

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BJ'S WHOLESALE CLUB HOLDINGS, INC.,
Petitioner,

v.

WALMART APOLLO, LLC,
Patent Owner.

IPR2022-01509
Patent 10,368,188 B2

Before NEIL T. POWELL, MITCHELL G. WEATHERLY, and
ARTHUR M. PESLAK, *Administrative Patent Judges*.

PESLAK, *Administrative Patent Judge*.

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

I. INTRODUCTION

BJ's Wholesale Club Holdings, Inc. ("Petitioner") filed a Petition requesting an *inter partes* review of claims 1–19 ("the challenged claims") of U.S. Patent No. 10,368,188 B2 ("the '188 patent," Ex. 1001). Paper 2 ("Petition," "Pet."). Petitioner filed a Declaration of David H. Williams in support of the Petition. Ex. 1003. Patent Owner filed a Preliminary Response. Paper 6 ("Prelim. Resp.").

We have authority, acting on the designation of the Director, to determine whether to institute an *inter partes* review under 35 U.S.C. § 314(a). *See* 37 C.F.R. § 42.4(a) (2021) ("The Board institutes the trial on behalf of the Director."). Under 35 U.S.C. § 314(a), an *inter partes* review may not be instituted unless the information presented in the Petition shows "there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition."

Considering the Petition, the Preliminary Response, as well as all supporting evidence, we conclude that the information presented in the Petition establishes a reasonable likelihood that Petitioner would prevail in its challenge of at least one claim of the '188 patent as unpatentable. Pursuant to 35 U.S.C. § 314, we hereby institute an *inter partes* review of all challenged claims of the '188 patent on all grounds stated in the Petition.

Our factual findings, claim construction, and legal conclusions at this stage of the proceeding are based on the evidentiary record developed thus far. This decision to institute trial is not a final decision as to the unpatentability of the claims for which *inter partes* review is instituted. Our final decision will be based on the full record developed during trial.

A. Related Matters

The parties identify the '188 patent as a subject of *Sam's West, Inc. et al. v. BJ's Wholesale Club Holdings, Inc.*, Case No. 6:22-cv-00587 (M.D. Fla. Mar. 22, 2022). Pet. 1 (citing Ex. 1017); Paper 3, 1.

B. Real Parties in Interest

Petitioner and Patent Owner each identifies itself and no others as a real party in interest. Pet. 1; Paper 3, 1.

C. The '188 Patent

The '188 patent is titled "Systems and Methods for Identifying Location-Based Services." Ex. 1001, code (54). The '188 patent issued on July 30, 2019, from Application No. 15/834,747, which was filed on December 7, 2017. *Id.* at codes (45), (21), (22). Application No. 15/834,747 claims priority to Provisional Application No. 62/432,267, filed December 9, 2016. *Id.* at code (60).

The '188 patent explains that "[m]obile applications executing on a mobile computing device . . . may . . . use . . . the . . . device's ability to scan machine-readable elements to obtain information on its environment." Ex. 1001, 1:15–18. One embodiment of the '188 patent describes "a system for identifying available location-based services" that "includes a mobile application executable on a mobile computing device operated by a user." *Id.* at 1:25–28, 2:43–48. "The system also includes a machine-readable element [(MRE)] generator configured to generate and display a machine-readable element that identifies types of services available to be performed at a location of the machine-readable element." *Id.* at 1:30–33, 2:50–54. "The system further includes a server hosting a services management framework communicatively coupled with a database and the

mobile application,” where “[t]he database includes one or more services previously ordered by the user”—“referred to as ‘ordered services.’” *Id.* at 3:6–10.

In operation, a user can approach a local POS terminal with a mobile computing device and use a mobile application thereon to scan a machine-readable element generated and displayed at the POS terminal. Ex. 1001, 2:55–58, 3:47–50, 3:53–55, 3:58–3:59, 5:57–5:58. The mobile application can then decode the identifiers in the machine-readable element and identify therefrom the location of a POS terminal associated with the machine-readable element as well as the types of services available at that location. *Id.* at 2:58–64, 3:50–53, 3:59–61, 4:29–36, 5:58–6:1–6. According to the ’188 patent, “types of services include purchasing goods and services, processing a pharmacy order, financial services such as transferring or receiving money to/from a third party, receiving an e-receipt from a purchase, and returning an item from the e-receipt.” *Id.* at 3:1–5. In turn, “[t]he mobile application transmits the available types of services to [the] services management framework being executed on [the] server,” which “maps the available types of services to the ordered services associated with the user to determine which ordered services for the user are available at the particular location.” *Id.* at 3:61–3:67. Thereafter, “[t]he services management framework communicates the available ordered services to the mobile application.” *Id.* at 4:2–3. Available ordered services may be automatically processed “for example, if pharmacy services are available . . . , an associate may be automatically notified to pick up a previously filled prescription for delivery to the user”—or the user may be

asked which available ordered services she wishes to have performed. *Id.* at 4:3–13.

D. Illustrative Claim

Claims 1, 8, and 14 are independent claims. Claim 1 is representative of the claimed subject matter and is reproduced below:

1. A system for identifying location-based services, the system comprising:

a mobile application executable on a mobile computing device operated by a user;

a database storing one or more previously ordered services associated with the user, wherein the one or more previously ordered services are pending services that are not yet complete due to the services requiring an interaction of the user with a physical facility;

a machine-readable element generator associated with a local computing device and located within the physical facility, the machine-readable element generator configured to generate and display a machine-readable element that identifies types of services available to be performed at a location of the machine-readable element, wherein the one or more available types of services are location-based services capable of being performed at a location of the local computing device associated with the machine-readable element; and

a server communicatively coupled to the database and the mobile application and hosting a services management framework configured to map the one or more previously ordered services to the one or more available types of services to determine one or more available previously ordered services at the location of the machine-readable element, wherein the one or more available previously ordered services are ordered services capable of being performed at the location of the local computing device associated with the machine-readable element,

wherein the mobile application is configured to:

scan and decode the machine-readable element, the machine-readable element providing the mobile application with an identity of the local computing device associated with the machine-readable element;

identify the one or more available types of services based on the decoded machine readable element;

transmit, to the services management framework, the identification of the one or more available types of services so that the services management framework determines one or more available previously ordered services at the location of the machine-readable element;

receive, from the services management framework, an indication of the one or more available previously ordered services;

receive a user selection to initiate performance of at least one of the one or more available previously ordered services; and

communicate the selected one or more available previously ordered services, authentication information, and location identification information to the local computing device to initiate performance of the selected one or more available previously ordered services.

Ex. 1001, 9:41–10:29.

E. Prior Art and Asserted Grounds

Petitioner asserts that claims 1–19 would have been unpatentable on the following ground (Pet. 9):

Claim(s) Challenged	35 U.S.C. §	References/Basis
1–19	103(a)	Poole, ¹ Hammad ²

¹ U.S. Patent Application Publication No. US 2015/0356667 A1 (published Dec. 10, 2015) (Ex. 1006, “Poole”).

² U.S. Patent Application Publication No. US 2013/0166332 A1 (published June 27, 2013) (Ex. 1007, “Hammad”).

II. ANALYSIS

A. Overview

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) when in evidence, objective indicia of non-obviousness (i.e., secondary considerations).³ *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966).

B. Level of Ordinary Skill in the Art

Petitioner contends that a person of ordinary skill in the art “as of the priority date would have had a ‘bachelor’s degree in electrical engineering (or equivalent subject) together with one to two years of experience in research, design, development, and/or testing of location-based systems including mobile device applications,” also noting that “[m]ore education can supplement practical experience and vice versa.” Pet. 7 (citing Ex. 1003 ¶ 20). Patent Owner, at this stage of the proceeding, does not dispute Petitioner’s definition of the person of ordinary skill in the art. Prelim. Resp. 11.

³ No evidence of secondary considerations has been presented at this stage of the proceeding.

For the purposes of this Decision, we apply Petitioner’s proposed level of skill in the art because it appears consistent with the problems addressed in the ’188 patent and the prior art.

C. Claim Construction

We apply the same claim construction standard used by Article III federal courts and the International Trade Commission, both of which follow *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc) and its progeny. 37 C.F.R. § 42.100(b) (2021). This claim construction standard includes construing claims in accordance with “the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent.” *Id.*

Neither party proposes a specific construction for any claim term. Pet. 8–9; Prelim. Resp. 11. Accordingly, we determine that an express construction of any claim term is not necessary for purposes of this Decision. *See Wellman, Inc. v. Eastman Chem. Co.*, 642 F.3d 1355, 1361 (Fed. Cir. 2011) (“[C]laim terms need only be construed ‘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).)).

D. Ground 1: Alleged Obviousness of Claims 1–19 over Poole and Hammad

Petitioner contends claims 1–19 would have been obvious over Poole and Hammad. Pet. 9–41. Petitioner supports its contentions with the Declaration of David H. Williams. Ex. 1003. Patent Owner disputes Petitioner’s contentions. Prelim. Resp. 12–25.

We begin with brief summaries of Poole and Hammad and then address the parties’ respective contentions.

1. *Poole (Ex. 1006)*

Poole is titled “Systems and Methods for Location Sensing for Purchases.” Ex. 1006, code (54). Poole is directed to “systems and methods . . . for assisting a customer with purchasing merchandise items in a store.”

Id. ¶ 6. Figure 1 of Poole is reproduced below.

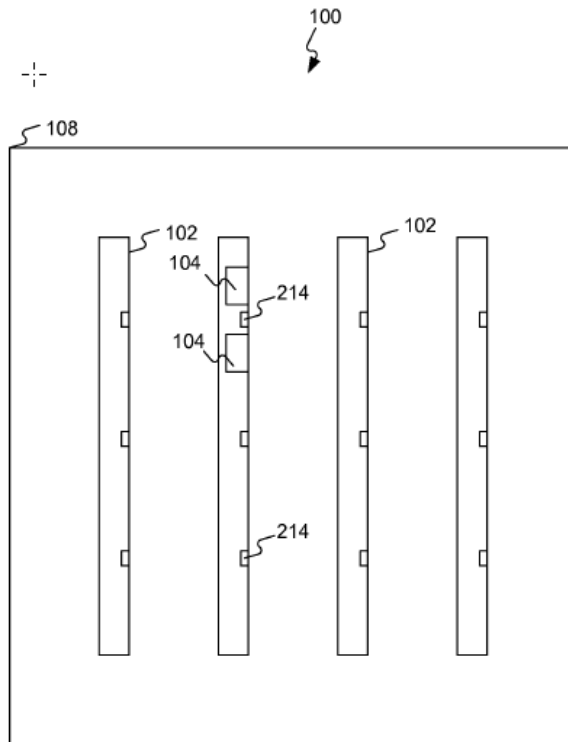


Figure 1 of Poole depicts a block diagram of a store consistent with the disclosed embodiments. Ex. 1006 ¶¶ 15, 25. As shown, store 100 includes aisles 102 each equipped with racks or other equipment for storing merchandise items 104. *Id.* ¶ 25. According to Poole, “[a]isles 102 may also be equipped with one or more sensors 214, which may be configured to detect the position of one or more customer devices being carried by one or more customers, when the customer devices are located near to or adjacent to sensors 214.” *Id.*

Figure 2 of Poole, reproduced below, depicts a system according to one embodiment.

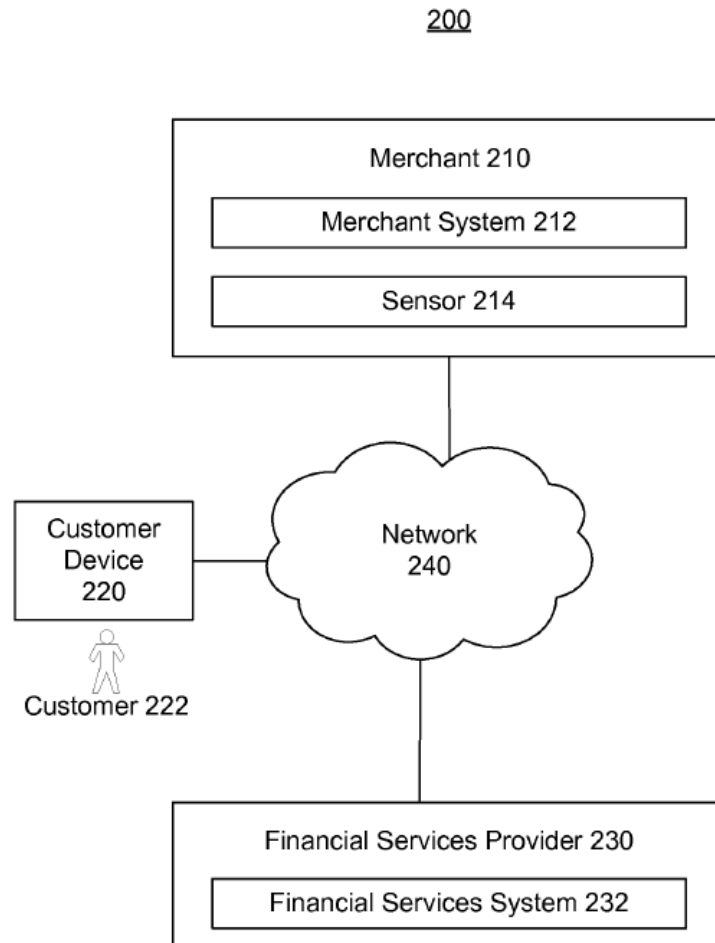


Figure 2 depicts a system according to one embodiment of Poole’s invention. Ex. 1006 ¶¶ 26–27. As shown, system 200 includes merchant 210 (including merchant system 212), customer device 220, customer 222, financial services provider 230, and network 240. *Id.* ¶ 27. “Merchant system 212 may include server(s) . . . configured to execute stored software instructions to perform operations associated with merchant 210, including . . . processing purchase transactions, generating transaction data, generating product data (e.g., SKU data) relating to purchase transactions, etc.” *Id.* ¶ 29. Merchant 210 may also include one or more sensors 214 for detecting

the presence of or communicating with a customer 222 in the vicinity. *Id.*

¶ 31. Each sensor 214 may have a sensor identifier associated therewith. *Id.*

¶ 32. “[C]ustomer device 220 may be configured to execute a customer assistance application, which may be configured to assist a customer locate in-store merchandise items 104, communicate with sensor 214, and/or facilitate or perform transactions (e.g., the selection and purchase of one or more merchandise items 104 in store 100).” *Id.* ¶ 33.

For example, “sensor 214 may detect the presence of customer device 220, when customer device 220 is in the vicinity of sensor 214” and “transmit information regarding merchandise items 104 stored near customer device 220” “to customer 222 on a display of customer device 220.” Ex.

1006 ¶ 34. Customer device 220 may also extract information about sensor 214, such as its position, from the received signals and transmit the extracted information to merchant system 212 through network 214. *Id.* ¶ 48.

Using customer device 220, customer 222 may select one or more of the displayed merchandise items 104 for purchase and communicate with merchant system 212 and financial services system 232 over network 240 to complete the purchase 104 without having to wait in line or take items 104 to the checkout counter. Ex. 1006 ¶ 34. If customer 222 does not want to complete the purchase now, the selected merchandise items 104 may be saved in memory 306, storage medium 308, or database 314, which can store various customer data, sensor data, inventory data, purchase data, and financial data. *Id.* ¶¶ 44, 80. If the customer does want to complete the purchase, however, the system determines whether the customer has a registered profile or needs to complete the purchase as a guest. *Id.* ¶¶ 81–83.

2. *Hammad (Ex. 1007)*

Hammad is titled and directed to “Mobile Wallet Store and Service Injection Platform Apparatuses, Methods and Systems (SEWI)” “for transform[ing] user goal, trigger, trigger monitoring and paperless electronic ticket entry inputs, via SEWI components, into triggered monitoring updates, purchase transaction triggers, and goal resolution outputs.” Ex. 1007, code (54), ¶¶ 4, 94.

Figure 1 of Hammad is reproduced below.

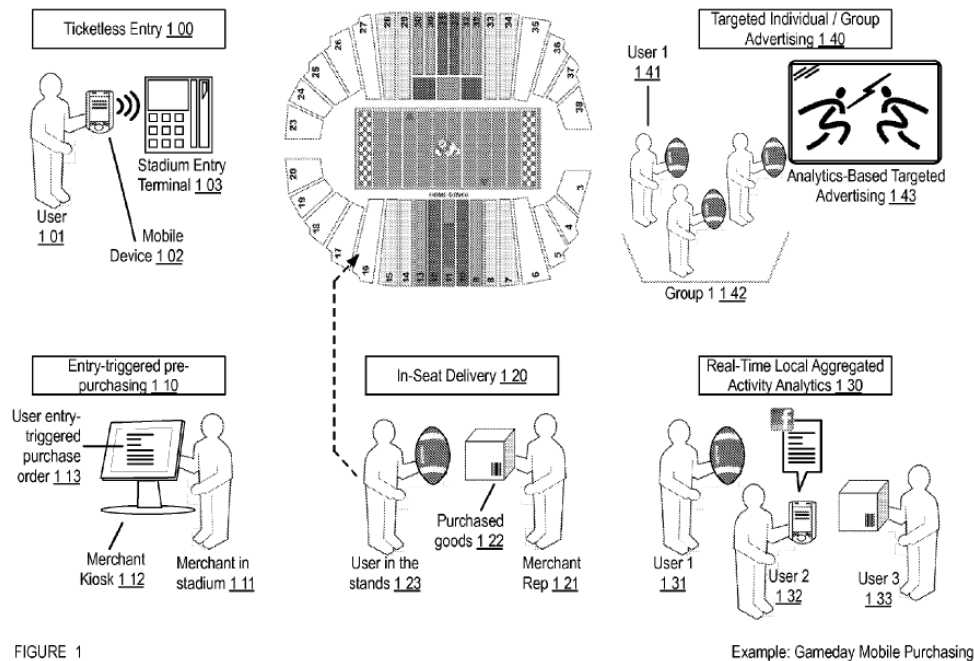


Figure 1 of Hammad depicts various gameday mobile purchasing activities according to some embodiments of the SEWI. *Id.* ¶¶ 7, 95, Fig. 1. Among other things, “the SEWI may provide pre-purchasing of user pre-selected goods for delivery to the user’s seating area . . . while the user is still in transit from the stadium entrance to the seating area of the user.” *Id.* ¶ 96. “For example, when a user successfully enters the stadium using the user’s mobile device, the SEWI may lookup a database to determine any pre-purchasing preferences of the user,” and based thereon, “the SEWI may

initiate purchase transactions using funding sources included in an electronic virtual wallet associated with the user's mobile. *Id.* Further, "[u]pon successful authorization of the transactions, the SEWI may notify merchants . . . in the user's pre-purchasing preferences 111," who have "kiosks 112 in the stadium, that they are to deliver the user's ordered goods 113." *Id.*

Figure 1B of Hammad is reproduced below.

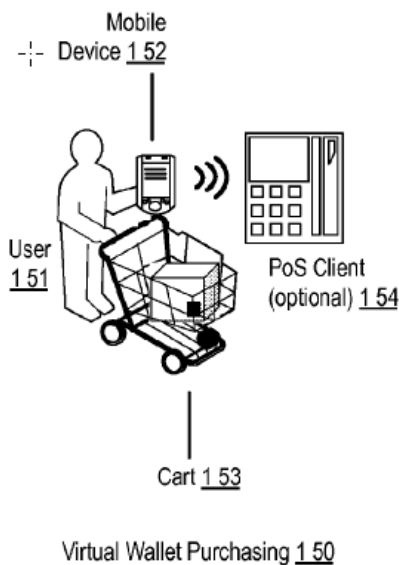


Figure 1B of Hammad depicts a virtual mobile wallet purchasing aspect of the SEWI. Ex. 1007 ¶ 8, Fig. 1B. As shown, the SEWI can make use of “a virtual wallet . . . 150[] for conducting purchase transactions,” in which “a user 151 may utilize a mobile device 152 . . . to conduct a purchase transaction for contents of a cart 153 . . . , optionally at a point-of-sale (PoS) client 154.” Ex. 1007 ¶ 99. “In some embodiments, the SEWI may determine offers, coupons, discounts, and/or the like to provide to individual users and/or groups of users, based on the analytics performed on the real-time localized aggregated activity,” where “the activities aggregated may

include . . . social networking activity, purchasing activity, web browsing activity, media streaming activity, and/or the like.” *Id.* ¶ 98.

Figure 12F of Hammad is reproduced below.

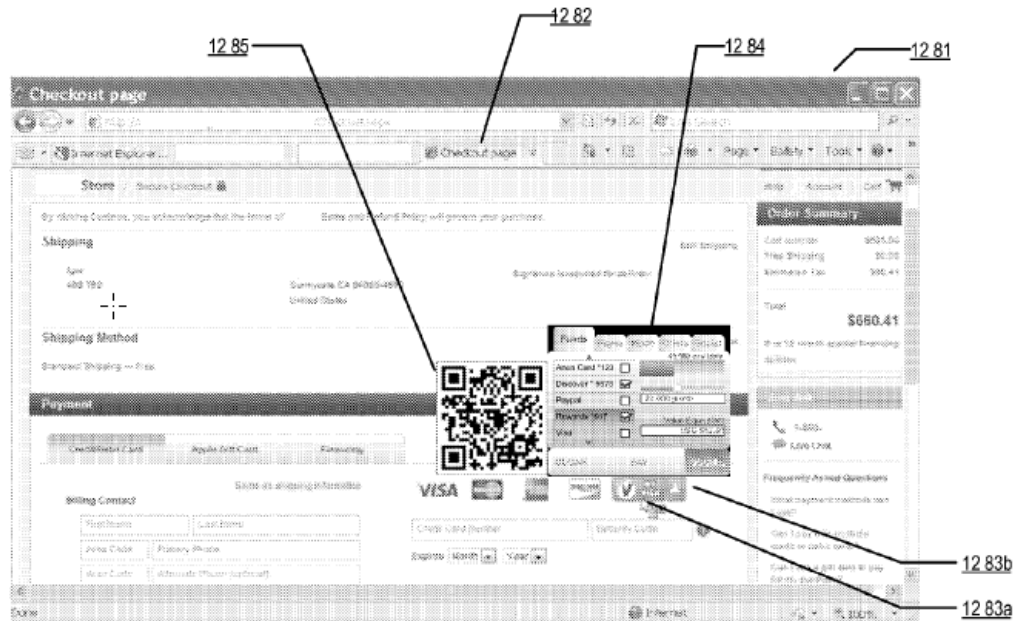


FIGURE 12F

Example: Virtual Wallet Application Embodiment - Snap Mode: Web

Figure 12F of Hammad depicts an aspect of the snap mode in the virtual wallet application of the SEWI. Ex. 1007 ¶ 19, Fig. 12D. As shown, the checkout webpage of an online shopping website 1282, displayed on a client browser 1281, can provide user interface element 1283a-b, whereby the user can indicate the desire to use snap mobile payment. *Id.* ¶ 161. “[I]f the user activates element [1283a], the website may generate a QR code using default settings of the user, and display the QR code . . . 1285[] on the screen of the client for the user to capture using the user’s mobile device . . . to initiate purchase transaction processing.” *Id.*

3. *Claim 1*

Petitioner provides a limitation-by-limitation analysis of independent claim 1,⁴ mapping each claim limitation to the prior art. Pet. 9–27.

Petitioner also provides contentions concerning motivation to combine Poole and Hammad. *See id.* at 15–16, 19, 22–23, 26, 27.

Patent Owner contends that Petitioner failed to show either motivation to combine Poole and Hammad or a reasonable expectation of success in the proposed combination. Prelim. Resp. 12–25.

With this background, we analyze the parties’ respective contentions.

1(a) (Preamble): A system for identifying available location-based services, the system comprising:

Petitioner contends that, to the extent the preamble is limiting, Poole discloses a system for identifying available location-based services with its description of “a ‘purchase assistance system’ that identifies available location-based services using ‘a plurality of sensors located in the store.’” Pet. 9–10 (citing Ex. 1003 ¶ 88; Ex. 1006 ¶¶ 10, 88).

Patent Owner does not address the preamble in the Preliminary Response. *See generally* Prelim. Resp.

We reviewed the evidence cited by Petitioner and find it sufficient for institution. Therefore, we need not address whether the preamble is limiting.

1(b): a mobile application executable on a mobile computing device operated by a user;

Petitioner contends that Poole discloses this feature with its description of “a customer assistance application (‘mobile application’)

⁴ For ease of reference, we refer to Petitioner’s claim annotations in our analysis.

executable on a customer device 222 (‘mobile computing device’) operated by a user.” Pet. 10 (citing Ex. 1003 ¶¶ 91–92; Ex. 1006 ¶ 33).

Patent Owner does not address this limitation in the Preliminary Response. *See generally* Prelim. Resp.

We reviewed the evidence cited by Petitioner and find it sufficient for institution.

1(c): a database storing one or more previously ordered services associated with the user, wherein the one or more previously ordered services are pending services that are not yet complete due to the services requiring an interaction of the user with a physical facility;

Petitioner contends that Poole discloses this feature with its description “that the database 314 (‘database’) stores a list of merchandise items 104 for purchase, where the list of merchandise items 104 for purchase is ‘a wish list, or a list of merchandise items 104 for future purchase’) (‘previously ordered services’) of a customer (‘user’),” “includ[ing] a piece of clothing the user wants to try on within a facility before purchasing (‘interaction . . . with a physical facility’).” Pet. 10 (citing Ex. 1003 ¶¶ 94–96; Ex. 1006 ¶¶ 44, 80, 88).

Patent Owner does not address this limitation in the Preliminary Response. *See generally* Prelim. Resp.

We reviewed the evidence cited by Petitioner and find it sufficient for institution.

1(d): a machine-readable element generator associated with a local computing device and located within the physical facility, the machine-readable element generator configured to generate and display a machine-readable element that identifies types of services available to be performed at a location of the machine-readable element, wherein the one or more available types of services are location-based services capable of being

performed at a location of the local computing device associated with the machine-readable element;

Petitioner contends that the Poole-Hammad combination discloses this feature. Pet. 11 (citing Ex. 1003 ¶¶ 98–106). In particular, Petitioner asserts that “Poole discloses . . . sensors 214 (“local computing device”) . . . located at different locations within aisles 102 (“plurality of locations”) of a store 100 (“facility”)” and “a barcode (“a machine-readable element”) configured to provide location information used in initiating performance of one or more available ordered services.” *Id.* at 11–12 (citing Ex. 1003 ¶¶ 98, 99; 1006 ¶¶ 25, 94, Fig. 1). Petitioner further asserts that “Poole discloses that the sensor 214 communicates information, such as a sensor identifier, to the customer device 220 that can be used by the customer device 220 to identify and/or locate the sensor,” and that “the ‘sensor identifier may be received by scanning a barcode associated with first sensor 214 using, for example, a barcode reader.’” *Id.* at 12 (citing Ex. 1003 ¶ 99; Ex. 1006 ¶¶ 32, 94).

Petitioner also asserts that Poole’s sensors can store and transmit sensor position information, can transmit information to a mobile application about services available to be performed at a barcode’s location, and can transmit information regarding merchandise items 103 near customer device 220, including goods available for pickup or purchase. Pet. 12–13 (citing Ex. 1003 ¶¶ 100, 101; Ex. 1006 ¶¶ 25, 31, 34, 88). Petitioner also points out that Poole discloses additional location-based services including: receiving payment authorization for a merchandise item, determining if merchandise item 104 is available elsewhere, preparing merchandise items for pickup from an aisle 102 or storage location 100, and placing merchandise items 104 at delivery location in store 100 to allow customer 222 to pick them up. *Id.* at 13 (citing Ex. 1003 ¶ 101; Ex. 1006 ¶ 10, 69, 85).

Petitioner next contends that, to the extent Poole does not expressly disclose a machine readable element generator as recited in this limitation, Hammad does. Pet. 13–15 (citing Ex. 1003 ¶ 102). In particular, Petitioner asserts that “Hammad discloses a machine-readable element generator associated with a point-of-sale terminal (‘local computing device’). . . , the machine-readable element generator . . . configured to generate and display a QR code 1285 (‘machine-readable element’).” *Id.* at 14 (citing Ex. 1003 ¶ 103; Ex. 1007 ¶ 161, Fig. 12F). Petitioner further asserts that “Hammad discloses that ‘a display device of a point-of-sale terminal may be displaying a checkout screen, such as a web browser executing on a client . . . 1281, displaying a checkout webpage of an online shopping website . . . 1282,” and that “the website may generate a QR code using default settings of the user, and display the QR code . . . 1285[] on the screen of the client.” *Id.* (citing Ex. 1003 ¶ 103; Ex. 1007 ¶ 161).

Petitioner also asserts that “Hammad further discloses that the QR code (‘machine-readable element’) identifies types of services,” including “invoice/bill, coupon, money order, . . . product information, [and] purchase commands, . . . available to be performed at a location of the machine-readable element” or “at a location of the local computing device associated with the machine-readable element.” Pet. 14–15 (citing Ex. 1007 ¶ 161; Williams ¶ 104). Petitioner adds that “Hammad discloses that ‘the merchant server may generate a QR code embodying the product information, as well as merchant information required by a payment network to process the purchase transaction,” and that “the QR code could include an invoice/bill, a coupon, a money order[,] . . . a new account information packet, product information, purchase commands, URL navigation instructions, browser

automation scripts, combinations thereof, and/or the like.” *Id.* at 15 (citing Ex. ¶ 104; Ex. 1007 ¶ 166). Petitioner also points to Hammad’s disclosure that “if the user activates element 1281a, the website may generate a QR code[,] . . . and display the QR code, e.g., 1285, on the screen of the client for the user to capture using the user’s mobile device,” where “the user may capture a snapshot of the QR code to initiate purchase transaction processing.” *Id.* (citing Ex. 1003 ¶ 104; Ex. 1007 ¶ 161).

Petitioner reasons that “a [person of ordinary skill in the art] would have been motivated to combine the machine readable element generator of Hammad with the sensors of Poole in order to provide greater flexibility in presenting location-based services to customers.” Pet. 15–16 (citing Ex. 1003 ¶¶ 77–83, 105). According to Petitioner, “[a] POSITA would have understood that the QR code generated and displayed by Hammad would perform the same function as the barcode taught by Poole but would also allow for programmatic updates to the displayed code to accommodate new features and services,” and “[a] POSITA would have recognized that combining the machine-readable element generator of Hammad with the system of Poole would provide the predictable result of allowing the barcode to be updated to provide additional or different information to the mobile application, to enhance the user experience, and to increase sales.” *Id.* at 16 (citing Ex. 1003 ¶ 105).

Patent Owner does not dispute Petitioner’s factual contentions for this limitation which, after reviewing the evidence cited by Petitioner, we find to be sufficient for institution.

Patent Owner contends that Petitioner fails to establish motivation to combine Hammad and Poole and reasonable expectation of success in

connection with the combination. *See* Prelim. Resp. 12–25. We address Patent Owner’s contentions below.

1(e): a server communicatively coupled to the database and the mobile application and hosting a services management framework configured to map the one or more previously ordered services to the one or more available types of services to determine one or more available previously ordered services at the location of the machine-readable element, wherein the one or more available previously ordered services are ordered services capable of being performed at the location of the local computing device associated with the machine-readable element,

Petitioner contends that the Poole-Hammad combination discloses this feature. Pet. 16 (citing Ex. 1003 ¶¶ 108–116). Specifically, Petitioner contends that “Poole discloses a server communicatively coupled to database 314 and a customer assistance application (‘mobile application’).” *Id.* (citing Ex. 1003 ¶ 108; Ex. 1006 ¶ 46). Petitioner further contends that Poole’s “server hosts software instructions (‘services management framework’) to manage the operations . . . associated with a merchant 210 ‘including one or more processes associated with processing transactions . . . related to purchase transactions, etc.’ (e.g., processes 400, 600, 700, 800).” *Id.* at 16–17 (citing Ex. 1003 ¶¶ 109–110; Ex. 1006 ¶¶ 29, 46, 63, 77, 87).

Petitioner next contends that Poole’s barcode corresponds to the recited “machine-readable element” and is “associated with a sensor 214” that corresponds to the recited “local computing device.” Pet. 17 (citing Ex. 1003 ¶ 110; Ex. 1006 ¶¶ 32, 94). Petitioner further contends that Poole “map[s] items previously selected by a customer with items available at a particular location within a facility where the customer may complete the purchase of such items.” *Id.* (citing Ex. 1003 ¶ 110; Ex. 1006 ¶ 88); *see also id.* at 17–18) (Petitioner explaining how Poole’s processes 400 and 800 meet this limitation)).

Petitioner alternately contends that “[t]o the extent Poole does not disclose a services management framework that determines ordered services capable of being performed ‘at the location of the local computing device associated with the machine-readable element,’ Hammad does.” Pet. 18 (citing Ex. 1003 ¶ 111). In support of this alternate contention, Petitioner contends “Hammad discloses the machine-readable element generator associated with a local computing device, and the machine-readable element generator generates and displays the machine readable element.” *Id.* (citing Ex. 1003 ¶ 12; Ex. 1007 ¶¶ 161, 166, Fig. 12F). Petitioner further contends “Hammad discloses a server communicatively coupled to a database storing pre-purchasing preferences (‘database’) and the virtual wallet (‘mobile application’).” *Id.* (citing Ex. 1003 ¶ 113; Ex. 1007 ¶ 100). Petitioner further contends Hammad’s “application executing on a user device may communicate with a server” and “[t]he server may provide information to the virtual wallet.” *Id.* (citing Ex. 1007 ¶ 100). Petitioner further contends that Hammad discloses that it “may lookup a **database** to determine any pre-purchasing preferences of the user”, Hammad’s “server utilizes user profile information to provide offers/coupons, recommendations and/or the like”, and uses “an offers screen 901 [to] provide real-time offers that are relevant to items in a user’s cart for selection by the user.” *Id.* at 18–20 (citing Ex. 1003 ¶¶ 113–114; Ex. 1007 ¶¶ 96, 105, 133).

Petitioner next contends that one of ordinary skill in the art “would have been motivated to combine the machine-readable element generator of Hammad with the sensors of Poole in order to provide greater flexibility in presenting location-based services to customers.” Pet. 20 (citing Ex. 1003 ¶ 115). According to Petitioner, this combination would predictably provide

a services management framework “determining ordered services capable of being performed at the location of the local computing device associated with Hammad’s machine-readable element in the same manner that Poole determined such services at the location of the sensor associated with the barcode.” *Id.* (citing Ex. 1003 ¶¶ 77–83, 115).

Patent Owner does not dispute Petitioner’s factual contentions for this limitation which, after reviewing the evidence cited by Petitioner, we find to be sufficient for institution.

Patent Owner contends that Petitioner fails to establish motivation to combine Hammad and Poole and reasonable expectation of success in connection with the combination. *See* Prelim. Resp. 12–25. We address Patent Owner’s contentions below.

I(f): wherein the mobile application is configured to: scan and decode the machine-readable element, the machine-readable element providing the mobile application with an identity of the local computing device associated with the machine-readable element;

Petitioner contends that Poole discloses this feature with its description “that a customer device 220 may extract information regarding the sensors 214, such as a sensor identifier, by scanning a barcode associated with a sensor 214.” Pet. 20–21 (citing Ex. 1003 ¶ 118; Ex. 1006 ¶¶ 32, 94).

Patent Owner does not address this limitation in the Preliminary Response. *See generally* Prelim. Resp.

We reviewed the evidence cited by Petitioner and find it sufficient for institution.

I(g): identify one or more available types of services based on the decoded machine readable element;

Petitioner contends the Poole-Hammad combination discloses this feature. Pet. 21 (citing Ex. 1003 ¶¶ 121–125). Petitioner specifically

contends that “Poole discloses the sensor 214 transmits one or more codes to the customer device 220 to identify merchandise items located near the sensor 214 (‘available types of services based on the decoded machine readable element’)” and the “[s]ensor 214 may transmit information regarding merchandise items 104 stored near customer device 220.” *Id.* (citing Ex. 1003 ¶ 121; Ex. 1006 ¶¶ 34, 55). Petitioner further contends that one of ordinary skill in the art would have understood “that the availability of such location-based services would depend upon the location of the user within the store, which is determined based on the code transmitted by the sensor to the customer device.” *Id.* at 22 (citing Ex. 1003 ¶ 121).

Petitioner alternately contends that “[t]o the extent Poole does not disclose identifying one or more available types of services based on the decoded machine-readable element, Hammad does.” Pet. 22 (citing Ex. 1003 ¶ 122). Petitioner contends “Hammad discloses a mobile application configured to identify the one or more available types of services based on a decoded QR code (‘the machine readable element’).” *Id.* (citing Ex. 1003 ¶ 122; Ex. 1007 ¶ 166). Petitioner further contends one of ordinary skill in the art “would have been motivated to combine Poole’s location-based services with the additional services disclosed by Hammad to expand the options available to a consumer and increase potential purchases of goods and services.” *Id.* (citing Ex. 1003 ¶ 123). Petitioner further contends that one of ordinary skill in the art would have “recognized that adding one or more of Hammad’s services to Poole would have been merely a combination of known elements with a predictable result.” *Id.* at 22–23.

Patent Owner does not dispute Petitioner’s factual contentions for this limitation which, after reviewing the evidence cited by Petitioner, we find to be sufficient for institution.

Patent Owner contends that Petitioner fails to establish motivation to combine Hammad and Poole and reasonable expectation of success in connection with the combination. *See* Prelim. Resp. 12–25. We address Patent Owner’s contentions below.

I(h): transmit, to the services management framework, the identification of the one or more available types of services so that the services management framework determines one or more available previously ordered services at the location of the machine-readable element;

Petitioner contends that Poole discloses this feature with its descriptions “that the mobile application transmits the identification of one of the available types of services to the merchant system 212 (‘services management framework’),” and “transmitting the identification of a selected item to the merchant system once the customer has made the selection among the listed items” for purchase. Pet. 23–24 (citing Ex. 1003 ¶¶ 127–129; Ex. 1006 ¶ 88).

Patent Owner does not address this limitation in the Preliminary Response. *See generally* Prelim. Resp.

We reviewed the evidence cited by Petitioner and find it sufficient for institution.

I(i): receive, from the services management framework, an indication of the one or more available previously ordered services;

Petitioner contends that Poole discloses this feature with its descriptions “that the mobile application is configured to receive an indication from the services management framework regarding merchandise items 104 previously selected for purchase (‘the one or more available

previously ordered services’).” Pet. 24–25 (citing Ex. 1003 ¶¶ 131–133; Ex. 1006 ¶¶ 56, 68, 85).

Patent Owner does not address this limitation in the Preliminary Response. *See generally* Prelim. Resp.

We reviewed the evidence cited by Petitioner and find it sufficient for institution.

1(j): receive a user selection to initiate performance of at least one of the one or more available previously ordered services;

Petitioner contends that the Poole-Hammad combination discloses this feature. Pet. 25 (citing Ex. 1003 ¶¶ 134–137). Petitioner contends that “Poole discloses receiving a user selection to initiate performance of at least one of the one or more available previously ordered services.” *Id.* (citing Ex. 1003 ¶ 134; Ex. 1006 ¶ 46).

Petitioner alternately contends that “[t]o the extent Poole does not expressly disclose that the mobile application is configured to ‘receive a user selection to initiate performance of at least one of the one or more available previously ordered services,’ Hammad does.” Pet. 25 (citing Ex. 1003 ¶ 135). Petitioner contends that “Hammad discloses receiving a user selection in response to a prompt to initiate performance of the selected service.” *Id.* at 25–26 (citing Ex. 1003 ¶ 135; Ex. 1007 ¶ 170). According to Petitioner a person of ordinary skill in the art would have considered Hammad and “been motivated to combine Poole’s scanning of a barcode with Hammad’s initiation of purchase transaction based on capturing a QR code to streamline the user experience.” *Id.* at 26 (citing Ex. 1003 ¶¶ 77–83, 136).

Patent Owner does not dispute Petitioner's factual contentions for this limitation which, after reviewing the evidence cited by Petitioner, we find to be sufficient for institution.

Patent Owner contends that Petitioner fails to establish motivation to combine Hammad and Poole and reasonable expectation of success in connection with the combination. *See* Prelim. Resp. 12–25. We address Patent Owner's contentions below.

l(k): communicate the selected one or more available previously ordered services, authentication information, and location identification information to the local computing device to initiate performance of the selected one or more available previously ordered services.

Petitioner contends that the Poole-Hammad combination discloses this feature. Pet. 26 (citing Ex. 1003 ¶¶ 138–142). Petitioner concedes that Poole does not expressly disclose this limitation. *Id.* Petitioner contends that “Hammad discloses a mobile application configured to communicate the selected one or more available previously ordered services, authentication information and location identification information to the local computing device to initiate performance of the selected one or more available previously ordered services.” *Id.* at 26–27 (citing Ex. 1003 ¶ 138).

Patent Owner does not dispute Petitioner's factual contentions for this limitation which, after reviewing the evidence cited by Petitioner, we find to be sufficient for institution.

Patent Owner contends that Petitioner fails to establish motivation to combine Hammad and Poole and reasonable expectation of success in connection with the combination. *See* Prelim. Resp. 12–25. We address Patent Owner's contentions below.

Motivation to Combine

Patent Owner first contends that Petitioner’s reasons for combining the teachings of Poole and Hammad are “conclusory and insufficient.” Prelim. Resp. 12–13 (citing Pet. 15–16). Patent Owner, likewise, contends that Mr. Williams’ declaration testimony “does not cure the deficiencies of the Petition, and similarly recites related conclusory statements set forth in the Petition, which is unacceptable.” *Id.* at 15 (citations omitted). Patent Owner further contends that Poole is “related to the use of a mobile device inside a retail store” and is not in the same field as Hammad which is “related to the use of a mobile device inside a stadium hosting sporting events.” *Id.* at 14.

Patent Owner next contends that a person of ordinary skill in the art would not have “combine[d] the systems and methods of Poole for locating and purchasing items within a store with the systems and methods of the preferred embodiment of Hammad . . . that is directed towards ‘gameday mobile purchasing’ in a stadium using a virtual wallet.” Prelim. Resp. 15 (citing Ex. 1006, Abst.; Ex. 1007 ¶¶ 95, 100). Patent Owner further contends that “Hammad discloses using that virtual wallet to check out once goods are selected, or to facilitate pre-purchasing of pre-selected goods for delivery to the user’s seat in the stadium.” *Id.* at 15–16 (citing Ex. 1007 ¶¶ 96, 99). Patent Owner further contends that Poole “relates to an overall shopping experience at a physical retail store and relates to assisting customers with locating items in the store, and potentially assisting the customer with checking out virtually once the customer has selected the goods to purchase.” *Id.* at 16 (citing Ex. 1006, Figs. 4, 6). Patent Owner further contends that a person of ordinary skill in the art would not combine

Poole and Hammad because Hammad “describes problems that would arise in a stadium, such as for example there are multiple vendors in the stadium, but such problems are in no way relevant to a retail store.” *Id.*

Patent Owner next contends that a person of ordinary skill in the art would not have combined Hammad’s point of sale terminal with Poole’s sensors. Prelim. Resp. 16. According to Patent Owner, a person of ordinary skill in the art would not have combined Hammad’s disclosure of the user device communicating authentication information, as asserted in the Petition, with Poole “because in Poole, after determining a location of a customer in the store . . . the system of Poole determines whether the customer device is executing the customer assistance application” and “identifies merchandise items near the customer . . . and may display those items on the display of the customer device.” *Id.* at 18 (citing Pet. 26, 27; Ex. 1005 ¶¶ 52, 55, 57). Patent Owner further contends that the first time Poole’s system needs personalized use information is when the customer selects one of the displayed items for purchase. *Id.* (citing Ex. 1006 ¶ 81, Figs. 4, 7).

Patent Owner next contends that “the sensors of Poole contemplate a different approach than the machine-readable element generator of Hammad.” Prelim. Resp. 20. According to Patent Owner, Poole’s “sensors detect a location of the customer device” but, Hammad’s “machine readable element generator does not detect the location of something near it, and further there is no need for the machine readable element generator to do so because the machine readable element generator is in one location and a user comes to scan the QR code it generates.” *Id.* at 20–21. Patent Owner further contends “the machine element generator of Hammad may generate a

new QR code when user settings change, however, there is no need for the sensors of Poole to change based on user settings.” *Id.* at 21.

Patent Owner next contends that a person of ordinary skill in the art would have understood “that the user in Poole can check out solely on their phone after adding the merchandise item(s) to the shopping cart because the items the user wants to buy are already there.” Prelim. Resp. 22. According to Patent Owner, “Poole has no need for implementing a QR code to check out as Hammad discusses because the QR code would add additional and unnecessary steps to Poole.” *Id.* Patent Owner further contends that “scanning the bar code of Poole may initiate the step of ‘receiving a merchandise identifier associated with a merchandise item locates near the first sensor’ but ‘in Hammad . . . the use has already selected items to purchase when it scans the barcode.’” *Id.* (citing Ex. 1006 ¶ 97; Ex. 1007 ¶ 161).

For the following reasons, we determine that Patent Owner’s contentions do not undercut Petitioner’s showing based on the present record.

Many of Patent Owner’s contentions are based on what a person of ordinary skill in the art would or would not have understood. For example, Patent Owner contends a person of ordinary skill in the art “would not understand to combine the systems and methods of Poole for locating and purchasing items with a store with the systems and methods of the preferred embodiment of Hammad . . . that is directed towards ‘gameday mobile purchasing’ in a stadium and using a virtual wallet.” Prelim. Resp. 15. However, Patent Owner does not support this contention concerning the understanding of a person of ordinary skill in the art with evidence. Such

contentions, if supported with evidence, may raise factual issues but those issues are better resolved on a full evidentiary record at trial. In addition, based on the present record, many of Patent Owner's contentions appear to be based on a bodily incorporation of Poole and Hammad. For example, Patent Owner contends that a person of ordinary skill in the art would not have been motivated to combine the sensors of Poole with the machine-readable element generator of Hammad because "the sensors of Poole contemplate a different approach." *Id.* at 15. Such contentions do not undercut Petitioner's showing based on the present record. *See In re Mouttet*, 686 F.3d 1322, 1332 (Fed. Cir. 2012) ("It is well-established that a determination of obviousness based on teachings from multiple references does not require an actual, physical substitution of elements."); *In re Nievelt*, 482 F.2d 965, 968 (CCPA 1973) ("Combining the teachings of references does not involve an ability to combine their specific structures.").

We reviewed Patent Owner's contentions and determine, based on the present record, that Petitioner has sufficiently stated reasons why one of ordinary skill in the art would have been motivated to combine the teachings of Poole and Hammad as Petitioner proposes. Petitioner's contentions are sufficiently supported by the testimony of Mr. Williams which he supports with citations to Poole and Hammad. Ex. 1003 ¶¶ 77–83 (citing Ex. 1006 ¶¶ 5, 28, 94; Ex. 1007 ¶¶ 100, 161, Abst.). Based on the present record, we do not find Petitioner's stated reasons for combining the teachings of Poole and Hammad to be "conclusory and insufficient" as Patent Owner asserts.

Reasonable Expectation of Success

Patent Owner contends that "the Petition fails to discuss reasonable success at all" and fails to meet its burden to show why a person of ordinary

skill in the art “would have a reasonable expectation of success of the combined system.” Prelim. Resp. 23–24. Patent Owner further contends that that there would not be a reasonable expectation of success in combining Hammad’s QR code to initiate a purchase with Poole. *Id.* at 25.

While it is true that the Petition does not use the term “reasonable expectation of success,” Mr. Williams testifies that “[a] person of ordinary skill in the art would have had no difficulty combining the bar code generator and display taught by Hammad with the Poole system because Poole already contemplates a bar code” and the combination “would have provided a predictable result of allowing an enhanced barcode display in place of the barcode contemplated by Poole.” Ex. 1003 ¶ 81. Based on Mr. Williams’ testimony, Petitioner sufficiently establishes a reasonable expectation of success.

Summary of Claim 1

For all the foregoing reasons, we determine that Petitioner has shown a reasonable likelihood that claim 1 would have been unpatentable over Poole and Hammad.

4. Claims 2–7

Claims 2–7 depend from claim 1. Ex. 1001, 10:30–53. Petitioner sets forth evidence and argument as to why Poole and Hammad allegedly render these claims unpatentable. Pet. 27–33.

Patent Owner does not address these claims in the Preliminary Response separately beyond the arguments discussed above for claim 1. *See generally* Prelim. Resp.

We reviewed Petitioner's evidence and arguments and determine that Petitioner has sufficiently shown a reasonable likelihood that these dependent claims would have been unpatentable over Poole and Hammad.

5. *Claims 8–19*

For independent claims 8 and 14, Petitioner largely relies on its contentions for various limitations of claim 1, adding that Poole not only discloses a system but also a method to use said system (claim 8) and a computer readable medium to implement the system or method (claim 14). Pet. 33–39 (citing Ex. 1003 ¶¶ 176–178, 215–217; Ex. 1006 ¶ 11). Patent Owner does not provide separate arguments for claims 8 or 14. *See generally* Prelim. Resp.

We reviewed Petitioner's evidence and arguments for claims 8 and 14 and for at least the reasons discussed with respect to claim 1 determine that Petitioner has shown a reasonable likelihood that claims 8 and 14 would have been unpatentable over Poole and Hammad.

For dependent claims 9–13 and 15–19, Petitioner sets forth evidence and argument as to why these claims would have been unpatentable over Poole and Hammad. Pet. 36–37, 39–41. Patent Owner does not provide separate arguments for these claims. *See generally* Prelim. Resp.

We reviewed Petitioner's evidence and arguments and determine that Petitioner has sufficiently shown a reasonable likelihood that these dependent claims would have been unpatentable over Poole and Hammad.

E. *Discretionary Denial of Institution Under 35 U.S.C. § 325(d)*

Patent Owner contends we should exercise our discretion to deny institution under 35 U.S.C. § 325(d). Prelim. Resp. 26. Patent Owner contends that Poole “is, at best substantially similar to a reference applied by

the Patent Office during prosecution.” *Id.* at 27. Patent Owner further contends that “Petitioner offers nothing new in citing its secondary reference Hammad, which concerns generating a QR code, which the Patent Office also considered.” *Id.*

Patent Owner contends that “the ’188 patent was allowed after a thorough examination.” Prelim. Resp. 29. Patent Owner contends that the Examiner issued two office actions during prosecution. *Id.* In the first office action, the Examiner issued a § 112 rejection and a § 103 rejection over two references, Vata and Ashiura. *Id.* (citing Ex. 1002, 179). After the applicant amended the claims, the Examiner issued a second final office action rejecting the claims under § 103 over Dessert in view of Dickson and Ashiura. *Id.* (citing Ex. 1002, 70). After an interview with the Examiner, the claims were allowed. *Id.* (citing Ex. 1002, 34–35).

Patent Owner next contends that Poole “is cumulative of at least the Dessert publication (Ex. 2001) applied during prosecution.” Prelim. Resp. 30. According to Patent Owner, “[b]oth references are directed to systems related to digitalizing the shopping experience for the user in a store” and each “disclose[] location specific services by placing either sensors or machine readable tags throughout the facility such that when the user is near the sensor or scans the tag, the user’s mobile device receives information from the sensors/machine-readable tags.” *Id.* at 30–31; *see also id.* at 31–33 (summarizing disclosure of Poole and Hammad (citing Ex. 1006 ¶¶ 6, 27, 33, 34, 80, Abst.; Ex. 2001 ¶¶ 4, 49, 50, 55–59, 60, 61, 99–101, 208)). According to Patent Owner, “Poole’s disclosure is cumulative to that of Dessert—*i.e.*, the primary reference considered during prosecution, which

applicant’s claim amendments overcame.” *Id.* at 33 (citing Ex. 1002, 49–55).

Patent Owner next contends that Hammad “is cumulative of . . . the Ashiura reference (Ex. 2003) applied during prosecution.” Prelim. Resp. 35. Patent Owner contends that “Ashiura was used for the machine readable element generator and related limitations.” *Id.* at 35–36. (citing Ex. 1002, 81, 185). According to Patent Owner, “Petitioner used Hammad for the machine-readable element generator limitations in the Petition as well.” *Id.* at 36.

Patent Owner next contends that “Petitioner never even attempts to show how the Examiner erred in allowing the claims over the same or substantially the same art and arguments that the Petition presents.” Prelim. Resp. 37.

i. Analytical Framework Under 35 U.S.C. § 325(d)

The statute provides that “the Director may take into account whether, and reject the petition . . . because, the same or substantially the same prior art or arguments previously were presented to the Office.” 35 U.S.C. § 325(d). Our Consolidated Trial Practice Guide (“CTPG”) indicates that the decision whether to deny institution on this basis “is a fact-dependent decision, in which the Board balances the petitioner’s desire to be heard against the interest of the patent owner in avoiding duplicative challenges to its patent.” Patent Trial and Appeal Board Consolidated Trial Practice Guide, 62 (Nov. 2019).⁵

⁵ Available at <https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf>.

We use a two-part framework to analyze a request to exercise discretion to deny institution under § 325(d). First, we determine “whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office.” *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 at 8 (PTAB Feb. 13, 2020) (precedential). Second, “if either condition of the first part of the framework is satisfied,” then we consider “whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of the challenged claims.” *Id.* In applying this framework, we refer to the non-exclusive factors delineated in *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 (PTAB Dec. 15, 2017) (precedential as to § III.C.5, first para.). These factors are: a) the similarities and material differences between the asserted art and the prior art involved during examination; b) the cumulative nature of asserted art and the prior art evaluated during examination; c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection; d) the extent of overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes the prior art; e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art; and f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments. *Id.* at 17–18.

These factors “should be read broadly . . . to apply to any situation in which a petition relies on the same or substantially the same art or arguments previously presented to the Office during a proceeding pertaining to the

challenged patent.” *Advanced Bionics*, Paper 6 at 10. If, after review of factors (a), (b), and (d), we determine the same or substantially the same art or arguments previously were presented to the Office, then factors (c), (e), and (f) relate to whether the petitioner demonstrates that the Office erred in a manner material to patentability of the challenged claims. *Id.*

ii. Analysis

In response to the rejection over Dessert, Dickson, and Ashiura,⁶ the applicant added several limitations to claim 1, including “wherein the one or more previously ordered services are pending services that are not yet complete due to the services requiring an interaction of the user with a physical facility.” Ex. 1002, 50; *see also* Ex. 1001, 10:46–49. In arguing for the patentability of claim 1 over Dessert, the applicant specifically argued that “Dessert fails to disclose, teach, or suggest” this limitation. Ex. 1002, 60.

Petitioner relies on Poole for disclosing this limitation. Pet. 10. In particular, Petitioner contends “Poole discloses that the database 314 . . . stores a list of merchandise items for purchase, where the list of merchandise items 104 for purchase is ‘a wish list, or a list of merchandise items 104 for future purchase’ and “[t]he list of merchandise items 104 may include a

⁶ Patent Owner contends that, during prosecution of a commonly owned patent, U.S. Patent No. 10,368,187, another reference Kostka, was cited by the Examiner. Prelim. Resp. 33. Patent Owner contends that Poole is also cumulative of Kostka. *Id.* at 33–35. Patent Owner does not direct us to any part of the file history of the ’188 patent where Kostka was considered or even cited. We, thus, determine Kostka is not material to our § 325(d) analysis because it was not “previously presented to the Office during a proceeding *pertaining to the challenged patent*.” *See Advanced Bionics*, Paper 6 at 10 (emphasis added).

piece of clothing that user wants to try on within a facility before purchasing.” *Id.* (citing Ex. 1003 ¶¶ 94–95; Ex. 1006 ¶¶ 44, 80, 94).⁷ Thus, Petitioner relies on Poole for the precise limitation of claim 1 that the applicant convinced the Examiner was not disclosed by Dessert. Ex. 1002, 60. Consequently, we find that Poole is not substantially the same as Dessert. Further, Patent Owner does not direct us to any rejection in the prosecution history where the Examiner determined that this limitation was disclosed in any prior art reference and our review of the prosecution history reveals none.

Petitioner relies on Hammad for the machine-readable element generator. Pet. 14. Petitioner also relies on Hammad for disclosure of other limitations in claim 1. *Id.* at 22, 25, 26. The Examiner, however, relied on Ashiura for only the machine-readable element generator. Ex. 1002, 81. Because Petitioner relies on Hammad for more than the machine-readable element generator, we find that Hammad is not cumulative of Ashiura for the purposes of our § 325(d) analysis.

Because Petitioner does not rely on the same or substantially the same art or arguments previously presented to the Office, we find that the first prong of the *Advanced Bionics* framework is not satisfied and we need not address the second prong of the framework.

For the foregoing reasons, we do not exercise our discretion to deny institution under 35 U.S.C. § 325(d).

⁷ As discussed above in our analysis of claim 1, Patent Owner does not dispute Petitioner’s contention that Poole discloses this limitation. *See* Prelim. Resp. 12–25.

III. CONCLUSION

Based on the present record, we determine that Petitioner demonstrates a reasonable likelihood that it would prevail in establishing at least one challenged claim of the '188 patent is unpatentable, and we institute an *inter partes* review of all challenged claims of the '188 patent.”

At this stage of the proceeding, we have not made a final determination under 35 U.S.C. § 318(a) with respect to the unpatentability of any challenged claim.⁸

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that, pursuant to 35 U.S.C. § 314(a), an *inter partes* review of the '188 patent is instituted with respect to the challenged claims on the ground set forth in the Petition; and

FURTHER ORDERED that, pursuant to 35 U.S.C. § 314(a) and 37 C.F.R. § 42.4(b), *inter partes* review of the '188 patent shall commence on the entry date of this Order, and notice is hereby given of the institution of a trial.

⁸ Patent Owner is cautioned that any arguments not raised in the Patent Owner Response may be deemed waived. *See In re NuVasive, Inc.*, 842 F.3d 1376, 1379–82 (Fed. Cir. 2016) (holding that a patent owner waived an argument addressed in a preliminary response by not raising the same argument in the patent owner response).

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