

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ASSA ABLOY AB, ASSA ABLOY INC.,
ASSA ABLOY RESIDENTIAL GROUP, INC., AUGUST HOME, INC.,
HID GLOBAL CORPORATION, and
ASSA ABLOY GLOBAL SOLUTIONS, INC.,
Petitioner,

v.

CPC PATENT TECHNOLOGIES PTY, LTD.,
Patent Owner.

IPR2022-01045 and IPR2022-01089
Patent 9,269,208 B2

Before SCOTT A. DANIELS, BARRY L. GROSSMAN, and
AMBER L. HAGY, *Administrative Patent Judges*.

GROSSMAN, *Administrative Patent Judge*.

DECISION¹
Granting Institution of *Inter Partes* Review
35 U.S.C. § 314

¹ This Order addresses the two proceedings listed above, which raise the same issues for different claims of the same patent. We issue this one Decision, which will be filed in each proceeding. Unless specifically authorized by the Board, the parties are not authorized to use this style of filing.

I. INTRODUCTION

A. *Background and Summary*

ASSA ABLOY AB, ASSA ABLOY Inc., ASSA ABLOY Residential Group, Inc., August Home, Inc., HID Global Corporation, and ASSA ABLOY Global Solutions, Inc. (collectively “Petitioner”²) filed two Petitions, collectively requesting *inter partes* review of claims 1–13 (the “challenged claims”) of U.S. Patent No. 9,269,208 B2 (Ex. 1007 in each proceeding, “the ’208 patent”). Paper 3, 3³ (“Pet.”). CPC Patent Technologies Pty Ltd. (“Patent Owner”) filed a Preliminary Response to each Petition. Paper 8 (“Prelim. Resp.”). With our authorization to address Patent Owner’s arguments that the Petition is time-barred under 35 USC § 315(b) (*see* Paper 10), Petitioner filed a Reply (Paper 14 (“Prelim. Reply”)); and Patent Owner filed a Sur-Reply (Paper 18 (“Sur-Reply”)).

We have authority to determine whether to institute an *inter partes* review. 35 U.S.C. § 314 (2018); 37 C.F.R. § 42.4(a) (2022) (permitting the Board to institute trial on behalf of the Director). To institute an *inter*

² *See Cradlepoint, Inc. et al v. 3G Licensing S.A.*, IPR2021-00639, Paper 12, 2 (PTAB May 13, 2021) (“[F]or each ‘petition’ there is but a single party filing the petition, no matter how many companies are listed as petitioner or petitioners and how many companies are identified as real parties-in-interest. . . . Even though the separate sub-entities regard and identify themselves as ‘Petitioners,’ before the Board they constitute and stand in the shoes of a single ‘Petitioner. . . . they must speak with a single voice, in both written and oral representation.”).

³ We cite to the record in IPR2022-01045, unless a specific citation to each Petition is required for clarity. Similar documents, generally having the identical exhibit number, were filed in each of the two proceedings to which this Decision applies.

partes review, we must determine that the information presented in the petition, any preliminary response, or other pre-institution briefing shows “a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a). “The ‘reasonable likelihood’ standard is a somewhat flexible standard that allows the Board room to exercise judgment.” Patent Trial and Appeal Board Consolidated Trial Practice Guide, 53 (Nov. 2019) (“TPG”).⁴

Petitioner has the burden of proof. Petitioner’s burden does not change even if Patent Owner does not file a preliminary response, or files a preliminary response without addressing the substantive unpatentability assertions. *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1363 (Fed. Cir. 2016) (“In an [*inter partes* review], the petitioner has the burden from the onset to show with particularity why the patent it challenges is unpatentable.”). This burden of persuasion never shifts to Patent Owner. *Dynamic Drinkware, LLC v. Nat’l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015).

A decision to institute is “a simple yes-or-no institution choice respecting a petition, embracing all challenges included in the petition.” *PGS Geophysical AS v. Iancu*, 891 F.3d 1354, 1360 (Fed. Cir. 2018). For the reasons set forth below, we determine that Petitioner has demonstrated that there is a reasonable likelihood that at least one of the challenged claims in each of the ’045 and ’089 proceedings is unpatentable. Accordingly, we institute an *inter partes* review of all challenged claims and on all grounds asserted in the ’045 and ’089 Petitions.

⁴ The TPG is available at <https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf>.

B. Two Petitions

We first address Petitioner’s filing two petitions challenging a single patent.

The Petition in IPR2022-01045 (“the ’045 petition”) challenges claims 1–9 of the ’208 patent, directed to a “system for providing secure access to a controlled item” (claims 1–8) or “a transmitter subsystem” for such a system (claim 9). The Petition in IPR2022-01089 (“the ’089 petition”) challenges claims 10–13 of the ’208 patent, directed to a “method for providing secure access to a controlled item in a system.”

The Board recognizes that there may be circumstances in which more than one petition may be necessary, including, for example, when the patent owner has asserted a large number of claims in litigation or when there is a dispute about priority date requiring arguments under multiple prior art references. Patent Trial and Appeal Board Consolidated Trial Practice Guide, 59 (Nov. 2019) (“TPG”).⁵

Petitioner asserts that two petitions “are necessary to address each of the claims and their lengthy claim recitations, including numerous means-plus-function limitations.” Paper 2 (Petitioners’ Ranking and Explanation for Two Petitions), 2 (emphasis deleted) (“Pet. Ranking”).⁶ Petitioner also

⁵ The TPG is available at <https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf>.

⁶ The TPG provides that if a petitioner files two or more petitions challenging the same patent, the petitioner should identify “a ranking of the petitions” and provide a succinct explanation of why multiple petitions are necessary. TPG, 59–60. If the petitioner provides this information, the patent owner could, in its preliminary responses or in a separate paper filed with the preliminary responses, respond to the petitioner. *Id.* at 60. Here, Patent Owner did *not* respond to Petitioner’s ranking and explanation.

asserts “[b]oth petitions are necessary because each challenges distinct independent claims and their dependent claims—an approach that was driven by word limits.” Pet. Ranking 4 (citing *Intel Corp. v. VLSI Technology LLC*, IPR2019-01199, Paper 19 at 10 (PTAB Feb. 6, 2020) (declining to exercise discretion to deny petitions where “each petition is directed to a different independent claim.”); *Microsoft Corp. v. IPA Techs. Inc.*, IPR2019-00810, Paper 12 at 14 (PTAB Oct. 16, 2019) (“Faced with word count limitations and a large number of challenged claims, Petitioner’s decision to divide its analysis of those claims among a number of petitions appears reasonable.”)). We also note that the identical references are relied on in both Petitions.

Based on the specific facts of these proceedings, we agree with Petitioner and exercise our discretion to allow Petitioner to proceed with both the ’045 petition and the ’089 petition.

Additionally, Patent Owner’s Preliminary Responses and Sur-replies in both the ’045 and ’089 Petitions raise identical defenses based on an asserted statutory bar to the Petitions under 35 U.S.C. § 315(b).

Patent Owner does not respond to the merits of Petitioner’s unpatentability assertions in either the ’045 or ’089 Petitions.

Based on the unique factual posture of these proceedings, discussed above, and considering the efficiency to the Board and parties of discussing the same issues and same evidence for the same patent in a single decision, we exercise our discretion to issue a single Decision addressing both the ’045 petition and the ’089 petition.

C. Real Parties-in-Interest

Petitioner identifies “ASSA ABLOY AB, ASSA ABLOY Inc. and its wholly owned subsidiaries ASSA ABLOY Residential Group, Inc., August Home, Inc., HID Global Corporation, and ASSA ABLOY Global Solutions, Inc.” as the real parties-in-interest. Pet. 1. Petitioner also states “ASSA ABLOY AB is the ultimate parent of all parties-in-interest.” *Id.*

Patent Owner identifies itself as the sole real party-in-interest.
Paper 6, 2.

The entirety of Patent Owner’s Preliminary Response is devoted to the issue of whether “the Petition is time-barred under 35 U.S.C. § 315(b) because Apple, Inc. (“Apple”) is a real party in interest (‘RPI’) or privy, and Patent Owner served a complaint on Apple alleging infringement of the ’208 Patent more than 1 year before this Petition was filed.” *See, e.g.,* Prelim. Resp. 1. We address this issue in Section II of this Decision.

D. Related Matters

Petitioner identifies the following matters as being related to this proceeding:

- 1) *ASSA ABLOY AB, et al. v. CPC Patent Technologies Pty Ltd., et al.*, No. 3-22-cv-00694 (D. Conn.);
- 2) *CPC Patent Technologies Pty Ltd v. HMD Global Oy*,⁷ WDTX-6-21-cv-00166-ADA (W.D. Tex.);
- 3) *CPC Patent Technologies Pty Ltd v. Apple Inc.*, No. 5:22-cv-02553-NC (N.D. Cal); and

⁷ Petitioner states HID Global, one of the named Petitioners in this IPR proceeding, and HMD Global, the named defendant in the cited litigation, “have no relation to one another.” Pet. 2, fn 2.

4) IPR2022-00602 and IPR2022-00601, identified as pending IPR challenges filed by Apple against, respectively, the U.S. Patent No. 9,665,705 (the “’705 patent”) and related the ’208 patent.⁸
Pet. 1–2.

Patent Owner identifies the above matters as related to the present IPR proceeding. Paper 6, 2. Patent Owner further identifies the following IPR proceedings: IPR2022-00601; IPR2022-01093; and IPR2022-01094. *Id.* at 2–3.

E. The ’208 Patent

The ’208 patent discloses a system “for providing secure access to a controlled item.” Ex. 1007, Abstr. The system uses a database of “biometric signatures” (*id.*), such as a fingerprint (Ex. 1007, 1:29–30) for determining authorized access.

⁸ The ’705 patent is a “[c]ontinuation of application No. 13/572,166, filed on Aug. 10, 2012, now Pat. No. 9,269,208.” Ex. 1001, code (63).

Figure 2 from the '208 patent is reproduced below.

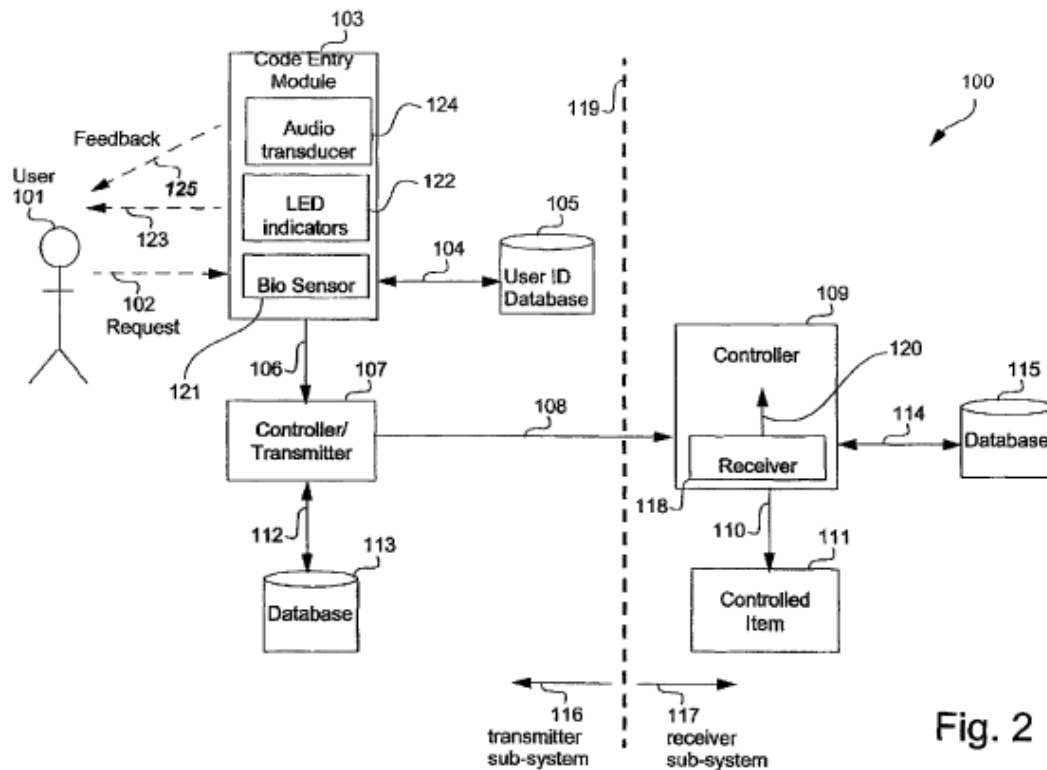


Fig. 2

Figure 2 is a functional block diagram of an arrangement for providing secure access according to the system disclosed in the '208 patent. Ex. 1007, 5:15–16.

User 101 makes a request to code entry module 103. Code entry module 103 includes biometric sensor 121. *Id.* at 5:52–53. If biometric sensor 121 is a fingerprint sensor, for example, then the request “typically takes the form of a thumb press” on a sensor panel (not shown) on code entry module 103. *Id.* at 5:56–59. Code entry module 103 then “interrogates” an authorized user identity database 105, which contains “biometric signatures” for authorized users, to determine if user 101 is an authorized user. *Id.* at 5:60–65. If user 101 is an authorized user, code entry module 103 sends a signal to “controller/transmitter” 107. *Id.* at 5:65–67.

The '208 patent also discloses that code entry module 103 may be activated by providing a succession of finger presses to biometric sensor 121 included in module 103. *Id.* at 10:45–47. If these successive presses are of the appropriate duration, the appropriate quantity, and are input within a predetermined time, controller 107 accepts the presses as potential control information and checks the input information against a stored set of legal control signals. *Id.* at 10:47–67.

If user 101 is an authorized user based on the inputs to code entry module 103, controller/transmitter 107 then sends “an access signal,” based on a “rolling code,” to controller 109. Ex. 1007, 6:1–5. According to the written description, “[t]he rolling code protocol offers non-replay encrypted communication.” *Id.* at 6:5–6. Other secure codes, such as “the Bluetooth™ protocol, or the Wi Fi™ protocols” also can be used. *Id.* at 6:28–34.

If controller 109 determines that the rolling code received is “legitimate,” then controller 109 sends a command to “controlled item 111,” which, for example “can be a door locking mechanism on a secure door, or an electronic key circuit in a personal computer” that is to be accessed by user 101. *Id.* at 6:7–16.

Code entry module 103 also incorporates at least one mechanism for providing feedback to user 101. *Id.* at 6:24–25. This mechanism can, for example, take the form of “one or more Light Emitting Diodes (LEDs) 122,” and/or audio transducer 124, which provide visual or audio feedback to the user. *Id.* at 6:25–31.

Code entry module 103 also incorporates at least one mechanism for providing feedback to user 101. *Id.* at 6:20–21. This mechanism can, for

example, take the form of “one or more Light Emitting Diodes (LEDs) 122,” and/or audio transducer 124, which provide visual or audio feedback to the user. *Id.* at 6:22–27.

In Figure 2, “sub-system 116,” shown on the left of vertical dashed line 119, communicates with “sub-system 117,” shown on the right of dashed line 119, “via the wireless communication channel” used by access signal 108 between controller/transmitter 107 and controller/receiver 109. *Id.* at 6:62–65. As disclosed in the ’208 patent, “[a]lthough typically the communication channel uses a wireless transmission medium, there are instances where the channel used by the access signal 108 can use a wired medium.” *Id.* at 7:3–8.

F. Illustrative Claim

Among the challenged claims, claims 1, 9, and 10 are independent claims. Independent claim 1 is directed to a “system for providing secure access to a controlled item.” Ex. 1007, 15:42–16:3. Independent claim 9 is directed to a “transmitter sub-system for operating in a system for providing secure access to a controlled item.” *Id.* at 16:64–17:18. Independent claim 10 is directed to a “method for providing secure access to a controlled item.” *Id.* at 17:19–18:13.

Independent claim 1 is illustrative and is reproduced below.

1. A system for providing secure access to a controlled item, the system comprising:
 - a database of biometric signatures;
 - a transmitter sub-system comprising:
 - a biometric sensor for receiving a biometric signal;
 - means for matching the biometric signal against members of the database of biometric signatures to thereby output an accessibility attribute; and

means for emitting a secure access signal conveying information dependent upon said accessibility attribute; and
a receiver sub-system comprising:
means for receiving the transmitted secure access signal;
and
means for providing conditional access to the controlled item dependent upon said information,
wherein the transmitter sub-system further comprises means for populating the data base of biometric signatures, the population means comprising:
means for receiving a series of entries of the biometric signal, said series being characterised according to at least one of the number of said entries and a duration of each said entry;
means for mapping said series into an instruction; and
means for populating the data base according to the instruction,
wherein the controlled item is one of: a locking mechanism of a physical access structure or an electronic lock on an electronic computing device.

Ex. 1007, 15:42–16:3.

G. Prior Art and Asserted Grounds

Petitioner asserts that the challenged claims are unpatentable based on following three grounds (Pet. 4):

	Claims Challenged	35 U.S.C. § ⁹	References/Basis
1	1, 3–5, 9, 10–13 ¹⁰	103	Bianco ¹¹ , Mathiassen-067 ¹² (1, 3–5, 9 in '045 petition; 10–13 in '089 petition)
2	2, 6, 7	103	Bianco, Mathiassen-067, Houvener ¹³ ('045 petition)
3	8	103	Bianco, Mathiassen-067, Houvener, Richmond ¹⁴ ('045 petition)

Petitioner relies on the declaration testimony of Stuart Lipoff (Ex. 1005) in support of these grounds. Pet., *passim*.

⁹ The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284, 296–07 (2011), took effect on September 16, 2011. The changes to 35 U.S.C. §§ 102 and 103 in the AIA do not apply to any patent application filed before March 16, 2013. Because the application for the patent at issue in this proceeding has an effective filing date before March 16, 2013, we refer to the pre-AIA version of the statute.

¹⁰ IPR 2022-01089 Petition, 4.

¹¹ Bianco et al., US 6,256,737 B1, issued July 3, 2001 (Ex. 1003, “Bianco”).

¹² Mathiassen, WO 02/28067 A1, published Apr. 4, 2002 (Ex. 1004, “Mathiassen-067”).

¹³ Houvener et al., US 5,790,674, issued Aug. 4, 1998 (Ex. 1013, “Houvener”).

¹⁴ Richmond et al., US 6,856,237 B1, issued Feb. 15, 2005 (Ex. 1005, “Richmond”).

II. REAL PARTY-IN-INTEREST SECTION 315(B) TIME BAR

Patent Owner asserts the Petition should be denied as time-barred under 35 U.S.C. § 315(b) because Apple, an argued real party-in-interest or privy, was served with a complaint for infringement of the '208 patent on March 1, 2021, more than a year before the Petition was filed. Prelim. Resp. 1 (citing *CPC Patent Technologies Pty Ltd. v. Apple, Inc.*, No. 6:21-cv-00165 (W.D. Tex., Waco Division) and “EX2001, EX2002”¹⁵).

Under 35 U.S.C. § 315(b), an *inter partes* review may not be instituted “if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party-in-interest, or privy of the petitioner is served with a complaint alleging infringement of the patent.” “The IPR petitioner bears the burden of persuasion to demonstrate that its petitions are not time-barred under § 315(b).” *Game & Tech. Co. v. Wargaming Grp. Ltd.*, 942 F.3d 1343, 1349 (Fed. Cir. 2019) (citing *Worlds Inc. v. Bungie, Inc.*, 903 F.3d 1237, 1242 (Fed. Cir. 2018)). Thus, Petitioner bears the burden of establishing that no RPI or privy was served with a complaint alleging infringement more than one year prior to the May 31, 2022, filing date (*see* Paper 3) of the Petition in this proceeding.

There is no dispute that Apple was served with a complaint alleging infringement of the '208 patent on March 1, 2021. *See* Ex. 2003, 5 (Complaint alleging as its “First Cause of Action” “Infringement of the '208 Patent”); Ex. 2004, (Affidavit of Service on Apple on March 1, 2021).

¹⁵ Patent Owner’s citations to Exhibits 2001 and 2002 are incorrect. The correct citations are Ex. 2003 (complaint in the cited *Apple* litigation) and Ex. 2004 (affidavit of service of the *Apple* complaint).

In *Power Integrations, Inc. v. Semiconductor Components Industries, LLC*, 926 F.3d 1306, 1314 (Fed. Cir. 2019), the Federal Circuit stated,

[t]he Board’s decision under § 315(b) is whether to institute or not. The condition precedent for this decision is whether a time-barred party (a party that has been served with a complaint alleging infringement of the patent more than one year before the IPR was filed) is the petitioner, real party in interest, or privy of the petitioner.

There is no dispute that Apple was served with a complaint for infringing the ’208 patent on March 1, 2021. The dispositive issue before us is whether Apple is an RPI or privy with Petitioner.

A. RPI Status

Section 315(b) “is unambiguous: Congress intended that the term ‘real party in interest’ have its expansive common-law meaning.” *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1351 (Fed. Cir. 2018) (hereinafter “*AIT*”). “Determining whether a non-party is a ‘real party in interest’ demands a flexible approach that takes into account both equitable and practical considerations, with an eye toward determining whether the non-party is a clear beneficiary that has a preexisting, established relationship with the petitioner.” *Id.* at 1351.

“The statutory terms ‘real party in interest’ and ‘privy’ are not defined in Title 35. However, they are well-established common law terms.” *Power Integrations*, 926 F.3d at 1315. The Federal Circuit has determined “that Congress intended to adopt common law principles to govern the scope of the section 315(b) one-year bar.” *Id.* The Federal Circuit therefore looks “to common law preclusion principles for guidance.” *Id.*

Whether a party who is not a named participant in a given proceeding nonetheless constitutes a “real party-in-interest” or “privy” to that

proceeding “is a highly fact-dependent question.” TPG, 13 (citing *Taylor v. Sturgell*, 553 U.S. 880 (2008) (summarizing common law preclusion principles)). “[A]t a general level, the ‘real party-in-interest’ is the party that desires review of the patent.” TPG at 14. Thus, the “real party-in-interest” may be the petitioner itself, and/or it may be the party or parties “at whose behest the petition has been filed.” *Id.*; see *AIT*, 897 F.3d at 1351 (recognizing the “fact-dependent” nature of the RPI inquiry, and explaining that the two questions lying at its heart are whether a non-party “desires review of the patent” and whether a petition has been filed at a non-party’s “behest”). A common meaning of “behest” is “because someone has ordered or requested it.” See Ex. 3002.

In *Uniloc 2017 LLC v. Facebook Inc.*, 989 F.3d 1018 (Fed. Cir. 2021), the Federal Circuit stated that:

[Determining whether a party is an RPI] has no bright-line test—relevant considerations, however, may include, “whether a [] party exercises [or could exercise] *control* over a petitioner’s participation in a proceeding, or whether a [] party is *funding* the proceeding or directing the proceeding.”

Id. at 1028 (emphasis added) (quoting *AIT*, 897 F.3d at 1342, which cited “Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,759 (Aug. 14, 2012)”; see also TPG, 16 (“A common consideration is whether the non-party exercised or could have exercised control over a party’s participation *in a proceeding*. The concept of control generally means that ‘it should be enough that the nonparty has the actual measure of control or opportunity to control that might reasonably be expected between two formal coparties.’” (citing 18A CHARLES ALAN WRIGHT, ARTHUR R. MILLER &

EDWARD H. COOPER, FEDERAL PRACTICE & PROCEDURE § 4451 (2d ed. 2011) (hereinafter cited generally as “WRIGHT & MILLER”)).

Thus, factors such as “control” and “funding” clearly are relevant.

Consistent with *Uniloc 2017*, and as further explained in the Trial Practice Guide, “[c]ourts and commentators agree . . . that there is no ‘bright-line test’ for determining the necessary quantity or degree of participation to qualify as a ‘real party-in-interest’ or ‘privy’ based on the control concept.” TPG at 16 (emphasis added) (citing *Gonzalez v. Banco Cent. Corp.*, 27 F.3d 751, 759 (1st Cir. 1994); WRIGHT & MILLER § 4451 (“The measure of control by a nonparty that justifies preclusion cannot be defined rigidly.”)).

As stated in *Gonzalez*, the evidence as a whole must establish that “the nonparty possessed *effective* control over a party’s conduct . . . *as measured from a practical, as opposed to a purely theoretical, standpoint.*” *Gonzalez*, 27 F.3d at 759 (emphases added). Theoretical, hypothetical, or speculative assertions about effective control, unsupported by evidence, are neither probative nor persuasive.

Additional relevant factors include: the non-party’s relationship with the petitioner; the non-party’s relationship to the petition itself, including the nature and/or degree of involvement in the filing; and the nature of the entity filing the petition. TPG at 17–18. Generally, a party does not become a “real party-in-interest” merely through association with another party in an unrelated endeavor. *Id.* at 17. A party also is not considered a real party-in-interest in an *inter partes* review solely because it is a joint defendant with a petitioner in a patent infringement suit or is part of a joint defense group with a petitioner in the suit. *Id.*

Patent Owner takes a different view of the criteria to establish status as a real party-in-interest. According to Patent Owner, the “[k]ey to the RPI analysis is whether Apple and Petitioners have a structured, preexisting business relationship and whether Apple would receive more than a merely generalized benefit if trial is instituted.” Prelim. Sur-reply 1 (citing *AIT*, 897 F.3d at 1351). We address this contention below.

1. Apple’s Prior IPR Petition

As noted above in Section I.D (Related Matters), Apple timely filed its own petition, IPR2022-00601 challenging some, but not all, claims, of the ’208 patent. *See Apple, Inc. v. CPC Patent Technologies, PTY, LTD.*, IPR2022-00601, Paper 1 (PTAB Feb. 23, 2022) (the “’601 Apple petition”). The ’601 Apple petition challenges claims 1, 3–7, 9–11, and 13 of the ’208 patent based on three references, Mathiassen-113, McKeeth, and Anderson. *Id.* The Petitions now before us collectively challenge claims 1–9 and 10–13¹⁶ of the ’208 patent based on various combinations of four references, Bianco, Mathiassen-067, Houvener, and Richmond. Pet. 4. In the ’601 Apple petition, the Board instituted trial on all asserted grounds and all asserted claims. *Apple*, IPR2022-00601, Paper 11 (PTAB Sept. 28, 2022). The instituted proceeding based on the Apple ’601 petition is still pending.

In *Unified Patents v. Uniloc USA, Inc. et al*, IPR2018-00199, Paper 33 (PTAB May 31, 2019), the Board determined that the fact that Apple, also asserted to be an unnamed RPI in that case, filed its own similar petition around the same time as the petitioner in that case “does not suggest Apple is an unnamed RPI. To the contrary, it suggests that Apple did not need

¹⁶ As explained above, the ’045 petition challenges claims 1–9, and the ’089 petition challenges claims 10–13.

Petitioner to file this Petition on its behalf, and chose to file its own similar petition, giving Apple control over its own proceeding.” *Unified Patents*, IPR2018-00199, Paper 33 at 9. Based on the record before us, a similar determination can be made here. The fact that Apple filed the ’601 Apple petition on February, 23, 2022, about three months *before* the Petition in the case before us was filed, suggests that Apple did not need Petitioner to file the Petition in this case on its behalf, because Apple had previously filed its own similar petition, giving Apple control over its own proceeding.

2. *Apple’s Relationship to Petitioner*

There is no dispute that Apple has some relationship with Petitioner. Petitioner filed a Declaratory Judgment complaint against “CPC Patent Technologies Pty. Ltd.” (Patent Owner in the proceeding before us) and “Charter Pacific Corporation Ltd.” (collectively referred to in the complaint as “Charter Pacific”). Ex. 2007 ¶ 1. In the Declaratory Judgment complaint, Petitioner states “Charter Pacific is also engaged in an aggressive litigation campaign that includes Apple Inc. (“Apple”), *a business partner* of the ASSA ABLOY Entities.” *Id.* ¶ 30 (emphasis added); *see also, e.g., id.* ¶¶ 21, 43, 98–106 (referring to products sold by Petitioner to Apple).

The business relationship between Apple and Petitioner is that Petitioner, or one of the named entities collectively referred to as Petitioner, makes products that interface with Apple products and may be sold on Apple’s website. For example, ASSA ABLOY Residential Group, Inc., a named entity included as a Petitioner in this proceeding, makes and sells security locks under the brand name “Yale.” *See* Ex. 2007 ¶¶ 53–73 (discussing the infringement allegation against “Yale Smart Locks”); Ex. 2027 (screen shots from Apple’s website concerning the “Yale Assure

Lock SL Touchscreen Deadbolt”). As described, in Exhibit 2007, the Yale Assure Lock uses a software application (“App”) on one’s mobile phone, here on an iPhone sold by Apple, to lock and unlock doors. The App is developed by Petitioner, or one of its business partners, and distributed to iPhone users through the Apple App store.

a) Petitioner’s Assertions

Petitioner asserts “Petitioners and Apple have a standard business relationship like that of over 34 million application developers on Apple’s platform (EX-1023 at 6-7) and hundreds of MFi Program¹⁷ participants (collectively its business partners).” Prelim. Reply.1 (citing Ex. 1024). Essentially, Petitioner sells its products with and through Apple, and creates software applications that allows those products to interface with Apple’s iPhone and other Apple products.

Our rules provide that “[t]he parties may agree to additional discovery between themselves.” 37 C.F.R. § 42.51(b)(2)(i). Our rules do *not* provide specifically for interrogatories between the parties. Apparently, Petitioner

¹⁷ The acronym “MFi” refers to “Made for iPhone/iPod/iPad.” See Ex. 3003. Apple’s Developer Program License Agreement (Ex. 2009) defines “MFi Program” to mean “a separate Apple program that offers developers, among other things, a license to incorporate or use certain Apple technology in or with hardware accessories or devices for purposes of interfacing, communicating or otherwise interoperating with or controlling select Apple-branded products.” (Ex. 2009, 6); *see also* Ex. 2017 (explaining how the MFi program works); Ex. 3004 (summarizing who needs to join the MFi program, and who does *not* need to join); Ex. 3005 (referring to undefined “MFi certification requirements”); Ex. 1022, 6 (stating that “at least one exemplary product from the August Smart Lock family of products; and at least one exemplary product from the Yale Assure Lock family of products” were “submitted to Apple for certification purposes”).

agreed to respond to interrogatories from Patent Owner. Petitioner asserts that its “verified responses to CPC’s Interrogatories confirm that Apple never provided any direction, control, or financing in this proceeding.” Prelim. Reply 2 (citing Ex. 1022, responses to Interrogatories Nos. 3, 4).

Exhibit 1022 contains responses to five interrogatories posed by Patent Owner to Petitioner in this IPR proceeding and its related proceedings. Ex. 1022, 1 (“These answers are made solely for the purpose of IPR2022-01006, IPR2022-01045, IPR2022-01089, IPR2022-01093, and IPR2022-01094”).

In the interrogatories, Petitioner states:

1. “Petitioners do not have any insurance policy or policies that name Apple as an additional insured” (*id.* at 7);
2. “Petitioners have not had any communications with Apple, directly or through counsel, . . . other than communications that relate solely to Petitioners seeking Apple’s permission to produce documents in response to CPC’s discovery request” (*id.* at 8);
3. “Petitioners and other ASSA ABLOY entities have not had any communications with Apple, directly or through counsel, regarding the validity or invalidity of the ’208 Patent . . .” (*id.* at 10); and
4. “There have been no communications between Petitioners and Apple, directly or through counsel, relating to indemnification or obligation to indemnify based on assertion of . . . U.S. Patent No. 9,665,705) (*id.* at 11–12).

Additionally, Petitioner states in its interrogatory responses:

- Apple had no role whatsoever in Petitioners’ IPRs.

- Petitioners never informed Apple that the IPR petitions were being prepared, never communicated with Apple regarding the substance of the IPR petitions, and never told Apple when or why the IPR petitions would be filed.
- Petitioners provide all direction to their outside counsel regarding the IPRs and the district court litigation between Petitioners and Apple [sic].^[18]
- Apple previously filed its own IPR petitions regarding the subject patents (IPR2022-00600, IPR2022-00601, and IPR2022-00602). Petitioners likewise had no involvement whatsoever in Apple's IPR petitions. Petitioners never knew that Apple's IPR petitions were being prepared or that they would be filed.
- Petitioners did not file any of Petitioners' IPR petitions at Apple's behest. Apple never requested that Petitioners file any IPR petitions challenging any of the patents-at-issue.
- Apple has never had any control or say whatsoever in Petitioners' IPR petitions.
- Apple has not contributed financially or in any other manner to any of Petitioners' IPR petitions.

Ex. 1022, 8–9.

Based on the record before us, there is no evidence that refutes or contradicts these interrogatory responses. The record before us contains no evidence of communications between Petitioner and Apple regarding this proceeding or the preparation of the Petition filed in this proceeding.

¹⁸ This appears to be a misstatement. We have not been informed of any litigation between “Petitioners and Apple.” The only litigation cited by the parties involves Petitioner and Patent Owner, Patent Owner and Apple, or Patent Owner and HMD Global. *See* Section I.D (“Related Matters”) of this Decision.

b) Patent Owner's Assertions

Patent Owner asserts essentially two factual reasons to support its argument that Apple should be named a real party-in-interest in this proceeding:

(1) Petitioner is an App developer for Apple and entered into Apple's standard "Apple Developer Program License Agreement" (the "Developer Agreement") (Prelim. Resp. 12–14, 22–29 (citing Ex. 2009)); and

(2) Petitioner participates in Apple's MFi certification program for non-Apple products made to be compatible with Apple products (Prelim. Resp. 30–32).

Patent Owner states that "the Apple [Developer] Agreement appears to be the primary agreement governing the relationship between Apple and Petitioners with respect to at least the Yale Access App and the August App." Prelim. Resp. 22. Patent Owner relies on several specific clauses in the Developer Agreement to establish the asserted RPI relationship, including: (1) representations and warranties of noninfringement (*id.* at 25–27); indemnification clauses (*id.* at 27–29); product inspection and insurance coverage clauses (*id.* at 30–32); and appointment of Apple as an agent for distribution of Petitioner's "software on the Apple App Store;" (*id.* at 32).

Patent Owner also relies on Petitioner's participation in Apple's MFi program as a component supplier for Apple products to establish Apple's RPI status in the IPR proceeding before us. Prelim. Resp. 33–36.

Patent Owner also relies on *Bungie v. Worlds Inc.*, IPR2015-01264, Paper 64 (PTAB Jan. 14, 2020) for support of its arguments. *See, e.g., id.* at 23.

c) *Developer Agreement (Ex. 2009)*

The Apple Developer Agreement is an 88-page agreement between Apple and software developers who need to use Apple software “to develop one or more Applications . . . for Apple-branded products.” Ex. 2009, 1. The Developer Agreement provides “a limited license” to use Apple software “to develop and test” the Developer’s software applications for Apple products. *Id.* “In order to use the Apple” software and related services,” the prospective developer “must first accept” the Developer Agreement. *Id.*

(1) *representations and warranties
of noninfringement (Prelim. Resp. 25–27);*

Patent Owner cites Section 3.2(d) of the Developer Agreement for its “warranties of noninfringement.” Prelim. Resp. 25–26. Section 3.2(d) states “[t]o the best of Your knowledge and belief . . . the Developer’s products don’t infringe any Apple or third party intellectual property or other rights.” Ex. 2009, 16. We do *not* consider Section 3.2(d) to be “warranty.” It is not a guarantee that products will not infringe. It is a representation of the developer’s current “knowledge and belief.” It is far different from the obligations created by the App developer’s agreement in *Bungie*.

In *Bungie*, Bungie represented and warranted to Activision that Bungie owns or controls all the rights in “the Licensors Product Intellectual Property.” *Bungie*, IPR2015-01264, Paper 64 at 29. In *Bungie*, there also was a representation that “the use, development, distribution and publishing [of the Licensors Product] as contemplated by and set forth in [the *Bungie*] Agreement, shall not infringe upon or violate the rights of, nor require the consent of, any other party.” *Id.* (citations to the evidentiary record

omitted). The representation in Section 3.2(d) of the Developer Agreement (Ex. 2009) in the case before us is *not* a similar warranty of noninfringement.

Patent Owner also cites Schedule 1, Section 4.1, of the Developer Agreement as evidence of a representation and warranty of noninfringement. Prelim. Resp. 26.

The Developer Agreement refers to three “Schedules”: Schedule 1, Schedule 2, and Schedule 3. *See* Ex. 2009, 1 (“Purpose,” referring to the different purposes of Schedules 1 and 2); *id.* § 7.1 (“Delivery of Free Licensed Applications”); § 7.2 (delivery of “Fee-Based Licensed”); (*see also* 73–88 (Schedule 1)).

Schedules 2 and 3 of the Developer Agreement were not included with Patent Owner’s filed Exhibit 2009.

The Developer Agreement defines when Schedule 1 will apply:

Distribution of free (no charge) Applications (including those that use the In-App Purchase API for the delivery of free content) via the App Store or Custom App Distribution will be subject to the distribution terms contained in Schedule 1 to this Agreement.

Ex. 2009, 1 (“Purpose” section).

The Developer Agreement also defines when Schedule 2 will apply:

If You would like to distribute Applications for which You will charge a fee or would like to use the In-App Purchase API for the delivery of fee-based content, You must enter into a separate agreement with Apple (“Schedule 2”).

Id.

Schedule 3 applies to “Custom App Distribution.” *Id.*

We have not been directed to any evidence establishing the financial terms of how Petitioner’s applications will be distributed. Thus, we do not

know whether Petitioner's applications will be distributed for free, and thus subject to Schedule 1; whether Petitioner's applications will be distributed for a fee, and thus subject to Schedule 2; or whether Petitioner's applications will be distributed by "Custom App Distribution," and thus subject to Schedule 3.

Without evidence of the which of the three schedules apply to Petitioner, Patent Owner's arguments about the scope of the warranty in Schedule 1 are not probative evidence that Apple is an RPI in this proceeding.

Moreover, a contractual obligation of a representation and warranty, without more, does not establish that Apple is an RPI in this proceeding.

In *Bungie*, one responsibility of Bungie under the terms of the agreement in that case was to conduct "legal reviews." *Bungie*, IPR2015-01264, Paper 64 at 29. These "legal reviews were *in addition to* the representations and warranty of noninfringement. In *Bungie*, the agreement identified as an item to "be managed by and be the responsibility of Licensor [Bungie]": "[c]onducting legal reviews of the Products to ensure that all Intellectual Property and other rights are fully cleared for use." *Id.* The responsibilities of Bungie listed in the agreement, including these "legal reviews," were "subject to prior review and approval of [Licensee] Activision, (budget to [be] mutually approved) such approval not to be unreasonably withheld." *Id.* (citations to evidentiary record omitted). The stated purpose or required result of the "legal reviews" was "to ensure that all Intellectual Property and other rights are fully cleared for use." *Id.* at 29–30.

In *Bungie*, the Board determined that “unlike an opinion letter that opines merely as to *whether* rights are clear for use, the Agreement requires the ‘legal reviews’ to be conducted so as ‘to ensure’ the rights are ‘fully cleared for use.’” *Bungie*, IPR2015-01264, Paper 64 at 30. The Board concluded:

[t]he reference to Activision being involved in mutually approving the budget further suggests that Activision would be funding, at least in part, the legal reviews. Thus, non-party Activision had a contractual interest in Petitioner Bungie’s commitment to take actions “to ensure that all Intellectual Property and other rights are fully cleared for use.”

Id.

In the case before us, we have not been directed to evidence of Petitioner being obligated to conduct for Apple “legal reviews” of allegedly infringed patents. Also, we have not been directed to evidence of Apple being involved in funding and/or managing such “legal reviews” of allegedly infringed patents.

(2) *indemnification clauses (Prelim. Resp. 27–29)*

Patent Owner asserts that the Developer Agreement “provides broad indemnification rights to Apple.” Prelim. Resp. 27 (citing Ex. 2009, 43).

The Developer Agreement provides the following indemnification clause:

To the extent permitted by applicable law, You agree to indemnify and hold harmless, and upon Apple’s request, defend, Apple, its directors, officers, employees, independent contractors and agents (each an “Apple Indemnified Party”) from any and all claims, losses, liabilities, damages, taxes, expenses and costs, including without limitation, attorneys’ fees and court costs (collectively, “Losses”), incurred by an Apple Indemnified Party and arising from or related to any of the following: . . . (ii) any

claims that Your Covered Product or the distribution, sale, offer for sale, use or importation of Your Covered Product (whether alone or as an essential part of a combination), Licensed Application Information, metadata, or Pass Information violate or infringe any third party intellectual property or proprietary rights; . . .

In no event may You enter into any settlement or like agreement with a third party that affects Apple's rights or binds Apple in any way, without the prior written consent of Apple.

Ex. 2009 § 10.

While it is clear that there is an indemnification clause, we note that Petitioner states “[t]here have been no communications between Petitioners and Apple, directly or through counsel, relating to indemnification or obligation to indemnify based on assertion of . . . U.S. Patent No. 9,269,208” (Ex. 1022 at 11–12). As discussed above, Apple has been sued for infringement by Patent Owner based on products provided by Petitioner. Thus, based on the record before us, it appears that Apple and Petitioner may have a different understanding than Patent Owner of the applicability of the indemnification clause.

According to Patent Owner, the “Board has previously found such indemnification arrangements to be significant evidence of RPI status.” Prelim. Resp. 27 (citing *Ventex Co., Ltd., v. Columbia Sportswear North America, Inc.*, IPR2017-00651, Paper 148 at 7, 10, 12 (PTAB Jan. 24, 2019) (Precedential)).

Patent Owner mischaracterizes the holding in *Ventex*. The existence of an indemnification agreement was not the determining factor in finding the existence of an RPI relationship. Moreover, the Board has held repeatedly that an indemnification agreement, without something more, was

insufficient to establish a RPI relationship. *See Bae Sys. Info. & Elec. Sys. Integration, Inc. v. Cheetah Omni, LLC*, IPR2013-00175, Paper 20 at 4 (PTAB July 23, 2013) (holding indemnity provisions do not establish a right of control of a proceeding, and noting “indemnification is not one of the ‘substantive legal relationships’ cited in *Taylor*, 553 U.S. at 894, as binding a person not a party to a lawsuit to a judgment in that suit”); *Dep’t of Justice v. Discovery Patents, LLC.*, IPR2016-01041, Paper 29 at 8 (PTAB Nov. 9, 2017) (“we are unaware of any *inter partes* review decision in which a real party in interest finding was based solely on evidence of an indemnification clause”).

In *Ventex*, the parties had a preexisting substantive legal relationship in the form of two contracts: (1) a Supplier Agreement with an obligation to indemnify and defend; and (2) an Exclusive Manufacturing Agreement. *Ventex*, IPR2017-00651, Paper 148 at 12. The Board determined that it was “clear” that the parties “had a specially structured, preexisting, and well established business relationship with one another, including indemnification *and exclusivity arrangements.*” *Id.* at 10 (emphasis added). In *Ventex*, the Board stated “[t]he exclusive business relationship between [the parties] . . . , and Ventex’s express desire to shield its customers and potential buyers from infringement lawsuits by Columbia *strongly suggest* that Ventex filed the Petition, at least in part, on Seirus’s behalf.” *Id.* at 9.

There is no exclusive manufacturing or exclusive licensing agreement between Petitioner and Apple.

In *Ventex*, the Board also determined that “Seirus was, in effect, funding the *inter partes* reviews, whether wittingly or unwittingly” based on the “timing, structure, and amounts” of payments made by Seirus to the

petitioner. These payments “suggest[ed] a correlation with legal fees incurred by Ventex in connection with the preparation and prosecution of these IPRs by its counsel.” *Ventex*, IPR2017-00651, Paper 148 at 13. An internal email linked these payments as “necessary to cover the attorney’s fees in these *inter partes* reviews.” *Id.*

Based on the record before us, we have not been directed to any persuasive evidence or argument that Apple is funding this IPR proceeding.

The Board specifically determined that it was the “totality of the circumstances” that “calls into considerable question Ventex’s premise that Seirus is an entity divorced from this proceeding.” *Id.* Our facts and circumstances here are significantly different.

Based on the record before us, we find no reason to doubt Petitioner’s statement in the interrogatory responses that “[t]here have been no communications between Petitioners and Apple, directly or through counsel, relating to indemnification or obligation to indemnify based on assertion of . . . U.S. Patent No. 9,269,208.” Ex. 1022, 11–12. Also, there is no exclusive agreement between the parties and no evidence that Apple is funding this proceeding. Indeed, the evidence is to the contrary.

See id. at 8–9 (Response to Interrogatory No. 3, stating “Petitioners have not had any communications with Apple, directly or through counsel, regarding any of IPR2022-01006, IPR2022-01045, IPR2022-01089”; “Apple had no role whatsoever in Petitioners’ IPRs”; “Petitioners provide all direction to their outside counsel regarding the IPRs and the district court litigation between Petitioners and Apple”; “Petitioners did not file any of Petitioners’ IPR petitions at Apple’s behest”; and “Apple has never had any control or say whatsoever in Petitioners’ IPR petitions.”).

(3) *product inspection and insurance coverage clauses (Prelim. Resp. 30–32)*

Patent Owner asserts “the Yale and August products both include a physical component – specifically, a biometric lock device – *that is likely to be certified* through Apple’s MFi accessory program as an Apple HomeKit-compatible device.” Prelim. Resp. 30 (emphasis added) (citing Ex. 2026). We decline to speculate on what is “likely” to occur. Patent Owner also asserts that if this certification in fact did occur, it would result in Apple having “a right to physically inspect the Petitioners’ products-at-issue, and also impose certain insurance obligations upon Petitioners related to the physical devices.” *Id.* at 30.

We fail to see how a standard business relationship that may allow a business partner to inspect products to be sold and may allow a business partner to obtain insurance for those products provides any right to control or be involved in this IPR proceeding as a real party-in-interest. Moreover, the evidence before us establishes that Petitioners do not have any insurance policy that names Apple as an insured party. *See* Ex. 1022, 7 (response to Interrogatory No. 2).

(4) *appointment of Apple as an agent for distribution of Petitioner’s software on the Apple App Store (Prelim. Resp. 32).*

Patent Owner also asserts that Apple’s appointment as Petitioner’s agent is probative of Apple’s RPI status to this IPR proceeding. Petitioner asserts “Exhibit A to Schedule 1 sets out that *Apple is to be appointed Petitioners’ agent* with respect to the distribution of Petitioners’ software on the Apple App Store.” Prelim. Resp. 32 (citing Ex. 2009, 79–80). Patent Owner then quotes the cited language from Schedule 1:

You appoint Apple Inc. as Your agent pursuant to California Civil Code §§ 2295 et seq. for the marketing and end-user download of the Licensed Applications by end-users located in the following regions: United States

Id. The cited California code merely defines agency and states the authority, obligations, and other aspects of a principal and agent relationship.

As noted above, we have not been directed to evidence that Schedule 1 applies to Petitioner's relationship to Apple. Assuming it does, we do not see how a standard agency appointment for Apple to advertise Petitioner's products in a typical business transaction establishes or suggests that Apple is an RPI to this IPR proceeding. *See e.g.*, Ex. 2027. Exhibit 2027 appears to be a four page screen shot of Apple's website on September 6, 2022, advertising the "Yale Assure Lock Touchscreen Deadbolt – Black." There is no supporting declaration or other evidence to verify its authenticity. Exhibit 2027 states that the product is "Currently unavailable." Ex. 2027, 1. Exhibit 2027 also states under the heading "Warranty" that this product is "serviced and supported" exclusively by their manufacturers, and customers should "contact the manufacturer directly for technical support and customer service." *Id.* at 2–3.

Again, we do not see that this special purpose agency appointment establishes or suggests that Apple meets the requirements to be an RPI in this IPR proceeding.

3. *Conclusion on RPI*

Based on the record before us, considering the totality of the circumstances discussed above, and further considering the controlling legal authority discussed above, we determine for purposes of this Decision that the evidence establishes that Apple is not a real party-in-interest.

Apple initiated and is presently involved in an IPR proceeding challenging claims of the '208 patent. We have not been directed to any persuasive evidence that Apple needs, wants, funds, controls, or benefits from a second, later-filed petition, such as the one before us. Apple has its own, earlier filed, IPR proceeding pending before the Patent Trial and Appeal Board.

Based on the record before us there is no evidence that this IPR proceeding was filed at Apple's behest.

We recognize that Apple will derive some benefit if the claims of the '208 patent are determined to be unpatentable in a post-grant proceeding at the PTO, or found invalid by a district court. This derived benefit does not, however, make Apple an RPI to this proceeding. *See WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1321 (Fed. Cir. 2018) (stating in the context of the broader concept of privity that "[a]s a general proposition, we agree with the Board that a common desire among multiple parties to see a patent invalidated, without more, does not establish privity").

Here, we determine for purposes of this decision that, similar to the determination in *Uniloc 217*, "[w]ithout such evidence of control, in addition to no evidence of joint funding, or even any evidence of substantial coordination between the parties as to their respective decisions to bring these proceedings, a finding that [a non-party to this IPR proceeding] is an RPI of or in privity with [Petitioner] here would be improper." *Uniloc 2017*, 989 F.3d at 1029.

Thus, based on the evidence before us and the analysis above, we determine, for purposes of this Decision, that Apple is not an RPI in this IPR proceeding.

4. *Privity Status*

Patent Owner asserts that “Apple is a privy to this proceeding based at least on its pre-existing substantive legal relationship with Petitioners.”

Prelim. Resp. 40. According to Patent Owner, “[t]he facts discussed above [in the context of Patent Owner’s RPI arguments] concerning Petitioners’ relationship with Apple equally demonstrate a privy relationship between Petitioners and Apple.” *Id.* Patent Owner asserts that “analysis under any one of the *Taylor* factors can support a finding of privity.” *Id.* (citing *Ventex*, IPR2017-00651, Paper 148 at 12).

The issue of privity in the context of an IPR proceeding was discussed in *RPX Corp. v. Applications in Internet Time, LLC*, IPR2015-01750, Paper 125 at 36–38 (PTAB Sept. 9, 2020) (Precedential) (hereinafter “*RPX*”).¹⁹ As stated in *RPX*, § 315(b) explicitly imposes time bars on privies to “prevent successive challenges to a patent by those who previously have had the opportunity to make such challenges in prior litigation.” *RPX*, IPR2021-01750, Paper 125 at 36 (citing *WesternGeco*, 889 F.3d at 1319; *AIT*, 897 F.3d at 1360 (Reyna, J., concurring)). In his concurrence, Judge Reyna explained: “privity is ‘[t]he connection or relationship between two parties, each having a legally recognized interest in the same subject matter (such as a transaction, proceeding, or piece of property).’” *AIT*, 897 F.3d at 1359 (Reyna, J., concurring) (quoting *Privity*, Black’s Law Dictionary (10th ed. 2014)).

¹⁹ *RPX* addressed three related IPRs, IPR2015-01750, IPR2015-01751, and IPR2015-01752. The Board’s *RPX* decision was issued following a remand by the Federal Circuit in *AIT*.

The Leahy-Smith America Invents Act does not define “privity.” *WesternGeco*, 889 F.3d at 1317. Rather, “privity” has a common-law meaning. *Id.* “Privity is essentially a shorthand statement that collateral estoppel is to be applied in a given case.” *Id.* at 1318 (quoting Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,759 (Aug. 14, 2012)²⁰). The privity “analysis seeks to determine whether the relationship between the purported ‘privy’ and the relevant other party is sufficiently close such that both should be bound by the trial outcome and related estoppels.” TPG at 14–15.

The Supreme Court has identified a number of circumstances where privity exists between two otherwise independent parties: (1) where there is an agreement between the parties to be bound; (2) where there is a pre-existing substantive legal relationship between the parties; (3) where there is adequate representation by the named party; (4) where the non-party had control of the prior litigation; (5) where the non-party acts as a proxy for the named party to relitigate the same issues; and (6) where special statutory schemes foreclose successive litigation by the non-party (e.g., bankruptcy and probate). *See Taylor*, 553 U.S. at 894–95; *AIT*, 897 F.3d at 1360 (Reyna, J., concurring).

The Board explains in the TPG that “privity” is even more expansive than RPI, “encompassing parties that do not necessarily need to be identified in the petition as a ‘real party-in-interest.’” TPG at 14. The Board “evaluate[s] what parties constitute ‘privies’ in a manner consistent with the flexible and equitable considerations established under federal caselaw.” *Id.*

²⁰ *See* the updated, consolidated TPG at 15 (including the same quotation).

“This approach is consistent with the legislative history of the AIA, which indicates that Congress included ‘privies’ within the parties subject to the statutory estoppel provisions in an effort to capture ‘the doctrine’s practical and equitable nature,’ in a manner akin to collateral estoppel.” *Id.* at 15 (quoting 154 Cong. Rec. S9987 (daily ed. Sept. 27, 2008) (statement of Sen. Kyl)).²¹ As stated in *WesternGeco*, when considering privity, “the [PTAB’s] Trial Practice Guide observes: ‘The emphasis is not on a concept of identity of parties, but on the practical situation.’” 889 F.3d at 1318. “[T]he standards for the privity inquiry must be grounded in due process.” *Id.* at 1319.

Here, the practical situation presented was created by Patent Owner. Patent Owner first sued Apple for allegedly infringing the ’208 patent. *See Section I.D* of this Decision (Related Matters). Patent Owner did not sue or join Petitioner to this suit. Apple answered the allegations in the complaint and timely filed the ’601 Apple IPR Petition. Patent Owner separately wrote to Yale (Ex. 2005) asserting that Yale infringed the ’208 patent. Yale, one of the named Petitioners, filed the present IPR proceeding along with its related companies.

Patent Owner asserts that “the existence of a pre-existing substantive legal relationship between Apple and Petitioner cannot be reasonably disputed.” Prelim. Resp. 40. Additionally, Patent Owner asserts that it

²¹ As explained by the Federal Circuit, “the related concept of privity ‘is an equitable rule that takes into account the “*practical situation*,” and should extend to parties to transactions and other activities relating to the property in question.’” *AIT*, 897 F.3d at 1350 (emphasis altered) (quoting Trial Practice Guide, 77 Fed. Reg. at 48,759 (citing 157 Cong. Rec. S1376 (Mar. 8, 2011) (statement of Sen. Kyl))).

cannot “be reasonably disputed that Apple has ‘a direct relationship to the petitioner with respect to the allegedly infringing product or service.’” *Id.* Patent Owner concludes that the pre-existing substantive business relationship, involving legally binding contractual relationships between Apple and Petitioner, is sufficient under *Taylor* to make Apple a privy to this IPR proceeding. *Id.* Patent Owner also asserts that Apple is a privy to this IPR proceeding because Petitioner is capable of adequately representing Apple’s interests in this IPR proceeding. *Id.* On the record before us, for purposes of this Decision, we disagree with Patent Owner’s conclusion that Apple is a privy for purposes of this IPR proceeding. Patent Owner ignores the practical consequences of its own actions that precipitated the current situation.

Control is one factor we consider in determining whether Apple is a privy to this IPR proceeding. As stated in *WesternGeco*, “‘control’ is not the exclusive analytical pathway for analyzing privity . . . it is but one of a variety of considerations.” *WesternGeco*, 889 F.3d at 1320. We determine, as noted above in our RPI analysis, that there is no persuasive evidence of that Apple has any control in the context of this IPR proceeding. We reach the same conclusion, based on the evidentiary record, regarding privity.

We do not, however, focus only on the “control” factor. We also look to all of the non-exclusive factors identified in *Taylor v. Sturgell*, 553 U.S. at 894–95, and reach the same conclusion – there is no persuasive evidence in the record before us that Apple should be considered a privy in this IPR proceeding.

WesternGeco recognized that a pre-existing business alliance, as well as indemnity provisions contained in the purchase agreements for the

product accused of infringing were “insufficient to make PGS and ION privies within the meaning of the statute.” *WesternGeco*, 889 F.3d at 1321. Here, as found in *WesternGeco*, the parties “had a contractual and fairly standard customer-manufacturer relationship regarding the accused product.” *Id.* “This finding does not necessarily suggest that the relationship is sufficiently close that both should be bound by the trial outcome and related estoppels, nor does it suggest, without more, that the parties were litigating either the district court action or the IPRs as proxies for the other.” *Id.* We determine, for purposes of this Decision, that this same analysis applies to this IPR proceeding.

Thus, based on the evidence of record and our analysis above, we determine that Apple is not a privy to Petitioner.

5. *Conclusion Concerning Section 315(b)*

The evidence before us does not establish anything other than a traditional business relationship between Apple and Petitioner. This common form of conducting business, without more, does *not* establish a relationship sufficient to make Apple a real party-in-interest or a privy of Petitioner in this *inter partes* review. There is no persuasive evidence that Apple has any control or substantive involvement over the Petition or over Petitioner’s role in this proceeding.

Accordingly, based on the totality of the evidence of record and our analysis above, we conclude for purposes of this Decision that Apple is *not* an RPI or in privity with Petitioner, and thus Petitioner is *not* time-barred under Section 315(b).

III. ANALYSIS OF PETITIONER’S CHALLENGES

A. *Legal Standards*

Petitioner’s asserted grounds of unpatentability are based on obviousness under 35 U.S.C. § 103, quoted below.

A patent for a claimed invention may not be obtained, notwithstanding that the claimed invention is not identically disclosed as set forth in section 102, if the differences between the claimed invention and the prior art are such that the claimed invention as a whole would have been obvious before the effective filing date of the claimed invention to a person having ordinary skill in the art to which the claimed invention pertains. Patentability shall not be negated by the manner in which the invention was made.

35 U.S.C. § 103 (2011).

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 ordinary skill in the art; and (4) when available, evidence such as commercial success, long-felt but unsolved needs, and failure of others. *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966); *see KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 407 (2007) (“While the sequence of these questions might be reordered in any particular case, the factors continue to define the inquiry that controls.”). The Court in *Graham* explained that these factual inquiries promote “uniformity and definiteness,” for “[w]hat is obvious is not a question upon which there is likely to be uniformity of thought in every given factual context.” *Graham*, 383 U.S. at 18.

The Supreme Court made clear that we apply “an expansive and flexible approach” to the question of obviousness. *KSR*, 550 U.S. at 415. Whether a patent claiming the combination of prior art elements would have

been obvious is determined by whether the improvement is more than the predictable use of prior art elements according to their established functions. *Id.* at 417. To reach this conclusion, however, it is not enough to show merely that the prior art includes separate references covering each separate limitation in a challenged claim. *Unigene Labs., Inc. v. Apotex, Inc.*, 655 F.3d 1352, 1360 (Fed. Cir. 2011). Rather, obviousness additionally requires that a person of ordinary skill at the time of the invention “would have selected and combined those prior art elements in the normal course of research and development to yield the claimed invention.” *Id.*

In determining whether there would have been a motivation to combine prior art references to arrive at the claimed invention, it is insufficient to simply conclude the combination would have been obvious without identifying any reason *why* a person of skill in the art would have made the combination. *Metalcraft of Mayville, Inc. v. Toro Co.*, 848 F.3d 1358, 1366 (Fed. Cir. 2017).

Moreover, in determining the differences between the prior art and the claims, the question under 35 U.S.C. § 103 is not whether the differences themselves would have been obvious, but whether the claimed invention as a whole would have been obvious. *Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F. 2d 158, 164 (Fed. Cir. 1985) (“It is elementary that the claimed invention must be considered as a whole in deciding the question of obviousness.”) (citation omitted); *see also Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 1537 (Fed. Cir. 1983) (“[T]he question under 35 U.S.C. § 103 is not whether the differences themselves would have been obvious. Consideration of differences, like each of

the findings set forth in *Graham*, is but an aid in reaching the ultimate determination of whether the claimed invention as a whole would have been obvious.”) (citation omitted).

“A reference must be considered for everything it *teaches* by way of technology and is not limited to the particular *invention* it is describing and attempting to protect.” *EWP Corp. v. Reliance Universal Inc.*, 755 F.2d 898, 907 (Fed. Cir. 1985).

As a factfinder, we also must be aware “of the distortion caused by hindsight bias and must be cautious of arguments reliant upon *ex post* reasoning.” *KSR*, 550 U.S. at 421. This does not deny us, however, “recourse to common sense” or to that which the prior art teaches. *Id.*

Against this general background, we consider the references, other evidence, and arguments on which the parties rely.

B. Level of Ordinary Skill in the Art

The *Graham* analysis includes a factual determination of the level of ordinary skill in the art. Without that information, a court cannot properly assess obviousness “because the critical question is whether a claimed invention would have been obvious at the time it was made to one with ordinary skill in the art.” *Custom Accessories, Inc. v. Jeffrey-Allan Indus., Inc.*, 807 F.2d 955, 962 (Fed. Cir. 1986). Thus, the level of skill in the art is “a prism or lens” through which we view the prior art and the claimed invention. *Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001). “This reference point prevents . . . factfinders from using their own insight or, worse yet, hindsight, to gauge obviousness.” *Id.*

Factors pertinent to a determination of the level of ordinary skill in the art include: (1) educational level of the inventor; (2) type of problems

encountered in the art; (3) prior art solutions to those problems; (4) rapidity with which innovations are made; (5) sophistication of the technology; and (6) educational level of workers active in the field. *Env't Designs, Ltd. v. Union Oil Co.*, 713 F.2d 693, 696–697 (Fed. Cir. 1983) (citing *Orthopedic Equip. Co. v. All Orthopedic Appliances, Inc.*, 707 F.2d 1376, 1381–82 (Fed. Cir. 1983)). Not all such factors may be present in every case, and one or more of these or other factors may predominate in a particular case. *Id.* Moreover, these factors are not exhaustive but are merely a guide to determining the level of ordinary skill in the art. *Daiichi Sankyo Co. v. Apotex, Inc.*, 501 F.3d 1254, 1256 (Fed. Cir. 2007). In determining a level of ordinary skill, we also may look to the prior art, which may reflect an appropriate skill level. *Okajima*, 261 F.3d at 1355.

Additionally, the Supreme Court informs us that “[a] person of ordinary skill is also a person of ordinary creativity, not an automaton.” *KSR*, 550 U.S. at 421.

Petitioner states “[a] person having ordinary skill in the art (‘POSITA’) at the time of the alleged invention would have had at least an undergraduate degree in electrical engineering, or equivalent education, and at least two years of work experience in the field of security and access-control.” Pet. 8 (citing Ex. 1005, ¶ 26). Mr. Lipoff’s cited testimony merely repeats, verbatim, Petitioner’s asserted level of ordinary skill, preceded by the phrase “In my opinion.” Ex. 1005 ¶ 26. Mr. Lipoff does not provide any facts or data to support his conclusory opinion. Accordingly, we give it minimal probative weight. 37 C.F.R. §42.65(a) (“Expert testimony that does not disclose the underlying facts or data on which the opinion is based is entitled to little or no weight.”).

Patent Owner does not address the level of ordinary skill in the art at this stage of the proceeding. *See*, Prelim. Resp. 3 (“Patent Owner will not address in this Preliminary Response the invalidity grounds advanced by Petitioners, other than to state that the invalidity grounds are deficient, as Patent Owner will demonstrate as needed if institution is granted.”).

For the purposes of this Decision, we apply Petitioner’s definition of the level of ordinary skill in the art, modified to allow some flexibility in education level and relevant experience.

Accordingly, we determine, based on our review of the limited record, that a person of ordinary skill at the time of the alleged invention would have had at least an undergraduate degree in electrical engineering or other relevant technology discipline, and at least two years of work experience in a relevant technological field, such as secure access systems using wireless transmission of security code information. Additional education could make up for less work experience; additional work experience could make up for less education. This level of ordinary skill is consistent with Petitioner’s proposed definition, the cited references (Bianco, Mathiassen-067, Houvener, and Richmond), and the disclosure of the ’208 patent.

C. Claim Construction

We construe each 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). Under this standard, claim terms are generally given their plain and ordinary meaning as would have been understood by a person of ordinary skill in the art at the time of the invention and in the context of

the entire patent disclosure. *See Phillips v. AWH Corp.*, 415 F.3d 1303, 1313 (Fed. Cir. 2005) (en banc).

Petitioner proposes constructions for several claim terms, including “signal for directing input,” in dependent claim 2 (’045 Petition 9–10) “feedback signal adapted to direct provision of . . . the biometric signal,” in dependent claim 12 (’089 Petition 8–9), and all the “means-plus-function limitations” in the challenged claims. Pet. 9–11. Petitioner also notes that some terms construed in the related District Court litigation in Texas “need not be construed” in these proceedings. Pet. 9–11.

Patent Owner does not propose any claim constructions, nor does Patent Owner comment on claim constructions proposed by Petitioner. Prelim. Resp. 3 (“Patent Owner will not address in this Preliminary Response the invalidity grounds advanced by Petitioners, other than to state that the invalidity grounds are deficient, as Patent Owner will demonstrate as needed if institution is granted.”).

Given the lack of dispute on this record, we need not construe the claims expressly. *See Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999) (claims are construed only to the extent necessary to resolve a dispute). For purposes of this Decision, we give the claims their plain and ordinary meaning as would have been understood by a person of ordinary skill in the art at the time of the invention and in the context of the entire patent disclosure. *Phillips*, 415 F.3d at 1313. Moreover, for purposes of this Decision, we adopt Petitioner’s construction of the means-plus-function limitations in the challenged claims.

Any claim discussion in this Decision does not preclude the parties from arguing their proposed constructions of the claims during trial. Indeed,

the parties are hereby given notice that final claim construction, in general, is an issue to be addressed at trial. Claim construction will be determined at the close of all the evidence and after any hearing. The parties are expected to assert all their claim construction arguments and evidence in the Petition, Patent Owner's Response, or otherwise during trial, as permitted by our rules.

*D. Ground 1: Patentability of Claims 1, 3–5, and 9–13
Over Bianco and Mathiassen-067*

Petitioner asserts claims 1, 3–5, and 9, and 10–13²² are obvious over Bianco and Mathiassen-067. Pet. 11–71.

1. Bianco (Ex. 1003)

Bianco “relates . . . to the utilization of biometric measurements for the authentication of users[] and thus access[] to enterprise resources.” Ex. 1003, 1:8–13. “Enterprise resources include computers, applications and data.” *Id.* at 1:15–16.

²² IPR 2022-01089 Petition, 11–79.

Bianco's Figure 2, reproduced below, illustrates a block diagram of enterprise network system 202 incorporating biometric system 102 (reference character not shown) according to a preferred embodiment. *Id.* at 11:55–57. Generally speaking, a network 114 connects the functional

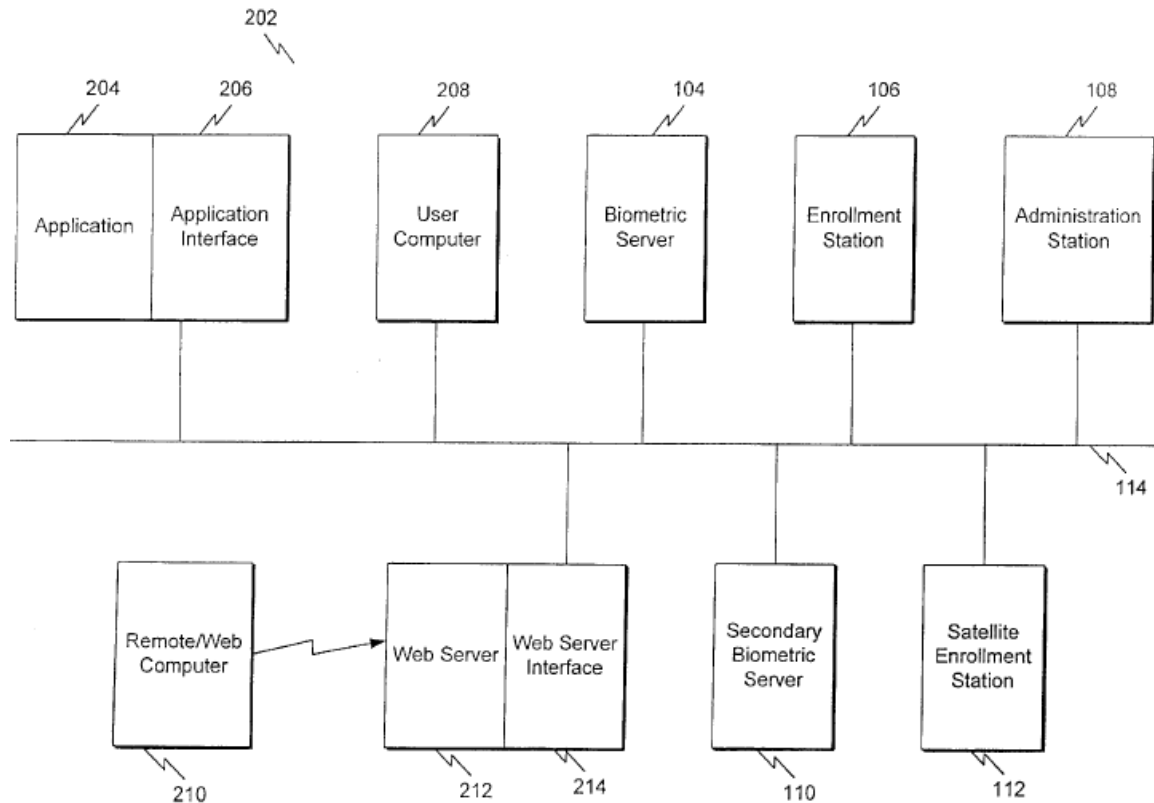


FIG.2

Bianco's Figure 2

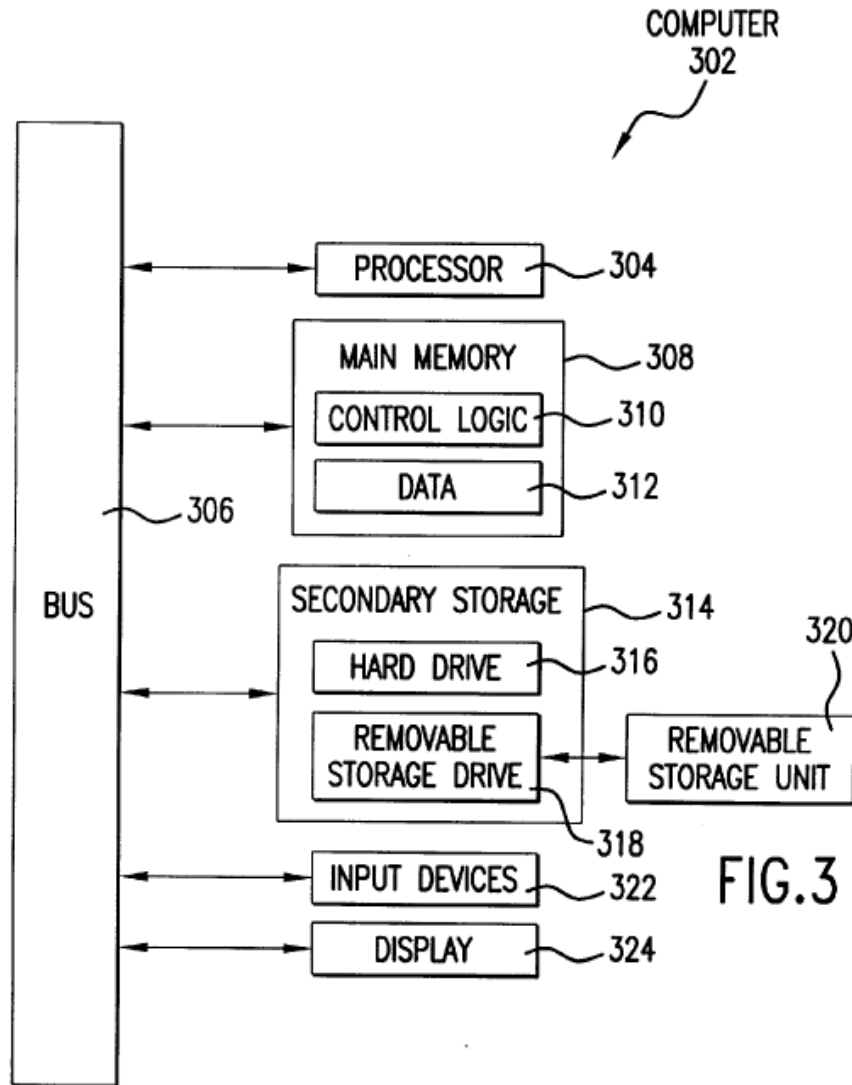
components of biometric system 102 and additional functional components of network system 202. *Id.* at 12:7–9. Biometric system 102 includes biometric server 104, enrollment station 106, administration station 108, alternate biometric server 110, and satellite enrollment station 112. *Id.* at 9:52–55. The additional functional components include web server 212, web server interface 214, and one or more of applications 204,

application interfaces 206, user computers 208, and remote/web computers 210. *Id.* at 11:67–12:7.

In biometric system 102, biometric server 104 stores the engine for biometric system 102, e.g., collections of data required by system 102. *Id.* at 10:1–3. Administration station 108 is used by the administrator of biometric system 102 to perform management duties. *Id.* at 10:14–17. Enrollment stations 106, 112 enroll users into biometric system 102 and accordingly communicate with the biometric devices of biometric system 102 (satellite enrollment station 112 being scaled-down to enroll users at remote locations). *Id.* at 10:8–12, 23–24. Secondary biometric server 110 is a backup/standby server of biometric server 104. *Id.* at 10:28–29.

In the additional functional components, application 204 may include electronic mail and word processing. *Id.* at 12:11–12. Application interface 206 connects application 204 to network 114 and, thereby, to other resources or network system 202. *Id.* at 12:12–15. User computer 208 provides users access to the enterprise resources (to enterprise network 212) and includes both a biometric device and interface for authentication of the user by biometric system 102. *Id.* at 12:15–22. Remote/web computer 210 is also a user computer having the above functions, but operates remotely via communications with web server 212 and web server interface 214 (which collectively 212, 214 provide access to other enterprise resources such as biometric system 102). *Id.* at 12:23–30.

Biometric servers 104, 110, enrollment stations 106, 112, and administration station 108 can be implemented on computer 302 illustrated by Bianco's block diagram in Figure 3, reproduced below. *Id.* at 14:26–29.



Bianco's Figure 3

Computer 302 includes one or more of the following items connected to communication bus 306: processor 304; main memory 308 storing control logic 310 (i.e., software) and data 312; secondary storage 314; input devices 322 (e.g., keyboard); and display devices 324 (e.g., monitors). *Id.* at 14:32–39.

Bianco's Figure 10, reproduced below, is a block diagram of objects involved in the disclosed biometric authentication. *Id.* at 25:60–62. It shows user computer 208 in communication with biometric server 104. *Id.* at Fig. 10. User computer 208 (or remote/web computer 210) includes

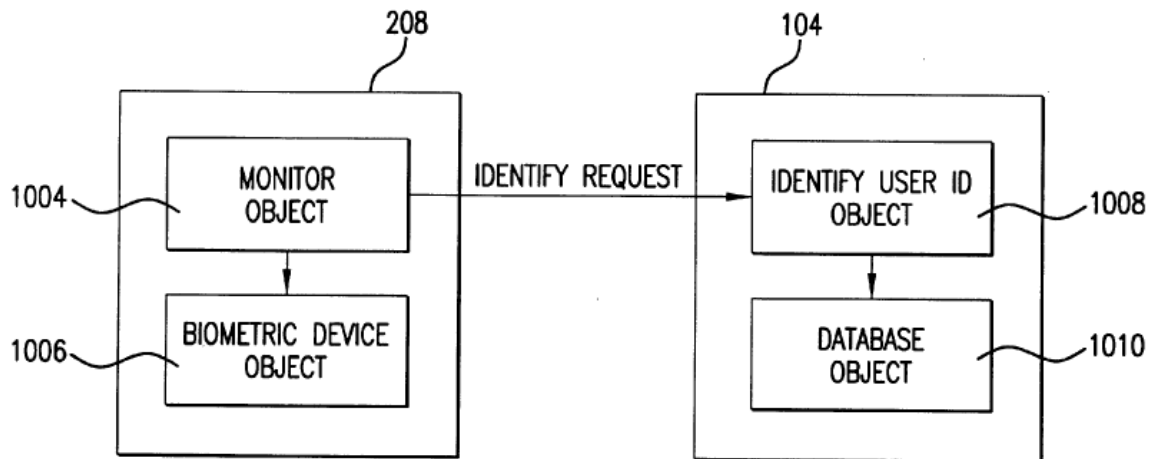


FIG. 10

Bianco's Figure 10

monitor object 1004 and biometric device object 1006. *Id.* at Fig. 10, 25:62–65. Biometric system 104 includes identify user ID object 1008 and database object 1010. *Id.*

Monitor object 1004 of user computer 208 is “up and waiting” to receive “live” biometric data (e.g., fingerprint data) that can “start” the engine of the biometric system 102 (i.e., initiate authentication of the user). *Id.* at 25:66–26:7; 10:1–3 (biometric server 104 stores the engine of biometric system 102). Monitor object 1004 generates biometric device object 1006 that prompts a biometric device to read and return the live biometric data. *Id.* at 26:8–18, Fig. 11 (steps 1102–06). Monitor object 1004 generates an “identify request” including the biometric data and sends the request to biometric server 104. *Id.* at 26:19–22, Fig. 11 (step 1108).

Using ID 512 of user computer 208, biometric server 104 identifies user ID object 1008 and provides the biometric data to object 1008.

Id. at 26:22–27. User ID object 1008 has previously created data base object 1010 and stored therein a biometric template, biometric policy, biometric group, biometric device, user ID, computer ID, and application ID.

Id. at 23:17–21, 26:27–31. User ID object 1008 passes the live biometric data to data base object 1010, which then attempts to match the live biometric data to the stored data (e.g., to the biometric template).

Id. at 26:27–33, Fig. 11 (steps 1110–12). Successful matching is a condition of authentication. *Id.* at 26:34–39, Fig. 11 (steps 1114–18).

Bianco's Figure 12, reproduced below, is a block diagram of objects involved in the biometric enrollment. *Id.* at 26:53–55.

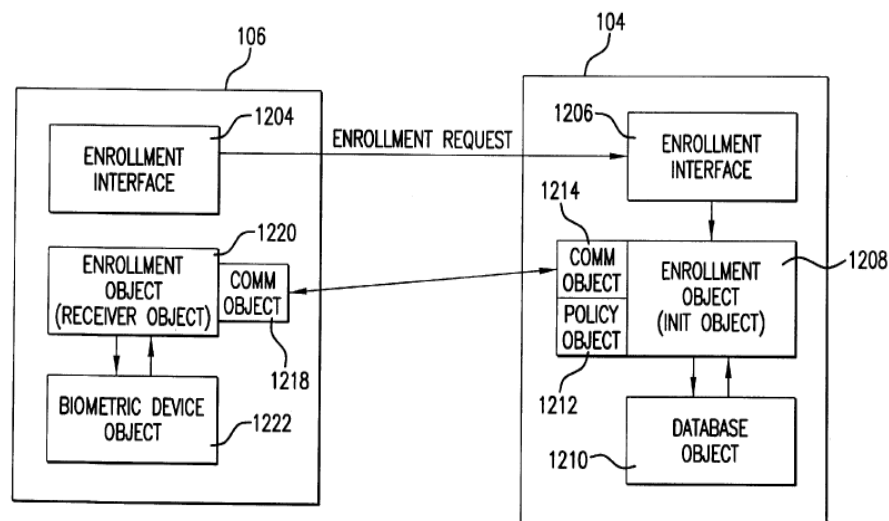


FIG. 12

Bianco's Figure 12

Figure 12 shows enrollment station 106 in communication with biometric server 104. *Id.* at 26:60–62. Enrollment station 106 includes enrollment interface 1204, enrollment object 1220 with attached comm object 1218, and biometric device object 1222. *Id.* at 26:55–60; Fig. 12.

Biometric server 104 includes enrollment interface 1206, enrollment object 1220 with attached comm object 1214 and policy object 1212, and database object 1210 (which is the above-discussed database object 1010 of Figure 10). *Id.* at 26:6–12, 55–60; Fig. 12.

Enrollment station 106 and biometric server 104 communicate via respectively a client role and server role. *Id.* at 26:60–62. Respective enrollment interfaces 1204, 1204 are any operating interfaces permitting client-server communication (e.g., specific to the given operating systems). *Id.* at 27:1–5. In response to communications of interfaces 1204, 1204 (see below), two-way direct communication is established between respective comm objects 1218, 1214. *Id.* at 15:57–16:19, 27:8–12, 57–60.

To start the enrollment process, a user inputs their user ID 510 to enrollment station 106. *Id.* at 27:29–31, Fig. 13 (step 1302). Enrollment interface 1204 generates an enrollment request including user ID 510 and then sends the request to biometric server 104. *Id.* at 27:31–39, Fig. 13 (step 1304).

In response to the request, biometric server 104 initializes enrollment object 1208. *Id.* at 27: 39–42, Fig. 13 (step 1306). Enrollment object 1208 creates database object 1210 and passes user ID 510 to object 1210. *Id.* at 27:45–46. Based on user ID 510, database object 1210 determines the user's biometric group 506 (where to an administrator previously assigned the user). *Id.* at 27:46–50, Fig. 13 (steps 1308–10). Based on biometric group 506, database object 1210 determines biometric policy 504 (of the biometric group 506). *Id.* at 27:50–52. Database object 1210 creates policy object 1212 providing biometric policy 504 (e.g., identifying the corresponding biometric device/s) and then passes policy object 1212 to

enrollment object 1208. *Id.* at 27:53–57, Fig. 13 (steps 1312). Based on biometric policy 504, enrollment object 1208 requests enrollment station 106 to test the user on a particular biometric device. *Id.* at 27:60–65, Fig. 13 (steps 1316).

Based on the request, enrollment station 106 creates enrollment object 1220. *Id.* at 27:66–67, Fig. 13 (step 1318). Based on the particular biometric device, enrollment object 1220 creates biometric device object 1222. *Id.* at 27:67–28:2, Fig. 13 (step 1320). Biometric device object 1222 causes the respective, attached biometric device to read biometric measurements of the user (e.g., fingerprint measurements). *Id.* at 28:2–6, Fig. 13 (step 1320–22). Based on the measurements, enrollment object 1220 generates biometric template 502 and then sends template 502 to enrollment object 1208 of biometric server 104 (where template 502 is stored by database object 1010/1210). *Id.* at 28:6–12, Fig. 13 (step 1324–26).

2. *Mathiassen-067 (Ex. 1004)*

In the context of inputting information into mobile phones and computer devices, and providing access to the information in these products, Mathiassen-067 discloses using the same biometric (fingerprint) sensor for the dual purposes of (i) reading fingerprints for authentication and access control and (ii) as a means of issuing commands/instructions through a series of “taps” of varying durations. Ex. 1004 Abstract; 21:9–21.²³

²³ Citations to Mathiassen-067 are in the form of exhibit page number:line number[s]. We also note that the *exhibit* page number for Exhibit 1004, in the bottom right corner of each page of the exhibit, differs from the *document* page number, which is centered on the top of each page. Petitioner’s page numbering is in accordance with our rules requiring each

Mathiassen-067 “relates to a sign/character generator represented by a fingerprint sensor with navigation means[] for text/sign input[.]” Ex. 1004, 3:3–5. Noting device access to sensitive information is typically via passwords for identity verification of the user, Mathiassen-067 instructs that “these are not personal as they can be given to other persons . . . or stolen” and “[a]ccordingly there is a strong trend to base access control on biometrics[.]” *Id.* at 3:14–21. Mathiassen-067 further criticizes the typical “[i]mplementation[s] of such sensors . . . [as] in many cases [raising] a question of available space on the device.” *Id.* at 3:31–35.

Mathiassen-067 advises that “such identity verification devices[,] e.g., fingerprint sensors[,] will therefore be significantly enhanced if . . . combined with other functionality.” *Id.* at 3:35–38. It is thus “an objective of [the] invention to provide a sign generator . . . through a single-button ‘keyboard’ . . . incorporat[ing] fingerprint scanning for authentication.” *Id.* at 8:1–9.

In the described example, a smartphone includes touch sensor 1, analyzing means 2, memory 3, translation means 4, and display 5. *Id.* at 8:37–9:13. Touch sensor 1 (e.g., a touchpad) reads a fingerprint and outputs data indicating the composition and motion. *Id.* at 8:39–9:2. Analyzing means 2 both measures the duration, direction, and speed of the fingerprint’s movement on the switch; and receives and categorizes the data output by switch 1. *Id.* at 9:2–4, 12–13 (Table 2, “Finger Command Structure”). Memory 3 stores the categories of data. *Id.* at 9:5. Translation means 4 maps (e.g., via tables) the categories (e.g., fingerprint movements

page of an exhibit to be “uniquely numbered in sequence.” 37 C.F.R. § 42.63(d)(2).

and sequences thereof) to user-readable characters/signs. *Id.* at 9:5–8.

Display 5 presents the signs in a known manner. *Id.* at 9:8–10.

By reading the fingerprint and its motion, “single-button sensor” 1 (along with components 2–5 described above) combines biometric reading for user authentication and cursor-type control for text input. *Id.* at 10:21–25.

3. *Claims 1 and 10*

Petitioner provides a “Claim Listing” identifying, for each independent claim, each clause by a unique identifier. Pet. 94–97 (*e.g.* clause 1[P] is the preamble of claim 1). Using the claim clause identifiers, Petitioner provides a detailed clause-by-clause analysis of the challenged claims, explaining where, in Petitioner’s view, each element is disclosed in the combination of Bianco and Mathiassen-067, and why the challenged claim, considered as a whole, would have been obvious over the combined disclosures of those references. Pet. 11–62. Throughout the analysis, Petitioner relies on the declaration testimony of Mr. Lipoff.

For claim 1, for example, Petitioner asserts where each claimed element is disclosed in either Bianco or Mathiassen-067 (*id.* at 11–57) and concludes that “[i]t would have been obvious to modify Bianco’s biometric authentication system to receive enrollment instructions using Mathiassen[067]’s multiple finger-tap system” (*id.* at 57 (citing Ex. 1005 ¶¶ 214–228)). According to Petitioner,

a POSITA would have been motivated to modify Bianco’s biometric sensor to also receive its instructions from a single biometric input sensor for simple enrollment and access, as taught by Mathiassen-067], to avoid the expense and complexity of using a separate touchpad/keyboard/keypad and biometric input sensor, while having a smaller form-factor for convenient

installation at doorways, access points, etc. Indeed, Mathiassen provides an express motivation that “it will be desirable to combine such a touch-pad and fingerprint sensor, if technically possible, for cost and space reasons.”

Pet. 59.

Throughout Petitioner’s assertions, Petitioner relies extensively on annotated figures from the references to illustrate its assertions. *See, e.g., id.* at 15, 16, 18, 19, 30, 39, 44, and 46). For claim 1, Petitioner’s assertions are supported by the Declaration testimony of Mr. Lipoff. Ex. 1005 ¶¶ 63–228).

Petitioner provides a similar analysis for independent claim 10. ’089 Pet. 10–73 (citing Ex. 1005 ¶¶ 262–423).

Patent Owner does not assert that Petitioner has failed to show a reasonable likelihood of prevailing with respect to any claim. *See, generally*, Prelim. Resp.

Based on the arguments and evidence in the record before us, we determine, for purposes of this Decision, that Petitioner’s reasonable, unchallenged arguments, supported by reasonable, unchallenged evidence, establish a reasonable likelihood that independent claim 1 (challenged in the ’045 petition) and independent claim 10 (challenged in the ’089 petition) would have been obvious based on Bianco and Mathiassen-067; and that Petitioner has established a reason why a person of ordinary skill would have combined these references, with a reasonable expectation of success in doing so.

IV. CONCLUSION

For the foregoing reasons, based on the record before us, we determine that Petitioner has demonstrated a reasonable likelihood that it

would prevail in establishing that at least one claim challenged in the '045 and '089 petitions (claims 1 and 10, respectively) is unpatentable. Accordingly, we institute an *inter partes* review on all challenged claims and all grounds asserted in both the '045 and '089 petitions.

Our review of the Petition under 35 U.S.C. § 314 is not to determine whether an individual asserted fact is indisputable or whether a preponderance of the evidence supports Petitioner. Our review is to determine whether the totality of the information presented in the Petition and Preliminary Response shows that there is a reasonable likelihood that Petitioner would prevail with respect to at least one of the claims challenged in the Petition. “The ‘reasonable likelihood’ standard is a somewhat flexible standard that allows the Board room to exercise judgment.” TPG 53.

This is a decision to institute an *inter partes* review under 35 U.S.C. § 314. Our factual findings and determinations at this stage of the proceeding are preliminary, and based on the evidentiary record developed thus far. This is not a final decision as to the patentability of claims for which *inter partes* review is instituted. Our final decision will be based on the record as fully developed during trial.

V. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that pursuant to 35 U.S.C. § 314(a), an *inter partes* review is hereby instituted on claims 1–13 of U.S. Patent No. 9,269,208 B2 based on all grounds asserted in the '045 and '089 Petitions; and

FURTHER ORDERED that pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4, notice is hereby given of the institution of a trial; the trial will commence on the entry date of this Decision.

IPR2022-01045
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