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Paper 8
Entered: December 3, 2018

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE, INC.,
Petitioner,

v.

UNIVERSAL SECURE REGISTRY LLC,
Patent Owner.

Case CBM2018-00025
Patent 8,577,813 B2

Before PATRICK R. SCANLON, GEORGIANNA W. BRADEN, and JASON W. MELVIN, *Administrative Patent Judges*.

BRADEN, *Administrative Patent Judge*.

DECISION
Institution of Covered Business Method Patent Review
37 C.F.R. § 42.208

I. INTRODUCTION

This is a preliminary proceeding to decide whether, under § 18 of the Leahy-Smith America Invents Act, Pub. L. No. 112–29, 125 Stat. 284, 331 (2011) ("AIA"), a covered business method patent review of U.S. Patent No. 8,577,813 B2 (Ex. 1101, "the '813 patent" or "the challenged patent"), should be instituted under 35 U.S.C. § 324(a).[1] A covered business method patent review may not be instituted "unless . . . the information presented in the petition . . . , if such information is not rebutted, 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* 37 C.F.R. § 42.208. We have authority under 35 U.S.C. § 324(a).

Apple Inc. filed a Petition requesting covered business method patent review of claims 1, 2, 4–11, 13–20, and 22–26 of the challenged patent. Paper 3 ("Pet."), 1, 19. Patent Owner timely filed a Preliminary Response. Paper 7 ("Prelim. Resp.").

Upon consideration of the record, as explained in detail below, we determine that the '813 patent is a covered business method patent and that the Petition satisfies the institution threshold, so we grant the Petition and institute a covered business method review proceeding.

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[1] *GTNX, Inc. v. INTTRA, Inc.*, 789 F.3d 1309, 1310 (Fed. Cir. 2015) (describing transitional program for review of covered business method patents, pursuant to the AIA, as subject to "the 'standards and procedures of[] a post-grant review under . . . 35 U.S.C. §§ 321–329,'" absent exceptions not applicable here (alteration in original) (quoting AIA § 18(a)(1))).

A. Related Matters

As required by 37 C.F.R. § 42.8(b)(2), each party identifies several judicial or administrative matters that would affect or be affected by a decision in this proceeding, including concurrently filed CBM2018-00024 and CBM2018-00026. Pet. 2–3; Paper 4, 2 (Patent Owner's Mandatory Notices). Petitioner does not identify IPR2018-00067, which instituted a trial proceeding with a different Petitioner on many of the same claims of the '813 patent under 35 U.S.C. § 103(a). Prelim. Resp. 1; *see Unified Patents Inc. v. Universal Secure Registry LLC*, Case IPR2018-00067, slip op. 4 (PTAB, May 2, 2018) (Paper 14).

B. The '813 Patent

The '813 patent is titled "Universal Secure Registry" and is directed to authenticating a user using biometric and secret information provided to a user device, encrypted, and sent to a secure registry for validation. Ex. 1101, (54), Abstract. The '813 patent issued November 5, 2013, from an application filed September 20, 2011. *Id.* at (45), (22). The '813 patent includes a number of priority claims, including dates as early as February 21, 2006. *Id.* at (63), (60), 1:6–32.

1. Written Description

The specification describes one aspect of the invention as an "information system that may be used as a universal identification system and/or used to selectively provide information about a person to authorized users." *Id.* at 3:65–4:1. One method described for controlling access involves "acts of receiving authentication information from an entity at a secure computer network,

communicating the authentication information to the secure registry system, and validating the authentication information at the secure registry system." *Id.* at 4:43–48. The "universal secure registry" ("USR") is described as a computer system with a database containing entries related to multiple people, with a variety of possible information about each person, including validation, access, and financial information. *Id.* at 9:35–12:18.

Validation information in the '813 patent "is information about the user of the database to whom the data pertains and is to be used by the USR software 18 to validate that the person attempting to access the information is the person to whom the data pertains or is otherwise authorized to receive it." *Id.* at 12:19–23. Such information must "reliably authenticate the identity of the individual" and may include "a secret known by the user (e.g., a pin, a phrase, a password, etc.), a token possessed by the user that is difficult to counterfeit (e.g., a secure discrete microchip), and/or a measurement such as a biometric (e.g., a voiceprint, a fingerprint, DNA, a retinal image, a photograph, etc.)." *Id.* at 12:23–31. The '813 patent describes using such information in combination with other information "to generate a one-time nonpredictable code which is transmitted to the computer system" and used "to determine if the user is authorized access to the USR database." *Id.* at 12:50–60; *see id.* at 45:55–46:36. According to the '813 patent, certain systems may relay communication between a user device and the secure registry through a point-of-sale ("POS") device. *Id.* at 43:4–44:31.

One such system embodiment is illustrated in Figure 31, reproduced below.

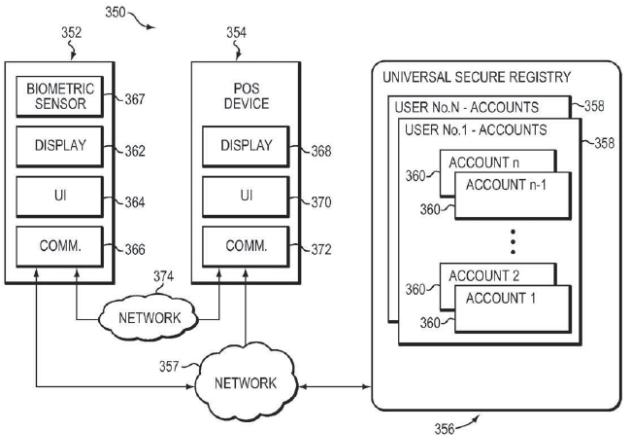

FIG. 31

As shown above, in Figure 31, system 350 facilitates financial transactions using point-of-sale device 354, user device 352, and USR 356, which can communication with one another wirelessly over network 357. *Id.* at 43:4–6. The '813 patent defines the term "financial transaction" can include any of sales transactions including transactions conducted on-line or at a point of sale using credit or debit accounts, banking transactions, purchases or sales of investments and financial instruments or generally the transfer of funds from a first account to a second account. *Id.* at 43:6–12.

2. Illustrative Claims

Petitioner challenges claims 1, 2, 4–11, 13–20, and 22–26. Pet. 1. Claims 1, 16, and 24 are independent. Claims 1 and 24 are illustrative of the challenged subject matter and reproduced below.

> 1. An electronic ID device configured to allow a user to select any one of a plurality of accounts associated with the user to employ in a financial transaction, comprising:
>
> a biometric sensor configured to receive a biometric input provided by the user;

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