

**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**  
**REPLY BRIEF ON REMAND**

## I. INTRODUCTION

Not satisfied with the Federal Circuit’s mandate, including its construction of the “single merchant limitation,” Patent Owner (“PO”) devises two arguments in an attempt to overcome Cohen: that this limitation requires “making more than one transaction/purchase” at a single merchant (PO Brief at 6-7), and that the Board needs to “correct” its construction of the “one or more merchants” limitation (*id.* at 11-15). But given the Federal Circuit’s construction and clear instructions, the PO’s prior concessions, and Cohen’s unambiguous disclosures, neither of PO’s arguments have merit and the Board should reinstate its invalidity decisions.

## II. ARGUMENT

### A. The Single Merchant Limitation Does Not Require Multiple Transactions With a Single Merchant

The Federal Circuit’s construction of the single merchant limitation “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.” *D’Agostino v. MasterCard Int’l Inc.*, 844 F.3d 945, 950 (Fed. Cir. 2016) (emphasis added). PO, however, now argues that “[e]ach of the Single Merchant Claims include making *more than one* transaction/purchase,” improperly seeking alteration of the Federal Circuit’s clear construction. PO Brief at 6 (emphasis added).<sup>1</sup> PO is wrong to do so—for at least

---

<sup>1</sup> Patent Owner raised this argument to the Federal Circuit in its reply brief (PO

four distinct reasons.

First, the Federal Circuit already carefully reviewed the same claim language cited by PO in claim 21, step (b) of the '988 Patent, and did *not* find that the single merchant limitation requires *more than one* transaction, *see* Pet. Brief at 8-9, finding instead that it merely requires limiting the number of merchants to one. *D'Agostino*, 844 F.3d at 949. Indeed, the Federal Circuit, citing prosecution history, emphasized that the PO sought to distinguish the “single merchant limitation” because the prior art purportedly failed to limit “*a transaction* [singular] to a single merchant prior to any particular merchant being identified as the single merchant.” *D'Agostino*, 844 F.3d at 949 (*citing* '486 File History, IPR2014-00544 Ex. 1002, at p.248) (emphasis added). Of course, Cohen, it turns out, discloses just that. *See* Pet. Brief at 3-5.

Second, the surrounding “single merchant” claim language itself makes clear that the transaction code could be used for a single transaction/purchase. *See* Pet. Brief at 9-10. For example, claim 21 of the '988 Patent recites: the account holder requests “a transaction code to make a purchase” (step b), the transaction code is generated “to make a purchase” (step c), and a request is received “to authorize

---

Brief at 8) but the Court did not adopt Patent Owner’s construction. It is therefore not within the scope of the mandate for the Board to reconsider this issue.

IPR2014-00543, IPR2014-00544

payment for a purchase” (step e).<sup>2</sup> Similar limitations also exist for dependent claims 25 to 27 where “a transaction code [is requested] to make a purchase.”

Third, the specifications for the '988 and '486 Patents explicitly disclose that “transactions” broadly encompasses a single transaction. *See* '988 Patent, IPR2014-00543 Ex. 1001, 7:63-65 (“Such *transactions* [plural] may include *a single transaction* for a specific amount of a purchase to be consummated.”) (emphasis added); *see also* '486 Patent, IPR2014-00544, Ex. 1001, 7:58-59. And, as noted above, the prosecution history also evidences that the single merchant claims encompass a transaction code that limits *one* transaction to a single merchant. *See supra D'Agostino*, 844 F.3d at 949 (distinguishing Langhans prior art); *see also* '486 File History, IPR2014-00544, Ex. 1002, at p.118 (distinguishing Langhans by noting its failure to teach “*a transaction* being limited to a single merchant”) (emphasis added). Moreover, there is no support (and PO has cited none) in the patent specifications or prosecution histories that suggests the single merchant limitation should exclude a single transaction.

---

<sup>2</sup> The '486 Patent contains similar limitations. *See* Pet. Brief at 9, fn. 2. Claim 1 recites “for at least *one* transaction,” and claim 29 recites “*a* subsequent purchase.” Claim 24 (like '988 Patent, claim 21) recites “limiting purchases to a single merchant.” Claim 25 similarly recites authorizing a single purchase (*i.e.* “the purchase”) and therefore does not exclude a single purchase.

Fourth, PO's unsupported argument that "transactions" excludes a single transaction contradicts controlling Federal Circuit law: "the plural can describe a universe ranging from one to some higher number, rather than requiring more than one item." *See Versa Corp. v. Ag-Bag Int'l Ltd.*, 392 F.3d 1325, 1330 (Fed. Cir. 2004) (holding "the use of 'channels' in the plural does not imply that multiple channels are required by the claim"); *see also Apple Inc. v. Motorola, Inc.*, 757 F.3d 1286, 1307 (Fed. Cir. 2014) (holding "the plural 'actions' may be reasonably read as at least one action"); *Dayco Prods. v. Total Containment, Inc.*, 258 F.3d 1317, 1328 (Fed. Cir. 2001) (holding "the use of the term 'recesses' can be understood to mean a single recess"); *Coal. for Affordable Drugs II LLC v. Cosmo Tech. Ltd.*, IPR2015-00988, 2015 WL 5897741, at \*6 (PTAB Oct. 7, 2015) (construing "substances" and "compounds" to mean "one or more").

**B. Patent Owner's Request for a Corrected Construction Should be Denied**

The Board held (and the PO agreed) that the scope of the "one or more merchants" claims encompasses the scope of the single merchant claims. *See* '988 FWD, IPR 2014-00543 Paper 28, at 16-17; Oral Hearing, IPR 2014-00543 Paper 27, at 56:6-12. PO's request to revise the Board's construction should be rejected at least because, regardless of the construction, the one or more merchants claims are anticipated by Cohen for the same reasons as the single merchant claims. *See* Pet. Brief at 11-12.

# 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.