DRP_PTABDecision@uspto.gov
571-272-7822

Paper 37
Entered: November 7, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VISA, INC.,
Petitioners,

v.

CORTEX MCP, INC.,
Patent Owner.

IPR2024-00486 (Patent 9,251,531 B2)[1]
IPR2024-00489 (Patent 10,749,859 B2)
IPR2024-00490 (Patent 11,329,973 B2)

Before KALYAN K. DESHPANDE, *Acting Chief Administrative Patent Judge*, MICHAEL W. KIM, *Vice Chief Administrative Patent Judge,* and JEFFREY W. ABRAHAM, *Acting Vice Chief Administrative Patent Judge.*

DESHPANDE, *Acting Chief Administrative Patent Judge*.

DECISION
Delegated Director Review of
Final Written Decision Determining All Challenged Claims Unpatentable
37 C.F.R. § 42.75

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[1] IPR2024-00487 has been consolidated with IPR2024-00486. This Decision applies to each of the above-listed proceedings.

A. INTRODUCTION

Visa, Inc. ("Petitioner") filed a Petition requesting *inter partes* review of claims 1–20 ("the challenged claims") of U.S. Patent No. 9,251,531 B2 (Ex. 1001, "the '531 patent"). Paper 2 ("Pet.").[2] On August 2, 2024, the Board instituted *inter partes* review as to all challenged claims and all asserted grounds of unpatentability. Paper 8. Following institution, Cortex MCP, Inc. ("Patent Owner") filed a Response (Paper 14, "PO Resp."), Petitioner filed a Reply (Paper 18, "Pet. Reply"), and Patent Owner filed a Sur-reply (Paper 26, "PO Sur-reply"). At the conclusion of trial, the Board issued a Final Written Decision determining that (a) Petitioner had met its burden of showing, by a preponderance of the evidence, claims 1, 3–6, 8–18, and 21–33 unpatentable, and (b) Petitioner failed to meet its burden in showing claims 2, 7, 19, and 20 unpatentable.[3] Paper 31 ("Dec.").

Patent Owner filed a Request for Director Review seeking to reverse the Board's Final Written Decision with respect to claims 1, 3–6, 8–18, and 21–33 (Paper 32 "Req."), and Petitioner filed a Response to the Request for Director Review (Paper 33). The Director delegated review to a Delegated Rehearing Panel to determine whether the Board panel misapprehended or overlooked any issue[4], including (1) whether the Board failed to meaningfully evaluate the parties' claim construction positions as to the

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[2] Citations are to the record in IPR2024-00486. The parties filed similar papers in IPR2024-00489 and IPR2024-00490 presenting similar issues.
[3] The Final Written Decision addressed claims 1–20 challenged in IPR2024-00486 and claims 20–33 challenged in IPR2024-00487.
[4] We reviewed whether the Board panel misapprehended or overlooked any issue as instructed in the Director's Order. DRP Order 3.

disputed limitation; (2) whether the Board advanced its own theory of unpatentability as to Oborne; and (3) whether Petitioner established that Oborne discloses or teaches the disputed limitation based on the arguments and evidence the parties presented during trial. Paper 34 ("DRP Order"). Having reviewed the entire record, we conclude that the Board panel did not misapprehend or overlook any issue that was previously addressed in papers filed with the Board, in determining that the challenged claims were unpatentable. We therefore deny Patent Owner's request.

B. BOARD ANALYSIS

1. Whether the Board panel failed to meaningfully evaluate the parties' claim construction positions

We are unpersuaded that the Board panel failed to meaningfully evaluate the parties' claim construction positions as to the disputed limitation.

In the Petition, Petitioner proposed a construction for "a virtual representation of the credential that has been verified by an issuing agency to be an official representation of the credential" to "require that an issuing agency have verified a *virtual representation* in an OVER[5] file as being an official representation of a credential." Pet. 14 (citing Ex. 1005 ¶¶ 112–15) (emphasis in original). Patent Owner did not offer a construction, stating that "the Board does not need to construe any terms." Prelim. Resp. 20–21.

[5] "OVER" refers to an "Official Verifiable Electronic Representation." Ex. 1001, 3:50–51.

In the Decision Granting Institution, the Board panel construed the disputed term as proposed by Petitioner. Paper 8, 13.

After institution, Patent Owner reiterated that "no construction is necessary to confirm the claims," stated that it agreed in substance with the Board's construction, and clarified that the limitation requires "the issuing agency has verified the 'virtual representation' (and not the 'credential') to be 'an official representation of the credential.'" PO Resp. 10 (citing Ex. 2013, 10–11; Ex. 2009 ¶ 45). When arguing that Oborne does not teach the claimed verification, Patent Owner identified an embodiment of the '531 patent describing the claimed verification as

> [t]he OVER File database 128 may contact the issuing agency database 130, such as a state DMV database, and provide the driver's license identification number to the issuing agency database 130. The issuing agency database may respond by indicating the validity of the requested credential containing the driver's license identification number and may provide the legal name, address, and birth date of the person associated with the driver's license identification number.

Id. at 12 (citing Ex. 1001, 6:44–52; Ex. 2009 ¶ 49).

In its Reply, Petitioner referenced Patent Owner's cited example when arguing that "[Patent Owner] thus admits that a virtual representation of the credential may be 'verified by an issuing agency' by checking credential data against an issuing-agency database." Pet. Reply 2 (citing Ex. 1001, 6:22–54; Ex. 1047, 37:24–41, 41:2–22). In its Sur-Reply, Patent Owner again states that no construction is needed and further argued that Petitioner misinterpreted the Response's example of verifying a driver's license identification number. PO Sur-reply 1–2. Specifically, Patent Owner argued that "[r]ather than 'checking credential data' in a database, the cited

example explains that the credential is verified." *Id.* at 2 (citing Ex. 1001, 6:18–20 ("The application gateway may request 126 generation of an OVER File and ***verification of the generated OVER File credential***.") (emphasis in original), 6:12–61; Tr. 39:3–20).

We have considered the claim constructions positions set forth by both parties and determine that the Board panel addressed meaningfully both Petitioner and Patent Owner's positions. *See* Dec. 10–11. In its Final Written Decisions, the Board panel maintained its construction from the Institution Decision requiring "that an issuing agency have verified a virtual representation in an OVER file as being an official representation of a credential." *Id.* at 11. This construction was proposed by Petitioner, and Patent Owner agreed in substance. PO Resp. 10. In addition, in response to Patent Owner's arguments, the Board panel clarified its construction as "encompass[ing] (1) considering the OVER file as the credential and verifying the OVER file, or (2) verifying a virtual representation of the credential contained within the OVER file." Dec. 11. This clarification was responsive to Patent Owner's argument. For these reasons, we determine the Board panel fully and meaningfully considered the parties' claim construction positions.

2. Whether the Board advanced its own theory of unpatentability as to Oborne

In the Final Written Decision, the Board panel found that Oborne discloses the disputed limitation by teaching that "the issuing agency verifies the token (which includes the XML virtual representation of the bank checking account credential) by 'pre-authorizing' the token for a predefined

amount." Dec. 25. In addressing Patent Owner's argument that verifying credential data alone is insufficient to meet the claimed verifying limitation, the Board panel stated:

> Oborne discloses more than simply verifying in the abstract that credential data supplied by the user is correct. Oborne discloses that the issuer may first generate a token by parsing a form submitted by the client "to extract data fields and values from the form to generate a token data record," such as the XML data structure in Oborne's paragraph 47. Ex. 1011 ¶ 47. Then, the "***token*** may be pre-funded" by "obtain[ing] assurance that the funds have been uniquely and exclusively allocated for the token from the source ***to which the token points***." *Id*. (emphasis added). Thus, Oborne discloses verifying that the ***token*** including the XML bank account information in its data structure (the virtual representation of the bank account information) is valid, not merely that bank account information, standing alone, is valid.

Dec. 27.

In its Request for Director Review, Patent Owner characterizes the Board's reliance on Oborne's "two-step process for pre-funded tokens" as a new theory that was never presented in the Petition or during trial. Req. 4 (citing Dec. 25–27). In particular, Patent Owner argues that "the Petitions offered only a single sentence vaguely asserting that Oborne disclosed this limitation when an issuer operated the token server." Req. 8 (citing Pet. 23). According to Patent Owner, Petitioner did not assert that Oborne taught a first step of generating a token and a second step of credential checking. *Id.* at 6–8 (citing Dec. 27). Patent Owner acknowledges that Petitioner's Reply discussed Oborne's discussion of pre-funding tokens, but contends that "[u]nlike the Board's unpatentability finding, [Petitioner] never argued that Oborne's pre-funded tokens are checked ***after*** the token is generated." *Id.* at

7 (citing Pet. Reply 3–4). Instead, Patent Owner argues that the Reply "referred to checking credential data before generating the token." *Id.* Consequently, Patent Owner argues that the Board panel violated the Administrative Procedure Act by depriving Patent Owner of notice of this alleged new theory of unpatentability. *Id.* at 9–11.

We are not persuaded that the Board advanced its own new theory of unpatentability. To the contrary, as discussed in more detail below, the Final Written Decision properly relied upon evidence and arguments presented in the Petition and permissibly clarified in the Reply by Petitioner in response to arguments raised by Patent Owner.

Patent Owner's assertion that "[t]he Final Written Decision canceled the claims because a two-step process for Oborne's pre-funded tokens allegedly disclosed the [disputed] limitation" is inapposite. Req. 4. The Final Written Decision cited paragraph 47—a paragraph first cited in the Petition, and relied on throughout the trial. Dec. 27; Pet. 21–23; Reply 3–4. The Final Written Decision need not be a verbatim recounting of the Petition; rather the Board may articulate the same reasoning in the Petition in its own words. *See Sirona Dental Sys. GmbH v. Institut Straumann AG*, 892 F.3d 1349, 1356 (Fed. Cir. 2018) (concluding that "the Board did not deviate from the grounds in the petition" by relying upon different terms than those used in the petition and citing for support the same portions of the prior art that the petition cited.)

Second, the Final Written Decision provided this reasoning in response to Patent Owner's argument that Oborne discloses only "verifying the underlying credential" rather than verifying "that a token . . . is an

official representation of the underlying credential." Dec. 26–27. That is, the Board provided further clarification to the same theory advanced by the Petitioner and disputed by Patent Owner throughout the trial. *Id.* at 27. Patent Owner acknowledges that Petitioner addressed this issue in its Reply. Req. 6 (citing Reply 4). Petitioner's Reply, which Patent Owner cites, itself includes a citation to paragraph 47 of Oborne, further demonstrating that this is not a new theory. Reply 4 (citing Ex. 1011 ¶ 47). *See Sirona*, 982 F.3d at 1356 ("Because the petition provided [Patent Owner] notice and opportunity to address the portions of [the prior art] relied on by the Board, the Board's reliance on these portions of [the prior art] did not violate the APA and is not inconsistent with *SAS*.).

We note that paragraph 47 of Oborne appears to disclose multiple embodiments, some of which may include a two-step process. But there is sufficient evidence demonstrating that Petitioner relied on Oborne's disclosure of a pre-funded token throughout the trial, which further undermines Patent Owner's assertion that the Board panel presented and relied upon a new theory in the Final Written Decision. Patent Owner appears to acknowledge this in its Request. Req. 7 ("[T]he only reasonable interpretation of Visa's Reply is that it referred to checking credential data ***before*** generating the token."). Additionally, prior to the Request, Patent Owner never argued that the disputed claim limitation required any particular ordering of events. Thus, to the extent the Board's final determination did depend on a particular order of events in Oborne, there is no evidence in the record that indicates it would have had any impact on the outcome.

For these reasons, we determine the Board panel did not advance its own theory of unpatentability as to Oborne.

3. Whether Petitioner established that Oborne discloses or teaches the disputed limitation based on the arguments and evidence the parties presented during trial

We determine that Petitioner established that Oborne discloses the disputed limitation based on the arguments and evidence the parties presented during trial.

As discussed above, Petitioner asserted that Oborne discloses the disputed limitation because Oborne discloses "any entity can operate as the token server, and it specifically identifies that the token may be provided by the credential's 'funding source'—that is, by the agency that issued the credential." Pet. 22–23 (citing Ex. 1011 ¶¶ 29, 47–48, 53, 58). Petitioner further contended, relying on its expert Dr. Shamos, that "[b]y generating the token and providing it to the user to represent the credential it has issued, the issuer would be verifying it to be an official representation of the credential." Ex. 1005 ¶¶ 240–42. In the Reply, Petitioner further contends that Oborne discloses verification by "obtaining 'assurance' of sufficient funds from the issuer for pre-funded tokens." Pet. Reply 4 (citing Ex. 1011 ¶ 47). We agree with the Board panel that Petitioner's evidence demonstrates that Oborne discloses the disputed limitation.

Specifically, the Board panel found that Oborne teaches the disputed limitation because "Oborne discloses that the issuing agency verifies the token (which includes the XML virtual representation of the bank checking account credential) by 'pre-authorizing' the token for a predefined amount" through the following disclosure of Oborne:

> In some implementations, each token may be pre-funded. For example, ***the source of the token*** (e.g., issuer, acquirer, independent token arbitrator) ***may first obtain assurance that the funds have been uniquely and exclusively allocated for the token from source to which the token points***. Thus, in some implementations, ***the token may be pre-funded and preauthorized for up to (or in in the alternative, for exactly) a predefined amount*** of a purchase transaction.

Dec. 25 (citing Ex. 1011 ¶ 47). We agree with the Board panel that Oborne's disclosure of pre-funding and pre-authorizing a bank issued token and providing that token to a user demonstrates that the token is verified. *Id.* at 25–27 (citing Ex. 1011 ¶ 47).

In the Request for Director Review, Patent Owner characterizes the Board panel's finding as Oborne teaching *post*-funding tokens because "[t]he Final Written Decision found that Oborne's ¶ 47 disclosed first creating a token in the form of the XML data structure shown in that paragraph and then verifying the information contained in the token with the database of the issuing agency." Req. 11–12 (citing Dec. 27). Based on this characterization, Patent Owner argues that "[t]he Board clearly abused its discretion by finding that Oborne disclosed issuing agency verification by purportedly ***post***-funding tokens, when in fact Oborne's ¶ 47 exclusively taught ***pre***-funding tokens." *Id.* at 11 (citing Dec. 26–27; Ex. 1011 ¶ 47).

We are not persuaded by Patent Owner's argument. First, the Board panel did not find that Oborne discloses post-funding tokens. Instead, as explained above, the Board panel found that Oborne discloses pre-funding or pre-authorizing a token. Dec. 25–27 (citing Ex. 1011 ¶ 47). Second, Patent Owner argues that Oborne's pre-funding and pre-authorization "refer to ***before*** generating the token data structure in Oborne's ¶ 47" (Req. 12), but

Patent Owner does not provide any evidence to support this assertion. Rather than referring to a time before generating the token data structure, Oborne's describes the pre-funding and pre-authorization in reference to a purchase transaction. Ex. 1011 ¶ 47 ("Some implementations, the token may be pre-funded and pre-authorized for up to (or in the alternative, for exactly) a predefined amount *of a purchase transaction*.").

Finally, Patent Owner does not persuasively show that this argument is material to the Board panel's finding that Oborne teaches the disputed limitation. The disputed limitation does not include a temporal requirement, instead only reciting "an OVER file comprising a virtual representation of the credential that has been verified by an issuing agency to be an official representation of the credential." Ex. 1001, 21:24–27. Petitioner's assertion that Oborne discloses verification, by "obtaining 'assurance' of sufficient funds from the issuer for pre-funded tokens" (Pet. Reply 4), teaches verification of the recited virtual representation of the credential, whether pre-funding or pre-authorization occur before or after the token is generated.

C. CONCLUSION

We conclude that the panel did not err in its unpatentability determinations for the challenged claims.

D. ORDER

Accordingly, it is

ORDERED that Patent Owner's Request for Director Review is denied.

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FOR PETITIONER:

Matthew Argenti
Michael Rosato
Patrick Medley
Joseph Baillargeon
WILSON SONSINI GOODRICH & ROSATI
margenti@wsgr.com
mrosato@wsgr.com
pmedley@wsgr.com
jbaillargeon@wsgr.com

FOR PATENT OWNER:

Douglas Wilson
Michelle Armond
Yue Han
Patrick Maloney
ARMOND WILSON LLP
michelle.armond@armondwilson.com
doug.wilson@armondwilson.com
amy.han@armondwilson.com
patrick.maloney@armondwilson.com