

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

PROXENSE, LLC,
Patent Owner.

Case IPR2024-00233¹
Patent No. 8,886,954

**PETITIONER'S OBJECTIONS TO PATENT OWNER'S
DEMONSTRATIVES**

¹ IPR2024-01334 has been joined to this proceeding.

Petitioner Apple Inc. (“Petitioner” or “Apple”) objects under the Board’s Order Setting Oral Argument (Paper 26, 3–4) and 37 C.F.R. § 42.23 to Demonstrative Exhibits (Slide Nos. 7, 15–17, and 19–23) submitted by Proxense, LLC (“Patent Owner” or “Proxense”), on April 17, 2025 (Paper 28) and requests that Patent Owner not be allowed to use these slides at the oral argument hearing, scheduled for April 22, 2025.

Petitioner objects to Patent Owner’s use of Demonstrative Exhibits (Slide Nos. 7, 15–17, and 19–23) at the oral argument hearing because the slides consist of new evidence, including new arguments that were not raised in Patent Owner’s Response (Paper 14) or previously discussed in any paper of record. *See* Consolidated Trial Practice Guide 85 (“[N]o new evidence may be presented at the oral argument.”); *see also St. Jude Med., Cardiology Div., Inc. v. The Bd. of Regents of the Univ. of Mich.*, IPR2013-00041, Paper 65, 2–3 (PTAB Jan. 27, 2014) (explaining that “new” evidence includes evidence already of record but not previously discussed in any paper of record).

The objected-to demonstratives are filed herewith and those portions of the demonstratives subject to objection outlined in red.

Counsel for the parties have met and conferred but were unable to reach agreement on Petitioner’s objection to Patent Owner’s use of the objected-to slides at the oral argument hearing.

Dated: April 21, 2025

Respectfully submitted,

BY: /Philip W. Woo/

Philip W. Woo

USPTO Reg. No. 39,880

Duane Morris LLP

260 Homer Avenue #202

Palo Alto, CA 94301

ATTORNEY FOR PETITIONER

CERTIFICATION OF SERVICE

The undersigned hereby certifies that a complete and entire copy of the foregoing PETITIONER'S OBJECTIONS TO PATENT OWNER'S DEMONSTRATIVES was served electronically on April 21, 2025, on counsel of record for the Petitioner as follows:

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ATTORNEY FOR PETITIONER

A Much Stronger Foundation is Before the Board

UNITED STATES PATENT AND TRADEMARK OFFICE			
		UNITED STATES DEPARTMENT OF COMMERCE United States Patent and Trademark Office Address: COMMERCIAL FOR PATENTS P.O. Box 1418 Alexandria, Virginia 22304-1418 www.uspto.gov	
APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
90/015,052	06/08/2022	8,352,730	02198-00000
14279 7890 Hard IP LLC (General) 10 Notch Hill Drive Livingston, NJ 07039		09/12/2024 3992 0012/2024	
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.		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.	
EPC/A-00A (Rev. 04/07)		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, <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 Proceedings are Cumulative

UNITED STATES PATENT AND TRADEMARK OFFICE			
UNITED STATES DEPARTMENT OF COMMERCE United States Patent and Trademark Office Address: COMMISSIONER FOR PATENTS 101 M Street, NE Washington, DC 20514-1010 www.uspto.gov			
APPLICATION NO.	FILED DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
90/015,052	06/09/2022	8352730	02198-00000
142178	2008	09122024	EX
Hard IP LLC (General)			TABULAR CATH
10 Natch 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.

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)

PTOL-90A (Rev. 04/07)

~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 [EPR] 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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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).

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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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.

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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), 8-9.

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 TPCCH '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 TPCCH 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 TPCCH, vendors, and the POS on which the user/transaction device is performing a transaction 'ensures secure communications among the components internal to the TPCCH 600 and the entities external to the TPCCH 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 TPCCH to function "as the middleman of the distribution channel." Paper, 1, at 25-26 (emphasis added).

"The TPCCH 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).

IPR2024-00233, Patent Owner Sur-Reply 11.

information and user information. In one embodiment, the TPCCH 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 TPCCH 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).

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

Petitioner's Arguments

- TPOCH is a third-party trusted authority, due to processing a financial transaction
- Ludtke discloses an access message permitting additional services to be downloaded
- Ludtke discloses an access message permitting access to stored messages

CRU Decision



New Evidence?



**Grounds raised
in the Petitions
fail to establish
Invalidity.**

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).