

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,

Petitioner,

v.

UNIVERSAL SECURE REGISTRY, LLC,

Patent Owner.

Case IPR2018-00813

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

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

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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. Thus, even if the specification supported all added limitations (it does not), the substitute claims are obvious. USR has also withheld from the Board prior art cited in a co-pending proceeding that invalidates multiple substitute limitations. 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 CMTA disregards the 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 (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 2.¹ 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.

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

¹ Emphasis added unless otherwise indicated.

Petitioner's Opposition to Conditional Motion to Amend 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 has written description support is deficient because the written description either does not support or enable the claimed symmetric second key.

USR bears the burden of "set[ting] 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 (precedential), 35 U.S.C. § 316(d)(3), 37 C.F.R. §§ 42.121(a)(2)(ii), 42.121(b). The '826 patent specification does not describe the claimed invention in sufficient detail that a POSITA can reasonably conclude that the inventor had possession of the claimed invention. *See, e.g., Moba, B.V. v. Diamond Automation, Inc.*, 325 F.3d 1306, 1319 (Fed. Cir. 2003). Thus, USR has failed 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, e.g., Ex-2106, '860 Application*, 49:24-32 (encrypting a DES key with a public

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