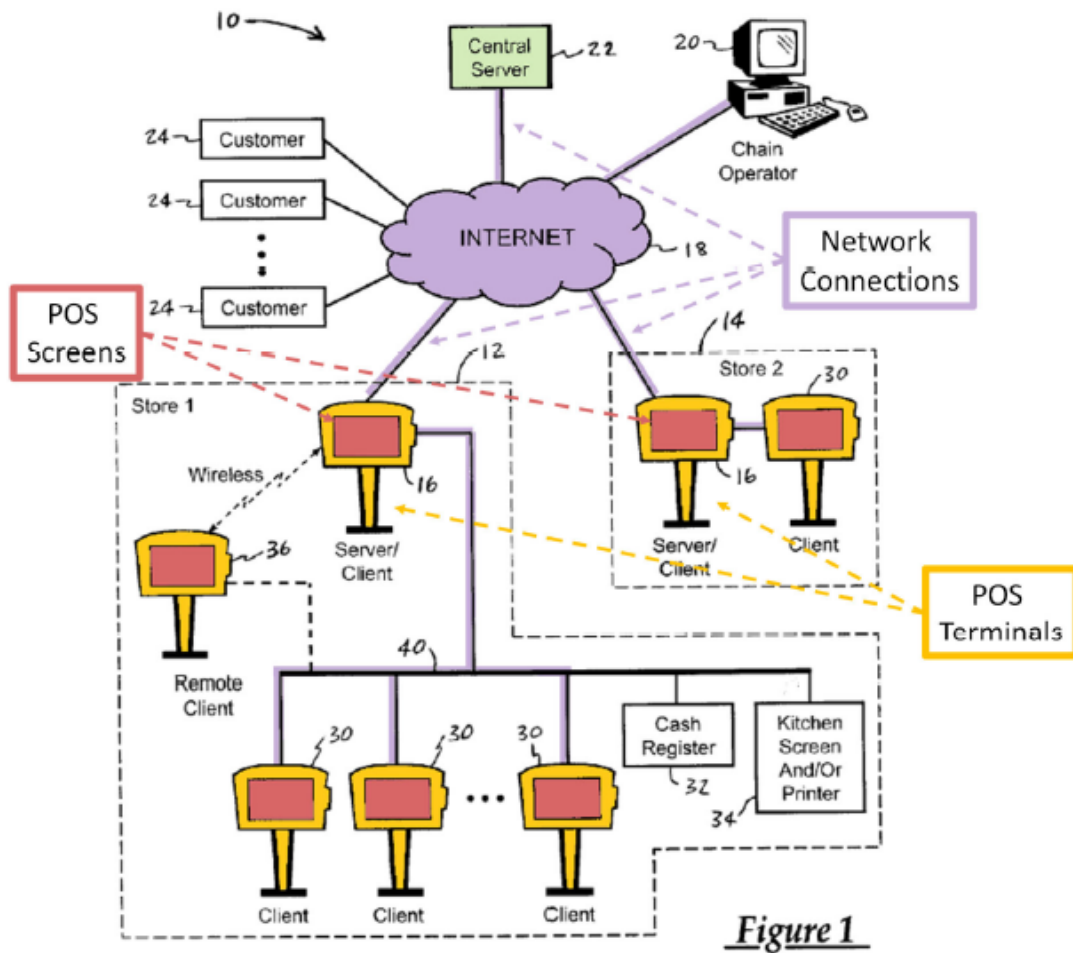
Internet-connected computer (such as a home office computer) so that various store locations can be configured from a single computer.” *Id.* According to Woycik, “[t]he programming needed to implement this software architecture strategy is known to those skilled in the art.” *Id.*

2. *Petitioner’s Challenge Based on Woycik*

The only dispute with respect to Petitioner’s challenge based on Woycik at this stage of the proceeding is whether Woycik teaches “at least one server configured to: communicate with one or more POS terminals over a network comprising the Internet” and “receive, over the network from a POS builder interface, information used for creating or modifying the one or more POS screens.” Prelim. Resp. 49–54. We have reviewed Petitioner’s contentions regarding the other limitations recited in claim 1, which Patent Owner does not dispute at this time, and determine that Petitioner has established sufficiently that Woycik teaches those limitations. Our discussion below is directed to the disputed limitations.

a) at least one server configured to . . . communicate with one or more POS terminals over a network comprising the Internet

Petitioner contends that Woycik’s central server 22 corresponds to the “at least one server” recited in claim 1 and “is configured to communicate with kiosks 16, 30, and/or 36 over a network comprising ‘Internet 18.’” *See* Pet. 22 (citing Ex. 1004 ¶ 71, Fig. 1). Petitioner provides an annotated version of Woycik’s Figure 1, reproduced below, to illustrate its contentions.



The figure reproduced above is Figure 1 from Woycik, which is an “illustrat[ion of] an exemplary self-service ordering system” (Ex. 1004 ¶ 31), along with Petitioner’s annotations labeling the portions at issue with respect to claim 1.

Patent Owner responds that “Woycik expressly discloses communications with the POS over a LAN.” Prelim. Resp. 50 (citing Ex. 1004 ¶ 74). Patent Owner contends that “Woycik further states, the local server [16] ‘stores updated configuration information’ to then communicate with the local kiosks.” *Id.* (citing Ex. 1004 ¶¶ 71, 74–75, Fig. 1 (item 16), Fig. 3 (item 82); Ex. 2012 ¶¶ 59–60). Patent Owner’s

contentions appear to be based solely on its assessment of local server 16 as the recited “at least one server.” *See id.* at 50–51 (“Thus, *Woycik* does not teach that the ‘local server’ communicates with the local kiosks over a network connection comprising the Internet.”).

Patent Owner never address Petitioner’s contention that *Woycik*’s central server 22 corresponds to the “at least one server” recited in claim 1. Patent Owner’s citation to Mr. Cheng’s testimony to support its position does not help, and instead, appears to undercut the credibility of Mr. Cheng’s testimony because that testimony, too, fails to address the teachings of *Woycik* relied on by Petitioner. *See Prelim. Resp.* 50 (citing Ex. 2012 ¶¶ 59–60, which reiterates Patent Owner’s allegation).

Paragraph 71 of *Woycik*, cited by Petitioner, explains that “the local (on-site) server 16 is connected to the Internet 18 which allows remote access by the restaurant chain operator 20 and enables the local server 16 to access a central server 22 for software and media updates.” And this is clearly depicted in the figure reproduced above. At this stage of the proceeding, Petitioner’s contentions regarding *Woycik*’s central server 22 “communicat[ing] with one or more POS terminals over a network comprising the Internet” as recited in claim 1 is effectively un rebutted.

b) at least one server configured to . . . receive, over the network from a POS builder interface, information used for creating or modifying the one or more POS screens

Petitioner contends that “*Woycik* discloses ‘[u]sing a standard web browser’ and Internet 18, chain operator 20 has web access to an ‘administrative tool loaded on the central server’ 22/84.” Pet. 24 (citing Ex. 1004 ¶¶ 17, 71, 75, 80–81, 121–122, Figs. 1, 3). Petitioner explains that “[t]he ‘administrative tool’ includes a ‘user interface application’ ‘accessed

by the administrator to perform various administrative functions such as configuring kiosks, creating and editing menus and available food items, and specifying tax and payment features of the system.” *Id.* at 24–25 (citing Ex. 1004 ¶¶ 73, 79).

Patent Owner contends that “Petitioner misrepresents *Woycik*” because “Woycik expressly states the menu editor of the administration tool [is accessed from the] local server.” Prelim. Resp. 52–53. Again, Patent Owner fails to address the express teachings from Woycik cited by Petitioner and noted above.

Patent Owner does not dispute that Woycik’s administration tool includes a “POS builder interface” as recited in claim 1. As explained above, and by Petitioner (Pet. 24), Woycik expressly states that one “approach is to have the administrative tool loaded on the central server 22 and then provide the chain operator 20 with web access to the central server 22” (Ex. 1004 ¶ 75). Woycik explains that “the web services platform provided . . . can be used to provide remote administration by the chain operator from any Internet-connected computer.” Ex. 1004 ¶ 80; *see also id.* ¶ 95 (“remote administration using the administrative tool 98 can be carried out in any of the various ways discussed further above.”).

Based on the record before us, Petitioner has established a reasonable likelihood of success on at least its challenge to claim 1 based on Woycik.

F. Ground 2–Tengler

Petitioner asserts that claims 1–4, 7–28, and 31–44 are unpatentable under 35 U.S.C. § 103 as obvious over Tengler in view of the knowledge of a person of ordinary skill in the art. Pet. 72–126.

1. Tengler

Tengler relates to “an apparatus that includes stations in a quick-serve commercial establishment . . . enabling users to enter orders, check the status of orders, and assemble orders for delivery” and “a network interconnecting the stations.” Ex. 1005 ¶ 11. “[T]he invention features a method that includes enabling a manager to access a management database of a quick-serve restaurant location remotely through a web interface.” *Id.* ¶ 22. “[M]anagers can view information about the multiple restaurants 2 using interfaces 192 and 196 over the Internet” and “can also modify menus and change prices using interfaces 192 and 196.” *Id.* ¶ 73. “A user interface designer 614 allows management to edit the user interface of the register and self-service applications and also saves the specifications in the database 602.” *Id.* ¶ 103. “A store resident web server 620 enables external managers to view restaurant status information in the database 602 using the interface 190.” *Id.* “The store resident web server 620 also allows managers to edit the user interface of the register and self-service applications and also saves the specifications in the database 602.” *Id.*

2. Petitioner’s Challenge Based on Tengler

The only dispute with respect to Petitioner’s challenge based on Tengler at this stage of the proceeding is whether Tengler teaches “a web-based point of sale (POS) builder system” and “at least one server configured to: communicate with one or more POS terminals over a network comprising the Internet.” Prelim. Resp. 54–57. We have reviewed Petitioner’s contentions regarding the other limitations recited in claim 1, which Patent Owner does not dispute at this time, and determine that Petitioner has established sufficiently that Tengler teaches those limitations. Our discussion below is directed to the disputed limitations.

a) a web-based point of sale (POS) builder system

The phrase “web-based point of sale (POS) builder system” appears only in the preamble of the claims. Petitioner contends that “[a]s explained for 1[c], *Tengler* discloses a POS builder system because it includes ‘user interface designer 614 [that] allows management to edit the user interface of the register and self-service applications and also saves the specifications in the database 602.’” Pet. 73–74 (citing Ex. 1005 ¶¶ 103, 107, 121). The explanation for 1[c] referenced by Petitioner further notes that “*Tengler* discloses a POS builder as ‘user interface designer 614’ remotely accessible via web server 620” and that “[m]anagers access the POS builder through manager graphical user interfaces such as 190, 192, and 196 (POS builder interface), accessible via Internet communication with server 464 (over the network including the Internet).” Pet. 80 (footnote omitted) (citing Ex. 1005 ¶¶ 73, 103, 107, 109, 121, Figs. 7, 7A–7B).

Patent Owner does not dispute that *Tengler* teaches “a point of sale (POS) builder system” and that it can be accessed via the internet, but contends that it is not *Tengler*’s system is not “a web-based point of sale (POS) builder system,” because it does not *require* the Internet. *See* Prelim. Resp. 56 (“[A] web-based point of sale (POS) builder system” is “a point of sale (POS) builder system that requires the internet.” (quoting Ex. 2012 ¶ 76)), *Id.* at 57 (“While *Tengler* discloses a ‘Multi-Unit-Management-Interface’ that can be used by an ‘off-site person,’ to access the store-resident web server 620 over the internet, it is not *required*.” (citing Ex. 1005 ¶¶ 108–111; Ex. 2012 ¶ 78)).

Initially, we note that, as explained above, the phrase “web-based point of sale (POS) builder system” appears only in the preamble of the claims. We do not see that this phrase adds anything beyond that which is

recited in the body of the claims. “In general, a preamble limits the invention if it recites essential structure or steps, or if it is ‘necessary to give life, meaning, and vitality’ to the claim.” *Catalina Mktg. Int’l, Inc. v. Coolsavings.com, Inc.*, 289 F.3d 801, 808 (Fed. Cir. 2002). A preamble, however, “generally is not limiting when the claim body describes a structurally complete invention such that deletion of the preamble phrase does not affect the structure or steps of the claimed invention.” *Id.* at 809. One guidepost for determining the effect of a preamble on claim scope is whether the preamble language provides antecedent basis for any limitation in the body of the claim. *Id.* at 808. Here, the preamble does not provide antecedent basis for any claim term, and understanding the claim does not require reliance on the preamble.

Even considering the preamble language as limiting, we do not see that the “web-based point of sale (POS) builder system” *precludes* a system that allows *both* access locally and access via the Internet. At this stage of the proceeding, Patent Owner provides only conclusory testimony from Mr. Cheng. *See* Ex. 2012 ¶ 76 (“I understand from counsel that any terminology in the preamble that limits the structure of the claimed invention must be read as a claim limitation. I further understand from counsel that [Patent Owner] has withdrawn its preliminary contention that the preamble is not limiting. I understand that a web-based point of sale (POS) builder system is a point of sale (POS) builder system that requires the internet.”). That is unpersuasive because it has no underlying support, and is inconsistent with Patent Owner’s own prior position noted in that testimony (i.e., that the preamble is not even limiting).

As explained above, Patent Owner acknowledges that Tengler teaches a POS builder system accessible via the Internet, and we have no persuasive

reason to believe the claims preclude a POS builder system that is accessible both locally and via the Internet. Accordingly, to the extent the preamble is limiting, Petitioner has established sufficiently that Tengler teaches “a web-based point of sale (POS) builder system.”

b) *at least one server configured to . . . communicate with one or more POS terminals over a network comprising the Internet*

Petitioner contends that “*Tengler* discloses the ‘restaurant management software run[s] on server 464,’ which communicates with other in-store devices ‘using network 462’ and is accessible ‘over the Internet.’” Pet. 74 (citing Ex. 1005 ¶¶ 73, 78, 109–111). That is, Petitioner contends that Tengler’s server 464 is configured to communicate with one or more POS terminals 370, 372, 374, 404 over a network comprising the Internet. *See, e.g., id.* at 76 (citing Ex. 1005 ¶¶ 60, 73, 109–111, 114 and providing an annotated version of Tengler’s Figure 12).

Petitioner’s annotated Figure 12 from Tengler is reproduced below.

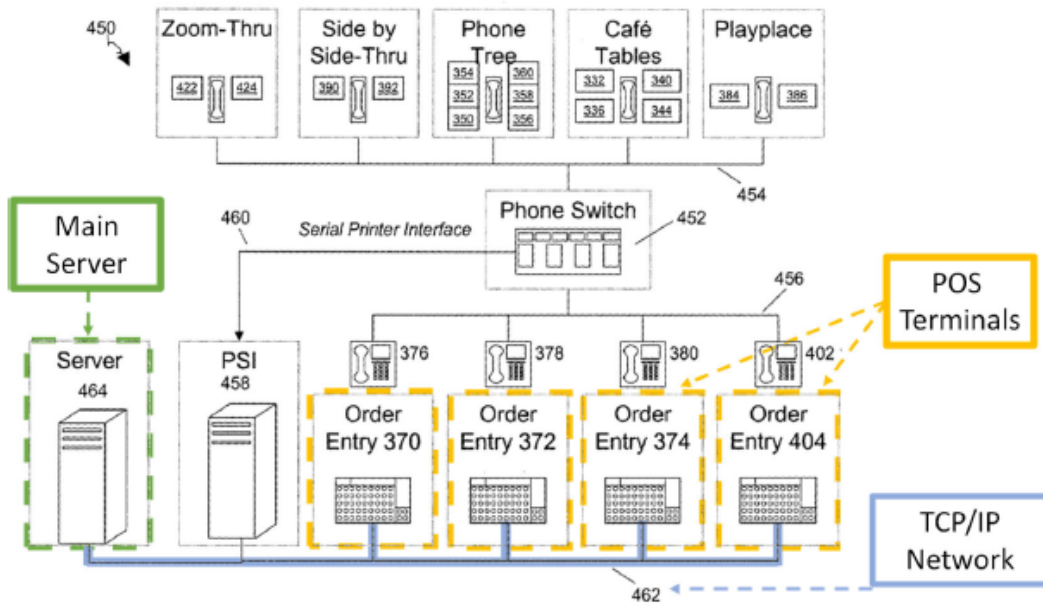


FIG. 12

The figure reproduced above is Tengler's Figure 12, which is a schematic illustration of Tengler's restaurant ordering system, with Petitioner's annotations labeling the portions that Petitioner contends correspond to the claim elements. *Id.* at 76. Paragraph 78 of Tengler, cited by Petitioner, explains that "[t]he restaurant management software running on server 464 . . . furnishes the resulting order point location information to an order entry terminal (from the appropriate order entry stations 370, 372, 374, and 404)." Network 462, shown providing communication between server 464 and order entry stations 370, 372, 374, 404, is described as "a Transmission Control Protocol/Internet Protocol (TCP/IP) network." Ex. 1005 ¶ 78.

Petitioner additionally contends that "*Tengler* discloses a central server used for 'enterprise management of multiple restaurants,' including by 'provid[ing] features to manage a set of restaurants 2.'" Pet. 76 (citing Ex. 1005 ¶ 108). Petitioner contends that "[b]y 2008, a POSITA would know the Internet was a well-understood and routine way to implement a TCP/IP connection between network nodes, including between a shared central server and its clients." *Id.* (citing Ex. 1002 ¶ 172). Petitioner reasons that "[a] POSITA would be motivated to use the Internet to connect the central (web) server to in-store POS terminals (e.g., via server 464) providing a simple, ubiquitous, and inexpensive network connection to stores in different locations managed from the central server" and "to locate software and functionality common to multiple restaurants at the central server to facilitate Tengler's suggested 'centralized point of control for enterprise management of multiple restaurants.'" *Id.* at 77 (citing Ex. 1002 ¶ 172; Ex. 1005 ¶ 108).

Although Patent Owner purports to dispute whether Tengler teaches "at least one server configured to[] communicate with one or more POS

terminals over a network comprising the Internet,” Petitioner’s contentions are essentially un rebutted. *See* Prelim. Resp. 54–56 (discussing whether some portions of Tengler teach the recited limitation, but not providing any dispute with respect to the specific teachings or obviousness rationale relied on by Petitioner).

Based on the record before us, Petitioner has established a reasonable likelihood of success on at least its challenge to claim 1 based on Tengler, which at this stage of the proceeding, is effectively un rebutted by Patent Owner.

III. CONCLUSION

For the above reasons, we institute *inter partes* review for all challenged claims and on all grounds. *See* 37 C.F.R. § 42.108(a) (requiring institution to be on all claims and all grounds).

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that, pursuant to 35 U.S.C. § 314(a), an *inter partes* review of claims 1–4, 7–28, and 31–44 in the ’793 patent is instituted on all challenges included in the Petition; and

FURTHER ORDERED that, according to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4, notice is hereby given of the institution of a trial that commences on the entry date of this Decision.

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Patent 11,226,793 B2

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