

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ASKELADDEN, L.L.C.,
Petitioner,

v.

OHVA, INC.,
Patent Owner.

IPR2023-00921
Patent 9,679,286 B2

Before JOSIAH C. COCKS, AMEE A. SHAH, and JASON W. MELVIN,
Administrative Patent Judges.

SHAH, *Administrative Patent Judge.*

DECISION

Granting Petitioner's Request on Rehearing
37 C.F.R. § 42.71(d)
Granting Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

A. BACKGROUND

Petitioner, Askeladden, L.L.C, filed a Petition for *inter partes* review of claims 1–4 (the “Challenged Claims”) of U.S. Patent No. 9,679,286 B2 (Ex. 1001, “the ’286 patent”). Paper 2 (“Pet.”). Patent Owner, OHVA, Inc. filed a Preliminary Response. Paper 6 (“Prelim. Resp.”). Pursuant to our authorization, Petitioner filed a Reply to Patent Owner’s Preliminary Response (Paper 8 (“Reply”)) and Patent Owner filed a Sur-reply (Paper 10 (“Sur-reply”)).

In our decision on institution (Paper 11, “Dec.” or “Decision”), we determined that Petitioner failed to show a reasonable likelihood of prevailing with respect to any of the Challenged Claims and denied institution of *inter partes* review.

Petitioner filed a timely Request for Rehearing in which it asks that we institute *inter partes* review of the Challenged Claims. Paper 12, 1 (“Reh’g Req.” or “Request”). Pursuant to our authorization, Patent Owner filed a Reply to Petitioner’s Request for Rehearing (Paper 13) and Petitioner filed a Sur-reply (Paper 14) (“Pet. Sur-reply”).

Central to our decision denying institution, and Petitioner’s Request, is the claim construction of “transaction data” as being distinct from “account data.” *See* Dec. 28–29.

For the reasons discussed below, we grant Petitioner’s Rehearing Request and institute an *inter partes* review. We determine, based on the information in the Petition, Rehearing Request, exhibits, and other briefing, that the information presented in the Petition shows “a reasonable likelihood

that the petitioner would prevail with respect to at least [one] of the claims challenged in the petition.” 35 U.S.C. § 314(a) (2018).

B. ILLUSTRATIVE CLAIM

Of the challenged claims, claims 1 and 3 are independent. Claim 2 depends from independent claim 1, and claim 4 depends from independent claim 3.

Claim 1 is reproduced below with certain reformatting:¹

1. [[1.0]] An apparatus comprising:

[[1.1.1]] a card reader having an input interface configured to accept transaction data from an output interface of a transaction card,

[[1.1.2]] and an output pin, as a part of the card reader, configured to directly connect the card reader to a microphone port of a smart telephone,

[[1.1.3]] the card reader providing the transaction data accepted from the output interface of the transaction card to the output pin, and hence to the microphone port, as an analog variable voltage audio signal; and

[[1.2]] coded instructions stored in a non-transitory medium of a first Internet-connected server, and accessible by a user of the card reader;

[[1.3.1]] wherein the coded instructions, when executed on a processor in the smart telephone, convert the analog variable voltage audio signal received at the microphone port to the transaction data as digital data,

[[1.3.2]] establish direct data exchange between the smart telephone and a second Internet-connected server and facilitate transactions by a financial

¹ We apply the same identifiers Petitioner uses for the different portions of claim 1. Pet. 39–58.

institution, or purchases from an online-merchant, using the transaction data.

Ex. 1001, 16:16–38.

C. ASSERTED GROUNDS OF UNPATENTABILITY

Petitioner asserts that the Challenged Claims are unpatentable based on the following grounds (Pet. 6):

Claims Challenged	35 U.S.C. §	Reference(s)
1	103	Cho, ² Aaron, ³ Carpenter ⁴
2	103	Cho, Aaron, Carpenter, de Geer ⁵
3	103	Cho, Aaron
4	103	Cho, Aaron, de Geer

In support of its unpatentability contentions, Petitioner also relies on the Declaration of Bruce McNair. Ex. 1003.

In support of its contention that only Askeladden L.L.C. is the real party-in-interest, Petitioner further relies on the Declaration of Glenn J. Perry (Ex. 1009, “Perry Declaration”) and the “Agreement to Serve as a Member of Askeladden L.L.C.’s Patent Challenge Committee” (Ex. 1010, “Agreement”). Pet 1.

² Cho et al., U.S. Patent No. 9,330,385 B2, issued May 3, 2016 (Ex. 1005, “Cho”).

³ Aaron et al., U.S. Patent Application Publication No. 2013/0185208 A1, published July 18, 2013 (Ex. 1006, “Aaron”).

⁴ Carpenter et al., U.S. Patent Application Publication No. 2013/0124606 A1, published May 16, 2013 (Ex. 1008, “Carpenter”).

⁵ De Geer et al., U.S. Patent Application Publication No. 2014/0008432 A1, published Jan. 9, 2014 (Ex. 1007, “de Geer”).

Patent Owner relies on the Declaration of Donald R. Boys (Ex. 2001, in support of its contentions relative to the issues concerning the priority date of the '286 patent. Prelim. Resp. 3.

D. STANDARD FOR REHEARING

The party filing a request for rehearing of a decision whether to institute has the burden of showing the decision should be modified, and the request for rehearing must specifically identify all matters the party believes the Board misapprehended or overlooked and the place where each matter was previously addressed in its papers. 37 C.F.R. § 42.71(d). “When rehearing a decision on petition, a panel will review the decision for an abuse of discretion.” *Id.* § 42.71(c).

II. ANALYSIS

In our Decision, we denied institution based on Petitioner’s failure to describe how Cho’s account information meets the claim transaction information because we found that the '286 patent differentiates account information from transaction information. *See* Dec. 28–29. In its Request, Petitioner argues that the Board’s Decision “constitutes legal error” because “it improperly imported limitations from the specification of the '286 patent that are not required by the claims.” Reh’g Req. 2; *see also id.* at 3–15; Pet. Sur-reply 1–2, 4.

Petitioner asserts that “claim 1 of the '286 patent recites the term ‘transaction data’ several times without defining or further limiting the scope of the term.” Reh’g Req. 2–3 (citing Ex. 1001, 16:16–38); *see also* Dec. 12 (adding Petitioner’s identifiers to claim 1). According to Petitioner, the claim 1 “limitations [1.1.1] and [1.1.3] require ‘transaction data’ to be

accepted from an output interface of a transaction card to the output pin,” but neither limitation “even remotely implies that the ‘transaction data’ is distinguished from account information.” Reh’g Req. 3–4. Petitioner similarly argues that “[l]imitations [1.3.1] and [1.3.2] require that the ‘transaction data’ is converted to digital data and then used for purchases,” but neither limitation “remotely implies that the ‘transaction data’ is distinguished from account information.” *Id.* at 4. Petitioner contends that because claim 1 and corresponding method claim 3 “do not have any feature relating to the ‘account information’ that is distinguished from the ‘transaction data’ in the embodiment of Fig. 11,” the Decision “improperly imported limitations from the embodiment of Figure 11 into the claims, even though those limitations of Fig. 11 are not required by the claims.” *Id.*; *see also* Pet. Sur-reply 2–3. We agree.

The ’286 patent describes a system for secure authentication over a network using “a modulated sound consisting at least in part of an identification number and a session key.” Ex. 1001, 3:54–61. The sound signal/sound pass may be provided in one of three forms: (1) a hardware device of a smart card used in conjunction with a card reader; (2) a hardware device of a “key jack” inserted into any audio line of client operated personal computing appliance (“PC”) such as a microphone port or telephone jack; and (3) a software version in the form of a “sound file deliverable from a mobile device” that is input into a PC and recognized by an applet. *Id.* at 6:50–7:10.

Figures 8 through 11 illustrate user authentication embodiments having a token in the form of a smart card having a secure chip that “includes the user ID number (N), a secret seed (S) provided by the

authentication service, and a session key (Ci) [that] . . . is the current session key stored in the token.” Ex. 1001, 10:7–18; *see also id.* at 10:4–12:59. A server stores “account data,” i.e., the parameters of the user account including N, S, a record of the last session key (Co) used in an authentication, and a user password (PW) (in Figures 8 and 9) or a PIN code (Pc) (in Figures 10 and 11). Ex. 1001, 10:31–34, 11:13–20, 11:55–59, 12:28–31. The server “may be any type of server including a transaction portal authenticating transaction for a group of web merchants or banks,” handling secure transactions, and/or providing secure login services to a secure area. *Id.* at 5:36–41.

In the embodiments of Figures 8, 9, and 10, the user manually enters a password (PW), and in Figure 11, the user enters a PIN code. *Id.* at 10:40–42, 11:21, 65, 12:34–35. In the embodiment of Figure 10, the user also plays the modulated sound into a microphone input of the PC using the mobile device’s speaker. *Id.* at 11:65–12:4. In the embodiment of Figure 11, after entering the PIN code, the user may “then perform a series of banking transaction by submitting transaction data B1–Bn.” *Id.* at 12:34–36.

The term “transaction data” is only used in the embodiment of Figure 11 where user authentication occurs by using a card verification value (“CVV”). In the embodiment of Figure 11, “[f]or each transaction, a new hash code (Hc) is generated,” with the final Hc being “a dynamic card verification value (CVV) based on the session key, the transaction data (b1-Bn) for the instant transaction, and the Pc.” *Id.* at 12:36–42. “In this example, the server hash operation occurs after the user has entered his or her PIN code and the instant transaction data for that session. Otherwise, the

server would not have any knowledge of Bi-Bn and could not match the client hash.” *Id.* at 12:46–50. Claims 1–4 of the ’286 patent do not recite coded instructions implementing an authentication process involving generating a hash code. *See* Ex. 1001, 16:17–66.

Although the ’286 patent distinguishes “account data” from “transaction data” in the embodiment of Figure 11, the “transaction data” is submitted by the user to perform a series of banking transactions after manually entering a PIN code, whereas the “account data” is stored on the server, and the token information is accepted from the smart card’s embedded token, i.e., the output interface of the transaction card. *See* Ex. 1001, 10:12–18, 10:30–35, 10:40–42, 11:21–22, 11:65–12:4, 12:22–36. Thus, the claimed “transaction data” that is “accepted . . . from an output interface of a transaction card” and “accepted . . . from a transaction card at an input interface of the card reader,” as recited in independent claims 1 and 3, comprises data stored on and read from a card, such as an ID number, password, authentication information, or session information, that can be used to facilitate a transaction. Such claimed “transaction data” is distinct from the “transaction data” described in connection with the Figure 11 embodiment. We therefore do not limit the claimed “transaction data” and instead preliminarily construe that term as encompassing any data involved in a transaction, including account data. As described above, the claimed transaction data must come from the output interface of a transaction card.

Should either party believe that a different construction should apply in the instituted trial, it should explain the proposed construction, how the construction is supported by the record, and how the construction affects our unpatentability analysis.

III. INSTITUTION ANALYSIS

A. EARLIEST EFFECTIVE FILING DATE OF CHALLENGED CLAIMS

The '286 patent claims priority as a continuation of application 14/524,842, filed on July 31, 2007 (issued as U.S. Patent No. 9,003,508), which claims priority as a continuation of application 11/533,030, filed on September 19, 2006 (the '030 application," abandoned). Ex. 1001, code (63). The '286 patent also lists as "Related U.S. Application Data" provisional application 60/719,273, filed on September 20, 2005. *Id.* at code (60).

Petitioner contends the earliest possible effective filing date for claims 1–4 of the '286 patent is March, 3, 2015, i.e., the filing date of the application leading directly to the '286 patent, i.e., application 14/636,674, such that the Cho, Aaron, Carpenter, and de Geer references qualify as prior art. Pet. 12 (citing Exs. 1001, 1002, 1003, 1014); Reply 1–5. Conversely, Patent Owner asserts the above references do not qualify as prior art because claims 1–4 of the '286 patent are entitled to a priority date of September 19, 2006, the filing date of the '030 application. Prelim. Resp. 13 (citing Exs. 1001, 1015, 2002), Sur-reply 1–5.

The dispute relates to whether the '030 application describes the claimed "smart telephone" accepting transaction data and executing coded instructions to convert the analog signal to digital data representing transaction data as digital data. *See* Pet. 14–15, 19–27. In Petitioner's view, that term is supported only by language added to the "Brief Summary of the Invention" during prosecution of the application resulting in the '286 patent. *Id.* at 17. In contrast, argues Petitioner, the corresponding section of the

'030 application instead describes transmitting sound to a PC, not a smart telephone. *Id.* at 19–26.

Patent Owner submits that the '030 application describes generating sounds from a smart phone and using a “key jack sound pass generator” to communicate sounds. Prelim. Resp. 16. Patent Owner contends that the claim language is supported by disclosure of receiving the audio signal at a microphone port and converting the signal to transaction data. *Id.* at 16–18. Patent Owner points also to description of direct communication between a “client device” and server. *Id.* at 19.

On the present record, we find that Petitioner, at this stage in the proceeding, has shown sufficiently how it contends that the earliest possible effective filing date for claims 1–4 of the '286 patent is March, 3, 2015, such that the Cho, Aaron, Carpenter, and de Geer references qualify as prior art. Patent Owner has identified a factual dispute regarding the significance of the '030 application's disclosures, and we view that dispute as best resolved through trial.

B. FAILURE TO IDENTIFY ALL REAL PARTIES IN INTEREST UNDER 35 U.S.C. § 312(A)

Patent Owner argues that “the Petition should be denied for Petitioner's failure to identify all real parties in interest [(“RPI”)], as required by 35 U.S.C. § 312(a)(2).” Prelim. Resp. 5–6. Patent Owner alleges that Askeladden, L.L.C is not the only party in interest; rather, according to Patent Owner, “The Clearing House Payments Company, L.L.C. (‘TCH’),” which “is a ‘banking association and payments company that is owned by the largest commercial banks,’” “owns the Petitioner, is its

sole member, and Petitioner is a ‘product of thought leadership provided by’ TCH.” *Id.* at 5–6.

In support of Petitioner’s certification that Askeladden L.L.C. is the only RPI in this proceeding, Petitioner submits the Perry Declaration and the Agreement. Pet. 1 (citing Exs. 1009, 1010).

35 U.S.C. § 312(a)(2) provides that one of the “Requirements of Petition” is that “the petition identifies all real parties in interest.” “Whether a non-party is a RPI is a ‘highly fact-dependent question’ and must be considered on a case-by-case basis.” *SharkNinja Operating LLC. v. IROBOT Corp.*, No. IPR2020-00735, 2020 WL 6050687, at *4 (PTAB Oct. 13, 2020) (precedential) (citing *Ventex Co. v. Columbia Sportswear N. Am., Inc.*, IPR2017-00651, Paper 148 at 6 (PTAB Jan. 24, 2019) (Paper 148) (precedential) (citing Office Trial Practice Guide, 77 Fed. Reg. 48,756, 48,759 (Aug. 14, 2012))).

Here, addressing whether TCH is an unnamed RPI would not create a time bar or estoppel under 35 U.S.C. § 315. There is no allegation or evidence that TCH is “barred or estopped from this proceeding or that Petitioner purposefully omitted [TCH] to gain some advantage.” *SharkNinja* at *4. Rather, Patent Owner argues that for “once again willfully fail[ing] to identify TCH as a real party in interest, . . . the Petition should be denied on that basis.” Prelim. Resp. 7. In other words, Patent Owner contends only that we deny institution because of “the alleged failure of a procedural requirement that can be corrected under our precedent.” *SharkNinja* at *4. We understand that

a patent owner dragged into an IPR by a petitioner, who necessarily has an interest in canceling the patent owner’s claims, should not be forced to defend against later judicial or

administrative attacks on the same or related grounds by a party that is so closely related to the original petitioner as to qualify as a real party in interest.

Applications in Internet Time, LLC v. RPX Corp., 897 F.3d 1336, 1350 (Fed. Cir. 2018). However, that is not the case here.

Thus, on the record here, we will not consider whether TCH must be named as an RPI.

C. REQUEST FOR DISCRETIONARY DENIAL

Patent Owner argues that we should exercise discretion under 35 U.S.C. § 325(d) and deny institution because “[i]nstitution of inter partes review is discretionary.” Prelim. Resp. 23 (citing *Yotrio Corp. v. Lakesouth Holdings, LLC*, IPR2017-00299, Paper 7 at 9 (PTAB May 15, 2017)). Specifically, Patent Owner contends that the “[t]he Director’s *Fintiv* Guidance and the *Fintiv* factors weigh against institution.” *Id.* (citing Ex. 1033 (“*Fintiv* Memo”); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential)).

35 U.S.C. § 325(d) provides:

MULTIPLE PROCEEDINGS.—Notwithstanding sections 135(a), 251, and 252, and chapter 30, during the pendency of any post-grant review under this chapter, if another proceeding or matter involving the patent is before the Office, the Director may determine the manner in which the post-grant review or other proceeding or matter may proceed, including providing for the stay, transfer, consolidation, or termination of any such matter or proceeding. In determining whether to institute or order a proceeding under this chapter, chapter 30, or chapter 31, the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.

Here, in its arguments that we should exercise our discretion to deny institution, Patent Owner acknowledges that there is no parallel district court litigation. *See, e.g.*, Prelim. Resp. 23–29. Because there are no parallel district court proceedings, the *Fintiv* Factors, as discussed in the *Fintiv* Memo (Ex. 1033) are not relevant.

Patent Owner does not contend that there is another proceeding or matter involving the '286 patent before the Office. Nor does Patent Owner contend that “the same or substantially the same prior art or arguments were presented to the Office.” 35 U.S.C. § 325(d). Rather, Patent Owner’s arguments all rely on the Petitioner’s alleged failure to identify TCH as an RPI. Prelim. Resp. 25 (arguing that under Factor 6 of the *Fintiv* Memo, “The Petition should be denied for failure to identify all real parties in interest, as required by 35 U.S.C. § 312(a)(2).”); *see also id.* at 24, 26–29. For the reasons given above in Section II, we will not deny institution based on Petitioner’s alleged failure to identify all real parties in interest.

D. ANALYSIS OF ASSERTED GROUNDS

We have authority under 35 U.S.C. § 314 to institute an *inter partes* review. Under 35 U.S.C. § 314(a), an *inter partes* review may not be instituted unless the information presented in the Petition and any response thereto shows “there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” Moreover, a decision to institute under 35 U.S.C. § 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); *see also* 37 C.F.R. § 42.108(a) (“When instituting . . . review, the Board will authorize the review to proceed on all of the challenged claims and on all grounds of unpatentability asserted for

each claim.”). The Board determines whether to institute a trial on behalf of the Director. 37 C.F.R. § 42.4(a) (2022).

Considering the Petition, Preliminary Response, Reply to Patent Owner’s Preliminary Response, Sur-reply, Request for Rehearing, Reply to Petitioner’s Request for Rehearing, Petitioner’s Sur-reply, and the evidence of record, for the reasons set forth below we determine that Petitioner has demonstrated that there is a reasonable likelihood that at least one of the Challenged Claims is unpatentable. Accordingly, we institute an *inter partes* review of all challenged claims and on all grounds asserted in the Petition. *PGS Geophysical AS v. Iancu*, 891 F.3d 1354, 1360 (Fed. Cir. 2018) (stating that a decision to institute is “a simple yes-or-no institution choice respecting a petition, embracing all challenges included in the petition”).

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

1. *Ground 1 – Alleged Obviousness over Cho, Aaron, and Carpenter of Claim 1*

a) *Summary of the Parties’ Positions*

As discussed in our Decision, Petitioner challenges independent claim 1 as unpatentable under 35 U.S.C. § 103 over Cho, Aaron, and Carpenter. Pet. 34–58. Petitioner contends that Cho renders obvious the apparatus as recited in the preamble [1.0], limitations [1.1.1] through [1.1.3] and [1.3.1], the combination of Cho, Aaron, and Carpenter renders obvious

limitation [1.2], and Cho alone or in combination with Aaron renders obvious limitation [1.3.2]. Dec. 25 (citing Pet. 39–47). And, Petitioner proffers explanation regarding the motivation of a person of ordinary skill to modify Cho with Aaron and Carpenter and have a reasonable expectation of success in doing so. *Id.* at 26 (citing Pet. 34–39, 51–52).

We also summarized Patent Owner’s disagreement in contending that “Cho fails to teach or suggest ‘transaction data’ as claimed,” particularly as recited in limitation [1.3.1] and arguing that Petitioner does not show where Cho teaches “transaction data” or “conversion of the audio signal ‘to the transaction data.’” Dec. 27 (citing Prelim. Resp. 22).

b) Discussion

Based on our construction of the term “transaction data” as any data stored on and read from a transaction card that can be used to facilitate a transaction, as discussed above in Section II and after considering the parties’ arguments and evidence, we find there is a reasonable likelihood of Petitioner establishing that the cited portions of Cho teach preamble [1.0] and limitations [1.1.1] through [1.1.3] of

an apparatus comprising a card reader having an input interface configured to accept transaction data from an output interface of a transaction card, and an output pin, as a part of the card reader, configured to directly connect the card reader to a microphone port of a smart telephone, the card reader providing the transaction data accepted from the output interface of the transaction card to the output pin, and hence to the microphone port, as an analog variable voltage audio signal.

Regarding limitations [1.2] and [1.3] of stored coded instructions accessible by a user of the card reader, Patent Owner presents no argument against Petitioner’s contention (Pet. 47–50) that the combination of Cho,

Aaron, and Carpenter teaches these limitations. After considering the parties' arguments and evidence at this stage of the proceeding, we find there is a reasonable likelihood of Petitioner establishing that the combination of Cho, Aaron, and Carpenter teaches the claimed stored instructions of limitation [1.2].

Petitioner contends that Cho teaches limitation [1.3.1]'s stored instruction, when executed by a processor in the smart telephone, converting the received variable voltage audio to the transaction data as digital data. Pet. 53–56. Specifically, Petitioner asserts that Cho's combination of signal generator 1010, transceiver 1020, card payment executor 1030, and microphone contact of audio jack 125 teaches this limitation. *Id.* Patent Owner argues that "Petitioner can nowhere point to 'transaction data' in Cho, much less conversion of the audio signal 'to the transaction data.'" Prelim. Resp. 22.

Based on our construction of the term "transaction data" as discussed above in Section II and after considering the parties' arguments and evidence at this stage of the proceeding, we find there is a reasonable likelihood of Petitioner establishing that Cho teaches the claimed converting limitation [1.3.1].

For limitation [1.3.2], Petitioner contends that Cho alone or the combination of Cho and Aaron teaches establishing a direct data exchange to facilitate transactions using the transaction data. Pet. 56–57. Based on our construction of the term "transaction data" as discussed above and after considering the parties' arguments and evidence at this stage of the proceeding, we find there is a reasonable likelihood of Petitioner establishing that the cited portions of Cho teach this limitation.

c) Summary of Ground 1

Based on our review of the evidence and arguments cited by Petitioner, we find that on this record, Petitioner has demonstrated a reasonable likelihood of establishing obviousness of claim 1 based on Cho, Aaron, and Carpenter. Pet. 59–64.

2. Ground 2 – Alleged Obviousness over Cho, Aaron, Carpenter, and de Greer of claim 2

Petitioner challenges dependent claim 2 as unpatentable under 35 U.S.C. § 103 over Cho, Aaron, Carpenter, and de Greer. Pet. 59–64.

This claim depends from independent claim 1 and includes the additional limitation of “the coded instructions, when executed on a processor in the smart telephone, retrieve a card verification code (CVV), and use the CVV in purchases or transactions.” Ex. 1001, 16:39–42. Petitioner relies on de Greer for teaching this additional limitation. Patent Owner relies on the same argument presented for Ground 1 regarding “transaction data.” Prelim Resp. 21–22.

We have reviewed the evidence and argument presented in the Petition, and determine that at this stage and based on the record, Petitioner has demonstrated a reasonable likelihood of establishing obviousness of claim 2 based on Cho, Aaron, Carpenter, and de Greer.

3. Ground 3 – Alleged Obviousness over Cho and Aaron of claim 3

Petitioner challenges independent claim 3 as unpatentable under 35 U.S.C. § 103 over Cho and Aaron. Pet. 64–74.

As we discussed in our Decision at page 32, the steps of claim 3 are substantially similar to the functions recited in claim 1 with the exception

being claim 1's limitation [1.2] of coded instructions. Petitioner relies on the arguments presented for claim 1 under Ground 1. Pet. 64–65. Patent Owner argues claim 3 with claim 1. Prelim Resp. 21–23.

Thus, for the reasons discussed in Section III(D)(1) regarding claim 1, at this stage and based on the record, Petitioner has demonstrated a reasonable likelihood of establishing obviousness of claim 3 based on Cho and Aaron.

4. *Ground 4 – Alleged Obviousness over Cho, Aaron, and de Greer of claim 4*

Petitioner challenges dependent claim 4 as unpatentable under 35 U.S.C. § 103 over Cho, Aaron, and de Greer. Pet. 74–78.

Claim 4 depends from independent claim 3 and recites a further limitation of “the coded instructions, when executed on a processor in the smart telephone, retrieve a card verification code (CVV) from the transaction data received on the microphone port, and use the CVV in purchases or transactions.” Ex. 1001, 16:62–61. Petitioner relies on de Greer for teaching this additional limitation and relies on the reasons provided for claim 2. Pet. 74–77. Patent Owner relies on the same argument presented for Ground 1 regarding “transaction data.” Prelim Resp. 21–22.

We have reviewed the evidence and argument presented in the Petition, and determine that at this stage and based on the record, Petitioner has demonstrated a reasonable likelihood of establishing obviousness of claim 4 based on Cho, Aaron, and de Greer.

IV. CONCLUSION.

Having considered Petitioner's Request, we grant the Request. We also determine, for the foregoing reasons, that Petitioner demonstrates a reasonable likelihood of prevailing with respect to at least one of the claims challenged in the Petition. Accordingly, *inter partes* review of the '286 patent shall proceed in this case on all of the grounds raised in the Petition. *See SAS*, 138 S. Ct. at 1359–60; *PGS Geophysical*, 891 F.3d at 1360.

Our determination in this decision is not a final determination on either the patentability of any Challenged Claims or the construction of any claim term. The factual findings set forth in this decision are preliminary and provided for the sole purpose of deciding whether to institute a review. Our final decision will be based on the record as fully developed during trial, including all arguments and evidence in the Petition, Patent Owner's Preliminary Response, and all other submitted briefing, or submitted otherwise during trial, as permitted by our rules. *See Trivascular, Inc. v. Samuels*, 812 F.3d 1056, 1068 (Fed. Cir. 2016) (noting that “there is a significant difference between a petitioner's burden to establish a ‘reasonable likelihood of success’ at institution, and actually proving invalidity by a preponderance of the evidence at trial”) (quoting 35 U.S.C. § 314(a) and comparing *id.* with § 316(e)).

V. OUTCOME OF THE DECISION ON REHEARING

Claim	35 U.S.C. §	References	Denied	Granted
1	103	Cho, Aaron, Carpenter		1
2	103	Cho, Aaron, Carpenter, de Geer		2
3	103	Cho, Aaron		3
4	103	Cho, Aaron, de Geer		4
Overall Outcome				1–4

VI. ORDER

Upon consideration of the record before us and for the reasons given,
it is:

ORDERED that Petitioner’s Request is *granted*;

FURTHER ORDERED that, pursuant to 35 U.S.C. § 314(a), an *inter partes* review of claims 1–4 of U.S. Patent No. 9,679,286 B2 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 U.S. Patent No. 9,679,286 B2 shall commence on the entry date of this Order, and notice is hereby given of the institution of a trial.

IPR2023-00921
Patent 9,679,286 B2

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