

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ASKELADDEN L.L.C.,
Petitioner,

v.

MOBILE EQUITY CORP.,
Patent Owner.

IPR2022-00379
Patent 10,535,058 B2

Before HYUN J. JUNG, NEIL T. POWELL, and
RICHARD H. MARSCHALL, *Administrative Patent Judges*.

JUNG, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

A. Background and Summary

Askeladden L.L.C. (“Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting institution of an *inter partes* review of claims 1–30 of U.S. Patent

No. 10,535,058 B2 (Ex. 1001, “the ’058 patent”). Mobile Equity Corp. (“Patent Owner”) filed a Preliminary Response (Paper 6, “Prelim. Resp.”).

Under 35 U.S.C. § 314 (2018), an *inter partes* review may not be instituted “unless . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” Upon consideration of the Petition and the Preliminary Response and for the reasons explained below, we determine that Petitioner has not shown a reasonable likelihood of prevailing with respect to at least one of the challenged claims.

Thus, we do not institute an *inter partes* review of claims 1–30 of the ’058 patent.

B. Real Parties in Interest

Petitioner identifies itself as a real party in interest and states that “no other party is in privity with or exercised control or could exercise control over Petitioner’s participation in this proceeding, the filing of this Petition, or the conduct of any ensuing trial.” Pet. 1 (citing Exs. 1011, 1012); *see also* Prelim. Resp. 22–24 (arguing that Petitioner should have listed an additional real party in interest), 27–29 (arguing that Petitioner has failed to list all real parties in interest).

Patent Owner identifies only itself as a real party in interest. Paper 5, 2.

C. Related Matters

The parties identify *Mobile Equity Corp. v. Walmart Inc.*, 2:21-cv-00126 (E.D. Tex.) as a related matter. Pet. 2; Paper 5, 2; *see also* Prelim. Resp. 7–9 (summarizing the related litigation and noting that trial is set for May 23, 2022). A related patent is challenged in IPR2022-00380.

D. The '058 Patent (Ex. 1001)

The '058 patent issued on January 14, 2020 from an application filed on November 18, 2013, which is a continuation of an application filed on October 18, 2010 and claims priority to a provisional application filed on October 19, 2009. Ex. 1001, codes (22), (45), (60), (63), 1:6–9.

The '058 patent “relates to the field of electronic commerce and more particularly to using mobile communication devices to execute a commercial transaction.” Ex. 1001, 1:14–16. Figure 1 of the '058 patent is reproduced below.

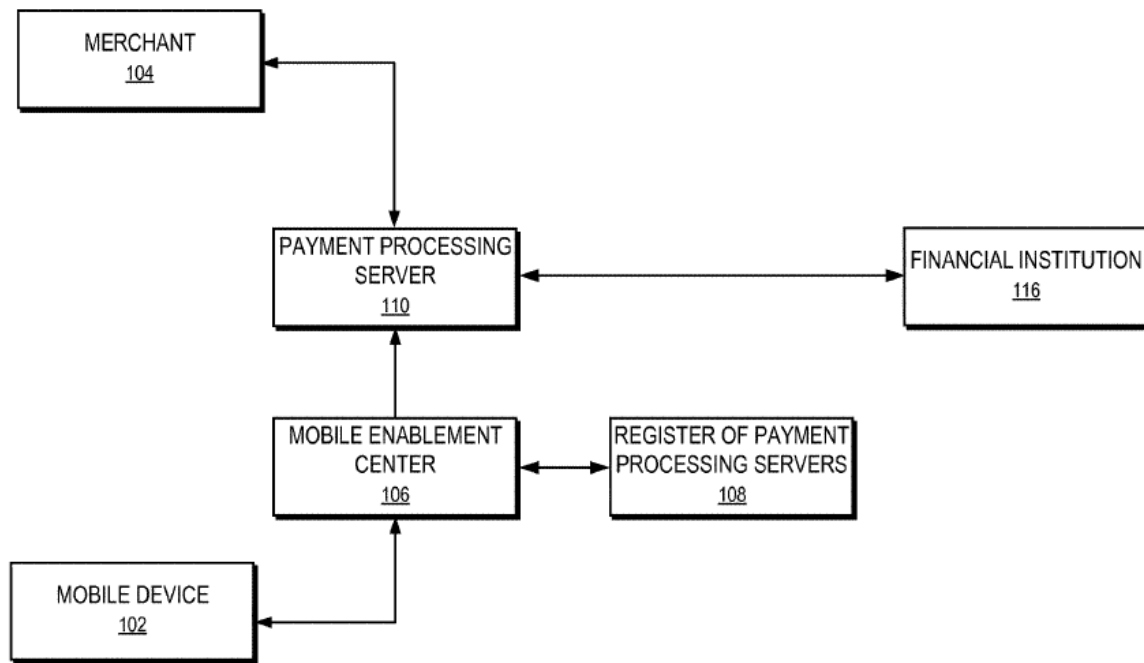


FIG. 1

Figure 1 is a block diagram of “a computing environment for using a mobile device to initiate a transaction.” Ex. 1001, 3:50–52, 5:57–59. The computing environment includes mobile device 102 in communication with payment processing server 110 and, in certain embodiments, in communication with payment processing server 110 through mobile

enablement center 106. *Id.* at 6:8–9, 7:28–30, 7:33–35. Payment processing server 110 is also in communication with merchant 104 and financial institution 116. *Id.* at 8:4–7. Figure 2 of the '058 patent is reproduced below.

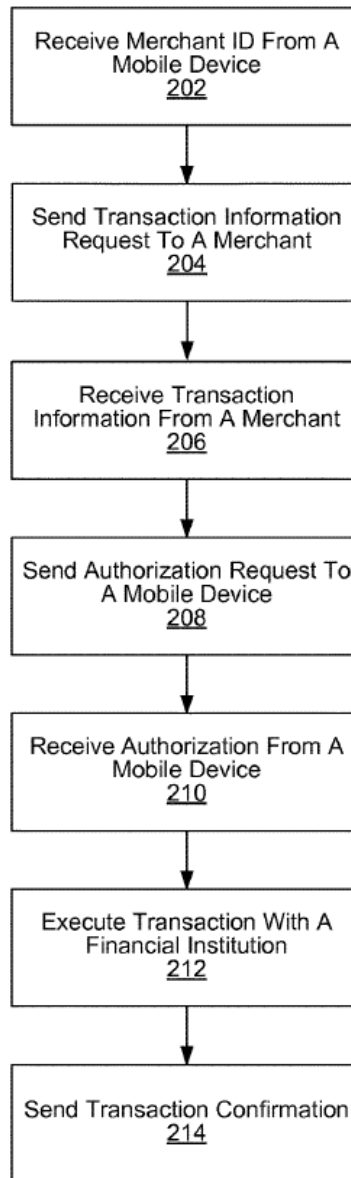


FIG. 2

Figure 2 “is a flowchart illustrating a method of using a mobile device to initiate a transaction.” Ex. 1001, 3:53–55, 5:64–65. Mobile device 102

initiates the transaction. *Id.* at 6:1–2. A customer can enter “a merchant ID associated with a merchant” on mobile device 102, and mobile device 102 sends the merchant ID to payment processing server 110 that executes the transaction between the customer, financial institution 116, and merchant 104. *Id.* at 6:8–9, 6:17–18, 7:33–35, 8:4–7, 8:9–13. Alternatively, mobile device 102 can send the merchant ID to mobile enablement center 106 that can route messages from mobile device 102 to the appropriate payment processing server 110. *Id.* at 7:28–30, 7:33–35. “The merchant ID number is a unique identifier associated with a merchant.” *Id.* at 6:9–11.

Payment processing server 110 then sends a request to merchant 104 for transaction information. Ex. 1001, 8:14–16. Merchant 104 provides transaction information that “can include the total purchase price for the items the customer wants to purchase, an account number associated with the merchant, the mobile phone number provided by the customer etc.” to payment processing server 110. *Id.* at 8:27–32, 8:50–55. Payment processing server 110 can authenticate the received phone number of mobile device 102. *Id.* at 8:53–55.

Payment processing server 110 can retrieve appropriate account information associated with the phone number of mobile device 102 and send a transaction authorization to mobile device 102 or merchant 104. Ex. 1001, 8:63–9:15. After receiving transaction authorization, payment processing server 110 communicates with financial institution 116 associated with the retrieved account information. *Id.* at 9:15–19.

E. Illustrative Claim

The '058 patent includes claims 1–30, all of which Petitioner challenges. Claims 1 and 16 are independent, and reproduced below is claim 1.

1. A method for conducting a transaction between a terminal and a customer by a payment processing server, the customer using a mobile device, the method comprising:

receiving, at the payment processing server, a terminal identifier from the mobile device operated by the customer, the terminal identifier indicating a request to initiate a transaction with a terminal identified by the terminal identifier, wherein the terminal identifier does not indicate a transaction amount for the transaction;

sending, at the payment processing server, in response to receiving the terminal identifier, a transaction information request to the terminal associated with the terminal identifier;

receiving, at the payment processing server, transaction information from the terminal in response to the transaction information request, the transaction information including the transaction amount for the transaction;

identifying, at the payment processing server, a customer account associated with the customer and a terminal account associated with the terminal; and

initiating, at the payment processing server, the transaction between the customer account and the terminal account for the transaction amount received from the terminal.

Ex. 1001, 21:40–63 (emphasis added). Independent claim 16 recites a “non-transitory computer-readable medium for conducting a transaction between a terminal and a customer” with instructions for causing a processor to perform steps similar to the ones recited by claim 1. *See id.* at 22:40–64.

F. Asserted Prior Art and Proffered Testimonial Evidence

Petitioner identifies the following references as prior art in the asserted grounds of unpatentability:

Name	Reference	Exhibit
Ramachandran	US 7,040,533 B1, issued May 9, 2006	1009
Hogg	US 2007/0119919 A1, published May 31, 2007	1007
Killian	US 2009/0094126 A1, published Apr. 9, 2009	1008
Krasnyansky	WO 01/35304 A1, published May 17, 2001	1006

Pet. 3–4. Petitioner contends that Krasnyansky, Hogg, and Ramachandran are prior art under 35 U.S.C. § 102(b) and that Killian is prior art under §§ 102(a) and 102(e).¹ *Id.* at 17, 20, 51, 66. Petitioner also provides an “Expert Declaration of Ivan Zatkovich in Support of Petition for *Inter Partes* Review of Claims 1–30 of U.S. Patent No. 10,535,058 B2.” Ex. 1002.

¹ The relevant sections of the Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112–29, 125 Stat. 284 (Sept. 16, 2011), took effect on March 16, 2013. Because the ’058 patent claims priority to an application filed before that date, our citations to 35 U.S.C. § 102 and to § 103 are to their pre-AIA versions.

G. Asserted Grounds

Petitioner asserts that claims 1–30 are unpatentable on the following grounds:

Claims Challenged	35 U.S.C. §	Reference(s)/Basis
1, 8, 13, 14, 16, 23, 28, 29	102(b)	Krasnyansky
1, 6, 8–12, 13, 14, 16, 21, 23–29 ²	103(a)	Krasnyansky, Hogg
3–5, 7, 15, 18–20, 22, 30	102(b)	Krasnyansky, Killian
3–5, 7, 15, 18–20, 22, 30	103(a)	Krasnyansky, Killian, Hogg
2, 17	103(a)	Krasnyansky, Hogg, Ramachandran

Pet. 4–5.

II. ANALYSIS

A. Legal Standards

In *inter partes* reviews, the petitioner bears the burden of proving unpatentability of the challenged claims, and the burden of persuasion never shifts to the patent owner. *Dynamic Drinkware, LLC v. Nat’l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015). To institute an *inter partes* review, a petitioner must show “a reasonable likelihood” of prevailing with respect to at least one of the challenged claims. 35 U.S.C. § 314.

Petitioner contends that the challenged claims of the ’058 patent are unpatentable under §§ 102(b) and 103(a). Pet. 4–5. A claim is anticipated under § 102(b) “only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.” *Verdegaal Bros., Inc. v. Union Oil Co. of Cal.*, 814 F.2d 628, 631 (Fed. Cir. 1987).

² In the summary of the challenges at page 4 of the Petition, for “Ground 2,” Petitioner identifies two groups of claims, but we combine the two groups in our table of grounds. See Pet. 4, 37–49.

A claim is unpatentable under § 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 the invention was made to a person having ordinary skill in the art to which said subject matter pertains. *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 the art; and (4) where in evidence, so-called secondary considerations. *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966). When evaluating a combination of teachings, we must also “determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue.” *KSR*, 550 U.S. at 418 (citing *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006)). Whether a combination of elements produces a predictable result weighs in the ultimate determination of obviousness. *Id.* at 416–417.

B. Level of Ordinary Skill in the Art

Petitioner asserts that one of ordinary skill in the art “would have a bachelor’s degree in computer science, computer engineering, data science, electrical engineering, or a related study, and would have at least one or two years of experience with point-of-sale and payment processing systems, and industry practices and standards for point-of-sale and payment processing systems.” Pet. 16 (citing Ex. 1002 ¶¶ 87–89).

For purposes of the Preliminary Response, Patent Owner does not dispute Petitioner’s proposed level of ordinary skill and does not propose its own level of ordinary skill. Prelim. Resp. 30 n.24.

We adopt Petitioner’s asserted level of ordinary skill only to determine whether there is a reasonable likelihood that Petitioner would prevail with respect to at least one of the claims challenged in the Petition. This level of skill in the art is consistent with the disclosure of the ’058 patent and the prior art of record. *Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) (*Citing Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163 (Fed. Cir. 1985)).

C. Claim Construction

In an *inter partes* review based on a petition filed on or after November 13, 2018, the claims are construed

using the same claim construction standard that would be used to construe the claim in a civil action under 35 U.S.C. [§] 282(b), including construing the claim 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) (2021); *see Phillips v. AWH Corp.*, 415 F.3d 1303, 1312–13 (Fed. Cir. 2005) (en banc).

Petitioner proposes interpretations for “mobile device,” “terminal,” and “payroll account.” Pet. 11–16. Patent Owner responds that “[t]he Board does not need to expressly construe any claim elements to deny the Petition.” Prelim. Resp. 10.

Because determining whether Petitioner shows a reasonable likelihood of prevailing does not depend on a particular interpretation for any claim term, we determine that no claim term requires express interpretation. *Realtime Data, LLC v. Iancu*, 912 F.3d 1368, 1375 (Fed. Cir. 2019) (“The Board is required to construe ‘only those 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)). As discussed below, even if we applied Petitioner's proposed interpretation of "terminal," we would come to the same determination.

D. Asserted Anticipation by Krasnyansky

Petitioner argues with citations to Krasnyansky and declarant testimony that Krasnyansky discloses all the limitations of claims 1, 8, 13, 14, 16, 23, 28, and 29. Pet. 17, 21–25, 27–37. Patent Owner responds that Petitioner fails to show that Krasnyansky discloses the limitations related to "terminal identifier." Prelim. Resp. 30–37.

For the reasons discussed below, we determine that Petitioner fails to show a reasonable likelihood of prevailing with respect to the anticipation challenge based on Krasnyansky.

1. Krasnyansky (Ex. 1006)

Krasnyansky "relates to a payment system for electronic commercial transactions, specifically a system which can be used to pay on-line for goods and services purchased from a Web site." Ex. 1006, 1:8–10. Figure 1A of Krasnyansky is reproduced below.

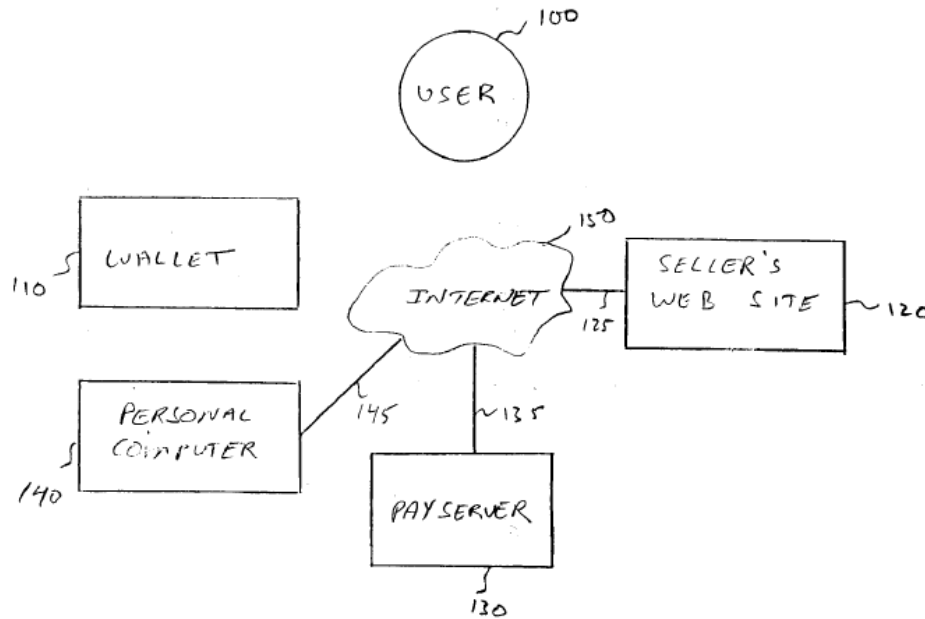


FIGURE 1A

Figure 1A shows “the major components of a system for transferring payments between a user and a Web site.” Ex. 1006, 4:10–11. “The components include a user 100, Wallet 110, seller’s Web site 120, Payserver 130, personal computer 140, and Internet 150.” *Id.* at 4:32–33. “[U]ser 100 is the user of the Wallet 110 who wishes to purchase something from the seller’s Web site 120.” *Id.* at 6:6–7.

“Payserver 130 stores account information, passwords, transactional information, and the like, and passes information between the Wallet 110 and seller’s Web site.” Ex. 1006, 6:7–9. Payserver 130 is also a “third party that stands between the payee and the payer in each transaction and actually performs it.” *Id.* at 6:20–21. “[P]ersonal computer 140 runs the Wallet application,” and “may be a desktop computer, notebook or laptop computer,

palmtop computer, mainframe computer, server, or any other computational device capable of running an application.” *Id.* at 6:27–29.

“In Wallet to seller-site transactions, both the Wallet and the seller-site must present a unique identifier to the Payserver,” and “[t]hese identifier[s] are the key to all accounts in the Payserver’s database.”

Ex. 1006, 9:10–12. “Accordingly, each account has a pair of identifiers, both uniquely identifying the account in the database.” *Id.* at 9:12–13.

“They are called debitID and creditID,” and a “payment transaction from a Wallet to a seller-site requires the debitID of the Wallet and the creditID of the site.” *Id.* at 9:16–18.

Figure 4 of Krasnyansky is reproduced below.

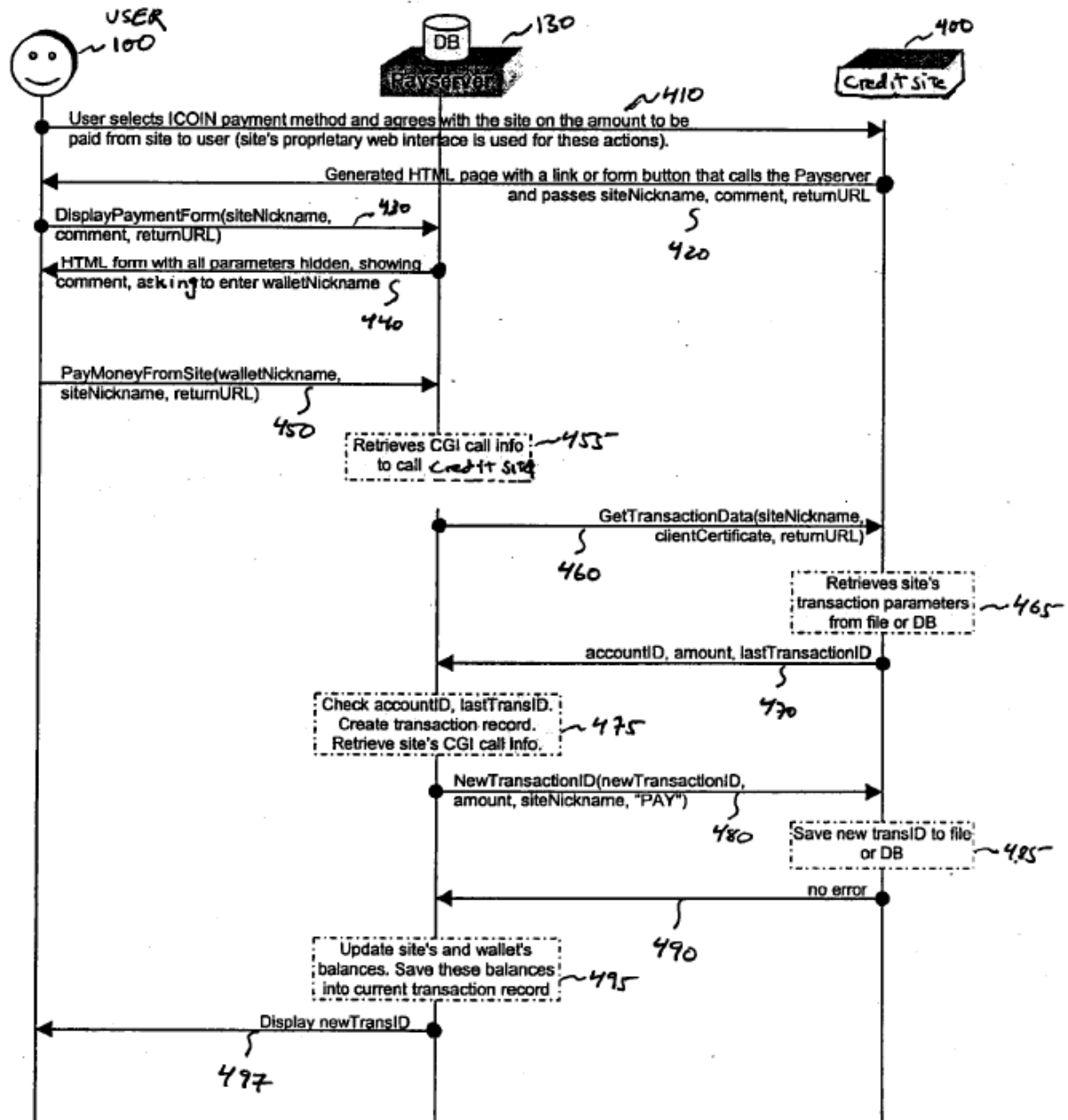


Figure 4

“Figure 4 shows the transactions between, and acts by, the user, Payserver, and a debit-site in a transfer of funds from the debit-site to user.”

Ex. 1006, 15:12–13. “[U]ser 100 initiates contact with a debit-site 400 using

browser software on a personal computer 140,” and “[a]t the debit-site 400, the user 100 requests for an amount of money to be transferred from the debit-site 400 to the user 100.” *Id.* at 15:14–16.

At 410, “the user selects a method of payment,” such as Krasnyansky’s, and “debit-site 400 generates a HTML page with a hyper-link or form button linked to the Payserver 130.” Ex. 1006, 15:16–20. At 420, debit-site 400 “passes a site nickname, a comment, and a return URL (Uniform Resource Locator) to the Wallet application running on the user’s 100 personal computer 140.” *Id.* at 15:20–22. At 430, “[t]he Wallet application directs the site nickname, comment and return URL to the Payserver 130.” *Id.* at 15:22–23.

At 440, “Payserver 130 provides an HTML form for viewing on the Web browser running on the personal computer 140.” Ex. 1006, 15:23–25. “The HTML form shows the comment, and asks the user to enter a password or Wallet nickname.” *Id.* at 15:25–26. At 450, “[t]he user enters the password or Wallet nickname, and the Wallet application forwards the password along with the site nickname, and return URL to the Payserver 130.” *Id.* at 15:27–29.

At 435, “Payserver 130 retrieves the common gateway interface and client certificate, and connects to the debit-site 400.” Ex. 1006, 15:29–30. At 460, after connection, “Payserver 130 sends the site nickname, client certificate, and return URL to the debit-site 400.” *Id.* at 15:30–32.

At 465, “[u]pon reception of this data, the debit-site 400 retrieves the transaction parameters including the account identification, amount to be transferred, and the last transaction identification from a file or database.” Ex. 1006, 15:33–16:1. At 470, debit-site 400 sends this data to Payserver 130. *Id.* at 16:1–2.

At 475, Payserver 130 “check[s] the account identification and last transaction identification, and create[s] a transaction record, including the generation of a new transaction identification.” Ex. 1006, 16:2–4.

“Payserver 130 further retrieves the sites common gateway interface call information, and sends the new transaction identification, amount, site nickname, along with an instruction that the payment is to be completed to debit-site 400.” *Id.* at 16:4–7.

At 485, “[d]ebit-site 400 stores this information to a file or database,” and, at 490, “informs the Payserver 130 whether there was an error.” Ex. 1006, 16:7–8. At 497, “Payserver 130 updates the debit-site 400 and Wallet 110 account balances, and saves the balances into a transaction record, and sends the new transaction identification to the user.” *Id.* at 16:8–10.

In another embodiment, “the Wallet program is not used during the crediting transaction from seller-site to such a Wallet.” Ex. 1006, 16:11–12. Instead, “the user enters a Wallet creditID in an HTML form in the seller-site and presses a button to submit it,” and “[t]he same form can contain site and merchandise-specific form fields (as ‘hidden’ ones).” *Id.* at 16:13–15. “The site’s creditID is one such required parameter,” and submitting the form “sends a POST request to the Payserver to initiate the crediting transaction.” *Id.* at 16:15–17, Fig. 9D. “The Payserver initiates an HTTP-SSL request back to the seller-site, invoking a URI that accepts site’s creditID and a password.” *Id.* at 16:18–19. A URI is a Uniform Resource Identifier. *Id.* at 13:22. “The seller-site returns its debitID, amount of payment, and the last transactionID.” *Id.* at 16:20–21, Fig. 9E. “The URI, password and client certificate (if applicable) are stored in the Payserver’s database and retrieved by creditID of the seller-site.” *Id.* at 16:21–22.

2. *Claim 1*

- a) *receiving, at the payment processing server, a terminal identifier from the mobile device operated by the customer, the terminal identifier indicating a request to initiate a transaction with a terminal identified by the terminal identifier, wherein the terminal identifier does not indicate a transaction amount for the transaction*

For the limitation quoted above, Petitioner argues that Krasnyansky discloses receiving, at the Payserver, a site's creditID from user 100's personal computer 140, which can be a laptop, and that the site's creditID indicates a request to initiate a transaction with a computer system hosting the seller's Web site identified by the site's creditID. Pet. 24 (citing Ex. 1006, 6:6, 9:10–22, 15:19–20, 16:15–17). Petitioner also argues that Krasnyansky discloses that the site's creditID does not indicate a transaction amount. *Id.* (citing Ex. 1002 ¶ 111; Ex. 1006, 16:15–17, Fig. 9D); *see also id.* at 26 (arguing that the Payserver interface receives “siteCreditID” as an input parameter and “siteCreditID” corresponds to “terminal identifier”) (citing Ex. 1002 ¶ 117; Ex. 1006, Figs. 9D, 9E).

In support, Petitioner contends that one of ordinary skill in the art would have understood that Krasnyansky's computer system hosting and running the seller's Web site is a terminal as defined by the '058 patent, and that Krasnyansky's computer system can be a laptop, desktop, or machine to machine computing device. Pet. 24–25 (citing Ex. 1002 ¶ 112).

(1) Patent Owner's Preliminary Response

Patent Owner responds that Krasnyansky's siteCreditID neither identifies a terminal nor indicates a request to initiate a transaction with a terminal. Prelim. Resp. 30–31. Patent Owner argues that Krasnyansky's siteCreditID identifies an account in the Payserver database, not a terminal,

and that Petitioner does not explain how it identifies any device that can be considered a terminal. *Id.* at 31 (citing Pet. 29–30; Ex. 1006, 9:10–22),³ 34 (citing Ex. 1006, 9:10–22). Patent Owner also argues that neither the relied-upon portion nor any other part of Krasnyansky discloses that siteCreditID identifies any computer system, let alone one that hosts and runs the seller’s website. *Id.* at 32 (citing Pet. 24; Ex. 1002 ¶ 105).

Patent Owner further argues that Petitioner’s reliance on Krasnyansky’s input and output parameters does not show a link between siteCreditID and the output parameter browser redirection code. Prelim. Resp. 32–33 (citing Pet. 24–27; Ex. 1006, 16:11–23, Fig. 9D). Patent Owner contends that Petitioner does not point to any disclosure that siteCreditID contains or identifies the URI of the seller’s website. *Id.* at 33–34 (citing Pet. 24–27; Ex. 1002 ¶¶ 105–112).

Patent Owner also responds that, even if siteCreditID did identify a seller’s website, it does not identify a terminal. Prelim. Resp. 34. According to Patent Owner, Petitioner provides no evidence that a website identifies a terminal. *Id.* In Patent Owner’s view, Petitioner “does not point to any portion of Krasnyansky that discloses the contents of the URI” or “any teaching that the URI for the seller’s website identifies a device that could be considered a terminal.” *Id.*

Patent Owner also argues that “Krasnyansky never calls the seller website a ‘terminal’ or indicates that the website URI identifies a terminal”

³ Patent Owner cites Exhibit 1005, which is the prosecution history of a related patent, instead of Exhibit 1006, which is Krasnyansky. Also, in related proceeding IPR2022-00380, Krasnyansky is filed as Exhibit 1005. Patent Owner’s arguments clearly indicate an intent to refer to Krasnyansky, and, thus, in summarizing Patent Owner’s arguments, we correct this citation and others that are plainly erroneous.

and “even distinguishes between a seller’s website and terminals.” Prelim. Resp. 34 (quoting Ex. 1006, 27:8–10). Patent Owner contends that Petitioner “fails to provide evidence that skilled artisans would have understood that Krasnyansky’s remote server would be considered a ‘terminal,’ which typically references a device in the field (*e.g.*, at the point-of-sale or an ATM).” *Id.* at 35.

Turning to the “redirectURI” of Figure 9D, Patent Owner responds that “Krasnyansky is silent on what information is contained in the URI for the seller’s website” and “does not disclose that the URI identifies any device that could be considered a terminal.” Prelim. Resp. 36. Patent Owner contends that “[t]here is likewise no disclosure in Krasnyansky that the Petition points to in which the URI identifies a computer,” and that “it is often the purpose of website addresses to separate a website . . . from the identity of the computers that might host the website at any given time” so that users can “access the website using the same website name independent of which particular computers are running that website.” *Id.* at 35.

Regarding Petitioner’s declarant testimony, Patent Owner argues that the cited portion that opines ordinarily skilled artisans “would have understood that the seller-site is hosted and run on a computer is a terminal” is conclusory and unsupported. Prelim. Resp. 35 (citing Ex. 1002 ¶ 111). According to Patent Owner, “a terminal may include a computer,” but that “does not mean that any computer is a terminal.” *Id.* (citing a related patent). Patent Owner also contends that Petitioner’s declarant testimony “does not show that creditID identifies a terminal” because “a URI does not necessarily identify the computer or computers that may be hosting that site.” *Id.* (citing Ex. 1002 ¶ 111).

Patent Owner further responds that Petitioner’s asserted “terminal identifier” “does not indicate a request to initiate a transaction with a terminal” because receiving siteCreditID does not indicate a request to initiate a transaction with the computer hosting and running the seller’s website. Prelim. Resp. 36 (citing Pet. 24; Ex. 1002 ¶ 111). Patent Owner argues that the cited portion of Krasnyansky lacks “any teaching that the crediting transaction is a transaction with the hosting computer.” *Id.* (citing Ex. 1006, 16:15–17). Krasnyansky, according to Patent Owner, teaches a process initiating a transaction with a seller’s website, not a hosting computer. *Id.* at 36–37 (citing Ex. 1006, 40:19–22). Patent Owner further argues that Petitioner fails to point to any evidence that siteCreditID indicates a request to initiate a transaction with a hosting computer. *Id.* at 37.

(2) Petitioner Insufficiently Shows that Krasnyansky Discloses the Receiving Step

Petitioner fails to provide sufficient argument and evidence that the asserted terminal identifier in Krasnyansky, the site’s creditID, identifies a terminal, as required by claim 1. As Patent Owner points out, Krasnyansky expressly discloses that creditID identifies an account in a database, not a terminal. Prelim. Resp. 31–34. In particular, Krasnyansky teaches that “both the Wallet and the seller-site must present a unique identifier to the Payserver,” the identifiers “are the key[s] to all accounts in the Payserver’s database,” “each account has a pair of identifiers, both uniquely identifying the account in the database,” “[o]ne of the two identifiers is used in all account-debiting operations,” the identifiers “are called debitID and creditID,” and a “payment transaction from a Wallet to a seller-site requires

the debitID of the Wallet and the creditID of the site.” Ex. 1006, 9:10–18; *see also id.* at 36:28–37:8 (describing similarly).

Petitioner appears to suggest that identifying an account in a database would also identify the seller’s Web site and, in turn, identify the computer running and hosting the seller’s Web site. *See* Pet. 24–26. Petitioner, however, does not point to any portion of Krasnyansky that supports a site’s creditID further identifying the Web site or the computer hosting the Web site. *See id.*

Krasnyansky, instead, only provides express support for the site’s creditID identifying the account. *See* Ex. 1006, 9:10–18. Krasnyansky also indicates that a site nickname, rather than the site’s creditID, identifies the Web site in one embodiment (*see id.* at 15:20–22), which further undermines Petitioner’s argument that identifying the account would identify the computer running and hosting a Web site. Furthermore, Krasnyansky describes using site nickname and creditID to complete the transaction without any need for identifying the computer running and hosting debit-site 400. *See id.* at 15:12–16:22. Petitioner does not address these portions of Krasnyansky. *See* Pet. 24–26. Petitioner, thus, does not argue sufficiently that Krasnyansky requires identifying the computer running and hosting a site to complete any transaction. *See id.*

Even if we adopted Petitioner’s proposed interpretation of “terminal” to mean “any type of computer which enables the input of information” so that “terminal identifier” would identify such a computer, Petitioner does not explain adequately how a site’s creditID identifies any computer when Krasnyansky expressly describes that creditID identifies an account in a database. *See* Pet. 24–26; Ex. 1002 ¶¶ 111–117.

As for the “redirectURI” shown in Figure 9D of Krasnyansky, Petitioner relies on Figure 9D because it “show[s] the ‘siteCreditID’ received at the Payserver interface as an input parameter, which corresponds to the terminal identifier limitation of Claim 1” and “input parameters do not include a transaction amount.” Pet. 27 (emphases omitted) (citing also Ex. 1002 ¶ 117; Ex. 1006, Fig. 9E). Petitioner does not present any argument that “sitecreditID” and “redirectURI” are somehow connected or that “redirectURI” would also disclose a “terminal identifier.” *See id.*

Petitioner’s declarant testimony regarding the receiving step of claim 1 substantially mirrors what is presented in the Petition. *Compare* Ex. 1002 ¶¶ 111–117 *with* Pet. 24–26. That testimony does not provide any additional evidence not already cited in the Petition. *See* Ex. 1002 ¶¶ 111–117.

For the reasons above, because Krasnyansky expressly describes that creditID identifies an account in the database of a Payserver, Petitioner does not provide sufficient argument and supporting evidence that a site’s creditID somehow also identifies a terminal, such as the computer running and hosting seller-site. *See* Pet. 24–26; Ex. 1002 ¶¶ 111–117; *see also id.* at 11–16 (proposing an interpretation for “terminal” but not “terminal identifier”), 29 (arguing that the recited “terminal account associated with the terminal” is disclosed by “site’s creditID” and “debitID” because they uniquely identify an account in a database) (citing Ex. 1002 ¶ 123; Ex. 1006, 9:13, 16:13).

Additionally, Petitioner fails to provide sufficient argument and evidence that Krasnyansky discloses receiving a site’s creditID from the laptop of user 100. Petitioner relies on portions of Krasnyansky that disclose user 100 wishing to purchase something (Ex. 1006, 6:6), identifiers for

identifying an account in a database of Payserver 130 (*id.* at 9:10–22), debit-site 400 generating a HTML page (*id.* at 15:19–20), and a form containing a site’s creditID and sent to a Payserver to initiate a crediting transaction (*id.* at 16:15–17). *See* Pet. 24 (citing Ex. 1006, 6:6, 9:10–22, 15:19–20, 16:15–17).

A cited portion of Krasnyansky describes user 100 entering information “in an HTML form *in the seller-site*” and “[t]he same form can contain site and merchandise-specific form fields (as ‘hidden’ ones),” such as the “site’s creditID.” Ex. 1006, 16:11–17 (emphasis added), Fig. 9D. The form is submitted by “press[ing] a button to submit it.” *Id.* at 16:13–14.

Claim 1 requires “receiving . . . a terminal identifier from the mobile device operated by the customer,” but Petitioner’s arguments and evidence do not address sufficiently whether personal computer 140 adds the site’s creditID in the HTML form “in the seller-site” and whether personal computer 140 subsequently sends the form with the site’s creditID to the Payserver. *See* Pet. 24–26; Ex. 1002 ¶¶ 111–117.

Although user 100 clearly views the form in the seller-site at personal computer 140 and enters information into it from personal computer 140, Krasnyansky indicates that the “HTML form in the seller-site” with hidden form fields, such as the site’s creditID, resides on the computer running and hosting the seller-site. Ex. 1006, 16:15–17, Fig. 9D. Krasnyansky does not indicate that the hidden fields are added by personal computer 140 because Krasnyansky describes the user entering only a Wallet creditID, not a site’s creditID. *See id.* The computer running and hosting the seller-site, thus, must add the asserted “terminal identifier.” *See id.*

Also, Krasnyansky indicates that the “button to submit it” (the HTML form) is part of the HTML form in the seller-site. *See* Ex. 1006, 16:13–14.

Krasnyansky, thus, indicates that, after user 100 presses this submit button by using personal computer 140, the seller-site, not personal computer 140, sends the asserted “terminal identifier” to the Payserver. *See id.* Petitioner’s relied-upon portion of Krasnyansky alone, thus, does not disclose sufficiently receiving the terminal identifier from the asserted mobile device operated by the customer. *See id.* at 16:13–17. In view of the above, Petitioner does not adequately argue and does not point to sufficient evidence supporting that user 100 sends a site’s creditID from its personal computer 140 to Payserver 130. *See* Pet. 24–26; Ex. 1002 ¶¶ 111–117.

For the reasons above, Petitioner fails to show a reasonable likelihood of prevailing in its anticipation challenge to claim 1.

3. *Independent Claim 16*

Petitioner argues that “Claim 16 is the same as Claim 1, except that Claim 16 is directed to a non-transitory computer-readable medium that includes ‘**instructions for execution by a process**[or] which, when executed by the processor perform the same steps as Claim 1.’” Pet. 35–36 (emphasis in original) (citing Ex. 1002 ¶ 142). Petitioner provides arguments for the recited first computing device and memory. *Id.* at 36–37. Petitioner states that “[t]he remaining elements of Claim 16 are the same as Claim 1 and are met for the same reasons as discussed in Claim 1.” *Id.* at 37 (citing Ex. 1002 ¶¶ 107–125).

Similar to the receiving step of claim 1, claim 16 recites “receiving a terminal identifier from the mobile device operated by the customer, the terminal identifier indicating a request to initiate a transaction with a terminal identified by the terminal identifier, wherein the terminal identifier does not indicate a transaction amount for the transaction.” Ex. 1001, 22:46–51.

For the same reasons discussed above for the receiving step of claim 1, Petitioner provides insufficient arguments and evidence that Krasnyansky discloses the “terminal identifier” of claim 16. *See* Pet. 23–27, 35–37. Therefore, Petitioner fails to show a reasonable likelihood of prevailing in its anticipation challenge to claim 16.

4. *Dependent Claims 8, 13, 14, 23, 28, and 29*

Claims 8, 13, and 14 depend from claim 1, and claims 23, 28, and 29 depend from claim 16. Ex. 1001, 22:14–19, 22:30–36, 23:17–23, 24:14–20. These claims further require, *inter alia*, receiving a personal identification number or password; receiving the terminal identifier by user entry, scanning, or using near field communication; and locating the mobile device remotely from the terminal. *See id.*

Petitioner argues that “all of the features of Claim 1 are anticipated by Krasnyansky on its own” and that “additional features required by these claims are also disclosed by Krasnyansky on its own.” Pet. 31 (citing Ex. 1002 ¶¶ 107–141). Petitioner provides citations to the record for where Krasnyansky allegedly discloses the limitations of claims 8, 13, and 14. *Id.* at 31–35. For claims 23, 28, and 29, Petitioner argues that they “correspond to claims 8, 13, and 14, respectively” and refers to its arguments for those claims. *Id.* at 37.

Petitioner’s arguments for claims 8, 13, 14, 23, 28, and 29 do not address the deficiencies discussed above for claims 1 and 16. *See* Pet. 23–27, 31–37. Petitioner, thus, fails to show a reasonable likelihood of prevailing with respect to claims 8, 13, 14, 23, 28, and 29 in its anticipation challenge.

E. Asserted Obviousness Based on Krasnyansky and Hogg

1. Claim 1

In its arguments that Krasnyansky discloses all the limitations of claim 1 (Pet. 17, 21–25, 27–31), Petitioner alternatively argues with citations to Hogg and declarant testimony that it would have been obvious “that the processes used for the website taught by Krasnyansky may be used by a point of sale terminal at a merchant, as taught in Hogg,” and that one of ordinary skill in the art would have been motivated to combine Krasnyansky and Hogg (*id.* at 25–26).

Specifically, Petitioner argues that it would have been obvious to use Krasnyansky’s processes for a website on a point of sale (“POS”) terminal, as taught by Hogg. Pet. 25 (citing Ex. 1002 ¶ 113). Petitioner relies on Hogg’s teachings that presenting a credit card to point-of-sale device 202 or entering cardholder information into a website initiates a transaction. *Id.* (citing Ex. 1002 ¶ 113; Ex. 1007 ¶ 30).

Petitioner also argues that Hogg teaches, in a POS terminal embodiment, the cardholder uses a cellular telephone to communicate with a transaction platform’s server to verify or authenticate the transaction. Pet. 25 (citing Ex. 1002 ¶ 114; Ex. 1007 ¶¶ 82–84). Petitioner, thus, argues that it would have been obvious “to modify the process of Krasnyansky in view of Hogg to have the customer directly communicate with the transaction platform server to receive the terminal identifier from the mobile device operated by the customer” so as “to avoid providing the user’s confidential information to the point-of-sale device.” *Id.* at 25–26 (citing Ex. 1002 ¶¶ 114, 115). According to Petitioner, “[t]he mobile phone number will be used by the server to perform the financial transaction.” *Id.* at 26 (citing Ex. 1002 ¶ 115).

Petitioner further contends that one of ordinary skill in the art would have been motivated to use Krasnyansky's "improved security measures" at Hogg's POS terminal "to achieve the advantage of greater security." Pet. 26 (citing Ex. 1002 ¶ 116). In Petitioner's view, "Krasnyansky specifically teaches improving security, for example, by providing data and executable programs on the media or user device itself as well as the 'backward flow'" so that a user does not give confidential information. *Id.* (citing Ex. 1002 ¶ 116). Petitioner asserts that the proposed modification "provides a self-contained system that does not rely on external, and potentially insecure, data and standalone programs, and is consistent with industry practice used by standard smart-chip credit cards which perform security encryption and verification using data and executable programs within the smart-chip itself." *Id.* (citing Ex. 1002 ¶ 116).

Patent Owner responds that the proposed modification does not address the deficiencies of Krasnyansky. Prelim. Resp. 38 (citing Pet. 26; Ex. 1002 ¶ 114).

Petitioner's proposed modification of Krasnyansky with Hogg's POS terminal does not modify Krasnyansky's creditID or how it is used in Krasnyansky's process. *See* Pet. 25–26. For the reasons discussed above for claim 1 in the anticipation challenge, even if one of ordinary skill in the art modified Krasnyansky with Hogg in the manner asserted, Petitioner provides insufficient argument and evidence that Krasnyansky's creditID would identify Hogg's terminal and whether Hogg's terminal or cardholder's cellular phone would send the asserted terminal identifier in the proposed combination.

Petitioner, thus, fails to show a reasonable likelihood of prevailing with respect to claim 1 in its obviousness challenge based on Krasnyansky and Hogg.

2. Independent Claim 16

Petitioner's obviousness arguments for the "terminal identifier" of claim 16 rely on the same arguments presented for claim 1. *See* Pet. 35–37.

Accordingly, Petitioner fails to show a reasonable likelihood of prevailing with respect to the obviousness challenge to claim 16 for the reasons discussed for claim 1. *See* Pet. 23–27, 35–37.

3. Dependent Claims 8, 13, 14, 23, 28, and 29

As summarized above, claims 8, 13, and 14 depend from claim 1; claims 23, 28, and 29 depend from claim 16; and these claims further require, *inter alia*, receiving a personal identification number or password; receiving the terminal identifier by user entry, scanning, or using near field communication; and locating the mobile device remotely from the terminal. Ex. 1001, 22:14–19, 22:30–36, 23:17–23, 24:14–20.

Petitioner argues that "all of the features of Claim 1 are . . . rendered obvious by Krasnyansky in view of Hogg" and that "additional features required by these claims are also . . . rendered obvious by Krasnyansky in view of Hogg." Pet. 31 (citing Ex. 1002 ¶¶ 107–141).

Petitioner's arguments for these claims do not address deficiencies discussed above for claims 1 and 16. *See* Pet. 31–35, 37. Because Petitioner fails to show sufficiently that the combination of Krasnyansky and Hogg meets all the limitations of claims 1 and 16, Petitioner fails to show a reasonable likelihood of prevailing with respect to the obviousness challenge to claims 8, 13, 14, 23, 28, and 29, which depend from either claim 1 or 16.

4. *Dependent Claims 6, 9–12, 21, and 24–27*

Claims 6 and 9–12 depend directly or indirectly from claim 1 and recite limitations related to sub-accounts or a personal identification number. Ex. 1001, 22:7–9, 22:20–29. Claims 21 and 24–27 depend directly or indirectly from claim 16 and recite limitations corresponding to claims 6 and 9–12. *Id.* at 23:9–11, 24:1–13.

In a separate ground that relies exclusively on Krasnyansky combined with Hogg, Petitioner argues that the additional elements of claims 6, 9–12, 21, and 24–27 are taught by Hogg. Pet. 37–49. Patent Owner responds that “[a]ll proposed grounds in the Petition hinge on Krasnyansky and its alleged disclosure of the ‘terminal identifier’ and the surrounding steps that are based on the use of the identifier.” Prelim. Resp. 39. Patent Owner also responds that Petitioner’s “obviousness allegations are insufficient to fill the void” related to the recited “terminal identifier.” *Id.*

Petitioner’s arguments for these claims do not address deficiencies discussed above for claims 1 and 16. *See* Pet. 37–49. Petitioner, thus, fails to show a reasonable likelihood of prevailing with respect to the obviousness challenge to claims 6, 9–12, 21, and 24–27.

F. *Remaining Challenges*

Claims 3–5, 7, and 15 depend from claim 1 and recite limitations that the customer account is a payroll account, how the customer account is identified, requesting authorization from a second mobile device, and the terminal identifier being a landline number, phone number, or email address. Ex. 1001, 21:66–22:6, 22:10–13, 22:37–39. Claims 18–20, 22, and 30 depend from claim 16 and recite limitations corresponding to claims 3–5, 7, and 15. *Id.* at 23:1–8, 23:12–16, 24:21–23. Petitioner challenges claims 3–

5, 7, 15, 18–20, 22, and 30 as unpatentable over (1) Krasnyansky and Killian and (2) Krasnyansky, Hogg, and Killian. Pet. 50–65.

Claims 2 and 17 depend from claims 1 and 16, respectively, and require that the terminal is an automated teller machine. Ex. 1001, 21:64–65, 22:65–67. Petitioner challenges claims 2 and 17 as unpatentable over Krasnyansky, Hogg, and Ramachandran. Pet. 65–69.

Patent Owner responds that “[a]ll proposed grounds in the Petition hinge on Krasnyansky and its alleged disclosure of the ‘terminal identifier’ and the surrounding steps that are based on the use of the identifier.” Prelim. Resp. 39. Patent Owner also responds that Petitioner’s “obviousness allegations are insufficient to fill the void” related to the recited “terminal identifier.” *Id.*

Petitioner’s arguments for these claims do not address deficiencies discussed above for claims 1 and 16. *See* Pet. 50–69. For example, Petitioner argues that one of ordinary skill in the art would have modified Krasnyanaky in view of Hogg and Killian so that Hogg’s or Killian’s POS terminal would be substituted for Krasnyansky’s Web site and the terminal would be identified by a mobile phone number as taught by Killian instead of the site’s creditID. *See id.* at 63–64. As discussed above, Krasnyansky uses its creditID to identify an account in a database, and Petitioner does not adequately argue why one of ordinary skill in the art would have applied Killian’s asserted terminal identifier to identify more than just a database account or whether the customer’s mobile device, and not the POS terminal, sends the asserted terminal identifier.

Petitioner, thus, fails to show a reasonable likelihood of prevailing with respect to the obviousness challenges to claims 2–5, 7, 15, 17–20, 22, and 30.

III. CONCLUSION

After considering the evidence and arguments presented in the Petition, Petitioner does not show that there is a reasonable likelihood that it would prevail with respect to at least one of claims 1–30 of the '058 patent.

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition is denied, and no *inter partes* review is instituted.

FOR PETITIONER:

Charles R. Macedo
Keith Barkaus
AMSTER, ROTHSTEIN & EBENSTEIN LLP
PQI-MEC@arelaw.com
cmacedo@arelaw.com
kbarkaus@arelaw.com

FOR PATENT OWNER:

Christian Hurt
William E. Davis, III (*pro hac vice* to be filed)
THE DAVIS FIRM PC
churt@davisfirm.com