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Paper No. 51
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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

UNIVERSAL SECURE REGISTRY, LLC,
Patent Owner.

IPR2018-00809
Patent 9,530,137 B2

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

MELVIN, *Administrative Patent Judge*.

JUDGMENT
Final Written Decision
Determining All Claims Unpatentable
Denying Patent Owner's Motion to Amend
35 U.S.C. § 318(a)
Denying Petitioner's Motion to Strike
Denying Patent Owner's Motion to Strike
37 C.F.R. § 42.5

I. BACKGROUND

Petitioner, Apple Inc., requested *inter partes* review of claims 1, 2, and 5–12 of U.S. Patent No. 9,530,137 B2 (Ex. 1101, "the '137 patent"). Paper 3 ("Pet."). Patent Owner, Universal Secure Registry, LLC, timely filed a Preliminary Response. Paper 8 ("Prelim. Resp."). We instituted review. Paper 9 ("Inst." or "Institution Decision"). Because Patent Owner disclaimed claims 8, 10, and 11 (Ex. 2003), the instituted review does not include those claims. Inst. 6–7. Thus, we review claims 1, 2, 5–7, 9, and 12 (the "challenged claims").

Patent Owner filed a Response (Paper 18 ("PO Resp.")) and a Conditional Motion to Amend (Paper 19 ("MTA")); Petitioner filed a Reply (Paper 25 ("Pet. Reply)) and an Opposition to Patent Owner's Contingent Motion to Amend (Paper 24 ("MTA Opp.")); Patent Owner filed a Sur-reply (Paper 30) and a Reply to Petitioner's Opposition (Paper 31 ("MTA Reply")); and Petitioner filed a Sur-reply to the Contingent Motion to Amend (Paper 39 ("MTA Sur-reply")). We held a hearing on July 16, 2019, and a transcript is included in the record. Paper 49 ("Tr.").

This is a final written decision as to the patentability of the challenged claims. For the reasons discussed below, we determine that Petitioner has shown by a preponderance of the evidence that the challenged claims are unpatentable. We also deny Patent Owner's Conditional Motion to Amend.

A. RELATED MATTERS

As required by 37 C.F.R. § 42.8(b)(2), each party identifies various judicial or administrative matters that would affect or be affected by a decision in this proceeding. Pet. 2–3; Paper 7, 2 (Patent Owner's Updated Mandatory Notices).

B. THE '137 PATENT

The '137 patent is titled "Method and Apparatus for Secure Access Payment and Identification" and describes ways to securely authenticate the identity of a plurality of users. Ex. 1101, codes (54), (57), 1:43–55.

The challenged patent describes a secure database called a "Universal Secure Registry" (USR), which can be used as "a universal identification system" and/or "to selectively provide information about a person to authorized users." *Id.* at 4:8–11. The '137 patent states that the USR database is designed to "take the place of multiple conventional forms of identification." *Id.* at 4:23–25. The '137 patent further states that various forms of information can be stored in the database to verify a user's identity and prevent fraud: (1) algorithmically generated codes, such as a time-varying multi-character code or an "uncounterfeitable token," (2) "secret information" like a PIN or password, and/or (3) a user's "biometric information," such as fingerprints, voice prints, an iris or facial scan, DNA analysis, or even a photograph. *See id.* at 14:1–7, 14:21–40, 44:54–61, Fig. 3.

The patent discloses a variety of embodiments including those in which a user is authenticated on a device using secret information (such a PIN code) and biometric information (such as a fingerprint), then the first device transmits information to a second device for further authentication. *See id.* at 29:21–44. The second device may verify the user's information and return an enablement signal to the first device. *Id.* at 33:20–34. Accordingly, the '137 patent discloses that the system can be used to selectively provide authorized users with access to perform transactions

involving various types of confidential information stored in a secure database. *See, e.g., id.* at 4:8–15.

C. Challenged Claims

Challenged claims 1 and 12 are independent. Claim 1 is illustrative of the claimed subject matter and is reproduced below, including Petitioner's square-bracketed annotations that segment the claim when mapping it to the prior art (*see* Pet. 20–41):

1. [p] A system for authenticating a user for enabling a transaction, the system comprising:

   [a] a first device including:

      a first processor, the first processor programmed to authenticate a user of the first device based on secret information and [b] to retrieve or receive first biometric information of the user of the first device;

      [c] a first wireless transceiver coupled to the first processor and programmed to transmit a first wireless signal including first authentication information of the user of the first device; and

      [d] a biometric sensor configured to capture the first biometric information of the user;

      [e] wherein the first processor is programmed to generate one or more signals including the first authentication information, an indicator of biometric authentication, and a time varying value in response to valid authentication of the first biometric information, and [f] to provide the one or more signals including the first authentication information for transmitting to a second device; and

      [g] wherein the first processor is further configured to receive an enablement signal from the second device; and

[h] the system further including the second device that is configured to provide the enablement signal indicating that the second device approved the transaction based on use of the one or more signals;

[i] wherein the second device includes a second processor that is configured to provide the enablement signal based on the indication of biometric authentication of the user of the first device, at least a portion of the first authentication information, and second authentication information of the user of the first device to enable and complete processing of the transaction.

Ex. 1101, 45:27–61.

D. GROUNDS OF UNPATENTABILITY

Petitioner asserts the following grounds of unpatentability based on the following evidence of record:

Claim(s) Challenged	Statutory Basis	References
1, 2, 6, 7, 9, and 12	§ 103(a)	Jakobsson[1] and Maritzen[2]
5	§ 103(a)	Jakobsson, Maritzen, and Niwa[3]

Pet. 20, 53, 63. Petitioner also relies on the Declaration of Dr. Victor Shoup (Ex. 1102). Pet. 9.

E. OBVIOUSNESS OVERVIEW

An invention is not patentable "if the differences between the subject matter sought to be patented and the prior art are such that the subject matter

[1] International Patent Application Publication No. WO 2004/051585, published June 17, 2004 (Ex. 1113).
[2] U.S. Patent Application Publication No. 2004/0236632, published November 25, 2004 (Ex. 1114).
[3] U.S. Patent No. 6,453,301, issued September 17, 2002 (Ex. 1117).

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