

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ASKELADDEN L.L.C.,
Petitioner,

v.

CALABRESE STEMER LLC,
Patent Owner.

IPR2024-00367
Patent 7,357,310 B2

Before SHARON FENICK, SCOTT B. HOWARD, and
ANDREAS BALTATZIS, *Administrative Patent Judges*.

HOWARD, *Administrative Patent Judge*.

JUDGMENT
Final Written Decision
Determining All Challenged Claims Unpatentable
Dismissing Petitioner's Motion to Exclude
35 U.S.C. § 318(a); 37 C.F.R. § 42.64(c)

I. INTRODUCTION

A. *Background and Summary*

Askeladden L.L.C. (“Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting *inter partes* review of claims 1–4 (“the challenged claims”) of U.S. Patent No 7,357,310 B2 (Ex. 1001, “the ’310 patent”). Calabrese Stemer LLC (“Patent Owner”) did not file a preliminary response. We instituted an *inter partes* review of the challenged claims on all grounds of unpatentability alleged in the Petition. Paper 6 (“Institution Decision” or “Inst. Dec.”).

After institution of trial, Patent Owner filed a Response (Paper 10, “PO Resp.”), Petitioner filed a Reply to Patent Owner’s Response (Paper 14 “Pet. Reply”), and Patent Owner filed a Sur-reply to Petitioner’s Reply (Paper 15, “PO Sur-reply”).

Petitioner filed a motion to exclude evidence (Paper 29, “Mot. Exclude”), Patent Owner filed an opposition (Paper 30), and Petitioner filed a reply to the opposition (Paper 31).

An oral hearing was held on March 27, 2025, and the record contains a transcript of this hearing.¹ Paper 32 (“Tr.”).

We have jurisdiction under 35 U.S.C. § 6. This Final Written Decision is issued pursuant to 35 U.S.C. § 318(a). For the reasons that follow, we determine that Petitioner has shown by a preponderance of the evidence that the challenged claims are unpatentable. We also dismiss Petitioner’s motion to exclude as moot.

¹ The oral hearing was a consolidated hearing for IPR2024-00367, IPR2024-00368, and IPR2024-00369. Tr. 1.

B. Real Parties in Interest

Petitioner identifies itself as the real party in interest. Pet. 1.

Patent Owner identifies itself as the real party in interest. Paper 4, 1 (Patent Owner's Mandatory Notices).

C. Related Matters

Petitioner indicates that the '310 patent was asserted in *Calabrese Stemer LLC v. Visa, Inc.*, No. 09-cv-60269-Hurley/Hopkins (S.D. Fla.) (filed February 19, 2009) (terminated June 16, 2009). Pet. 1.

Petitioner further indicates that, concurrently with the filing of the Petition, it submitted petitions for *inter partes* review of two related patents, U.S. Patent Nos. 7,954,706 and 8,783,564. Pet. 1.

D. The '310 Patent

The '310 patent is titled "Mobile Phone Charge Card Notification and Authorization Method," and "relates to credit and debit transactions and to related charge notification and charge authorization." Ex. 1001, code (54), 1:10–12.

Figure 1 of the '310 patent is reproduced below.

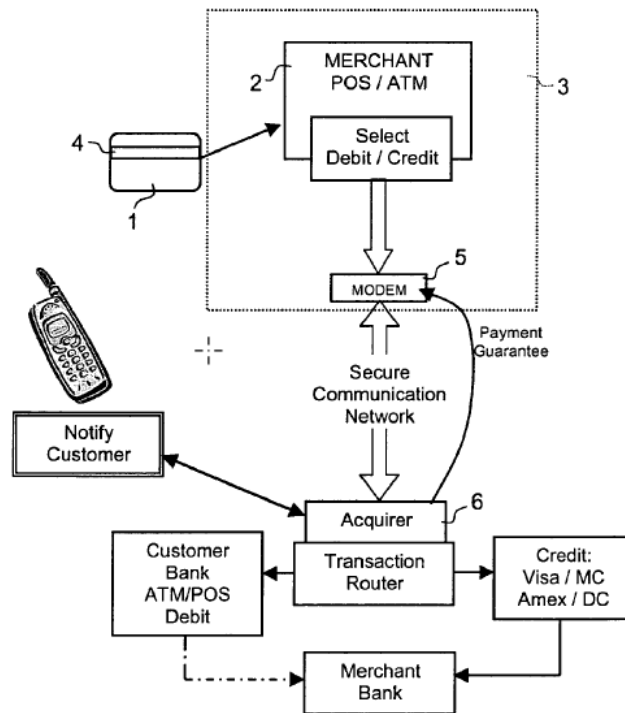


FIG. 1

Figure 1 of the '310 patent is a schematic diagram illustrating a cashless sales transaction in which a customer is notified during the transaction. Ex. 1001, 2:33–35, 2:42–44. As described by the '310 patent, charge card 1 is swiped at magnetic card reader 2 at merchant terminal 3 (e.g., a store, ATM, or virtual terminal), or the card number is manually entered at merchant terminal 3. *Id.* at 2:44–49. Before the customer signs for the purchase, merchant terminal 3 connects, through modem 5, to acquirer 6, which obtains information from modem 5 and “checks against its data sources whether or not the transaction should be authorized.” *Id.* at 2:59–60. At the same time, a corresponding customer profile is checked as to the customer’s set preferences concerning the notification/authorization options. *Id.* at 2:60–63. When “the customer’s profile is set to simple ‘notification,’”

the system notifies the customer by sending a message (e.g., amount charged and merchant name) to the customer's wireless device (e.g., a cell phone).

Id. at 2:64–3:3.

E. Illustrative Claim

Claims 1 and 3 are independent claims. Claim 1, reproduced below, is illustrative of the subject matter of the challenged claims.

1. [1pre] A payment authorization method, which comprises:

[1a] gathering, at a merchant's, account information for payment of a customer's purchase;

[1b] transmitting an authorization request to a financial authorization system requesting payment authorization for the customer's purchase via a first transmission channel;

[1c] notifying the customer that the authorization request has been received by transmitting, via a second transmission channel independent of and separate from the first transmission channel between the merchant's and the financial institution, a notification to a communications device associated with the customer; and

[1d] processing the transaction for payment authorization substantially without requiring a direct communications link between the communications device associated with the customer and the merchant's and substantially without requiring a response to the notification from the communications device associated with the customer.

Ex. 1001, 5:14–6:4; *see also* Pet. iv (adding limitation designations).

F. Prior Art and Asserted Grounds

We instituted trial on the following grounds:

Claim(s) Challenged	35 U.S.C. § ²	Reference(s)/Basis
1–4	102(b)	Horie ³
1–4	103(a)	Horie

Petitioner relies on the testimony of Dr. Robert Akl, D.Sc. (Ex. 1003) and Glenn J. Perry (Ex. 1004). Patent Owner relies on the testimony of Werner Stemer (Ex. 2001).⁴ None of the witnesses were cross-examined.

II. ANALYSIS

A. Legal Standards

A patent claim is unpatentable under 35 U.S.C. § 102 if “the four corners of a single, prior art document describe every element of the claimed invention, either expressly or inherently, such that a person of ordinary skill in the art could practice the invention without undue experimentation.” *Advanced Display Sys., Inc. v. Kent State Univ.*, 212 F.3d 1272, 1282 (Fed. Cir. 2000). “A single prior art reference may anticipate without disclosing a feature of the claimed invention if such feature is necessarily present, or

² The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112–29, 125 Stat. 284, 285–88 (2011), included revisions to 35 U.S.C. §§ 102 and 103 that became effective on March 16, 2013. Because the ’310 patent issued from an application having a filing date of March 11, 2005, we apply the pre-AIA version of the statutory basis for unpatentability. *See* Ex. 1001, code (22).

³ Japanese Patent Application 2002-133100, published May 10, 2002 (Ex. 1009). All citations are to the Petitioner-provided English translation. Ex. 1006.

⁴ Mr. Stemer’s testimony was filed under seal. Patent Owner also filed a redacted, public version of the testimony. Ex. 2002.

inherent, in that reference.” *Allergan, Inc. v. Apotex Inc.*, 754 F.3d 952, 958 (Fed. Cir. 2014). Moreover, the reference must also “disclose[] within the four corners of the document not only all of the limitations claimed but also all of the limitations arranged or combined in the same way as recited in the claim.” *Net MoneyIN, Inc. v. Verisign, Inc.*, 545 F.3d 1359, 1371 (Fed. Cir. 2008). However, “the reference need not satisfy an *ipsissimis verbis* test.” *In re Gleave*, 560 F.3d 1331, 1334 (Fed. Cir. 2009).

In *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1 (1966), the Supreme Court set out a framework for assessing obviousness under 35 U.S.C. § 103 that requires consideration of four factors: (1) the “level of ordinary skill in the pertinent art,” (2) the “scope and content of the prior art,” (3) the “differences between the prior art and the claims at issue,” and (4) if in evidence, “secondary considerations” of non-obviousness such as “commercial success, long-felt but unsolved needs, failure of others, etc.” *Id.* at 17–18. “While the sequence of these questions might be reordered in any particular case,” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 407 (2007), the U.S. Court of Appeals for the Federal Circuit has repeatedly emphasized that “it is error to reach a conclusion of obviousness until all those factors are considered,” *WBIP, LLC v. Kohler Co.*, 829 F.3d 1317, 1328 (Fed. Cir. 2016).

B. Level of Ordinary Skill in the Art

The level of ordinary skill in the pertinent art at the time of the invention is a factor in how we construe patent claims. *See Phillips v. AWH Corp.*, 415 F.3d 1303, 1312–13 (Fed. Cir. 2005) (en banc). It is also one of the factors we consider when determining whether a patent claim is obvious over the prior art. *See Graham*, 383 U.S. at 17–18.

Factors pertinent to a determination of the level of ordinary skill in the art include “(1) the educational level of the inventor; (2) type of problems encountered in the art; (3) prior art solutions to those problems; (4) rapidity with which innovations are made; (5) sophistication of the technology; and (6) educational level of active workers in the field.” *Envtl. Designs, Ltd. v. Union Oil Co. of Cal.*, 713 F.2d 693, 696–697 (Fed. Cir. 1983) (citing *Orthopedic Equip. Co. v. All Orthopedic Appliances, Inc.*, 707 F.2d 1376, 1381–82 (Fed. Cir. 1983)). “Not all such factors may be present in every case, and one or more of these or other factors may predominate in a particular case.” *Id.*

Petitioner argues that a person having ordinary skill in the art would have had “experience in the hardware and software used in the field of securely transmitting and processing authorization requests over wired and wireless networks, such as requests for the processing of financial transactions,” and “a bachelor’s degree in computer science, computer engineering, electrical engineering, or a related study, and would have at least one or two years of experience with wired and wireless networks used to securely process requests for authorization of activity such as financial transactions.” Pet. 9 (citing Ex. 1003 ¶ 22). Petitioner further argues that “[l]ess experience is necessary with additional education (e.g., a Master’s degree), and likewise, less education is necessary with additional work experience (e.g., 5–6 years).” *Id.*

Patent Owner “adopts, for the purposes of this submission, the definition of the level of ordinary skill in the art as proffered by Petitioner, Pet. 7–8, and as adopted by the Board, Dec. 7–9, with the ‘exception of the open-ended phrase “at least.”’” PO Resp. 3. Despite that agreement, Patent

Owner also suggests additional or different qualifications relating to education and experience such as “educat[ion] in general physics and/or . . . experience in wireless and wired network technology. Further, the person of ordinary skill in the art will be experienced in data transmission over secure transmission channels and open, non-secured transmission channels.” *Id.*; *see also* PO Sur-reply 2–3.

Petitioner opposes the qualifications proposed by Patent Owner. Pet. Reply 2. According to Petitioner, “Patent Owner offers no evidence or explanation as to why they should be included in the definition of a [person having ordinary skill in the art] or how these qualifications affect the ultimate issues of anticipation and obviousness in this proceeding.” *Id.*

In the Institution Decision, we adopted Petitioner’s proposed definition except for the use of the phrase “at least.” Inst. Dec. 8–9. We also cautioned the parties that “[i]f a different level of skill” than the one adopted in the Institution Decision “would affect the outcome in this case, the parties must brief that issue as well. The failure of Patent Owner to describe how a different level of skill in the art is determinative will be a forfeiture of that argument.” *Id.* at 9 n.3.

We maintain the definition of a person having ordinary skill in the art that we adopted in the Institution Decision. First, it is supported by the testimony of Dr. Akl. Ex. 1003 ¶ 22. Second, Patent Owner states that it adopts that definition. PO Resp. 3. Third, to the extent Patent Owner proposes expanding the definition, Patent Owner has not explained how that difference would materially affect the outcome of this proceeding. *Id.* Fourth, Patent Owner does not point to sufficient evidence to support its position. *Id.* Although Patent Owner argues that “the supporting evidence

[for its addition] is broadly present in the case, namely, in the Patent-in-Suit and the associated intrinsic evidence,” Patent Owner does not direct us to any specific portion of the record. *See id.* We decline to search the record to find the evidence that supports it. *See United States v. Dunkel*, 927 F.2d 955, 956 (7th Cir. 1991) (“Judges are not like pigs, hunting for truffles buried in briefs.”); *DeSilva v. DiLeonardi*, 181 F.3d 865, 866–67 (7th Cir. 1999) (“A brief must make all arguments accessible to the judges, rather than ask them to play archaeologist with the record.”).

C. Claim Construction

We apply the same claim construction standard used in the federal courts, in other words, the claim construction standard that would be used to construe the claim in a civil action under 35 U.S.C. § 282(b), which is articulated in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc). *See* 37 C.F.R. § 42.100(b) (2023). Under the *Phillips* standard, the “words of a claim ‘are generally given their ordinary and customary meaning,’” which is “the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention, i.e., as of the effective filing date of the patent application.” *Phillips*, 415 F.3d at 1312–13.

Petitioner argues that “no claim terms require an express construction.” Pet. 9 (citing Ex. 1003 ¶ 62).

Patent Owner requests construction of the term “merchant’s” (in limitations 1a, 1c, and 1d) and of limitation 1c. PO Resp. 4–5, 16–24.

We address the construction of those two terms below. Additionally, because “we need only construe terms ‘that are in controversy, and only to the extent necessary to resolve the controversy,’” we need not expressly

construe any other claim terms. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999)).

1. “Merchant’s”

In the Institution Decision, we identified “merchant’s” as a potential typographical error that might need correcting. *See* Inst. Dec. 10 n.5.

Patent Owner argues that “merchant’s” is a “slightly antiquated” “grammatical form” that “refers to a store or a location.” PO Resp. 4. According to Patent Owner, “merchant’s” refers “to an entity (i.e., a device, a location, a store, etc.) under the control of the merchant.” *Id.*

Petitioner “agrees with Patent Owner that ‘merchant’s’ refers to anything in the possession or control of the recited merchant, including the merchant’s terminal.” Pet. Reply 3.

In light of the agreement of the parties and its use in the prosecution history (*see* Ex. 1002, 45), the term “merchant’s” means an entity (i.e., a device, a location, a store, etc.) under the control of the merchant. This is broad enough to encompass a merchant’s terminal.

2. *Limitation 1c*

Limitation 1c recites “[1c] notifying the customer that the authorization request has been received by transmitting, via a second transmission channel independent of and separate from the first transmission channel between the merchant’s and the financial institution, a notification to a communications device associated with the customer.” Ex. 1001, 5:21–26.

Patent Owner argues that the limitation means:

notifying the customer that the authorization request has been received by transmitting, via a second transmission channel **that is** independent of and separate from the first transmission channel between the merchant's and the financial institution **and that does not overlap with the first transmission channel**, a notification to a communications device associated with the customer.

PO Resp. 16–17 (*italics omitted*); *see also id.* at 16–24; PO Sur-reply 7–12. More specifically, Patent Owner argues that “independent of and separate from” excludes overlapping: “When two transmission channels are separate and independent from one another, they do not overlap. *There is no overlap, not even a partial overlap, between the two transmission channels.* They are independent of one another and they are separate from one another.” PO Resp. 17 (*emphasis added*).

Petitioner argues that we should not adopt Patent Owner's proposed construction. Pet. Reply 10–19. According to Petitioner, the plain and ordinary meaning does not preclude some overlap between the first transmission channel and the second transmission channel. *Id.* at 11.

As discussed below, Petitioner has shown by a preponderance of the evidence that Horie anticipates claims 1 under Patent Owner's proposed construction. *See* Section II.E.3. Because we only construe limitations “to the extent necessary to resolve the controversy,” we do not expressly construe this limitation. *See Nidec*, 868 F.3d 1017 (quoting *Vivid*, 200 F.3d at 803).

D. Petitioner's Motion to Exclude Exhibit 2001

Petitioner filed a timely objection to the Declaration of Mr. Stemer (Ex. 2001, “Stemer Declaration”). Paper 27; *see also* Paper 26 (Order setting forth expedited period for objections to Exhibit 2001). Petitioner

preserved the objection by filing a timely motion to exclude. Mot. Exclude. Specifically, Petitioner argues that we should exclude Exhibit 2001 for three reasons: (1) it is untimely and prejudicial (37 C.F.R. §§ 42.23(b), 42.53(b); Fed. R. Evid. 403), (2) hearsay (Fed. R. Evid. 802), and (3) the best evidence rule (Fed. R. Evid. 1002). *Id.*

The Stemer Declaration is used only to support Patent Owner’s arguments with respect to secondary considerations.⁵ PO Sur-reply 19–22; Ex. 2001; Ex. 2002. Because we do not reach obviousness, *see infra* Section II.F, we do not consider the Stemer Declaration, and we therefore dismiss the motion to exclude as moot.

E. Anticipation by Horie

1. Overview of Horie

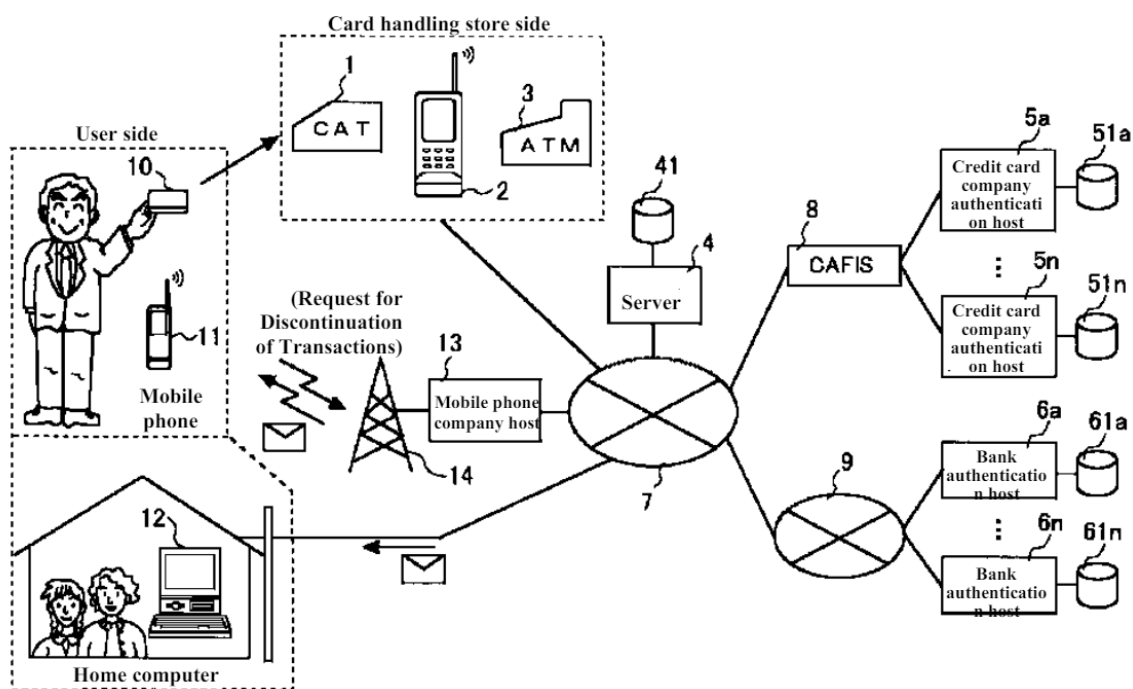
Horie is titled “Card Usage Status Notification Method,” and discloses “a card payment transaction system that enables online card payment transactions through data communication between a card transaction terminal device and a card authentication host,” in which the “card authentication host is provided with a means to create an email to notify the user of a card payment transaction, and a means to send the above created email to a pre-specified address for each card.” Ex. 1006, code (57).

⁵ Patent Owner’s Sur-reply references an “Affidavit” which we understand to be the document filed as Paper 17 and designated as available only to “Filing Party and Board.” *See* Paper 19, Order Conduct of the Proceeding, entered January 31, 2025. Subsequently, Patent Owner filed this “Affidavit” (which was a declaration, *see* Paper 19, 2 n.6) as Exhibit 2001 and a redacted version as Exhibit 2002. *See* Exhibit 3001 (February 19, 2025 Board email to parties requiring Patent Owner to refile the confidential declaration as an exhibit and additionally to file a public version).

Horie describes providing a notification via, *e.g.*, a mobile phone or personal computer, that a card payment transaction has been made. Ex. 1006, code (57), ¶ 1. Horie describes that the conventional card payment transaction system provides information regarding such transactions via receipts provided during the transaction and in periodic invoices and usage status inquiry services. *Id.* ¶¶ 3–4. Horie notes that a fraudulent transaction may not be discovered for some time, and that there may be situations in which one party wishes to track legitimate transactions of others using the credit card account. *Id.* ¶ 4. Thus, Horie proposes a system by which a card usage status notification is made via email or mobile phone notification. *Id.* ¶¶ 5, 6, 8, 12–18, 20–22. The notification may include “transaction content information such as card usage date and time and card usage location information.” *Id.* ¶¶ 16, 17, 23.

Horie’s Figure 1 is reproduced below,

[FIG. 1]



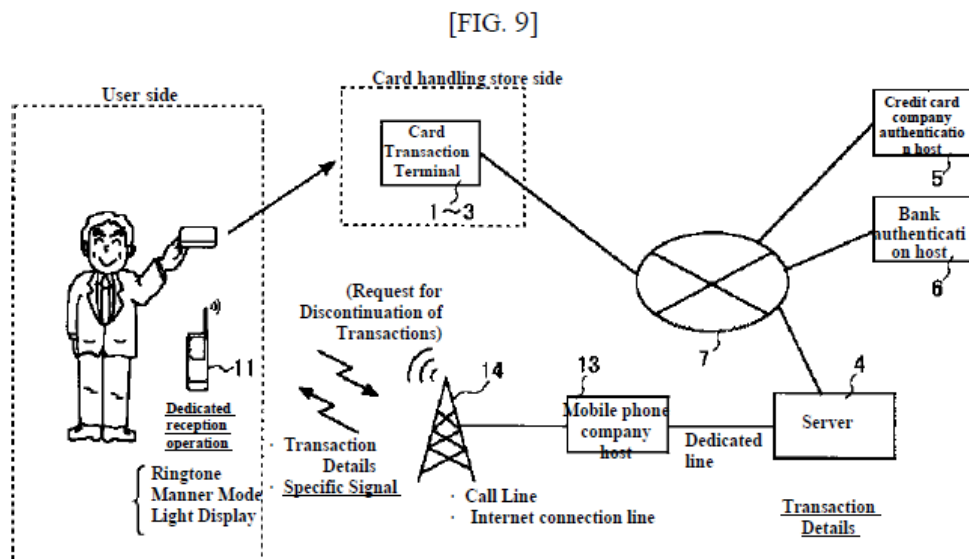
Horie Figure 1 “is a diagram showing a schematic configuration of a card payment transaction system.” Ex. 1006, “Brief Description of the Drawings”. In Figure 1, card 10 is used for a payment and authenticated using card transaction terminal devices 1, 2, and 3. *Id.* ¶¶ 39, 44. Credit card company authentication hosts 5a–5n perform card authentication processing for credit cards in conjunction with CAFIS⁶ 8 and bank authentication hosts 6a–6n perform authentication for debit cards in conjunction with an interbank network 9. *Id.* ¶¶ 39–40. Network 7 connects the card transaction terminal devices 1, 2, and 3, with CAFIS 8 and interbank network 9. *Id.* ¶¶ 39, 42. In addition, user’s mobile phone 11 and home computer 21 are connected to the network 7. *Id.* ¶ 41. Information processing server 4 is also connected to network 7. *Id.* ¶¶ 39, 44.

Horie describes that, based on an authentication processing request from the card transaction terminal, information is transmitted to the card authentication host. *Id.* ¶ 53, Fig. 3. The authentication process is then performed, and, if successful, a signal indicating success and any necessary data is transmitted back to the card transaction terminal. *Id.* ¶¶ 54, 56, Fig. 3. A predetermined file is then called to determine whether a notification should be sent via email. *Id.* ¶¶ 57, 58, Fig. 3. If the email notification is requested, the email is sent via the information processing server, and an email transmission processing request is made. *Id.* ¶¶ 59–60, Fig. 3.

⁶ CAFIS refers to the “Credit And Finance Information Switching system,” a cashless payment platform used in Japan. *See* <https://www.nttdata.com/global/en/about-us/ntt-data-history> (accessed May 19, 2025).

Horie also describes that, in addition to the embodiment, “although an e-mail is sent to notify the user after the card authentication process in the card payment transaction, the email can also be sent, for example, during the card authentication process.” *Id.* ¶ 73. Horie continues, “[i]n such a case, for example, it would be possible to prevent fraudulent card use by making it possible to issue a transaction cancellation request to the authentication hosts 5 to 6 via the mobile phone 11.” *Id.*

Horie Figure 9 is reproduced below.



Horie Figure 9 “is a diagram showing a schematic configuration of another aspect” of the invention. Ex. 1006, “Brief Description of the Drawings.” The card payment system of Figure 9 “is similar to that of the first embodiment, but in that the mobile phone company host 13 is connected to the server 4 via a dedicated line. *Id.* ¶ 76. “[W]hen there is a card payment transaction, . . . a processing request is sent from the side of the server 4 to the host of the applicable mobile phone company to make such notification.” *Id.* ¶ 77.

2. *Figure 1 and Figure 9*

In the Institution Decision, we observed that “Petitioner and Dr. Akl refer to both the Figure 1 and Figure 9. *See, e.g.*, Pet. 15 (Figure 9), 18 (Figure 1); Ex. 1003 ¶ 81 (relying on both Figure 1 and Figure 9).” Inst. Dec. 14 n.8. Although we focused on the Figure 1 in the Institution Decision, we suggested that the parties brief whether it is appropriate in an anticipation analysis to consider features of both Figures 1 and 9. Inst. Dec. 14 n.8 (citing *Net MoneyIN, Inc. v. Verisign, Inc.*, 545 F.3d 1359, 1371 (Fed. Cir. 2008)).

Patent Owner argues that “it is generally not proper in an anticipation context to combine different embodiments of a prior art disclosure and to pick and choose elements from the different embodiments.” PO Resp. 14. However, Patent Owner further notes that Figure 9 shows everything in Figure 1, but in a simplified form:

Fig. 9 of Horie also includes the CAFIS (8) network and the “dedicated bank line” (9). Fig. 9, which includes everything from Fig. 1, is simplified relative to Fig. 1. *See, for example*, the use of “5” and “6,” as opposed to “5a – 5n.” The network in Fig. 9 uses the same pathways as Fig. 1. Only the description and the illustration are simplified and abbreviated for space.

Id. Patent Owner continues by stating that the two figures are “related” and that Petitioner’s use of the two figures is “of little impact.” *Id.*

Petitioner argues that “the Petition’s analysis of anticipation of claims 1–4 in view of Horie is consistent with the law of anticipation.” Pet. Reply 4; *see also id.* at 4–7. Specifically, Petitioner agree with Patent Owner that there is “no substantive differences between Figures 1 and 9 for purposes of anticipation, the arguments set forth in the Petition.” Pet. Reply 5.

In light of the parties' agreement that the two figures are related with Figure 9 showing a more simplified version, the use of both Figure 1 and Figure 9 is appropriate. *See also* Ex. 1006 ¶ 76 (describing Figure 9 as having a "basic configuration [that] is similar to that of" Figure 1). That is, they are just different aspects of the same invention, not different embodiments.

3. *Analysis of Claim 1*

a) *Limitations Ipre: The Preamble*

The preamble of claim 1 recites "[a] payment authorization method." Ex. 1001, 5:14. Petitioner argues that Horie discloses the preamble. *See* Pet. 14–15.

Patent Owner does not address Petitioner's arguments regarding the preamble of claim 1. PO Resp. 24.

After reviewing Petitioner's arguments and evidence, we are persuaded that Petitioner sufficiently demonstrates that Horie discloses the preamble of claim 1.⁷ Our specific findings are set forth below.

Horie "relates to a card usage status notification method that automatically notifies a card user, etc. that a card payment transaction has occurred via a network, and a card payment transaction system using the same method." Ex. 1006 ¶ 1; *see also* Ex. 1003 ¶ 81. Horie Figures 1 and 9 shows a schematic for that system which provides a payment authorization method. Ex. 1006, Fig. 1, 9; Ex. 1003 ¶ 81.

⁷ Because Petitioner has sufficiently shown that Horie discloses the preamble, we need not determine whether the preamble is limiting. *See Nidec*, 868 F.3d at 1017.

b) Limitation 1a: The Gathering Step

Claim 1 further recites “[1a] gathering, at a merchant’s, account information for payment of a customer’s purchase.” Ex. 1001, 5:15–16. Petitioner argues Horie discloses that limitation. *See* Pet. 15–17.

Patent Owner does not address Petitioner’s arguments regarding limitation 1a. PO Resp. 24.

After reviewing Petitioner’s arguments and evidence, we are persuaded that Petitioner sufficiently demonstrates that Horie discloses limitation 1a. Our specific findings are set forth below.

Horie discloses a card transaction terminal device at a merchant’s store which reads “transaction details information, and other necessary information.” Ex. 1006 ¶ 46; *see also id.* at Fig. 1 (showing a terminal in a store); Ex. 1003 ¶ 83. That information includes “card number information” and may also include “the transaction type . . . , transaction amount . . . , transaction product classification . . . , payment method, . . . transaction settlement . . . , transaction product classification, . . . ID information for each card transaction terminal, card password information input by the user, and the like.” Ex. 1006 ¶ 47; *see also* Ex. 1003 ¶ 83. A person having ordinary skill in the art would have understood the “card information number” to be an example of “account information.” Ex. 1003 ¶ 83.

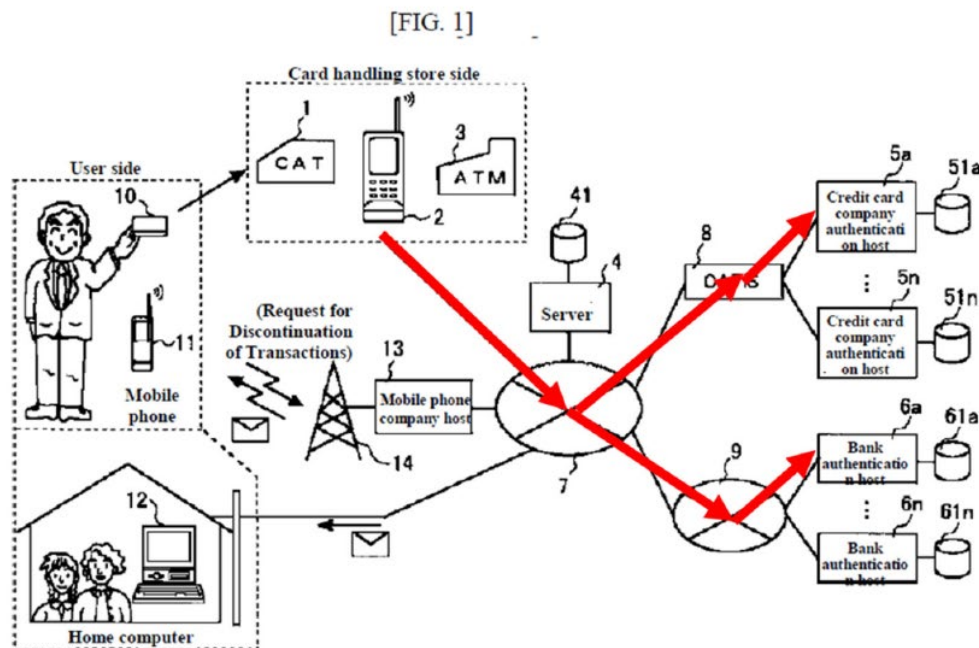
c) Limitation 1b: The Transmitting Step

Claim 1 further recites “[1b] transmitting an authorization request to a financial authorization system requesting payment authorization for the customer’s purchase via a first transmission channel.” Ex. 1001, 5:17–20. Petitioner argues that Horie discloses that limitation. *See* Pet. 17–19.

Patent Owner does not address Petitioner's arguments regarding limitation 1b. PO Resp. 24.

After reviewing Petitioner’s arguments and evidence, we are persuaded that Petitioner sufficiently demonstrates that Horie discloses limitation 1b. Our specific findings are set forth below.

Horie discloses that “when [a] card 10 owned by a card user is used for payment transactions via card transaction terminal devices 1 to 3, card authentication processing is performed between card transaction terminal devices 1 to 3 and each authentication host via CAFIS 8.” Ex. 1006 ¶ 44; *see also* Ex. 1003 ¶ 86. This is can be done by transmitting the data using a first transmission channel from the transaction terminal to either a credit card authorization host (vias CAFIS) or bank authentication host. Ex. 1006, Figs. 1, 2 (step 204); *see also* Ex. 1003 ¶¶ 86–87. An annotated version of Figure 1 showing that first transmission channel is reproduced below.



Ex. 1003 ¶ 86 (citing Ex. 1006, Fig. 1). Horie Figure 1 is “[a] schematic configuration of the entire card payment transaction system.” Ex. 1006 ¶ 39. Petitioner has added red arrows showing the transmission channels from the store to the various authentication hosts. Ex. 1003 ¶¶ 86–87.

d) Limitation 1c: The Notifying Step

Claim 1 further recites “[1c] notifying the customer that the authorization request has been received by transmitting, via a second transmission channel independent of and separate from the first transmission channel between the merchant’s and the financial institution, a notification to a communications device associated with the customer.” Ex. 1001, 5:21–26. Petitioner argues that Horie discloses limitation 1c. *See* Pet. 19–23.

After reviewing all of the arguments and evidence, we are persuaded that Petitioner sufficiently demonstrates that Horie discloses limitation 1c. Our specific findings are set forth below.

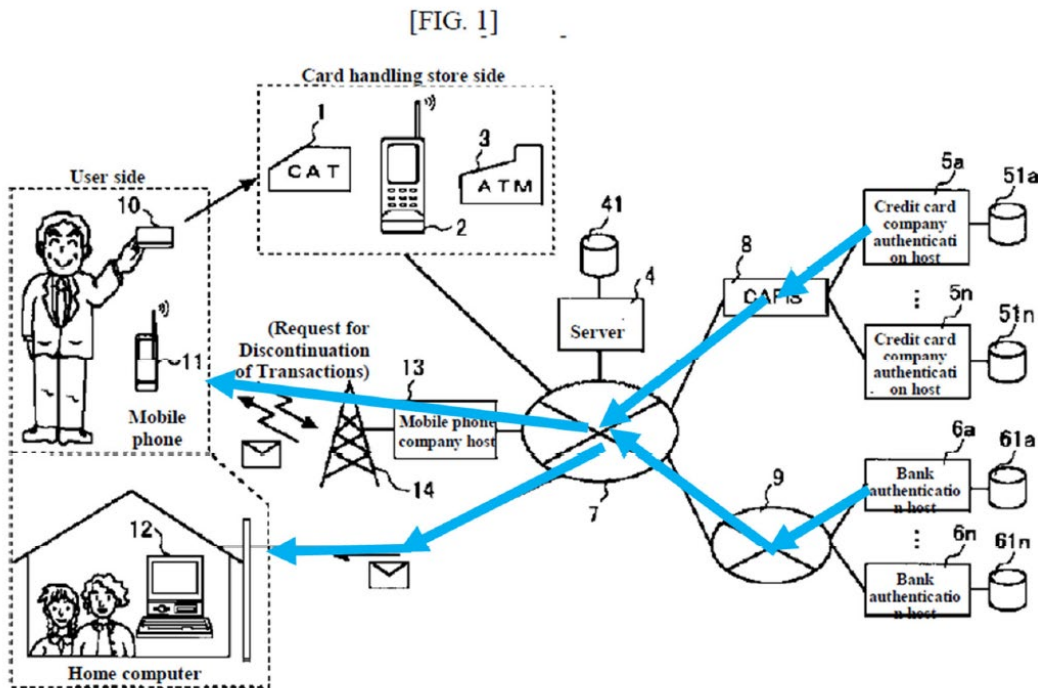
Horie discloses notifying a customer via email when a card transaction has been received for authorization. Ex. 1006 ¶ 44, Fig. 1; Ex. 1003 ¶ 90. This email can be sent either after the transaction has been approved or during the transaction authentication process. Ex. 1006 ¶¶ 71, 73; *see also* Ex. 1003 ¶¶ 90, 102. Regardless of which time, the email will be sent after the transaction has been received. *See* Ex. 1003 ¶ 89.

With respect to Figure 9, Horie further discloses “that the mobile phone company host 13 is connected to the server 4 via a dedicated line.” Ex. 1006 ¶ 76; *see also id.* ¶ 78; Pet. 23; Ex. 1003 ¶ 95. Horie further discloses that the notification is generated by the server and sent to the user’s phone. Ex. 1006 ¶¶ 44, 77; *see also* Pet. 22; Ex. 1003 ¶ 94. As shown in Figure 9, the second transmission channel goes from server 4 (which

generates the notification email) to mobile phone company host 13 via a dedicated line and is then transmitted to the user side. Ex. 1006 ¶ 77, Fig. 9; *see also* Pet. 23; Ex. 1003 ¶ 95. There is no overlap between this second transmission channel and the first transmission channel identified above in subsection (c). *See* Ex. 1003 ¶ 95.

Having an entity besides the bank/financial entity (like server 4) send the email is consistent with the invention as shown in the '310 patent. According to the '310 patent, acquirer 6 sends the email immediately upon receipt of the transaction, not the customer bank, the merchant bank, or the credit card company. Ex. 1001, 3:43–46, Fig. 1; Ex. 1003 ¶ 32.

Patent Owner argues, asserting its claim construction (discussed *supra* Section II.C.2) that that because the first transmission channel overlaps the second transmission channel, Horie does not disclose limitation 1c. PO Resp. 13–16, 24; PO Sur-reply 5, 13–15. In making its argument, Patent Owner relies on an annotated version of Horie Figure 1 presented in the testimony of Dr. Akl. *See* PO Resp. 15; PO Sur-reply 13. That figure is reproduced below.



PO Resp. 15; PO Sur-reply 13; Ex. 1003 ¶ 91 (citing Ex. 1006, Figure 1). Horie Figure 1 is “[a] schematic configuration of the entire card payment transaction system.” Ex. 1006 ¶ 39. Dr. Akl has added blue arrows showing the second transmission channel from the various authentication hosts to the user’s mobile phone and home computer. Ex. 1003 ¶¶ 91–92. According to Patent Owner, the annotated figure “shows that the ‘response’ to an authorization request is sent from the box 5a (*Credit card company authentication host*) through CAFIS 8 to the network 7 and from the box 6a (*Bank authentication host*) through the dedicated bank line 9.” PO Resp. 15; *see also* PO Sur-reply 13–14. Patent Owner further argues that “[f]rom the network 7 (Fig. 1) or from the server 4 (Fig. 9), the notification is sent by email to the home computer 12 and/or to the mobile phone 11.”

PO Resp. 15; PO Sur-reply 14. Based on that, Patent Owner argues that “[t]here exists a considerable overlap between the first and second

transmission channels” and that the two transmission channels “are not different and separate in the sense of the claimed invention.” PO Resp. 16.

We do not agree with Patent Owner’s conclusion. Petitioner presents two arguments. Petitioner’s first argument is represented by the version of Horie Figure 1, with blue annotations, reproduced above. *See* Pet. 19–23. We agree with Patent Owner that the second transmission channel in the annotated version of the figure overlaps the first transmission channel, which, if we were to adopt Patent Owner’s claim construction, might defeat Petitioner’s showing. But that argument is moot as we do not rely on that argument by Petitioner.

Instead, we rely on Petitioner’s second argument that maps dedicated line shown in Horie Figure 9 as the second transmission channel: “Moreover, Horie discloses that ‘mobile phone company host 13 is connected to the server 4 via a dedicated line,’ which a POSITA would have understood to mean a line distinct from other lines of communication.” Pet. 23 (citing Ex. 1003 ¶ 95). That second transmission channel extends from server 4 to the user via mobile phone company host 13 and that second transmission channel does not overlap with the first transmission channel. Ex. 1003 ¶ 95. Patent Owner does not address this second argument. *See* PO Resp. 13–16, 24; PO Sur-reply 13–15. And, as discussed above, we are sufficiently persuaded by Petitioner’s second argument.

Patent Owner also argues that because “Horie does not discuss the concept of sending one message over a line that is secure and another message over a different line that may or may not be secure,” Horie does not disclose the limitation. *See, e.g.*, PO Resp. 14. According to Patent Owner,

“[t]he concept is not discussed in Horie; on the other hand, the concept is central to the speed of the ‘310 invention.” *Id.*

Similarly, Patent Owner argues that the networks in Horie are relatively slow. PO Resp. 15. According to Patent Owner, “speed and efficiency of the process are essential.” *Id.*

We do not agree. Patent Owner has not identified any claim language that requires the first transmission channel to be secured and the second transmission channel to be unsecured, or that makes any reference to speed. Nor do we see such a limitation in the claims or even Patent Owner’s proposed construction. *See* PO Resp. 16–17. Accordingly, because Patent Owner’s arguments are not commensurate with the scope of the claim, we do not agree with them. *See In re Self*, 671 F.2d 1344, 1348 (CCPA 1982).

e) Limitation 1d: The Processing Step

Claim 1 further recites “[1d] processing the transaction for payment authorization substantially without requiring a direct communications link between the communications device associated with the customer and the merchants and substantially without requiring a response to the notification from the communications device associated with the customer.” Ex. 1001, 5:27–6:4. Petitioner argues that Horie discloses limitation 1d. *See* Pet. 23–25.

Patent Owner does not address Petitioner’s arguments regarding limitation 1d.⁸ PO Resp. 24.

⁸ We note that limitation 1d recites substantially the same limitation as one Patent Owner addresses regarding limitation 3a. *See* PO Resp. 27. To the extent Patent Owner intended those arguments to apply to this limitation, we incorporate our analysis of limitation 3a. *See* Section II.E.5.a, *infra*.

After reviewing Petitioner’s arguments and evidence, we are persuaded that Petitioner sufficiently demonstrates that Horie discloses limitation1d. Our specific findings are set forth below.

Horie describes two situations in which this limitation is disclosed. First, Horie discloses sending an email *after* the transaction has been authenticated. Ex. 1006 ¶¶ 71, 73; *see also* Pet. 24; Ex. 1003 ¶ 102. Because the email is being sent after the transaction is authorized, the transaction was authorized without waiting for a response to the email. Ex. 1003 ¶ 102; *see also* Pet. 24–25.

Second, Horie describes sending an email during the authentications process. Ex. 1006 ¶ 73; *see also* Pet. 24. Although Horie describes how a user can cancel a transaction, based on the current record, there is no discussion of the need to approve the transaction. *See id.*; Ex. 1003 ¶ 103; *see also* Pet. 25.

Accordingly, based on the current record, “[n]either of these embodiments require any affirmative action on the part of the customer to process a transaction in response to the notification.” Ex. 1003 ¶ 103.

f) Conclusion Regarding Claim 1

For the reasons set forth above, Petitioner has demonstrated by a preponderance of the evidence that the subject matter of claim 1 was anticipated by Horie.

4. Analysis of Claim 2

Claim 2 depends from claim 1 and further recites “wherein the authorization request includes the account information and a monetary amount, and the notification to the communications device associated with

the customer includes the monetary amount.” Ex. 1001, 6:5–9. Petitioner argues that Horie discloses limitation 1d. *See* Pet. 25–26.

Patent Owner does not address Petitioner’s arguments regarding limitation 1a. PO Resp. 24.

After reviewing Petitioner’s arguments and evidence, including the Akl Declaration (Ex. 1003), which Patent Owner does not address separately (*see* PO Resp. 24), we are persuaded that Petitioner sufficiently demonstrates that Horie discloses the additional limitation recited in claim 2.

Accordingly, Petitioner has demonstrated by a preponderance of the evidence that the subject matter of claim 2 was anticipated by Horie.

5. *Analysis of Claim 3*

a) Limitation 3pre: The Preamble

The preamble of claim 3 recites:

In a charge card payment authorization method, wherein a charge is requested at a merchant’s, account information for payment of a customer’s purchase is acquired at the merchant’s, an authorization request is transmitted from a terminal associated with the merchant’s to a remote charge processing facility, and the charge request is processed, the improvement which comprises:

Ex. 1001, 6:10–16. Petitioner argues Horie discloses the preamble.

Pet. 26–27. Patent Owner does not address Petitioner’s arguments regarding the preamble of claim 3. PO Resp. 26–27.

After reviewing Petitioner’s arguments and evidence, including the Akl Declaration (Ex. 1003), which Patent Owner does not address separately

(see PO Resp. 26–27), we are persuaded that Petitioner sufficiently demonstrates that Horie discloses the preamble of claim 3.⁹

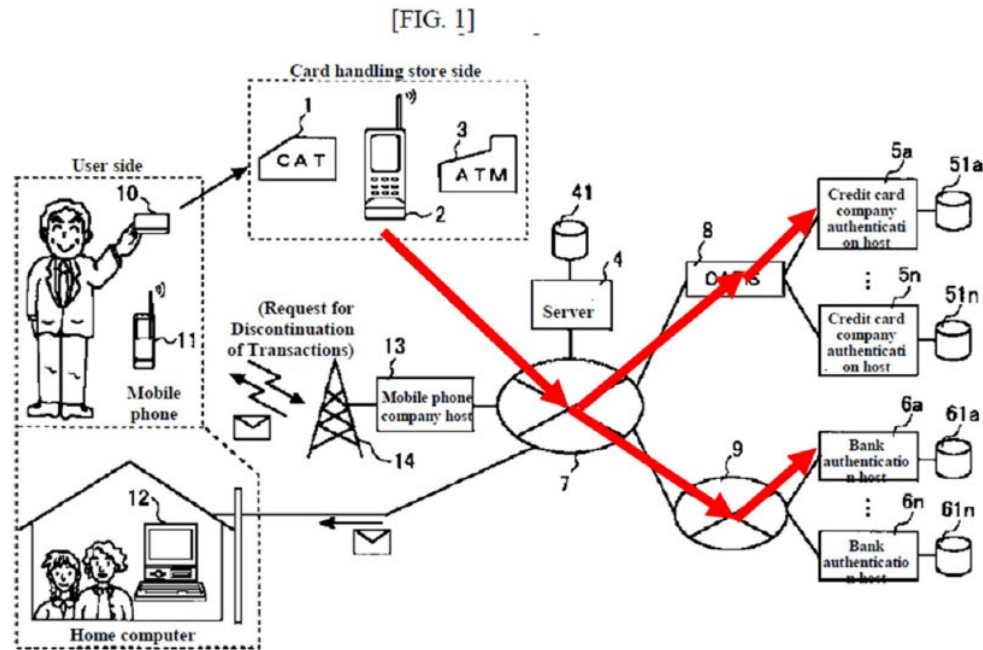
b) Limitation 3a: Processing the Charge Request Without Customer Activity

Limitation 3a recites “processing the charge request substantially exclusively through communication between the merchant’s and the remote processing facility and substantially without requiring activity on the part of the customer.” Ex. 1001, 6:16–20. Petitioner argues Horie discloses limitation 3a. Pet. 27–28 (incorporating Pet. 17–19, 23–25); Pet. Reply 20–22. For the reasons set forth below, we are sufficiently persuaded by Petitioner’s argument.

Horie discloses that “when [a] card 10 owned by a card user is used for payment transactions via card transaction terminal devices 1 to 3, card authentication processing is performed between card transaction terminal devices 1 to 3 and each authentication host via CAFIS 8.” Ex. 1006 ¶ 44; *see also* Ex. 1003 ¶ 86. This is can be done by transmitting the data using a transmission channel extending from a CAT (a type of terminal) to either a credit card authentication host or a bank authentication host. Ex. 1003 ¶¶ 86, 87; Ex. 1006, Figs. 1, 2 (step 204). An annotated version of Figure 1¹⁰ showing that transmission channel is reproduced below.

⁹ Because Petitioner has sufficiently shown that Horie discloses the preamble, we need not determine whether the preamble is limiting. *See Nidec*, 868 F.3d at 1017.

¹⁰ This is identical to the annotated version of Figure 1 showing the first transmission channel from the Petition, except for a different coloring.



Ex. 1003 ¶ 86 (citing Ex. 1006, Fig. 1). Horie Figure 1 is “[a] schematic configuration of the entire card payment transaction system.” Ex. 1006 ¶ 39. Dr. Akl added red arrows showing the transmission channels from the store to the various authentication hosts. Ex. 1003 ¶¶ 86–87.

Once the request is sent to the processing company—either credit card company 51 or the bank 62—the charge request is processed without requiring any activity by the user. *See* Ex. 1003 ¶ 112; Ex. 1006 ¶ 44, Fig. 2. “Specifically, when card 10 owned by a card user is used for payment transactions via card transaction terminal devices 1 to 3, card authentication processing is performed between card transaction terminal devices 1 to 3 and each authentication host via CAFIS 8.” Ex. 1006 ¶ 44. After the request is processed, “an e-mail is sent from the side of server 4 to the mobile phone 11 owned by the card user and the PC 12 owned by the card user at home to notify the user that there was a card payment transaction.” *Id.* The fact that the email notifies the user that a credit card

request was processed implies that the request was approved prior to the email being sent to the user. *See* Ex. 1003 ¶¶ 102–103, 114; Ex. 1006 ¶¶ 71, 73.

Patent Owner argues that limitation 3a “disqualifies Horie’s primary embodiment, in which a response from the customer is required.” PO Resp. 27. We do not agree.

First, Patent Owner does not cite any evidence, not even the paragraphs of Horie, that support its argument. PO Resp. 27. We will not search the record for evidence that supports Patent Owner’s naked assertions. *See Dunkel*, 927 F.2d at 956; *DeSilva*, 181 F.3d at 866–67. Without any such evidence, it is simply attorney argument, which we give no weight. *See Elbit*, 881 F.3d at 1359 (Fed. Cir. 2018); *Gemtron*, 572 F.3d at 1380.¹¹

Second, Patent Owner’s argument is inconsistent with its own understanding of Horie. Patent Owner concedes that Horie only sends emails after the transaction is authenticated: “[A]ll the detailed teachings in

¹¹ In a footnote, Patent Owner notes that Petitioner’s objection to attorney argument “begs the question why a patent attorney who is educated in general physics and, as here, is an inventor in the subject Patent, should not be enabled to discuss the meaning and interpretation of a claim term. Indeed, should Petitioner continue with the position that the arguments presented by Patent Owner through the undersigned should be disqualified as ‘attorney argument,’ counsel is ready to present his qualifications as an expert in the field and to provide any such disqualified statements by way of an expert report.” PO Sur-reply 7 n.20. Patent Owner misunderstands our rules. The time for submitting expert testimony has long passed. Regardless, Patent Owner never submitted any testimonial evidence relating to anticipation.

Horie describe sending out a notification after authentication.” PO Resp. 10. Patent Owner then describes this process in more detail:

In Horie, upon receiving a charge request, the card processing system proceeds with the authentication. . . .

If the authentication is successful in Horie, the system proceeds with the authorization process according to the “transaction details” at 308. After the transaction is authorized, the system queries the database at 310 whether the customer has a request on file to be sent an e-mail. When the answer to the query is “yes,” an email is prepared and sent as requested at 311.

Id. at 12. If, as Patent Owner says, the notification—that is, a communication with the user—occurs only after authentication of a charge transaction, that means that there can be no activity by the user necessary to process the charge. *See* Ex. 1003 ¶¶ 102–103.

Third, Horie describes an alternate embodiment in which an email is sent during the authentication process. Ex. 1006 ¶ 73. However, although Horie describes a user canceling a transaction after receiving such an email, there is no discussion of the need to approve the transaction. *Id.*; *see also* Ex. 1003 ¶ 103. Thus, even in that embodiment, limitation 3a is disclosed by Horie.

Fourth, even if certain embodiments of Horie did disclose processing the charge in a manner requiring activity of the user, that is inapposite. “Just as ‘an accused product that sometimes, but not always, embodies a claimed method nonetheless infringes,’ *Bell Communications Research, Inc. v. Vitalink Communications Corp.*, 55 F.3d 615, 622–623 (Fed. Cir. 1995), a prior art product that sometimes, but not always, embodies a claimed method nonetheless teaches that aspect of the invention.” *Hewlett-Packard Co. v. Mustek Sys., Inc.*, 340 F.3d 1314, 1326 (Fed. Cir. 2003)). For example, in

Power Integrations, Inc. v. Fairchild Semiconductor International, Inc., 843 F.3d 1315, 1336 (Fed. Cir. 2016), the Federal Circuit determined that it was sufficient to show that a reference anticipated in “the process of startup,” even if the reference did not anticipate during “normal operation,” reasoning that “[n]othing in the claims [the operation described in the limitation to occur] during the power supply’s normal operation.” *See also ParkerVision, Inc. v. Qualcomm Inc.*, 903 F.3d 1354, 1361 (Fed. Cir. 2018) (“Similarly, a prior art reference may anticipate or render obvious an apparatus claim—depending on the claim language—if the reference discloses an apparatus that is reasonably capable of operating so as to meet the claim limitations, even if it does not meet the claim limitations in all modes of operation.”). Therefore, because Horie discloses at least one embodiment that discloses limitation 3a, it is of no moment that another embodiment might not disclose the limitation, e.g., by requiring customer activity to process a charge request.

c) Limitation 3b: The Transmitting Step

Limitation 3b recites “transmitting a notification of the charge request to a wireless device associated with the customer no later than immediately after authorizing the charge request.” Ex. 1001, 6:20–23. Petitioner argues that Horie discloses limitation 3b. Pet. 28–31; Pet. Reply 23. For the reasons set forth below, we are sufficiently persuaded by Petitioner’s argument.

Horie states that “when using card payment transactions, both normal card authentication processing and card usage status notification via email are performed simultaneously.” Ex. 1006 ¶ 43; *see also* Ex. 1003 ¶ 119. In addition, Horie describes how the notification can be sent after the card

authentication process. Ex. 1006 ¶ 73; Ex. 1003 ¶ 119. This is consistent with the flow chart shown in Horie Figure 3, which shows processing the transaction request (step 308) before sending a transmission processing request (step 311). Ex. 1006, Fig. 3; Ex. 1003 ¶ 119. Because Horie describes that “when a payment transaction is made using a card that the card user owns, the card user can *immediately know* through the mobile phone 11 that the card payment transaction has been made,” (Ex. 1006 ¶ 72 (emphasis added)), a person having ordinary skill in the art would have understood that the system transmits the notification of the charge request (e-mail) to a customer no later than immediately after authorizing the charge request (Ex. 1003 ¶¶ 119–120).

Additionally, Horie discloses that the email can be sent wirelessly from relay base station 14 associated with mobile phone company host 13 to mobile phone 11 associated with the user. Ex. 1006, Figs. 1, 9; Ex. 1003 ¶¶ 91–92.

In its Response, Patent Owner recites this limitation and then states the following: “That is, the time window within which the notification is sent is framed by the ‘receipt of the charge request’ and the time instant ‘immediately after’ the charge request is authorized.” PO Resp. 27. Patent Owner then indicates that claim 4 “‘shortens’ the applicable time window,” quotes claim 4, and then states that “Horie does not disclose, nor fairly suggest, this feature, as outlined above.” *Id.*

Based on the above, it is not clear if Patent Owner is arguing that Horie does not disclose only claim 4 or both limitation 3b and claim 4. But even if we give Patent Owner the benefit of the doubt and assume that the statement is directed to both limitation 3b and claim 4, at most, Patent

Owner states that Horie does not disclose this limitation without citing any evidence. PO Resp. 27. That is not sufficient as we will not search the record for evidence that supports Patent Owner's bare assertions. *See Dunkel*, 927 F.2d at 956; *DeSilva*, 181 F.3d at 866–67. As described above, we find Petitioner has shown by a preponderance of the evidence that Horie discloses limitation 3b.

d) Conclusion Regarding Claim 3

For the reasons set forth above, Petitioner has demonstrated by a preponderance of the evidence that the subject matter of claim 3 was anticipated by Horie.

6. Analysis of Claim 4

Claim 4 depends from claim 3 and recites “transmitting the notification immediately upon receiving the charge request and prior to authorizing the charge request.” Ex. 1001, 6:24–26. Petitioner argues Horie discloses the additional limitation recited in claim 4. Pet. 31; Pet. Reply 23–24. For the reasons set forth below, we are sufficiently persuaded by Petitioner's argument.

According to Horie, once a payment request is made, authentication of the transaction and sending an email is “performed simultaneously.” Ex. 1006 ¶ 43; *see also* Ex. 1003 ¶ 122. Additionally, Horie further describes how the email is sent “during the card authentication process,” that is before the authentication process is completed. Ex. 1006 ¶ 73; *see also* Ex. 1003 ¶ 122. A person having ordinary skill in the art would have understood “that sending the e-mail notification during the card authentication process in Horie would have been prior to the conclusion of the process where the charge is authorized, because that would have been the

only way in which fraudulent card use could have been prevented.”

Ex. 1003 ¶ 122 (emphasis omitted). Therefore, “Horie discloses transmitting the notification immediately upon receiving the charge request and prior to authorizing the charge request.” *Id.* ¶ 121.

Patent Owner argues that claim 4 requires that “the notification to the customer’s wireless device is transmitted before the charge request is authorized.” PO Resp. 27. According to Patent Owner, “Horie does not disclose, nor fairly suggest, this feature, as outlined above.” *Id.* Instead, according to Patent Owner, (1) if the transaction is approved, no notification is sent and (2) if the transaction is sent, the notification is sent after the approval. PO Resp. 12 (citing Ex. 1006, Fig. 3).

We do not agree. As discussed above for limitation 3b, Horie discloses two different embodiments. *See* Section II.E.5.(b). Although, as Patent Owner argues, the notification is sent after the charge has been authorized, in the other the notification is sent during the authentication process. *Id.* Patent Owner addresses neither that embodiment nor Dr. Akl’s un rebutted testimony, discussed above, that a person having ordinary skill in the art would have understood that in that embodiment the notification would have been sent immediately upon receiving the charge. *See* Ex. 1003 ¶ 121. And, as discussed above, the prior art only needs to practice the limitation some of the time, not all of the time. *See* Section II.E.5.(b) (citing *Hewlett-Packard*, 340 F.3d 1314; *Power Integrations*, 843 F.3d 1315; *ParkerVision, 903 Inc. v. Qualcomm Inc.*, 903 F.3d 1354).

Patent Owner also argues that claim requires that that “the notification is independent of the authorization, in that it is transmitted before the charge request is authorized.” PO Resp. 10. Patent Owner argues that Horie does

not disclose how this is to be accomplished and Dr. Akl's testimony is conclusory. *Id.*

We do not agree with Patent Owner's argument. As for the timing of the email, as described above, in some embodiments, Horie describes sending the notification immediately: "Furthermore, according to the present embodiment, when a payment transaction is made using a card that the card user owns, the card user can *immediately* know through the mobile phone 11 that the card payment transaction has been made, and early detection of card fraud, etc. is also possible." Ex. 1006 ¶72 (emphasis added). Moreover, because the notification is sent "during the card authentication process" (Ex. 1006 ¶73), a person having ordinary skill in the art would have understood that the notification is sent prior to authorizing the request. *See* Ex. 1003 ¶¶ 119–122.

As for the detail in Horie about how the notification is sent (*see, e.g.*, Ex. 1006 ¶¶ 71–73), we note that the level of detail provided in Horie is no different from the detail provided in the '310 patent (*see* Ex. 1001, 3:43–46.) This lack of detail in the '310 patent is strong evidence that it is within the ability of a person having ordinary skill in the art without undue experimentation. *See In re Epstein*, 32 F.3d 1559, 1568 (Fed. Cir. 1994) ("[T]he Board's observation that appellant did not provide the type of detail in his specification that he now argues is necessary in prior art references supports the Board's finding that one skilled in the art would have known how to implement the features of the references."). Moreover, we find Dr. Akl's testimony (Ex. 1003 ¶ 122) regarding what a person having ordinary skill in the art would have understood to be credible and supported by the citations to Horie.

Patent Owner further argues that because the '310 patent cannot be used to prevent fraud, Horie points in a different direction. PO Resp. 10–11. According to Patent Owner, “Horie rather teaches away from the claimed invention of the ‘310 Patent.” *Id.* at 11.

We do not agree with Patent Owner’s argument. “Although this alleged teaching away would be relevant to an obviousness analysis, ‘whether a reference “teaches away” from [an] invention is inapplicable to an anticipation analysis.’” *Clearvalue, Inc. v. Pearl River Polymers, Inc.*, 668 F.3d 1340, 1344 (Fed. Cir. 2012) (quoting *Celeritas Techs., Ltd. v. Rockwell Int’l Corp.*, 150 F.3d 1354, 1361 (Fed. Cir. 1998)).

For the reasons set forth above, Petitioner has demonstrated by a preponderance of the evidence that the subject matter of claim 4 was anticipated by Horie.

F. Obviousness Over Horie

Petitioner argues that the challenged claims of the '310 patent are unpatentable as obvious in view of Horie. Pet. 11, 31–38. Because we determine that the challenged claims are anticipated by Horie, we do not address the parties’ arguments regarding those claims based on an alternate ground. *See Boston Sci. Scimed, Inc. v. Cook Gp. Inc.*, 809 F. App’x 984, 990 (Fed. Cir. 2020) (“We agree that the Board need not address issues that are not necessary to the resolution of the proceeding.”).

III. EVIDENCE UNDER SEAL

We also remind the parties of the public’s interest in maintaining a complete and understandable file history, and of the general expectation that information will be made public where the existence of the information is identified in a final written decision following a trial. *See Consolidated Trial*

Practice Guide (2019), 21–22.¹² We also note that confidential information subject to a protective order ordinarily becomes public 45 days after denial of an institution decision or entry of a final judgment in a trial. *See id.* After the denial of institution or entry of final judgment, a party may file a motion to expunge confidential information from the record prior to the information becoming public. *See id.*; 37 C.F.R. § 42.56.

IV. CONCLUSION

For the foregoing reasons, we conclude that Petitioner has demonstrated by a preponderance of the evidence the unpatentability of the challenged claims of the '310 patent. Specifically, Petitioner has shown by a preponderance of the evidence that the challenged claims are unpatentable as anticipated by Horie. We also dismiss Petitioner's motion to exclude Exhibit 2001 as moot.

In summary:

Claim(s)	35 U.S.C. §	Reference(s)/Basis	Claim(s) Shown Unpatentable	Claim(s) Not Shown Unpatentable
1–4	102(b)	Horie	1–4	
1–4	103(a)	Horie ¹³		
Overall Outcome			1–4	

¹² Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

¹³ As explained above, because we determine that claims 1 through 4 are unpatentable as anticipated by Horie, we decline to address those claims on this ground.

V. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that, Petitioner has shown by a preponderance of the evidence that claims 1–4 of the '310 patent are unpatentable; and

FURTHER ORDERED, that Petitioner's Motion to Exclude (Paper 29) is *dismissed* as moot;

FURTHER ORDERED that because this is a Final Written Decision, parties to the proceeding seeking judicial review of the decision must comply with the notice and service requirements of 37 C.F.R. § 90.2.

IPR2024-00367
Patent 7,357,310 B2

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