

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,

Petitioner

v.

CARBYNE BIOMETRICS, LLC,

Patent Owner

IPR2024-00332

U.S. Patent No. 10,929,512

**PETITIONER'S AUTHORIZED REPLY TO
PATENT OWNER'S PRELIMINARY RESPONSE**

TABLE OF CONTENTS

A.	The Director has clarified §325(d) policy and the <i>Advanced Bionics</i> ’ two-part framework.....	1
B.	Grounds presented in the Petition have never been <i>meaningfully addressed</i> by the Office	2
C.	Dr. McDaniel’s testimony supports an obviousness finding.....	4
D.	PO’s attorney argument misreads and misapplies the prior art.....	4
CERTIFICATE OF SERVICE		6

This authorized Reply addresses legal and factual errors in Patent Owner's (PO's) treatment of discretion under 35 U.S.C. §325(d) and errors in PO's arguments regarding the reasonable likelihood that Petitioner will prevail at trial on issues of combination of Challener-Kesanupalli-Cheng. *See* (POPR) Paper 7, 26-56.

A. The Director has clarified §325(d) policy and the *Advanced Bionics*' two-part framework

The Office recently engaged in notice and comment rulemaking relative to the standards that the Director and, by delegation, the Board uses in exercising discretion to institute IPRs, including under §325(d). PATENT TRIAL AND APPEAL BOARD RULES OF PRACTICE FOR BRIEFING DISCRETIONARY DENIAL ISSUES, AND RULES FOR 325(D) [], 77 Fed. Reg. 28693, 28702 (April 19, 2024) ("RULES FOR 325(D)"). The Director clarified the Office's approach to §325(d) discretion and to the first prong of *Advanced Bionics* (IPR2019–01469, Paper 6), stating that its notice involves "interpretative rules, general statements of policy, or rules of agency organization, procedure, or practice" that do not require notice and comment, but nonetheless publishing same with the proposed rule for notice and comment. *See* RULES FOR 325(D), 28700-02. Thus, RULES FOR 325(D) can be understood to clarify the Director's views and reflect the Office's interpretations of both *Advanced Bionics* and proper exercise of discretion under §325(d). RULES FOR 325(D) also propose a new briefing protocol whereby PO identifies *where* substantially the same art or arguments were *previously meaningfully addressed* by the Office, and Petitioner is

entitled to a 10-page opposition. While that briefing protocol is not in issue, the Director's clarifications of §325(d) policy and *Advanced Bionics*' framework are relevant. Specifically, RULES FOR 325(D) clarify several points. **First**, "mere prior citation of prior art in an IDS will not automatically satisfy the first prong of...*Advanced Bionics*." RULES FOR 325(D), 28701. **Second**, "application of section 325(d) should be limited to situations in which prior art or arguments were *meaningfully addressed* by the Office." *Id.*, 28700 (emphasis added). **Third**, "to carry out the purpose of 325(d), and give appropriate deference to prior findings made by the Office when meaningfully addressing prior art references," the discretionary denial inquiry should focus on instances in which a petitioner "relies on the reference for a factual proposition that directly contradicts a finding made by the Office when the reference was previously meaningfully addressed." *Id.*, 28701.

B. Grounds presented in the Petition have never been *meaningfully addressed* by the Office

None of Kesanupalli, Challenger, and Cheng were before the Office during examination. A Kesanupalli '450 publication with overlapping disclosure was a secondary reference in a petition challenging the '512 Patent that relied upon different grounds (Johansson-Kesanupalli). That petition was denied because the third-party Petitioner failed to demonstrate that either reference disclosed a first processor that communicates with a second processor using a restricted interface. *See Samsung Electronics. Co., Ltd. et al. v. RightQuestion, LLC*, IPR2022-00251,

Paper 17, 23-26 (“we are not persuaded that the cited evidence adequately supports Petitioner’s contention that Johansson, Kesanupalli, or the combination thereof teaches a ‘restricted interface’ between processors;” and petitioner “neither explain[ed] sufficiently, let alone with particularity, how or why” Johansson or Kesanupalli “disclose[d] or [taught] the claimed ‘restricted interface.’”)

While the Office may have addressed Samsung’s argument (or lack thereof), neither the grounds here presented (Kesanupalli-Challener-Cheng), nor the Kesanupalli teachings relied upon here, have ever been *meaningfully addressed* by the Office. Even assuming *arguendo* Kesanupalli was somehow previously meaningfully addressed, which it was not, there is no *direct contradiction* with any finding made by the Office as the present Petition relies on Challener’s teaching of a restricted interface between processors. *See* Petition, 34-38. Moreover, the Petition itself already provides an analysis of material error under the second prong of the *Advanced Bionics* framework as then understood. Petition, 76-78.

PO characterizes Challener as being “typical” of references such as Shah previously before Office in the above referenced *Samsung* proceeding, which was not instituted as the Board found the third-party petitioner “does not explain how Shah [in a Shah-Owen combination] discloses a secure backup.” IPR2022-00251, Paper 17, p. 37. There is no *direct contradiction* with the Office’s previous findings as the Petition here demonstrates *Cheng* teaches secure back-up. Petition, 54-59.

C. Dr. McDaniel's testimony supports an obviousness finding

Kinetic Techs. and *Volkswagen* stand for the proposition that conclusory, unsupported arguments in a party's substantive papers do not acquire greater evidentiary weight in mere repetition by an expert of the same conclusory, unsupported argument. *See, e.g., Kinetic Techs., Inc. v. Skyworks Sols., Inc.*, IPR2014-00529, Paper 8, 15 (PTAB Sep. 23, 2014) ("Merely repeating an argument from the Petition in the declaration of a proposed expert does not give that argument enhanced probative value."); *Volkswagen Group of America, Inc. v. StratosAudio, Inc.*, IPR2021-00717, Paper 12, 35-37 (PTAB Nov. 12, 2021). By contrast, Dr. McDaniel's detailed testimony is based upon articulated reasoning and rationale underpinnings that are backed by citations to background art patents and printed publications (*e.g.*, APPL-1016, APPL-1009, APPL-1020). *See generally*, APPL-1003, ¶¶ 34-35, 48-51, 74-91. *Kinetic Techs.* and *Volkswagen* are inapposite.

D. PO's attorney argument misreads and misapplies the prior art

PO alleges Kesanupalli needs to convey credentials using a non-secure portion of a device architecture, which PO finds conflicts with Challenger's protective framework. *See* POPR, 47-48. First, this characterization rests on bodily incorporation rather than a combination of teachings. *See in re Keller*, 642 F.2d 413, 425 (CCPA 1981). Second, the teachings of Kesanupalli and Challenger do not conflict. Kesanupalli teaches communicating data from a secure memory to an

external resource via a general processor circuitry. Petition, 34-38. And Challenger, by API-mediated interfaces, restricts the form of communications between secure and standard portions, but does not prohibit particular communications. *See* Petition, 21, 34-38; APPL-1002, ¶¶69, 80-84. PO similarly mistakes differences for conflict where it characterizes Cheng as not needing to store biometrics in a security portion (POPR, 49-50), despite the Petition's demonstration that Kesanupalli-Challenger teach storage of biometrics. Further, the cited Cheng portions say nothing about biometric storage or access thereto; they merely opine biometrics are difficult to "replicate," and Cheng actually secures such data (*e.g.*, using encryption). Petition, 55-58; APPL-1003, ¶¶167, 169. PO raises other meritless factual disputes, which cannot be addressed fully within the constraints of this reply and can be resolved at trial with a fully developed record.

Finally, Petitioner provided declaratory evidence supporting the combination of Kesanupalli-Challenger-Cheng; PO's unsupported attorney argument fails to rebut the strength of this combination. *See Google LLC v Parus Holdings, Inc.*, IPR2022-00805, Paper 7, 10. At bottom, for at least the reasons summarized above, the POPR does not support denial of institution.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned certifies that, in accordance with 37 C.F.R. § 42.6(e), service was made on Patent Owner as detailed below.

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