

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

COMPASS BANK, AMERICAN EXPRESS COMPANY, AMERICAN
EXPRESS TRAVEL RELATED SERVICES COMPANY, INC.,
DISCOVER FINANCIAL SERVICES, DISCOVER BANK, DISCOVER
PRODUCTS INC., AND STATE FARM MUTUAL AUTOMOBILE
INSURANCE COMPANY,
Petitioner,

v.

MAXIM INTEGRATED PRODUCTS, INC.,
Patent Owner.

Case CBM2015-00101
Patent 6,105,013

Before TREVOR M. JEFFERSON, MITCHELL G. WEATHERLY, and
KERRY BEGLEY, *Administrative Patent Judges*.

WEATHERLY, *Administrative Patent Judge*.

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

I. INTRODUCTION

A. *Background*

Compass Bank, American Express Company, American Express Travel Related Services Company, Inc., Discover Financial Services, Discover Bank, Discover Products Inc., and State Farm Mutual Automobile Insurance Company (collectively “Petitioner”)¹ filed a Petition (Paper 1, “Pet.”) requesting a covered business method patent review (“CBM review”) of claims 1–16 of U.S. Patent No. 6,105,013 (Ex. 1001, “the ’013 patent”) pursuant to section 18 of the Leahy-Smith America Invents Act (“AIA”). Maxim Integrated Products, Inc. (“Patent Owner”) filed a Preliminary Response. Paper 15 (“Prelim. Resp.”). We authorized, and Petitioner filed, a Reply to Patent Owner’s Preliminary Response. Paper 16 (“Reply”).

With its Preliminary Response, Patent Owner provided evidence that it filed with the Office a statutory disclaimer of claims 7, 14, and 16 of the ’013 patent, pursuant to 37 C.F.R. § 1.321(a). *See* Prelim. Resp. 2; Ex. 2003. Accordingly, pursuant to 37 C.F.R. § 42.207(e), no post grant review will be instituted based on disclaimed claims 7, 14, and 16.

For remaining claims 1–6, 8–13, and 15 (the “challenged claims”), we may not institute a CBM review “unless the Director² determines that the information presented in the petition . . . , if such information is not rebutted,

¹ The Petition also lists Navy Federal Credit Union (“NFCU”) as a petitioner. Pet. 1. NFCU and Patent Owner subsequently filed a joint motion to terminate NFCU’s participation in the case, and we granted the motion. Paper 12.

² “The Board institutes the trial on behalf of the Director.” 37 C.F.R. § 42.4(a).

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would demonstrate that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.” 35 U.S.C. § 324(a); *see* 37 C.F.R. § 42.208.

Petitioner contends that claims 1–6, 8–13, and 15 are unpatentable under 35 U.S.C. § 103 based on the following grounds (Pet. 29–79):

Reference[s]	Basis	Claim[s] challenged
Sudia ³	§ 103	1–4, 6, 8–12, and 15
Hawkes ⁴	§ 103	1–4, 6, 8–12, and 15
Hawkes and/or Sudia alone or in combination with Axelson ⁵ and/or Lancaster ⁶	§ 103	5
Sudia and/or Hawkes in combination with Lee ⁷	§ 103	13

For the reasons stated below, we institute a CBM review of claims 1–6, 8–13, and 15.

³ U.S. Patent No. 5,799,086 (Aug. 25, 1998) (“Sudia”) (Ex. 1005).

⁴ INTEGRATED CIRCUIT CARDS, TAGS AND TOKENS (Peter Hawkes, Donald Davies, W.L. Price, eds. 1990) (“Hawkes”) (Ex. 1006).

⁵ JAN AXELSON, THE MICROCONTROLLER IDEA BOOK (1994) (“Axelson”) (Ex. 1007).

⁶ Don Lancaster, *A Flying Car Newsletter; Photopolymer Resources; Amateur Television Books; Royalty-Free Real PostScript!; BASIC Stamp Microcontroller*, 4 HARDWARE HACKER 66 (July 1993) (“Lancaster”) (Ex. 1008).

⁷ U.S. Patent No. 5,210,846 (May 11, 1993) (“Lee”) (Ex. 1009).

B. Related Proceedings

Patent Owner has asserted the '013 patent against all Petitioners except Discover Products Inc. (“DPI”) in the U.S. District Court for the Western District of Texas. Pet. 1; *see* Paper 6, 2. In addition, Patent Owner has asserted the patent against numerous other defendants in more than thirty cases filed in various district courts. *See* Paper 6, 1–7; Pet. 1–3.

The '013 patent also has been involved in several proceedings before the Office. More specifically, the patent was the subject of two previous petitions for CBM review filed by different sets of petitioners. Paper 6, 3. First, in CBM2014-00040, the Board determined that 35 U.S.C. § 325(a)(1) precluded institution of review, because one of the petitioners had filed a civil action challenging the validity of claims of the '013 patent before filing the petition. *PNC Bank, N.A. v. Maxim Integrated Prods., Inc.*, Case CBM2014-00040 (PTAB June 3, 2014) (Paper 19). Second, in CBM2014-00178, the Board terminated the proceeding pursuant to settlement. *JP Morgan Chase & Co. v. Maxim Integrated Prods., Inc.*, Case CBM2014-00178 (PTAB Feb. 26, 2015) (Paper 14).

C. The '013 Patent

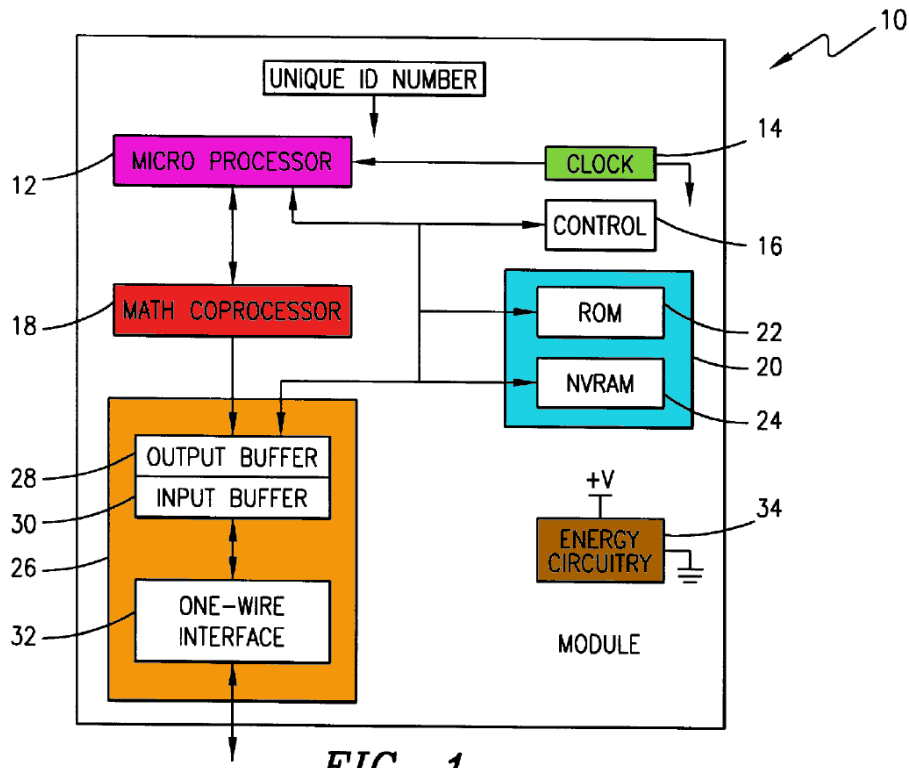
The '013 patent relates to an apparatus or “module” for “secure transactions” that may be configured to provide “secure data transfers, digital signatures or to authorize monetary transactions.” Ex. 1001, 1:26–28, 1:48–67, 7:62–12:34. The claims are directed to a “secure transaction integrated circuit.” *Id.* at 30:36–32:26. Claims 1 and 9 are the independent claims among the challenged claims. Claim 9 is illustrative and recites:

9. A secure transaction integrated circuit comprising:
a microcontroller core;

- a memory circuit, in communication with said microcontroller core, for storing a transaction program;
- a modular exponentiation accelerator circuit, in communication with said microcontroller core, for performing encryption and decryption calculations;
- an input/output circuit, in communication with said microcontroller core, for receiving and transmitting data information with another electronic device; and
- a clock circuit for measuring time and providing time stamp information responsive to functions being performed by said microcontroller core.

Id. at 31:13–26.

We refer to the colorized version of Figure 1 from the '013 patent, reproduced below as colorized in the Petition, in describing the claimed apparatus.



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