

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,

Petitioner,

v.

UNIVERSAL SECURE REGISTRY LLC

Patent Owner

Case IPR2018-00812

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

**PATENT OWNER'S MOTION TO STRIKE
IMPROPER NEW EVIDENCE AND ARGUMENT**

As authorized by the Board, Patent Owner Universal Secure Registry, L.L.C. (“PO”) moves to strike belatedly proffered argument and evidence that Apple Inc. (“Petitioner”) waited to include in Petitioner’s conditional motion to amend sur-reply (Paper 36) (“MTA Sur-Reply”). Exhibit 2114, submitted herewith, is a version of Petitioner’s MTA Sur-reply that highlights the new argument and evidence that PO seeks to strike.

Both governing law and PTAB practice prohibit Petitioner from submitting argument in reply that could have presented earlier. Failure to strike these belated arguments is prejudicial as PO cannot respond to these new arguments.

I. THE BOARD SHOULD STRIKE APPLE’S BELATED ARGUMENT

The governing statute requires a petition to identify “*with particularity*...the evidence that supports the grounds for the challenge to each claim. . . .” 35 U.S.C. § 312(a)(3)(B) (emphasis added). The Trial Practice Guide (Aug. 2018 Update) (“TPG”) is in accord. *Id.* at 14 (“Petitioner *may not submit new evidence or argument* in reply that *it could have presented earlier*, e.g. to make out a prima facie case of unpatentability.”). *See also SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1356 (2018) (“*petitioner’s petition*, not the Director’s discretion, *is supposed to guide the life of the litigation.*”) (emphasis added); *cf. Dexcom, Inc. v. Waveform Techs., Inc.*, IPR2016-01680 (Paper 46) at 30 (PTAB Feb. 28, 2018) (excluding

evidence raised for first time in a reply brief), *aff'd Dexcom, Inc. v. Waveform Technologies, Inc.*, 760 Fed. Appx. 1023 (Fed. Cir. Apr. 3, 2019) (per curiam).

Here, Petitioner waited until its MTA Sur-Reply to introduce new motivations to combine for claim limitations 39[b] and 39[c] and new reasons why Reber and Franklin teach limitations 39[e]-[f]. There is no reason Apple could not have presented these arguments in its Opposition (Paper 29). The rules are clear; this tardy evidence should be stricken. *See* TPG at 18. Further, as PO cannot rebut this new argument with expert opinion, failure to strike would be highly prejudicial. *Cf. Realtime Data, LLC v. Iancu*, 912 F.3d 1368, 1373 (Fed. Cir. 2019); *Dexcom, Inc.*, IPR2016-01680 at 30.

A. New Motivations To Combine

First, Apple argues in its Opposition that a POSITA would combine Reber's first and second embodiments to achieve claim limitation 39[b]. Opp. at 4-5 (citing to Pet., 33-35). With respect to motivation to combine, Petitioner merely proffered a footnote. *See* Opp. n.2 ("As explained previously, the cited portions of Reber would have been obvious to combine. Pet., 23-31, 33-35; POR Reply II(A)(4)(b)."). Not only is such incorporation by reference prohibited (*see* 37 C.F.R. §42.6(a)(3)), the citation is to **12 pages** of the Petition and **several pages** of the Reply; thus, it is unclear to which motivations to combine Petitioner is

referring. Instead, Petitioner waited until the MTA Sur-Reply to explain the precise alleged reasons to combine. *See* Ex. 2114 at 3. PO objects to this new argument and evidence as prejudicial. Not only does this tactic circumvent an opposition’s page limits (37 C.F.R. § 42.24(b)(3)), it deprives PO of an opportunity to respond.

Second, Petitioner provides new arguments in its MTA Sur-Reply (Ex. 2114 at 5) as to why a POSITA would combine Reber and Franklin to achieve limitation 39[c] that it *failed to disclose* in its Opposition. *Compare* Opp. at 8 (“Incorporating the time information into Reber’s one-time code would have increased efficiency since it would have eliminated the need to separately receive time data with the transaction. A POSITA would have had a reasonable expectation of success because both Reber and Franklin disclose that various types of information can be ascertained from transmitted codes for use by the receiving party”) *with* MTA Sur-Reply at 5 (“For a POSITA designing a system in view of Reber and Franklin, the need to generate an identical MAC value for comparison and validation (as described in Franklin) and a transaction record with time information (as disclosed in Reber) would have supplied the necessary motivation (and expectation of success) to include a time value in the transaction request for extraction.”).

Petitioner also cannot argue these new motivations to combine are responsive—PO’s Reply carefully explained why Apple’s original motivations to

combine are unavailing. *See* MTA Reply (Paper 34) at 6-11. Petitioner’s failure to provide persuasive reasons why a POSITA would combine Reber and Franklin in its Opposition does not warrant introducing new, unrelated motivations to combine in its MTA Sur-reply. Accordingly, these new arguments should be stricken.

B. New Arguments for Validate *Then* Restrict Access Limitation

Regarding claim limitation 39[e]-[f], Petitioner’s Opposition only argued that “a POSITA would have found it obvious to use the received transaction data of Reber to ensure both that the merchant is trustworthy [**validate an identity of the provider**] and is entitled to access the data needed to conduct the transaction [**restriction mechanism/access restrictions**].” Opp. at 8-9 (emphasis in original). The MTA Sur-Reply took a new direction, arguing “Franklin discloses that once a merchant is validated, the secure registry also compares the received MAC to a generated test MAC to ensure that the transacting parties are entitled to access the data needed to complete the transaction. *Id.* at ¶25; Ex-1132, Franklin, 12:17-27.” Ex. 2114 at 7. The Opposition’s argument that Reber’s transaction data ensures both that the merchant is trustworthy and entitled to data access is unrelated to the MTA Sur-Reply’s argument that Franklin compares MAC values to each other.

Likewise, Petitioner waited until the MTA Sur-Reply to argue that “Reber and Franklin perform both claimed steps in the same way as embodiments of the

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