

***Apple, Inc.***  
Petitioner

v.

***Proxense, LLC***  
Patent Owner

IPR2024-00232 and IPR2024-00233

**PROXENSE**

April 22, 2025

# Introduction

- The claimed transaction allows a user to access an application
- The grounds for invalidity do not match the claims
- The petition was built on a bad foundation

IPR2024-00232 and IPR2024-00233.

## The claimed transaction allows a user access to an application

1. A method for verifying a user during authentication of an integrated device, comprising the steps of:

persistently storing biometric data of the user and a plurality of codes and other data values comprising a device ID code uniquely identifying the integrated device and a secret decryption value in a tamper proof format written to a storage element on the integrated device that is unable to be subsequently altered; wherein the biometric data is selected from a group consisting of a palm print, a retinal scan, an iris scan, a hand geometry, a facial recognition, a signature recognition and a voice recognition;

responsive to receiving a request for a biometric verification of the user, receiving scan data from a biometric scan;

comparing the scan data to the biometric data to determine whether the scan data matches the biometric data;

responsive to a determination that the scan data matches the biometric data, wirelessly sending one or more codes from the plurality of codes and the other data values for authentication by an agent that is a third-party trusted authority possessing a list of device ID codes uniquely identifying legitimate integrated devices, wherein the one or more codes and other data values includes the device ID code; and

responsive to authentication of the one or more codes and the other data values by the agent, receiving an access message from the agent allowing the user access to an application, wherein the application is selected from a group consisting of a casino machine, a keyless lock, a garage door opener, an ATM machine, a hard drive, computer software, a web site and a file.

**730 Patent, 9:10-45.**

1. A method comprising:

persistently storing biometric data of a user and a plurality of codes and other data values comprising a device ID code uniquely identifying an integrated device and a secret decryption value in a tamper proof format written to a storage element on the integrated device that is not capable of being subsequently altered;

responsive to receiving a request for a biometric verification of the user, receiving scan data from a biometric scan;

comparing the scan data to the biometric data to determine whether the scan data matches the biometric data;

responsive to a determination that the scan data matches the biometric data, wirelessly sending one or more codes and other values from the plurality of codes and other data values for authentication to a third party that operates a trusted authority, wherein the one or more codes and other data values includes the device ID code; and

receiving, at an application, an access message from the trusted authority indicating that the trusted authority successfully authenticated the one or more codes and other data values sent to the third party and allowing the user access to the application.

**954 Patent, 10:5-27.**

## Both Petitions Assert Ludtke's Disclosure of a Purchase

In one embodiment, where “the transaction device is used to trigger shopping activity” such as a “web-based transaction using a transaction device such as a privacy card and/or digital wallet and a personal POS terminal,” “the user may tap on an on-screen icon being displayed by the transaction device, e.g., digital wallet; and the digital wallet transmits a signal” which “causes” a “web browser” for purchasing desired content (application) “to launch.” Ludtke, 28:15-18, 28:26-40. “Once a transaction has been triggered, the browser communicates with the personal POS terminal, requesting it to initiate a transaction” and “provides a transaction record, which includes all of the necessary data to support th[e] transaction, including a list of items being purchased, unit cost and quantity, the vendor who will provide the items, etc.” Ludtke, 28:13-18, 28:50-56; Decl., 102.

**IPR2024-00232, Petition (Paper 1), 26.**

Ludtke further explains that “once a user has carried out a typical transaction to purchase electronic content” using the downloaded functionality—that is, after the TPCP validates the transaction device and sends a “transaction confirmation”

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U.S. Patent No. 8,886,954

(access message) back to the transaction device, as discussed above—a “content provider” has the content “delivered to the transaction device” thereby allowing the user to access the service(s) offered by the downloaded functionality/software. 29:15-20, 31:41-50; Decl., 114. Thus, Ludtke discloses receiving at the downloaded software/functionality (application) a transaction confirmation (access message) that allows the user to access the services prescribed by the downloaded software/functionality (application). Decl., 114.

**IPR2024-00233, Petition (Paper 1), 31-32.**

# The Petition Does Not Match the Claims

1. A method for verifying a user during authentication of an integrated device, comprising the steps of:  
persistently storing biometric data of the user and a plurality of codes and other data values comprising a device ID code uniquely identifying the integrated device and a secret decryption value in a tamper proof format written to a storage element on the integrated device that is unable to be subsequently altered; wherein the biometric data is selected from a group consisting of a palm print, a retinal scan, an iris scan, a hand geometry, a facial recognition, a signature recognition and a voice recognition;  
responsive to receiving a request for a biometric verification of the user, receiving scan data from a biometric scan;  
comparing the scan data to the biometric data to determine whether the scan data matches the biometric data;  
responsive to a determination that the scan data matches the biometric data, wirelessly sending one or more codes from the plurality of codes and the other data values for authentication by an agent that is a third-party trusted authority possessing a list of device ID codes uniquely identifying legitimate integrated devices, wherein the one or more codes and other data values includes the device ID code; and  
responsive to authentication of the one or more codes and the other data values by the agent, receiving an access message from the agent allowing the user access to an application, wherein the application is selected from a group consisting of a casino machine, a keyless lock, a garage door opener, an ATM machine, a hard drive, computer software, a web site and a file.

730 Patent, claim 1;  
see also 954 Patent claim 1.

In one embodiment, where “the transaction device is used to trigger shopping activity” such as a “web-based transaction using a transaction device such as a privacy card and/or digital wallet and a personal POS terminal,” “the user may tap on an on-screen icon being displayed by the transaction device, e.g., digital wallet; and the digital wallet transmits a signal” which “causes” a “web browser” for purchasing desired content (application) “to launch.” Ludtke, 28:15-18, 28:26-40. “Once a transaction has been triggered, the browser communicates with the personal POS terminal, requesting it to initiate a transaction” and “provides a transaction record, which includes all of the necessary data to support th[e] transaction, including a list of items being purchased, unit cost and quantity, the vendor who will provide the items, etc.” Ludtke, 28:13-18, 28:50-56; Decl., 102.

IPR2024-00232, Petition (Paper 1), 26;  
see also IPR2024-00233, Paper 1, 31-32.

# The Petitions were Built on a Bad Foundation (the 905 Patent)

## Petitions rely on U.S. Patent No. 9,298,905 to argue Ludtke discloses a "third-party trusted authority":

The Petition explains why the prior art reference Ludtke discloses a "third-party trusted authority" including under the Board's previous construction of that term. Pet. 6-7, 25-31. A Final Office Action also finding that Ludtke *does* disclose a "third-party trusted authority" recently issued in the reexamination of related U.S. Patent No. 9,298,905 (the subject patent of IPR2024-00234). Ex. 1023, 22-25.

IPR2024-00232, Petition (Paper 7), 4.

The Petition explains why the prior art reference Ludtke discloses a "third-party that operates a trusted authority" including under the Board's previous construction of that term. Pet. 6-7, 25-28. A Final Office Action also finding that Ludtke *does* disclose a "third-party trusted authority" recently issued in the reexamination of related U.S. Patent No. 9,298,905 (the subject patent of IPR2024-

IPR2024-00233, Petition (Paper 7), 4.

## But the 905 Patent claimed a different transaction:

responsive to receiving an access message from the third-party trusted authority-indicating that the third-party trusted authority successfully authenticated the ID code, allowing the user to complete a financial transaction.

905 patent, claim 1.

responsive to authentication of the one or more codes and the other data values by the agent, receiving an access message from the agent allowing the user access to an application, wherein the application is selected from a group consisting of a casino machine, a keyless lock, a garage door opener, an ATM machine, a hard drive, computer software, a web site and a file.

730 patent, claim 1.

receiving, at an application, an access message from the trusted authority indicating that the trusted authority successfully authenticated the one or more codes and other data values sent to the third party and allowing the user access to the application.

954 patent, claim 1.

# A Much Stronger Foundation is Before the Board

| UNITED STATES PATENT AND TRADEMARK OFFICE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |             |                      |                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------------------|----------------------------------------------------------------|
| UNITED STATES DEPARTMENT OF COMMERCE<br>United States Patent and Trademark Office<br>Address: COMMERCIAL FOR PATENTS<br>P.O. Box 1450<br>Alexandria, Virginia 22304-1450<br>www.uspto.gov                                                                                                                                                                                                                                                                                                                                                                                                        |             |                      |                                                                |
| APPLICATION NO.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO.                                            |
| 90/015,052                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 06/08/2022  | 8,352,730            | 02198-00000                                                    |
| 14729 7980<br>Hard IP LLC (General)<br>10 Notch Hill Drive<br>Livingston, NJ 07039                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |             | 09/12/2024           | ISA<br>EAMC-CAN<br>ART UNIT<br>3992<br>MAIL DATE<br>09/12/2024 |
| Please find below and/or attached an Office communication concerning this application.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |             |                      |                                                                |
| The time period for reply, if any, is set in the attached communication.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |             |                      |                                                                |
| Ex Parte Reexamination of U.S. Pat. No. 8,352,730 – Non-Final Office Action                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |             |                      |                                                                |
| Control Number: 90/015,052 Page 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |             |                      |                                                                |
| Art Unit: 3992                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |             |                      |                                                                |
| "The memory/info stick driver 952 allows the digital wallet to accept memory stick and info stick devices. The info stick is mechanism that puts a CPU, ROM/RAM, etc. on a memory stick device. By inserting an info stick into the digital wallet, <u>the functionality of the wallet device can be extended with the functions of the info stick.</u> " (16:57-62)                                                                                                                                                                                                                             |             |                      |                                                                |
| "In addition to the eCommerce functionality, <u>the digital wallet may be configured to provide other functional capabilities.</u> For example, the digital wallet can be configured to contain extra user information, such as passport numbers or medical records. The digital wallet may contain personal digital assistant functionality such as a calendar. An extra memory slot can be used to insert memory cards containing digital photo albums for viewing on the screen or a slot on the device may receive a card that has pager or cell phone functionality built-in." (17:62-18:4) |             |                      |                                                                |
| In addition to the functionalities discussed above, the digital wallet itself may be considered computer software and a file. (Fig. 9b)                                                                                                                                                                                                                                                                                                                                                                                                                                                          |             |                      |                                                                |

EPR 90/015,052, Non-Final Office Action, mailed Sep. 12, 2024;  
See also IPR2024-00232, Paper 6, 14 ("these [EPRs] are cumulative of the art and arguments raised here: Ludtke"); Exs. 1024, 2020-2027 (concerning EPR 90/015,052).

## The EPR is Not New/Supplemental Evidence

37 C.F.R. § 42.23

(b) A sur-reply may only respond to arguments raised in the corresponding reply and may not be accompanied by new evidence other than deposition transcripts of the cross-examination of any reply witness.

# The EPR is Not New/Supplemental Evidence

## **Federal Circuit caselaw is clear that an EPR is part of the intrinsic record that must be considered here --**

- "Statements made during **reexamination procedures before the PTO are part of the prosecution history**. See *Krippelz v. Ford Motor Co.*, 667 F.3d 1261, 1266 (Fed. Cir. 2012) (citing *Am. Piledriving Equip., Inc. v. Geoquip, Inc.*, 637 F.3d 1324, 1336 (Fed.Cir.2011))." *Northpeak Wireless, LLC v. 3COM Corporation*, 674 Fed.Appx. 982, 986, fn.1 (Fed. Cir. 2016).
- "A patent's specification, together with its prosecution history,<sup>3</sup> constitutes intrinsic evidence to which the PTAB gives priority when it construes claims. Fn.3: A patent's prosecution history 'consists of the complete record of the proceedings before the [US]PTO,' which provides 'evidence of how the [US]PTO and the inventor understood the patent.' *Phillips v. AWH Corp.*, 415 F.3d 1303, 1317 (Fed. Cir. 2005) (en banc) (citations omitted). See *Microsoft Corp. v. Proxyconn, Inc.*, 789 F.3d 1292, 1297–98 (Fed. Cir. 2015)." *Knowles Electronics LLC v. Cirrus Logic, Inc.*, 883 F.3d 1358, 1361–62 (Fed. Cir., 2018); see also *Data Engine Technologies LLC v. GOOGLE LLC*, 906 F. 3d 999, FN 2 (Fed. Cir. 2018) (holding that public records, including prosecution histories, are properly considered when raised in opposition of a motion).
- *Microsoft Corp v. Proxyconn, Inc.*, 789 F.3d 1292 (Fed. Cir. 2015) ("**The PTO should also consult the patent's prosecution history in proceedings in which the patent has been brought back to the agency for a second review.** ")
- *Interconnect Planning Corp. v. Feil*, 774. F.2d 1132, 1139 (Fed. Cir. 1985) ("[A]n examiner's decision on an original or reissue application is evidence the court **must consider** in determining whether the party asserting invalidity has met its statutory burden[.]")
- *Fromson v. Advance Offset Plate, Inc.*, 755 F. 2d 1549, 1355 (Fed. Cir. 1985) ("The Examiner's decision, on an original or reissue application, is ...evidence the court must consider in determining whether the party asserting invalidity has met its statutory burden by clear and convincing evidence.")

## The EPR is Not New/Supplemental Evidence

37 CFR § 1.11 - Files open to the public.

....

(d) All papers or copies thereof relating to a **reexamination proceeding** which have been entered of record in the patent or reexamination file are open to inspection by the general public, and copies may be furnished upon paying the fee therefor.

(emphasis added).

# The EPR is Not New/Supplemental Evidence

## EPR public record under 37 CFR 1.11(d) and the EPRs were raised in *both* Patent Owner Preliminary Responses:

There are also three pending ex parte reexaminations (EPR) involving the 730 Patent and its family members. Two of them (Application Nos. 90/015,052 and 90/015,054) have been “Ready for *Ex Parte* Action” for over a year, and first office actions have not been issued. In the third EPR (90/015,053), a final office action was issued, and the Patent Owner submitted a notice of appeal. As with the Prior Petitions, these are cumulative of the art and arguments raised here: Ludtke.

**IPR2024-00232, POPR (Paper 6), 14.**

Additionally, the Petition relies on the same primary reference (Ludtke) and

<sup>1</sup> The District Court case was filed on May 2, 2023.

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raises the same arguments already being considered by the Office in three pending EPRs (Applications Nos. 90/015,052, 90/015,053, and 90/015,054). At issue in each EPR is whether Ludtke’s TPCCH constitutes a “third-party trusted authority”. Two of the EPRs (Applications Nos. 90/015,052 and 90/015,054) have been “Ready for *Ex Parte* Action” for over a year. Yet, at first office actions have not been issued. In the third EPR (90/015,053), a final office action was issued, and the Patent Owner will submit a notice of appeal. Instituting *inter partes* review of the 954 Patent would add a fourth proceeding before the Office considering the same issue. Rather than add another redundant proceeding to its docket, the Office should deny this Petition on its merits and terminate all proceedings considering the identical issue of the whether Ludtke’s TPCCH is a “third-party trusted authority.”

**IPR2024-00233, POPR (Paper 6), 20-21.**

## The EPR is Not New/Supplemental Evidence

### The EPR was *again* raised in the Patent Owner's Pre-Institution Sur-Reply:

Factor 4: The overlap between the issues raised in the 053 Reexam favors denial. “This factor evaluates ‘concerns of inefficiency and the possibility of conflicting decisions’ when substantially identical prior art is submitted in both the district court and the inter partes review proceedings.”<sup>12</sup> At issue in the 053 Reexam, and the instant Petitions, is whether Ludtke’s TPCCH is a “third-party trusted authority”. Accordingly, the risk of an inconsistent outcome is real – especially given that it appears a desire to avoid inconsistent actions has prevented the 052 and 054 Reexams from receiving their statutory mandated “special dispatch”. A similar risk exists with respect to the pending litigation against Microsoft – in that Microsoft has also asserted that Ludtke discloses a “third-party trusted authority.”<sup>13</sup>

Factor 4: The overlap between the issues raised in the 053 Reexam favors denial. “This factor evaluates ‘concerns of inefficiency and the possibility of conflicting decisions’ when substantially identical prior art is submitted in both the district court and the inter partes review proceedings.”<sup>12</sup> At issue in the 053 Reexam, and the instant Petitions, is whether Ludtke’s TPCCH is a “third-party trusted authority”. Accordingly, the risk of an inconsistent outcome is real – especially given that it appears a desire to avoid inconsistent actions has prevented the 052 and 054 Reexams from receiving their statutory mandated “special dispatch”. A similar risk exists with respect to the pending litigation against Microsoft – in that Microsoft has also asserted that Ludtke discloses a “third-party trusted authority.”<sup>13</sup>

IPR2024-00232, Paper 9, 5 (May 27, 2024).

IPR2024-00233, Paper 9, 5 (May 27, 2024.)

DEMONSTRATIVE EXHIBIT – NOT EVIDENCE

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# The EPR is Not New/Supplemental Evidence

## The Board Acknowledged the EPR when Instituting

Petitioner states that the '730 patent is the subject of *ex parte* reexamination in *In re Proxense, LLC*, Application No. 90/015,052 (filed June 8, 2022) ("the '052 reexam"). Pet. 75. Patent Owner notes two additional reexaminations of patents related to the '730 patent, Application 90/015,053, reexamining the '905 patent, and Application No. 90/015,054, reexamining U.S. Patent No. 10,698,989. Prelim. Resp. 14.

IPR2024-00232, Institution Decision, 2.

Patent Owner states that patents related to the '954 patent are the subject of *ex parte* reexaminations in Application

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Patent 8,886,954 B1

No. 90/015,052, reexamining the '730 patent, Application No. 90/015,053, reexamining the '905 patent, and Application No. 90/015,054, reexamining U.S. Patent No. 10,698,989. Prelim. Resp. 14.

IPR2024-00233, Institution Decision, 2-3.

## The Proceedings are Cumulative

### The Board Instituted without staying EPR:

Here, no office action has issued in the '052 reexam; thus, that proceeding is far from a point at which the Examiner has issued an evaluation to which we could defer.

IPR2024-00232, Institution Decision, 38.

Deferring to an office action and evaluation of the Examiner would have been proper. See *In re Vivint, Inc.*, 14 4th 1342, 1350-1352 (Fed. Cir. 2021) (Holding that inconsistent determinations between the PTAB and the CRU on substantially the same prior art and arguments is arbitrary and capricious in violation of the APA.).

# The Proceedings are Cumulative

| UNITED STATES PATENT AND TRADEMARK OFFICE                                                                                                                                                                                                                                  |             |                      |                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------------------|---------------------|
|  UNITED STATES DEPARTMENT OF COMMERCE<br>United States Patent and Trademark Office<br>Address: COMMISSIONER FOR PATENTS<br>101 M Street, NE<br>Washington, DC 20514-1010<br>www.uspto.gov |             |                      |                     |
| APPLICATION NO.                                                                                                                                                                                                                                                            | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. |
| 90/015,052                                                                                                                                                                                                                                                                 | 06/09/2022  | 8/352,730            | 02198-00000         |
| 142178                                                                                                                                                                                                                                                                     | 2008        | 09/12/2024           | EX                  |
| Hard IP LLC (General)                                                                                                                                                                                                                                                      |             |                      | TABULAR CATH        |
| 10 Notch Hill Drive                                                                                                                                                                                                                                                        |             |                      | ART UNIT            |
| Livingston, NJ 07039                                                                                                                                                                                                                                                       |             |                      | 3992                |
|                                                                                                                                                                                                                                                                            |             |                      | MAIL DATE           |
|                                                                                                                                                                                                                                                                            |             |                      | 09/12/2024          |

Please find below and/or attached an Office communication concerning this application.

The time period for reply, if any, is set in the attached communication.

PTOL-90A (Rev. 04/07)

responsive to authentication of the one or more codes and the other data values by the agent, receiving an access message from the agent allowing the user access to an application, wherein the application is selected from a group consisting of a casino machine, a keyless lock, a garage door opener, an ATM machine, a hard drive, computer software, a web site and a file.

Ex Parte Reexamination of U.S. Pat. No. 8,352,730 – Non-Final Office Action

Control Number: 90/015,052  
Art Unit: 3992

Page 15

"The memory/info stick driver 952 allows the digital wallet to accept memory stick and info stick devices. The info stick is mechanism that puts a CPU, ROM/RAM, etc. on a memory stick device. By inserting an info stick into the digital wallet, the functionality of the wallet device can be extended with the functions of the info stick." (16:57-62)

"In addition to the eCommerce functionality, the digital wallet may be configured to provide other functional capabilities. For example, the digital wallet can be configured to contain extra user information, such as passport numbers or medical records. The digital wallet may contain personal digital assistant functionality such as a calendar. An extra memory slot can be used to insert memory cards containing digital photo albums for viewing on the screen or a slot on the device may receive a card that has pager or cell phone functionality built-in." (17:62-18:4)

In addition to the functionalities discussed above, the digital wallet itself may be considered computer software and a file. (Fig. 9b)

~6 weeks after Institution, an Office Action was issued in the EPR failing to advance substantially the same grounds on the same art as presented in the Petition.

See EPR 90/015,053, Non-Final Office Action, mailed Sep. 12, 2024. See also IPR2024-00232, Paper 6, 14 ("these [EPRs] are cumulative of the art and arguments raised here: Ludtke"); Exs. 1024, 2020-2027 (concerning EPR 90/015,052).

# The Petitioner's Attempt to Raise New Grounds by Invoking EPR

indicates that its TPCH (third party) is separate from the "physical (or electronic) content" to be accessed (the application). Ludtke explains:

If the product purchased is electronic in nature (e.g., software, content such as digital images, stock purchases, etc.) electronic distribution may be used. In one embodiment of electronic distribution, the TPCH 110 functions as the middleman of the distribution channel.

Ludtke, 7:42-46 (emphasis added). And Ludtke further confirms:

After validating that the transaction device is in good standing and that the selected account has sufficient funds for the transaction, the TPCH issues a transaction confirmation back to the personal POS terminal .... *Secure distribution of physical (or electronic) content to the user is performed once the transaction is authorized.*

Ludtke, 29:15-30 (emphasis added).

Here, after the user is authenticated, the user has access to a collection of eCoupons, which are digital files.

"Secure distribution of physical (or electronic) content to the user is performed once the transaction is authorized." (29:29-30)

"If the product purchased is electronic in nature (e.g., software, content such as digital images, stock purchases, etc.) electronic distribution may be used. In one embodiment of electronic distribution, the TPCH 110 functions as the middleman of the distribution channel. This allows the TPCH 110 to retain user privacy by not exposing addressing information and possibly email addresses to third parties. In an embodiment which utilizes a POS terminal and a POS terminal is used for distribution, the content may be encrypted at the source and distributed via the system to the POS terminal wherein the POS terminal subsequently decrypts the distributed material. The POS terminal may then pass the data to an appropriate place desired by the user, for example, to a user controlled device such as PC storage, a digital wallet or a privacy card." (7:42-56)

In this embodiment, the user would have access to the digital product after they have been authenticated. The digital product can include software and digital images.

**EPR 90/015,052, Non-Final Office Action, mailed Nov. 25, 2024.**  
See also IPR2024-00232, Paper 6, 14 ("these [EPRs] are cumulative of the art and arguments raised here: Ludtke"); Exs. 1024, 2020-2027 (concerning EPR 90/015,052).

If the product purchased is electronic in nature (e.g., software, content such as digital images, stock purchases, etc.) electronic distribution may be used. In one embodiment of electronic distribution, the TPCH 110 functions as the middleman of the distribution channel.

Ludtke, 7:41-45 (emphasis added). And Ludtke further confirms:

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After validating that the transaction device is in good standing and that the selected account has sufficient funds for the transaction, the TPCH issues a transaction confirmation back to the personal POS terminal ...  
.*Secure distribution of physical (or electronic) content to the user is performed once the transaction is authorized.*

Ludtke, 29:15-30 (emphasis added).

IPR2024-00232, Pet. Reply (Paper 16).

IPR2024-00232, Pet. Reply (Paper 16), 8-9.

# The Petitioner's Replies Attempt to Invoke the EPR

indicates that its TPCH (third party) is separate from the "physical (or electronic) content" to be accessed (the application). Ludtke explains:

If the product purchased is electronic in nature (e.g., software, content such as digital images, stock purchases, etc.) electronic distribution may be used. In one embodiment of electronic distribution, the TPCH 110 functions as the middleman of the distribution channel.

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After validating that the transaction device is in good standing and that the selected account has sufficient funds for the transaction, the TPCH issues a transaction confirmation back to the personal POS terminal .... Secure distribution of physical (or electronic) content to the user is performed once the transaction is authorized.

Ludtke, 29:15-30 (emphasis added).

IPR2024-00232, Pet. Reply (Paper 16).

The TPCH is a third party to the transaction between the user/consumer 120 and the vendor 125. Ludtke explains that in "one embodiment of electronic distribution, the TPCH 110 functions as the middleman of the distribution channel."

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Patent Owner Exhibit 2023, Page 64 of 113

Request for *ex parte* reexamination of U.S. Patent No. 8,352,730  
Control No. \_\_\_\_

This allows TPCH 110 to retain user privacy by not exposing addressing information and possibly email addresses to third parties." *Id.* at 7:42-48. This demonstrates that the TPCH acts as a middleman to ensure that only necessary

## EPR 90/015,052 Request for Reexamination

See also Paper 6, 14 ("these [EPRs] are cumulative of the art and arguments raised here: Ludtke"), IPR2024-00232; Exs. 1024, 2020-2027 (concerning EPR 90/015,052).

If the product purchased is electronic in nature (e.g., software, content such as digital images, stock purchases, etc.) electronic distribution may be used. In one embodiment of electronic distribution, the TPCH 110 functions as the middleman of the distribution channel.

Ludtke, 7:41-45 (emphasis added). And Ludtke further confirms:

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U.S. Patent No. 8,886,954

After validating that the transaction device is in good standing and that the selected account has sufficient funds for the transaction, the TPCH issues a transaction confirmation back to the personal POS terminal ... . Secure distribution of physical (or electronic) content to the user is performed once the transaction is authorized.

Ludtke, 29:15-30 (emphasis added).

IPR2024-00232, Pet. Reply (Paper 16), 8-9.

## The Proceedings are Cumulative

1. A method for verifying a user during authentication of an integrated device, comprising the steps of:

persistently storing biometric data of the user and a plurality of codes and other data values comprising a device ID code uniquely identifying the integrated device and a secret decryption value in a tamper proof format written to a storage element on the integrated device that is unable to be subsequently altered; wherein the biometric data is selected from a group consisting of a palm print, a retinal scan, an iris scan, a hand geometry, a facial recognition, a signature recognition and a voice recognition;

responsive to receiving a request for a biometric verification of the user, receiving scan data from a biometric scan;

comparing the scan data to the biometric data to determine whether the scan data matches the biometric data;

responsive to a determination that the scan data matches the biometric data, wirelessly sending one or more codes from the plurality of codes and the other data values for authentication by an agent that is a third-party trusted authority possessing a list of device ID codes uniquely identifying legitimate integrated devices, wherein the one or more codes and other data values includes the device ID code; and

responsive to authentication of the one or more codes and the other data values by the agent, receiving an access message from the agent allowing the user access to an application, wherein the application is selected from a group consisting of a casino machine, a keyless lock, a garage door opener, an ATM machine, a hard drive, computer software, a web site and a file.

**730 Patent, 9:10-45.**

1. A method comprising:

persistently storing biometric data of a user and a plurality of codes and other data values comprising a device ID code uniquely identifying an integrated device and a secret decryption value in a tamper proof format written to a storage element on the integrated device that is not capable of being subsequently altered;

responsive to receiving a request for a biometric verification of the user, receiving scan data from a biometric scan;

comparing the scan data to the biometric data to determine whether the scan data matches the biometric data;

responsive to a determination that the scan data matches the biometric data, wirelessly sending one or more codes and other values from the plurality of codes and other data values for authentication to a third party that operates a trusted authority, wherein the one or more codes and other data values includes the device ID code; and

receiving, at an application, an access message from the trusted authority indicating that the trusted authority successfully authenticated the one or more codes and other data values sent to the third party and allowing the user access to the application.

**954 Patent, 10:5-27.**

## Petitioner's Grounds Were Traversed

“Ludtke expressly discloses that the *TPCH ‘may issue a funds settlement request to a third party financial institution on behalf of the user, causing the necessary funds to be transferred to the vendor from the 30 user’s account’* thus further confirming that the TPCH is not the vendor/retailer, or even the user’s financial institution from which funds are withdrawn (not a principal party to the transaction, and therefore a third party).” Paper 1, 30-31 (emphasis added).

“Ludtke further discloses that the separation between the TPCH, vendors, and the POS on which the user/transaction device is performing a transaction ‘ensures secure communications among the components internal to the TPCH 600 and the entities external to the TPCH 600’ and ‘ensures that only authorized entities are allowed access to data and that *only authorized transaction devices can execute transactions against a user’s account,*’ thereby allowing the TPCH to function “as the middleman of the distribution channel.” Paper 1, at 31 (emphasis added).

“The TPCH uses the unique ID of the transaction device to *process the transaction*’ and *‘[a]fter validating* that the transaction device is in good standing and *that the selected account has sufficient funds for the transaction, the TPCH issues a transaction confirmation*” (access message) *“back to the personal POS terminal*’ where it is then reflected *‘back to the web browser and the transaction device*’ and displayed to the user.” Paper 1, at 33 (emphasis added).

information and user information. In one embodiment, the TPCH 110 interfaces to at least one financial processing system 140 to perform *associated financial transactions, such as confirming sufficient funds to perform the transaction, and transfers to the vendor 125 the fees required to complete the transaction.*” *Id.* at 6:49-55. And as explained above, Ludtke explains that the “transaction device information is provided to the TPCH 110 that then indicates to the vendor 125 and the user 120 *approval of the transaction* to be performed.” *Id.* at 6:41-44.

applications of either computer software, a file (or both). In a number of embodiments, Ludtke describes the transaction device as including a “*digital wallet*” which a POSITA would recognize as computer software and files that allow a user to *digitally store credit card and other payment information and to make transactions with that card.* See e.g. Ex. 1005 at Fig. 5a-b, 9:7-25; see also Ex. 1003 at ¶83.

EPR 90/015,052 Request for Reexamination, 65, 69.  
See also IPR2024-00232, Paper 6, 14 (“these [EPRs] are cumulative of the art and arguments raised here: Ludtke”);  
Exs. 1024, 2020-2027 (concerning EPR 90/015,052).

IPR2024-00232, Patent Owner Sur-Reply 11.

## Petitioner's Grounds Were Traversed

"Ludtke expressly discloses that the *TPCH* 'may issue a funds settlement request to a third party financial institution on behalf of the user, causing the necessary funds to be transferred to the vendor from the 30 user's account' thus further confirming that the *TPCH* is not the vendor/retailer, or even the user's financial institution from which funds are withdrawn (not a principal party to the transaction, and therefore a third party)." Paper 1, 28 (emphasis added).

"Ludtke further discloses that the separation between the *TPCH*, vendors, and the POS on which the user/transaction device is performing a transaction 'ensures secure communications among the components internal to the *TPCH* 600 and the entities external to the *TPCH* 600' and 'ensures that only authorized entities are allowed access to data and that only authorized transaction devices can execute transactions against a user's account,' thereby allowing the *TPCH* to function "as the middleman of the distribution channel." Paper, 1, at 25-26 (emphasis added).

"The *TPCH* uses the unique ID of the transaction device to process the transaction' and 'issues a transaction confirmation pack to the personal POS terminal (access message) after validating that the transaction device is in good standing and that the selected account has sufficient funds for the transaction," Paper 1, at 30 (emphasis added).

information and user information. In one embodiment, the *TPCH* 110 interfaces to at least one financial processing system 140 to perform associated financial transactions, such as confirming sufficient funds to perform the transaction, and transfers to the vendor 125 the fees required to complete the transaction." *Id.* at 6:49-55. And as explained above, Ludtke explains that the "transaction device information is provided to the *TPCH* 110 that then indicates to the vendor 125 and the user 120 approval of the transaction to be performed." *Id.* at 6:41-44.

applications of either computer software, a file (or both). In a number of embodiments, Ludtke describes the transaction device as including a "digital wallet" which a POSITA would recognize as computer software and files that allow a user to digitally store credit card and other payment information and to make transactions with that card. See e.g. Ex. 1005 at Fig. 5a-b, 9:7-25; see also Ex. 1003 at ¶83.

EPR 90/015,052 Request for Reexamination, 65, 69.  
See also IPR2024-00232, Paper 6, 14 ("these [EPRs] are cumulative of the art and arguments raised here: Ludtke");  
Exs. 1024, 2020-2027 (concerning EPR 90/015,052).

IPR2024-00233, Patent Owner Sur-Reply 11.

## 730 Re-Exam Has Decided the Grounds of Patentability Presented in IPR2024-00232 and -0233

| Petitioner's Arguments                                                                | CRU Decision                                                                        | New Evidence?                                                                         |                                                                                                                                                             |
|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| - TPOCH is a third-party trusted authority, due to processing a financial transaction |    |    | <br><b>Grounds raised in the Petitions fail to establish Invalidity.</b> |
| - Ludtke discloses an access message permitting additional services to be downloaded  |    |    |                                                                                                                                                             |
| - Ludtke discloses an access message permitting access to stored messages             |  |  |                                                                                                                                                             |

See e.g. IPR2024-00232, Paper 6, 14 ("these [EPRs] are cumulative of the art and arguments raised here: Ludtke"); Exs. 1024, 2020-2027 (concerning EPR 90/015,052).

## Examiner Determined Substantially Similar Claims to the 954 Patent Are Patentable

Lastly, Examiner notes the claims are silent as to where the access message is sent. Were the claims to recite the access message being sent to/received by the application, which is supported by the '730 Patent at col. 5, lines 23-26, the claims would be allowable over Ludtke. An Examiner's Amendment could achieve this.

/C. Michelle Tarae/  
Reexamination Specialist, Art Unit 3992

/JEFFREY D CARLSON/  
Primary Examiner, Art Unit 3992

EPR 90/015,052, Examiner Interview Summary,  
mailed December 17, 2024, at 4.

Should the Examiner not find the remarks presented above persuasive, Patent Owner authorizes the Examiner to enter the Examiner's Amendment of her choice for each of independent claims 1, 8, 12, and 15. When selecting between Examiner's Amendment A or B for each of the independent claim, Patent Owner requests the Examiner consider related U.S. Patent No. 8,886,954 which contains claims having language nearly identical to Examiner's Amendment B and may raise issues of potential double patenting. See MPEP § 2258(I)(D). Additionally, Patent Owner notes that Examiner's Amendment B does not appear grammatically correct with respect to independent claims 8 and 15.

EPR 90/015,052, Response, filed January 27, 2025, at 37.  
See *also* IPR2024-00232, Paper 6, 14 ("these [EPRs] are cumulative of the art and arguments raised here: Ludtke");  
Exs. 1024, 2020-2027 (concerning EPR 90/015,052).

## Examiner Determined Substantially Similar Claims to the 954 Patent Are Patentable

### Proposal for Allowable Subject Matter

Lastly, as presented by the Examiner in the Interview Summary mailed December 17, 2024, the claims would be allowed if amended to recite:

receiving an access message **by an application** from the agent allowing the user to access the application, wherein the application is selected from a group consisting of a casino machine, a keyless lock, a garage door opener, an ATM machine, a hard drive, computer software, a web site and a file.

This proposed amendment is supported by the '730 Patent at col. 5, lines 23-26.

EPR 90/015,052, Final Office Action, mailed March 3, 2025, at 31.  
See *also* IPR2024-00232, Paper 6, 14 ("these [EPRs] are cumulative of the art and arguments raised here: Ludtke");  
Exs. 1024, 2020-2027 (concerning EPR 90/015,052).

## 052 Re-Exam was Cumulative of IPR2024-00232

All of the claims at issue in this proceeding are subject to the '052 reexam. Aug. 2, 2022, Decision on Request for *ex parte* Reexamination (Ex. 2022), 4. The '052 reexam also considers the patentability of the claims over Ludtke, the primary reference in this proceeding. *Id.* Thus, the concurrent '052 reexam has and will continue to duplicate efforts within the Office. These factors weigh in favor of staying the '052 reexam.

Order Staying Concurrent Reexam,  
IPR2024-00232, Paper 27, 4

## Patent Owner's Attempts to Achieve Consistency

- Filed a statutory disclaimer under 35 U.S.C. 253(a) and 37 C.F.R. 1.321(a) of all claims, including those at issue in IPRs. See Ex. 2009, IPR2024-00776; Ex. 2001, IPR2024-01328.
- Made the Board aware of all three related EPRs in Patent Owner Preliminary Response. See e.g. IPR-2024-00232, Paper 6, 14; IPR2024-00233. Paper 6, 20-21.
- Presented consistent (“cut-and-paste”) arguments in all proceedings. See IPR2024-00232, Papers 6, 9, 14 and 22; IPR2024-00233, Papers 6, 9, 14 and 22
- Detailed EPR proceedings in briefing. See IPR2024-00232, Papers 6, 9, and 22; IPR2024-00233, Papers 6, 9, and 22
- Allowed EPR 90/015,054 to go abandoned.
- Requested Adverse Judgement to allow for entry of Examiner’s Amendment. See IPR2024-00232, Paper 29.