

**UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE PATENT TRIAL AND APPEAL BOARD**

UNITED SERVICES AUTOMOBILE ASSOCIATION,

Petitioner

v.

NADER ASGHARI-KAMRANI and KAMRAN ASGHARI-KAMRANI,

Patent Owners

U.S. PATENT 8,266,432

Case CBM2016-00063

PATENT OWNER'S ADDITIONAL BRIEF

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Patent Trial and Appeal Board

United States Patent and Trademark Office

P.O. Box 1450

Alexandria, VA 22313-1450

Secure Access, LLC v. PNC Bank Nat'l Ass'n et al., No. 2016-1353 (Fed. Cir. Feb. 21, 2017) (“*Secure Access*”) clarified the standard for instituting “covered business method” (“CBM”) review. This paper solely addresses whether the ‘432 Patent qualifies for CBM review with regard to the “financial product or service” prong in light of *Secure Access*. As detailed below, *Secure Access* establishes that the Decision to Institute the subject CBM reviews was incorrect. Accordingly, Patent Owner respectfully requests that Board immediately terminate the subject CBM reviews. Doing so is in the interest of justice since the CBM clouds the Patent Owner’s otherwise settled patent rights, while continuing to consume substantial resources of the Patent Owner and the Petitioner.

a. The ‘432 Patent does *Not Claim* the Method or System *Used* in ...

In *Secure Access*, the court emphasized that, to qualify for CBM review, a patent must contain *at least one claim* to the effect that the method or apparatus is “*used in the practice . . . of a financial product or service*” as properly construed; and that the written description alone cannot substitute for what may be missing in the patent “claims,” and therefore does not in isolation determine CBM eligibility. *Secure Access* at pp. 12-15 (emphasis added).

U.S. Patent No. 7,631,191 (“the ‘191 patent”) involved in *Secure Access* does not *claim* a method or system used in the practice of a financial product or service. *See* claims 1 and 17. However, the written description of the ‘191 Patent contains

implementations that are financial in nature. *Secure Access* at 4. For example, the ‘191 Patent *discloses*, “... the system contemplates the use, *sale or distribution of any goods, services* or information over any network... .” Col. 11, lines 17-21 (emphasis added). Additionally, it *discloses* that the system can include a “customer,” a “merchant,” a “bank,” wherein “[e]ach participant is equipped with a computing system to facilitate *online commerce transactions*.” Col. 11, lines 22-31 (emphasis added).

As in *Secure Access*, the ‘432 Patent discloses implementations that are *financial or non-financial*. For example, the ‘432 Patent discloses authenticating a user *to access restricted web sites using a digital identity* (e.g., col. 2, line 67-col 3, line 1 and col. 3, lines 32-33) and *to access a restricted web site to buy services or products* (e.g., col. 5, lines 5-7). And, just as in the *Secure Access*, the claims of the ‘432 Patent lack any recitation of financial terminology or activity. For instance, claim 1 of the ‘432 Patent recites a method “for authenticating a user during an electronic transaction between the user and an external entity” and requires each recited method step to be performed “during the transaction” as characterized by the Board. Institution Decision, paper 14, p. 7.

In the subject CBMs, similar to the error committed by the Board in *Secure Access*, the Board’s claim interpretation only focused on the *financial* implementations disclosed in the ‘432 Patent, disregarding the non-financial

implementations, and concluded that the Specification consistently describes the “electronic transaction between the user and an external-entity” in a financial context for purchasing goods or services in e-commerce. *Id.* However, the *claimed use* (i.e., “authenticating a user during an electronic transaction”) is not a financial activity or service when given its broadest reasonable interpretation in light of the Specification. The proper construction of the term “transaction” is “an electronic transaction between the user and the external entity.” PO Response, at 7. Thus, the term “transaction” or “during the transaction” does not require sales of goods or services, and is not otherwise financial in nature.

Further, the term “external entity” is *not* recited as a financial product or service in the claims but as a party for example having a restricted website that requires user authentication *before* allowing access or offering its product or service, and thus does not constitute the required recitation of the use of the claimed authentication method in a financial product or service. Also, the term “user” is not recited as a financial product or service but as a party that uses the claimed authentication method. More importantly, the term “external entity” which can be a financial institution and the term “user” which can be a customer like in *Secure Access* have no weight to consider because the court held that the authentication method of *Secure Access* that “could be *used* by various institutions that include a financial institution, among others, does not mean a patent on the invention qualifies

under the proper definition of a CBM patent.” See *Secure Access*, at 5 and 21. Under this proper construction, the ‘432 Patent *claims* the computerized authentication method which is a prerequisite for an electronic transaction like the authentication method of *Secure Access*. Therefore, the ‘432 Patent does not explicitly or implicitly *claim the use* of the claimed method in the practice of a financial product or service.

b. The Claimed Authentication Method and System are Not a Financial Product or Service but Incidental or Complementary to a Financial Activity

In clarifying what types of *uses* that qualify a patent for CBM review, *Secure Access* chose not to set forth “talismanic words.” *Id.* at p. 19. Rather, *Secure Access* held, “When properly construed in light of the written description, the claim need only require one of a ‘wide range of finance-related activities,’ examples of which can be found in the cases which we have held to be within the CBM provision.” *Id.*, referencing *Versata*, 793 F.3d at 1312–13, 1325–26; *Blue Calypso*, 815 F.3d at 1339–40; and *SightSound*, 809 F.3d at 1315–16.

When instituting the CBM review of the ‘191 Patent, the Board acknowledged that the patent is directed to authenticating web pages. Based on its *disclosure* of financial activities and real-world *use* by financial institutions, the Board concluded that the ‘191 Patent qualified for CBM review. *Secure Access* at 8-9. However, *Secure Access* held that the claimed use of *authenticating* web pages is *incidental* to the financial activity disclosed in the ‘191 Patent. Further, *Secure*

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