PTAB Won't Rehear Apple's AIA Challenge To Menu Patent

Share us on: By **Kevin Penton**

Law360, New York (November 20, 2015, 3:06 PM ET) -- The Patent Trial and Appeal Board on Thursday denied a petition by Apple, Starwood Hotel and Resorts and other companies calling for it to review its earlier decision to reject their challenge of an online menu patent.

The PTAB disagreed with the companies that argued it had abused its discretion in August by not instituting a covered business method review of U.S. Patent No. 8,146,077 B2, which describes an electronic system for arranging and conveying menus, according to the decision. Apple Inc., Starwood Hotel and Resorts Worldwide Inc. and more than 30 other companies that use online ordering systems were sued for infringement in the Southern District of California by the patent's owner, Ameranth Inc.

The companies claimed that the PTAB erred by not concluding that prior art, including a software system that converted desktop webpages into versions better viewed on mobile phones and other handheld devices, make the system obvious to implement, particularly to someone skilled, according to the decision. The petitioners also argued that the PTAB erred by concluding that someone skilled would not have necessarily combined the prior art references.

The PTAB said it could not go along with the companies' argument that because of the existing prior art, someone experienced could have applied one of the prior systems to something such as a mobile interface, according to its decision.

"We are not persuaded that petitioner has identified any matters that we misapprehended or overlooked," the decision reads.

This is the second time the '077 patent survived a covered business method review before the PTAB — hospitality company Agilysys Inc. and others lost the first challenge to the patent, according to the March 2014 board decision.

After Ameranth won in August, the company trumpeted that it had defeated large companies such as Hyatt Hotels Corp., Pizza Hut Inc., Fandango Inc. and Stubhub Inc. in one or both of the challenges to the patent before the PTAB.

"The defendants will now have to face the fact that Ameranth's inventions have been confirmed by the [U.S. Patent and Trademark Office] yet again as novel and non-obvious, despite the combined might of all the giant companies and their teams of legal forces that joined forces against Ameranth claiming otherwise," the company announced.

Filing multiple petitions challenging a patent in inter partes review, the most common type of America Invents Act proceeding, is difficult because the law mandates that petitions be filed

within a year of when the petitioner was accused of infringement. But there is **no such restriction** on the AIA's business method patent review program, allowing accused infringers to repeatedly challenge patents, even if the first petition was denied.

In April, Ameranth President Keith McNally told Law360 that allowing accused infringers to file multiple business method review petitions is unfair to patent owners and effectively creates an "inventor's purgatory."

"Because there's no limit whatsoever on filing CBM petitions in terms of quantity, grounds or timelines, it creates an opportunity to abuse patent owners," he said.

Counsel for the parties could not be reached on Friday for comment.

The patent-in-suit is U.S. Patent No. 8,146,077 B2.

Representing the petitioners are Richard S. Zembek and Gilbert A. Greene of Norton Rose Fulbright US LLP.

Representing Ameranth are James M. Heintz, Robert C. Williams and Ryan W. Cobb of DLA Piper LLP.

The cases are Apple Inc. et al. v. Ameranth Inc., case numbers CBM2015-00081 and CBM2015-00095, before the Patent Trial and Appeal Board.

--Additional reporting by Ryan Davis. Editing by Emily Kokoll.