

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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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.

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Case CBM2015-00102  
Patent 6,237,095 B1

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

WEATHERLY, *Administrative Patent Judge*.

DECISION  
Institution of Covered Business Method Patent 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”)<sup>1</sup> filed a petition (Paper 1, “Pet.”) requesting a covered business method patent review (“CBM patent review”) of claims 1–8 of U.S. Patent No. 6,237,095 B1 (Ex. 1001, “the ’095 patent”) pursuant to section 18 of the Leahy-Smith America Invents Act (“AIA”). Patent Owner, Maxim Integrated Products, Inc., (“Patent Owner”) filed a Preliminary Response. Paper 13 (“Prelim. Resp.”). We authorized, and Petitioner filed, a Reply to Patent Owner’s Preliminary Response. Paper 14 (“Reply”).

With its Preliminary Response, Patent Owner provided evidence that it filed with the Office a statutory disclaimer of claim 7 of the ’095 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 claim 7.

For remaining claims 1–6 and 8 (the “challenged claims”), we may not institute a CBM patent review “unless the Director<sup>2</sup> determines that the information presented in the petition . . . , if such information is not rebutted,

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<sup>1</sup> 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 10.

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

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 also* 37 C.F.R. § 42.208. Based on our review of the record, we conclude that Petitioner is more likely than not to prevail with respect to at least one of the challenged claims.

Petitioner contends that the challenged claims are unpatentable under 35 U.S.C. § 103 based on the following grounds (Pet. 24–77):

References	Basis	Claim[s] challenged
Hawkes <sup>3</sup> alone or in combination with Chaum <sup>4</sup> and/or Ciarcia <sup>5</sup>	§ 103	1, 2, 4–6, and 8
Hawkes alone or in combination with Brown <sup>6</sup> and/or Ingalls <sup>7</sup>	§ 103	3

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

*B. Related Proceedings*

Patent Owner has asserted the '095 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 5, 2. In addition, Patent Owner

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<sup>3</sup> INTEGRATED CIRCUIT CARDS, TAGS AND TOKENS (Peter Hawkes, Donald Davies, W.L. Price, eds. 1990) (“Hawkes”) (Ex. 1003).

<sup>4</sup> U.S. Patent No. 5,485,520 (Jan. 16, 1996) (“Chaum”) (Ex. 1004).

<sup>5</sup> Steve Ciarcia, *Ciarcia’s Circuit Cellar: Build the BASIC-52 Computer/Controller*, BYTE, Aug. 1985, (“Ciarcia”) (Ex. 1005).

<sup>6</sup> JOHN FORREST BROWN, EMBEDDED SYSTEMS PROGRAMMING IN C AND ASSEMBLY (1994) (“Brown”) (Ex. 1006).

<sup>7</sup> Daniel Ingalls, *Design Principles Behind Smalltalk*, BYTE, Aug. 1981, (“Ingalls”) (Ex. 1007).

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has asserted the '095 patent against numerous other defendants in more than thirty cases filed in various district courts. *See* Paper 5, 1–7; Pet. 1–3.

The '095 patent also has been involved in several proceedings before the Office. More specifically, the patent was the subject of two previous petitions for CBM patent review filed by different sets of petitioners. Paper 5, 3. First, in CBM2014-00041, 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 '095 patent before filing the petition. *PNC Bank, N.A. v. Maxim Integrated Prods., Inc.*, Case CBM2014-00041 (PTAB June 3, 2014) (Paper 19). Second, in CBM2014-00177, the Board terminated the proceeding pursuant to settlement. *JP Morgan Chase & Co. v. Maxim Integrated Prods., Inc.*, Case CBM2014-00177 (PTAB Feb. 26, 2015) (Paper 14).

### *C. The '095 Patent*

The '095 patent relates to an apparatus or “module” for transferring money or “digital cash” electronically. Ex. 1001, 1:24–29, 1:51–67, 7:65–12:34. The claims are directed to an “apparatus for receiving and transmitting encrypted data.” *Id.* at 32:59–34:19. Claim 1, which is the only independent claim in the '095 patent and thus illustrative, recites:

1. An apparatus for receiving and transmitting encrypted data, comprising:
  - an input/output interface for receiving a challenge number from an electronic device;
  - a microprocessor circuit connected to said input/output interface;
  - a coprocessor circuit, connected to said microprocessor circuit;

- a timing circuit connected to the microprocessor, the timing circuit for generating a time stamp;
- a first memory connected to said microprocessor circuit, said first memory for storing a first data object; and
- a second memory connected to said microprocessor circuit, said second memory including instructions readable by said microprocessor circuit to thereby cause said microprocessor circuit to:
  - initiate generation of a certificate, said certificate including said challenge number and a second data object; and
  - adjust said first data object according to said second data object responsive to a verification signal from said electronic device;
  - store a transaction script, the transaction script including at least a representation of the time stamp generated by the timing circuit.

*Id.* at 32:59–33:17.

We refer to the colorized version of Figure 1 from the '095 patent, reproduced below, in describing the claimed apparatus.

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