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Paper 40
Date: August 25, 2026

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

APPLE INC.,
Petitioner,

v.

VARIA HOLDINGS LLC,
Patent Owner.

IPR2024-01362 (Patent 8,381,974 B2)
IPR2024-01363 (Patent 9,405,947 B2)
IPR2024-01364 (Patent 8,127,984 B2)[1]

Before JOHN A. SQUIRES, *Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office*.

ORDER

[1] This order applies to each of the above-listed proceedings.

Varia Holdings LLC ("Patent Owner") filed a request for Director Review of the Final Written Decision in each of the above-captioned *inter partes* reviews ("IPRs"), and Apple Inc. ("Petitioner") authorized responses. *See* Papers 37 ("Request"), 38 ("Request").[2]

The Board's Final Written Decision in each of the IPRs found that Petitioner established, by a preponderance of the evidence, that the challenged claims of the patents-at-issue are unpatentable as obvious. *See* Paper 36 ("Decision"). The Board concluded that it was "unnecessary to formalize a comprehensive construction" for two disputed key claim limitations—RFID transponder and RFID transponder data—even though Patent Owner proposed constructions for those terms. Specifically, Patent Owner argued a construction that would require another component to emulate a physical transponder. *Id.* at 16–18, 22. The Board did not construe the claim language but ultimately agreed that the claims required emulating a transponder. The Board then found that the prior art disclosed the required emulation, notwithstanding the presence of a physical transponder, agreeing with Petitioner that, under a functional emulation theory, the claims do not require the absence of a physical transponder. *Id.* at 39–40.

In the Request, Patent Owner argues that the Board erred in adopting and applying Petitioner's functional emulation position. Request 1–4. Patent

[2] The Request and Response are substantively the same in all three IPRs and, therefore, this Order cites to the papers filed in IPR2024-01362 for ease of reference. Further, unless otherwise noted, all citations are to the record in IPR2024-01362.

Owner insisted during trial that the claims require emulation such that a component mimics the response of the transponder, i.e., without using the actual transponder being emulated. *Id.* at 2–3, 13–14. The prosecution history, according to Patent Owner, confirms that emulation is required, as the Board acknowledged. *Id.* at 14; Ex. 1008, 276. Patent Owner contends that neither of the two prior art references Petitioner asserts against the independent claims relies on a component that emulates the transponder, without using the actual transponder. *Id.* at 3–4. Patent Owner also argues that Petitioner raised its position on emulation, i.e., emulation in presence of the transponder being emulated, too late and solely with respect to a dependent claim and different prior art. *Id.* at 4–5, 8. And Patent Owner asserts that Petitioner did not support its belated emulation position with any factual evidence, relying instead on bare expert testimony. *Id.* at 9–10.

Petitioner responds that the challenged patents' specifications and prosecution histories support the Board's conclusion. Response 5–7. According to Petitioner, the Board's finding that the prior art teaches emulation flows from the Board's additional finding that the "claims do not rule out the use of" the actual transponder to generate the claimed signals. *Id.* at 7–8. Petitioner also urges denial of the Request, arguing that it properly raised its emulation position in the Reply to demonstrate that emulation does not inherently require the absence of the physical device being emulated. *Id.* at 12–13.

Having considered the Request and Response, I find that the Decisions warrant further review by a Delegated Rehearing Panel ("DRP"). The Board's finding that Petitioner's "emulation" position is "implicit" in the scope of the challenged claims appears inconsistent with how the challenged patents describe, or the prosecution history reflects, implementing the disputed limitations. Decision 23–27. Patent Owner argued that every reference to the output of signals in the patents' specifications is directed to the component emulating the transponder. *Id.* at 17. The Board did not disagree with this assertion; instead, it found that none of these disclosures provides a basis for adding a negative limitation, i.e., to exclude the emulated device (the transponder) from performing the claimed functions. *Id.* at 23–25.

The Board also considered the applicant's prosecution disavowal, but limited it, without further explanation, to *standalone* devices. *Id.* at 25–27 (citing Ex. 1008, 197, 277); *see* Ex. 1008, 276 (asserting that claim 1 requires emulating, i.e., imitating, output of a transponder); *see also id.* at 197 (distinguishing a prior art reference because it requires a transponder). *See Personalized Media Commc'ns, LLC v. Apple Inc.*, 952 F.3d 1336, 1340 (Fed. Cir. 2020) ("[A]n applicant's repeated and consistent remarks during prosecution can define a term by demonstrating how the inventor understood the invention" or "what the applicant meant by an amendment to the claims."). Although concluding from the prosecution history that the claims do not cover a *standalone* transponder, the Board then decided that including the transponder's *circuitry* in a different component was within the scope of the

claims without identifying any meaningful difference between the two. Decision 27.

The DRP should evaluate whether the Board properly considered the intrinsic record, including the impact of the prosecution history, in reaching its conclusion on claim scope and, if necessary, determine the proper construction of the disputed terms: "RFID transponder signal" and "RFID transponder data." *See Phillips v. AWH Corp.*, 415 F.3d 1303, 1316–1317 (Fed. Cir. 2005). The DRP also should evaluate whether Petitioner properly presented its emulation position.

Absent good cause, the DRP shall issue a decision within 60 days of this Order.

Accordingly, it is:

ORDERED that the request for Director Review is delegated to a DRP.

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