

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ASKELADDEN L.L.C.,
Petitioner,

v.

KIOBA PROCESSING LLC,
Patent Owner.

IPR2023-00147
Patent 7,110,792 B2

Before JOSIAH C. COCKS, JOHN R. KENNY, and JASON M. REPKO,
Administrative Patent Judges.

COCKS, *Administrative Patent Judge.*

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

I. INTRODUCTION

Petitioner, Askeladden L.L.C., filed a Petition (Paper 1, “Pet.”) requesting *inter partes* review of claims 8–23 (“the challenged claims”) of U.S. Patent No. 7,110,792 B2 (Ex. 1001, “the ’792 patent”).¹ Patent Owner, Kioba Processing LLC, did not file a Preliminary Response. We have authority under 35 U.S.C. § 314, which provides that an *inter partes* review may not be instituted unless the information presented in the Petition shows that “there is 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); *see also* 37 C.F.R. § 42.4(a) (“The Board institutes the trial on behalf of the Director.”).

A decision to institute under § 314 may not institute on fewer than all claims challenged in the petition. *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1359–60 (2018). In addition, if the Board institutes trial, it will “institute on all grounds in the petition.” PTAB Consolidated Trial Practice Guide, 5–6 (Nov. 2019); 37 C.F.R. § 42.108(a); *see also* *PGS Geophysical AS v. Iancu*, 891 F.3d 1354, 1360 (Fed. Cir. 2018) (interpreting the statute to require “a simple yes-or-no institution choice respecting a petition, embracing all challenges included in the petition”).

Having considered the arguments and evidence presented in the Petition, for the reasons described below, we institute *inter partes* review.

¹ Petitioner also has filed a separate Petition (IPR2023-00146) requesting *inter partes* review of claims 1–7 and 24–31 of the ’792 patent. A Decision on Institution pertaining to IPR2023-00146 is entered concurrently with the present Decision.

A. Real Parties-In-Interest

Petitioner identifies Askeladden L.L.C. (i.e., itself) as the only real party-in-interest. Pet. 1. Patent Owner identifies Kioba Processing LLC (i.e., itself) and Brainbox Innovations, LLC as the real parties-in-interest.

B. Related Matters

Petitioner states that the '792 patent has been the subject of the following six patent infringement lawsuits:

Kioba Processing LLC v. Zions Bancorporation, NA, No. 6:22-cv-00729 (W.D. Tex.) (filed: July 5, 2022; pending) (Ex1009);

Kioba Processing LLC v. Capital One Financial Corp., No. 2:21-cv-00218 (E.D. Tex.) (filed: June 16, 2021; terminated: Mar. 1, 2022);

Kioba Processing LLC v. JPMorgan Chase & Co. et al., No. 2:21-cv-00066 (E.D. Tex.) (filed: Feb. 26, 2021; terminated: Aug. 17, 2021);

Kioba Processing LLC v. Bank of America Corp., No. 2:20-cv-00328 (E.D. Tex.) (filed: Oct. 9, 2020; terminated: Dec. 8, 2020);

Kioba Processing LLC v. Discover Financial Services et al., 1:20-cv-04868 (N.D. Ill.) (filed: Aug. 19, 2020; terminated: Dec. 2, 2020);

Kioba Processing LLC v. American Express Co., No. 3:20-cv-01781 (N.D. Tex.) (filed: July 6, 2020; terminated: Oct. 5, 2020).

Pet. 2.

Patent Owner indicates that there are no other proceedings beyond those noted above that are related matters. Paper 4, 1.

C. The '792 Patent

The '792 patent is titled "Apparatus and Method for Increased Security of Wireless Transactions." Ex. 1001, code (54). The Abstract of

the '792 patent reads: “[a] mobile communication device with security mechanisms is provided for enabling wireless personal information transfer with increased security. In another embodiment of the invention, a mobile communication device is used to confirm a transaction.” *Id.* at code (57).

The '792 patent describes a “Smartcard” that “is a plastic card with an embedded integrated circuit computer chip (i.e., a piece of thin, semiconductor material, such as silicon) that has been chemically processed and etched with a specific set of electrical characteristics such as circuits, storage, and logic elements of smartcard elements.” *Id.* at 1:14–19. The '792 patent further states that “[w]hen coupled with a Smartcard reader, this combination has the processing power to perform the complex operations previously requiring a personal computer or other large logic device.” *Id.* at 1:19–22.

The '792 patent additionally explains the following:

According to ISO standards, a smartcard chip operates in one of two modes either in contactless mode or in contact mode. In contactless mode, a smartcard chip is enabled to send and receive wireless communications (e.g., radio signals) through a first data channel (or data channel device). In contact mode, a smartcard chip is enabled to send and receive direct contact communications (e.g., electrically coupled signals) through a second data channel. Generally, a smartcard is pre-programmed to operate in a contactless mode and contact mode in conformance with ISO standards.

Id. at 2:24–33.

The '792 patent further explains the following

In an embodiment of the invention, a smartlink module is provided to be coupled to a mobile communication device for providing the mobile communication device with the ability to transmit and receive wireless Smartcard communication to other Smartcard enabled devices. Once initialized, the mobile

communication device controls the smartlink module whereby the mobile communication device selectively enables the smartlink module to transmits [sic] information. The mobile communication device user authentication before enabling the smartlink module.

Id. at 3:48–56.

Figure 1 of the '792 patent is reproduced below:

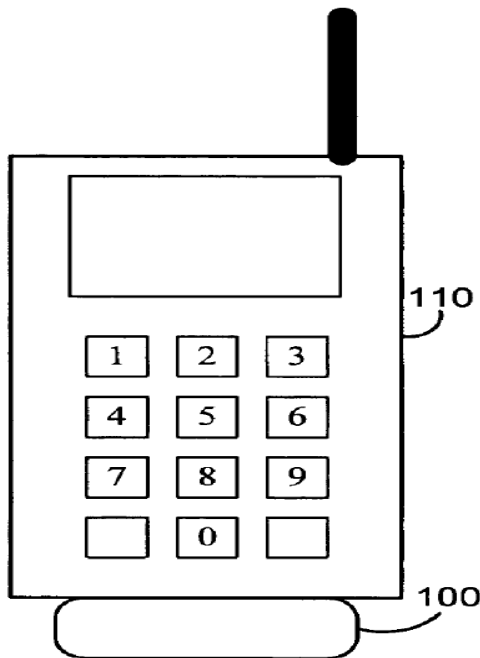


Figure 1 above shows “a smartlink module 100 coupled to mobile communication device 110, e.g., a cell phone, in accordance with an exemplary embodiment of the invention.” *Id.* at 5:1–3. An “initialization” step occurs in which smartlink module 100 is “mated” to mobile communication device 110. *Id.* at 9:32–35. Subsequently, as described in the '792 patent:

A program in the smartlink module 100 compares the identifying information of the mobile communication device 110 currently coupled to the smartlink module 100 to the stored identifying information of the mobile communication device 110. The smartlink module 100 is enabled to send and receive signals only

if the current mobile communication device 110 identifying information corresponds to the stored mobile communication device 110 identifying information.

Id. at 9:35–43.

Figure 2 of the '792 patent is reproduced below:

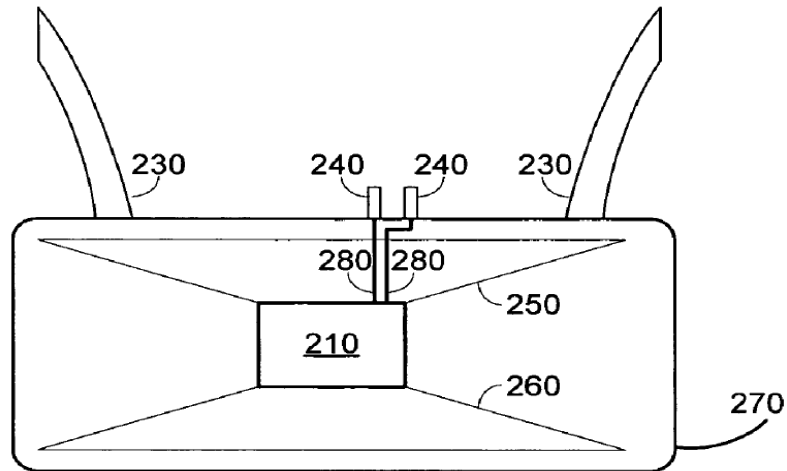


Figure 2 above “is a front-side, cut away view of a smartlink module 100 in accordance with an exemplary embodiment of the present invention.” *Id.* at 6:16–21. Smartlink module 100 includes processing chip 210, antennas 250, 260, communication connection pins 240, communication paths 280, mounting clips 230, and housing 270. *Id.* at 6:18–33; 7:38–40. “Antennas 250, 260 provide wireless communication with another device capable of sending and/or receiving Smartcard signals.” *Id.* at 6:63–65.

“Communication connection pins 240 provide electronic coupling between the smartlink module 100 and a mobile communication device.” *Id.* at 7:15–17.

D. The Challenged Claims

Petitioner challenges claims 8–23 of the '792 patent. Of those, claim 23 is independent. Claim 8 is representative and is reproduced below:

8. [8PRE]A transaction controller comprising:

[8A] a mobile user interface device; and

[8B] a smartcard chip comprising:

[8C] a data channel, being adapted to wirelessly communicate transaction data between said chip and a third party terminal capable of transceiving smartcard radio signals;

[8D] wherein said mobile user interface device being adapted to transmit user information to said chip, said chip being disposed between said mobile user interface device and said third party terminal,

[8E] where said smartcard chip configured to authenticate said mobile user interface device before said smartcard chip is enabled to provide data information to a third party terminal.

Ex. 1001, 33:61–34:8.²

E. Proposed Grounds of Unpatentability

Petitioner asserts the following grounds of unpatentability:

Claims Challenged	35 U.S.C. §	Reference(s)/Basis
8–22	102	Lauper ³
8–22	103	Lauper, ISO 7816-4, ⁴ ISO 14443 ⁵

² We reproduce claim 8 using the same feature identification numbering that appears throughout the Petition (i.e., “[8PRE]” through “[8E]”).

³ US Patent Application Publication No. 2002/0041175 A1 published Apr. 11, 2002 (“Lauper,” Ex. 1005).

⁴ “Information Technology – Identification Cards – Integrated Circuit(s) cards with contacts – Part 4: Interindustry Commands for Interchange”, ISO/IEC 7816-4, First Edition (published September 1, 1995) (“ISO 7816-4,” Ex. 1006).

⁵ ISO/IEC 14443-2 Identification cards – Contactless integrated circuit(s) cards – Proximity cards – Part 2: Radio frequency power and signal interface, First edition 2001-07-01 (Ex. 1007A); ISO/IEC 14443-3 Identification cards – Contactless integrated circuit(s) cards – Proximity

Claims Challenged	35 U.S.C. §	Reference(s)/Basis
23	103	Lauper, Fu ⁶
23	103	Lauper, Fu, ISO 7816-4, ISO 14443

Pet. 5.

F. Testimonial Evidence

In support of its proposed grounds of unpatentability, Petitioner relies on the Declaration of Ivan Zatkovich (Ex. 1002). In connection with its position that Petitioner (Askeladden L.L.C.) is the only real party-in-interest (Pet. 1–2), Petitioner relies on the Declaration of Glenn J. Perry (Ex. 1010).

II. ANALYSIS

A. Principles of Law

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

cards – Part 3: Initialization and anticollision, First edition 2001-02-01 (Ex. 1007B); ISO/IEC 14443-4 Identification cards – Contactless integrated circuit(s) cards – Proximity cards – Part 4: Transmission protocol, First edition 2001-02-01 (Ex. 10007B) (collectively “ISO 14443-4”).

⁶ Patent Application Publication No. US 2001/0024066 A1 published Sep. 27, 2001 (Ex. 1008, “Fu”).

the art; and (4) when in evidence, objective indicia of non-obviousness (i.e., secondary considerations). *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966).⁷

At this preliminary stage, we determine whether the information presented shows a reasonable likelihood that Petitioner would prevail in establishing that at least one of the challenged claims would have been unpatentable over the proposed prior art. We analyze the asserted grounds with the above-noted principles in mind.

B. Level of Ordinary Skill in the Art

In determining the level of skill in the art, we consider the type of problems encountered in the art, the prior art solutions to those problems, the rapidity with which innovations are made, the sophistication of the technology, and the educational level of active workers in the field. *Custom Accessories, Inc. v. Jeffrey-Allan Indus., Inc.*, 807 F.2d 955, 962 (Fed. Cir. 1986); *Orthopedic Equip. Co. v. U.S.*, 702 F.2d 1005, 1011 (Fed. Cir. 1983).

Petitioner presents the following assessment as to the level of skill in the art:

As Mr. Zatkovich explains, for purposes of the '792 Patent, a POSITA^[8] would have a bachelor's degree in computer science, computer engineering, data science, electrical engineering, or a related study, and would have at least one or two years of experience with point-of-sale and payment processing systems, credit card and smartcard payment transactions, and industry practices and standards for processing purchase transactions and authenticating participants.

⁷ At this stage, neither party presents any objective indicia of non-obviousness.

⁸ Person of ordinary skill in the art.

Pet. 15 (citing (Ex. 1002 ¶¶ 101–103); *Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001)).

For purposes of this Decision, we adopt Petitioner’s proposal as reasonable and consistent with the prior art. *See Okajima* 261 F.3d at 1355 (the prior art may reflect an appropriate level of skill in the art).

C. Claim Construction

We construe claims “using the same claim construction standard that would be used to construe the claim in a civil action under 35 U.S.C. 282(b), including construing the claim in accordance with the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent.” 37 C.F.R. § 42.100(b) (2020); *see also Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc). Petitioner offers claims construction for the following terms: “transaction controller” (claims 8–23); “smartcard chip” (claims 8, 9); “said processor” (claims 10, 14, 25); “mobile user interface device” (claims 8–11, 13, 15, 16, 18, 21).

1. “transaction controller”

The term “transaction controller” appears in the preamble of claim 8. To the extent “transaction controller” is limiting, Petitioner contends the following:

As Mr. Zatkovich explains a POSITA would have understood, based for example on his or her knowledge and based on reading feature explanations such as the above, “transaction controller” as used in claims 8-23 with reference to such description of feature would include: (1) a mobile communication device” and (2) a processor (corresponding to

processing chip 210 in the disclosure), that comprises a data channel.

Pet. 13. (citing Ex. 1002 ¶ 94).⁹

Petitioner further contends that “a POSITA would understand that [‘transaction controller’] means ‘a mobile user interface device and a processor that comprises a data channel being adapted to wirelessly communication transaction data between said processor and a third party terminal.’” *Id.* (citing Ex. 1002 ¶¶ 90, 95).

For purposes of this Decision, we adopt Petitioner’s proposal as to the meaning of “transaction controller.”

2. “*smartcard chip*” and “*said processor*”

With respect to the term “smartcard chip,” Petitioner contends the following:

As Mr. Zatkovich explains, based on the claim language (Ex1001, Claim 8, 33:61-34:8; Ex1002, ¶79), and the specification (Ex1001, 1:38-47, 55-57, 6:22-26,24-33, 47-49; Ex1002, ¶¶80-84) and the understandings of a POSITA (Ex.1002, ¶85), a POSITA would have understood “a smartcard chip”/“chip” as used in Claims 8 and 9 to mean “a device including a processor and memory and including processor executable code for providing data processing capability.” (Ex1002, ¶86).

Pet. 14.

For purposes of this Decision, we adopt Petitioner’s proposed understanding of the term “smartcard chip.” We also accept Petitioner’s contention that “said processor” appearing in claims 10, 14, and 15 refers to the previously identified “smartcard chip” in claim 8. *Id.*

⁹ Here and elsewhere in this Decision, when quoting the Petition, we omit the coloring of the words that appears in the Petition.

3. “*mobile user interface device*”

Pointing to the testimony of Mr. Zatkovich and disclosure in the ’792 patent, Petitioner contends the following with respect to the meaning of “mobile user interface device”:

As Mr. Zatkovich explains, a POSITA would have understood, based on the claim language (Ex1001, 33:61-34:22, 34:32-36, 34:39-41, 34:49-51; Ex1002, ¶96), the specification (Ex1001, 31:39-54 and Fig. 1; Ex1002, ¶¶97-98), and a POSITA’s knowledge, the term “mobile user interface device” as used in claims 8-11, 13, 15, 16, 18 and 21 (Ex1002, ¶99), a POSITA would have understood “mobile user interface device” as used in claims 8-11, 13, 15, 16, 18 and 21 to mean “a mobile communication device.” (Ex1002, ¶100). The specification, for example, calls out examples of such devices to include “cellular phones, mobile communicators, personal digital assistants, portable processing devices, keyboard, keypads, and biometric devices.” (Ex1001, 31:39-54; Ex1002, ¶98).

Pet. 15.

Thus, Petitioner presents the meaning of “mobile user interface device” as “a mobile communication device,” which includes, for instance, devices such as cellular phones. For purposes of this Decision, we adopt the meaning of “mobile user interface device” proposed by Petitioner.

4. *Remaining claim terms*

We conclude that, for purposes of deciding whether to institute an *inter partes* review, it is unnecessary to make explicit the meaning of any other claim term. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co. v. Matal*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (“we need only construe terms ‘that are in controversy, and only to the extent necessary to resolve the controversy’” (quoting *Vivid Techs, Inc. v. Am. Sci & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999))).

D. Assessment of Grounds Challenging Claim 8–22

Petitioner contends that each of claims 8–22 is either anticipated by Lauper or would have been obvious over Lauper, ISO 7816-4, ISO 14443.

1. Overview of Lauper

Lauper is titled “Interchangeable Battery for Mobile Radio Telephone.” Ex. 1005, code (54). Lauper’s Figure 1 is reproduced below:

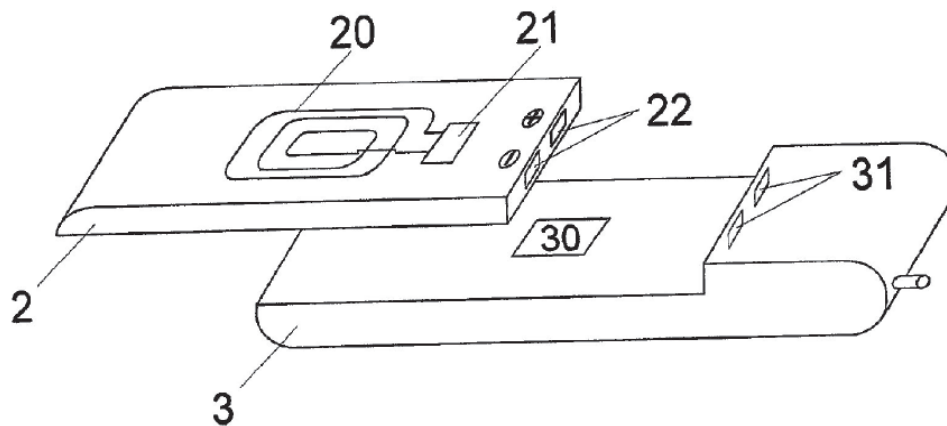


Fig. 1

Figure 1 above “shows a diagrammatic and perspective view of a mobile telephone with a battery according to an embodiment of the invention.” *Id.* ¶ 14. Mobile phone 3 is attached to interchangeable battery 2 via feedings contacts 22, 31. *Id.* ¶ 17. Battery 2 has a radio interface, known as “RFID (Radio Frequency Identification), which allows direct communication with an external device. *Id.* ¶ 18. To that end, battery 2 includes “integrated circuit (communication controller) 21” and antenna 20. *Id.* Battery 2 also includes “identification module 30.” *Id.* ¶ 26.

Lauper's Figure 2 is reproduced below:

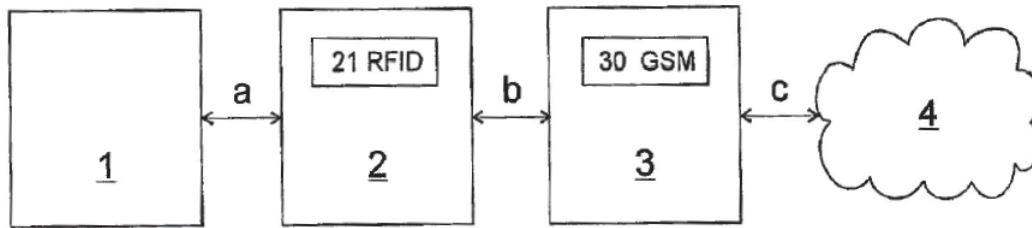


Fig. 2

Figure 2 above illustrates a “diagrammatic view” of Lauper’s system. *Id.* ¶ 15. “Over the battery 2 and the mobile device 3, the external device [1] can even communicate with devices in the digital mobile radio network 4 . . .” *Id.* ¶ 26. Lauper further describes the following:

A possible application of RFID elements is identification. External readers 1 send a query a, to which the controller 21 replies with its own identification stored in a storage area of the controller 21. The reader 1 thus knows with which device 2 it communicates and can correspondingly carry out different activities, for example open a door, allow access to a computer or network, register the presence of a user etc. More complex processes allow for example the transmission of electronic money between a storage area of the controller 21 and the external device 1. Such processes are preferably secured electronically in a protected form, for example encrypted, signed and/or authenticated with an electronic signature.

Id. ¶ 23.

Thus, Lauper contemplates a process in which “electronic money” may be transmitted between controller 21 and an external device, and that such process may be encrypted or require authentication. Lauper further describes the following:

An authentication process with a digital signature generated from a person electronic certificate can preferably be used between the battery and the mobile telephone. Thanks to this process, it can be among others ensured that the battery belongs to the owner of the identification module 30, so that the user of the mobile device can be reliably identified in the mobile radio network 4 with the electronic certificate stored in the battery 2.

Id. ¶ 31.

2. Overview of ISO 7816-4 and ISO 14443

ISO 7816-4 is titled “Information technology — Identification cards — Integrated circuit(s) cards with contacts.” Ex. 1006, 1. ISO 14443 is titled “Identification cards — Contactless integrated circuit(s) cards — Proximity cards.” Ex. 1007, 3. These documents are understood to constitute standards from the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) governing aspects of electronic transmissions and wireless communication. *See, e.g.*, Ex. 1006, 3; Ex. 1007, 6.

3. Discussion

Supported by the testimony of Mr. Zatkovich (Ex. 1002), Petitioner lays out in detail where it believes all the features of claims 8–22 are found in the prior art. *See* Pet. 27–64. For instance, with respect to claim 8, Petitioner explains how Lauper discloses each of the following: [8PRE] a transaction controller (*id.* at 28–30); [8A] a mobile user interface device (*id.* at 20); [8B] a smartcard chip (*id.* at 31–32); [8C] “a data channel, being adapted to wirelessly communicate transaction data between said chip and a third party terminal capable of transceiving smartcard radio signals” (*id.* at 34–39); [8D] “wherein said mobile user interface device being adapted to

transmit user information to said chip, said chip being disposed between said mobile user interface device and said third party terminal” (*id.* at 39–41); and [8E] “where said smartcard chip configured to authenticate said mobile user interface device before said smartcard chip is enabled to provide data information to a third party terminal” (*id.* at 41–43).

With respect to element [8B], Petitioner contends that Lauper’s ““integrated circuit (communication controller 21)’ . . . includes a processor and memory and processor executable code for providing data processing capability” and that a skilled artisan would understand that integrated circuit “includes all of the components called out in the claims and the ’792 Patent which would be included in a ‘smartcard chip.’” Pet. 31 (citing Ex. 1005, Fig. 1, ¶¶ 18, 22, 23, 25; Ex. 1002 ¶¶ 329–347). On the record currently before us, we are satisfied that Lauper’s integrated circuit constitutes the claimed smartcard chip.

Alternatively, Petitioner contends that even if the integrated circuit does not constitute a smartcard chip, “it would have been obvious to a POSITA (as Ground 2) to modify Lauper to replace the ‘integrated circuit (communication controller 21)’ with a smartcard chip that conforms to the ISO standards.” Pet. 33. In so contending, Petitioner points to disclosure in Lauper that it is “an aim of the present invention to propose a mobile telephone that is suited for the transmission of data with external devices according to a *plurality of different standards*.” *Id.* (quoting Ex. 1005 ¶ 5). Petitioner also relies on the testimony of Mr. Zatkovich discussing the use of smartcard chips as a part of the ISO standards, such as ISO 7816-4 and ISO 14443, for the type of operations and functions disclosed in Lauper. *Id.* at 32–33 (citing Ex. 1002 ¶¶ 39–41, 334, 344–347). We also are satisfied at

this time that Petitioner also accounts for the smartcard chip requirement of the claims as a part of the ground based on Lauper, ISO 7816-4, and ISO 14443.

As noted above, limitation [8E] recites “where said smartcard chip configured to authenticate said mobile user interface device before said smartcard chip is enabled to provide data information to a third party terminal.” Petitioner provides an alternative assessment to the extent that the claims require a smartcard ship that is configured to authenticate the mobile communication device prior to or before the smartcard chip being enabled to transmit data information, and that such configuration is not disclosed in Lauper. Specifically, Petitioner contends the following:

In the alternative (as Ground 2), to the extent that authentication of the mobile telephone 3 (including communication module 30) by the controller 21 prior to data transfer to the POS^[10] terminal is not explicitly disclosed, Mr. Zatkovich explains it would at least have been obvious to a POSITA to modify Lauper to authenticate the mobile telephone 3 by the controller 21 prior to data transfer to the POS terminal.

Pet. 43–44 (citing Ex. 1002 ¶ 373).

In explaining that alternative, Petitioner points to Mr. Zatkovich’s testimony discussing disclosure in ISO 7816-4 pertaining to authentication procedures characterized as “mutual authentication” of a mobile telephone and smartcard chip. *Id.* at 44–46 (citing Ex. 1002 ¶¶ 133–136, 374, 377, 378, 379, 380; Ex. 1006, 7). Here too, we are satisfied that Petitioner also accounts for the authentication aspect of the claims as a part of the ground based on Lauper, ISO 7816-4, and ISO 14443.

¹⁰ “POS” refers to “Point-of-Sale.” Ex. 1005 ¶ 3.

Petitioner provides an assessment, supported by the testimony of Mr. Zatkovich, for all other challenged claims, i.e., claims 9–22, and how the features of those claims are met by the prior art. *See* Pet. 46–64.

Based on the record before us, and having not yet heard from Patent Owner, we determine that Petitioner, for purposes of instituting an *inter partes* review, has adequately accounted for all the features required by claims 8–22. *See* Pet. 27–64.

E. Assessment of Grounds Challenging Claim 23

1. Overview of Fu

Fu is titled “Handheld Device, Smart Card Interface Device (IFD) and Data Transmission Method.” Ex. 1008, code (54). Fu explains that its invention relates to “smart card-enabled handled devices,” and sets forth some examples of such handheld devices as “3COM’s PalmPilot and IBM’s WorkPad[.]” *Id.* ¶¶ 1, 2.

2. Discussion

Petition contends that claim 23 would have been obvious over Lauper and Fu or, alternatively, over Lauper, Fu, ISO 7816-4, and ISO 14443. Pet. 64–69. Claim 23 depends directly from claim 21 and ultimate depends from claim 8. Claim 21 recites that “said mobile user interface device comprises a mobile communicator.” Ex. 1001, 34:49–51. Claim 23 adds “wherein said mobile communicator comprises a handheld computer.” *Id.* at 34:54–55.

Petitioner points to Fu’s disclosure of known handheld devices as including “3COM’s PalmPilot and IBM’s WorkPad.” Pet. 67. With support from Mr. Zatkovich’s testimony, Petitioner contends that those devices

constitute “personal digital assistants (PDAs) in combined operation with a smartcard[.]” *Id.* (citing Ex. 1002 ¶ 471). Petitioner contends that

a POSITA would, particularly in view of this disclosure of Fu using devices such as PDAs in conjunction with [a] smartcard so as to provide the device with improved functionality of the smartcard, find it obvious to modify Lauper (as applied to claim 21) by substituting, in place of mobile phone 3, a PDA or other handheld computer still in operation with controller 21 (e.g., as contained within battery 2).

Id. at 67–68 (citing Ex. 1002 ¶ 472).

Petitioner express that “a POSITA would have been further motivated to make such modification in order to make Lauper’s controller 21 and batter 2 functionality operable with a wider variety of popular devices, as well as make the resulting combination more affordable than if a mobile phone 3 were used.” *Id.* at 68 (citing Ex. 1002 ¶ 472). Petitioner also contends that substitution of a PDS for a mobile phone was “commonplace in the financial industry at the time.” *Id.* (citing Ex. 1002 ¶ 472). Petitioner submits the following:

Therefore, as Mr. Zatkovich explains a POSITA would have understood, it would have been easy to modify Lauper to use the type of PDAs taught by Fu in lieu of the mobile phone 3 in Lauper, with known wired and wireless/cellular communication capabilities of that time in a peripheral, for implementing financial capabilities such as a smartcard.

Id. (citing Ex. 1002 ¶ 472).

Petitioner, thus, contends that claim 23 is unpatentable over Lauper and Fu, or alternatively over Lauper, Fu, 7816-4, and ISO 14443. *Id.* at 68–69 (citing Ex. 2002 ¶ 474).

Based on the record before us, we determine that Petitioner, for purposes of instituting an *inter partes* review, has adequately accounted for all the features required by claim 23. *See* Pet. 67–69.

III. CONCLUSION

Petitioner has shown a reasonable likelihood that it would prevail with respect to at least one of the challenged claims.

IV. ORDER

It is

ORDERED that, pursuant to 35 U.S.C. § 314(a), an *inter partes* review of claims 8–23 of the '792 patent is instituted with respect to all grounds set forth in the Petition; and

FURTHER ORDERED that, pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4(b), *inter partes* review of the '792 patent shall commence on the entry date of this Order, and notice is hereby given of the institution of a trial.

IPR2023-00147
Patent 7,110,792 B2

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