

UNITED STATES PATENT AND TRADEMARK OFFICE

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**BEFORE THE PATENT TRIAL AND APPEAL BOARD**

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APPLE INC.,

Petitioner,

v.

UNIVERSAL SECURE REGISTRY, LLC,

Patent Owner.

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Case IPR2018-00810

U.S. Patent No. 9,100,826

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

**Table of Contents**

	Page
I. INTRODUCTION .....	1
II. ARGUMENT .....	1
A. USR Proposes An Unreasonable Number Of Substitute Claims.....	1
B. USR Cannot Substitute Claims That Apple Did Not Challenge.....	2
C. Substitute Claim 56 Does Not Satisfy § 112.....	3
D. The Substitute Claims Would Have Been Obvious To A Person Of Ordinary Skill In The Art. ....	4
1. Substitute Claims 36-37 and 45-46 Are Obvious In View Of Maritzen, Jakobsson, Niwa, And Schutzer. ....	5
2. Substitute Claims 56, 57, And 60 Are Obvious Over Maritzen, Jakobsson, Niwa, Schutzer, And Burnett. ....	14
E. The Substitute Claims Are Drawn To Ineligible Subject Matter.....	18
1. <i>Alice</i> Step 1: The Substitute Claims Are Directed to the Abstract Idea Of Verifying an Account Holder's Identity Based On Codes And/Or Information Related to an Account Holder Before Enabling a Transaction.....	18
2. <i>Alice</i> Step 2: The Remaining Limitations Of The Substitute Claims Add Nothing Inventive To The Abstract Idea.....	22
F. USR Failed To Meet Its Duty Of Candor Under 37 C.F.R. § 42.11...24	24

## **I. INTRODUCTION**

USR's proposed amendments cannot save its invalid claims. USR's Conditional Motion to Amend ("CMTA") fails procedurally because, although it purports a one-for-one claim substitution, it in fact seeks to substitute 26 claims for 16 and to replace claims that Apple did not even challenge. The CMTA also fares no better on the merits, because USR's added limitations are well-known encryption and authentication techniques that existed in the prior art and would be obvious to combine. Accordingly, even if the specification supported all added limitations (which it does not), the substitute claims are obvious under § 103. Furthermore, USR has withheld from the Board prior art cited in a co-pending proceeding that invalidates multiple amendments that USR seeks to enter. Finally, the substitute claims are directed to patent ineligible subject matter. For at least these reasons, USR's CMTA should be denied.

## **II. ARGUMENT**

### **A. USR Proposes An Unreasonable Number Of Substitute Claims.**

A CMTA must submit a "reasonable number of substitute claims for each challenged claim." *Lectrosonics, Inc. v. Zaxcom, Inc.*, IPR2018-01129, -01130, Paper No. 15, Order, 4 (PTAB Feb. 25, 2019) (precedential). USR's attempt to replace 16 challenged claims with 26 new claims is unreasonable. By adding 10 more claims than Apple challenged, USR's 26 substitute claims disregard the

Petitioner's Opposition to Conditional Motion to Amend rebuttable presumption that a one-to-one ratio of substitute claims per challenged claims is reasonable. *See id.* at 4. Though USR acknowledges this presumption in its CMTA (Paper No. 19, 2), it does not attempt to demonstrate a need to submit more claims than Apple challenged. Instead, USR makes the following untrue assertion: “[c]onsistent with this presumption, the present Motion provides only *one substitute claim for each Challenged Claim.*” *Id.* at 2.<sup>1</sup> Twenty-six for sixteen is not one-to-one.

By failing to demonstrate a need for additional claims, USR waived its right to do so. That USR had no space to demonstrate need in its CMTA due to its reduced page limits is no excuse—the Board already informed USR here that USR “assumes the risk that it will not have sufficient space to make the preliminary showing required in a motion to amend.” Paper No. 16, Order, 2. Accordingly, the Board should deny USR’s amendment for failing to comply with the procedural requirements in 37 C.F.R. § 42.121(a)(3). *See SAP America, Inc. v. Lakshmi Arunachalam*, CBM2016-00081, Paper No. 28, 53-54 (PTAB Dec. 21, 2017) (holding that Patent Owner did not comply with §42.221(a)(3) when it failed to address a need for adding more claims than were challenged).

**B. USR Cannot Substitute Claims That Apple Did Not Challenge.**

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<sup>1</sup> Emphasis added unless otherwise indicated.

## Petitioner's Opposition to Conditional Motion to Amend

The Board should deny USR's CMTA because it seeks to substitute claims that were not challenged in the present Petition. 35 U.S.C § 316(d)(1) only allows a patent owner to amend "challenged" claims. Thus, USR has no statutory basis for substituting claims 38-41, 44, 47, 48, 51-55, 58, 59, and 61 for unchallenged claims 3-6, 9, 12, 13, 16-20, 32, 33, 35. Accordingly, the Board should dismiss USR's CMTA for failing to comply with § 316.

**C. Substitute Claim 56 Does Not Satisfy § 112.**

USR's attempt to demonstrate that the claimed encryption and decryption using the second key in substitute claim 56 satisfies § 112 is deficient because the written description does not support or enable the claimed symmetric second key.

USR bears the burden of "sett[ing] forth written description support in the originally-filed disclosure" "for each proposed substitute claim as a whole," and cannot introduce new matter into the claims. *Lectrosonics* at 7-8, 35 U.S.C. § 316(d)(3), 37 C.F.R. §§ 42.121(a)(2)(ii), 42.121(b). To satisfy the written description requirement, a patent specification must describe the claimed invention in sufficient detail that a POSITA can reasonably conclude that the inventor possessed the claimed invention. *See, e.g., Moba, B.V. v. Diamond Automation, Inc.*, 325 F.3d 1306, 1319 (Fed. Cir. 2003). USR fails to meet this requirement.

USR's alleged support for the claimed second key describes only *symmetric* encryption because the same *public key* is used to both encrypt and decrypt. *See,*

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