UNITES STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,

Petitioner,

vs.

UNIVERSAL SECURE REGISTRY, LLC,

Patent Owner.

Case IPR2018-00812

U.S. Patent No. 8,856,539

DEPOSITION OF VICTOR SHOUP, Ph.D.

New York, New York

Monday, February 11, 2019

Reported By:
MICHELLE COX

Job No.: 35044

February 11, 2019
10:57 a.m.

Deposition of VICTOR SHOUP, Ph.D., held at the offices of Wilmer Cutler Pickering Hale and Dorr LLP, 250 Greenwich Street, New York, New York, pursuant to Notice, before Michelle Cox, a Certified LiveNote Reporter and Notary Public of the State of New York and New Jersey.

APPEARANCES:

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BY: NIMA HEFAZI, ESQ.

IT IS HEREBY STIPULATED AND AGREED by and between the attorneys for the respective parties herein, that filing and sealing be and the same are hereby waived.

IT IS FURTHER STIPULATED AND AGREED that all objections, except as to the form of the question, shall be reserved to the time of the trial.

IT IS FURTHER STIPULATED AND AGREED that the within deposition may be sworn to and signed before any officer authorized to administer an oath, with the same force and effect as if signed and sworn to before the Court.

VICTOR SHOUP, called as a witness, having been duly sworn by a Notary Public, was examined and testified as follows:

EXAMINATION BY
MR. HEFAZI:

Q Good morning, Dr. Shoup.
So Dr. Shoup, I understand you've been deposed before, most recently in another matter between Apple and Universal Secure Registry; is that correct?

A That's correct.

Q And have you been deposed in any other matters?

A No, I have not.

Q Okay. What did you do to prepare for today's deposition?

A You mean, specifically, aside from writing my declarations and such?

Q Correct.

A I met with Apple counsel couple of times in the last week, just to review things. I also, on my own, reviewed my declaration -- my declarations, plural, and various prior art references and the USR patents themselves.

Q Okay. And you mentioned the declarations,

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you reviewed those.
And did you see anything that you thought was incorrect or inaccurate?
A No.
Q And you understand the opinions in your declaration?
A Absolutely. They are my opinions.
Q And you stand by those opinions?
A Absolutely.
Q And you understand, I guess, the prior art?
MR. SELWYN: Objection; form.
A I -- I've read and reviewed and understand the prior art references that are mentioned in my declaration.
Q Okay. And you also understand the USR patents at issue in these proceedings?
A I've read and reviewed the USR patents, and feel competent in my understanding of them.
Q Okay. And you mentioned that you had met with Apple counsel a couple of times.
Is that Mr. Selwyn and Ms. Grewal?
A Yes. And also Kelvin Chan and Derek Gosma.
Q Okay. Did you meet with anyone that was

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not an attorney?
A No, I did not.
Q And you mentioned that you started preparing or meeting with the attorneys a couple of weeks ago.
When was -- strike that.
When did you start preparing for your deposition?
A For this particular deposition?
Q Correct.
A I don't know that I know the exact date. Sometime after my last deposition.
Q Okay. I guess, approximately, how many hours would you say you spent reviewing these materials and preparing for this deposition?
A Maybe 30 to 40 hours.
Q And other than your declarations, the prior art cited in the declarations and the USR patents, are there any other documents that you reviewed in preparing for your deposition today?
A Well, I reviewed other documents in preparing my declaration, but --
Q My question is focused just on your deposition.

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A Deposition?
I don't believe so.
Q Did you review your deposition transcript from the prior deposition?
A Yes, I did.
Q And did you see anything inaccurate in that deposition transcript?
A There were a couple of typos there that I -- I did submit a, what's it called, an errata, a couple of typos.
Q Okay. And other than --
A Yes, if you don't mind, there's one point in which I felt kind of silly about. I did -- there was a question regarding my interaction with any referral -- expert witness referral services, and I mentioned one. But there actually are a couple of others that I just honestly wasn't thinking about them at the time, and so I didn't mention them. I can tell them to you now, I guess.
Q Sure.
I think the one you mentioned was with Avi Rubin, Harbor Labs?
A That's correct. I couldn't remember the names at the time, but it was Avi Rubin's

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company. And the two others are, I did review that since that time to make sure I got the names right, GLG Group and ForensisGroup.
Q Okay. But other than your testimony in your prior deposition, you haven't submitted any other testimony in the form of a deposition or declaration or --
A Regarding these proceedings?
Q Just generally.
A No.
MR. HEFAZI: Let me mark as Exhibit 1. Counsel, I have two copies of this somewhere. I might not have two copies of each.
(Deposition Exhibit 1, United States Patent No. 8,856,539, marked for identification as of this date.)
Q So this is Exhibit 1, U.S. Patent No. 8,856,539.
(Discussion off the record.)
Q Okay. So this is Shoup Exhibit 1, U.S. Patent No. 8,856,539.
And you've seen this document before?
A Yes, I have.
Q And I'm going to call this the '539 Patent

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you'll understand that I'm referring to this exhibit here, correct?
A Yes.
Q And you've read all of the '539 Patent, correct?
A Yes, I have.
Q And when was the last time you read the '539 Patent?
A You mean when is the last time I read it from front to back?
Q Let's start there.
A That might have been a while. I mean, certainly during the preparation of my declaration, I read through it several times. I don't know that during my preparation for this deposition, I may have focused more on the claims and relevant portions of the specification as they pertained to the claims.
Q Okay. But you did review this patent as part of your -- preparing form your deposition?
A Yes. As I said, mainly focusing on the claims themselves, and then the relevant parts of the specification.
Q Okay. And you understand the claims of this patent?

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A Yes.
Q Okay. And how long would you say you spent looking and reviewing this '539 Patent during your preparation for your deposition today?
A It's hard to attach a particular number.
Q Just an approximate ballpark.
MR. SELWYN: Objection; form.
A Much of the time I spent reviewing this was in conjunction with reviewing the declarations that -- my declaration pertaining to the '539 Patent.
So it's hard to say how much time I spent on each one of those.
Q Okay. In combination, reviewing the declaration and the '539 Patent, how many hours would you say you spent?
A Well, I said I spent 20 to 30 hours in total. So let's say, 15.
Q Okay.
A Ten to 15. And that's a "ballpark estimate," as you call it.
MR. HEFAZI: Let me now mark as Shoup Exhibit 2, U.S. Patent No. 5,930,767 to Williams Louis Reber et al.

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And I only have one copy of this.
(Deposition Exhibit 2, United States Patent No. 5,930,767, marked for identification as of this date.)
A And if you don't mind, can we just call this Reber.
Q Certainly.
A Verbally.
Q Okay. And the Reber patent, this is one of the references you're relying on in challenge the '539 Patent, right?
A Yes.
Q Okay. And you've read all of the Reber?
A Oh, yes.
Q And when was the last time you reviewed Reber?
A Saturday.
Q And how long did you spend reviewing Reber?
A On Saturday, four hours.
Q And how long, in the total course, both in preparing your declaration and preparing for this deposition, have you spent reviewing Reber?
A I can't give a specific number to that.

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Q Would it have been more or less than ten hours?
A Let's say more than ten.
Q More than 20 hours?
A I'm not sure.
Q You've reviewed it sufficiently, such that you believe you understand Reber, correct?
A I have a good understanding of Reber.
Q Okay. Let's turn to Figure 1 of Reber.
Okay. And Figure 1 is a block diagram of Reber's transaction system, right?
A That's correct.
Q And in Figure 1, there is an End User, 26.
Do you see that?
A Yes, I do.
Q And there's a dashed box around a number of the items in Figure 1.
Does that represent the end user's location?
A Yeah. The last time I remember reviewing this and reading through references to End User Location 24, and I -- to be honest, I don't know if it's a bug in the diagram. But I couldn't find anything labeled 24.
Q Okay. But as a person of skill in the

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art, do you understand Figure 1, that the dashed box surrounding certain elements in there, to represent the user location?
MR. SELWYN: Objection; form.
A Since it wasn't specified in the diagram, I haven't really -- I don't have an opinion on what the dashed box represents.
I just certainly can -- took the words "user location" in the specification to mean what they ordinarily mean.
Q So I guess you don't have an opinion as to whether the dashed box surrounding certain items in Figure 1 is the user location?
MR. SELWYN: Objection; form.
A Since the dashed box isn't labeled, and since I did not, to the best of my knowledge, I don't remember reading a description, like, the dashed box in Figure 1 represents such and such, I don't really have an opinion.
Q Okay. So it's your opinion that one skilled in the art, looking at Figure 1 in the Reber specification, would be unable to determine whether or not the dashed box represents user location?
MR. SELWYN: Objection; form.

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A All I can say is my first impression is, that may be reasonable, but I withhold an opinion.
Q Okay. Okay. So within the dashed box, there's a box labeled 34.
That's the display device, correct?
A Box labeled 34. That's correct.
Q And that would be, like, a computer monitor; is that right?
A Let's -- well, for example, in Figure 8 of the Reber patent, 34 is identified as -- that embodiment is identified as a computer monitor.
Q Okay. And that computer monitor would be at the end user's location?
A That seems reasonable, yes.
Q And at the -- Box 32, there's a network access apparatus that connects to the electronic network.
Do you see that?
A Yes.
Q And that network access apparatus, it would also be reasonable to say that that's at the user location?
A Right.
So I think it's helpful to look at

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Figure 8 in conjunction with the discussion of Figure 8 of Column 10 of Reber at Line 9, where it says, "Figure 8 is an illustration of an example of the data reader 30 and the network access apparatus 32 at the user location."
So that is consistent with the assertion that that's at the user location.
And then it continues to say, "In this example, the network apparatus 32 comprises of a personal computer 140," which you can see labeled in Figure 8.
Q There's also a data reader in Figure 1 labeled 30.
And I guess that also appears in Figure 8 as item 30?
A That's correct.
Q And that would also be at user location, at the end user's location?
A In some embodiments, yes.
Q Does Reber disclose any embodiments where it's not at the user location?
A Yes.
Q Can you show me where that is?
A So, for example, as Reber discloses, the second data -- so I'm looking at Column 4,

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Line 21 where it says, "Alternatively, the second data element is generated within the network access apparatus 32. In this case, the second data element can be prestored in the network access apparatus 32, or it can be generated by a code generator associated with the network access apparatus 32. Preferably, the code generator generates the second data element, which is a time-varying and nonpredictable by unauthorized parties."
Now, the second data element is something that is disclosed earlier as being something that can be read by the data reader.
Also, the other thing that can be read by the data reader, and we can look at references or citations, if you wish, is the first data element.
And later on Column 4, Line 50, it says, "Alternatively, the first data element is generated in response to a user-initiated event received by an input device of the network access apparatus 32. In this case, the end user 26 can select the item and initiate a transaction based upon a second human-viewable image 62 displayed by the display device 34."

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