

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

FINTIV, INC.,
Patent Owner.

IPR2020-00019
Patent 8,843,125 B2

Before WILLIAM M. FINK, *Vice Chief Administrative Patent Judge*, and
LINDA E. HORNER and LYNNE E. PETTIGREW, *Administrative Patent
Judges*.

HORNER, *Administrative Patent Judge*.

DECISION

Denying Institution of *Inter Partes* Review
35 U.S.C. § 314, 37 C.F.R. § 42.4

I. INTRODUCTION

Petitioner, Apple Inc., filed a Petition requesting *inter partes* review of claims 11, 13, 14, 16–18, and 20–25 of U.S. Patent No. 8,843,125 B2 (Ex. 1001, “the ’125 patent”). Paper 1 (“Pet.”). Patent Owner, Fintiv, Inc., filed a Preliminary Response. Paper 10 (“Prelim. Resp.”). In its Preliminary

Response, Patent Owner requests that the Board apply its discretion under 35 U.S.C. § 314(a) to deny institution of the requested proceeding due to the advanced state of a parallel district court litigation, in which the same issues have been presented and trial has been set for November 16, 2020. Prelim. Resp. 22–26 (citing *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential, designated May 7, 2019)). Although Petitioner addressed the issue briefly in the Petition, at that time no trial date had been set. *See* Pet. 7. In light of the change in status of the parallel proceeding, the Board ordered supplemental briefing on the issue of discretionary denial under 35 U.S.C. § 314(a) to give Petitioner an opportunity to respond. Paper 11. This Order, which is now precedential, discussed the factors relevant to the Board’s decision on whether to apply its discretion under 35 U.S.C. § 314(a) to deny institution. *Id.* (“Order” or “Precedential Order”). Petitioner filed a Reply to Patent Owner’s Preliminary Response to address the issue of discretionary denial. Paper 12 (“Reply”). Patent Owner filed a Sur-Reply to Petitioner’s Reply. Paper 13 (“Sur-Reply”).

Upon consideration of the parties’ briefing, and for the reasons explained below, we exercise our discretion under 35 U.S.C. § 314(a) and deny institution of *inter partes* review.

II. BACKGROUND

A. *Real Parties in Interest*

Apple Inc. identifies itself as the real party-in-interest. Paper 1, 4. Fintiv, Inc. identifies itself as the real party-in-interest. Paper 4, 1.

B. *Related Matter*

Petitioner and Patent Owner identify the following related matter:
Fintiv, Inc. v. Apple Inc., Case No. 6:18-cv-00372, filed in the United States

District Court for the Western District of Texas on December 21, 2018.
Paper 1, 4; Paper 4, 1.

C. The '125 Patent

The '125 patent relates to management of virtual cards stored on mobile devices. Ex. 1001, 1:25–26. Specifically, the '125 patent “provides a mobile device to store a mobile wallet application and a wallet management system to store corresponding wallet application information.” *Id.* at 2:55–58. The patent also provides a method for provisioning a wallet application, a contactless card applet, a wallet management applet, and a widget, and a method for synchronizing a mobile wallet application with the wallet management system. *Id.* at 2:58–63.

Figure 1 below shows a mobile wallet system according to the '125 patent.

Fig. 1

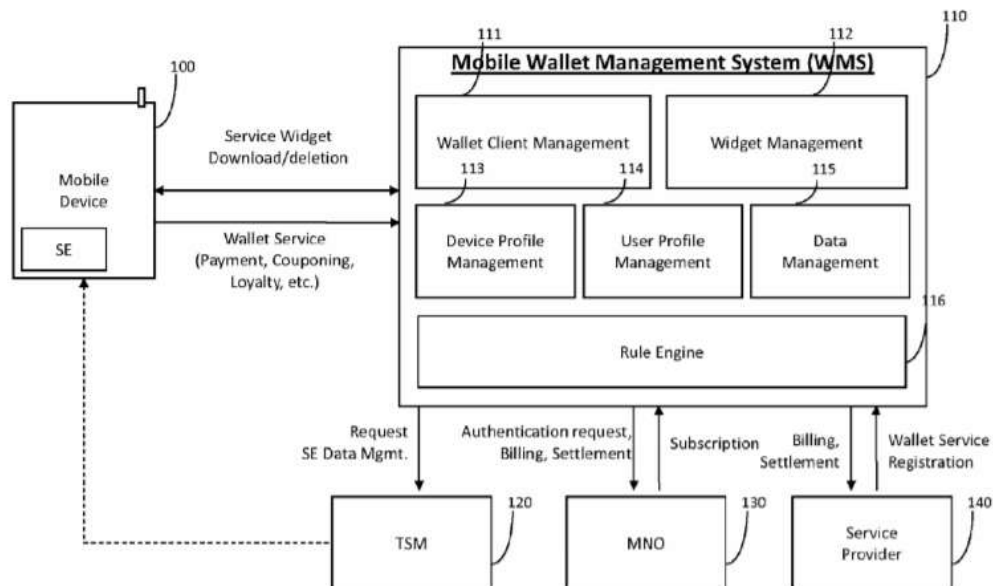


Figure 1 is a system diagram of a mobile wallet system and associated integration. Ex. 1001, 4:44–45. As shown in Figure 1, the mobile wallet system includes mobile device 100 and wallet management system (WMS) 110. *Id.* at 4:48–49. WMS 110 is supported by trusted service manager (TSM) system 120, mobile network operator 130, and service provider 140. *Id.* at 4:48–51.

Figure 2 below shows installation of a wallet application on a mobile device.

Fig. 2. Install Wallet Application

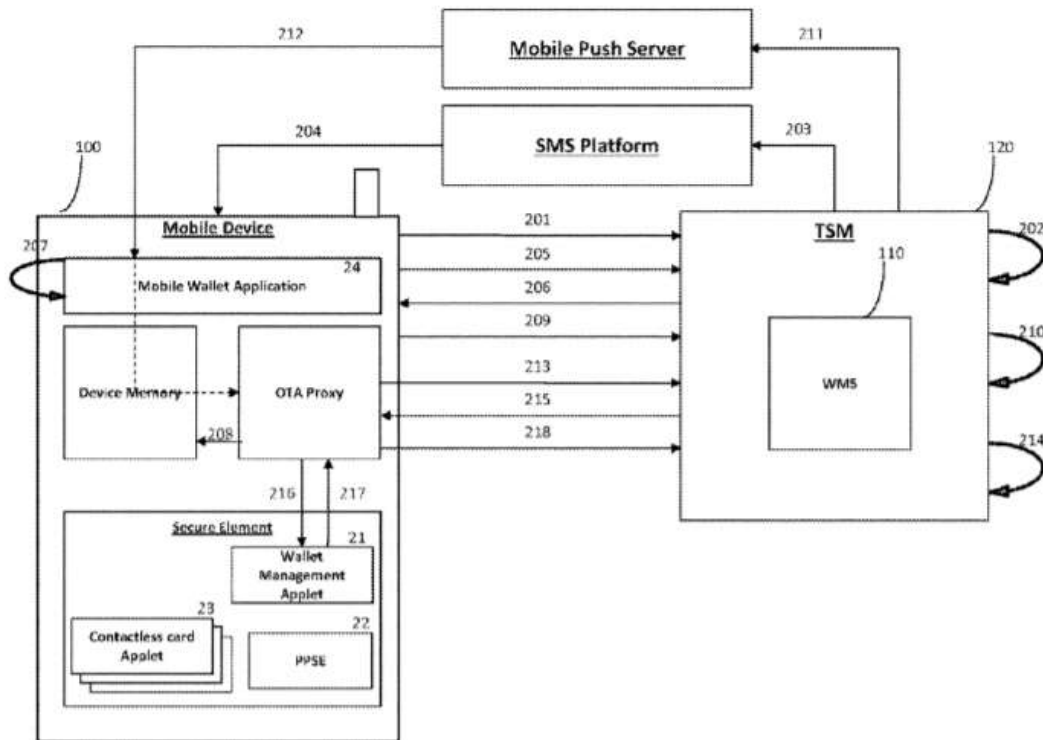


Figure 2 is a system diagram illustrating a system and method for installing a mobile wallet application on the mobile device and correlating wallet management applet in the secure element (SE) of the mobile device. *Id.* at 5:49–52.

The '125 patent also describes that the system can dynamically filter a list of mobile widget applications that are available for installation based on corresponding mobile device attributes. *Id.* at 10:9–12, Fig. 4. Specifically, rule engine 116 of WMS 110 may be used to display to mobile device 100 a filtered list of downloadable applications. *Id.* at 10:18–26. Downloadable applications include contactless card applets 23 housed in TSM system 120. *Id.* at 10:35–36. The '125 patent describes that “by providing an active dynamic filtering mechanism at the TSM system 120 level, all of the parties involved in such transaction need to make only a general request to the TSM system 120 to access and to provide customer specific services.” *Id.* at 10:63–67.

The '125 patent also describes that the system synchronizes mobile wallet application 24 in mobile device 100 with TSM 120. *Id.* at 11:5–7, Fig. 5. Specifically, TSM system 120 stores the master configuration of mobile wallet application 24, which may be changed by service providers from time-to-time. *Id.* at 11:13–18. When the user logs into mobile wallet application 24, the application checks with TSM system 120 for any modifications to the wallet configuration since the last login by the user. *Id.* at 11:35–39. If updates are needed, the user will be prompted to make the update. *Id.* at 11:48–50. While mobile wallet application 24 is active, any modifications made in the application itself will be updated in WMS 110. *Id.* at 11:54–57.

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