UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

UNIFIED PATENTS INC.
Petitioner

v.

UNIVERSAL SECURE REGISTRY LLC
Patent Owner

IPR2018-00067
U.S. 8,577,813

PETITIONER'S SUR-REPLY IN OPPOSITION TO PATENT OWNER'S CONTINGENT MOTION TO AMEND

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I. INTRODUCTION

The prior art combinations cited in Petitioner's Opposition to PO's Contingent Motion to Amend show that the proposed claims are obvious. PO's Reply oversimplifies the teachings of the prior art and fails to rebut Petitioner's evidence. The proposed amendments add two concepts: (1) generating a seed using at least two of an electronic serial number, a discrete code associated with the electronic ID device, a PIN, a time value, and the biometric input to generate the encrypted authentication information, the seed being employed by the processor to generate a nonpredictable value (the "**Seed Limitation**," Claims 27, 50); and (2) subjecting data in an electronic ID device to a mathematical operation employing the secret information to modify the data, wherein the device uses the secret information to reverse the mathematical operation and render the data legible (the "**Math Limitation**," Claim 42). Regarding the Seed Limitation, the '813 Patent explains that "multiple pieces of data can be … cryptographically combined through known encryption techniques" and lists the data recited in the Seed Limitation. *See* '813 Patent (Ex. 1001) at 46:5-10; *see also id*. at 46:46-55, 46:61-67. *Labrou*, *Gullman*, and *Jakobsson* each teach this limitation. Regarding the Math Limitation, the '813 Patent's embodiment uses a simple XOR operation with a PIN. *See id*. at 45:18-47. But the named inventor of the '813 Patent was already using such XOR operations in data security by 1994. The proposed amendments are therefore unpatentable.

II. ARGUMENT

A. The Proposed Claims are Obvious over *Maes* in view of *Labrou*

1. Labrou *teaches the Seed Limitation*

Labrou teaches inputting seed S (i.e., a discrete code associated with the device) and time stamp T (i.e., a time value) into a device-specific random-number-generating function R to generate a new seed, S' (i.e., a seed), which is again input into R to generate random sequence number RSN (i.e., a non-predictable value). The RSN of the last iteration is used to generate encrypted authentication information to secure a transaction. *Labrou* (Ex. 1005) at [0536]-[0538]. Though the Device ID is at least indirectly used in generating S' through assigning a unique S and R to each Device ID, the Seed Limitation is satisfied regardless by T and S (i.e. "at least two" of a "time value" and "discrete code," *inter alia*).

PO's position that seed S is not a discrete code relies on an indefensible claim construction requiring a necessarily changeable discrete code. PO improperly reads in an unclaimed embodiment from the specification. The sentence PO cites uses the permissive "may," and the preceding sentence states that the passage applies to "one embodiment," demonstrating this is not a definition. '813 Patent (Ex. 1001) at 47:5-6. PO concedes "each user device has its own original seed S" in *Labrou* (Paper 43 at 4), confirming that S is a unique code "associated with the device," just like the claimed discrete code. PO does not rebut that S' is a seed generated at least by time value T and seed S, that seed S is unique and associated with each device, or that S'

is used to generate a nonpredictable value for generating encrypted authentication information. Therefore, *Labrou* teaches the Seed Limitation.

2. A PHOSITA would have been motivated to combine Maes *with* Labrou

Petitioner has sufficiently explained how the proposed combination of *Maes* and *Labrou* would work. PO's arguments that Petitioner's statements are conclusory takes Petitioner's arguments regarding the Seed Limitation out of context. Petitioner introduced the *Maes*/*Labrou* combination in its Petition and referenced this combination in its Opposition—such provides the context necessary regarding how the proposed combination works. The Board found that the Petitioner had shown a reasonable likelihood of success in this combination, wherein the authorization number of *Maes* was replaced with the encrypted authentication data of *Labrou* for wireless transactions. *See Inst. Dec.*, Paper 14 at 12-15; *see also Reply*, Paper 38 at 14-15, 7-11 (refuting similar arguments made in PO's Response).

Further, PO's argument that Petitioner has taken *Maes*'s teaching of using "any known" encryption technique language out of context is misleading—*Maes* teaches the use of encryption in *many* contexts, but does not specific means to encrypt the data. Thus, a PHOSITA would have been motivated to look to other art for more specific means to do so especially because of *Maes*'s express teaching of using any known technique. *See, e.g.*, *Maes* (Ex. 1003) at 5:14-17 (encrypting personal and financial information), 13:24-50 (encrypting user and card

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