

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

UNIFIED PATENTS, LLC,
Petitioner,

v.

AUTHWALLET LLC,
Patent Owner.

IPR2021-01260
Patent 9,292,852 B2

Before LYNNE H. BROWNE, KEVIN W. CHERRY, and
ARTHUR M. PESLAK, *Administrative Patent Judges*.

CHERRY, *Administrative Patent Judge*.

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

I. INTRODUCTION

This is a Final Written Decision in an *inter partes* review challenging the patentability of claims 1–9, 11–22, 24–35, and 37–40 (collectively, “the challenged claims”) of U.S. Patent No. 9,292,852 B2 (“the ’852 patent,” Ex. 1001). We have jurisdiction under 35 U.S.C. § 6. We issue this Final Written Decision under 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73. For the reasons that follow, we determine that Petitioner demonstrates, by a preponderance of the evidence, that claims 1–9, 11–22, 24–35, and 37–40 are unpatentable.

A. Procedural History

Unified Patents, LLC (“Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting an *inter partes* review under 35 U.S.C. § 311. Authwallet, LLC (“Patent Owner”) filed a Preliminary Response (Paper 7, “Prelim. Resp.”). On February 3, 2022, we instituted an *inter partes* review of the challenged claims. Paper 8 (“Institution Decision” or “Dec.”).

Following institution, Patent Owner filed a Response (Paper 10, “PO Resp.”), Petitioner filed a Reply (Paper 15, “Reply”).¹

Petitioner relies on the Declaration of Dr. Clifford Neuman (Ex. 1003, “Neuman Decl.”) and the Supplemental Declaration of Dr. Clifford Neuman (Ex. 1033, “Supp. Neuman Decl.”). Patent Owner relies on the Declaration of Perry Landers (Ex. 2001) filed with the Preliminary Response and the Declaration of Perry Landers (Ex. 2007) filed with the Response.

¹ Patent Owner filed a Sur-Reply that failed to comply with the word limits and type limits in our rules. *See* Paper 23. Patent Owner withdrew the Sur-Reply and did not file a replacement. *See id.*

We heard oral argument on November 16, 2022, and the record includes a transcript of the argument. Paper 30 (“Tr.”).

B. Related Matters

The parties identify the following pending litigation involving the patent at issue: *AuthWallet, LLC v. Square, Inc.*, No. 1-21-cv-05463 (S.D.N.Y.). Pet. 80; Paper 4, 2.

C. The ’852 Patent (Ex. 1001)

The ’852 patent is titled “System and Method for Applying Stored Value to a Financial Transaction.” Ex. 1001, (54). The ’852 patent, issued from Application Serial No. 12/859,213, filed on August 18, 2010, is a continuation-in-part of Application Serial No. 12/557,457, filed on September 10, 2009, and claims priority to Provisional application No. 61/112,749, filed on November 8, 2008. *Id.* at (21), (22), (60), and (63).

The ’852 patent explains that the “average consumer may pay for purchases using multiple payment instruments, such as credit cards, debit cards, and gift cards,” but that managing multiple payment instruments can be complicated and cumbersome, because each instrument has a separate “token” or set of identifying information. *Id.* at 1:62–2:3. To address this, the patent describes a transaction processing service which operates as an intermediary, between acquirers of financial transaction requests and issuing institutions that process the financial transaction requests. *Id.* at 2:47–51.

The claimed service operates as follows: “To initiate a transaction, a customer presents a card or token containing unique identifying information to a merchant in order to pay for a purchase.” *Id.* at 2:64–66. The merchant transmits the unique identifying information to an acquirer in an initial authorization request. *Id.* at 3:2–6. The acquirer recognizes the request as

associated with an “intermediary service,” and transmits it to that service. The “intermediary service authenticates the request and retrieves stored customer information from a database based on the identifying information,” where the “stored customer information includes an address of the customer’s mobile device, a reference to one or more payment instruments associated with the customer, and a verification code.” *Id.* at 3:6–16.

The “intermediary service” transmits a transaction notification message to the customer’s mobile device, using the retrieved address of the device. “If the customer authorizes the transaction by confirming the transaction, or confirming the transaction and providing a correct verification code, the intermediary service transmits an information request to the issuing institution of a payment instrument that is to be used to complete the transaction.” *Id.* at 3:51–55. In addition, the “intermediary service allows a customer to easily select among multiple payment instruments while using a single token or identifier at the time of payment,” because the “intermediary service may maintain a record of a set of payment instruments that are available to each customer.” *Id.* at 3:62–4:5.

The “intermediary service” also provides for the use of a “stored value” for the customer to pay for transactions, where a “stored value item has an associated value, which may be stored as a currency amount . . . or as a percentage of a transaction amount (e.g., a 10% off coupon),” or “points.” *Id.* at 4:38–50.

D. Illustrative Claim

Claims 1, 15, and 28 are independent claims. Claim 1, reproduced below with Petitioner’s labels added, is representative of the subject matter before us:

1. [1(p)] A computer-implemented method for processing financial transaction data in a computing system including a processor and a storage area, the method comprising:

[1(a)] receiving an authorization request generated as a result of a transaction by a purchaser at a point of purchase via an acquirer configured to receive authorization requests from a plurality of points of purchase, wherein the authorization request includes a purchaser identifier and transaction information, the transaction information including a transaction amount, and wherein the purchaser identifier identifies the purchaser that initiated the transaction;

[1(b)(i)] based on the authorization request, determining one or more stored value items to apply to the transaction, wherein each stored value item includes an associated value,

[1(b)(ii)] wherein the one or more stored value items are selected from a plurality of stored value items stored in the storage area, and

[1(b)(iii)] wherein the plurality of stored value items includes stored value items provided by a plurality of different third parties;

[1(c)] transmitting a transaction indication message to a mobile device associated with the purchaser identifier, wherein the transaction indication message includes information about the determined one or more stored value items;

[1(d)] receiving an indication from a user of the mobile device that at least one stored value item should be applied against the transaction;

[1(e)] applying the indicated at least one stored value item to pay a first portion of the transaction amount; and

[1(f)] initiating a payment process to pay a remaining portion of the transaction amount by providing a modified transaction amount to the acquirer for submission to a payment association.

Ex. 1001, 32:46–33:13; Pet. 16–44.

E. Asserted Unpatentability Challenges

We instituted an *inter partes* review of the challenged claims on the following grounds of unpatentability:

Claims Challenged	35 U.S.C. § ²	References/Basis
1–4, 7–9, 11–17, 20–22, 24–30, 33–35, 37–40	103(a)	Nobrega ³ , Keith ⁴ , Hansen ⁵
5, 6, 18, 19, 31, 32	103(a)	Nobrega, Keith, Hansen, Churchill ⁶

II. ANALYSIS

A. Legal Standards

To prevail in its challenge, Petitioner must demonstrate by a preponderance of the evidence that the claims are unpatentable. 35 U.S.C. § 316(e); 37 C.F.R. § 42.1(d) (2020). A claim is unpatentable under 35 U.S.C. § 103(a) if the differences between the claimed subject matter and the prior art are such that the subject matter, as a whole, would have been obvious at the time of the invention to a person having ordinary skill in the art. *KSR Int’l Co. v. Teleflex, Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including: (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of skill in

² Because the claims at issue have an effective filing date before March 16, 2013, the effective date of the applicable provisions of the Leahy Smith America Invents Act, Pub. L. No. 112–29, 125 Stat. 284 (2011) (“AIA”), we apply the pre-AIA version of 35 U.S.C. § 103 in this decision.

³ US 7,292,996 B2, issued Nov. 6, 2007 (Ex. 1004).

⁴ US 2007/0174116 A1, published July 26, 2007 (Ex. 1005).

⁵ US 2007/0011044 A1, published Jan. 11, 2007 (Ex. 1006).

⁶ US 7,461,022 B1, issued Dec. 2, 2008 (Ex. 1007).

the art; and (4) objective evidence of nonobviousness, i.e., secondary considerations. *See Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966). Subsumed within the *Graham* factors is the requirement that the skilled artisan would have had a reasonable expectation of success in combining the prior art references to achieve the claimed invention. *Pfizer, Inc. v. Apotex, Inc.*, 480 F.3d 1348, 1361 (Fed. Cir. 2007). “Obviousness does not require absolute predictability of success. . . . [A]ll that is required is a reasonable expectation of success.” *In re O’Farrell*, 853 F.2d 894, 903–04 (Fed. Cir. 1988).

Moreover, “[the] combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *KSR*, 550 U.S. at 416. “If a person of ordinary skill can implement a predictable variation, . . . § 103 likely bars its patentability.” *Id.* at 417.

B. Level of Ordinary Skill in the Art

Petitioner asserts that a person having ordinary skill in the art would have had “(1) an undergraduate degree in computer science, computer engineering, or similar technical field; and (2) one to two years of experience in the analysis, design, or development of electronic payment systems, with additional education substituting for less experience and vice versa.” Pet. 5 (citing Ex. 1003 (Neuman Decl.) ¶¶ 68–71). We applied this level of ordinary skill in the art in our Institution Decision. Dec. 6–7.

For purposes of this Final Written Decision, we maintain our determination from the Institution Decision because neither party disputes that determination, and that level of ordinary skill is consistent with the record. *See* Resp. 17 (applying Petitioner’s level of ordinary skill).

C. *Claim Construction*

In an *inter partes* review, we construe claims “in accordance with the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent.” 37 C.F.R. § 42.100(b). Furthermore, we expressly construe the claims only to the extent necessary to resolve the issues presented in this case. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co. Ltd.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (“[W]e need only construe terms ‘that are in controversy, and only to the extent necessary to resolve the controversy.’” (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999))).

In its Petition, Petitioner proposes construction for the term “stored value item.” Pet. 6. In its Preliminary Response, Patent Owner proposed constructions for “based on the authorization request, determining one or more stored value items to apply to the transaction,” and “transmitting a transaction indication message to a mobile device associated with the purchaser identifier.” Prelim. Resp. 6–15.

In our Decision on Institution, we adopted Petitioner’s construction of “stored value item”— “‘a particular unit of stored value that may be applied to pay a portion of a transaction’ and should expressly include a coupon.” Dec. 8. We also declined to adopt Patent Owner’s constructions for “based on the authorization request, determining one or more stored value items to apply to the transaction,” and “transmitting a transaction indication message to a mobile device associated with the purchaser identifier.” *Id.* at 8–13.

In post-Institution proceedings, Patent Owner continues to seek construction of “purchaser identifier.” Resp. 9–15. Patent Owner also seeks

construction of the phrase “a mobile device associated with the purchaser identifier.” *Id.* at 15–17.

For purposes of this decision and because Patent Owner does not dispute these constructions, we maintain our reasoning and constructions of “stored value item” as “‘a particular unit of stored value that may be applied to pay a portion of a transaction’ and . . . should expressly include a coupon.” Dec. 7–8. We address Patent Owner’s proposed constructions below.

1. “*Purchaser Identifier*”

Patent Owner contends the term “purchaser identifier refers to a code contained in a token or a customer’s mobile device which is used to identify the purchaser that initiated the transaction.” PO Resp. 10 (citing Ex. 2001 ¶ 28; Ex. 2007⁷ ¶ 29). Patent Owner also contends the “purchaser identifier” would not be “the address of the customer’s mobile device.” *Id.* at 14. Although Patent Owner agrees that the specification’s disclosure on information identifying the purchaser is “broad,” *id.*, Patent Owner focuses its arguments on its contention that the claims would not be enabled and lack written description if “purchaser identifier” were construed to include the address of the customer’s mobile device, *id.* at 10–15.

Petitioner argues that no construction of this term is necessary. Reply 2. Petitioner argues that none of the intrinsic evidence—the claims, specification, and prosecution history—supports Patent Owner’s construction. *Id.* at 2–3. As for Patent Owner’s enablement argument, Petitioner asserts that there is no need to reach Patent Owner’s enablement

⁷ Patent Owner cites to “Ex. 3001,” however, Exhibit 3001 is entered in the record as Exhibit 2007. We cite to the record exhibit number (Ex. 2007).

and written description arguments because such considerations should only be reached if, after examining the full intrinsic record of the patent, the term is ambiguous, which is not the case here. *Id.* at 3.

We agree with Petitioner and decline to adopt Patent Owner’s construction. To begin with, there is no need to reach Patent Owner’s § 112 arguments. As the Federal Circuit instructs, “unless the court concludes, after applying all the available tools of claim construction, that the claim is still ambiguous, the axiom regarding the construction to preserve the validity of the claim does not apply.” *Liebel-Flarsheim Co. v. Medrad, Inc.*, 358 F.3d 898, 911 (Fed. Cir. 2004); *see also Phillips v. AWH Corp.*, 415 F.3d 1303, 1327 (Fed. Cir. 2005) (en banc) (“While we have acknowledged the maxim that claims should be construed to preserve their validity, we have not applied that principle broadly, and we have certainly not endorsed a regime in which validity analysis is a regular component of claim construction.” (citation omitted)). Because, as we explain below, we conclude that the intrinsic record is unambiguous, and reach a determination based on the unambiguous intrinsic record, we do not need to resort to this validity canon.

We begin with the language of the claims. *See Phillips*, 415 F.3d at 1312. Claim 1 states that the “purchaser identifier” is part of “authorization request” that is “generated as a result of a transaction.” Ex. 1001, 32:49–53. The claim also recites that the “purchaser identifier identifies the purchaser that initiated the transaction.” *Id.* at 32:55–57. Claim 1 also provides “transmitting a transaction indication message to a mobile device associated with the purchaser identifier.” *Id.* at 33:1–2. The claim is silent as whether the “purchaser identifier” can or cannot be the mobile number. Thus, we fail

to see any support for Patent Owner’s construction in the language of the claims.

We turn next to the specification. *See Phillips*, 415 F.3d at 1315 (noting “the specification ‘is always highly relevant to the claim construction analysis. Usually, it is dispositive; it is the single best guide to the meaning of a disputed term.’”). To begin with, we note that the term “purchaser identifier” is only used in the claims. However, Patent Owner does point to the description of the “token” as related to the identifying information. *See* PO Resp. 14–15. The ’852 patent states “‘token’ is a *generic term* that refers to *various means for providing the unique identifying information* to the merchant 106.” Ex. 1001, 7:66–8:2 (emphasis added). Having established the breadth of the term, “token,” the ’852 patent then goes on to provide a number of examples:

For example, a token may be a magnetic strip on a credit or debit card, a radio frequency identification (RFID) tag embedded in a card or mobile device, an optical pattern that is scanned by a scanner (e.g., a bar code) or similar or different technologies for conveying identifying information to the merchant.

Id. at 8:2–7.

The ’852 patent further explains that

The token 202 may be issued by the intermediary service 204 and is generally not associated with the customer’s credit or debit cards. The unique identifying information may be an alphanumeric code, a sixteen digit number similar to a credit card number, *or one or more pieces of data that uniquely identifies the customer.*

Ex. 1001, 8:16–21 (emphasis added). Thus, the specification describes that these types of codes are just examples, and that the “unique identifying information may be . . . one or more pieces of data that uniquely identifies

the customer.” *Id.* at 8:20–21. The specification does not provide any support for excluding the address of the customer’s mobile device as a possible “purchaser identifier.”

Finally, as for Patent Owner’s written description and enablement arguments, even if the intrinsic record were ambiguous and required us to reach these arguments, which it is not, we disagree with Patent Owner’s contentions that the claims lack § 112 support if we do not adopt Patent Owner’s narrowing construction. To begin with, as detailed above, the specification provides very broad descriptive support for the types of identifying information that can be used. *See* Ex. 1001, 7:66–8:21. Although the specification does not specifically list “mobile address” as one of potential purchaser identifiers, “the description requirement does not demand any particular form of disclosure, . . . or that the specification recite the claimed invention *in haec verba*,” *Ariad Pharms., Inc. v. Eli Lilly & Co.*, 598 F.3d 1336, 1352 (Fed. Cir. 2010) (en banc) (citation omitted). We find this broad disclosure sufficient to provide written description support for the broader understanding of “purchaser identifier.” As for Patent Owner’s enablement contentions, we find the testimony of Petitioner’s expert Dr. Neuman persuasive on this point, and entitled to substantial weight. *See* Ex. 1033 (Suppl. Neuman Decl.) ¶¶ 16–24. As Dr. Neuman testifies and we agree, it is well within the level of skill in this art to implement the claimed invention using the mobile address as the purchaser identifier. *See id.*; Ex. 1003 (Neuman Decl.) ¶¶ 17–49. Patent Owner’s contentions regarding the danger of fraud if the mobile address of purchaser is used as a purchaser identifier, PO Resp. 13–15, are not commensurate with the scope of the claims, which do recite any requirements regarding fraud prevention.

Mr. Landers's testimony suffers from similar defects, because his non-enablement argument relies on steps and requirements not found within the claim. *See* Ex. 2007 (Second Landers Decl.) ¶¶ 35–39. For example, Mr. Landers testifies that “the purchaser identifier cannot be the address of the customer's mobile device, otherwise, the address of the customer's mobile device need not be stored in a database and need not to be retrieved by the intermediary service based on the identifying information (purchaser identifier).” Ex. 2007 (Second Landers Decl.) ¶ 37. However, the claims do not recite “storing in a database” or “retrieving based on the identifying information.” Mr. Landers also contends that using the address of the customer's mobile device would make the system susceptible to fraud, but again, the claims do not require fraud prevention. Thus, we do not find Patent Owner's and Mr. Landers's non-enablement arguments persuasive.

Accordingly, we find that the intrinsic evidence is unambiguous and decline to adopt Patent Owner's construction and the additional limitation that “the purchaser identifier cannot be the address of the customer's mobile device.” PO Resp. 10. Beyond this clarification, we find that no other express construction of the term “purchaser identifier” is warranted.

2. *“Mobile Device Associated with the Purchaser Identifier”*

Patent Owner argues that the phrase “a mobile device associated with the purchaser identifier” means “a mobile device is related, connected or combined together with the purchaser identifier.” PO Resp. 17. Patent Owner further argues that phrase requires that “based on the purchaser identifier, an address of a mobile device can be retrieved.” *Id.*

Petitioner argues that no construction of this term is necessary. Reply 11–12.

We agree with Petitioner that no construction of this term is necessary. The center of the parties' dispute is on Patent Owner's requirement that "based on the purchaser identifier, an address of a mobile device can be retrieved," so we focus our attention there.

Patent Owner's argument centers on the description of the preferred embodiment in the specification. PO Resp. 16–17. Specifically, Patent Owner notes that

Based on the purchaser identifier, the stored customer information can be retrieved by the intermediary service, and since the stored customer information (stored in component 402) include an address of a mobile device associated with the customer, based on the purchaser identifier, an address of a mobile device can be retrieved by the intermediary service. The '852 Patent records "[T]he intermediary service 204 includes a customer management module 410, which is configured to retrieve customer information associated with the initial authorization request. The **customer information is accessed from the storage component 402 based on the identifying information** contained in the initial authorization request. As discussed above, the identifying information may be an alphanumeric code, a sixteen-digit number similar to a credit card number, or one or more pieces of data that uniquely identifies the customer (e.g., a customer nickname). **The stored customer information include an address of a mobile device associated with the customer**, information defining one or more payment instruments that may be utilized by the customer to complete a purchase transaction."

PO Resp. 16–17 (citing Ex. 1001, 14:65–15:9; Ex. 2007 ¶ 47).

We decline Patent Owner's invitation to read an additional step of "based on the purchaser identifier, an address of a mobile device can be retrieved." Patent Owner's only basis for reading this step into the claim is that the preferred embodiment performs this step. PO Resp. 16–17. But the

fact that the method of the preferred embodiment may perform additional steps not recited in this claim does not form a basis for reading those steps into the claim. “A claim is not defective when it states fewer than all of the steps that may be performed in practice of an invention.” *Smith & Nephew, Inc. v. Ethicon, Inc.*, 276 F.3d 1304, 1311 (Fed. Cir. 2001). Accordingly, we decline to adopt Patent Owner’s proposed construction and find that no construction of this limitation is necessary at this time.

D. Overview of the Prior Art

1. Nobrega (Ex. 1004)

Nobrega is entitled “Method and Apparatus for Performing a Credit Based Transaction Between a User of a Wireless Communications Device and a Provider of a Product or Service.” Ex. 1004, code (54). Nobrega “relates to using wireless communication devices in executing credit card transactions in a manner which reduces the risk of fraudulent transactions.” *Id.* at 1:17–20.

Nobrega describes techniques that “enable a wireless telecommunications network operator (‘wireless carrier’) to validate the identities of credit card users who use wireless devices such as cellular telephones . . . and to ensure that the credit card users approve the transactions and receive receipts for the transactions.” *Id.* at 1:47–53.

Nobrega proposes that a wireless carrier or other entity operates a “commerce platform within a ‘trusted domain,’” which stores credit card account and personal information, used to verify the consumer, such as by stored personal identification number or the “legitimacy of the wireless device.” *Id.* at 4:11–35.

In Nobrega's method, the consumer who is at a merchant's point-of-sale device communicates a "unique ID" to the merchant to initiate a purchase transaction. *Id.* at 12:32–34. The point-of-sale device sends the transaction information to an acquirer, which recognizes the transaction type based on the unique ID, and forwards it, along with the transaction amount, to the commerce platform. *Id.* at 12:43–49. The commerce platform identifies the user account associated with the unique ID, and "sends the transaction details and a prompt to accept or decline the transaction to the phone associated with the identified user account, where the message is displayed to the user." *Id.* at 12:58–13:4. If the consumer accepts the transaction, they are prompted to enter a PIN, which the commerce platform uses to verify the user identity, and then the commerce platform prompts the consumer to select a method of payment. *Id.* at 13:4–16. The selection is then used to complete the transaction through the clearing network. *Id.* at 10:3–10, 13:17–22.

An example of the screen presented to a consumer to select a payment method is shown in Figure 6C, reproduced below.

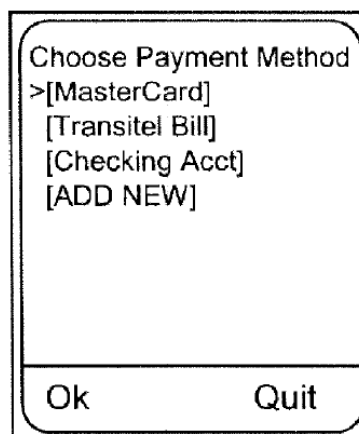


Figure 6C shows a screen which may be displayed on a cellular telephone during a credit card based transaction, in this case prompting a consumer to select a method of payment. *Id.* at 13:13–17.

2. *Keith (Ex. 1005)*

Keith is entitled “Electronic Coupon Systems and Methods to Operate the Same.” Ex. 1005, (54). Keith discloses a

coupon management system [that] includes a processor to determine an applicable coupon for an item to be purchased, and a network interface to receive a coupon selection from a remotely located user device, and to send the coupon to a remotely located point-of-sale terminal, wherein the point-of-sale terminal is to identify the item to be purchased and to apply the identified coupon to the item to be purchased.

Id. ¶ 13. Keith describes storing coupons in an electronic database. *Id.*

¶¶ 17, 19. Keith’s web server queries the database, allows the user to review the coupons, allows the user to select coupons, and then provides the coupons to the point-of-sale terminal for use with the transaction. *Id.* ¶¶ 24–26.

3. *Hansen (Ex. 1006)*

Hansen is entitled “Discount Applications with Registered Payment Instruments.” Ex. 1006, (54). Hansen describes “providing a discount to a transaction executed between a customer and a merchant for a purchase of goods and/or services.” *Id.* ¶ 6. Specifically, Hansen provides “multiple different discount arrangements available for a single transaction.” *Id.* ¶ 16. The “the customer 104 is provided with the ability to select among the plurality of possible discounts.” *Id.* ¶ 31. In addition, multiple discounts may be applied simultaneously. *Id.* ¶ 34.

4. *Churchill (Ex. 1007)*

Churchill is entitled “Auction Redemption System and Method.” Ex. 1007, (54). Churchill “relates to online auctions via user accounts, having one or more different types of payment units (e.g., incentive points, money and associated point or cash credit), from which payment transactions are conducted.” *Id.* at 1:12–17. Churchill describes “an electronic auction system that allows merchants and buyers to participate in auctions using any form of payment unit that is permitted by the seller,” where “[o]ne form of payment unit is incentive points that can be earned in many ways, such as purchasing a product/service, clicking through an advertisement, or registering with a merchant.” *Id.* at 11:28–38. Churchill explains one type of points, “Yahoo! Points,” can be used to purchase a product or service, and can be converted to cash. *Id.* at 19:35–36, 21:10.

E. *Unpatentability Grounds*

1. *Alleged Obviousness of Claims 1–4, 7–9, 11–17, 20–22, 24–30, 33–35, and 37–40 over Nobrega, Keith, and Hansen*

Petitioner contends that the subject matter of claims 1–4, 7–9, 11–17, 20–22, 24–30, 33–35, and 37–40 would have been obvious over Nobrega, Keith, and Hansen. Pet. 12–74. Petitioner directs us to portions of Nobrega, Keith, and Hansen that purportedly disclose each of the limitations in the challenged claims. *Id.* at 35–45. Petitioner also relies on Dr. Neuman’s testimony to support its arguments. *See id.*

a) *Analysis of Claim 1*

(1) [1(p)] “A computer-implemented method for processing financial transaction data in a

computing system including a processor and a storage area, the method comprising”

Petitioner contends that Nobrega discloses “commerce platform 2,” “processor,” and “database 25” that correspond to the preamble. Pet. 16–17. Patent Owner does not dispute that the combination of Nobrega and Keith accounts for this limitation. *See* PO Resp. We find that Petitioner has shown by a preponderance of the evidence that the combination of Nobrega and Keith accounts for this limitation. *See* Ex. 1003 (Neuman Decl.) ¶¶ 93–94.

(2) [1(a)] “receiving an authorization request generated as a result of a transaction by a purchaser at a point of purchase via an acquirer configured to receive authorization requests from a plurality of points of purchase, wherein the authorization request includes a purchaser identifier and transaction information, the transaction information including a transaction amount, and wherein the purchaser identifier identifies the purchaser that initiated the transaction”

Petitioner argues that Nobrega teaches this limitation. Pet. 18–22. In particular, Petitioner asserts that Nobrega discloses that “the consumer presents merchandise for payment at a checkout location at the merchant’s business and communicates a unique ID to the merchant at block 301A, to initiate the transaction.” *Id.* at 20 (citing Ex. 1004, 9:23–26, Fig. 5A (block 301), 12:32–34, Fig. 3A, 7:4–6). Petitioner explains that Nobrega discloses that the merchant inputs transaction information and the consumer’s unique ID into POS terminal 5 (e.g., point of purchase). *Id.* (citing Ex. 1004, 6:37–38, 9:26–28). Petitioner submits that POS terminal 5 interfaces directly with the acquirer 4 and sends an initial message to the acquirer, including the

transaction information and unique ID (block 303A). *Id.* (citing Ex. 1004, 6:37–40, 12:43–45). Petitioner argues that based on the unique ID, the acquirer identifies the transaction type (block 304A) and passes the unique ID and transaction information to commerce platform 2 for validation. *Id.* (citing Ex. 1004, 12:45–49, 12:54–55, 4:10–16, 4:24–26). Thus, Petitioner asserts that Nobrega’s communication between the acquirer and commerce platform 2 discloses, or at least would have rendered obvious, receiving an authorization request via an acquirer. *Id.* (citing Ex. 1003 (Neuman Decl.) ¶¶ 95–97).

Petitioner also argues that Nobrega expressly discloses that the transaction information included with the unique ID includes the transaction amount, as well as other information such as the MerchantID, Merchant Name, and TerminalID. *Id.* at 22 (citing Ex. 1004, 12:45–49, 10:65–11:4). Petitioner contends that Nobrega also teaches that the transaction information includes a purchaser identifier (e.g., a unique ID) that identifies the purchaser. *Id.* Petitioner notes that Nobrega explains “[t]he unique ID ... may be, for example, the consumer’s cellular telephone number.” *Id.* (citing Ex. 1004, 12:34–37). Petitioner argues that the unique ID is associated with a consumer’s account and is used by commerce platform 2 for consumer identity validation. *Id.* (citing Ex. 1004, 12:54–62, 4:31–35).

Patent Owner argues that Petitioner fails to meet its burden of showing Nobrega accounts for limitation [1(a)] because the function of Nobrega’s unique ID is used to identify the transaction as a phone-based transaction, not to identify the purchaser as Petitioner contends. PO Resp. 23–24. However, as Patent Owner concedes Nobrega recites that “at block 501, the commerce platform identifies the user account associated

with the unique ID,” *Id.* at 21 (citing Ex. 1004, 12:58–59). Yet Patent Owner asserts that “the function of the ‘unique ID’ is different than the ‘purchaser identifier’” because

A user account is associated with the unique ID only means that there is a user account relating to the unique ID, which does not necessarily mean the user is owned by the purchaser, for example, if anyone other than the owner of the user account gets unique ID of the owner, such as, gets the mobile device from a customer which owns the mobile device, in the transaction process, the commerce platform will identify the user account associated with the telephone number, but the commerce platform cannot determine whether or not the user account is owned by the purchaser, which means the “unique ID” such as the telephone number cannot identify the purchaser that initiated the transaction.

Id. at 24.

We do not find Patent Owner’s argument persuasive. To begin with, there is no requirement, even under Patent Owner’s construction, that the “purchaser identifier” actually verify account ownership as Patent Owner contends. As Patent Owner acknowledges, Nobrega’s unique ID identifies the user account, PO Resp. 24, thereby identifies the user by locating the user account associated with the unique ID, Ex. 1003 (Neuman Decl.) ¶ 77. This is consistent with the disclosure of the identifying information (i.e., purchaser identifier) in the ’852 patent. In particular, the ’852 patent states that “the [intermediary service] uses identifying information [purchaser identifier] in the authorization request to determine which account is requesting authorization.” Ex. 1001, 24:33–36; *see also id.* at 8:18–21, 8:33–38 (teaching that the purchaser identifier (i.e., identifying information) “transmitted in the authorization request identifies the initial authorization request as being associated with a customer 102 having an account with the

intermediary service 204”). Thus, we find that Nobrega’s unique ID, which identifies a user by identifying the user account, and the ’852 Patent’s purchaser identifier are used for the same function. Ex. 1033 (Neuman Suppl. Decl.) ¶¶ 27–29.

Patent Owner also argues that the PIN used in Nobrega is the purchaser identifier, not the Unique ID. PO Resp. 25–27. We find that, contrary to Patent Owner’s contention, Nobrega’s PIN further supports that Nobrega’s unique ID identifies the purchaser that initiated the transaction. *See* Reply 16. Nobrega’s PIN *verifies* the consumer’s identity, once the user account associated with the unique ID is identified. *See* Ex. 1001, Fig. 5A (steps 501, 508), 12:34–37, 12:58–59; Ex. 1003 (Neuman Decl.) ¶ 77. As Dr. Neuman testifies, a person of ordinary skill in the art would have understood that a purchaser must first be identified before the purchaser can be verified or validated. Ex. 1033 (Neuman Suppl. Decl.) ¶¶ 31–33.

This understanding of identification preceding verification is consistent with the disclosure of the ’852 patent. *See* Reply 16–17 (citing Ex. 1001, 8:55–9:14, 8:45–50, 10:25–40, 15:7–13; Ex. 1033 (Neuman Suppl. Decl.) ¶ 32). Indeed, the ’852 patent identifies a user using a purchaser identifier and then verifies the user’s identity with a verification code, just as Nobrega identifies a user using a unique ID and then verifies the user’s identity with a PIN. *See* Ex. 1033 ¶ 34.

Accordingly, we find that Petitioner has shown by a preponderance of the evidence that Nobrega accounts for limitation [1(a)]. *See* Ex. 1003 (Neuman Decl.) ¶¶ 95–97.

(3) [1(b)(i)] “based on the authorization request, determining one or more stored value

items to apply to the transaction, wherein each stored value item includes an associated value”

Petitioner argues that Nobrega in view of Keith teaches, or at least renders obvious, based on the authorization request (e.g., order information of Keith included in the authorization request of Nobrega), determining one or more stored value items (e.g., coupons) to apply to the transaction, wherein each stored value item includes an associated value (e.g., coupon amount). Pet. 22. Petitioner contends Keith discloses storing coupons in one of coupon databases 104 or 108, accessed by users from their cell phones through web server 120, which determines coupons to apply to the transaction using “subscriber identifier 805.” Pet. 22–25 (citing Ex. 1005 ¶¶ 17, 19, 20, 22, 26, 42, 54–56, 61, 64, 65, 79, 89, 95; Ex. 1003 (Neuman Decl.) ¶¶ 98–101). Petitioner asserts that a person of ordinary skill would have been motivated to include Keith’s coupon functionality in Nobrega’s system. *Id.* at 26.

Patent Owner does not dispute that the combination of Nobrega and Keith accounts for this limitation. *See* PO Resp. We find that Petitioner has shown by a preponderance of the evidence that the combination of Nobrega and Keith accounts for this limitation. *See* Ex. 1003 (Neuman Decl.) ¶¶ 98–101.

(4) [1(b)(ii)] wherein the one or more stored value items are selected from a plurality of stored value items stored in the storage area

Petitioner contends that the combination of Nobrega and Keith teaches or suggests this limitation. Pet. 26–28. Petitioner submits that Keith’s database 104 specifies “individualized list(s) of coupons available to each user to apply to purchases.” *Id.* at 26 (citing Ex. 1005 ¶ 17). And

Keith teaches that “‘available coupons’ refers to the coupons currently associated with a user (e.g., present in a user’s coupon account) and, thus, available to be applied to a purchase made by the user.” *Id.* (citing Ex. 1005 ¶ 17). Petitioner notes that Keith discloses the applicable coupons determined by web server 120 “include coupons from the user’s list of available coupons stored in the user coupon database 104.” *Id.* at 27 (citing Ex. 1005 ¶¶ 61, 65, 78). Petitioner further contends that Keith teaches web server 120 “queries the user coupon database 104 to determine if one or more coupons in the identified user’s coupon account may be applied to the identified items to be purchased.” *Id.* (citing Ex. 1005 ¶¶ 24, 56, Fig. 5). Thus, Petitioner submits that Keith teaches one or more coupons are selected from a plurality of stored value items stored in database 104. *Id.* Petitioner further argues that it would have been obvious to incorporate this functionality into the system of Nobrega. *See infra* II.E.1.a.10.

Patent Owner does not dispute that the combination of Nobrega and Keith accounts for this limitation. *See* PO Resp. We find that Petitioner has shown by a preponderance of the evidence that the combination of Nobrega and Keith accounts for this limitation. *See* Ex. 1003 (Neuman Decl.) ¶¶ 102–104.

(5) [1(b)(iii)] wherein the plurality of stored value items includes stored value items provided by a plurality of different third parties;

Petitioner contends that Nobrega in view of Keith teaches, or at least renders obvious, the plurality of stored value items (e.g., coupons) includes stored value items provided by a plurality of different third parties (e.g., manufacturers, retailers, store owners, and advertisers). Pet. 28–32. In particular, Petitioner contends that Keith teaches that coupons stored in

database 104 are provided by manufacturers and merchants (e.g., retailers), as well as other third parties. *Id.* at 33 (citing Ex. 1005 ¶¶ 18, 28, 29, 75, 76, 93, Figs. 7, 10B). Petitioner further argues that it would have been obvious to incorporate this functionality into the combined system of Nobrega and Keith.

Patent Owner does not dispute that the combination accounts for this limitation. *See* PO Resp. We find that Petitioner has shown by a preponderance of the evidence that the combination of Nobrega and Keith accounts for this limitation. *See* Ex. 1003 (Neuman Decl.) ¶¶ 105–111.

(6) [1(c)] “*transmitting a transaction indication message to a mobile device associated with the purchaser identifier, wherein the transaction indication message includes information about the determined one or more stored value items*”

Petitioner relies on the combined teachings of Nobrega and Keith to account for this limitation. *See* Pet. 32–38. Petitioner contends Nobrega discloses transmitting transaction details to a user’s phone for transaction verification, then in response to the verification, sending prompts to select a method of payment. Pet. 33–36. In particular, Petitioner contends that Nobrega teaches after receiving an authorization request, commerce platform 2 uses the unique ID, which may be the consumer’s cellular telephone number, to identify the user account (block 501). *Id.* at 33 (citing Ex. 1004, Fig. 5A, 12:34–37, 12:58–59.) Petitioner submits that then, commerce platform 2 communicates a series of prompts (messages) relating to a transaction to a consumer’s mobile device (e.g., cellular telephone). *Id.* (citing Ex. 1004, 13:13–16, 6:13–25. Petitioner notes that block 503 of Figure 5A of Nobrega teaches that commerce platform 2 “sends the

transaction details and a prompt to accept or decline the transaction to the phone associated with the identified user account, where the message is displayed to the user.” *Id.* (citing Ex. 1004, 13:1–6). Petitioner argues that Nobrega also teaches that “[a]fter consumer acceptance (block 504), Nobrega discloses another prompt includes payment methods (block 509) from which the ‘consumer selects the method of payment’ (block 510) to apply to the transaction, and the ‘payment selection is transmitted to the commerce platform at block 511.’” *Id.* at 34–35 (citing Ex. 1004, 13:13–19).

Petitioner further contends Keith discloses sending a message with coupon information to a user. *Id.* at 36. Petitioner argues that Keith discloses “example web server 120 of FIG. 1 sends the applicable coupon information to the user device 115.” *Id.* (citing Ex. 1005, ¶¶ 20, 25, 61).

Patent Owner argues that the combination of Nobrega and Keith fails to account for this limitation under its proposed construction of limitation [1(c)]. PO Resp. 29. Patent Owner also argues that “Petitioner equates the ‘identified user account’ in Nobrega with ‘purchaser identifier’ in the ’852 Patent, which appeared to contradict the previous argument that the ‘unique ID’ in Nobrega equates with ‘purchaser identifier’ in the ’852 Patent.” *Id.* Patent Owner also argues that the “purchaser identifier” in Nobrega is, in fact, the PIN, and explains why it contends that if the PIN is the “purchaser identifier,” Nobrega cannot account for limitation [1(c)]. PO Resp. 31–36.

We find that Petitioner has shown by a preponderance of the evidence that the combination of Nobrega and Keith accounts for this limitation. *See* Ex. 1003 (Neuman Decl.) ¶¶ 112–115. In particular, we find that because Nobrega’s unique ID is associated with the user account, and because the

transaction message is sent to the mobile device associated with the user account, the transaction message is transmitted to a mobile device associated with Nobrega's unique ID. *See* Pet. 33 (citing Ex. 1004, 12:34–37, 12:58–59, Fig. 5A). To the extent that Patent Owner's arguments rely on its claim construction discussed above, *supra* II.C.2, we do not find them persuasive because we did not adopt Patent Owner's claim construction. In addition, Patent Owner's arguments regarding Nobrega's PIN as the "purchaser identifier" are not persuasive, because not only does Petitioner not advance such a position, but we have also concluded above, *supra* II.E.1.a.2, that Nobrega's "unique ID" accounts for the "purchaser identifier." Thus, we find that Petitioner has shown by a preponderance of the evidence that combination of Nobrega and Keith accounts for limitation [1(c)]. *See* Ex. 1003 (Neuman Decl.) ¶¶ 112–115; Ex. 1033 (Suppl. Neuman Decl.) ¶¶ 35–37.

(7) [1(d)] receiving an indication from a user of the mobile device that at least one stored value item should be applied against the transaction

Petitioner submits that Nobrega in view of Keith teaches, or at least renders obvious, receiving an indication (e.g., selection/approval) from a user of the mobile device that at least one stored value item (e.g., coupon) should be applied against the transaction. Pet. 38. Petitioner contends that Nobrega discloses that following receipt of the prompt (e.g., transaction indication message), the consumer selects the method of payment (block 510 of Fig. 5B of Nobrega), which is transmitted to commerce platform 2 (block 511 of Fig. 5B of Nobrega). *Id.* (citing Ex. 1004, 13:17–19). Petitioner argues that Keith discloses user device 115, which can be a "web-enabled cellular phone," provides a display of coupon recommendations and coupon

selection, selection by the user, and sending of the approval or selection information to the web server. *Id.* at 39–40 (citing Ex. 1005 ¶¶ 20, 25, 57, Fig. 5). Petitioner contends that a person of ordinary skill would have modified Nobrega’s commerce platform to receive an indication of a user’s coupon selection, as taught by Keith, in the same way the system of Nobrega already receives an indication of a payment method. *Id.* at 40–41 (citing Ex. 1003 (Neuman Decl.) ¶¶ 116–119; Ex. 1005 ¶¶ 25, 57).

Patent Owner does not dispute that the combination of Nobrega and Keith accounts for this limitation. *See* PO Resp. We find that Petitioner has shown by a preponderance of the evidence that the combination of Nobrega and Keith accounts for this limitation. *See* Ex. 1003 (Neuman Decl.) ¶¶ 116–119.

(8) *[1(e)] applying the indicated at least one stored value item to pay a first portion of the transaction amount*

Petitioner contends that Nobrega in view of Keith, teaches or at least renders obvious, applying the indicated at least one stored value item (e.g., coupon selected/approved by the user) to pay a first portion of the transaction amount (e.g., a percentage or discount). Pet. 42–44. Petitioner argues that Keith teaches coupons are applied to a transaction amount. Keith discloses the user-selected coupons are sent to web server 120; afterward, web server 120 provides the coupons to a POS terminal and POS terminal 140 applies the user selected coupon(s) to the items being purchased, and following the coupon application the purchase is completed. *Id.* at 42 (citing Ex. 1005 ¶¶ 26, 58, 95, Fig. 5 (block 560), Fig. 11 (block 1122)).

Petitioner submits a person of ordinary skill in the art “would have recognized Keith’s coupons paid a portion of a transaction amount because

Keith teaches that coupons may be for a ‘discount and/or percentage savings,’ which would pay a first portion of the transaction amount.” *Id.* at 43 (citing Ex. 1005 ¶ 67; Ex. 1003 (Neuman Decl.) ¶ 120).

Patent Owner does not dispute that the combination of Nobrega and Keith accounts for this limitation. *See* PO Resp. We find that Petitioner has shown by a preponderance of the evidence that the combination of Nobrega and Keith accounts for this limitation. *See* Ex. 1003 (Neuman Decl.) ¶¶ 120–123.

(9) [1(f)] *initiating a payment process to pay a remaining portion of the transaction amount by providing a modified transaction amount to the acquirer for submission to a payment association.*

Petitioner submits that Nobrega in view of Keith and Hansen teaches, or at least renders obvious, initiating a payment process to pay a remaining portion of the transaction amount (e.g., complete a transaction) by providing a modified transaction amount (e.g., transaction request of Nobrega, including the modified transaction amount of Hansen) to the acquirer (e.g., acquirer 4) for submission to a payment association (e.g., clearing network). Pet. 44. Petitioner notes that Keith teaches coupons apply a discount or percentage savings to a transaction. *See id.* (citing analysis for limitations [1(e)], [1(b)(i)] discussed *supra* II.B.1.c, II.B.1.h). Petitioner contends that Keith teaches that its coupons are used in the same fashion as paper coupons, and that following the application of coupons to a transaction (i.e., pay a first portion of the transaction amount), the transaction is then “completed.” *Id.* at 45 (citing Ex. 1005 ¶¶ 26, 58, Fig. 11 (block 1122), Fig. 5 (block 560); Ex. 1003 (Neuman Decl.) ¶ 124).

Petitioner argues that in the Nobrega-Keith system, the transaction completion step (taught by Keith) would take place according to the payment processing steps disclosed by Nobrega. *Id.* at 46–48 (citing Ex. 1003 (Neuman Decl.) ¶ 125; Ex. 1004, 9:43–60, 10:3–5, 13:19–25, Fig. 3A (blocks 306, 307)). Petitioner also points to Hansen as further disclosing processing a transaction using multiple forms of payment methods (including both credit cards and coupons) via a discount coordinator host system. *Id.* at 48 (citing Ex. 1006 ¶¶ 16, 2). Petitioner notes that Hansen teaches following the application of a discount (such as a coupon), the discount coordinator determines a modified transaction amount by determining the total discount to be applied and reducing the total transaction amount by the applied discount and then transmitting the modified transaction amount to a credit provider. *Id.* at 48–49 (citing Ex. 1006 ¶¶ 6, 23, 34, Fig. 2B (block 236)).

Petitioner argues that in the combined system a person of ordinary skill in the art would have modified Nobrega’s commerce platform (as modified with Keith’s web server 120 functionality) to perform the modified transaction amount determination functions of Hansen’s discount coordinator. *Id.* at 50 (citing Ex. 1003 (Neuman Decl.) ¶¶ 124–130).

Patent Owner does not dispute that Nobrega as modified by Keith and Hansen would account for limitation [1(f)]. *See* PO Resp. We find that Petitioner has shown sufficiently that the combination of Nobrega, Keith, and Hansen would account for this limitation. Ex. 1003 (Neuman Decl.) ¶¶ 124–130.

(10) *Motivation to Combine*

As explained above, Petitioner proposes combining Nobrega with Keith such that the coupon processing functionality of Keith is incorporated into the commerce platform of Nobrega. Pet. 12. Petitioner contends that a person of ordinary skill in the art would have been motivated to make this combination for several reasons. *Id.* at 12–14. First, Petitioner argues that Nobrega’s commerce platform is a form of electronic wallet for storing payment methods, and coupons were a well-known form of payment used for transactions. *Id.* at 12. Petitioner asserts a person of ordinary skill would have been motivated to modify Nobrega to store additional payment methods, such as coupons, and allow a user to select the coupons via a mobile device to apply to a transaction. *Id.* at 12–13. Second, Petitioner contends that a person of ordinary skill would have understood that including Keith’s coupon functionality in Nobrega’s system would have enhanced the functionality of Nobrega’s system, and coupons were a well-known payment method with numerous advantages, “such as advertising and enticing customers to purchase particular items or purchase from particular merchants or manufacturers . . . , as well as marketing, increased customer satisfaction, and increased sales.” *Id.* at 13. Third, Petitioner notes that there are a number of similarities between the systems disclosed in Nobrega and Keith and that the combination would have been the “use of a known technique (storing and applying at least one coupon to a financial transaction) to improve *Nobrega*’s similar transaction processing system in the same.” *Id.* (citing Ex. 1003 (Neuman Decl.) ¶ 88). Finally, Petitioner argues that the combination would have been straight-forward, requiring only minor modification and therefore would have been well-within the

skillset of a person of ordinary skill in the art, and a person of ordinary skill in the art would have had a reasonable expectation of success in making the combination. *Id.* at 14.

With respect to combination of Nobrega and Keith with Hansen, Petitioner submits that processing system of Nobrega and Keith “would have paid a portion of a transaction (e.g., discount or percentage savings) and afterward the payment of a remaining portion of the transaction amount would complete the transaction.” *Id.* at 14 (citing Ex. 1003 (Neuman Decl.) ¶¶ 90–92). Petitioner notes that “Nobrega and Keith are silent as to the specific steps in completing the transaction.” *Id.* Petitioner argues that Hansen “discloses a system and method for processing financial transactions involving both coupons and credit card information that determines a modified transaction amount following the application of a coupon, and Hansen provides this modified transaction amount to settle the transaction.” Pet. 15 (citing Ex. 1006 ¶¶ 6, 33–35). Petitioner contends that “[s]uch a use of a known technique would have improved the similar *Nobrega-Keith* system by ensuring that a user would be charged a reduced or modified price (i.e., modified transaction amount) after applying coupon(s).” *Id.* (citing Ex. 1003 (Neuman Decl.) ¶ 91). Thus, Petitioner argues that a person of ordinary skill in the art would have been motivated to make such a combination. *Id.*

Petitioner also argues that a person of ordinary skill in the art would have made the combination with a reasonable expectation of success. *Id.* at 14–15 (citing Ex. 1003 (Neuman Decl.) ¶¶ 90–92).

We find that Petitioner has shown sufficiently that a person of ordinary skill in the art would have been motivated to combine Nobrega,

Keith, and Hansen in the manner suggested, with a reasonable expectation of success. We consider Patent Owner's arguments to the contrary below.

Patent Owner raises several arguments why the combination is not proper. PO Resp. 36–41. First, Patent Owner argues that the notification of limitation [1(c)] “serves a dual function, the first function is to determine one or more stored value items to apply to the transaction, the second function is to determine that the purchaser pays his purchase using account owned by himself.” *Id.* at 38. Patent Owner contends “[f]or an obviousness rejection that combines prior art elements to be proper, there must be a showing that one of ordinary skill in the art would reasonably have expected the elements to maintain their respective properties or functions after they have been combined.” *Id.* at 38–39 (citing *Sundance, Inc. v. DeMonte Fabricating Ltd.*, 550 F.3d 1356 (Fed. Cir. 2008)). Patent Owner argues that “[b]ecause Keith does not disclose that ‘receiving an indication from a user of the mobile device that at least one stored value item should be applied against the transaction’ is used to determine that the purchaser pays his purchase using account owned by himself, which means this element in the '852 patent have new functions that Keith does not have.” *Id.* at 39–40.

Second, Patent Owner asserts that unlike the '852 patent claims, Nobrega's process of validation must prompt the purchaser to enter a PIN into the phone, and the commerce platform uses the PIN to verify the user's identity against previously established accounts. *Id.* at 40. Patent Owner argues that because “receiving an indication from a user of the mobile device that at least one stored value item should be applied against the transaction” of claim 1 implements the function of determining that the consumer pays his purchase using account owned by himself, claim 1 of the

'852 Patent “omits the step dedicated to implement the function similar block 508 in Nobrega,” which Patent Owner argues indicates nonobviousness. *Id.* (citing *In re Edge*, 359 F.2d 896 (CCPA 1966)).

Patent Owner’s argument regarding Keith is not persuasive for several reasons. First, nothing in claim limitation [1(c)] requires that that notification “used to determine that the purchaser pays his purchase using account owned by himself,” serves a dual purpose as Patent Owner requires. Identifying the user for fraud prevention may be a potential benefit to using the transaction indication message, but we decline to import this unrecited benefit into the claim. *See i4i Ltd. v. Microsoft Corp.*, 598 F.3d 831, 843 (Fed. Cir. 2010), *aff’d*, 564 U.S. 91 (2011) (noting “not every benefit flowing from an invention is a claim limitation.”). Second, even if this was a requirement, Patent Owner’s argument is still not persuasive. In particular, the Petition relies on the combination of Nobrega and Keith to account for limitation [1(c)]. *See* Pet. 33–38. Although Keith’s message is not necessarily sent to identify the user, Nobrega’s message is sent as part of its validation process block. *See* Ex. 1004, 12:54–13:6. Thus, in the combination, where Keith’s coupon functionality is added to Nobrega’s commerce platform, the transaction indication message would serve this purpose. *See* Pet. 33–38.

Patent Owner’s contentions regarding Nobrega are also not persuasive. PO Resp. 40. Nothing in the claim excludes the use of a PIN. Thus, the inclusion of additional verification steps beyond the “transaction indication message” does not distinguish the method of Nobrega from the claimed method. As for Patent Owner’s argument that claim 1 omits the verification step of Nobrega while retaining that function (*id.*), as we

explained above, the verification function is not claimed in claim 1, so we do not agree that claim 1 omits the verification step while retaining the function.

Accordingly, we find that Petitioner has shown by a preponderance of the evidence that a person of ordinary skill in the art would have been motivated to combine Nobrega, Keith, and Hansen in the manner suggested with a reasonable expectation of success. *See* Ex. 1003 (Neuman Decl.) ¶¶ 84–92.

b) Conclusion as to claim 1

For all of the foregoing reasons and in consideration of evidence favoring obviousness, we are persuaded by Petitioner’s arguments and evidence demonstrating that a person of ordinary skill in the art would have had reason to combine the teachings of Nobrega, Keith, and Hansen, with a reasonable expectation of success in arriving at the subject matter claim 1 recites. As noted above, we also agree with Petitioner’s arguments and evidence that the combination of Nobrega, Keith, and Hansen teach or suggest all of the limitations of claim 1. As a result, Petitioner establishes, by a preponderance of evidence, that claim 1 would have been obvious over the combination of Nobrega, Keith, and Hansen.

c) Claims 2–4, 7–9, 11–17, 20–22, 24–30, 33–35, and 37–40

Petitioner has shown sufficiently that the combination of Nobrega, Keith, and Hansen teaches or suggests the claimed subject matter of claims 2–4, 7–9, 11–17, 20–22, 24–30, 33–35, and 37–40. Pet. 51–73. Besides the arguments considered above with claim 1, Patent Owner does not argue that the combination of Nobrega, Keith, and Hansen fails to disclose the additional limitations recited by claims 2–4, 7–9, 11–17, 20–22, 24–30, 33–

35, and 37–40. Accordingly, Patent Owner has waived any argument directed to those limitations. *See* Paper 9, 8 (“Patent Owner is cautioned that any arguments for patentability not raised in the response will be deemed waived.”). We reviewed Petitioner’s evidence and argument and adopt it as our own. For the reasons provided therein, Petitioner demonstrates that the combination of Nobrega, Keith, and Hansen accounts for the limitations of claims 2–4, 7–9, 11–17, 20–22, 24–30, 33–35, and 37–40, that a person of ordinary skill in the art would have been motivated to combine the references in the manner proposed, and would have had a reasonable expectation of success in doing so. Accordingly, we find that Petitioner has shown by a preponderance of the evidence that claims 2–4, 7–9, 11–17, 20–22, 24–30, 33–35, and 37–40 would have been obvious over the combination of Nobrega, Keith, and Hansen. *See* Ex. 1003 (Neuman Decl.) ¶¶ 131–163.

2. Alleged Obviousness of Claims 5, 6, 18, 19, 31, and 32 over Nobrega, Keith, Hansen, and Churchill

Petitioner has shown sufficiently that the combination of Nobrega, Keith, Hansen and Churchill teaches or suggests the claimed subject matter of claims 5, 6, 18, 19, 31, and 32. Pet. 74–78. Besides the arguments considered above with claim 1, Patent Owner does not argue that the combination of Nobrega, Keith, Hansen, and Churchill fails to disclose the additional limitations recited by claims 5, 6, 18, 19, 31, and 32.

Accordingly, Patent Owner has waived any argument directed to those limitations. *See* Paper 9, 8 (“Patent Owner is cautioned that any arguments for patentability not raised in the response will be deemed waived.”). We reviewed Petitioner’s evidence and argument and adopt it as our own. For

the reasons provided therein, Petitioner demonstrates that the combination of Nobrega, Keith, Hansen, and Churchill accounts for the limitations of claims 5, 6, 18, 19, 31, and 32, that a person of ordinary skill in the art would have been motivated to combine the references in the manner proposed, and would have had a reasonable expectation of success in doing so. Accordingly, we find that Petitioner has shown by a preponderance of the evidence that claims 5, 6, 18, 19, 31, and 32 would have been obvious over the combination of Nobrega, Keith, Hansen, and Churchill. *See* Ex. 1003 (Neuman Decl.) ¶¶ 164–172.

III. CONCLUSION⁸

After reviewing the complete record developed during the course of the trial, we conclude that Petitioner demonstrates, by a preponderance of the evidence, that claims 1–9, 11–22, 24–35, and 37–40 of the '852 patent are unpatentable.

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that Petitioner establishes by a preponderance of the evidence that claims 1–9, 11–22, 24–35, and 37–40 of the '852 patent are

⁸ Should Patent Owner wish to pursue amendment of the challenged claims in a reissue or reexamination proceeding subsequent to the issuance of this decision, we draw Patent Owner's attention to the April 2019 *Notice Regarding Options for Amendments by Patent Owner Through Reissue or Reexamination During a Pending AIA Trial Proceeding*. *See* 84 Fed. Reg. 16,654 (Apr. 22, 2019). If Patent Owner chooses to file a reissue application or a request for reexamination of the challenged patent, we remind Patent Owner of its continuing obligation to notify the Board of any such related matters in updated mandatory notices. *See* 37 C.F.R. § 42.8(a)(3), (b)(2).

unpatentable; and

FURTHER ORDERED that, because this is a Final Written Decision, parties to the proceeding seeking judicial review of the decision must comply with the notice and service requirements of 37 C.F.R. § 90.2.

In summary:

Claims	35 U.S.C. §	Reference(s)/Basis	Claim(s) Shown Unpatentable	Claim(s) Not Shown Unpatentable
1–4, 7–9, 11–17, 20–22, 24–30, 33–35, 37–40	103(a)	Nobrega, Keith, Hansen	1–4, 7–9, 11–17, 20–22, 24–30, 33–35, 37–40	
5, 6, 18, 19, 31, 32	103(a)	Nobrega, Keith, Hansen, Churchill	5, 6, 18, 19, 31, 32	
Overall Outcome			1–9, 11–22, 24–35, 37–40	

IPR2021-01260
Patent 9,292,852 B2

FOR PETITIONER:

Kelly Hughes
Roshan Mansinghani
Jordan Rossen
UNIFIED PATENTS LLC
kelly@unifiedpatents.com
roshan@unifiedpatents.com
jordan@unifiedpatents.com

Eric Buresh
ERISE IP, P.A.
eric.buresh@eriseip.com

FOR PATENT OWNER:

William P. Ramey
Melissa D. Schwaller
RAMEY AND SCHWALLER, LLP
wramey@rameyfirm.com
mschwaller@rameyfirm.com