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PTAB Sua Sponte Reconsiders Institution Nearly One Year After Institution Decision Issued

On November 15, 2016, in *Global Tel*Link Corp. v. Securus Techs., Inc.* the PTAB *sua sponte* reconsidered institution and terminated the CBM review nearly one year after the review was instituted. CBM2015-00145, Paper 49 (PTAB November 15, 2016). The PTAB determined that the patent-at-issue does not claim a covered business method and terminated the review without a final written decision.

CBM review was initiated when Global Tel*Link filed a CBM petition on U.S. Patent 7,860,222, which is owned by Securus and relates to call-processing technology used in correctional facilities. The '222 patent was challenged under § 101. The CBM review was instituted by the PTAB on November 25, 2015, and the PTAB found that the '222 patent claims a covered business method. The PTAB credited Global Tel*Link's expert, who stated that the "method of claim 21 is a method for gathering data by recording and monitoring a call. This data is used to support financial services and transactions." The PTAB also found that the specification shows that the '222 patent claims a covered business method:

Data located, collected, compiled, aggregated, distilled, and/or reported according to embodiments of the present invention may be utilized with respect to . . . credit decisions (e.g., decisions with respect to providing goods or services, such as calling service, in realtime), . . . commerce (e.g., determining a source of funding), payments (e.g., determining a proper entity to receive payment), and/or the like.

Once instituted, the CBM review proceeded normally. Securus filed a response, Global Tel*Link filed a reply, and an oral hearing was held in front of the PTAB. The parties were awaiting a final written decision, but instead received a *sua sponte* reconsideration from the PTAB on November 15, 2016, that terminated the review. In that decision, the PTAB reconsidered the '222 patent, and two out of the three judges on the panel determined that it does not claim a covered business method. A third judge dissented. Specifically, the majority cited to *Blue Calypso, LLC v. Groupon, Inc.*, 815 F.3d 1331 (Fed. Cir. 2016), which was decided in the months between institution and reconsideration. According the majority, the Federal Circuit in *Blue Calypso* found that in cases where a covered business method was not claimed, nothing explicitly or inherently financial was found in the claim language. The majority found that "the '222 patent discloses certain financial embodiments that may be used tangentially with the challenged claims, but there is nothing in the claims that necessitates the financial embodiments."

The dissent found that the panel should have issued a final written decision. This would have allowed the covered business method issue to be heard on appeal. The dissent also found that *Blue Calypso* did not change the law for covered business methods; it just described prior cases. Lastly, the dissent found that Global Tel*Link did not have sufficient notice of the reconsideration. Had Securus moved to reconsider the institution, Global Tel*Link would have had an opportunity to argue against reconsideration, but it did not have that opportunity in this case.

Both patent owners and petitioners should keep a close eye situations where there is an intervening decision from the Federal Circuit, prior to the PTAB's issuance of a final written decision, affecting the merit of AIA trials pending before the PTAB. This is because the PTAB can rely on reconsideration decisions in place of final written decisions. The impact of the PTAB's reliance on reconsideration

decisions in place of final written decisions is significant because final written decisions can be appealed, while reconsideration decisions cannot. In this case, the Federal Circuit decision was issued in the months between institution and reconsideration.

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