



UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SECUREBUY, LLC
Petitioner

v.

CARDINALCOMMERCE CORPORATION
Patent Owner

Case CBM2014-00035
Patent 7,051,002

Before BRIAN J. McNAMARA, PATRICK M. BOUCHER, and
GEORGE R. HOSKINS, *Administrative Patent Judges*.

HOSKINS, *Administrative Patent Judge*.

DECISION

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

I. INTRODUCTION

On November 15, 2013, SecureBuy, LLC (“Petitioner”) filed a petition (Paper 1, “Petition”) requesting review of U.S. Patent No. 7,051,002 (“the ’002 patent”) under the transitional program for covered business method patents. Petitioner filed a corrected petition (Paper 5, “Corrected Petition”) on November 29, 2013. CardinalCommerce Corporation (“Patent Owner”) filed a preliminary response (Paper 11, “Preliminary Response”) on February 21, 2014. For the reasons that follow, we deny review.

II. LEGAL STANDARDS

Congress authorized covered business method patent review proceedings in Section 18 of the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284, 329–31 (2011) (“AIA”), which provides, in part:

(1) ESTABLISHMENT.— . . . The transitional proceeding implemented pursuant to this subsection *shall be regarded as, and shall employ the standards and procedures of, a post-grant review under chapter 32 of title 35, United States Code, subject to the following:*

(A) Section 321(c) of title 35, United States Code, and subsections (b), (e)(2), and (f) of section 325 of such title shall not apply to a transitional proceeding.

AIA § 18(a)(1) (emphasis added). Thus, the AIA provides covered business method patent review proceedings shall employ all the statutory standards and procedures of a post-grant review (i.e., 35 U.S.C. §§ 321–29) except for those expressly excluded (i.e., 35 U.S.C. §§ 321(c); 325(b), (e)(2), (f)). 35 U.S.C. § 325(a)(1) therefore applies here, and it states:

(1) POST-GRANT REVIEW BARRED BY CIVIL ACTION.—A post-grant review may not be instituted under this chapter if, before the date on which the petition for such a

review is filed, the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent.

35 U.S.C. § 325(a)(1); *see Branch Banking & Trust Co. v. Maxim Integrated Prods., Inc.*, CBM2013-00059 (PTAB Mar. 20, 2014) (Paper 12) (Denial of Institution of CBM Patent Review).

III. ANALYSIS

The Petition was filed on November 15, 2013. Two weeks prior to that filing, on November 1, 2013, Petitioner filed two separate civil actions seeking a declaratory judgment that the claims of the '002 patent, including at least claim 1, are invalid under 35 U.S.C. §§ 101, 102, 103, and 112. *See* Ex. 3001 (Complaint in *SecureBuy, LLC v. CardinalCommerce Corp.*, No. 1:13-cv-01792-LPS (D. Del. Nov. 1, 2013)) ¶¶ 41–45, Prayer for Relief D; Ex. 3002 (Complaint in *SecureBuy, LLC v. CardinalCommerce Corp.*, No. 1:13-cv-00417-HSO-RHW (S.D. Miss. Nov. 1, 2013)) ¶¶ 44–48, Prayer for Relief D. Because the Board may not institute a covered business method patent review of a challenged patent when the petitioner filed a civil action challenging the validity of a claim of the patent before the date on which the petition for review is filed, we deny the Corrected Petition in all respects. *See* 35 U.S.C. § 325(a)(1).

IV. ORDER

For the foregoing reasons, it is:

ORDERED that the Corrected Petition is DENIED.

CBM2014-00035

Patent 7,051,002

FOR PETITIONER:

Brian A. Tollefson

William N. Hughet

ROTHWELL, FIGG, ERNST & MANBECK, P.C.

btollefson@rfem.com

whughet@rfem.com

FOR PATENT OWNER:

Mark J. Abate

Jennifer A. Albert

GOODWIN PROCTER LLP

mabate@goodwinprocter.com

jalbert@goodwinprocter.com