

**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 NO. 8,266,432  
Case CBM2016-00063

**PATENT OWNER'S REQUEST FOR  
REHEARING UNDER 37 C.F.R. § 42.71**

**Mail Stop: PATENT BOARD**  
Patent Trial and Appeal Board  
United States Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450

## **I. INTRODUCTION**

Pursuant to 37 C.F.R. § 42.71, NADER ASGHARI-KAMRANI and KAMRAN ASGHARI-KAMRANI (“Patent Owner”) hereby respectfully request rehearing of the September 21, 2016 Decision, granting institution of CBM patent review of U.S. Patent No. 8,266,432 (“the Decision”) (Paper 14).

## **II. LEGAL STANDARDS**

37 C.F.R. § 42.71 (d) states:

(d) Rehearing. A party dissatisfied with a decision may file a single request for rehearing without prior authorization from the Board. The burden of showing a decision should be modified lies with the party challenging the decision. The request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply. ....

## **III. MATTERS MISAPPREHENDED OR OVERLOOKED**

### **A. The Decision was an Abuse of Discretion by the Board’s Misinterpretation of the Claim Scope and Misapplication of the Case Law.**

#### **1. The Board made an erroneous conclusion of law by overlooking prior decisions that clarify the definition of “covered business method patent.”**

The PTAB has recently issued several decisions that were not considered in this case that clarify the definition of a “covered business method patent.”

According to the decisions, the following factors weigh in favor of concluding that a patent at issue is not a covered business method patent eligible for review: (1) *claims of general utility* with (2) *no explicit or inherent finance-related terminology or limitations*. See, e.g., *Plaid Technologies Inc. v. Yodlee, Inc.*, Case CBM2016-0037, slip op. at 7 (PTAB Aug. 16, 2016) (citations omitted). The Decision in this case is inconsistent with these recent decisions.

At page 8, the Decision states (with emphasis added), “In short, the claimed ‘electronic transaction between the user and an external-entity’ *encompasses* sales of goods or services in e-commerce, and the terms ‘user’ and ‘external-entity,’ as Patent Owner has expressly defined them in the Specification, show that claim 1 *pertains* to the offering and consumption, of goods and services via an electronic transaction between two parties.” (Decision, pg. 8.) However, merely asserting that the claim terms *encompass* or *pertain to* sales or goods in e-commerce is not sufficient to establish that the claim terminology is *explicitly* or *inherently* finance-related. Accordingly, the Board’s institution of a CBMR in this case is erroneous under the factors currently applied by the PTAB.

Further, Patent Owner respectfully submits that the Decision to institute the CMBR is in error based on the above-identified factors. As argued previously, claim 1 is devoid of any finance-related terminology or limitations. (Prelim. Resp., pp. 9–21.) The Board does not contend otherwise in the Decision. (Decision, p. 6.)

Nor has the Board identified any such explicit terminology or limitations in claim 1 (*Id.*) Thus, the terminology of claim 1 is not *explicitly* finance-related.

Moreover, the terminology of claim 1 does not *inherently* recite any finance-related terminology or limitations. Inherency requires that an allegedly inherent characteristic is necessarily present. *In re Rijckaert*, 9 F.3d 1531, 1534, 28 USPQ2d 1955, 1957 (Fed. Cir. 1993), *Ex parte Levy*, 17 USPQ2d 1461, 1464 (Bd. Pat. App. & Inter. 1990). The Board determined that claim 1 is directed to a financial product based on the interpretation of the limitation “during an electronic transaction between the user and an external-entity” as a financial product. (Decision, pp. 7-8.)

In claim 1, it is noted that the first “receiving step” and the “providing” step are performed by the central-entity with the user; the “generating” step is performed by the central-entity itself; and the second “receiving” step and the “authenticating step” are performed by the central-entity with the external-entity. In the second “receiving” step, it is recited that “which said dynamic code ... was provided to the external-entity by the user during the transaction.” However, this activity of *providing the dynamic code to the external-entity by the user* does not pertain to any activity *of* the electronic transaction between the user and the external entity although it occurs *during* the electronic transaction like other claimed steps performed by the central-entity. All of the limitations of claim 1

pertain to *the user authentication method during* the electronic transaction, not pertaining to *any activities of* the electronic transaction.

Further, the Board has identified *some* implementations in the '432 Patent directed to financial transactions. However, the Board overlooked alternative implementations lacking any aspects directed to financial transactions. For example, at column 3, lines 30-38, the '432 patent discloses: "This invention also relates to a system and method provided by a Central-Entity for centralized identification and authentication of users to allow them access to restricted web sites ... ." (emphasis added).

Additionally, with reference to FIG. 2, col 4, line 62 to col. 5, line 9 of the '432 Patent disclose (with emphasis added):

... During the registration phase, the user 10 provides his personal or financial information to the Central-Entity 30. The user 10 registers at the Central-Entity 30, 100, 104 and receives his account and login information such as UserName and Password 108. User 10 can access his account at any time by accessing the Central-Entity's system using a communication network 50 and logging into the system.

Next is the transaction phase, where the user 10 attempts to access a restricted web site or attempts to buy services or products 110, as illustrated in FIG. 4, through a standard interface provided by the External-Entity 20, similar to what exists today and selects digital identity as his identification and authorization or payment option. The External-Entity 20 displays the access or purchase authorization form

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