

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 IPR2018-00812

U.S. Patent No. 8,856,539

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

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## **I. INTRODUCTION**

USR's proposed amendments seek to cover methods and systems that Reber and/or Franklin expressly disclose, or that would have been obvious over Schutzer. USR's motion also tries to game the patent system by reintroducing claim elements relating to financial services that it previously disclaimed to avoid institution of a CBM proceeding. 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 be consistent with USR's 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 CBM2018-00023 (-023 CBM). Thus, USR's CMTA should be denied.

## **II. PROCEDURAL HISTORY**

### **A. USR Disclaimed Claims 5-8, 17-20, And 26-30 Of The '539 Patent To Avoid A CBM Petition.**

The present Petition, filed on April 12, 2018, challenged claims 1-3, 5-8, 16-24, 26-30, and 37-38 of the '539 patent as unpatentable under 35 U.S.C. § 103. Concurrently therewith, Petitioner filed the -023 CBM demonstrating the invalidity of claims 1-38 of the '539 patent under 35 U.S.C. § 101. *See Apple Inc. v. USR, LLC*, CBM2018-00023, Paper 3, Petition (PTAB Apr. 12, 2018). USR disclaimed claims 5-8, 17-20, and 26-30 on August 17, 2018 (Ex-2201), and argued in its POPR that its disclaimer rendered moot Petitioner's arguments related to these

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claims. *Apple Inc. v. USR, LLC.*, CBM2018-00023, Paper 9, POPR (PTAB Aug.  
21, 2018). This panel did not consider claims 5-8, 17-20, and 26-30 in either the  
institution decision in this proceeding or in denying institution of the -023 CBM.

**B. USR Reintroduces The Subject Matter It Disclaimed.**

USR now tries to take back its assertions to the Board by reintroducing  
subject matter plainly directed to covered business methods that it previously  
disclaimed in the -023 CBM proceeding. USR's substitute claim limitations 47[f]  
and 47[g] recite a "public ID code that *identifies a financial account*" and that can  
be used "to obtain the *financial account number* associated with the entity."  
Despite reintroducing financial subject matter, USR's CMTA makes no reference  
to its disclaimer of claims 5-8, 17-20, and 26-30.

**III. ARGUMENT**

**A. USR's Presentation of Substitute Claim 47 Is Improper For  
Multiple Reasons.**

**1. USR Failed To Meet Its Duty Of Candor Under 37 C.F.R. §  
42.11.**

As discussed above, USR's substitute limitations 47[f] and 47[g] recite a

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“public ID code”<sup>1</sup> for a “financial account number.” These limitations reintroduce financial subject matter that USR disclaimed to avoid CBM review of patent eligibility under § 101. By reintroducing these limitations now, USR has effected an end-run around the CBM review process. Though USR owed a duty of candor in its POR and CMTA, *see* 37 C.F.R. § 42.11; *Lectrosonics, Inc. v. Zaxcom, Inc.*, IPR2018-01129, -01130, Order, Paper No. 15, 5-6 (PTAB Feb. 25, 2019), USR failed to disclose that it planned to seek or had sought inconsistent positions before the Board. *See* 37 C.F.R. § 42.51(b)(1)(iii) (“[A] party must serve relevant information that is inconsistent with a position advanced by the party during the proceeding concurrent with the filing of the documents or things that contains the inconsistency.”). Accordingly, the Board should dismiss USR’s CMTA because USR violated its duty of candor.

**2. USR Is Estopped From Reintroducing The Financial Subject Matter From Disclaimed Claims 5-8, 17-20, And 26-30.**

“[W]here a party assumes a certain position in a legal proceeding, and

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<sup>1</sup> USR disclaimed a nearly identical “public ID code” limitation in the parallel IPR and CBM proceedings relating to U.S. Patent No. 9,530,137 (“’137 patent”) in order to avoid CBM review and to moot one of the obviousness grounds cited in the IPR. *See* IPR-2018-00809, Ex-1001, ’137 Patent, cl. 8; *see also Apple Inc. v. USR, LLC.*, IPR2018-00809, Exhibit-2003, Disclaimer (PTAB July 10, 2018).

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