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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

UNILOC 2017 LLC,
Patent Owner.

IPR2019-01337
Patent 7,136,999 B1

Before JENNIFER S. BISK, MIRIAM L. QUINN, and CHRISTOPHER C. KENNEDY, *Administrative Patent Judges*.

BISK, *Administrative Patent Judge*.

JUDGMENT
Final Written Decision
Determining Some Challenged Claims Unpatentable
35 U.S.C § 318(a)

I. INTRODUCTION

Apple Inc. ("Petitioner") filed a Petition requesting an *inter partes* review of claims 1–17 of U.S. Patent No. 7,136,999 B1 (Ex. 1001, "the '999 patent"). Paper 2 ("Pet."). Uniloc 2017 LLC ("Patent Owner"), identified as a real party-in-interest to the '999 patent (Paper 4, 1), filed a Preliminary Response to the Petition. Paper 6 ("Prelim. Resp."). We instituted this review as to all challenged claims. Paper 7 ("Inst. Dec.").

Subsequent to institution, Patent Owner filed a Patent Owner Response. Paper 9 ("PO Resp."). Petitioner filed a Reply. Paper 10 ("Reply"). And Patent Owner filed a Sur-Reply. Paper 11 ("Sur-Reply"). An oral hearing was held on October 21, 2020. Paper 21 ("Tr.").

This Final Written Decision is entered pursuant to 35 U.S.C. § 318(a). We have jurisdiction under 35 U.S.C. § 6. For the reasons that follow, Petitioner has demonstrated by a preponderance of the evidence that claims 1, 2, 4, 5, 7–10, 13–15, and 17 of the '999 patent are unpatentable, but has not demonstrated that claims 3, 6, 11, 12, and 16 are unpatentable.

II. BACKGROUND

A. Related Matters

The parties identify several district court cases involving the '999 patent. Pet. 1–2; Prelim. Resp. 8.[1] Institution was denied in IPR2020-00117, which also challenged the '999 patent. IPR2020-00117, Paper 11 (PTAB May 28, 2020).

[1] The Preliminary Response does not have page numbers.

B. The '999 Patent

The '999 patent, titled Method and System for Electronic Device Authentication, issued November 14, 2006. Ex. 1001, codes (45), (54). In particular, the '999 patent describes the process of authenticating devices using Bluetooth. *Id.* at 1:11–59. Specifically, according to the '999 patent, to establish a link using Bluetooth when the devices are less than 100 meters apart, a user enters the same numerical code (key) in the two devices, the devices then communicate to verify that the numbers match, and, if so, each device stores the key and uses it to authenticate the two devices for any subsequent Bluetooth link between them. *Id.* at 1:39–53. The '999 patent also describes basic authentication over wide area networks, including the Internet, which typically requires a user to enter a user ID and password combination. *Id.* at 1:60–67.

The '999 patent recognizes that once two devices are authenticated on a restricted network, using an authentication scheme such as Bluetooth, the two devices can be re-connected through another, unrestricted network, such as the Internet by, for example, reusing the stored restricted network authentication information. *Id.* at 2:24–30, 2:43–49, 4:40–55. According to the '999 patent, security is maintained because the initial authentication and exchange of key information occurs in the secure system, for example, in a context where physical proximity is required. *Id.* at 4:56–64.

C. Illustrative Claims

Claims 1, 13, 14, and 17 are independent. Claims 1 and 13 are illustrative of the subject matter at issue and read as follows:

1. A method of authenticating first and second electronic devices, comprising:

upon link set-up over a short-range wireless link, executing an authentication protocol by exchanging authentication information between the first and second electronic devices to initially authenticate communication between the first and second devices;

later, when the first and second electronic devices are beyond the short-range wireless link, executing the authentication protocol *by exchanging the authentication information* between the first and second electronic devices over an alternate communications link, then only allowing communication between the first and second devices if the first and second devices had initially been successfully authenticated.

13. A method of authenticating first and second electronic devices, comprising:

upon link set-up over a first link, executing an authentication protocol by exchanging authentication information between the first and second electronic devices to initially authenticate communication between the first and second devices;

later, when the first and second electronic devices are connected using a second link, executing the authentication protocol *by exchanging the authentication information* between the first and second electronic devices over the second link, then only allowing communication between the first and second devices if the first and second devices had initially been successfully authenticated.

Ex. 1001, 5:17–31, 6:1–14 (emphases added to disputed limitation). Claims 14 and 17—and, therefore, all challenged claims—contain a limitation substantially similar to that emphasized above. *See id.* at 6:22–23, 6:47.

D. Proposed Grounds of Unpatentability

Claim(s) Challenged	35 U.S.C. §[2]	Reference(s)/Basis
1–3, 6–8, 11–14, 16, 17	103	Varadharajan[3]
1, 2, 4, 5, 7–10, 13–15, 17	103	Varadharajan and BT Core[4]
13	103	Hind[5]

Pet. 4, 8–68. Petitioner also relies on two Declarations of Jon Weissman Ph.D. Ex. 1006; Ex. 1013 (Supplemental Declaration filed with the Reply).

Petitioner asserts that Varadharajan is prior art to the '999 patent under 35 U.S.C. § 102(b), BT Core is prior art under § 102(a), and Hind is prior art under § 102(e). *Id.* at 3, 30–31 (citing Ex. 1008 (the Declaration of Michael Foley) along with Exs. 1006, 1009, and 1010–12 to show the public accessibility of BT Core). Patent Owner does not challenge the prior art status of any cited reference. On this record, we determine the references

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[2] Because the application leading to the '999 patent was filed before March 16, 2013, patentability is governed by the version of 35 U.S.C. § 103 preceding the Leahy-Smith America Invents Act ("AIA"), Pub L. No. 112–29, 125 Stat. 284 (2011).
[3] U.S. Patent No. 5,887,063 (filed July 29, 1996, issued March 23, 1999) (Ex. 1003).
[4] *Specification of the Bluetooth System*, Wireless Connections Made Easy, Core, Volume 1, Version 1.0B, (December 1, 1999) (Ex. 1004).
[5] U.S. Patent No. 6,772,331 B1 (filed May 21, 1999, issued Aug. 3, 2004) (Ex. 1005).

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