March 17, 2022

UNITED STATES PATENT AND TRADEMARK OFFICE

AKIN GUMP STRAUSS HAUER & FELD LLP,
Petitioner

v.

XCENTIAL CORP. and GRANT VERGOTTINI,

Respondents

Case No. DER2022-00004

U.S. Patent Application 17/018,233

PETITION TO INSTITUTE DERIVATION

Contents

I. Introduction

In the summer of 2018, Louis Agnello ("Agnello") had an idea that would forever change the complex process of drafting of federal legislation. Based on his experience working with Congress and in the private sector, Agnello conceived of software that could, for the first time, generate a draft bill from a set of changes to existing legislation. Taking proposed redline changes to an existing law as input, the software would use those changes to output a draft bill in a format suitable for submission to Congress.

Agnello immediately understood the value of this idea. His invention would make bill drafting faster, more accurate, less expensive, and less wasteful of computer resources. Agnello believed his software design was so revolutionary that legislative drafting practitioners would stage a "parade down K street" upon its introduction.

Agnello's colleagues at Akin Gump Strauss Hauer & Feld LLP shared his vision. Akin approached Xcential Corporation, asking Xcential to add Agnello's bill-drafting concept to Xcential's existing LegisPro software. Akin and Xcential entered a non-disclosure agreement to protect the proprietary information shared during their collaboration. Agnello explained his idea in detail to Xcential's company heads so they could write code to prototype the bill-drafting software.

Agnello and Xcential initially referred to the prototype as the "K-Street parade" project, based on Agnello's description.

Xcential never delivered a working prototype. Instead, after grasping the significance of the idea Xcential's president admitted Agnello "showed him" (and provided a "mini training" on), Xcential CEO Grant Vergottini ("Vergottini") filed his own patent application after renaming the K-Street parade tool "bill synthesis." Xcential never sought, and Agnello and Akin never gave, permission for Xcential to patent the invention Agnello conceived and communicated to Vergottini.

Substantial evidence shows Xcential derived its Patent Application 17/018,233 from Agnello's K-Street parade bill-drafting invention. The '233 application claims systems for "bill synthesis" that—like the software Agnello asked Xcential to code—generates a draft bill based on tracked changes to an existing law. Figures in the '233 application include portions of the same U.S. Code section Agnello provided to Xcential. And Xcential's president has even admitted, in writing, that "bill synthesis" is simply another name for Agnello's "K-Street parade" idea.

Because the '233 claims were derived from Agnello's invention and filed without authorization, Akin respectfully requests the Board institute this derivation proceeding to correctly list Agnello as the sole inventor.

II. Statutory Requirements

A. Mandatory Notices Under 37 C.F.R. §42.8

1. Real Parties-In-Interest Under 37 C.F.R. §42.8(b)(1)

Louis Agnello and Akin Gump Strauss Hauer & Feld LLP are the real parties-in-interest for Petitioner.

2. Related Matters Under 37 C.F.R. §42.8(b)(2)

There are no related matters that would affect, or be affected by, a decision in the derivation proceeding.

3. Lead and Back-Up Counsel Under 37 C.F.R. §42.8(b)(3)

Petitioner provides the following designation of counsel:

LEAD COUNSEL	BACK-UP COUNSEL
Jeffrey C. Totten Reg. No. 65,229 901 New York Ave, NW Washington, DC 20001 T: 202-408-4232 F: 202-408-4400 Email: jeffrey.totten@finnegan.com	James R. Barney Reg. No. 46,539 901 New York Ave, NW Washington, DC 20001 T: 202-408-4412 F: 202-408-4400 Email: james.barney@finnegan.com Ryan Davies Reg. No. 72,627 901 New York Ave, NW Washington, DC 20001 T: 202-408-4408 F: 202-408-4400 Email: ryan.davies@finnegan.com

4. Service Information Under 37 C.F.R. §42.8(b)(4)

Pursuant to 37 C.F.R. §42.8(b)(4), please address all correspondence and service to the address listed above. Petitioners consent to electronic service by email at Akin-Gump-DER@finnegan.com (referencing Finnegan Ref. No. 15949.8050).

B. Payment of Fees

Petitioner authorizes the U.S. Patent and Trademark Office to charge Deposit Account No. 06-0916 for the petition fee set in 37 C.F.R. §42.15(c) and for any other required fees.

C. Grounds for Standing

1. Petitioner is an Applicant, as 37 C.F.R. §§42.402 requires

On March 16, 2022, Petitioner Akin filed U.S. Patent App. No. 17/696,389, currently assigned to Akin. (Ex. 1001.) Akin is accordingly an "applicant for patent," as required 37 C.F.R. §§42.402 and 405(a)(1).

2. This Petition is timely filed, as 37 C.F.R. §§42.403 requires

The '233 application was filed on September 11, 2020 and first published as U.S. Pub. No. 2021/0082067 A1 on March 18, 2021. (Ex. 1002.) This Petition is being filed with the Office, meeting all statutory requirements under 35 U.S.C. §135, and served on Respondent, prior to March 18, 2022. Thus, this Petition is timely filed within one year of the first publication of the '233 application, as 37 C.F.R. §§42.403 and 42.405(a)(1) require.

3. The ’389 and ’233 application claims meet the requirements of 37 C.F.R. §§42.405(a)(2)

The Akin’s ’389 application’s claims are identical to the claims of the ’233 application. Thus, the “same or substantially the same” requirement of 37 C.F.R. §42.405(a)(2) is satisfied.

Further, for reasons summarized in Sections V and VI below, the ’233 and ’389 application claims are the same or substantially the same as the invention Louis Agnello disclosed to the respondent. Petitioner Akin has accordingly satisfied 37 C.F.R. §42.405(a)(2).

D. Claim Construction

For the purposes of this Petition only, each claim of the ’233 application and the ’389 application are to be given their customary, plain and ordinary meaning as it would be understood by one of skill in the art in view of the specification. Akin does not believe further claim construction necessary for purposes of this Petition. None of the claims at issue contain language invoking 35 U.S.C. §112(f).

E. Relief Requested

Pursuant to 37 C.F.R. §42.22(a)(1), Petitioner respectfully requests that Louis Agnello, the named inventor of Petitioner’s application (the ’389 application), be added as named inventor of the ’233 application and U.S. Provisional Application 62/899,384 (from which the ’233 application claims priority), removal of the presently named inventor, Grant Vergottini, from the ’233 and ’384 applications,

and an order establishing Agnello is the true inventor of the invention disclosed in the '233 and '384 applications. Petitioner also requests any additional relief the Board deems appropriate.

III. Statement of Material Facts

A. Louis Agnello conceived of automated bill drafting based on his years of legislative drafting experience

Louis Agnello conceived of his idea for automated bill drafting in the summer of 2018. Agnello, counsel at Akin Gump Strauss Hauer & Feld LLP, identified a problem in need of a technical solution: improving the efficiency and efficacy of software used to draft and amend legislative documents. Specifically, Agnello sought to develop software that could do more than merely track changes to an existing document. Agnello wanted software that could generate draft bills aimed at modifying existing law.

In most contexts, word processing software is used to identify and reflect proposed changes to a writing. This software follows formats and protocol from the days of paper, with proposed deletions struck out and additions included in some format (usually a separate color, hence "redlining") to identify them as new. (Ex. 1004, Agnello Declaration, ¶5 ("Agnello").)

Agnello knew amending a law follows an entirely different, unique process. (*Id.* at ¶6.) Laws are changed by drafting and presenting a bill to a legislative body.

These bills use arcane language and format dictated by traditional practice, legislative rule, or state or federal constitution. (*Id*.) Specifically, when Congress amends a law, it passes an entirely new piece of legislation containing detailed, textual instructions as to the change to make, in a specified format that is regulated by the congressional Office of Legislative Counsel. (*Id.* at ¶7.)

For example, if Congress wanted to amend a hypothetical Section 100(a) to reduce the speed limit in federal parks from 45 mph to 35 mph, it would not vote on a redline of the proposed change. Instead, it would pass a bill stating: "in the first sentence of Section 100(a), strike the word '45 mph' and replace with '35 mph.'" (*Id.* at ¶8.) More complex amendments require even more complex, detailed textual instructions. (*Id.*)

Because redlining is easier to follow than the textual instructions of federal bills, constituents and legislators often view and propose changes to legislation using the more familiar redlining process. (*Id.* at ¶9.) But many legislatures—including the Federal House and Senate—do not accept redline edits of existing legislation. (*Id.*) To draft a bill amending federal law, one must adhere to the precise language and format required by the legislature. (*Id.*) When it comes time to generate a bill, each redlined change must be manually converted into text instructions, following a specified format. (*Id.* at ¶10) This process is burdensome, time-consuming, and error prone. (*Id.*) It requires someone with expertise in formatting requirements. (*Id.*)

Agnello was very familiar with the differences between redlining a document to track changes and introducing a federal bill to amend existing law. (*See, e.g.*, *id.* at ¶¶3-13.) Before joining Akin, Agnello worked on Capitol Hill as a legislative assistant to Congressmen and as senior counsel for U.S. Senators. (*Id.* at ¶2.) From this experience, he understood the process of introducing bills intended to modify existing federal legislation. After leaving government, Agnello applied his expertise in legislative drafting, becoming one of Akin's go-to bill drafters. (Ex. 5, Bozzell Declaration, ¶3 ("Bozzell"); Ex. 1006 at 14 ("[H]e is an expert legislative drafter.").)

To his surprise, Agnello discovered the technology available to private-sector bill drafters suffered the same limits as the software used by Congress. (Agnello ¶11.) Amending a law requires presenting a bill to a legislature using particular formats. (*Id.* at ¶¶6, 14.) Agnello realized practicing attorneys, in government and the private sector, lacked software programmed to generate draft bills complying with these formatting strictures. (*Id.* at ¶14.)

Agnello recognized many Akin clients and attorneys liked to consider redline markups of existing statues. (*Id.* at ¶12.) Redline markups made it easier to understand changes and their proper context. (*Id.*; *see also id.* at ¶9.)

But even if drafters used redlining software when deciding how to amend a statute, the redline could not be presented to Congress. (*Id.* at ¶¶9, 12) Instead, the bill-drafters would write new bills. (*Id.* at ¶¶10, 12) These new bill would present

the desired changes in the legislature-mandated line-by-line format. (*Id.* at ¶¶12, 14.) These formatting requirements led to inefficient use of computing resources, duplication of effort and computer memory, and potential transcription errors. (*Id.* at ¶10.)

Reflecting on the difficulties of legislative drafting, Agnello recognized existing software was not designed with bill-drafting in mind. (Agnello ¶14.) The word processing software Agnello used at Akin allowed him to track proposed changes to existing law. (*Id.*) But it could not move beyond redlines. (*Id*.) Rather, the software required drafters to separately write, and format, a draft bill implementing the changes. (*Id.*) When seeking to change legislation, Agnello would research existing law, identify desired changes to the current law, then create a wholly new draft bill representing those changes on a line-by-line basis. (*Id.*) Agnello hoped to find or to develop software to bridge the gap between client-friendly redlines and legislature-approved bill format. (*Id.*)

To address these challenges, Agnello conceived of a system that would take in-line, in-context changes to the current version of a law, then use them to generate a draft bill suitable to present to a legislative body. (*Id.* at ¶15.) The software would apply formatting strictures to create a draft bill ready for presentation to the legislature. (*Id.*)

Agnello shared this vision for bill-drafting software with Julie Bozzell ("Bozzell"), his practice group manager at Akin. (*Id.* at ¶16; Bozzell ¶¶4, 7.) He first told her of his idea in September 2018—approximately one year before Xcential filed the '384 provisional patent application, which eventually led to the '233 application. (Agnello ¶16; Bozzell ¶7.) Agnello told Bozzell about his desire for software to help him "draft bills." (Ex. 1009.) By this time, Agnello had begun investigating third party vendors, including Xcential, to see whether any existing platforms could generate properly formatted draft bills. (*Id*.; Ex. 1010.) By generating draft bills, Agnello's "technical solution" would improve the legislative drafting process. (*See* Ex. 1011.)

Agnello envisioned software that would eliminate the data duplication in the typical bill-drafting process. (Agnello ¶¶15, 17.) It would make better use of computing resources, enable more efficient drafting, and introduce new functionality. (*Id.* at ¶¶17-21.) Agnello's software would perpetually access updated databases of laws. (*Id.* at ¶18.) This would allow users to make in-line in-context changes directly to relevant portions of current law, instead of first researching and locating provisions to mark up. (*Id.*) By linking to updated databases of laws, Agnello's software design would reduce the risk of working with an out-of-date version of law. (*Id.*) Agnello's conception would also eliminate the need for drafters to generate multiple files that tracked changes to laws and separately proposed draft bill

language to implement the changes into law. (*Id.* at ¶19.) Using rule-based software to compile changes into a bill would reduce the risk of errors. (*Id.*) By providing template libraries, the software would output a bill in the format required by a particular jurisdiction. (*Id.* at ¶20.)

Agnello's conception would also enable new functionality for legislative drafting. (*Id.* at ¶21.) The software would provide a graphical user interface linked to updated databases of current laws. (*Id.*) This user interface would allow users to access the current revision of a law and call up the relevant provisions to be changed. (*Id.*) The user could insert relevant provisions from multiple different portions of a law or multiple laws into a condensed view, make changes to them in-context, and assemble the changes into a single draft bill. (*Id.*) This would provide a user-friendly "client view," in which in-context changes to a law could be easily understood and shared with others, while enabling the simplified generation of a bill in the format required by the legislature. (*Id.*; *see also id.* at ¶20.)

B. Louis Agnello contacted Xcential to assess its LegisPro change-tracking software

Contact between Akin and Xcential began in October 2018—nearly 11 months before Xcential filed its '384 provisional application. Agnello wrote to Xcential, seeking information about its existing software product, LegisPro. (Ex. 1012.) In conversations with Xcential's president, Mark Stodder ("Stodder"),

Agnello explained he wanted software that could draft bills to amend federal law. (Agnello ¶26.)

Agnello approached Xcential because it advertised itself as a "legislative technologies" provider that was an industry leader in legislative drafting. (Ex. 1014 at 3.) Xcential's commercial software tracked "[c]hange [s]et[s]" and displayed them as redlines to pending bills or existing statutes. (Ex. 1015 at 1; Ex. 1016 at 2.) Agnello hoped this redlining software could also be used to generate bills. (Agnello ¶23.)

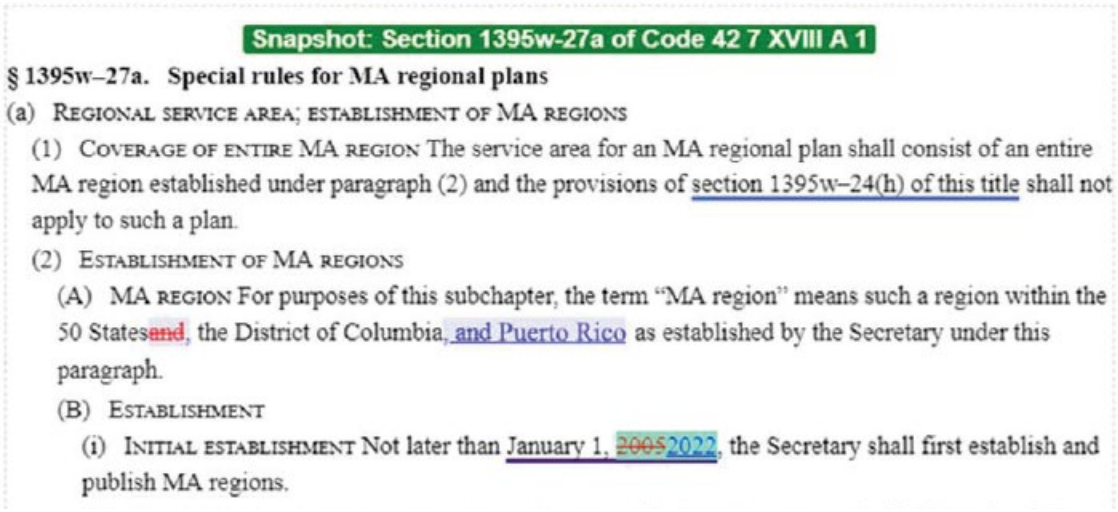
Agnello spoke with Stodder several times within a few weeks of their first call. (*Id.* at ¶26.) Based on Stodder's representations, Agnello felt Xcential was a promising candidate for building out his idea of bill-drafting software. (*Id.* at ¶27; *see also* Ex. 1017, Ex. 1018.) Agnello expressed his optimism to his Akin collegaues. (Agnello ¶28; *see also* Ex. 1011.)

C. Demonstrations of Xcential's software confirmed the need for a new bill-drafting solution

In November 2018, Stodder traveled to Akin's offices to demonstrate Xcential's LegisPro software to Agnello. (Agnello ¶30; Ex. 1019; Ex. 1020 at 1; Ex. 1021.) Several Akin attorneys and staff joined this meeting. (Ex. 1020 at 1; Ex. 1021.) The demonstration confirmed Xcential's software was not configured to generate federal legislation, as Agnello had hoped. (Agnello ¶32.)

Before the demonstration, Agnello had told Xcential Akin was interested in a platform for ***drafting*** "federal bills." (Agnello ¶31.) But the LegisPro software Xcential demonstrated could only ***track changes*** to California laws, a vastly different scenario. (*Id.*; Ex. 1022.) The Xcential software allowed for display of redlines to an existing statute—acceptable for amending California laws. (Agnello ¶31.) It could not generate new bills—as amending federal law requires. (*Id.* at ¶32.) In internal emails sent after Xcential's demonstration, Akin personnel questioned whether the software would work for federal bill drafting. (Ex. 1022; Ex. 1020 at 1.) Agnello began to suspect Xcential would have to write new code to implement his envisioned software platform. (Agnello ¶33.)

In subsequent telephone calls, Stodder said Xcential was "eager to build Federal templates for drafting" bills. (Bozzell ¶19; Ex. 1022.) Akin and Xcential spoke several times to clarify Agnello's idea. (Agnello ¶34; Ex. 1023; Ex. 1024.) These conversations, as well as an email Bozzell sent to Stodder, confirmed Agnello's idea was for software that could draft new bills—not just track amendments to draft bills. (Agnello ¶¶34-35; Bozzell ¶13; Ex. 1027 at 1-2.) Bozzell sent Xcential sample bill language—identified by Agnello—illustrating how to draft a statute-amending bill. (Ex. 1027 at 2.) This bill referenced "42 U.S.C. 1395w"—the same Code section Xcential later included in Figures 4, 5, and 6 of its patent applications:



Snapshot: Section 1395w-27a of Code 42 7 XVIII A 1

§ 1395w–27a. Special rules for MA regional plans

(a) REGIONAL SERVICE AREA; ESTABLISHMENT OF MA REGIONS

(1) COVERAGE OF ENTIRE MA REGION The service area for an MA regional plan shall consist of an entire MA region established under paragraph (2) and the provisions of section 1395w–24(h) of this title shall not apply to such a plan.

(2) ESTABLISHMENT OF MA REGIONS

(A) MA REGION For purposes of this subchapter, the term "MA region" means such a region within the 50 States~~and~~, the District of Columbia, and Puerto Rico as established by the Secretary under this paragraph.

(B) ESTABLISHMENT

(i) INITIAL ESTABLISHMENT Not later than January 1, ~~2005~~2022, the Secretary shall first establish and publish MA regions.

(Ex. 1003, '384 Application, Fig. 4.)

Stodder sent an email thanking Bozzell "for sending along this sample, and for the clarification about Louis' and other drafters' requirements." (Ex. 1027 at 1.) He suggested a further "follow up demo for [Akin's] team" and "a proposal for [a] pilot/trial" that would allow Akin attorneys to use the LegisPro software for a "specific drafting/amending need." (*Id.*) Stodder's message conflated ***amending bills*** (as in the LegisPro software) with software that ***generated bills*** (as in Agnello's concept). Akin opted to move forward with the demonstration and software trial proposed by Xcential.

Xcential provided Akin with two more demonstrations of its LegisPro software in early 2019. (Agnello ¶37; Ex. 1028.) The first demonstration, in January 2019, again focused on "***amending***," not ***generating***, draft bills. (Ex. 1028 (emphasis added).) In this "follow up demo," Xcential presented software focused on

"amending [] Senate/House bill[s]" and generating amendment documents. (Ex. 1029; *see also* Ex. 1016 at 2.) During this demonstration—nine months before the filing of its '384 provisional application—Xcential did not show Akin any software capable of generating a draft bill. (Agnello ¶37.)

Xcential made a second follow-up demonstration to "several members of [Akin's] tech team" in February 2019. (Ex. 1030.) This second demonstration focused on the LegisPro "system architecture." (*Id*.; Ex. 1062 (attaching Exs. 1016 and 1064).) Again, Xcential demonstrated no software capable of generating draft bills from changes to existing federal legislation.

D. Xcential provided deficient software, without bill-drafting capability

After months of anticipation, Xcential provided Agnello and his colleagues access to its long-awaited online trial version of LegisPro in April 2019—about four and one-half months before filing its '384 provisional application. (Ex. 1031 at 1; Agnello ¶43.) As summarized in Xcential's statement-of-work for the project, this trial was intended to "provide Akin Gump personnel with a free trial of Xcential's LegisPro software application to test drafting federal legislation... ." (Ex. 1035; *see also* Ex. 1034 at 1.) However, to Agnello's disappointment, Xcential's trial software was "unusable and incomplete." (Agnello ¶45; Bozzell ¶¶28-29; *see also* Ex. 1031 at 1 (Stodder explaining some trial features were not working.).)

Upon testing the LegisPro trial software, Agnello realized it did not provide the proper format for drafting or amending federal bills. (Agnello ¶46.) Because proper formatting was "central to the purpose of the software," this failure made the trial software effectively useless. (*Id.*; Bozzell ¶29.) Agnello could not use the trial software for client work, as it did not provide for legislative drafts in federally-mandated formats. (Agnello ¶46.)

Agnello also realized the May 2019 Xcential trial lacked "the bill-drafting capability that [he] had previously described to Xcential." (Agnello ¶47.) The LegisPro software, even as modified for the free trial, "could not generate new bill language from user inputs." (*Id*.) While it provided change-tracking capabilities, Agnello deemed these "similar to the track-changes functions in the word processing software Akin was already using." (*Id*.) Agnello concluded "Xcential did not seem to fully understand either the federal bill-drafting process or how automated bill-drafting from a set of redlines would assist those practicing in the area." (*Id*.) This confirmed Agnello's suspicion that Xcential would need to write new code to implement his invention. (*Id.*)

Despite the limitations in Xcential's LegisPro trial software, Agnello did not lose sight his idea's value, calling it "the proverbial 'Holy Grail'" and realizing the potential to be named an "Akin Innovator of the year" (Ex. 1036; Ex. 1037 at 1.) He decided to press on with Xcential, despite their failure to understand his bill-drafting

conception. (Agnello ¶48.) To this end, Agnello sought to again explain his conception to Xcential. (*Id.*)

E. Agnello again explains his bill-drafting conception

On May 1, 2019—just over four months before Xcential filed its '384 application—Agnello met Stodder to discuss the differences between his bill-drafting concept and Xcential's trial software. (Agnello ¶¶49-50; *see also* Ex. 1036; Ex. 1025; Ex. 1026.) During this meeting, held in Akin's offices, Agnello again explained the steps the software would need to take to generate a draft bill from tracked changes. (Agnello ¶¶49-50.) Agnello also explained, again, the federal legislature would not accept redlines of existing law in place of bill language. (*Id.* at ¶50.) Xcential's trial software would have to be modified to generate bills conforming to legislative format and language requirements. (*Id.*)

Hoping to emphasize these points, Agnello sent Stodder a confidential excerpt of a draft bill to illustrate the "process we would use in drafting a bill that requires amending [an] existing statute." (Ex. 1036; Agnello ¶51.) The section of to-be-amended law shared with Xcential (42 U.S.C. section 1395w) later appeared in Xcential's provisional and '233 applications. (Agnello ¶51.)

In reply, Stodder wrote Agnello's "example was extremely helpful." (Ex. 1038 at 1.) Stodder asked Agnello to teach his bill-drafting process to Grant

Vergottini—the Xcential co-founder and CEO who was later named as a purported inventor on the '233 application. (*Id*.)

The next day, May 10, 2019, Agnello had a videoconference with Stodder and Vergottini. (Agnello ¶53; Ex. 1007; Ex. 1041.) During this videoconference, Agnello explained his concept in detail. (Agnello ¶53; *see also* Ex. 1007.) Agnello told Vergottini that tracking changes was "not enough"—instead he sought software that could "use tracked changes to generate a draft bill." (Agnello ¶53.) This output would be acceptable to the federal legislature, which does not accept redlines of existing law in place of bill language. (*Id.* at ¶53.) Agnello also told Vergottini that Xcential's trial software would have to be modified to practice his invention. (*Id.*)

During this May 10, 2019 videoconference, Agnello also explained "the impact [his bill-drafting software] would have on those who wrote and amended legislation." (*Id.* at ¶55.) Agnello told Vergottini and Stodder about the labor-intensive efforts used to draft Federal legislation. (*Id.*) He explained that, because redlines are not accepted by legislative counsel, attorneys often created multiple word processing files when drafting bills: one showing redline edits and another containing the draft bill text. (*Id.*) This approach leads to inefficient use of computing resources. (*Id.* at ¶¶55-56.) It requires creating and storing multiple files for a single project, potentially raising inconsistencies and errors. (*Id.*) Agnello explained that, by generating draft bills from tracked changes, Agnello's software concept would

revolutionize the time-consuming legislative drafting process. (*Id.* at ¶56.) For emphasis, Agnello exclaimed the software's release would lead to a "***parade down K Street***"—the "corridor along which many law firms and public-relations offices reside in Washington DC." (*Id.* at ¶57 (emphasis added).)

Following the May 10, 2019 videoconference, Xcential finally appeared to understand the significance of Agnello's concept. (*Id.* at ¶60.) Echoing Agnello's comments, Xcential began referring to Agnello's idea as the "parade down K Street" feature. (Ex. 1042; Agnello ¶60.) Stodder and Vergottini also seemed to recognize that implementing Agnello's K-Street concept would require more than mere stylistic or formatting changes to the LegisPro platform. (Agnello ¶61.) Xcential now understood that generating draft bills from tracked changes would require new software. (*Id.*)

A few weeks after the May 10, 2019 videoconference, Agnello received an email from Stodder, indicating Vergottini "has been at work on configuring the 'amending the law' approach ***you showed him***" and that he "has not forgotten ***that 'parade down K Street' goal***":

> Hello Louis,
>
> I've chosen to focus more on replaying the beer drinking videos with Rodgers et al. Definitely more fun.
>
> As for the update - a couple of things underway. Grant has been at work on configuring the "amending the law" approach you showed him (squeezing the work in between enhancements the House Law Revision Counsel has been requesting). He has not forgotten that "parade down K Street" goal - he's also going to want to run some approaches by you soon to make sure he's on the right track.
>
> Second, we have another member of our team working on the styling/document model (Subsection (a), (b) etc.) to give the better match with U.S. federal drafting. I'm hopeful he'll have this done next week.
>
> So - working on it!

(Ex. 1042 (emphasis added).) Stodder wrote he would need further information from Agnello, advising him Vergottini is "going to want to ***run some approaches by you*** soon to ***make sure he's on the right track***." (*Id.* (emphasis added).)

F. Xcential recognizes bill-drafting as an improvement over LegisPro

Xcential soon realized the extent to which Agnello's automated bill drafting concept—the "K St Parade Tool"—differed from Xcential's existing technology. (*See* Ex. 1043 at 1.) In the three months before filing its provisional application, Xcential began treating the project with Akin as comprising two aspects: (i) configuring LegisPro to accommodate formatting to match "federal styles;" and (ii) transforming redline edits of an existing law to a bill representation, a.k.a., the "K St Parade Tool." (*Id.*) In June 2019, Stodder expressed, for the first time, the "K St Parade Tool" would be "a ***much bigger development deal***" that would take months for Xcential to code. (*Id.* (emphasis added).) Stodder said that Xcential was "targeting end of August" to provide the "K St Parade Tool." (*Id.*)

In August 2019—the month before filing its '384 application—Xcential emailed Akin a proposal that identified two "basic capabilities" for federal bill drafting: (1) capabilities for drafting legislation in "correct drafting format (numbering, appearance)" and (2) capabilities for "'Bill Synthesis' (amending the law) and automated bill generation." (Ex. 1044 at 1; Ex. 1045.) Later correspondence confirmed "Bill Synthesis" was another name for the "K Street" parade feature. (Ex. 1046.) Xcential now estimated that developing these new features would cost between $55,000 and $70,000 and take about three months. (Ex. 1045 at 1.) Other features requested by Akin were expected to add more time and money. (*Id.* at 1-2.)

When asked why this pricing was "totally different" from the pricing sheets Xcential had previously provided, Stodder wrote "[t]he key difference—which I must not have communicated effectively at the start—is that [the previous pricing] is only for software licensing and does not include any of the customization and configuration outlined in the draft proposal you had a look at today." (Ex. 1047 at 1 (original emphasis).) Stodder now recognized that Agnello's bill synthesis/K-street feature was beyond the capabilities of Xcential's existing LegisPro software. This new feature would require significant cost to code. (Ex. 1046 ("We now have a clear understanding of budget capabilities and what's realistic.").)

Losing faith in Xcential, Akin chose not to go forward with the proposal. (Agnello ¶73; Bozzell ¶¶35-36.) This loss of faith was due, in part, to Xcential's

repeated failure to provide Akin with software capable of properly formatting federal bills. (Agnello ¶73.) A demonstration of LegisPro in June 2019 failed to include the federal formatting specifications requested by Agnello. (*Id.* at ¶65; Ex. 1048 at 1; Ex. 1049; Ex. 1050.) Stodder acknowledged that Xcential needed to "fix" these shortcomings. (Ex. 1051.) Yet, a July update was still wrong. (Agnello ¶66; Ex. 1052 at 1-2; Ex. 1053.) Agnello's request for demonstration software capable of producing "a formatted bill with the program" went unmet. (Agnello ¶68; Ex. 1054 at 1.) These continued formatting errors shook Agnello's confidence in Xcential's ability to provide software to his specifications. (Agnello at ¶¶68-69, 73.)

Agnello identified bill synthesis as a "must have" technology for any software Akin asked Xcential to code. (Ex. 1055 at 1; Ex. 1075.) His goal in engaging Xcential had always been to obtain software capable of generating draft bills. (Agnello ¶74.) Without this capability, a license to Xcential's software would offer little more than existing change-tracking capabilities. (*Id.*) Given Xcential's inability to previously understand and deliver this feature, Agnello was hesitant to recommend that Akin invest in Xcential software. (*Id.*)

G. Xcential renames the Agnello invention "Bill Synthesis" and files a patent application

Xcential filed the '384 provisional, from which its '233 application claims priority, on September 12, 2019. (Ex. 1003 at 2.) As evidenced by their abstracts,

titles, and written descriptions, both applications are directed to "bill synthesis"—Agnello's idea of generating a draft bill based on changes to existing statutes.

Correspondence from Stodder confirms "bill synthesis" is the "K Street" bill-drafting feature suggested by Agnello. (Ex. 1046.) Weeks after Xcential filed its '384 application, Stodder wrote that Xcential continued coding the "'K Street' drafting feature" under the "Bill Synthesis" name:

> So Grant and I are working through what we could provide, within the budget boundaries. While we continue development of the "K Street" drafting feature (we call it Bill Synthesis), moving it from prototype, the nearer term win we think we could release is a federal bill amending tool, with automated features for amendment generation. We're also taking an approach that would involve much less customization/configuration for Akin Gump and provide a more standardized tool for licensing.

(*Id*.) This is consistent with Xcential's proposal to develop new software for Akin, which describes "Bill Synthesis" as "amending the law" and "automated bill generation." (Ex. 1045 at 1.)

Reviewing the '233 and '384 applications confirms "bill synthesis" is Agnello's idea of generating a draft bill based on tracked changes to existing statutes.

The '233 abstract explains the "present invention is directed to a system and method for document extraction and synthesis." ('233 application at Abstract.) This system and method are for "extracting portions of a document to be changed and automatedly synthesizing the changes ...to conform to the language and structure required for the final document." (*Id*.) This "allows a user to modify an existing set of laws and automatedly transform the changes into a final document that complies with the specified language and format requirements for that final document." (*Id*.)

Because it complies with the language and formatting requirements for new bills, the final document may be "presented before the lawmaking body." (*Id*.) The '384 provisional contains similar statements. (Ex. 1003 at Abstract.)

In its "Background," the '233 application distinguishes the "***bill drafting process***" from the "***bill amending process***." ('233 application at ¶[0006].) The specification explains that bill amending is the process by which an introduced bill evolves when introduced in committee or on the floor of a legislative chamber. (*Id*.) Changes to the bill are proposed, enumerated, and either adopted or rejected. (*Id*.) This results in a "simple enumeration of discrete modifications to a bill expressed as amending instructions to specific passages of text often identified by page and line number." (*Id*.) According to the '233 specification, prior automation of this bill amending process "assumes that the bill is already provided using the precise language and formatting that is required by the legislature." (*Id*.)

Drafting new bills, in contrast, requires the crafting of language that describes the changes to existing statutes "using a precise arcane language and format" demanded by the legislature. (*Id*. at ¶[0004].) Echoing information gained from Agnello, the '233 specification states that "due to the format requirements and precise language that legislatures require for a presented bill, a lawyer or other drafter cannot copy the law to be changed from the original source, make changes to the original source document, and simply present those changes to the legislature."

(*Id.*) Instead, the bill must describe the changes using the legislature's preferred language and format. (*Id*.) The '384 provisional similarly distinguishes bill drafting from amending law. (Ex. 1003 at ¶¶[0003]-[0005].)

The '233 application acknowledges the existence of bill-drafting software, including editors built on either word-processing software or structured document editors (e.g., XML editors). ('233 application at ¶[0007].) This existing software allows the tracking of changes to draft documents or existing legislation. (*Id*. at ¶[0024] (describing existing LegisPro change-tracking capability).) But, as the '233 application makes clear, "[n]one of the current bill drafting tools allow the user to create in-line in-context changes to the original text of the legal provision to be changed and then automatedly generate a bill from those changes with the appropriate language required by the jurisdiction where the bill is to be presented." (*Id*. at ¶[0007].) It is this invention—conceived by Agnello—the '233 application aims to patent.

Figure 1 of the '233 application, reproduced below, depicts a "method of law selection and bill synthesis":

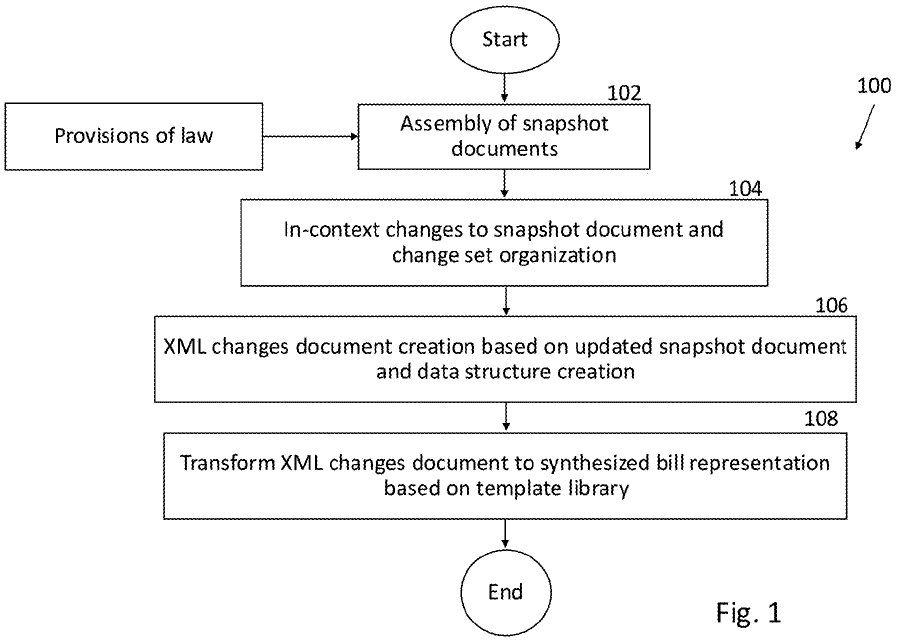
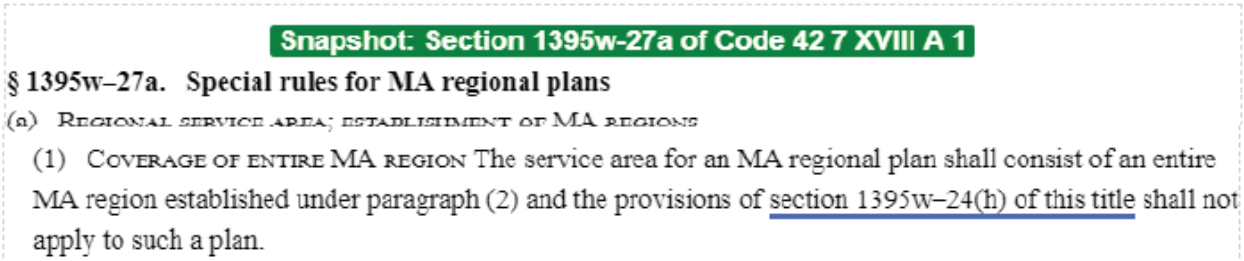


Fig. 1

(*Id*. at ¶[0025].) This method begins, at step 102, with the creation of a "snapshot document" containing provisions of law to be changed. (*Id*. at ¶[0026].) This snapshot document may be created in an existing text editor, such as the commercially available LegisPro software. (*Id*.) In step 104, a user inputs in-context, redline changes to the snapshot document. (*Id.* at ¶[0034].) As in existing systems, the software tracks these changes in step 106. (*Id*. at ¶[0041].) To track the changes, the system creates an XML changes document. (*Id*.) The '233 application suggests using "change sets" from the commercial LegisPro software for this step. (*Id*. at ¶[0034].) Finally, in step 108, the software transforms tracked changes into a "synthesized bill representation."

Figures 4-6 of the '233 application illustrate a snapshot document based on code sections identified by Agnello. As seen in the color version of this snapshot from Xcential's '384 application, Figure 4 is a "snapshot" of 42 U.S.C. §1395w:


Snapshot: Section 1395w-27a of Code 42 7 XVIII A 1

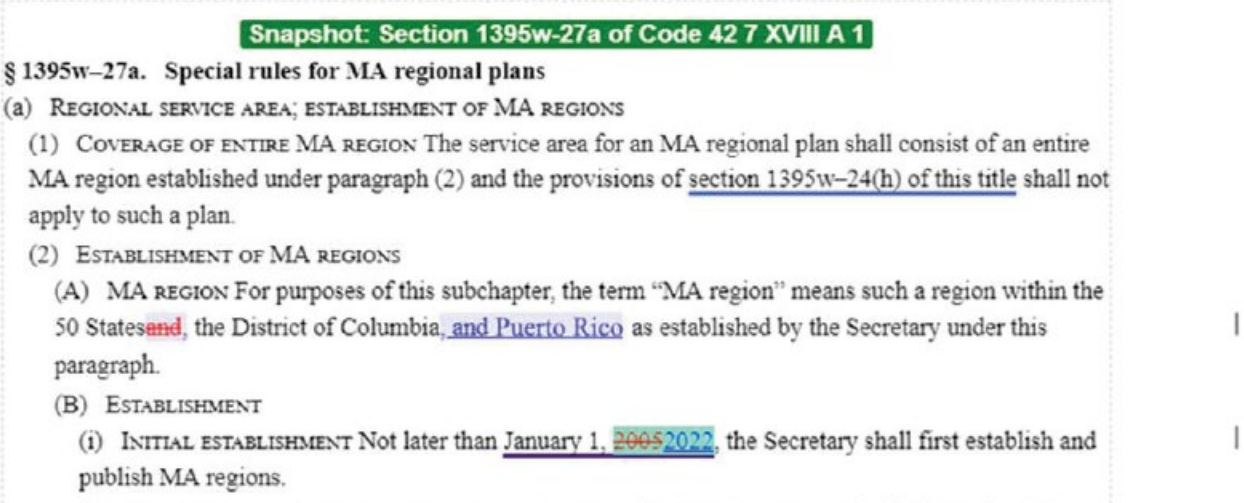
§ 1395w–27a. Special rules for MA regional plans

(a) REGIONAL SERVICE AREA; ESTABLISHMENT OF MA REGIONS

(1) COVERAGE OF ENTIRE MA REGION The service area for an MA regional plan shall consist of an entire MA region established under paragraph (2) and the provisions of section 1395w–24(h) of this title shall not apply to such a plan.

(Ex. 1003 at Fig. 4.)

Figure 5 shows "changes made to the snapshot document" done "using some method of change tracking" (e.g., redlining) ('233 application at ¶¶[0019], [0034].) This snapshot is again of 42 U.S.C. 1395w:


Snapshot: Section 1395w-27a of Code 42 7 XVIII A 1

§ 1395w–27a. Special rules for MA regional plans

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(2) ESTABLISHMENT OF MA REGIONS

(A) MA REGION For purposes of this subchapter, the term "MA region" means such a region within the 50 States~~and~~, the District of Columbia, and Puerto Rico as established by the Secretary under this paragraph.

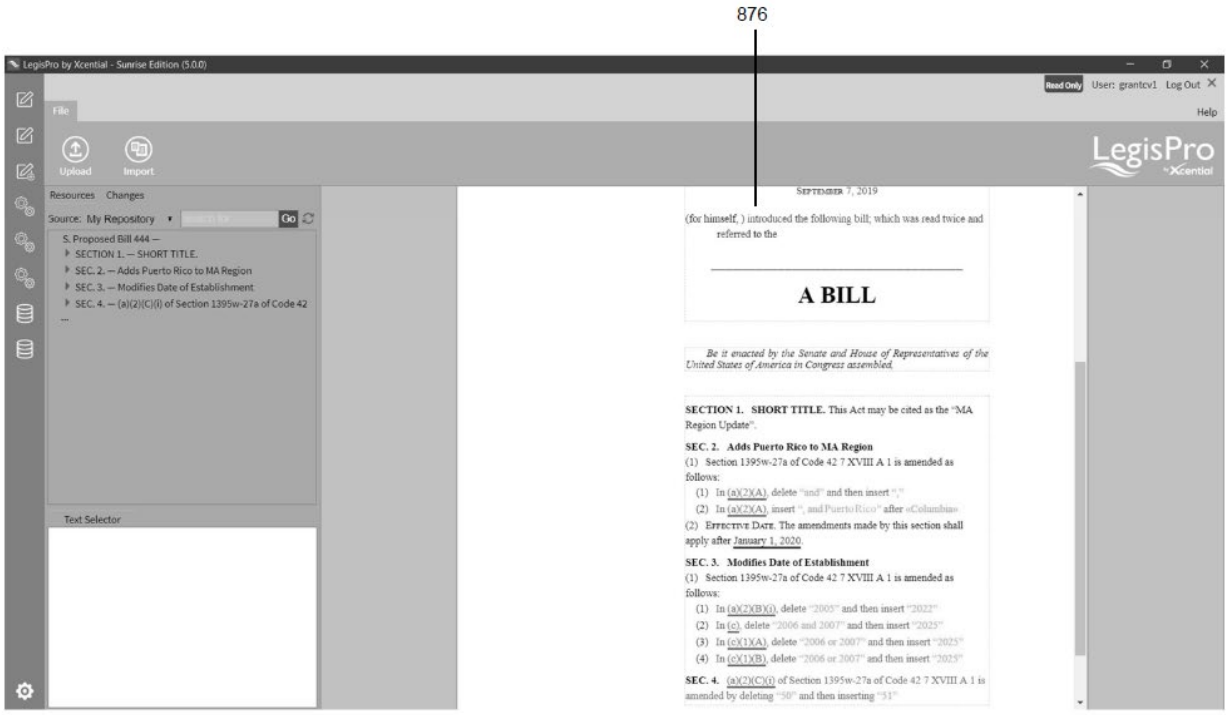
(B) ESTABLISHMENT

(i) INITIAL ESTABLISHMENT Not later than January 1, ~~2005~~2022, the Secretary shall first establish and publish MA regions.

(Ex. 1003 at Fig. 5.)

Figure 6 illustrates "law changing language for bills [being] automatically drafted ...based on the changes made to the snapshot document," resulting in "a

formal bill document." This "bill representation" is "visually and contextually ...quite different" from the snapshot document. ('233 application at ¶¶[0057], [0074].) Again, this Figure illustrates changes to 42 U.S.C. 1395w:



(*Id.* at ¶[0056].) Subchapter XVIII of 42 U.S.C. includes hundreds of sections. But, drawing on his experience drafting amendments to healthcare laws, Agnello specifically identified ***§1395w*** to Xcential four times. (Ex. 1027; Ex. 1064; Ex. 1036; Ex. 1007; Ex. 1076.) Each time, Stodder acknowledged this information was "helpful." (Ex. 1027; Ex. 1065; Ex. 1038.)

The '233 claims attempt to broadly capture the above concepts. For example, claim 6 recites "creating a snapshot document" (as discussed above), "receiving changes to the snapshot document" (as discussed above), "analyzing the updated

snapshot document based on extracting and enumerating each change set" (i.e., redlining), and "constructing an XML changes document" (as in existing software). The inventive steps conceived by Agnello follow, including: "analyzing the XML changes document to generate a bill representation," and "presenting the bill representation to a legislature."

H. Xcential filed the '233 application without permission

Xcential never informed Agnello, or anyone else at Akin, of its intention to file the '384 or '233 applications. (Agnello ¶85; Bozzell ¶¶39-40.) It did not seek permission before filing its '384 application on September 12, 2019. (Agnello ¶85; Bozzell ¶¶38-39.) Further, despite multiple contacts with Akin after the filing—including sending a $190,000 proposal to develop the claimed concepts to Bozzell on the very day it filed the application—Xcential never mentioned the application's existence. (Agnello ¶86-87; Bozzell ¶¶38-39; Ex. 1056; Ex. 1047 at 1, 2; Ex. 1046.) Neither Agnello, Bozzell, nor anyone else at Akin granted Xcential permission for the filing. (Agnello ¶¶85-87; Bozzell ¶¶39-40.)

Agnello's discussions with Xcential were made under the terms of a non-disclosure agreement (NDA) that limited the use of the information he shared. This NDA, signed in March 2019, had retroactive effect. It covered all information shared by Akin and Xcential during Xcential's engagement "to provide legislative drafting

and amending software" services. (Ex. 1057 at 1; Ex. 1058 at 1; Colavita Decl. ¶¶2-3.)

The NDA stated that, in connection with the development of this software, Akin and Xcential may "make available to the other Party and its Representatives certain information which is non-public, confidential and/or proprietary in nature ...." (Ex. 1057 at 1.) Each party agreed to use this confidential information—whether furnished before or after the NDA's execution—"solely as necessary for the provision of the Services and for no other purpose." (*Id*. at 1-2)

The NDA addressed ownership of information shared, expressly stating it would "remain the property of the disclosing Party." (*Id*. at 3) The parties' agreement provided no "license or other intellectual property right with respect to any of the Confidential Information." (*Id*.) Each party retained ownership over intellectual property it disclosed. And the parties agreed not to disclose confidential information "in any manner whatsoever." (*Id.* at 2.)

Xcential reviewed the NDA and agreed to its terms. In his email sending the signed NDA to Akin, Stodder wrote that it contained "minor changes" over the draft received from Akin. (Ex. 1058 at 1.) Stodder executed the agreement on Xcential's behalf:


Xcential Corporation
AGREED AND ACCEPTED:
By:
Name: MARK W.C. STODDER

(Ex. 1057 at 5.) Neither Xcential nor Akin requested to modify or terminate the NDA.

Due to the confidentiality of pending applications before publication, Akin did not learn of the '233 application until 2021. (Agnello ¶88.) Xcential never told Akin that it had filed the application, even after it published. (*Id.*)

I. Xcential never delivered the software features it promised

Despite having not yet delivered any work product for Akin, in October 2019, Stodder sent an email assuring Agnello Xcential was continuing to work toward Akin's goals, explaining that Xcential would "retool and be back." (Ex. 1046.) Stodder proposed to "continue development of the 'K Street' drafting feature … , moving it from prototype." (*Id.*) In the nearer term, Xcential would provide "a federal bill amending tool, with automated features for amendment generation." (*Id.*) This tool never materialized. And Akin never received any Xcential software capable of having bill-drafting capabilities. (Agnello ¶90; Bozzell ¶¶41-42.)

In January 2020, Stodder spoke with Akin about using Xcential tools for drafting legislative documents in California (which ***does*** use redlines). Even then, Xcential still had no product to deliver to Akin. (Ex. 1060; Ex. 1061; Agnello ¶91.)

IV. Legal Standards

To establish a derivation, a petitioner must show "an individual named in an earlier application as the inventor or a joint inventor derived such invention from an individual named in the petitioner's application as the inventor or a joint inventor" and filed, without authorization, an application claiming the derived invention. 35 U.S.C. §135(a); 37 C.F.R. §42.405(b)(2).

The Board adjudicates charges of derivation "under 35 U.S.C[.] §135(a) as it existed prior to the enactment of AIA." *Catapult Innovations PTY Ltd. v. Adidas AG*, DER2014-00002, Paper 19 at 3 (PTAB July 18, 2014). Under this standard, the party asserting derivation must establish prior conception of the claimed subject matter and communication of that conception to an inventor of the other party. *Id*. at 4 (citing *Cooper v. Goldfarb*, 154 F.3d 1321, 1332 (Fed. Cir. 1998); *Price v. Symsek*, 988 F.2d 1187, 1190 (Fed. Cir. 1993); and *Hedgewick v. Akers*, 497 F.2d 905, 908 (CCPA 1974).) Conception is the formation in the mind of the inventor of a definite and permanent idea of the complete and operative invention, as it is therefore to be applied in practice. *Kridl v. McCormick*, 105 F.3d 1446, 1449 (Fed. Cir. 1997). Conception must be proved by corroborating evidence which shows the inventor

disclosed his completed thought in such clear terms as to enable those skilled in the art to make the invention. *Coleman v. Dines*, 754 F.2d 353, 359 (Fed. Cir. 1985).

Any challenged claim which the petitioner demonstrates is "the same or substantially the same" as the disclosed invention constitutes a derived invention. *See* 37 C.F.R. §42.405(b)(3)(i). Per 37 C.F.R. §42.405(a)(2), a petitioner must also show it has at least one claim that is the same or substantially the same as (i) the respondent's claimed invention, and (ii) the invention disclosed to the respondent.

The threshold showing for institution of a derivation proceeding is whether the petition demonstrates substantial evidence, which if unrebutted, would support the assertion of derivation. 35 U.S.C. §135(a); 37 C.F.R. §42.405(c); *See also Catapult Innovations*, DER2014-00002, Paper 19 at 2 (PTAB July 18, 2014). After institution, the standard of proof for establishing that a challenged claim constitutes a derived invention is by a preponderance of the evidence. 37 C.F.R. §42.1(d); *See also Catapult Innovations*, DER2014-00002, Paper 19 at 3 (PTAB July 18, 2014).

V. The '233 Application's Claims Are Substantially the Same as Agnello's "K-Street" Bill-Drafting Invention

Louis Agnello conceived of software capable of generating draft bills—the kernel of the '233 claims—before first speaking with Xcential in October 2018. Witness testimony and corroborating documentary evidence, summarized below, establish Agnello's conception and communication of the claimed subject matter.

The ’233 claims are substantially the same as the concepts that Agnello conceived and communicated to Xcential.

A. Agnello conceived of and communicated “bill synthesis” as claimed in the ’233 application

Louis Agnello conceived of methods and systems for “bill synthesis” as recited in the ’233 application claims. The evidence summarized below shows Agnello conceived of this claim element and communicated it to Vergottini and Stodder.

Agnello has testified that, “from the outset, ...I had wanted to find software that would allow me to generate a draft bill from a redline markup.” (Agnello ¶56.) Finding or developing software with this bill-drafting capability would “improve the bill-drafting process by eliminating the need to first mark-up existing legislation, then to separately create bill language to implement those changes.” (*Id.*) By generating draft bill language, the software Agnello conceived would not only “save time” and “limit errors,” but also “make more efficient use of computer resources.” (*Id.*) Agnello’s conception would also enable new functionality for legislative drafting. Because the software would provide a graphical user interface and linked to updated databases of current laws, the interface would allow users to access the current revision of a law and call up the relevant provisions to be changed. (*Id.* ¶21.) The user could insert relevant provisions from multiple different portions of a law

or multiple laws into a condensed view, make changes to them in-context, and assemble the changes into a single draft bill. (*Id.*) This would provide a user-friendly "client view," in which in-context changes to a law could be easily understood and shared with others, while enabling the simplified generation of a bill in the format required by the legislature. (*Id.*)

Agnello recognized his concept differed from existing word-processing software, which allowed for redline tracking, but could not generate draft bills. (*Id.* ¶47.) He discovered that even the change-tracking solutions offered by Xcential "did not provide for automatic bill-drafting based on tracked changes." (*Id.* at ¶44; *see also id.* at ¶47.) This gap in the Xcential software became clearer to Agnello in the spring 2019, "when [he] received access to the free trial version of Xcential's software." (*Id.* at ¶44.) After accessing this trial software in April 2019, Agnello spoke with Stodder and Vergottini about "how [his] bill-drafting software differed from the change-tracking redline capability in Xcential's LegisPro product." (*Id.* at ¶49.)

Documents from September 2018—before Agnello first contacted Xcential and approximately a year before Xcential's '384 provisional filing—confirm Agnello sought software that would "help him to draft bills." (Ex. 1009.) A September 28, 2018 message from Julie Bozzell, manager of Akin's public law and policy group, summarizes the goal to find a technical solution to assist with bill

drafting. (*Id.*) She confirmed this was Agnello's bill-drafting goal in later correspondence, both internal and external to Akin:

- On November 2, 2018, in a message entitled "Legislative Bill Drafting," Bozzell wrote "[w]e are currently evaluating software options to simplify the legislative drafting process." (Ex. 1011.)
- On November 16, 2018, Bozzell wrote she "had concerns following this demo [by Xcential] that they may not be ready to really support Federal drafting ...." (Ex. 1022.)
- On November 16, 2018, Bozzell confirmed, in a message to Xcential President Mark Stodder, Agnello's focus was "new bills," not amendments. (Ex. 1027 at 2.)

These documents corroborate Agnello's testimony.

Bozzell testifies that "[f]rom the outset, Mr. Agnello was focused on software capable of generating draft bills." (Bozzell ¶29.) Exhibits 1009, 1011, 1022, and 1027, confirm this statement. (Bozzell ¶13.)

In May 2019, after finally gaining access to a trial version of LegisPro, Agnello again told Xcential that his concept required drafting a bill, not merely tracking changes. Agnello told Stodder the differences between change-tracking and bill drafting. (Agnello ¶49 .) Agnello explained his concept was not merely to track changes to existing legislation, as he "could do with the word-processing software

already available to [him]." (*Id.*) Rather, Agnello sought software with a new capability: "generating a draft bill based on tracked changes to a law." (*Id.*)

Agnello followed up via email, stressing the "typical process" he wished to improve involved "drafting a bill that requires amending [an] existing statute." (Ex. 1036; Agnello ¶51.) With this email, Agnello sent Xcential a confidential excerpt of a draft bill, showing the legislature-mandated format for draft bills amending existing statues. (Ex. 1036.) He also identified the "[h]oly [g]rail" of the Akin-Xcential collaboration—software capable of drafting bills that amended or supplemented existing statutes. (*Id*.) Stodder thanked Agnello for this **"extremely helpful" "mini training session"** and asked Agnello to explain the bill-drafting process to Grant Vergottini, Xcential's technical lead. (Ex. 1038 at 1 (emphasis added).)

During a May 10, 2019 videoconference with Vergottini and Stodder, Agnello again explained his bill-drafting concept. (Agnello ¶53.) Agnello explained tracking changes would not address the inefficiencies of the bill-drafting process. (*Id.*) Instead, Agnello asked Vergottini to write code that would use templates to generate a bill—properly formatted and using legislature-specific language—to amend existing statutes. (*Id.* at ¶¶53-54.) During this videoconference with Vergottini and Stodder, Agnello explained the long-felt need for bill-drafting software, saying its

introduction would result in "***a parade down K Street***." (*Id.* at ¶57; *see also* Ex. 1042.)

Agnello followed with an email, sent to Stodder the same day, providing examples of federal bills used to amend existing law. (Ex. 1007; *see also* Ex. 1008; Ex. 1076; Agnello ¶59.) Agnello again provided exemplary bill text that would amend 42 U.S.C. 1395w, which later appeared in Xcential's '233 application. (Ex. 1076; Agnello ¶59.) With this message, Agnello sought to reinforce how bill drafting "differed from the change-tracking redline capability in Xcential's trial LegisPro software." (*Id.*)

Agnello testified he "came up with the idea of software that generated a draft bill from redline changes to a law" and "communicated this idea to Mark Stodder and Grant Vergottini in May 2019." (*Id.* at ¶84.) A message sent by Stodder corroborates this testimony. Specifically, Stodder confirmed "Grant [Vergottini] has been at work on configuring the 'amending the law' approach ***you showed him*** ...." (Ex. 1042 (emphasis added).) Stodder's message equated Agnello's bill-drafting concept with the "parade down K Street" goal. (*Id*.)

Later documents confirm Xcential renamed Agnello's "K Street" bill-drafting concept "bill synthesis." A message written by Stodder weeks after filing the '384 application confirmed Xcential was continuing to write code for the as-yet-undelivered "K Street drafting feature" and had redubbed it "Bill Synthesis." (Ex.

1046; *see also* Agnello ¶76.) This correlates with the use of "Bill Synthesis" in Xcential's August 1, 2019 proposal to code "Bill Synthesis" software for "amending the law" and "automated bill generation." (Ex. 1045 at 1.) Further, as Agnello testified, the '233 application "uses the phrase 'bill synthesis' to refer to my idea of generating a draft bill from a set of changes to existing legislation, which email between me and Stodder refers to as the 'holy grail' or 'parade down K Street' concept." (Agnello ¶77.)

As this evidence illustrates, Agnello conceived of and communicated the following '233 claim elements before the application's priority date:

Claim 1	"A method of bill synthesis"
Claim 6	"A method of bill synthesis"
Claim 14	"A system of bill synthesis"

B. Agnello conceived of and communicated creating a "snapshot document" including at "least one provision of law to be changed" as claimed in the '233 application

The evidence shows Agnello conceived of creating a snapshot document, including at least one provision of law to be changed, to enable bill synthesis. Change-tracking software known in the art before the filing of the '384 application—including Xcential's own LegisPro software—incorporated provisions of law to be changed. But it was Agnello who conceived of taking provisions of existing law,

tracking changes to them, and then using those changes to generate (synthesize) a new bill.

Beginning in the fall of 2018, Agnello sought software that could track changes to existing legislation, then generate draft bills from those changes. (Agnello ¶56.) As summarized in Section III.A above, Agnello explained this concept to Xcential in October 2018 and in May 2019. As Agnello testified, beginning with current versions of existing legislation was "important" to this approach. (*Id.* at ¶18.) This is because the "accuracy of the bill generated depends on the statute used as a starting point." (*Id.*)

After seeing Xcential's first demonstration of LegisPro in November 2018, Bozzell and Agnello had concerns about the statutory language used by the software. As Bozzell expressed concerns about "what bill text [Xcential] would link to ...and how they keep that current." (Ex. 1020 at 1.) Agnello shared these concerns. (Agnello ¶33.)

Correspondence between Akin and Xcential confirm Agnello's concept included incorporating existing law into a snapshot document. In November 2018, Bozzell forwarded Stodder language from Agnello stating that "it would not be a problem if the product can plug into the USC but not the underlying statute." (Ex. 1027 at 1-2.) In other words, Agnello suggested using the United States Code as the "source" of provisions for "the pilot of the bill-drafting software." (Agnello ¶35.)

This request was echoed in spring 2019, when Agnello pointed Xcential to Title 42, Subchapter XVIII for editing in the pilot software. (Ex. 1063; Ex. 1064 at 1-2; Ex. 1065 at 1-2.)

The evidence also shows commercial software, like Xcential's LegisPro, could track changes to draft legislative documents. (*See, e.g.*, Ex. 1014 at 13 (Xcential slideshow demonstrating "Document Comparison" feature of LegisPro).) While Agnello was the first to suggest using provisions of law in a bill-synthesis system, tracking changes to "at least one provision ...to be changed" was, on its own, known.

As this evidence illustrates, Agnello conceived of and communicated the following '233 claim elements before the application's priority date:

Claim 1	"receiving at least one provision of law to be included in a snapshot document …"
Claim 1	"determining a formalized reference for each provision of law included in the snapshot document …"
Claim 6	"creating a snapshot document, wherein the snapshot document includes at least one provision of law to be changed …"
Claim 14	"create a snapshot document, wherein the snapshot document includes at least one provision of law to be changed …"

C. Agnello's invention used known concepts of "receiving changes to the snapshot document" and "creating an updated snapshot document"

The '233 claims recite steps of "receiving changes to the snapshot document to create an updated snapshot document." Paragraph [0034] of the '233 application explains that "modifications to the snapshot document are performed in context with some method of change tracking." ('233 application at ¶[0034].) The evidence, summarized below, shows commercial software, like Xcential's LegisPro product, could receive and track changes before Xcential's provisional filing date. Agnello was aware of these existing commercial capabilities when developing his bill-drafting software invention. Agnello conceived of using these known methods in software capable of generating draft bills.

When developing his idea of bill-drafting software, Agnello was familiar with word-processing software that allowed users to track changes to a document. (*See, e.g.*, Agnello ¶¶5, 9.) Agnello used such software in his legislative drafting work. (*Id.* at ¶¶14, 49.) He understood conventional word-processing software could collect and store data representing changes to an existing statute but could not use this data to generate a bill modifying the statute. (*Id.* at ¶¶12, 14.)

Before approaching Xcential in the fall of 2018, Agnello read about LegisPro's change-tracking capabilities for legislative documents. (*Id.* at ¶23.) This basic understanding of Xcential's change-tracking capabilities was augmented by

documents received from Xcential, and demos of Xcential's existing software, before May 2019. (*Id.*) Agnello understood the existing Xcential software received in-line changes input by users, then grouped them into "change sets." (*Id.*) Like the word processing software already available to Agnello, Xcential's LegisPro product could not use the data stored in these change sets to generate a bill. (*Id.* at ¶¶31-32, 37, 39.) Agnello wanted to build on Xcential's software, by modifying it to generate bills. (*Id.* at ¶¶50, 53, 61.)

An April 2018 white paper prepared by Xcential, for example, explains that "[m]any jurisdictions use redlining techniques, similar to track changes in a word processor, to highlight amendments and other changes in documents" and that "LegisPro provides a highly configurable and programmable change management mechanism that resembles track changes, but which meets all the requirements of legislative style documents." (Ex. 1016 at 2.)

These change sets allowed the software to receive in-line changes to original text, including insertions and deletions, and group them into change sets as recited in '233 claims 1, 6, and 14. According to Xcential's 2018 white paper, "LegisPro's change management allows changes to be grouped into sets of related changes." (*Id*.) These changes included "insertions and deletions." (*Id*.)

The change-management system described in the 2018 white paper could be used "to record the origin of a set of amendments, to define the effectivity of changes

in a point-in-time system, or to record categories of edits to a document." (*Id*.) These would be recorded as change-set metadata. (*Id*. ("Changes ...are stitched back into the document, updating both the document hierarchy and any accompanying metadata.").) As these quotations illustrate, receiving "change set metadata" as in '233 claims 1, 6, and 14 was known and commercially used before Xcential filed the '233 application.

This metadata could include "a set of dependencies," as recited in '233 claim 1. The 2018 white paper disclosed that "[c]hanges in one change set can be nested within another change set in order to record changes to changes." (*Id*.) The Xcential system allowed changes sets to be "shown, hidden, shown as redlining, or highlighted in different colours," meaning that the underlying document had been updated to create an updated document. (*Id*.)

An Xcential blog post from April 2018 also describes using change sets to track changes made to pending legislation. Changes made to a "target document" are recorded and may be later used to amend the target document. (Ex. 1066 at 4, 10.) According to Xcential, these changes included insertions or deletions. The changes are grouped into "change sets," allowing them to be accepted or rejected on a set-by-set basis. (*Id*. at 10.) Metadata associated with the change sets would allow their acceptance or rejection. These change sets provide a solution to the long-

recognized concern for careful change-tracking in legislative documents to, for example, "avoid political sensitivities." (*See* Ex. 1067.)

The '233 specification confirms that "the recordation of insertions and deletions [within] XML structures are a preexisting feature of LEGISPRO®." ('233 application at ¶[0034]. Further, LEGISPRO® ...incorporates the advanced change set-based track changes features disclosed herein." ('233 application at ¶[0026].) Paragraphs [0018] and [0022] of Xcential's Septemnber 2019 provisional application make similar admissions. (Xcential Provisional at ¶¶[0018] and [0022].) A parallel patent application disclosing change sets—on which the '233 application relies on for enabling disclosure—claims a 2018 priority. ('233 application at ¶[0024] (incorporating U.S. Patent Application 16/507,855).) And slides that Xcential gave Akin in 2018 confirm this change-tracking capability of Xcential's existing commercial product. (*See, e.g.*, Ex. 1014 at 13; *see also* Ex. 1015.)

Agnello asked Vergottini to build upon and improve this existing change-tracking capability by generating a draft bill to amend redlined laws. (Agnello ¶54.) He suggested allowing users to input desired changes via LegisPro's existing capability, then generating a draft bill based on those changes. (*Id.*) This approach would make use of LegisPro's existing capabilities and data structures but would generate a wholly new output—a draft bill in the format required for presentation to the legislature. (*Id.*)

For at least these reasons, the concepts of receiving changes to a snapshot document, then creating an updated snapshot document were already known in the art before the '233 priority date. That said, Agnello conceived using the following '233 claim elements***in a bill synthesis system or method*** and communicated that conception to Vergottini and others at Xcential before the application's priority date:

Claim 1	"receiving at least one in-line change to the set of original text …"
Claim 1	"assigning each in-line change to at least one change set …"
Claim 1	"receiving change set metadata associated with each change set …"
Claim 1	"assigning each in-line change to at least one change set …"
Claim 1	"creating an updated snapshot document …
Claim 6	"receiving changes to the snapshot document …"
Claim 14	"receive changes to the snapshot document to create an updated snapshot document…"

D. Agnello's invention used known concepts of "analyzing the updated snapshot document"

The '233 claims also require analyzing tracked changes to a document, then creating hierarchical internal data structures and constructing XML changes documents reflecting the updated document. These concepts were known more than one year before Xcential filed the '384 provisional on September 12, 2019. As summarized below, the evidence shows that earlier commercial software, like Xcential's LegisPro product, could perform these steps. Agnello conceived of using

these known data structures for tracking changes in software capable of generating draft bills.

Xcential's April 2018 white paper regarding LegisPro discloses a change-management system that could be used "to record the origin of a set of amendments, to define the effectivity of changes in a point-in-time system, or to record categories of edits to a document." (Ex. 1016 at 2.) The white paper discloses that LegisPro provided a "highly configurable and programmable change management mechanism that resembles track changes" but that "allows changes to be grouped into sets of related changes." (*Id*.) Thus, software known before the '233 application filing was designed to extract and track the changes made to a document's original text, cluster the changes together into change sets, and construct an internal data structure for each change set, as recited in '233 claim 1.

This includes a hierarchical XML storage scheme. For example, "[c]hanges in one change set can be nested within another change set in order to record changes to changes." (*Id*.) Further, "[c]hanges ...are stitched back into the document, updating both the document hierarchy and any accompanying metadata." (*Id*.)

Xcential's April 2018 blog post discloses that legislative information is "held in XML repositories (a form of a database) where we can query, extract, and update provisions at any level of granularity, not just at the document level," again confirming the existence of a document hierarchy. (Ex. 1066 at 5) Indeed, the blog

states that "[d]ocument hierarchies form an important part of any legislative or regulatory document." (*Id*. at 6.) Thus, the change sets in existing Xcential software included a "hierarchical representation of the changes to be made for each change set" as in '233 claim 1 and a "hierarchical internal data structure for each change set," as in '233 claims 6 and 14.

The concept of creating an XML changes document was also known. Xcential's 2018 white paper disclose the use of change management "enables the automated generation of amendment documents based upon changes to the document recorded in the form of insertions and deletions." (Ex. 1016 at 2.) And the April 2018 blog post says that "[u]sing tracked changes, the document hierarchy, and annotated page and line numbers, we are able to very precisely record proposed changes as amendments." (Ex. 1066 at 10.) These amendment documents—while not generated in the form of a bill for presentation to a legislature—reflect an XML changes document.

Further, the specification of the '233 patent confirms that "the recordation of insertions and deletions [within] XML structures are a preexisting feature of LEGISPRO®." ('233 application at ¶[0034].) Further, LEGISPRO® ...incorporates the advanced change set-based track changes features disclosed herein." ('233 application at ¶[0026].) Paragraphs [0018] and [0022] of the '384 provisional application make similar admissions. (Ex. 1003 at ¶¶[0018] and [0022].) A parallel

patent application disclosing change setsclaims priority to 2018. ('233 application at ¶[0024] (incorporating U.S. Patent Application 16/507,855).) And slides that Xcential provided to Akin in the fall of 2018 confirm this change-tracking capability of Xcential's existing commercial product. (*See* Ex. 1014; Ex. 1013.)

Agnello asked Vergottini to build upon and improve this existing change-tracking capability by generating a draft bill to amend redlined laws. (Agnello ¶54.) He suggested allowing users to input desired changes via LegisPro's existing capability, then generating a draft bill based on those changes. (*Id*.) This approach would make use of LegisPro's existing capabilities and data structures but would generate a wholly new output—a draft bill in the format required for presentation to the legislature. (*Id.*)

For at least these reasons, the concepts of analyzing tracked changes to a document, then creating hierarchical internal data structures and XML changes documents reflecting the updated document were already known in the art before the '233 priority date. That said, Agnello conceived of and communicated using the following '233 claim elements ***in a bill synthesis system or method*** before the application's priority date:

Claim 1	"automatedly extracting and enumerating all changes made to the set of original text for each change set … ;"
Claim 1	"clustering adjacent changes for each change set …;"

Claim 1	"constructing an internal data structure for each extracted change set …;"
Claim 1	"creating an XML changes document for each data structure constructed from the updated snapshot document;"
Claim 6	"analyzing the updated snapshot document based on extracting and enumerating each change set …"
Claim 6	"constructing an XML changes document with each hierarchical internal data structure created for the updated snapshot document;"
Claim 14	"analyze the updated snapshot document based on extracting and enumerating each change set and change set metadata and enumerating each addition and each deletion belonging to the change set to create a hierarchical internal data structure for each change set;"
Claim 14	"construct an XML changes document with each hierarchical internal data structure created for the updated snapshot document;"

E. Agnello conceived of and communicated "analyzing the XML changes document to generate a bill representation" as claimed in the '233 application

The evidence shows that Agnello conceived of using XML changes to generate a bill representation, as recited in the '233 claims. Change-tracking software known in the art before the '233 application filing allowed redline edits to legislative documents. But it was Agnello who conceived of taking provisions of existing law, tracking changes to them, and then using those tracked changes to synthesize a new bill ready for presentation to a legislature. Agnello communicated these concepts to Xcential.

From the outset, Agnello "wanted to find software that would allow me to generate a draft bill from a redline markup." (Agnello ¶56.) He testified that the "ultimate goal" of this idea was "to generate a bill in a format that could be presented to a legislature." (*Id.*) Finding or developing software with this bill-generating capability would "simplify the bill-drafting process by eliminating the need to first mark-up existing legislation, then to separately create bill language to implement those changes." (*Id*.) Agnello also envisioned a new functionality made possible by his concept: providing a graphical user interface linked to updated databases of laws so that a user could easily navigate to relevant portions of law to be changed, make those changes in-context, and then effortlessly generate a draft bill in the format required by the legislature. (*Id.* at ¶21.) This would allow the user to view a document visualizing the changes to the law in an easily understandable format (e.g., using redlines), while preserving the ability to generate a bill in the format ultimately dictated. (*Id.*)

Agnello recognized that his concept differed from existing word-processing software, which allowed for redline tracking, but could not generate draft bills. (*See, e.g.*, *id.* at ¶47.) He discovered the change-tracking solutions offered by Xcential "did not provide for automatic bill-drafting based on tracked changes." (*Id.*) This gap became clearer to Agnello in the spring of 2019, "when I received access to the free trial of Xcential's software." (*Id.* at ¶44.)

As summarized in section III.A above, documentary evidence confirms Agnello sought software that would "help him to draft bills." (Ex. 1009.) A September 28, 2018 message from Julie Bozzell, manager of Akin's public law and policy group, summarizes the goal to find a technical solution to assist with bill drafting. (*Id.*) Bozzell confirmed this was Agnello's bill-drafting goal in later correspondence, both internal and external to Akin. (Ex. 1011 ("[w]e are currently evaluating software options to simplify the legislative drafting process."); Ex. 1022 (expressing "concerns following this demo [by Xcential] that they may not be ready to really support Federal drafting ...."); Ex. 1027 at 1-2 (confirming Agnello's focus was on "new bills," not amendments to bills). These documents, as well as Ms. Bozzell's declaration, corroborate Agnello's testimony. (Bozzell ¶13.)

In May 2019, after finally gaining access to a trial version of LegisPro, Agnello told Xcential his concept required drafting a bill, not merely tracking changes. (*See, e.g.*, Agnello ¶53.) On May 1, 2019, Agnello and Stodder discussed the differences between change-tracking and bill drafting. (*Id.* at ¶49.) Agnello explained his concept went beyond tracking changes to existing legislation, as he "could do with the word-processing software already available to [him]." (*Id.*) Agnello sought software with a new capability—"generating a draft bill based on tracked changes to a law." (*Id.*)

Agnello followed this May 1, 2019 conversation with an email, stressing the "typical process" he wished to improve involved "drafting a bill that requires amending existing statute." (Ex. 1036; Agnello ¶51.) Agnello's message provided Xcential with a confidential excerpt of a draft bill, showing the legislature-mandated format for amending existing statues. (Ex. 1036.) It identified automating drafting of bills as the "Holy Grail" of the Akin-Xcential collaboration. (*Id.*) On May 9, 2019, Stodder thanked Agnello for this **"extremely helpful" "mini training session"** regarding the bill-drafting process and asked him to repeat it for Vergottini. (Ex. 1038 at 1 (emphasis added).)

On May 10, 2019, Agnello explained the concept of automated bill generation to Vergottini and Stodder. (Agnello ¶53.) Agnello explained that tracking changes would not address the inefficiencies of the bill-drafting process. (*Id.*) Instead, Agnello asked Xcential to write code that would use templates to generate a bill—properly formatted and using legislature-specific language—to amend existing statutes. (*Id.* at ¶¶53-54) This new software feature would build upon the change-tracking features of Xcential's LegisPro software, combining changes tracked in XML files with a legislative-format template to generate a draft bill conforming to legislative requirements. (*Id.* at ¶54.) The software-generated draft bill could be displayed to the user, edited, and presented to a client or legislature. (*Id.*) During this conversation, Agnello shared his view of the long-felt need for bill-drafting software,

saying that its introduction would result in "**a parade down K Street**." (*Id.* at ¶57; *see also* Ex. 1042.)

An email, sent by Agnello to Vergottini and Stodder on May 10, 2019 provided further examples of bills used to amend existing law. (Ex. 1007; Ex. 1008; Ex. 1076.) Agnello selected these examples from 42 U.S.C. 1395w—the code section that later appeared in Xcential's '384 and '233 applications. (Ex. 1007; Agnello ¶59.) With this message, Agnello sought to reinforce his concept of bill drafting, and how it "differed from the change-tracking redline capability in Xcential's trial LegisPro software." (Agnello ¶59.) He also provided the sample to help Xcential develop a federal formatting template for use in generating draft bills. (*Id.*)

Agnello "came up with the idea of software that generated a draft bill from redline changes to a law" and "communicated this idea to Mark Stodder and Grant Vergottini in May 2019." (*Id.* at ¶84.) A message sent by Stodder on May 24, 2019 corroborates this testimony. Stodder confirms that "Grant has been at work on configuring the 'amending the law' approach ***you showed him*** ...." (Ex. 1042 (emphasis added).) Stodder's message equated this concept to Agnello's "***parade down K Street***" goal. (*Id*. (emphasis added).)

Later documents confirm that Xcential renamed Agnello's "K Street" bill-drafting concept as "bill synthesis." A message written by Stodder in October

2019—just after filing the provisional patent application that led to the '233 application—Stodder confirmed that Xcential was continuing to write code for the as-yet undelivered "'K Street' drafting feature" and had redubbed it "Bill Synthesis." (Ex. 1046; *see also* Agnello ¶76.) This correlates with the use of "Bill Synthesis" in Xcential's August 1, 2019 proposal to Akin for writing code for "Bill Synthesis" software for use in "amending the law" and "automated bill generation." (Ex. 1045 at 1.) Further, as Agnello testified, the '233 application "uses the phrase 'bill synthesis' to refer to my idea of generating a draft bill from a set of changes to existing legislation, which email between me and Stodder refers to as the 'holy grail' or 'parade down K Street' concept." (Agnello ¶77.)

As this evidence illustrates, Agnello conceived of and communicated the following '233 claim elements before the application's priority date:

Claim 1	"mapping the XML changes document to the at least one template model … ;"
Claim 1	"generating the bill representation based on the mapping … ;"
Claim 1	"displaying to a user the generated bill representation;"
Claim 1	"presenting the generated bill representation to a legislature from the particular jurisdiction."
Claim 6	"analyzing the XML changes document to generate a bill representation by determining a template model from a template library to synthesize the XML changes document;"

Claim 6	"presenting the bill representation to a legislature of a jurisdiction in a format required by the jurisdiction."
Claim 14	"analyze the XML changes document to generate a bill representation by determining a template model from a template library to synthesize the XML changes document;"
Claim 14	"present the bill representation to a legislature of a jurisdiction in a format required by the jurisdiction."

F. The dependent claims in the '233 application are substantially similar to the concepts conceived by Agnello

The dependent claims of the '233 application recite features known in the art before Xcential filed its '384 provisional application. Many of these features were found in commercial products, like Xcential's pre-existing LegisPro software. When combined with the concept of generating a draft bill from tracked changes—as Agnello suggested to Vergottini—these claims are non-obvious over the known prior art. On their own, however, they do not represent a patentable contribution from Vergottini.

These dependent claims include the following known features:

- Claims 2, 9, and 17 ("wherein the change set metadata includes ...effectivity rules for the change set"): Xcential's LegisPro software included change set metadata, including effectivity rules for the change set. (Ex. 1016 at 2) Tracking the effective date of legislation was well known to those in the art before the '233 priority date. (*See,*

e.g., '233 application at ¶[0024] (incorporating U.S. Patent Application 16/507,855 for disclosure of change sets, including effective dates.)

- Claim 3 ("storing the snapshot document and storing the updated snapshot document"): Storing a document and storing an updated copy of the document is common knowledge. Word processing software having these features was known and used by legislative drafting attorneys, including Agnello, well before the September 2019 priority date of the '233 application. (Agnello ¶¶12, 14, 47.)
- Claim 4 ("defining the at least one change set and change set metadata prior to receiving the at least one in-line change"): Xcential's LegisPro software allowed users to define change sets. (Ex. 1068 at 4.) User customization could occur prior to the user inputting in-line changes to a document.
- Claims 5, 12, and 20 (reciting various data structures): Data structures, such as XML, are well known. Furthermore, Xcential's LegisPro software used "templates" before the '233 priority date. (*See, e.g.*, Ex. 1069 at 1.)
- Claims 7 and 15 ("receiving the at least one provision of law ...from input received through a graphical user interface"): It is common knowledge to receive user input through a graphical user interface.

Cutting and pasting legal provisions were known to those in the art who used word processing software to draft bills. (*See* Agnello ¶¶5, 14, 47.) These recitations add nothing to the patentability of the claims.

- Claims 8 and 16 ("the at least one insertion or deletion to the snapshot document is made in-line in-context to the text of the provision of law"): Redlining techniques are well known and were in use in Xcential's LegisPro software. (*See* Ex. 1016 at 2.) LegisPro also used "in-context amending." (Ex. 1068 at 4.)

Beyond these known features, Agnello conceived and communicated to Xcential the concept of using in-line in-context changes to the text of a provision of law to be changed to generate a draft bill.

VI. Corroborated Evidence Establishes Louis Agnello Conceived of and Communicated his Invention

Corroborating evidence, summarized below, shows that Agnello conceived of "bill synthesis" and communicated his invention to Vergottini in such clear terms as to enable a person of ordinary skill in the art to make and use the invention. It therefore satisfies the corroboration requirements of 37 C.F.R. §42.405(c) and interference precedent. *See, e.g.*, *Catapult Innovations PTY Ltd. v. Adidas AG*,

DER2014-00002, Paper 19 at 5 (PTAB July 18, 2014).[1] The evidence also shows that Xcential, and particularly Vergottini, relied on Agnello's invention in developing "bill synthesis" before filing the '384 provisional application.

A. Corroborated evidence establishes Agnello first communicated his bill-drafting invention to Xcential in October 2018

The evidence shows Louis Agnello conceived of methods and systems for "bill synthesis" as recited in the '233 application claims before contacting Xcential. (*See* Section III.A.) Agnello orally communicated this information to Stodder as early as October 2018. (*See* Agnello ¶¶24-29.)

During conversations with Stodder in October 2018, Agnello explained his conception to have software generate draft bills based on user input, such as redline changes to a law. (Agnello ¶¶25-26.) Exhibits 1012, 1017, and 1018 reflect this communication, corroborating Agnello's testimony.

[1] Akin objects to the Board's requirement for a Petitioner to prove prior conception to meet the requirements for instituting a derivation proceeding under 35 U.S.C. §135(a). While Akin has shown prior conception under the heightened standard applied by the Board, it nevertheless preserves its rights for appeal if the Board finds no derivation based on the heightened standard in *Catapult*.

Agnello further "defined the specifications of [his] project," and communicated them to Stodder via further telephone calls. (Agnello ¶29; Ex. 1023; Ex. 1024.) In these later discussions, Agnello again explained he wanted to buy (if it already existed) or hire a company to write code for software (if it did not exist) that could generate draft bills. (*See* Agnello ¶27.) Exhibits 1017 and 1018 reflect these communications, corroborating Agnello's testimony.

Julie Bozzell's testimony confirms these communications centered on Agnello's bill-drafting software innovation. According to Bozzell, Agnello was looking for a technical solution to "help him draft bills" as early as September 2018. (Ex. 1009.) She testified that software lacking this feature would not improve the drafting process for Agnello and his Akin colleagues. (Bozzell ¶5.)

A November 2018 email from Bozzell to Stodder confirmed Agnello's idea was for drafting "new bills." (Ex. 1027 at 2.) Akin gave Xcential sample bill language—identified by Agnello—that illustrated how to format a statute-amending bill. (*Id.* at 1-2.) Stodder confirmed receipt of this information, calling it "helpful" and requesting further clarification. (*Id.*; *see also* Ex. 1070.)

B. Corroborated evidence establishes Agnello communicated his bill drafting invention to Vergottini and Stodder in May 2019

Agnello again communicated his automated bill-drafting concept to Xcential after gaining access to Xcential's trial software in April 2019. (Agnello ¶¶46-48.)

Realizing Xcential's software did not work, Agnello met with Stodder and discussed how he would like to generate draft bills from tracked changes to laws. (*Id.* at ¶49.) Exhibit 1036 reflects this communication, corroborating Agnello's testimony.

Agnello sent Stodder a follow-up message, providing "a confidential excerpt from a bill" that was "representative of the typical process [he] would use in drafting a bill that requires amending [an] existing statute." (Ex. 1036.) Stodder confirmed receipt of this information. (Ex. 1038 at 1.) These messages, sent and received by Stodder, corroborate Agnello's conception and communication of his inventive concept.

Stodder found Agnello's explanation so helpful that Stodder asked to "bring Grant [Vergottini] into the conversation regarding how [Agnello] typically draft[s] a bill." (*Id.*) Stodder requested a "call/screen share," which Agnello provided the next day. (*Id.*; Ex. 1007; Ex. 1041.)

During this May 10, 2019 videoconference, Agnello explained his concept of software capable of generating draft bills. (Agnello ¶53.) He explained that amending the law required a properly formatted draft bill, not just redlines or tracked changes. (*Id.*) Agnello also set forth the idea of software that could use tracked changes, like the change sets already in Xcential's LegisPro software, to generate a draft bill formatted for presentation to a legislature. (*Id.* at ¶¶53-54.) Agnello supplemented this communication with an email containing another two sample bills.

(Ex. 1007; Ex. 1008; Ex. 1076.) These contemporaneous documents provide further corroboration of Agnello's testimony.

Documentary evidence also establishes that Agnello—not Vergottini—conceived of the K-Street parade/bill synthesis drafting feature. In an email to Agnello, Stodder wrote "Grant [Vergottini] has been at work on ***configuring the 'amending the law' approach you showed him***." (Ex. 1042 (emphasis added).) Stodder wrote Vergottini "has not forgotten that ***'parade down K Street' goal*** - he's also ***going to want to run some approaches by you soon to make sure he's on the right track***." (*Id.* (emphasis added).) These admissions were made by Stodder in his role as Xcential's president.

Stodder wrote these words just two weeks after the May 10, 2019 videoconference between him, Agnello, and Vergottini. (*Id*.) They reflect his recollection of the conversation and Agnello's contributions. This email corroborates Agnello's testimony that he disclosed the idea of software capability for generating draft bills to Vergottini.

C. Corroborated evidence establishes Vergottini derived bill synthesis from Agnello's "K Street" bill-drafting invention

Testimonial and documentary evidence establishes that Xcential changed the name of Agnello's "K Street" invention to "bill synthesis," then used it as the basis

for the ’233 application. Xcential documents admit these concepts are identical. They show that Xcential derived bill synthesis from Agnello.

In an October 2019 email Stodder admitted that Xcential’s “[bi]ll [s]ynthesis” was actually the “K Street” drafting feature. (Ex. 1046.) Stodder wrote Vergottini was “continu[ing] development of ***the ‘K Street’ drafting feature (we call it Bill Synthesis)*** ....” (*Id.* (emphasis added).) This admission, made by Xcential’s president, eliminates any dispute the “bill synthesis” feature in Xcential’s ’233 application is actually Agnello’s K Street drafting concept. (*See* previous section and Ex. 1042.)

Agnello testified that because Xcential “turned out not to be the federal legislative drafting experts they made themselves out to be,” it took time for Xcential to appreciate his bill-drafting conception. (Agnello ¶58.) Vergottini and Stodder were “unfamiliar with the process how federal bills intended to change existing law were drafted.” (*Id.*) They did not understand that “the federal legislature did not accept tracked changes or redline mark-ups.” (*Id.*) As a result, Agnello testified that “it seemed Xcential did not understand the need for software to generate a draft bill from a set of changes to existing legislation until after” his May 2019 conversations with Stodder and Vergottini. (*Id.*)

Documents, including email and development proposals written by Stodder, corroborate Agnello’s conclusion that bill-drafting was new to Xcential when he disclosed it to them in May 2019. Before May 2019, Xcential regarded Agnello’s

specifications to merely require minor customization of the look-and-feel of Xcential's LegisPro software. But after Agnello's May 10, 2019 explanation of his K-Street-parade bill-drafting conception, Xcential recognized his idea differed from, and improved upon, Xcential's existing technology. (*See* Ex. 1043 at 1.)

Xcential now treated the project with Akin as comprising two main aspects: (i) configuring LegisPro to accommodate formatting to match "federal styles;" and (ii) transforming redline edits of an existing law to a bill representation, a.k.a., the "K St Parade Tool." (*Id.*) In June 2019, Stodder wrote that the "K St Parade Tool" would be "a much bigger development deal," requiring months to develop. (*Id.*) Stodder wrote that Xcential was "targeting end of August" to provide the "K St Parade Tool" and proposed to meet in the meantime to demonstrate "styling/section changes." (*Id.*) In separating bill-drafting from stylistic changes, Stodder signaled that Xcential considered the K-Street concept a new feature, not already supported by LegisPro.

In August 2019, Stodder sent Agnello a written proposal for the software development of new, custom features based on Agnello's conception. (Ex. 1044 at 1; Ex. 1045.) Echoing Stodder's June 2019 email, Xcential proposed to develop two "[b]asic capabilities" for federal bill drafting: (1) capabilities for drafting legislation in "correct drafting format (numbering, appearance)" and (2) capabilities for "'Bill Synthesis' (amending the law) and automated bill generation." (Ex. 1045 at 1.)

Xcential estimated that developing these new features would cost between $55,000 and $70,000 and take approximately three months. (*Id*.)

When acknowledging Agnello's K-Street bill-drafting feature was a "bigger development deal," Stodder made clear writing code to implement Agnello's conception (now that Xcential understood it) was simply a matter of time and manpower. (Ex. 1043 at 1.) Stodder proposed a timeline and budget to complete this project. (Ex. 1045.) This illustrates Agnello's conception was expressed in "such clear terms as to enable those skilled in the art to make the invention." *Coleman v. Dines*, 754 F.2d 353, 359 (Fed. Cir. 1985).

The text and figures of the '233 application also reflect Agnello's influence. The application's background distinguishes the "bill drafting process" from the "bill amending process"—a difference Xcential did not grasp until Agnello repeatedly explained it to Xcential's principals. (Agnello ¶78; '233 application at ¶¶[0003], [0006].) The process described in the specification follows the steps Agnello outlined for Xcential, beginning with provisions of law, accepting in-context changes to those provisions, then using this data to generate a draft bill. (Agnello ¶80; '233 application at Fig. 1, ¶¶[0025]-[0036].) Further, application Figures 4-6 center on the amendment of 42 U.S.C. 1395w—the section Agnello identified to Xcential. (Agnello ¶81.) This evidence of derivation corroborates Agnello's testimony.

VII. Xcential Filed its Application Without Authorization

The evidence shows Xcential lacked authorization to apply for the '384 and '233 applications. Agnello testified that Xcential's provisional application and the '233 application were filed without his knowledge, authorization, or consent. (*Id.* at ¶85.) Bozzell testified similarly. (Bozzell ¶39.) No other Akin personnel gave Xcential permission to file. Further, Xcential never communicated either filing to Akin, even after the '233 application published.

On September 12, 2019—the very day Xcential filed its provisional application—Stodder sent Bozzell multiple emails detailing Xcential's proposal to provide Akin with "[b]asic capabilities for 'Bill Synthesis' (amending the law) and automated bill generation." (Ex. 1045 at 1; Ex. 1047 at 1-2.) Despite knowing its newly filed patent application was directed to "bill synthesis" and that "bill synthesis" was the "K Street" bill-drafting feature Agnello had disclosed to Vergottini, Xcential made no mention of the Xcential patent application. (*See* Ex. 1047.)

Xcential's filing of the '384 and '233 applications directly contravened the NDA executed between the parties. (Ex. 1057 at 1.) The NDA memorialized the parties' agreement to "make available to the other Party and its Representatives certain information which is non-public, confidential and/or proprietary in nature ...." (*Id.* at 1.) Each party agreed to "use the Confidential Information solely as necessary for the provision of the Services and for no other purpose." (*Id*. at 2.) They agreed

not to disclose any Confidential Information "in any manner whatsoever." (*Id.*) The NDA covered Confidential Information "furnished prior to or after the execution of [the] Agreement." (*Id.* at 1.)

The parties' agreement also expressly reserved ownership of Confidential Information to the disclosing party. (*Id*.) The parties agreed the NDA did not provide "any license or other intellectual property right with respect to the Confidential Information." (*Id*. at 3.) Neither party sought to modify these provisions.

Despite several communications with Agnello after the September 2019 filing of its provisional application, Xcential never informed him (or anyone else at Akin) about its pending application. (*See, e.g.,* Ex. 1046 (October 5, 2019); Ex. 1061 (January 10, 2020).) Xcential did not retroactively seek permission to file. Nor did it seek to correct its improper inventorship. Xcential maintained its secrecy.

VIII. Conclusion

The evidence summarized above shows Xcential derived the claims of the '233 application from Louis Agnello. This evidence meets and exceeds the preponderance-of-the-evidence standard applied to instituted derivation proceedings at the Patent Trial and Appeal Board. 35 U.S.C. §135(a); 37 C.F.R. §42.405(c); *See also Catapult Innovations*, DER2014-00002, Paper 19 at 2 (PTAB July 18, 2014). It also provides substantial evidence more than sufficient to support institution.

For at least these reasons, Petitioner respectfully asks the Board to institute a derivation proceeding against the ’233 application and ’384 application, to issue a final written decision deeming them derived from Louis Agnello, to add Agnello as the sole inventor of the ’233 and ’384 applications, to remove presently named inventor Grant Vergottini from the ’233 and ’384 applications, and to grant any additional relief the Board deems appropriate.

Dated: March 17, 2022

/Jeffrey C. Totten/

Jeffrey C. Totten (Reg. No. 65,229)
James R. Barney (Reg. No. 46,539)
Ryan T. Davies (Reg. No. 72,627)

Attorneys for Petitioner

CERTIFICATION UNDER 37 C.F.R. § 42.24(d)

Pursuant to 37 C.F.R. § 42.24(a)(1)(iv), the undersigned hereby certifies that the foregoing **Petition to Institute Derivation** contains 13,964 words, excluding parts of this Petition exempted under § 42.24(a), as measured by the word-processing system used to prepare this paper.

Dated: March 17, 2022

/Jeffrey C. Totten/

Jeffrey C. Totten (Reg. No. 65,229)
James R. Barney (Reg. No. 46,539)
Ryan T. Davies (Reg. No. 72,627)

Attorneys for Petitioner

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §§ 42.6(e) and 42.406(a), the undersigned certifies on March 17, 2022, a copy of the foregoing **Petition to Institute Derivation** and **the associated power of attorney** were served by FedEx on the correspondence address of record indicated in the Patent Office's public PAIR system for U.S. Patent Application 17/018,233:

Intellectual Property Department
DEWITT LLP
2 East Mifflin Street
Suite 600
Madison, WI 53703-2865

Courtesy copies of the foregoing were also served by FedEx on the attorney for applicant Grant Vergottini and assignee Xcential Corp. indicated in the Patent Office's public PAIR system for U.S. Patent Application 17/018,233:

Joseph T. Miotke
DEWITT LLP
13845 Bishop's Drive
Suite 300
Brookfield, WI 53005

Date: March 17, 2022

By: /William Esper /
William Esper
Case Manager and PTAB Coordinator
FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, LLP