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

PETITIONER APPLE INC.'S OPPOSITION TO PATENT OWNER'S MOTION TO STRIKE

Contents

I. INTRODUCTION

Patent Owner Universal Secure Registry's ("USR") motion to strike ("MTS") is yet another attempt to avoid having the patentability of the proposed substitute claims resolved on their merits. All of Apple's supposed "new" arguments in its CMTA Surreply were disclosed before, and are supported by pin-cites to prior briefs and declarations discussing the same points. Furthermore, these arguments are proper for the additional reason that they are directly responsive to USR's CMTA Reply. Because USR has already had a full and fair opportunity to respond to Apple's arguments, USR has suffered no prejudice, and its MTS should be denied.

II. ARGUMENT

A. Apple's Arguments Regarding Motivation To Combine Are Not New And Should Not Be Stricken.

USR's arguments with respect to limitations 39[b] and 39[c] should be rejected because (1) Apple previously explained why a POSITA would have been motivated to combine Reber and Franklin to satisfy these limitations, (2) USR already had an opportunity to respond to Apple's arguments, and (3) Apple's arguments are directly responsive to new arguments made in USR's Reply.

With respect to limitation 39[b], which requires the claimed "transaction request" be received "from the provider," USR is incorrect to suggest that Apple waited until its CMTA Surreply to argue that Franklin's teaching of merchant

validation would have provided a motivation to modify Reber. MTS at 2. To the contrary, Apple's Surreply cites to Dr. Shoup's prior declaration where he explained that "[i]n view of Franklin's disclosure that a merchant must be validated prior to conducting a transaction, a POSITA would have been motivated to modify the preferred transaction methods disclosed in Reber." CMTA Surreply at 3 (citing Ex-1135, Shoup-Decl., ¶47). Although the cited declaration from Dr. Shoup was directed to the original (not the substitute) claims, it is relevant because USR has offered a construction of "the provider requesting the transaction" that would give the original claim substantially the same scope as the proposed substitute claim. *See* POR at 56 ("the transaction request be sent from the provider to the secure registry"). Moreover, because USR had an opportunity to (and actually did) respond to Dr. Shoup's motivation to combine argument in its POR Surreply, USR has no basis to claim prejudice. POR Surreply at 26-27 ("A POSITA would not look to Franklin to make such a modification to Reber."); *see Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1064, 1081 (Fed. Cir. 2015) (patent owners can respond to evidence submitted on reply, including by submitting a surreply).

Furthermore, Apple's explanation of the motivation to combine Franklin and Reber in its CMTA Surreply is directly responsive to USR's argument, made in its CMTA Reply, that Apple's motivation to combine was insufficient. CMTA Reply at 4-6. Such responsive arguments are permitted. *Anacor Pharm., Inc. v. Iancu*,

889 F.3d 1372, 1380-81 (Fed. Cir. 2018) (petitioner "may introduce new evidence after the petition stage if the evidence is a legitimate reply to evidence introduced by the patent owner . . . ."); *Idemitsu Kosan Co. v. SFC Co.*, 870 F.3d 1376, 1381 (Fed. Cir. 2017) (petitioner need not "preemptively" address arguments).

Turning to limitation 39[c], USR incorrectly contends that Apple offered new motivations to combine Reber and Franklin to "extract" a "time value" from the received transaction request. MTS at 3. Here again, Apple's CMTA Opposition and Dr. Shoup's supporting declaration disclosed the same motivation to combine discussed in the CMTA Surreply, which is based on the similarity between Reber's validation of the second data element and Franklin's validation of a received MAC by comparison with a received MAC. *See* Ex-1136, Shoup Decl. ¶25 (explaining that "[a] POSITA would have looked to Franklin" in part because of its disclosure of a test MAC for which a time value is needed). USR cannot claim that it lacked an opportunity to address these arguments. *Anacor Pharm.,* 889 F.3d at 1380-81. Moreover, Apple's Surreply was permissible because it directly responded to and explained the relevance of USR's admission in its CMTA Reply that Franklin's transaction request includes "the transaction date and time as part of transaction-specific data." CMTA Surreply at 5 (citing CMTA Reply at 9).

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