

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 Owner.

Case CBM2016-00064
Patent 8,266,432 B2

Before JONI Y. CHANG, JUSTIN T. ARBES, and
FRANCES L. IPPOLITO, *Administrative Patent Judges*.

CHANG, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
35 U.S.C. § 328(a); 37 C.F.R. § 42.73

I. INTRODUCTION

United Services Automobile Association (“Petitioner”) filed a Petition requesting a review of claims 1–55 of U.S. Patent No. 8,266,432 B2 (Ex. 1001, “the ’432 patent”) under the transitional program for covered business method patents.¹ Paper 2 (“Pet.”). Nader Asghari-Kamrani and Kamran Asghari-Kamrani (collectively, “Patent Owner”) filed a Preliminary Response to the Petition and a statutory disclaimer of claims 4 and 29. Paper 11 (“Prelim. Resp.”); Ex. 2001. Petitioner filed a Reply to the Preliminary Response. Paper 13. Pursuant to 35 U.S.C. § 324 and § 18(a) of the AIA, we instituted this covered business method patent review, only as to claims 1–3, 5–28, and 30–55 of the ’432 patent. Paper 14 (“Dec.”).

During the course of trial, Patent Owner filed a Response to the Petition (Paper 22, “PO Resp.”) and a statutory disclaimer of claims 11, 46, 49, and 53 (Ex. 2007), and Petitioner filed a Reply (Paper 26, “Reply”) to the Patent Owner Response. In addition, pursuant to our authorization, Patent Owner filed an additional brief (Paper 29) on the issue of whether the ’432 patent is eligible for covered business method patent review in light of the decision issued by the U.S. Court of Appeals for the Federal Circuit in *Secure Access, LLC v. PNC Bank Nat’l Ass’n*, 848 F.3d 1370 (Fed. Cir. 2017). Petitioner filed a Reply (Paper 30) to Patent Owner’s additional brief. Petitioner also filed a Motion to Exclude Evidence (Paper 32), and

¹ See § 18(a) of the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284, 329 (2011) (“AIA”).

Patent Owner filed an Opposition (Paper 37) to Petitioner's Motion. Petitioner filed a Reply (Paper 39) in support of its Motion. No oral hearing was held. Paper 41, 3. Patent Owner filed a Motion for Observation (Paper 31) on certain cross-examination testimony of Petitioner's declarant, and Petitioner filed a Response (Paper 36). Petitioner also filed a Motion for Observation (Paper 33) on the cross-examination testimony, and Patent Owner filed a Response (Paper 38).

We have jurisdiction under 35 U.S.C. § 6. This Final Written Decision is issued pursuant to 35 U.S.C. § 328(a) and 37 C.F.R. § 42.73. For the reasons that follow, we determine that Petitioner has shown by a preponderance of the evidence that claims 1–3, 5–10, 12–28, 30–45, 47, 48, 50–52, 54, and 55 (“the challenged claims”) of the '432 patent are unpatentable.

A. Related Matters

The parties indicate that the '432 patent is involved in *Asghari-Kamrani et al. v. United Services Auto. Ass'n*, Case No. 2:15-cv-00478-RGD-LRL (E.D. Va.), and Case IPR2015-01842, which has been denied institution. Pet. 2; Paper 5, 2. The '432 patent also is subject to a covered business method patent review in CBM2016-00063. A final written decision in CBM2016-00063 is entered concurrently with this Decision.

B. The '432 Patent

The '432 patent relates to “a system and method provided by a Central-Entity for centralized identification and authentication of users and

their transactions to increase security in e-commerce.” Ex. 1001, 2:52–55. A central-entity is said to allow a user to purchase goods and services from an external-entity (e.g., a merchant) using the user’s digital identity without revealing confidential personal or financial information, by generating a dynamic, non-predictable and time-dependable secure code for the user per the user’s request. *Id.* at 3:35–40. Examples of central-entities include banks and credit card issuing companies. *Id.* at 2:16–18. In a transaction between the user and the external-entity, the user presents his user name and secure code as a digital identity to the external-entity for identification. *Id.* at Abstract, 2:19–21, 3:19–21, 4:55–58. The external-entity depends on the central-entity to identify and authenticate the user and transaction. *Id.*

C. Illustrative Claim

Of the challenged claims, claims 1, 25, 48, and 52 are independent. Claims 2, 3, 5–10, and 12–24 depend ultimately from claim 1; claims 26–28, 30–45, and 47 depend either directly or indirectly from claim 25; claim 50 depends directly from claim 48; and claims 54 and 55 depend directly from claim 52. Claim 1, reproduced below, is illustrative:

1. A method for authenticating a user during an electronic transaction between the user and an external-entity, the method comprising:

receiving electronically a request for a dynamic code for the user by a computer associated with a central-entity during the transaction between the user and the external-entity;

generating by the central-entity during the transaction a dynamic code for the user in response to the request, wherein the dynamic

code is valid for a predefined time and becomes invalid after being used;

providing by the computer associated with the central-entity said generated dynamic code to the user during the transaction;

receiving electronically by the central-entity a request for authenticating the user from a computer associated with the external-entity based on a user-specific information and the dynamic code as a digital identity included in the request which said dynamic code was received by the user during the transaction and was provided to the external-entity by the user during the transaction; and

authenticating by the central-entity the user and providing a result of the authenticating to the external-entity during the transaction if the digital identity is valid.

Ex. 1001, 6:24–47.

D. Prior Art Relied Upon

Petitioner relies upon the following prior art references:

Brown	US 5,740,361	Apr. 14, 1998	(Ex. 1035)
Nicholson	US 2007/0022301 A1	Jan. 25, 2007 (filed July 14, 2006)	(Ex. 1034)

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