

**UNITED STATES PATENT AND TRADEMARK OFFICE**

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**BEFORE THE PATENT TRIAL AND APPEAL BOARD**

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VISA INC., and VISA U.S.A. INC.,  
APPLE, INC.,  
*Petitioners,*

v.

UNIVERSAL SECURE REGISTRY LLC  
*Patent Owner*

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Case No. IPR2018-01350<sup>1</sup>  
U.S. Patent No. 8,856,539

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

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<sup>1</sup> Apple Inc., which filed a petition in IPR2019-00727, has been joined as a party to this proceeding

Patent Owner Universal Secure Registry, L.L.C. (“PO”) moves to strike belatedly proffered argument and evidence that VISA INC. and VISA U.S.A. INC. (collectively, “Petitioner” or “VISA”) waited to include in Petitioner’s conditional motion to amend sur-reply (Paper 24) (“MTA Sur-Reply”). Exhibit 2013 highlights the new argument and evidence PO seeks to strike.

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

#### **I. THE BOARD SHOULD STRIKE VISA’S BELATED ARGUMENT**

The governing statute and practice guide require 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) at 14; *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 purported

motivations to combine for claim limitations 39[e] and 47[b] and new reasons why Desai allegedly teaches those limitations. There is no reason Petitioner could not have presented these arguments in its Opposition (Paper 17). *See Apple Inc., VISA Inc., and VISA U.S.A., Inc. v. Universal Secure Registry, LLC*, IPR2018-00810 at 17-18 (Paper 42) (PTAB Oct. 7, 2019) (“it would be a proper exercise of our discretion not to consider these [new] arguments.”). The rules are clear; tardy evidence should be stricken. *See TPG* at 18. As PO does not have an opportunity to rebut these new arguments, failure to strike is highly prejudicial. *Cf. Realtime Data, LLC v. Iancu*, 912 F.3d 1368, 1373 (Fed. Cir. 2019).

**A. New Motivations To Combine**

Petitioner’s Opposition argues “Pare also discloses merchant validation....” MTA Opp. at 10. However, it fails to proffer a motivation to combine Pare with the other references for Pare’s alleged disclosure of merchant validation through a Valid Apparatus Database. *See id.* at 10, 17-21. Nowhere does the Opposition state that the same reasons to combine Desai with the other references *also* apply to Pare’s alleged teaching. PO’s Reply notes such failure. MTA Reply at 18-19, n.4.

Petitioner’s MTA Sur-Reply responds, “Petitioner cited Pare to show it is consistent with Desai, and Petitioner provided a reason to incorporate validation into the combination. Opp. 10, 17 (explaining merchant validation was optimal

way of incorporating granular access controls).” Ex. 2013 at 9. To the extent Petitioner is arguing that motivations to combine Desai with the other references also apply to its combination using Pare (*e.g.*, “merchant validation was optimal way of incorporating granular access controls”), such arguments are new and should be struck. Petitioner’s failure to provide any reasons in its Opposition why a POSITA would combine Pare with the other references for an alleged disclosure of merchant validation through the Valid Apparatus Database does not warrant introducing new, unrelated motivations to combine in its MTA Sur-reply.

**B. New Arguments: Desai Teaches Limitations 39[e] and 47[b]**

Regarding claim limitations 39[e] and 47[b] (validating an identity of the provider), Petitioner’s Opposition only argued that Desai discloses these limitations because registered users—whether they are customers that store sensitive data in Desai’s database or merchants that only access such stored data—are “validated using, for example, cookies or other electronic data transfer protocols.” Opp. at 10 (citing Desai at 18:63-64).

PO’s MTA Reply explained that col. 18, lines 63-64 of Desai discuss the “AUTH\_USER” field that is part of the ZKEY software system. MTA Reply at 17. PO further argued that “nowhere in Desai’s discussion about the ZKEY system does Desai explain how the **AUTH\_USER field is used or how ‘cookies’** are used

to verify users of the ZKEY system.” *Id.* (citing Desai at 18:1-31:23 and FIGS. 16-51). The MTA Reply also explained that Desai’s KMS database, which requires that merchants use their private keys to access data stored on the KMS, does not validate merchants’ identities using cookies. MTA Reply at 17-18.

Petitioner’s MTA Sur-reply abandons the Opposition’s original argument and fails to respond to the MTA Reply’s position that Desai’s “cookies” and the AUTH\_USER field do not validate merchant identities. Rather, the MTA Sur-reply introduces *new arguments* concerning a “sign up process” that “involves ‘enter[ing] a universal identification code’” to “uniquely identify the new member.” Ex. 2013 at 9 (citing Desai at FIGS. 41, 42, 21:15-18, 27:36-28:17). And while PO cited to 18:1-31:23 and FIGS. 16-51 of Desai to show that nowhere in Desai is there a disclosure of how AUTH\_USER and “cookies” allegedly validate merchant identities, Petitioner instead relies on 27:36-28:17 and FIGS. 41-42 of Desai to advance its new “sign up process” argument that does not address Desai’s discussion of “cookies” or the AUTH\_USER field. Indeed, nowhere in its MTA Sur-reply does Petitioner ever reference AUTH\_USER or “cookies or other electronic data transfer protocols” again. *See* MTA Reply. Accordingly, Petitioner’s new arguments concerning the “sign up process” should be struck. *See* Exhibit 2013.

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