

Askeladden's Patent Quality Initiative Succeeds In Challenging Low Quality Patent Related to Loyalty Programs

Patent board's decision finding the challenged patent unpatentable prevents it from being leveraged in litigation

New York, NY, March 15, 2016: The Patent Trial and Appeal Board (PTAB) has sided with Askeladden L.L.C.'s Patent Quality Initiative (PQI) and declared a patent related to loyalty rewards programs to be unpatentable.

The PTAB decision affirmed Askeladden's contentions, in two Inter Partes Review (IPR) proceedings before the PTAB, that U.S. Patent Number 8,540,152 is unpatentable because it is obvious in view of the prior art identified by Askeladden.

As a result of the PTAB's decision, the patent can no longer be asserted against companies using the obvious methods reflected in the patent in an effort to obtain unwarranted payments. This result will help protect American businesses from resource-intensive litigation based on a poor-quality patent.

"This decision demonstrates the value of IPR as a tool for ridding the system of bad patents that should have never been issued," said Sean Reilly, General Counsel of Askeladden L.L.C. "As part of its Patent Quality Initiative, Askeladden will continue to target for review patents it believes are invalid in order to promote patent quality and support true innovation."

The PTAB officially instituted its review on April 23, 2015, signaling that Askeladden's two IPR petitions established a reasonable likelihood that the patent's claims were invalid.

The IPRs were part of a larger set of IPR filings submitted by Askeladden in October 2014, asking that the USPTO take a second look at a total of three patents related to loyalty rewards programs. Related patents to those challenged by Askeladden were the subject of lawsuits brought against ten airlines based on the conversion of points and other rewards from partner programs—such as credit card loyalty programs—into frequent flier miles.

Rulings on the two other loyalty reward patents that Askeladden L.L.C. challenged with IPR's are expected in the coming weeks.

About Patent Quality Initiative

Askeladden L.L.C. is a wholly-owned subsidiary of The Clearing House. Established in 1853, The Clearing House is the oldest banking association and payments company in the United States and is owned by the world's largest commercial banks, which hold half of all U.S. deposits. Askeladden is an education, information and advocacy organization with the goal of improving the understanding, use and

reliability of patents in financial services and other industries. As part of its Patent Quality Initiative, Askeladden strives to promote better patents and patent holder behaviors by regularly filing amicus briefs, Inter Partes Reviews (IPRs) and engaging in educational activities. For more information, please visit www.patentqualityinitiative.com or follow us on Twitter at <https://twitter.com/PatentSean>.

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