

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

IDENTITY SECURITY LLC,
Patent Owner.

IPR2022-00171
Patent 8,020,008 B2

Before BARBARA A. PARVIS, CHRISTOPHER L. OGDEN, and
SHARON FENICK, *Administrative Patent Judges*.

FENICK, *Administrative Patent Judge*.

DECISION
Denying Petitioner's Request for Rehearing
37 C.F.R. § 42.71(c), (d)

I. INTRODUCTION

Apple Inc. (“Petitioner”) filed a Request for Rehearing (Paper 10, “Req.”) of our Decision (Paper 9, “Decision Denying Institution” or “Dec.”) not to institute an *inter partes* review of claims 1–4, 12, and 13 (“challenged claims”) of U.S. Patent No. 8,020,008 B2 (Ex. 1001, “the ’008 patent”). For the reasons that follow, we deny Petitioner’s Request.

II. THE REQUEST FOR REHEARING

On request for rehearing, “[t]he burden of showing a decision should be modified lies with the party challenging the decision.” 37 C.F.R. § 42.71(d). “The request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, a reply, or a sur-reply.” *Id.* Under 37 C.F.R. § 42.71(c), “[w]hen rehearing a decision on petition, a panel will review the decision for an abuse of discretion.”

In its Request, Petitioner contends (1) we adopted Patent Owner’s mischaracterization of Gullman’s convenience teachings (Req. 1–2, 8–11); (2) we misapprehended the Petition’s proposed combination, which does not incorporate Padgett’s technical complexities (*id.* at 2–3, 11–13); (3) we misapprehended the Petition’s proposed combination, which does not remove the correlation factor (*id.* at 3, 13–14); and (4) we overlooked certain of Gullman’s and Padgett’s teachings (*id.* at 3–4, 14–19). As an initial matter, Petitioner’s Request for Rehearing concerns only the combination of Gullman, Laczko, and Padgett and includes new arguments that we cannot have misapprehended or overlooked. Req.; Pet. 33–36. To the extent Petitioner’s arguments were made in the Petition and our discussion herein provides further explanation or support for our conclusions in our Decision

Denying Institution, we modify our Decision Denying Institution with the further explanation and support herein.

We now turn to Petitioner's contentions.

A. Alleged Adoption of Mischaracterization of Gullman's Convenience Teachings

Petitioner argues we adopted Patent Owner's mischaracterization of Gullman's convenience teachings. Req. 1–2, 8–11. Petitioner includes only one citation to the Petition, i.e., the argument in the Petition that multiple modifications would have been needed to Gullman's system. *Id.* (citing Pet. 35). Petitioner does not point to, nor do we discern, an argument in the Petition that the only convenience discussed by Gullman is convenience to the user. Petitioner faults our reliance on Dr. Russ's testimony and conclusions on the basis that Dr. Russ did not testify that the alleged complexity would impact convenience to the user. Req. 10–11. Petitioner's argument is unavailing because the argument was not made in the Petition.

Petitioner also faults our reliance on Dr. Russ's testimony and conclusions on the basis that Dr. Russ's testimony is conclusory. *Id.* at 11. We disagree. We indicated in the Decision Denying Institution that Dr. Neuman's testimony is conclusory. Dec. 22. For instance, Dr. Neuman testifies that the modifications that would have been needed for Petitioner's proposed combination would have been "straightforward." Ex. 1003 ¶ 81. Dr. Neuman's testimony, however, is simply a conclusory statement without persuasive, supporting explanation or evidence. *Id.* As we indicated in the Decision Denying Institution, "Petitioner does not indicate or provide evidence supporting that the proposed modifications would have been made without introducing complexities." Dec. 24. "Expert testimony that does

not disclose the underlying facts or data on which the opinion is based is entitled to little or no weight.” 37 C.F.R. § 42.65(a).

Petitioner’s argument also is based on a mischaracterization of the Decision to Institute as relating to only convenience. Req. 1–2, 8–11. In the Decision Denying Institution, we explained that Petitioner’s reasons to combine are insufficient because “Petitioner does not address the full teachings of Gullman.” Dec. 22, 25. We stated “[c]ontrary to Petitioner’s assertion (Pet. 33; Ex. 1003 ¶ 81) and consistent with Patent Owner’s position and Dr. Russ’s testimony that Gullman’s system eliminates the risk of the biometric template and input from being stolen during transmission (Ex. 2001 ¶ 119), Gullman describes its system as ‘secure,’ providing ‘secure identification,’ and, importantly, as providing ‘[t]ransmission security.’” Dec. 22–23 (citing Ex. 1004, 6:46–56). We particularly noted (*id.* at 23) Gullman’s teachings as follows:

The method and apparatus of the present invention have significant advantages over known security systems. Reliable and secure identification is provided which eliminates the need for the user to memorize a code or carry a printed memorandum of the code. Transmission security is provided which is convenient, secure and useful on existing access devices of host systems in current use. In particular, the method and apparatus obviate the need for specially-designed hardware additions or modifications to existing access devices.

Ex. 1004, 6:46–56. As we noted in the Decision to Institute, the Petition did not address Gullman’s teaching that its system provides “significant advantages” over known, more complex systems, which might have led an ordinarily skilled artisan away from using Padgett’s more complicated hashing process. Dec. 23–24.

Petitioner thus has not demonstrated that our analysis in the Decision Denying Institution was flawed because of any adoption of Patent Owner's allegedly faulty characterization of Gullman's convenience teachings.

B. Alleged Misapprehension of the Petition's Proposed Combination, Which Does Not Incorporate Padgett's Technical Complexities

Petitioner argues we misapprehended the proposed combination, which modifies the use of Gullman's native system technology and does not import Padgett's technical complexities into Gullman's system. Req. 2–3, 11–13. In the Decision Denying Institution, we explained “Petitioner provides the testimony of Dr. Neuman that multiple proposed modifications to Gullman's system would have been needed including that an encrypted token would have needed to include the owner's biometric input ‘rather than (or in addition to) the correlation factor.’” Dec. 23–24 (citing Ex. 1003 ¶¶ 81–82). We also explained that proposed modifications include that “the security apparatus would have needed to ‘transfer the owner's biometric information to the host,’ and the host would have needed to ‘retrieve the template.’” *Id.* at 24. To the extent that Petitioner now contends that its proposed combination does not require the modifications presented in the Petition, Petitioner's argument is new and belatedly presented. We cannot have misapprehended or overlooked arguments not presented.

In the Petition, despite acknowledging that the multiple modifications would have been needed, Petitioner provided only conclusory testimony of Dr. Neuman that such modification would have been straightforward. Pet. 35–36. In the Decision Denying Institution, we explained that Petitioner's assertion and Dr. Neuman's testimony (Pet. 35–36; Ex. 1003 ¶ 81) are conclusory and unpersuasive on this record. Dec. 23–24. Petitioner relied

on only the testimony of Dr. Neuman and did not provide further supporting evidence. Pet. 33–36.

In the Decision Denying Institution, we explained that we considered the arguments and evidence of both parties. Dec. 22–27. We explained (*id.*) that we credit and give significant weight to the testimony of Dr. Russ that Petitioner’s proposed modifications “would have imparted considerable complexity to Gullman’s system” (Ex. 2001 ¶ 117) over the testimony of Dr. Neuman that the proposed modifications would have been “straightforward” (Ex. 1003 ¶¶ 81–82). Dr. Russ also testifies Gullman’s system without the proposed modifications “eliminates the risk of the biometric template and input from being stolen during transmission or while they are stored on the host.” *Id.* ¶ 119 (quoted at Dec. 23). Dr. Russ further testifies that Gullman’s system without modifications “also eliminates the major security risk of aggregating all biometric templates at a central location (host 10) or transmitting all of the biometric inputs to a central location.” *Id.* Dr. Russ additionally testifies that Gullman’s system without modifications “provides numerous benefits over using a biometric input in the token as previously discussed, as well as reducing the amount of data that must be transmitted to the host.” *Id.* ¶ 122. Dr. Russ further identifies as supporting evidence the teachings of Padgett, which are consistent with Dr. Russ’s testimony. *Id.* ¶ 116.

Petitioner acknowledged that modifications would have been needed to Gullman’s system. Pet. 35–36. We considered the parties’ contentions and evidence regarding whether those modifications would have been straightforward or whether, instead, the modifications would have imparted considerable complexity to Gullman’s system. The Board has broad discretion as to the weight to be accorded to evidence. *Velander v. Garner*,

348 F.3d 1359, 1371 (Fed. Cir. 2003) (stating that it is “within the discretion of the trier of fact to give each item of evidence such weight as it feels appropriate”). We explained we agree with Patent Owner’s contentions and credit Dr. Russ’s testimony because Patent Owner’s contentions and Dr. Russ’s testimony are consistent with the evidence of record. Dec. 22–27.

We are not persuaded by Petitioner that we misapprehended the proposed combination.

C. Alleged Misapprehension of the Proposed Combination, Which Does not Remove the Correlation Factor

Petitioner argues we misapprehended the proposed combination, which does not discard Gullman’s correlation factor. Req. 3, 13–14. Petitioner argues “[t]he Petition is clear that both the user-end and host-side comparisons would be performed.” *Id.* at 3. Petitioner argues “the Petition stressed that a modified *Gullman* token must include the owner’s biometric input itself, supplementing *Gullman*’s security by enabling the host to ‘independently confirm the owner’s identity.’” Req. 13.

In the Decision Denying Institution, we stated “Petitioner provides the testimony of Dr. Neuman that multiple proposed modifications to Gullman’s system would have been needed including that an encrypted token would have needed to include the owner’s biometric input ‘*rather than* (or in addition to) the correlation factor.’” Dec. 23–24 (emphasis added). Indeed, Petitioner refers to its contention in that regard and argues “[i]n other words, while the proposed combination does indeed add a host-side biometric comparison, it does not preclude also performing *Gullman*’s native user-side authentication.” Req. 14.

Our explanation in the Decision Denying Institution (Dec. 24–25) addressed all the arguments in the Petition, including Petitioner’s argument

reiterated in its Request for Rehearing that “the biometric data could be included in the token ‘*rather than . . . the correlation factor.*’” Req. 13–14 (emphasis added). That we addressed the alternative argument presented in the Petition that the owner’s biometric input would have been included *rather than* the correlation factor did not result in our misapprehending Petitioner’s argument of including in the encrypted token the owner’s biometric input in addition to the correlation factor.

We are not persuaded by Petitioner that we misapprehended the proposed combination.

D. Alleged Overlooking of Gullman’s and Padgett’s Teachings

Petitioner argues we overlooked certain of Gullman’s and Padgett’s teachings. Req. 3–4, 14–19. Petitioner, more specifically, argues we (1) overlooked that Gullman’s baseline security can be improved per Padgett’s teachings (Req. 3, 14–18); and (2) erred in crediting Patent Owner’s argument and evidence that the trust dynamics of Gullman and Padgett are opposites (*id.* at 3–4, 15–19).

We turn to Petitioner’s first argument that we overlooked that Gullman’s baseline security can be improved per Padgett’s teachings. Req. 3. Petitioner further argues that the Petition “does not assume Gullman’s user-side security is absent or even inadequate for many routine transactions,” but, instead, the Petition “proposes that *Gullman’s* security can be improved for sensitive transactions.” *See, e.g., id.* at 15; *see also id.* at 16 (similarly arguing “*Padgett* describes distinct-yet-complementary scenarios requiring varying levels of security—a front-end biometric registration for normal transactions and a supplemental host-side biometric comparison for more sensitive transactions”), 17 (similarly arguing “*Padgett* teaches two compatible and complementary options”), 18 (similarly arguing

“[n]either PO nor its expert acknowledge the most fundamental aspect of *Padgett’s* disclosure—it teaches *two different-yet-complementary* approaches”).

Petitioner did not argue expressly in the Petition that it proposes that Gullman’s security can be improved for sensitive transactions. Petitioner set forth Padgett’s disclosure that certificate verification is sufficient to proceed with certain transactions, but an additional level of security can be obtained by performing a validation process with bio-blob 5. Pet. 34 (quoting Ex. 1006, 7:58–8:10). The Petition characterized certification verification as sufficient for “many transactions,” but did not assert that these would have been routine transactions. *Id.* The Petition mentioned that Padgett provides an alternative for an “additional level of security,” but did not mention that the additional level of security would be for sensitive transactions. *Id.* Petitioner also argued that “many recipients will be satisfied that the sender has previously registered, but some will demand” additional assurance; however, Petitioner did not argue in the Petition that the satisfied recipients would be those of routine transactions and the recipients that would demand additional assurance would be those recipients of sensitive transactions. *Id.* Petitioner’s Request for Rehearing includes new, belatedly presented characterizations that are untimely. We cannot have misapprehended or overlooked characterizations of evidence that were not presented.

Also, Petitioner’s arguments and characterizations are not consistent with Padgett’s disclosure. Padgett describes that verifying that the sender has a valid certificate 71 is sufficient for “transactions where there is little risk that a message is fraudulent.” Ex. 1006, 7:58–61. Padgett does not indicate whether those transactions include “many” or “routine” transactions. *Id.* Additionally, Padgett’s disclosure refers to certificate 71,

which in accordance with at least certain disclosures in Padgett includes bio-blob 5. *See, e.g., id.* at 7:62–8:10. Petitioner has not shown sufficiently that Padgett’s mention of verifying the validity of a certificate including bio-blob 5 for transactions with “little risk that a message is fraudulent” (*id.* at 7:58–61) is akin to Gullman’s teachings of using a correlation factor.

Furthermore, Petitioner’s arguments that the proposed modification would improve security does not address the security implications of transmitting biometric information or the complexities associated with such transmission. *See supra* § II.B. Petitioner’s arguments and Dr. Neuman’s testimony are conclusory, insufficiently supported, and not persuasive. Dec. 22.

We turn to Petitioner’s argument that we erred in crediting Patent Owner’s argument and evidence that the trust dynamics of Gullman and Padgett are opposites. Req. 3–4, 15–19. Petitioner’s argument is based on Petitioner’s characterization that Padgett teaches two scenarios including a scenario in which a front-end process is used to authenticate a user with a valid certificate. *Id.* With respect to the first scenario, however, Padgett’s disclosure is minimal. Padgett merely describes that verifying “that the sender has a valid certificate 71 from a reputable certificate authority 25 is sufficient” to proceed for “transactions where there is little risk that a message is fraudulent.” Ex. 1006, 7:58–61. Furthermore, Padgett’s disclosure that the first scenario is used only for “transactions where there is *little risk that a message is fraudulent*” (Ex. 1006, 7:58–61 (emphasis added)) is contrary to Gullman’s disclosure that its system has “significant advantages over known security systems” including that “[r]eliable and secure identification is provided” and “[t]ransmission security” is provided. Ex. 1004, 6:46–53.

In the Decision Denying Institution, we explained that we considered the arguments and evidence of both parties. Dec. 26–27. We explained (*id.*) that we credit and give weight to the testimony of Dr. Russ that the trust dynamic of Gullman are opposites (Ex. 2001 ¶ 121) over the testimony of Dr. Neuman that the trust dynamics are similar (Ex. 1003 ¶ 80). Dr. Russ’s testimony includes detailed explanations supporting his testimony and his testimony is consistent with the evidence of record. *See, e.g.*, Ex. 2001 ¶¶ 121–123 (cited at Dec. 26). As we explained, “Padgett teaches obtaining ‘[a]n additional level of security’ by certificate authority 25 performing a comparison of extracted bio-blob 5.” Dec. 27 (citing Ex. 1006, 7:58–8:10). As we further explained, “[i]n contrast, Gullman’s host trusts the security apparatus to perform the biometric comparison and correctly authenticat[ing] the owner.” *Id.* (citing e.g., Ex. 1004, 4:29–31 (describing that host 10 “verifies the identification based on the correlation factor”), 6:38–42 (describing that the host “decrypts or decodes the token to derive the fixed code and correlation factor” and access is permitted if “the correlation factor is above the threshold level”)). That Padgett includes a verification that is used only for “transactions where there is *little risk that a message is fraudulent*” (Ex. 1006, 7:58–61 (emphasis added)) is not akin the Gullman’s teachings of the host trusting the security apparatus to perform the biometric comparison and correctly authenticating the owner.

We are not persuaded by Petitioner that we (1) overlooked that Gullman’s baseline security can be improved per Padgett’s teachings (Req. 3, 14–18); or (2) erred in crediting Patent Owner’s argument and evidence that the trust dynamics of Gullman and Padgett are opposites (*id.* at 3–4, 15–19).

III. CONCLUSION

We have reviewed and considered the arguments in Petitioner's Request and conclude that Petitioner has not carried its burden of demonstrating that the Board abused its discretion or misapprehended or overlooked any matters in rendering the Decision. 37 C.F.R. § 42.71(c), (d). Thus, Petitioner's challenge does not meet the standard set forth for a request for rehearing.

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petitioner's Request for Rehearing is *denied*.

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