

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

---

**BEFORE THE PATENT TRIAL AND APPEAL BOARD**

---

MASTERCARD INTERNATIONAL INCORPORATED  
Petitioner

v.

JOHN D'AGOSTINO  
Patent Owner

---

Case IPR2014-00543 (Patent No. 8,036,988)  
Case IPR2014-00544 (Patent No. 7,840,486)

---

**PETITIONER MASTERCARD'S**  
**OPENING BRIEF ON REMAND**

## TABLE OF CONTENTS

|             |  |    |
|-------------|--|----|
| <b>I.</b>   | INTRODUCTION.....  | 1  |
| <b>II.</b>  | THE CHALLENGED CLAIMS ARE UNPATENTABLE UNDER<br>THE FEDERAL CIRCUIT’S CLAIM CONSTRUCTION .....   | 1  |
| <b>A.</b>   | The Single Merchant Claims are Anticipated under 35 USC § 102<br>by Cohen .....  | 3  |
| 1.          | Cohen’s “Single Use” Card Anticipates the Single Merchant<br>Limitation.....   | 3  |
| 2.          | Cohen’s “Any Computer Store” Card Anticipates the Single<br>Merchant Limitation .....  | 5  |
| 3.          | Patent Owner’s Argument that the Single Merchant Limitation<br>Requires Multiple Transactions is Wrong and, Nonetheless,<br>Foreclosed ..... | 7  |
| 4.          | Even If The Single Merchant Limitation Requires Multiple<br>Transactions, Cohen Discloses This .....   | 10 |
| <b>B.</b>   | The One or More Merchant Claims are Anticipated under 35 USC<br>§102 by Cohen .....  | 11 |
| 1.          | Cohen’s “Chain of Stores” Card Anticipates the One or More<br>Merchants Limitation.....  | 12 |
| 2.          | Cohen’s “Type of Stores” and “Group of Stores” Card<br>Anticipates the One or More Merchants Limitation.....                                 | 14 |
| <b>III.</b> | CONCLUSION .....   | 15 |

## **I. INTRODUCTION**

On appeal from the Board’s Final Written Decisions (“FWDs”), the Federal Circuit altered the construction of the “single-merchant limitation” and remanded these cases to the Board to further consider whether “aspects of Cohen other than the chain-store discussion might satisfy the single-merchant claim limitation.” *D’Agostino v. MasterCard Int’l Inc.*, 844 F.3d 945, 951 (Fed. Cir. 2016). The evidence of record establishes that all claims of U.S. Patent No. 8,036,988 (“the ’988 Patent”) and U.S. Patent No. 7,840,486 (“the ’486 Patent”) are invalid under the Federal Circuit’s revised construction.

Specifically, U.S. Pat. No. 6,422,462 (“Cohen”) discloses at least two use-cases, each of which anticipate the single merchant limitation: (1) Cohen’s “single use” cards and (2) a card valid at “any computer store”. These examples in Cohen also anticipate the “one or more merchants” limitation as the Board held (and Patent Owner admitted) that the “one or more merchants” limitation encompasses the single merchant limitation. In addition, Cohen also discloses additional use-cases, which anticipate the one or more merchants limitation, including the “chain store” use-case the Board previously analyzed.

## **II. THE CHALLENGED CLAIMS ARE UNPATENTABLE UNDER THE FEDERAL CIRCUIT’S CLAIM CONSTRUCTION**

The Federal Circuit identified step (b) in claim 21 of the ’988 patent as representative of the single merchant limitation (“receiving a request from said

IPR2014-00543, IPR2014-00544

account holder for a transaction code to make a purchase within a payment category that at least limits transactions to a single merchant, said single merchant limitation being included in said payment category prior to any particular merchant being identified as said single merchant”). *D’Agostino*, 844 F.3d at 948. The Federal Circuit construed the single merchant limitation as follows:

The single-merchant limitation thus requires, simply, that, when the transaction code is requested, the request limits the number of authorized merchants to one but does not then identify the merchant, such identification occurring only later.

*Id.* at 950.

The ’988 Patent comprises two categories of claims (the “single merchant” claims and the “one or more merchant” claims), whereas the ’486 Patent includes only “single merchant” claims. Under the Federal Circuit’s claim construction, Cohen anticipates both the Single Merchant Claims (claims 21, 23-25, 27-30 of the ’988 Patent, and claims 1-15, 22-30 of the ’486 Patent) and the One or More Merchant Claims (claims 1-10, 15-20, 22, 31-33, 35-38 of the ’988 Patent).

In the FWDs, the Board found the remaining claims (claims 11-14, 26, and 34 of the ’988 Patent, and claims 16-21 of the ’486 Patent) obvious under 35 U.S.C. §103 over the combination of Cohen and Musmanno. *See* ’988 FWD, IPR2014-00543 Paper 28, at 21-22; ’486 FWD, IPR2014-00544 Paper 22, at 19-20. The Federal Circuit did not remand this case for further consideration of the

Board's obviousness analysis regarding Musmanno. Thus, to the extent the Board concludes the intervening claims are anticipated over Cohen, these claims are unpatentable as obvious over Cohen and Musmanno for the reasons previously set forth in the Board's FWDs.

Under the Federal Circuit's construction, the single merchant and the one or more merchant claims are anticipated by various credit card use-cases in Cohen.

**A. The Single Merchant Claims are Anticipated under 35 USC § 102 by Cohen**

Cohen discloses two use-cases that anticipate the single merchant limitation: the "single use" card and the "any computer store" card. The Federal Circuit's construction for the single-merchant limitation has two required elements: "when the transaction code is requested, the request [1] limits the number of authorized merchants to one", but [2] "does not then identify the merchant, such identification occurring only later." *D'Agostino*, 844 F.3d at 950. In other words there must be a "separation in time" between limiting the card to a single merchant and then identifying the merchant. *Id.* Both of these examples in Cohen meet the Federal Circuit's construction.

**1. Cohen's "Single Use" Card Anticipates the Single Merchant Limitation**

Cohen discloses a credit card number that could be used for a single transaction with one merchant:

# Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

## Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

## Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

## Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

## API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

## LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

## FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

## E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.