

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,

Petitioner,

v.

UNIVERSAL SECURE REGISTRY, LLC,

Patent Owner.

Case IPR2018-00809

U.S. Patent No. 9,530,137

**PETITIONER'S OPPOSITION TO PATENT OWNER'S
CONDITIONAL MOTION TO AMEND**

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I. INTRODUCTION

Through its conditional motion to amend (“CMTA”), USR tries to game the patent system by reintroducing subject matter it previously disclaimed from the claims of the '137 patent to avoid institution of a CBM on the same patent. In doing so, USR fails to comply with 37 C.F.R. §§ 42.121(a)(2)(i) and the Board's precedential ruling in *Lectrosonics, Inc. v. Zaxcom, Inc.*, which require amendments to respond to a ground of unpatentability involved in the trial and patent owners to comply with their duty of candor to the Board. Furthermore, USR's motion fails because USR's substitute claims recite subject matter that is patent ineligible under § 101 as demonstrated in CBM2018-00022 (-022 CBM); are indefinite, unsupported by the written description, and not enabled under §112; and are obvious in view of the prior art of record or concepts well known before 2006. Thus, USR's CTMA should be denied.

A. USR Disclaimed Claims 8 and 11 To Avoid A CBM Petition.

The present Petition, filed on April 4, 2018, challenged claims 1, 2, and 5-12 of the '137 patent as unpatentable under 35 U.S.C. § 103. Concurrently therewith, Petitioner filed the -022 CBM demonstrating the invalidity of claims 1-12 of the '137 patent under 35 U.S.C. § 101. *See Apple Inc. v. USR, LLC.*, CBM2018-00022, Paper 3, Petition (PTAB Apr. 4, 2018). The -022 CBM demonstrated that claims 8 and 11 were directed to covered business methods. *Id.* at 17-19. USR

Petitioner's Opposition to Conditional Motion to Amend disclaimed claims 8, 10, and 11 on July 6, 2018 (Ex-2003), and argued in its POPR that Petitioner's arguments related to claims 8 and 11 were moot in light of USR's disclaimer. *Apple Inc. v. USR, LLC.*, CBM2018-00022, Paper 8, POPR (PTAB July 10, 2018). In the subsequent institution decision in the instant Petition and denial of institution of the -022 CBM, this panel did not consider claims 8 and 11.

B. USR Now Tries To Reintroduce The Subject Matter It Disclaimed.

USR now tries to take back its assertions to the Board by reintroducing the same subject matter of claims 8 and 11 into the substitute claims. As shown in the chart below, USR's substitute claims 13 and 21 recite subject matter that is virtually identical to the now-disclaimed subject matter recited by dependent claims 8 and 11:

Original '137 Claims	Substitute Claim 13	Substitute Claim 21
8. "The system of claim 1, wherein the first authentication information includes a multidigit public ID code for a credit card account, which a credit card issuer can map to a usable credit card number."	13[c] ". . . the first authentication information including a multi-digit identification (ID) code allowing a networked validation-information entity to map the multi-digit ID code to a credit and/or debit card number . . ."	21[d] ". . . the first authentication information including a multi-digit identification (ID) code allowing a networked validation-information entity to map the multi-digit ID code to a financial account number . . ."
11. ". . . the second device that is a networked credit card validation-information entity configured to	13[e] ". . . the second device being the networked validation-information entity configured to enable the	21[f] ". . . the second device being the networked validation-information entity configured to enable the financial transaction

Original '137 Claims	Substitute Claim 13	Substitute Claim 21
approve or deny financial transactions based on authentication of the user.”	credit and/or debit card transaction based on authentication of the user . . .”	based on authentication of the user . . .”

Despite the similarity between the disclaimed claims and USR's substitute claims, USR's CMTA makes no reference to its disclaimer or to original claims 8 and 11 for support for its amendments. Furthermore, USR now contradicts statements that it made in its POPR. Whereas USR previously argued that Ground 3 addressing claims 8 and 11 was moot, Ground 3 is no longer moot, and renders obvious the new limitations.

By removing the limitations of claims 8 and 11 from consideration prior to institution and thereafter reviving them in its CMTA, USR has deprived the Board of valuable time to consider the merits of Ground 3. In doing so, USR has sought to avoid timely, complete, just, and efficient resolution of the issues presented in the instant Petition. As described below, the substitute claims are invalid under the same grounds as the present Petition, and thus fail to respond to a ground of unpatentability involved in the trial. Additionally, the substitute claims recite nothing more than standard, well known encryption and authentication techniques that existed long before 2006. Accordingly, the Board should deny USR's CMTA.

II. ARGUMENT

A. USR's Substitute Claims Fail To Respond to A Ground of Unpatentability Involved In The Trial.

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