

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ASKELOADDEN L.L.C.,
Petitioner,

v.

LIBERTY PEAK VENTURES LLC,
Patent Owner.

Case IPR2023-00421
Patent No. 7,837,100 B2

**ASKELOADDEN'S REPLY TO PATENT OWNER'S RESPONSE FOR
PATENT NO. 7,837,100 B2**

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EXHIBIT LIST*

<u>EXHIBIT NO.</u>	<u>DESCRIPTION</u>
Ex1001	U.S. Patent No. 7,837,100 B2 to Bonalle et al. (“ <u>the ’100 Patent</u> ”)
Ex1002	U.S. Patent No. 8,905,301 B2 to Bonalle et al. (“ <u>the ’301 Patent</u> ”)
Ex1003	Expert Declaration of Ivan Zatkovich in Support of Petition for <i>Inter Partes</i> Review of Claims 1-17 of U.S. Patent No. 7,837,100 B2 and Claims 1-20 of U.S. Patent No. 8,905,301 B2 (“ <u>Zatkovich Decl.</u> ”)
Ex1004	<i>Curriculum Vitae</i> of Ivan Zatkovich
Ex1005	Prosecution History of the ’100 Patent (U.S. App. No. 11/478,140) (“ <u>the ’140 Application</u> ”)
Ex1006	Prosecution History of the ’301 Patent (U.S. App. No. 12/907,955) (“ <u>the ’955 Application</u> ”)
Ex1007	U.S. Pat. Pub. No. 2007/1098404 A1 to Hirka et al. (“ <u>Hirka ’404</u> ”)
Ex1008	U.S. Pat. Pub. No. 2004/0225604 A1 to Foss et al. (“ <u>Foss</u> ”)
Ex1009	WIPO Pub. No. WO 02/21374 A1 to Hirka et al. (“ <u>Hirka</u> ”)
Ex1010	U.S. Patent No. 6,330,546 B2 to Gopinathan et al. (“ <u>Gopinathan</u> ”)

<u>EXHIBIT NO.</u>	<u>DESCRIPTION</u>
Ex1011	“Financial transaction card originated messages – Interchange message specifications – Part 1: Messages, data elements and code values”, ISO 8583-1, First Edition (published June 15, 2005) (“ <u>ISO Standard 8538-1</u> ”)
Ex1012	Declaration of Glenn J. Perry (“ <u>Perry Decl.</u> ”)
Ex1013	Letter Agreement Between Glenn J. Perry and Askeladden L.L.C. dated May 20, 2020
Ex1014 **	Supplemental Declaration of Ivan Zatkovich in Support of IPR
Ex1015**	“Available Balance”, <i>Investopedia</i> (Dec. 23, 2008), Archive available at: https://web.archive.org/web/20081223205618/https://www.investopedia.com/terms/a/available-balance.asp (“ <u>Investopedia: Available Balance</u> ”)
Ex1016**	Glenn Gimble, “From the Examiner’s Desk: Unfair and Deceptive Acts and Practices: Recent FDIC Experience”, <i>Supervisory Insights</i> (Winter 2008) (“ <u>Supervisory Insights</u> ”), available at: https://www.fdic.gov/regulations/examinations/supervisory/insights/siwin08/siwinter08-article3.pdf
Ex1017**	“Line of Credit,” <i>Investopedia</i> (April 4, 2005), Archive available at: https://web.archive.org/web/20050404131756/https://www.investopedia.com/terms/l/lineofcredit.asp (“ <u>Investopedia: Credit Line</u> ”)

* Petitioner Askeladden L.L.C. filed simultaneously with the Petition for review of U.S. Patent No. 7,7837, 100 (Ex1001) (IPR2023-00421), a related Petition for *inter partes* review for U.S. Patent No. 8,905,301 (Ex1002) (IPR2023-00422), which issued as a child of U.S. Patent No. 7,837,100. Since exhibits and subject matter overlap, for the Board's convenience and the parties' convenience, the same exhibits, including a common Declaration of Ivan Zatkovich (Ex1003) and a common Supplemental Declaration for Ivan Zatkovich (Ex1014) and common declaration of Glenn J. Perry (Ex1012), are being submitted in both proceedings.

**** Newly submitted exhibits.**

I. INTRODUCTION

Pursuant to the Scheduling Order (Paper No. 8), Petitioner Askeladden L.L.C. (“Petitioner”)¹ respectfully submits this **Reply to Patent Owner Liberty Peak’s Patent Owner’s Response** (Paper No. 9) with respect to the ’100 Patent (Ex1001) in the above captioned proceeding.

The Petition requested cancellation of Claims 1-17 of the ’100 Patent based on the following grounds:

Ground 1: Claims 1, 12 and 15 are unpatentable as anticipated by Gopinathan (Ex1008) under 35 U.S.C. §102(b).²

Ground 2: Claims 1-17 are rendered obvious over Gopinathan in view of Hirka (Ex1009) under 35 U.S.C. §103(a).

Representative Claim 1 reads as follows:

1. A method comprising:

[1A] authenticating, by a processing device, a transaction requested by a debit card against **at least one of a demand deposit account associated with the debit card or an overdraft account associated with the debit card**, wherein the authentication includes fraud assessment, and

[1B] wherein the fraud assessment includes communication with data sources via a network; and

[1C] updating, by the processing device, information regarding **at least one**

¹ All defined terms are used in the same sense as in the Petition (Paper 1).

² All citations to 35 U.S.C. §§102 and 103 are to pre-AIA versions.

of the demand deposit account and the overdraft account based on the transaction.

(Ex1001, Claim 1; Ex1014, ¶623).³

Claim 15 is directed towards a tangible computer-readable medium with computer executable instructions which performs the above method. (Ex1001, Claim 15; Ex1014, ¶624).

In the Institution Decision (Paper 7), the Board found that Petitioner has “shown a reasonable likelihood that claim[s] 1, [12 and 15 are] anticipated by Gopinathan [Ex1010] and would have been obvious over the combination of Gopinathan and Hirka [Ex1009]”. (Paper 7 at 12). Further, the Board found that “Petitioner has demonstrated a reasonable likelihood that one of ordinary skill in the art would have combined Gopinathan and Hirka as proposed and that the combination of Gopinathan and Hirka would have rendered obvious claim 6” as well as Claims 2-5, 7-11, 13, 14, 16 and 17. (Id. at 12-13).

With respect to Independent Claims 1 and 15, the Patent Owner is disputing:

(1) that the main reference (Gopinathan, Ex1010) discloses the use of an account associated with a debit card (as opposed to a credit card) (Paper 9 at 8-9; 11-12);

(2) even if it does, whether Gopinathan discloses that the debit cards are

³ Emphasis and bracketing added throughout, unless otherwise noted.

associated with demand deposit accounts or overdraft accounts (*id.*); and (3) with respect to Ground II, that a POSITA would be motivated to combine Hirka with Gopinathan. (*Id.* at 14).

Dependent Claims 2-5 and 16-17 depend from Independent Claims 1 and 15 respectively and Patent Owner raises the same challenges to them as well.

As discussed herein, and in the Supplemental Declaration of Mr. Zatkovich (“**Zatkovich Supplemental Declaration**”, Ex1014), submitted herewith, Liberty Peak is (1) misanalysing the main reference Gopinathan and its teachings, (2) misanalysing the claim language and scope of Claims 1 and 15, and (3) misanalysing the asserted combination and motivations to combine Gopinathan and Hirka as set forth in the Petition and the accompanying declaration of Mr. Zatkovich (Ex1003, “**Zatkovich Original Declaration**”).

Addressing each of these in turn:

First, Gopinathan makes clear that its teachings go beyond merely “credit cards” (as Patent Owner posits) but also applies to charge cards, bank ATM cards and other types of customer accounts. (Ex1010, 1:37-41; *see also id.*, 3:51-56; Ex1003, ¶¶169-170, 185). As the Petition and Mr. Zatkovich explained, a charge card, as disclosed in Gopinathan, is “linked to a consumer’s cash account, such as a demand deposit account (DDA), typically a checking account.” (Paper 1 at 30,

Ex1003, ¶185). Accordingly, a POSITA would understand that the teachings of Gopinathan apply to debit cards as well as credit cards. (*Id.*; Ex1014, ¶¶632-34).

Second, Patent Owner also disputes that Gopinathan discloses the use of a demand deposit account (DDA) or an overdraft account based on Gopinathan's use of "available credit (or balance)" and "credit line" information. (Paper 9 at 8-9). This is wrong. As Mr. Zatkovich explains, the authentication using "available balance" taught by Gopinathan refers to using information from DDA checking accounts in the context of, for example, bank ATM cards (Ex1014, ¶¶642-44; Ex1015), and authentication using "available credit" taught by Gopinathan refers to using information from overdraft accounts. (Ex1014, ¶¶635-641; Ex1016; Ex1017).

Finally, as discussed in the Petition and Mr. Zatkovich's Declaration, during prosecution the Examiner found that Hirka '404 (Ex1007) teaches other features of the invention unrelated to fraud detection, such as authenticating transactions including both demand deposit and overdraft accounts, "linking debit cards to demand deposit account and overdraft credit line" accounts, using enrollment systems and using computer code. (Ex1005 at 100, citing, Ex1007, including [0019], [0022], [0041]; Ex1003, ¶116 (citing same); *see also* Ex1003, ¶¶73-74). During prosecution and in the Patent Owner's Response, Patent Owner offered no analysis why this is not the case. (Ex1005 at 155-156 (relying on fraud assessment as

distinction), Paper 9 at 13-16). Instead, Patent Owner, while conclusory saying Hirka did not contain this teaching (which is clearly wrong), also suggests a POSITA would have no reason to modify Gopinathan in view of Hirka. (Paper 9 at 13-16). This is also wrong, as the Petition and Mr. Zatkovich explain, a POSITA would have been motivated to combine the two in order to protect cardholders of all types, including debit cards and stored value cards, from fraud. (Paper 1 at 24-25; Ex1003, ¶¶171, 173-74; Ex1014, ¶651). As Mr. Zatkovich further explained in his supplemental declaration, a POSITA would have been further motivated to combine Gopinathan with Hirka in order to expand the reach and applicability of the system, thereby allowing system operators to expand their customer bases. (Ex1014, ¶653).

For at least these reasons, as more fully discussed herein, and the reasons set forth in the Petition (Paper 1), the original Declaration of Mr. Zatkovich (Ex1003) and the Supplemental Declaration of Mr. Zatkovich (Ex1014), Claims 1-17 should be cancelled.

II. ANALYSIS

The Petition (Paper 1) and Mr. Zatkovich's original declaration (Ex1003) rely upon Gopinathan (Ex1010), which relates to authentication and fraud detection in card transactions, as the primary reference of Ground 1. The Petition emphasizes that "a POSITA would ... understand that Gopinathan authenticates the card transaction against [an] account used by determining the likelihood of fraud" (Paper 1 at 30) and meets the claimed elements. (*Id.* at 22-38). Patent Owner does not seriously challenge this.

Instead, Patent Owner's response is essentially that the cards disclosed are not debit cards and thus Gopinathan (and Hirka) are inapplicable. (Paper 9 at 8-9, 11-12). This is wrong.

Patent Owner further argues Gopinathan does not teach that debit cards are associated with a demand deposit account or overdraft accounts associated with a debit card. (*Id.*) This is also wrong.

Finally, Patent Owner argues that a POSITA would not be motivated to combine Gopinathan with Hirka, and that Gopinathan and Hirka do not teach the claim limitations. (Paper 9 at 13-16). This is also wrong.

Each of these arguments are addressed as follows:

A. Gopinathan is Not Limited to Accounts Associated with Credit Cards

The Patent Owners initial premise that the Gopinathan applies to credit cards but not debit cards (Paper 9 at 8) is misplaced. The teachings of Gopinathan apply not merely to accounts associated with credit cards, but extend to other forms of accounts as well, including demand deposit accounts associated with a debit card. (Paper 1 at 23-24; Ex1003, ¶¶169, 185; Ex1010, 1:37-41, 3:51-56; Ex1014, ¶¶632-33). Contrary to Patent Owner's arguments that Gopinathan is inapplicable to "demand deposit accounts" and "overdraft accounts" associated with "debit cards", Gopinathan explains (and the Petition and Mr. Zatkovich's supporting declaration point out) that the phrase "**credit card transactions**" is used "**for illustrative purposes,**" and that "the techniques and principles of the reference" also apply to "**charge cards, bank automated teller machine cards** and telephone calling cards", which would cover accounts associated with the "**debit card[s]**" limitation of claim 1. (See Ex1010, 1:37-41; *see also id.*, 3:51-56; Paper 1 at 23-24; Ex1003, ¶169; Ex1014, ¶¶632-34). In further support of this ground, the Petition, citing to Mr. Zatkovich's original declaration explains that a POSITA would understand that Gopinathan applies not only to **credit cards**, but **also to debit cards**:

As Mr. Zatkovich explains, a POSITA would understand that Gopinathan's teachings apply not merely to "credit cards", but to "debit

cards” also, which is a kind of “charge card” which uses the same networks and payment transaction types as charge card accounts. (Ex1003, ¶169).

(Paper 1 at 24). A charge card is “linked to a consumer’s cash account, such as a demand deposit account (DDA), typically a checking account.” (Paper 1 at 30, Ex1003, ¶185).

The Patent Owner’s response completely ignores this discussion and offers no evidentiary support to contradict this teaching of Gopinathan or with respect to a POSITA’s understanding of such teachings. (*Cf.* Paper 9 at 8-12).

B. Gopinathan is Applicable to Authentication of DDA and Overdraft Accounts Associated with Debit Cards, as Specified in Elements [1A] and [15A]

Patent Owner concedes that Gopinathan authenticates the transaction against a “credit card account” but argues that since the database (“database 805”) used for authentication includes “available credit (or balance)” and “credit line” information, such information would not indicate that the transaction is being authenticated against a demand deposit account or an overdraft account associated with a debit card. (Paper 9 at 9).

In support, Patent Owner asserts that “‘available credit (or balance)’ refers to the available credit or balance of the credit card account that is being used for the transaction, while the ‘credit line’ is simply the maximum amount that may be

charged against the credit card account,” citing to paragraph 190 of Mr. Zatkovich’s original supporting declaration (Ex1003). (Paper 9 at 9).

As Mr. Zatkovich explains, Patent Owner takes his argument in paragraph 190 of his original declaration far out of context. In that paragraph, Mr. Zatkovich did not provide a definition of those terms but instead explained why, with respect to Ground II, even if Gopinathan is deemed not to anticipate the ’100 Patent, it would in any event be obvious to a POSITA to modify Gopinathan to apply to card types other than “credit cards”, such as debit cards. (Ex1003, ¶190; Ex1014, ¶636). Mr. Zatkovich further explained that, with respect to the teachings in Hirka that even “credit cards” were known to be set up to “handle overdrafts” (Ex1009, 7:10-12), Gopinathan utilizes data commonly associated with overdraft accounts such as “available credit” and “credit line”, thus enhancing the obviousness of the combination. (Ex1003, ¶190, citing Ex1010, 1:29-31; 24-44-47; *see also* Ex1007, [0006]; Ex1009, 2:6-9 (*accord*); Ex1005, 99; Ex1014, ¶636; *see also* Ex1016; Ex1017).

Besides being based on a misunderstanding Mr. Zatkovich’s opinion, Patent Owner’s argument is based on the flawed assumption that “both parameters [“available credit (or balance)” and “credit line”] are attributes of the credit card account against which the broad detection is being done.” (Paper 9 at 9). Patent

Owner's bald statement not only lacks support, but as Mr. Zatkovich confirms in his supplement declaration, is in fact wrong. (Ex1014, ¶¶635-45).

As detailed herein, Gopinathan teaches that the cards in question are associated with both DDAs and overdraft accounts, since the database 805 includes information regarding "available credit" and "credit line" (which both relate to overdraft accounts) as well as "available ... balance" (which relates to DDAs). (Ex1010, 24:33-59; Ex1014, ¶635).

1. "Available Credit" and "Credit Line" Information Refers to Overdraft Accounts

First, contrary to Patent Owner's assertion, as Mr. Zatkovich's supplemental declaration confirms, "available credit" and "credit line" information would have been understood to be used by the overdraft account associated with the card that is being processed, which would satisfy the limitation of claim 1. (Ex1014, ¶¶637-641).

As Mr. Zatkovich further explains, his understanding is consistent with the conventional understanding of "credit line" at the time, which was used to apply to other forms of accounts besides credit card accounts, including overdraft accounts. (Ex1014, ¶638). Indeed, he explains that a POSITA at the time of the invention would recognize a "line of credit" is synonymous with a "credit line" and was commonly used by banks and other financial institutions. As Investopedia explains,

a “line of credit” is simply “[a]n arrangement between a **financial institution (usually a bank)** and a customer establishing a maximum loan balance that the bank will permit the borrower to maintain.” (Ex1017; Ex1014, ¶638). Indeed, as Patent Owner itself recognizes, examples of overdraft accounts include a “credit ... account” (Paper 9 at 7, citing Ex1001 at 7:29-33), which would be an overdraft account with a credit line. (Ex1014, ¶638).

Similarly, as used in Hirka ’404 (cited during prosecution to show that element [1A] was met), an example of a “debit card[] offer[ing] overdraft protection” would be “a debit card . . . [with a checking account] backed by a credit line . . .”. (Ex1007, [0006], cited by Ex1005 at 99-100; *see also* Ex1009 at 2:6-9 (accord); Ex1007 at 100, citing [0019], [0022], [0041]; Ex1014, ¶639). As Mr. Zatkovich explains, paragraph 6 of Hirka ’404 illustrates a typical use of the term “credit line” to describe overdraft accounts associated with debit cards. (Ex1014, ¶639).

Consistent with this usage, as Mr. Zatkovich explains, a publication of the Federal Deposit Insurance Corporation (“FDIC”), demonstrates that “typical overdraft protection practiced” at the time included “including the available balance of an **overdraft line of credit (ODLOC)** when disclosing a deposit account balance, particularly at **automated teller machines (ATMs)**.” (Supervisory Insight, Ex1016 at 1; Ex1014, ¶640). Similarly, Gopinathan explicitly teaches that its “principles and

techniques” apply to “bank automated teller machine cards”. (Ex1010, 1:37-41; Ex1003, ¶¶101, 169). The FDIC publication is but another example of how a credit line was used in the context of overdraft accounts, including overdraft accounts connected to debit cards, and how a POSITA at the time would have understood the term as used in Gopinathan to relate to overdraft accounts. (Ex1014, ¶640).

Thus, as Mr. Zatkovich explains in his supplemental declaration, the Patent Owner’s premise that the “available credit” and “credit line” data stored in database 805 in Gopinathan (Ex1010, 24:44-49) is unrelated to overdraft accounts is simply incorrect. (Ex1014, ¶¶635-41). As Mr. Zatkovich confirms, a POSITA would understand that “available credit” and “credit line” as used in Gopinathan refers to overdraft accounts. (*Id.*)

2. “Available Balance” Information Relates to Demand Deposit Accounts, such as Checking Accounts

Next, Patent Owner asserts that “‘available credit (or balance)’ refers to the available credit or balance of the credit card account that is being used for the transaction”. (Paper 9 at 9). Patent Owner’s analysis is incomplete and misleading. As Mr. Zatkovich explains, a POSITA at the time of the invention would understand that “available . . . balance”, as used by Gopinathan, also refers to the balance of a

checking account, a DDA.⁴ (Ex1014, ¶¶ 642-45). Thus, in embodiments taught by Gopinathan where the card is a debit card (such as an ATM card), as discussed above, the “available ... balance” information in the database 805 shows that the transaction requested by the debit card would go against the “available ... balance” of a DDA. (*Id.*).

Mr. Zatkovich explains that a POSITA at the time of the invention would understand that “available . . . balance”, as used in Gopinathan, refers to the balance of a DDA checking account associated with the card being used for the transaction. (Ex1014, ¶644). Investopedia also explains, “[a]vailable ... balance” refers to “[b]alances in a checking or on-demand account where there is a delay in crediting funds to an account”. (Ex1015; Ex1014, ¶643).

Thus, as Mr. Zatkovich explains in his supplemental declaration, the Patent Owner’s premise that the “available . . . balance” data stored in database 805 in Gopinathan (Ex1010, 24:44-49) is unrelated to a demand deposit account is simply incorrect. (Ex1014, ¶¶642-45). Rather, a POSITA would understand that “available . . . balance” also refers to DDAs. (*Id.*).

⁴ The Patent Owner confirmed that a “consumer checking account” is an “example[]” of a demand deposit account. (Paper 9 at 7).

C. Gopinathan Teaches “Updating a Demand Deposit Account or an Overdraft Account Associated with a Debit Card”

Next, Patent Owner argues with respect to elements [1C/15C] that Gopinathan does not teach “updating a demand deposit account or an overdraft account associated with a debit card” (Paper 9 at 11). This argument is also misplaced . Element [1C/15C] requires “updating, by the processing device, **information regarding** at least one of the demand deposit account and the overdraft account based on the transaction.” (Ex1001, Claims 1, 15). In other words, element [1C/15C] only requires information to be updated, not the accounts themselves. Patent Owner thus misstates the claim limitation. When viewed against the actual claim language, Gopinathan clearly updates information regarding the account.

As the Petition explains, profile data in Gopinathan is “updated after each transaction” with the “new transaction data” after each transaction. (Paper 1 at 36; Ex. 1010 at 25:37-38, 58-60). Furthermore, in Mr. Zatkovich’s supplemental declaration, he confirms that a POSITA would understand that Gopinathan thus teaches updating information associated with the account. (Ex1003, ¶199; Ex1014, ¶647).

Patent Owner also mischaracterizes Mr. Zatkovich’s original testimony, stating that it “means accounts associated with a ‘charge card’ are updated.” (Paper 9 at 9, citing Ex1003, ¶199). This is not what he said. Rather, Mr. Zatkovich’s

testimony is that “information regarding each of the accounts associated with ... the debit card” are updated:

Accordingly, in my opinion, a POSITA at the time of the July 5, 2005 invention would understand that the processing device **updates information regarding each of the accounts** associated with the charge card (**e.g., the debit card**) being authenticated by Gopinathan.

(Ex1003, ¶199).

Mr. Zatkovich also explained: “Gopinathan’s update would contain information regarding the DDA or checking account” (Ex1003, ¶201).

As discussed, each of the accounts associated with the debit card include, in embodiments, an overdraft account (as Gopinathan teaches using “credit line” and “available credit” data) and a demand deposit account (as Gopinathan teaches using “available ... balance” data). (*See also*, Ex1014, ¶¶635-645, 648).

Clearly, a POSITA at the time of the invention would understand that Gopinathan teaches updating information regarding the demand deposit account and/or the overdraft account, each of which are associated with the debit card, as specified in elements [1A/15A].

D. It Would Have Been Obvious to a POSITA to Combine Gopinathan with Hirka, and a POSITA Would Have Been by Motivated to Do So in Order to Protect Consumers from Fraud.

Even if not anticipated, as discussed in the Petition as Ground II, in the

alternative, it would have been obvious to a POSITA to combine the fraud detection processes taught by Gopinathan with a debit card system as taught in Hirka (Ex1009):

In the alternative for Claim 1, as Ground 2, as Mr. Zatkovich explains, to the extent that Gopinathan does not expressly state it is applicable to “debit cards” as a kind of “charge card”, it would have been obvious to a POSITA to use the “techniques and principles” of fraud detection processes taught by Gopinathan with a “debit card” system as taught in Hirka, since debit cards use the same standardized transaction requests as credit cards. (Ex1003, ¶172; Ex1010, 1:38-39; Ex1009, p.1).

(Paper 1 at 24). As Mr. Zatkovich explains (and contrary to Patent Owner’s suggestion), Hirka “demonstrate[s] that a debit card used in the transaction in embodiments is associated with both a demand deposit account (e.g., a “cash account”) and an overdraft account”. (Ex1003, ¶188).

Especially given the similarities between debit card and credit card transactions, it would have been obvious to modify Gopinathan’s fraud detection technique to apply to debit cards, which have the “same standardized transaction requests as credit cards”. As the Petition explains:

In the alternative for Claim 1, as Ground 2, as Mr. Zatkovich explains, to the extent that Gopinathan does not expressly state it is applicable to “debit cards” as a kind of “charge card”, it would have been obvious to a POSITA to use the “techniques and principles” of fraud detection

processes taught by Gopinathan with a “debit card” system as taught in Hirka, since debit cards use the same standardized transaction requests as credit cards. (Ex1003, ¶172; Ex1010, 1:38-39; Ex1009, p.1).

(Paper 1 at 24).

Next, the Patent Owner asserts that a POSITA “would have no reason to combine” the teachings of Gopinathan and Hirka. (Paper 9 at 14). This is wrong. As Mr. Zatkovich explains in his original declaration, a POSITA would have been motivated to combine Gopinathan with Hirka to protect cardholders from fraud “associated with debit cards” and “overdraft protection”:

In my opinion, a POSITA at the time of the July 5, 2005 invention would have been motivated to modify Gopinathan to include authentication against an overdraft account as discussed and taught in Hirka **because doing so would have protected cardholders and card issuing systems from fraud associated with debit cards with overdraft protection.**

(Ex1003, ¶171; Paper 1 at 24).

Mr. Zatkovich in his original declaration provided further motivation to combine, pointing out the advantages of Gopinathan’s system of fraud detection, the widespread reach of debit cards (owned by Millions of Americans), and the similarities in transaction systems, which would make it easy to adapt the system of Gopinathan:

In my opinion, Hirka's explanation of the wide variety of charge cards (or "transaction cards") used by "Millions of Americans" as including not only "traditional bank-sponsored credit cards", but also "debit cards" and "stored value cards" as well as a "combination of those instruments" (See Par. 170, discussing Ex1009, p.1), was not only well known to a POSITA at the time of the invention in July 5, 2005, but also would have been motivation for a POSITA to look to Gopinathan's "techniques and principles" (See Par. 169, discussing Ex1010, 1:38-39) to be used in conjunction with fraud detection and authentication of "debit cards" and "stored value cards" in the same manner that it is expressly taught to be used for "credit cards" and other "charge cards". In my opinion, at the time of the invention, a POSITA at the time of the July 5, 2005 invention would have been motivated to use Gopinathan's fraud detection "techniques and principles" for all the reasons discussed in Gopinathan. (See Ex1009, 1:26-2:39). As Gopinathan explains:

"It is desirable, therefore, to have an automated system that uses available information regarding cardholders, merchants, and transactions to screen transactions and isolate those which are likely to be fraudulent, and which captures a relatively high proportion of frauds while maintaining a relatively low false-positive rate. Preferably, such a system should be able to handle a large number of interdependent variables, and should have capability for redevelopment of the underlying system model as new patterns of fraudulent behavior emerge."

(Ex1009, 2:29-2:38).

Moreover, in my opinion, a POSITA at the time of the July 5, 2005 invention would have found it easy to adapt the transaction authorization system of Gopinathan to be used with debit cards, as such cards bear substantial similarity in design and form with credit cards and processed using very similar networks and transaction authorization systems.

(Ex1003, ¶¶174-175; Paper 1 at 24-25 (citing Ex1003)).

Additionally, contrary to Patent Owner's argument, it would have been obvious (and a POSITA would have been motivated to) to modify Gopinathan with the "debit card" system as taught in Hirka in order to expand the reach and applicability of the fraud detection system taught. (Ex1014, ¶¶654-662). As Mr. Zatkovich explains, "[t]his would allow operators of the system to expand their customer base beyond merely financial institutions offering credit card services", and, given the compatibility of Gopinathan with the "financial rules" taught by Hirka, would have made a system such as Hirka's "an excellent prospect for Gopinathan to provide fraud detection services" to. (*Id.*). Moreover, the "fraud detection algorithm" taught by "Gopinathan" would have been "equally applicable, with little to no modification, to the transactions processed by the embodiments of the systems disclosed in both Gopinathan and Hirka." (Ex1014, ¶659; *see also* Ex1003, ¶174, citing Ex1009, 2:29-38).

Finally, the Patent Owner again regurgitates its argument that the

combination at best teaches merely “authenticating a transaction against an available credit line” instead of against a DDA or overdraft account. (Paper 9 at 16). This is wrong for the same reasons discussed above. Gopinathan teaches the use of a database including “credit line” and “available credit”, which refer to authentication against an overdraft account, and the use of “available . . . balance”, which refers to the authentication against a demand deposit account. *See* Section II.B, *supra*. Hirka also teaches the use of an overdraft account, as discussed above. (*See, e.g.*, Ex1009, 7:10-12).

Accordingly, Gopinathan, either alone, or in view of Hirka, invalidates the claims of the '100 Patent.

III. CONCLUSION

For the foregoing reasons, and the reasons set forth in the Petition and supporting declarations of Ivan Zatkovich (Ex1003 and Ex1014), Claims 1-17 of the '100 Patent should be found unpatentable and cancelled by the Board.

Respectfully submitted,

AMSTER, ROTHSTEIN & EBENSTEIN
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Dated: January 3, 2024
New York, New York

By: /Charles R. Macedo/
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Registration No.: 32,781

CERTIFICATE OF COMPLIANCE

Pursuant to 37 C.F.R. §42.24(d), I hereby certify that the foregoing **ASKELADDEN'S REPLY TO PATENT OWNER'S PRELIMINARY RESPONSE FOR PATENT NO. 7,837,100 B2** contains 4179 words, excluding the parts of the petition exempted by 37 C.F.R. §42.24(c), as measured by the word-processing system used to prepare this paper.

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CERTIFICATE OF SERVICE

The undersigned hereby confirms that the foregoing **ASKELADDEN'S
REPLY TO PATENT OWNER'S PRELIMINARY RESPONSE FOR
PATENT NO. 7,837,100 B2** was caused to be served on January 3, 2024 via electronic mail on the following counsel of record for Patent Owner:

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