

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NUVEI TECHNOLOGIES, INC.,
Petitioner,

v.

AUTOSCRIBE CORPORATION,
Patent Owner.

Case IPR2025-00089
Patent 11,620,621

PATENT OWNER'S PRELIMINARY RESPONSE

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TABLE OF EXHIBITS

Exhibit No.	Description
2001	US Patent Application Publication Number 2012/0030066
2002	Docket No. 026 - 2024-10-09 Docket Control Order, Case No. 2:24-cv-00326
2003	Docket No. 054 - 2025-02-24 Defs Mtn to Stay Pending a Finding of Personal Jurisdiction, Case No. 2:24-cv-00326
2004	Docket No. 035 - 2024-11-11 Plaintiff's Amended Complaint, Case No. 2:24-cv-00326
2005	Docket No. 128 - 2024-11-07 Joint Preliminary Report and Discovery Plan, Case No. 1:24-cv-04282

I. Introduction

Patent Owner Autoscribe Corporation respectfully requests that the Board decline to institute *inter partes* review of the challenged claims of U.S. Patent No. 11,620,621 (“’621 Patent”) because Petitioner has failed to show it has a reasonable likelihood of prevailing with respect to any of the challenged claims. 35 U.S.C. § 314(a).

Petitioner has submitted proposed grounds for invalidity based on obviousness. However, multiple claim elements are missing from Petitioner’s proposed combination of asserted references, such that each challenged claim contains several limitations that distinguish it from Petitioner’s asserted references. In addition, one of ordinary skill in the art would have no motivation to modify the references as proposed by Petitioner, let alone a reasonable expectation of success in doing so. Thus, Petitioner has failed to meet its initial burden to show that each element was known, and that the claims are obvious, in light of the prior art. The Board should therefore deny institution.

Further, several grounds merit discretionary denial. For example, one of the asserted references was already considered by the Patent Office during prosecution of the ’621 Patent, and the Patent Office recently denied institution of another Petition for *IPR* against the ’621 Patent based on a flaw in which appears

identically in this Petition. Additionally, the only two pending litigations involving the '621 Patent are both set to go to trial long before a final written decision would be due in this IPR.

A. Overview of the '621 Patent¹

The '621 Patent covers methods and apparatuses for processing payments. At a high level, the claimed invention allows, *e.g.*, a merchant to accept payments from customers on their website, where the payment is facilitated by a third party which gathers the customer's sensitive financial account information instead of the merchant (so that the merchant can reduce its website's security requirements and potential liabilities for data loss). To do this, the customer inputs their sensitive financial account information into a form displayed within a window or frame within the merchant's webpage, which passes the (encrypted) information directly to the third party. From the viewpoint of the customer, this process appears to be a seamless feature of the merchant's webpage. But the form is provided by the third party, and the merchant itself never has access to the sensitive financial account information. The third party stores the information and provides the merchant with a "token" representing the information, but the third party does not provide the

¹ This high-level overview is based on an embodiment from the specification of the '621 Patent and is purely introductory—it is not intended to be limiting, to describe all claims, or to describe all limitations in any claim.

token to the customer. The token allows the merchant to reference the customer's information without having access to it. The merchant can then use the token in place of the information itself to request additional payments in the future.

The '621 Patent contains five independent claims, covering this invention as a method and as an apparatus, both from the perspective of the third party and from the perspective of the merchant server. Claim 1 (and its dependent claims 2–7) is a method claim covering this process from the perspective of the third party. Claim 8 (and its dependent claims 9–14) is an apparatus claim covering the third party's secure server that processes the payment transaction. Claim 15 (and its dependent claims 16–22) is a method claim covering this process from the perspective of the merchant server. Claim 23 (and its dependent claim 24) is an apparatus claim covering the merchant server that processes the payment transaction. Claim 25 (and its dependent claims 26–27) is a method claim covering this process from the perspective of the third party.

B. The Petition

The Petition contains only two grounds. Ground 1 challenges all pending claims based on U.S. Publication No. 2010/0174626 (“Stringfellow”) in view of U.S. Publication No. 2010/0094755 (“Kloster”), and Ground 2 challenges all

pending claims based on the same two references (Stringfellow in view of Kloster) and further in view of U.S. Publication No. 2008/0319869 (“Carlson”).

In Ground 1, Petitioner raises almost all of their arguments in the context of Claim 1 and then cross-references those arguments heavily for the remaining claims. Petitioner’s recycling of arguments introduces at least two significant problems for their likelihood of success: the flaws in Petitioner’s arguments as to Claim 1 carry over to every other claim in the Petition,² and Petitioner entirely fails to address several of the limitations that distinguish the later claims from the earlier claims.³

Ground 2 does not fix the problems with Ground 1. Petitioner’s “Element-By-Element Analysis” for this ground is only a single sentence: “Because modification of Stringfellow in view of Kloster and Carlson results in the same system as described for Ground 1, the same analysis applies.” Petition at 72. As discussed below, it is unclear what Petitioner is attempting to do with Carlson, because the Petition does not discuss any specific element of the ’621 Patent in

² *E.g.*, as discussed in greater detail in Sections V(A) and V(L), below, Petitioner’s arguments as to motivation to combine Stringfellow and Kloster and as to elements [1.1.3], [1.1.5.3], [1.1.5.4], [1.3], and [1.4.1] are all heavily flawed—but Petitioner relies on these arguments for every claim in the Petition.

³ This problem is discussed in greater detail in Sections V(B)–V(J), below.

Ground 2. However, to the extent Petitioner's intent can be discerned, Ground 2 does not solve the deficiencies noted below in Ground 1.⁴

Because this Petition cannot resolve the Parties' dispute, institution would not serve the just, speedy, and inexpensive resolution of the parties' dispute, so the Board should exercise its discretion not to institute. *See, e.g., Adaptics Ltd. v. Perfect Co.*, No. IPR2018-01596, Paper 20 (P.T.A.B. March 6, 2019) (denying institution after finding that the petitioner failed to satisfy 35 U.S.C. § 312(a) as to one of the five grounds).

C. The Cited References⁵

For ground 1, Petitioner combines two references, Stringfellow and Kloster, one of which is the parent application to a reference cited in the file history of the '621 patent.⁶ Ground 2 adds an additional reference, Carlson. *See* Paper 1, Petition at 8.

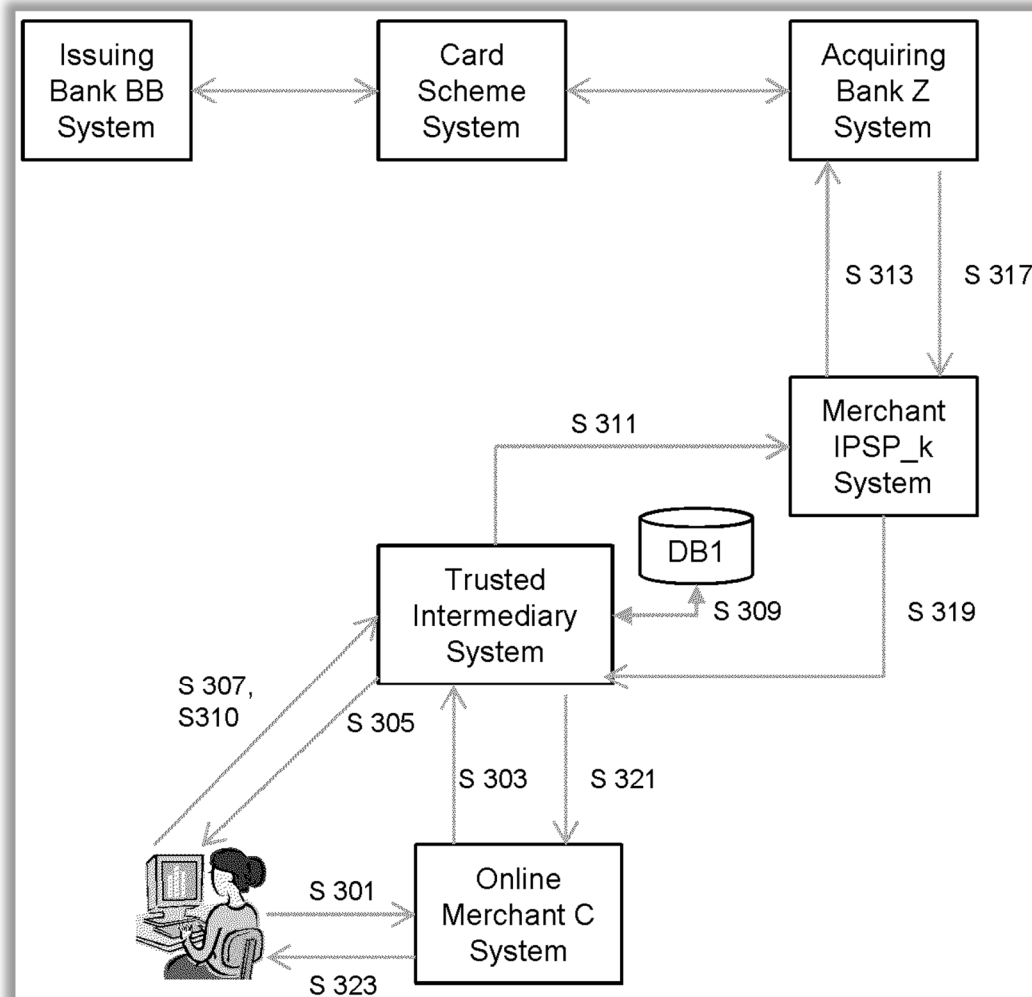
⁴ These problems are discussed in greater detail in Section V(K)m below.

⁵ The discussion in this section is purely introductory. Patent Owner uses some of the claim terminology in this section for the sake of previewing the Parties' arguments, not as an admission that the cited references actually disclose any of the claim limitations.

⁶ This problem is discussed in greater detail in Section II(C), below.

i. Stringfellow '626 (Ex. 1007, U.S. Pub. No. 2010/0174626 to Stringfellow *et al.*)

Petitioner's primary reference, Stringfellow, generally covers a system and method facilitating payment transactions on behalf of online merchants. The idea is that multiple online merchants can subscribe to Stringfellow's system, and customers "only have to submit their respective payment details, *preferably only once, to a separate, trusted entity*"—then they can simply use Stringfellow's login form (logging them into the "separate, trusted entity") to make payments when shopping with any of those merchants. *See* Ex. 1007 at [0028].



Ex. 1007 at Fig. 3 (cropped).

In more detail, Stringfellow’s “Trusted Intermediary System” serves as an interface between a merchant system and a payment service provider. *Id.* at [0045]–[0046]. As a customer finishes shopping on the merchant’s website, they are given the option to select Stringfellow’s method (“Secure System for Payment (SSP)”) as their payment method. *Id.* at [0045]–[0046]. Selecting this method

presents the customer with a login form, which allows a user who “has previously registered with the” Trusted Intermediary System to make payments with financial account information which they have previously provided. *See Id.* at [0045]. The Trusted Intermediary System authenticates the user then sends a payment authorization request to the payment service provider.

As discussed in Section V(A), below, Stringfellow does not disclose many aspects of the ’621 Patent. For example, Stringfellow does not mention tokens at all (as required by Elements [1.1.1], [1.1.2], [1.4], [1.4.1], and [1.4.2])—tokens would be unnecessary and counterproductive in Stringfellow, as discussed below. As another example, Stringfellow does not discuss embedding a financial account registration form in an iframe in the merchant’s webpage (as required by Elements [1.1.5.3] and [1.1.5.4]), as the expectation is that the customer has “previously registered with the” Trusted Intermediary System. *Id.* at [0045].

ii. Kloster (Ex. 1008, U.S. Pub. No. 2010/0094755 to Kloster)

Petitioner’s secondary reference, Kloster, generally covers a system and method for online transactions using iframes and tokens. The idea behind Kloster is that a merchant has a website with an inline frame. A customer enters, via the inline frame, “sensitive payment data regarding the access to the monies held for” the customer, thus relieving the merchant from the burden of collecting, securing,

and processing such information. *Id.* at [0004], [0016]. The payment system server then “associates a ... token with the sensitive payment data regarding the access to the monies held for the” customer. *Id.* at [0005]. The payment system server then passes the token back to the merchant *via the customer* by redirecting the customer to a call back URL, with the token as a parameter to the URL. The merchant may then pass the token back to the payment system server to request that money held for the customer be transferred to the merchant. *Id.* at [0004].

As discussed in Section V(A), below, Petitioner relies primarily on Stringfellow and uses Kloster in an attempt to fill in some of the gaps in Stringfellow. For most elements, Petitioner does not cite Kloster at all, and for several, Petitioner cites Kloster only in passing. However, where Petitioner does rely on Kloster, the reference is fatally flawed. As one example, Kloster passes the token to the customer in the exact same manner as the fatally flawed PayPal reference underlying the previous IPR petition filed against the '621 Patent (which was denied on that basis, as discussed in Sections V(A)(iv), below).

iii. Carlson (Ex. 1018, U.S. Pub. No. 2008/0319869 to Carlson *et al.*)⁷

In Ground 2, Petitioner adds Carlson to the Stringfellow-Kloster combination. Carlson discloses systems and methods for the handling of a consumer's transactions using iframes. As generally discussed with respect to FIG. 4 and paragraphs 0038–53 of Carlson, when a customer wants to make a purchase from a merchant, the merchant sends a message to a payment processing network, which then obtains the payment information from the customer via an iframe. Ex. 1018 at [0038]–[0053], [0063]. The payment processing network gets the transaction approved, then notifies both the customer and the merchant of the approval.

As discussed in Section V(K), below, the Petition provides only minimal discussion of and citation to Carlson and does so only in the context of Ground 2. It is unclear exactly which claim limitation Petitioner cites Carlson for.

⁷ It appears that Petitioners attached the incorrect Carlson reference as an exhibit to their petition. Petitioners cite it as Ex. 1018, which they describe as “U.S. Patent Pub. No. 2008/0319869A1,” but the documents Petitioners attached as Ex. 1018 is U.S. Patent No. 8,606,700 B2, which has a different citation format. *Compare* Petition at v and 8–9 *with* Ex. 1018.

II. Discretionary denial is warranted for several reasons⁸

Several discretionary considerations merit denying institution: (A) the underlying litigation between the Parties will conclude roughly five months before a final written decision would likely be due in this IPR; (B) the '621 Patent was recently (and unsuccessfully) challenged in another Petition for *Inter Partes* Review (which was denied due to a flaw that appears in this Petition as well);⁹ (C) the prior art relied on by Petitioner was previously considered and distinguished during prosecution of the '621 Patent and its family members; and (D) the Petition relies heavily on expert testimony to fill in several claim limitations which are not disclosed in the cited art.

Each of these considerations is discussed in detail below:

A. The underlying litigation between the parties is set for trial five months before a final written decision would be due in this IPR.

Trial between Petitioner and Autoscribe in *Autoscribe Corp. v. Nuvei Corp.*, Civ. No. 2:24-cv-00325-JRG (E.D. Tex.) (“the Litigation”), is scheduled to begin

⁸ Because the Acting Director’s March 26, 2025 Memorandum regarding “Interim Processes for PTAB Workload Management” issued less than a month before the due date of this Preliminary Response, Patent Owner has opted to address the “discretionary considerations” prong of the bifurcated institution framework within this Preliminary Response, rather than in separate briefing.

⁹ The litigation underlying the unsuccessful earlier petition will likely go to trial at least six months before a final written decision would likely be due in this IPR.

before Judge Gilstrap on February 9, 2026. *See* Ex. 2002 (Scheduling Order, Dkt. 26 of the Litigation). The filing date of this Petition was accorded on January 13, 2025, meaning that the statutory deadline for a Final Written Decision would likely fall in June or July of 2026 (12 months after institution). In view of recent precedential guidance,¹⁰ the Board should deny institution of this proceeding.

Under section 314(a), the Board “is permitted, but never compelled, to institute an IPR proceeding.” *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016); *see also* 35 U.S.C. § 314(a). The Board may exercise this discretion when the parties have a parallel district court proceeding scheduled to finish before the Board’s deadline to issue a final written decision in an instituted proceeding. *Intel Corp. v. VLSI Tech. LLC*, IPR2019-01192, Paper 15 at 11 (PTAB Jan. 9, 2020) (denying institution “to minimize the duplication of work by two tribunals to resolve the same issue”).

¹⁰ Memo, “Guidance on USPTO’s rescission of “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation,” Mar. 24, 2025, found at https://www.uspto.gov/sites/default/files/documents/guidance_memo_on_interim_procedure_rescission_20250324.pdf; Memo, “Interim Processes for PTAB Workload Management,” Mar. 26, 2025, found at <https://www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf>.

The Board considers six factors in determining whether “to deny institution in view of an earlier trial date in the parallel proceeding.” *Apple, Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5–6 (PTAB Mar. 20, 2020) (precedential).¹¹ These six factors are: (1) whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted; (2) proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision; (3) investment in the parallel proceeding by the court and the parties; (4) overlap between the issues raised in the petition and in the parallel proceeding; (5) whether the petitioner and the defendant in the parallel proceeding are the same party; and (6) other circumstances that impact the Board’s exercise of discretion, including the merits.

All six *Fintiv* factors weigh heavily in favor of denying institution:

i. *Fintiv* Factor 1: The District Court Litigation is Not Stayed

Institution of an *inter partes* review while a parallel district court proceeding is “nearing its final stages” would be inconsistent with “an objective of the AIA . . . to provide an effective and efficient alternative to district court litigation.” *General Plastic Industrial Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 16–17 (PTAB Sept. 6, 2017).

¹¹ Nuvei made no analysis of the *Fintiv* factors in its Petition.

This factor weighs in favor of denying institution. Although Petitioner requested a stay of the Litigation on February 24, 2025 (Ex. 2003—Dkt. 54), briefing for that motion finished at the end of March 2025 and the court has yet to rule on the motion.¹² The Eastern District of Texas is unlikely to grant the stay because it “has a consistent practice of denying motions to stay when the PTAB has yet to institute post-grant proceedings.” *Force Mos Tech., Co. v. ASUSTek Computer, Inc.* at *4, No. 2:22-CV-00460-JRG, 2024 WL 1586266 (E.D. Tex. Apr. 11, 2024). As such, *the Litigation is not stayed*.

In light of the Scheduling Order, trial for the Litigation is scheduled to begin in February 2026—five months before the Board issues its final written decision.

ii. *Fintiv* Factor 2: The Court’s Trial Date is Five Months Before the Statutory Final Written Decision Deadline

“If the court’s trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution under *NHK*.” *Fintiv*, Paper 11 at 9.

This factor weighs heavily in favor of denying institution. As pointed out above, trial is scheduled to commence February 9, 2026, which is *five months before* the likely deadline for the Board’s Final Written Decision. *NHK Spring Co.*

¹² Note that the basis of Petitioner’s stay motion is to determine personal jurisdiction, not the present *inter partes* review.

v. Intri-Plex Techs. Inc., IPR2018-00752, Paper 8 at 19–21 (PTAB Sept. 12, 2018) (denying institution due to district court trial scheduled six months before the date of the Board’s final written decision deadline).

iii. *Fintiv* Factor 3: The Court and the Parties Have Made Significant Investment in the Parallel Proceedings

“This investment factor is related to the trial date factor, in that more work completed by the parties and the court in the parallel proceeding tends to support the arguments that the parallel proceeding is more advanced, a stay may be less likely, and institution would lead to duplicative costs.” *Fintiv*, Paper 11 at 10.

In the Litigation, a jury trial is scheduled to start in February 2026—roughly seven months after the date of the Board’s institution decision. *See Cisco Systems, Inc. v. Ramot at Tel Aviv Univ. Ltd.*, IPR2020-00123, Paper 14 (PTAB May 15, 2020) (denying institution because trial was seven months away).

In the Litigation, infringement contentions and invalidity contentions have already been exchanged, the parties have exchanged written discovery requests, claim construction proceedings have started, expert discovery is scheduled to conclude in September 2025, Autoscribe (and presumably Nuvei) has retained experts to review source code, the parties have engaged in document discovery, and have begun scheduling depositions. As a matter of law this indicates a

substantial investment of the Court’s and the parties’ resources into the Litigation. *See NXP USA, Inc. v. IMPINJ, Inc.*, IPR2021-01556, Paper 10 at 8–9 (PTAB Apr. 21, 2022) (“Based on the level of investment and effort already expended on claim construction and invalidity contentions in the parallel proceedings, this factor weighs somewhat in favor of discretionary denial.”).

iv. *Fintiv* Factor 4: There is Substantial Overlap Between the Issues Raised in the Petition and in the Parallel Proceedings

“[I]f the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial.” *Fintiv*, Paper 11 at 12 (PTAB Mar. 20, 2020). Every claim at issue in the Litigation is at issue in this proceeding as well.

v. *Fintiv* Factor 5: The Petitioner and the Defendants in the Parallel Proceedings are the Same Party

As noted in Nuvei’s Updated Mandatory Notices, Ex. 6, the real parties in interest in this *inter partes* review are Nuvei Technologies, Inc., Nuvei Corporation, and Nuvei Technologies Corporation. Nuvei Corporation and Nuvei Technologies Corporation are defendants in the Litigation. Ex. 2004 (Amended Complaint, Dkt. 35, from the Litigation). As further noted in Nuvei’s Updated Mandatory Notices, Ex. 6, both Nuvei Limited and Nuvei International Group Limited are also named defendants in the Litigation.

Since there is an overlap between the real parties in interest and the defendants in the Litigation, this factor weighs in favor of denying institution.

vi. *Fintiv* Factor 6: Other Circumstances That Impact the Board’s Exercise of Discretion, Including the Merits

“[I]f the merits of the grounds raised in the petition are a close[] call, then that fact has favored denying institution when other factors favoring denial are present.” *Fintiv*, Paper 11 at 15. As discussed in Section V, below, the serious weaknesses on the merits of the Petition warrant no institution of trial. *See E-One, Inc. v. Oshkosh Corp.*, IPR2019-00162, Paper 16 at 13–20 (PTAB June 5, 2019) (weakness on the merits weighed heavily in favor of denying institution).

Petitioner argues that these features are disclosed in three references, *i.e.*, Stringfellow ’626, Kloster, and Carlson. Pet. at 20–72. However, as discussed in detail below, Stringfellow ’626 is a continuation of prior art cited by the Examiner during prosecution. *See* Section II(C). This, along with the fact that Petitioner has failed to identify any error in the Examiner’s evaluation of the cited prior art, supports denying institution under both the *Advanced Bionic* and *Apple* factors.

Additionally, aside from the active litigation between the Parties, there is only one other pending matter relating to the ’621 Patent: *Autoscribe Corp. v. M&A Ventures, LLC*, Case No. 1:24-cv-04282-SCJ; currently pending in the

Northern District of Georgia. *See* Paper 7. While no trial date has been set, trial is likely to occur at the beginning of 2026, roughly six months before a final written decision in this IPR would be due. *See* Ex. 2005 at 17–18 (The trial date is “TBD,” but “Pretrial Statement[s]” would be due 212 days after the forthcoming Markman Order). So in short, any final written decision that would result from this petition would be due *months* after the trials in the only two pending litigations that could be impacted.

B. The '621 Patent was recently (and unsuccessfully) challenged in another Petition for *Inter Partes* Review.

The '621 Patent was recently challenged in *M&A Ventures, LLC v. Autoscribe Corporation*, and the Office denied institution. *See* IPR2024-01159, Paper 12 (Jan. 29, 2025). As described in greater detail in Section V(A)(iv), below, the present Petition has the exact same flaw that was determinative in denying the M&A Ventures Petition: in both petitions, the negative limitation of Element [1.4.1] (which requires that the token must not be provided to the payer) is not met, because the underlying references disclose providing the token to the payer in the form of an HTML parameter appended onto a redirect URL (which is sent to the payer).

Additionally, Petitioner incorrectly argues that the present “Petition also challenges additional claims—Claims 11, 13-14, 20, and 26-27—not challenged in IPR2024-01159.” Petition at 7. M&A Ventures challenged all 27 claims of the ’621 Patent. *See* IPR2024-01159, Paper 4 (July 18, 2024) at 24 (“Ground 1: Claims 1-7, 15-22, and 25-27 are Obvious under 35 U.S.C. § 103 over PayPal”) and 94 (“Ground 2: Claims 8-14, and 23-24 are Obvious Under 35 U.S.C. § 103 over Paypal and Schlessner”).

The litigation between Autoscribe and M&A Ventures is well underway in the Northern District of Georgia, where it will likely go to trial in approximately January 2026 (roughly six months before the likely deadline for the Board’s Final Written Decision if this Petition were to be instituted).

C. The Stringfellow reference was previously considered by the Office in prosecution of a related application.

The Board should exercise its discretion to deny institution of the *inter partes* review of the Challenged Claims of the ’621 Patent under 35 U.S.C. § 325(d), because the Stringfellow reference relied on by Petitioner was previously considered during prosecution of the ’621 Patent and its family members.

Section 325(d) provides that “the Director may elect not to institute a proceeding if the challenge to the patent is based on matters previously presented

to the Office.” *Advanced Bionics, LLC v. MED-EL Elektromedizinische Gerate Gmbh*, No. IPR2019-01469, slip op. at 7 (Paper 6) (P.T.A.B. Feb. 13, 2020); *see also NHK Spring Co., Ltd. v. Intrix-Plex Techs., Inc.*, No. IPR2018-00752, slip op. at 11 (Paper 8) (P.T.A.B. Sept. 12, 2018).

Section 325(d) states, “in determining whether to institute or order a proceeding under this chapter ... the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments were presented to the Office.” Thus, section 325(d) “identifies two separate issues for the Director to consider in exercising discretion to deny institution of review: whether the petition presents to the Office the same or substantially the same art previously presented to the Office, or whether the petition presents to the Office the same or substantially the same arguments previously presented to the Office.” *Advanced Bionics*, slip op. at 7.

The Board considers several factors when evaluating whether to exercise its discretion under Section 325(d), including the following:

- (a) the similarities and material differences between the asserted art and the prior art involved during examination; (b) the cumulative nature of the asserted art and the prior art evaluated during examination; (c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection; (d) the extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the

prior art or Patent Owner distinguishes the prior art; (e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art; and (f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments.

Becton, Dickinson and Co. v. B. Braun Melsungen AG, No. IPR2017-01586, slip op. at 17–18 (Paper 8) (P.T.A.B. Dec. 15, 2017). In this case, all of the *Becton* factors weigh in favor of denying institution.

i. The similarities and material differences between the asserted art and the prior art involved during examination

File history of the '621 patent and its family members:

The '621 Patent was filed as application serial number 16/535,424 on August 8, 2019. Ex. 1001. The '621 Patent is a continuation of application serial number 15/408,185, filed January 17, 2017, which is a continuation of application serial number 13/679,545, filed November 16, 2012. Ex. 1001 at 1:7–10. The file history for the '621 patent was provided as Exhibit 1002, the file history for the '185 application was provided as Exhibit 1003, and the file history for the '545 application was provided as Exhibit 1004.

During prosecution of the '545 application, the Examiner rejected the claims as obvious over Hammad (US 2012/0259782) in view of Stringfellow (US 2012/0030066) (hereafter “Stringfellow '066”). Ex. 1004 at 210 (Final Office Action dated April 14, 2014). The Examiner maintained this rejection in the next

two office actions. *Id.* at 161 (Office Action dated October 9, 2014); *Id.* at 111 (Final Office Action dated May 8, 2015). The Examiner withdrew the rejection on the next office action. *Id.* at 51 (Office Action dated June 24, 2016).

The Examiner made no prior art rejections in the '185 application. *See* Ex. 1003 at 112 (Office Action dated January 24, 2018); Ex. 1003 at 85 (Final Office Action dated July 13, 2018). The Examiner also made no prior art rejections during prosecution of the '621 patent. *See* Ex. 1002 at 368 (Office Action dated March 17, 2021); Ex. 1002 at 301 (Final Office Action dated December 10, 2021); Ex. 1002 at 241 (Office Action dated October 5, 2022).

The Stringfellow references:

As discussed above, the art cited in the grandparent case (the “prior art involved during examination,” to use the terminology from *Becton*) is Stringfellow '066. Petitioner’s primary reference for both grounds in this *inter partes* review (the “asserted art,” to use the language from *Becton*) is a different Stringfellow reference (US 2010/0074626). Ex. 1007 (hereafter “Stringfellow '626”).¹³

¹³ Note that a previously filed petition for *inter partes* review against the '621 patent also cited to the Kloster reference. *See M&A Ventures LLC et al. v. Autoscribe Corp.*, No. IPR2024-01159, Petition at 5, 50 (Paper 4) (P.T.A.B. July 13, 2024); *Id.* Ex. 1013. Institution of that IPR was denied. *M&A Ventures*, Decision at 2 (Paper 12) (P.T.A.B. January 29, 2025).

Stringfellow '066 is a continuation of Stringfellow '626. Ex. 2001 at [0001] (Stringfellow '066). The face of Stringfellow '066 states that it is a “continuation of application No. PCT/EP2010/050079, filed on January 6, 2010, which is a continuation of application 12/416,836, filed on April 1, 2009.” *Id.* The serial number of Stringfellow '626 is 12/416,836. Ex. 1007.

Because the references are from the same patent family, Stringfellow '066 and '626 have very similar specifications, as further detailed below.

ii. The cumulative nature of the asserted art and the prior art evaluated during examination

As discussed above, the prior art evaluated during examination is a continuation of the asserted art. As discussed above, Stringfellow '066 was substantively evaluated by the Examiner, as combined with Hammad, during prosecution.

Stringfellow '066 was, therefore, evaluated substantively by the Examiner during prosecution, in the same manner as Petitioner proposes now. Further, Petitioner's asserted combination of Stringfellow '626 and Kloster is mostly similar and cumulative in the evidentiary context of disclosure when compared to the combination of Stringfellow '066 and Hammad that was evaluated by the

Examiner during prosecution. Petitioner's rearrangement of previously considered prior art presents little, if any, persuasive new evidence of unpatentability.

Therefore, the asserted art is cumulative.

iii. The extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection

As discussed above, Stringfellow '066 was fully evaluated by the examiner and was the basis for rejection in three separate office actions of the grandparent application of the '621 patent.

In the last office action that cited Stringfellow '066, the Examiner relied on paragraphs [50]–[55] of Stringfellow '066 as the basis for a rejection. Ex. 1004 at 113. Each of those cited paragraphs are nearly unchanged between Stringfellow '626 and Stringfellow '066, so the Examiner could have issued the rejection based off Stringfellow '626 instead of Stringfellow '066. Compare Ex. 1007 at [0050]–[0055] with Ex. 2001 at [0050]–[0055].¹⁴

¹⁴ Paragraphs 0050–0051 and 0053–0055 are unchanged between the two Stringfellow references. For paragraph 0052, Stringfellow '066 moves the first sentence: “Registration of the user with the trusted intermediary system 10 can be performed via any suitable interface, most conveniently, when the trusted intermediary system 10 is implemented as a web server, via a web browser” to the end of the paragraph and deletes a portion of it: “However, registration of the user with the trusted intermediary system 10 can be performed via any alternative suitable interface.”

Thus, like *Becton*, “the asserted prior art for this ground of patentability ... [was] considered by the Examiner ... during prosecution. This is not a case where the prior art was simply listed in an IDS during prosecution. [The prior art was] included as a basis for, and evaluated with respect to obviousness rejections in the parent application over claims with scope similar to that of the [asserted patent].” *Becton* at 22–23.

The *Becton* panel also stated:

Both [references] were included as a basis for, and evaluated with respect to obviousness rejections in the parent application over claims with similar scope to that of the [patent that is subject of the IPR], as evidenced by the Terminal Disclaimer filed by Applicant in the prosecution leading to allowance of the [patent that is subject of the IPR].”

Becton, at 23.

Like *Becton*, the '621 patent has claims similar to that of the claims in its parent and grandparent applications, as shown by the Terminal Disclaimer filed in the '621 patent over its parent and grandparent applications, Ex. 1002 at 40. The parent application of the '621 patent also has a Terminal Disclaimer over its parent application. Ex. 1003 at 37.

This factor weighs heavily against institution.

iv. The extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes the prior art

“Petitioner has not persuasively explained why the ‘new combination’ leads to any different argument or reasoning [than] that previously advanced by the Examiner.” *Becton* at 23.

During prosecution, the Examiner relied on the prior art as follows:

“Stringfellow [’066] teaches a consumer, at a merchant computer, (i.e. a first computer system) wishing to pay the merchant for a transaction, being re-directed by the merchant computer to second computer system (i.e. a ‘trusted intermediary system’) to register financial account information (Stringfellow [’066]: [50]–[55]), ‘...preferred payment instrument details...’).” Ex. 1004 at 113.

Similarly, Petitioner argues, “Stringfellow [’626] and Kloster disclose the same architecture to achieve the same task—enabling an ‘online merchant system’ / ‘business entity’ to rely on the ‘trusted intermediary’ / ‘payment system server’ to obtain sensitive payment information directly from a user and achieve payment.” Petition at 30.

Thus, there is a significant overlap between the rejection over Hammad and Stringfellow ’066 during prosecution and Petitioner’s proposed combination of

Stringfellow '626 and Kloster. Petitioner relies on the combination of Stringfellow '626 and Kloster in the same manner as the Examiner relied on Hammad and Stringfellow '066. Petitioner failed to explain why the new combination “leads to any different argument or reasoning than that previously advanced by the examiner.” *Becton*, at 23.

This factor weighs heavily against institution.

v. Whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art

Petitioner’s entire analysis of why its use of the Stringfellow '626 reference is not cumulative with the Stringfellow '066 reference consists of two conclusory paragraphs lacking any real analysis. In the first paragraph, Petitioner argues that the Stringfellow '066 rejection during prosecution was with respect to a feature that Petitioner argues is not found in the challenged claims—“a first computer system (e.g., a merchant system) ... collects a communications link to contact the payer, and then sends this information to a second computer system.” Petition at 6. In the second paragraph, Petitioner states that, “because the Challenged Claims do not include the limitation the Examiner found sufficient to allow other claims over Stringfellow ['066], the Examiner did not provide any reasoning disputing of Petitioner’s mapping of Stringfellow ['626] presented here.”

As an initial matter, this analysis ignores the fact that “an Examiner’s Statement of Reasons for Allowance ‘will not necessarily limit a claim.’” *Salazar v. Procter & Gamble Co.*, 414 F.3d 1342, 1345 (Fed. Cir. 2005) (quoting *ACCO Brands, Inc. v. Micro Sec. Devices, Inc.*, 346 F.3d 1075, 1079 (Fed. Cir. 2003)); see also *Bell Atl. Network Servs., Inc. v. Covad Commc'ns Grp., Inc.*, 262 F.3d 1258, 1273 (Fed. Cir. 2001). In other words, the Statement of Reasons for Allowance is not dispositive as to the Examiner’s reasoning.

In addition, Petitioner ignores the similarities between the claim at issue during prosecution and claim 1 of the ’621 patent (claims that were similar enough to warrant a terminal disclaimer, as discussed above). In both cases, a communications link is created between a payer and a secure server in order to obtain financial information.

Thus, Petitioner has failed to point to any error by the Examiner in its evaluation of the asserted prior art.

This factor weighs heavily against institution.

vi. The extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments

The Petitioner’s entire reasoning that reconsideration of already considered prior art is warranted is that “the Challenged Claims do not include the limitation

the Examiner found sufficient to allow other claims over Stringfellow ['066], the Examiner did not provide any reasoning disputing Petitioner's mapping of Stringfellow ['626] presented here. As set forth below, the Examiner erred by allowing the claims over the Grounds in this Petition, and the lack of analysis during prosecution weighs against discretionary analysis." Ex. 1 at 6–7.

This reasoning is flawed. First, as explained above, while the Challenged Claims "do not include" the *exact* same limitations as those present in the grandparent application, the limitations of the '621 patent were similar enough to the grandparent application to warrant a terminal disclaimer. Second, like the petitioner in *Becton*, Petitioner failed to "take the opportunity to explain why ... arguments made during prosecution were in error, or how those arguments would not apply to this asserts ground." Thus, Petitioner fails to show that its use of Stringfellow '626 "warrants reconsideration of the prior art and arguments presented earlier to the Office." *Becton*, at 28.

This factor weighs heavily against institution.

vii. Weighing the factors

With only a nominally different combination of prior art and considering that Petitioner presents the same arguments as were meritoriously overcome by the Applicant during prosecution, based on our evaluation of the non-exclusive factors

above, we are persuaded that exercising our discretion under 325(d) on this particular ground is appropriate.” *Becton* at 28.

Similarly, Petitioner fails to explain why the Board should consider Stringfellow ’626 when the Asserted Patent was already allowed by the Examiner over a nearly identical reference, Stringfellow ’066.

Because all of the factors favor the Patent Owner, the Board should exercise its discretion to deny institution under section 325(d).

D. The Petition repeatedly relies on expert testimony that a “POSITA would understand” that the cited art implicitly discloses several claim elements which the art does not explicitly disclose.

Petitioner has submitted a declaration from its expert (Dr. Almeroth), which corresponds closely to the Petition—much of it is verbatim identical to the petition. *Compare, e.g.,* Petition at Section X *with* Ex. 1005 at Section IX. But conclusory expert opinions merely parroting the petition should be given little or no weight, including on the factual question of what a prior art reference would have disclosed to a POSITA. *Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper 9 at 15 (PTAB Aug. 24, 2022) (precedential) (“[T]he cited declaration testimony is conclusory and unsupported, adds little to the conclusory assertion for which it is offered to support, and is entitled to little weight.”).

Petitioner uses the Almeroth declaration to patch several of the holes in the art. But such “*ipse dixit*” is an insufficient evidentiary basis and ***cannot substitute for disclosure in a prior art reference itself.*** *ARRIS Solutions, Inc. et al v. Realtime Adaptive Streaming LLC*, IPR2019-01586, Paper 7 (Mar. 16, 2025) at 24 (citations and internal quotes omitted).

For example, Element [1.1.5.3] requires that the “generated URL” provide instructions “to render a financial account registration request form, within the [iframe].” But as discussed in Section V(A)(ii), below, neither Stringfellow nor Kloster disclose this limitation. As another example, in Element [1.1.5.1a] (requiring that the URL passed to the customer comprise either “a dynamic URL generated by the secure server for the payer and the payee; or a static URL and a hypertext transport protocol (HTTP) parameter used by the secure server to identify the payer and the payee”), Petitioner does not argue that this limitation is literally disclosed in the cited art—instead, Petitioner relies on expert testimony that “a POSITA would understand” and that “[i]t would be obvious” to add this limitation to the Stringfellow/Kloster combination. *See* Petition at 43. The Petition is rife with such conclusory reliance on Almeroth, without support in the art, and this weighs against institution.

III. Level of ordinary skill in the art

For purposes of this preliminary response only, Patent Owner does not dispute the qualifications of a Person of Ordinary Skill in the Art (“POSITA”) proposed by Petitioner—a POSITA “would have had at least (1) an undergraduate degree in electrical engineering, computer engineering, computer science, or comparable field of study, and (2) at least two years’ experience working with and programming networked computer systems.” Petition at 9. All references to a POSITA are made pursuant to that definition.

IV. Claim Construction

The Petitioner sets forth no proposed constructions, stating that “[c]onstruction of any term is not necessary to address the mappings presented in this Petition, and the terms of the Challenged Claims should be given their plain and ordinary meaning for purposes of this proceeding.” Petition at 18. For the limited purposes of this preliminary response, Autoscribe agrees that all claims should be given their plain and ordinary meaning.

V. Institution should be denied because Petitioner failed to establish that the asserted art renders obvious any claim of the '621 Patent¹⁵

Petitioner has the burden of demonstrating unpatentability by the preponderance of the evidence, and it must identify and explain how the asserted prior art satisfies each element of the claims and how the claims are to be construed. 37 C.F.R. § 42.104(b)(3)–(b)(4). Denial of institution is warranted because Petitioner has failed to carry its evidentiary burden with respect to any of the Challenged Claims.

A. Claim 1

Broadly,¹⁶ Claim 1 recites a method of processing a payment transaction from a payer to a payee, which enables, *e.g.*, a merchant to accept payments on their website from payers, where the payment is facilitated by a third party secure server which handles the gathering financial account information from the payer (so that the merchant can reduce its website's security requirements and potential liabilities for data loss). Claim 1 focuses on the perspective of a third party "secure server."

¹⁵ Patent Owner uses the claim terminology throughout this section for the sake of addressing Petitioners' arguments, not as an admission that the cited references actually disclose the claim language or operate in the manner that Petitioners allege.

¹⁶ This high-level overview of Claim 1 and its key elements is purely introductory—it is not intended to be limiting, to describe all claim elements, or to describe all limitations in any element.

Petitioner fails to show that the prior art teaches or renders obvious several key elements of this method, including at least the following elements:

Element [1.1.3] requires receiving, from the merchant server, a data element associated with the payer and a payment amount. Elements [1.1.5.1]–[1.1.5.4] require executing a financial account registration function by generating a URL for establishing a secure connection between the secure server and the payer computing system; establishing the connection in a frame or window displayed within the webpage provided by the merchant server; outputting instructions to the payer computing system to render (within the window or frame) a form into which the payer can enter sensitive financial account information; and outputting instructions to the payer computing system to encrypt the provided information and transmit it to the secure server. Element [1.4.1] requires providing a “non-sensitive electronic data token representing the sensitive financial account information” to the merchant server; the sensitive financial account information must not be provided to the merchant server and the token must not be provided to the payer. Later claims and elements describe how the token can be used for making payments.

i. Element [1.1.3]: Petitioner fails to show that Stringfellow’s alleged analog to the claimed “data element associated with the payer” is actually associated with the payer.

With respect to limitation 1.1.3, while Petitioner states that Stringfellow teaches “receiv[ing], from the merchant server via the API, at least one data element associated with the payer and a payment amount from the payer to the payee,” Petitioner cites to a portion of Stringfellow that teaches “the originating request message comprises at least an amount of payment for the selected goods, the online merchant account identifier and an identifier for the *order*.” Petition at 39, quoting Ex. 1007 at [0045]. The Petitioner further states that “a POSITA would understand that ‘an identifier for the order’ is necessarily associated with the payer that created the order.”

However, Petitioner’s support for such a statement is lacking. Petitioner cites to three different sources. First is Ex. 1007 at [0049], which is merely an overview paragraph that states that, e.g., “the trusted intermediary system 10 comprises presentation and connectivity processing components, which are configured to transmit and manage various user-specific and online merchant-specific data.” Second is Ex. 1008 at [0015], which merely presents an overview of a payment data token. However, the payment data token described in paragraph [0015] is provided *from* the payment system server 102 *to* the business entity 104

(“the payment system server 102 may provide the payment data token 110 to the business entity 104 (e.g., via the network interface 106)”). Thus, Petitioner fails to show that Kloster supports this limitation.

The third source is Ex. 1005 at ¶ 86. However, that cited paragraph is conclusory and merely restates the contents of the Petition. “To satisfy its burden of proving obviousness, a petitioner cannot employ mere conclusory statements. The petition must instead articulate specific reasoning, based on evidence of record, to support the legal conclusion of obviousness.” *Corephotonics, Ltd. v. Apple Inc.*, 84 F.4th 990, 1004 (Fed. Cir. 2023). “Such *ipse dixit* is an insufficient evidentiary basis and ***cannot substitute for disclosure in a prior art reference itself***. As our Trial Practice Guide explains, ‘because an inter partes review may only be requested ‘on the basis of prior art consisting of patents or printed publications,’ 35 U.S.C. § 311(b), ***expert testimony cannot take the place of disclosure from patents or printed publications.***” *ARRIS Solutions, Inc. et al v. Realtime Adaptive Streaming LLC*, IPR2019-01586, Paper 7 (Mar. 16, 2025) at 24 (citations and internal quotes omitted).

- ii. **Elements [1.1.5.3] and [1.1.5.4]: Stringfellow’s “generated URL” renders a login form—not a financial account registration form. Registration occurs on a separate page, and it is not rendered within the iframe.**

A key aspect of the claimed invention is that the customer inputs their sensitive financial account information into a form displayed within the merchant’s webpage, and this form passes the (encrypted) information directly to the secure server. Per Elements [1.1.5.3] and [1.1.5.4],¹⁷ the claimed method does this by having the API generate a URL which outputs instructions to the customer’s web browser to render a form within a window or frame (embedded into the merchant’s webpage), and the form provided by the generated URL allows the customer to enter their sensitive financial account information (which will be transmitted directly to the secure server).

¹⁷ Element [1.1.5.3] requires “outputting instructions to the payer computing system, in response to the HTTP request for the generated URL, to render a financial account registration request form, within the window or frame that is displayed within the webpage provided by the merchant server, that provides functionality for the payer to provide sensitive financial account information associated with a financial account.” Element [1.1.5.4] goes on to require “outputting instructions to the payer computing system, in response to the HTTP request *for the generated URL*, to encrypt *the sensitive financial account information provided by the payer* and transmit the encrypted financial account information to the secure server via the secure socket layer connection” (emphasis added).

Petitioner relies entirely on Stringfellow for the disclosure of these limitations, but Stringfellow works quite differently.¹⁸ Instead, under Petitioner’s own interpretation, Stringfellow’s “generated URL” causes the Stringfellow system to output instructions to render a *login prompt* within the iframe. *See* Petition at 46. The expectation is that the customer would have “previously registered with” Stringfellow’s intermediary system, so they would not need to input sensitive financial account information into the iframe. Ex. 1007 at [0045]. If the user has not yet registered, they can select the option to register an account with the Stringfellow system, and then they can “log[] onto the website of [Stringfellow’s] intermediary system,” where they are “presented with a registration page designed to capture the user’s identity and preferred payment instrument details.” Petition at 46, Ex. 1007 at [0054]. So not only does the generated URL not cause the Stringfellow system to output instructions “to render a financial account registration request form” (it renders a login form, the request form is apparently at a different URL),¹⁹ but Stringfellow does not disclose that the “financial account registration request form” is rendered within an iframe at all.

¹⁸ An overview of Stringfellow is provided in Section I(C)(i), above.

¹⁹ Petitioner acknowledges this at pp. 24–25 of the Petition.

iii. Element [1.3]: Petitioner fails demonstrate that the Asserted Art teaches “performing each software process required to maintain compliance with one or more information security standards.”

With respect to limitation 1.3, Petitioner states that Stringfellow teaches “storing the sensitive financial account information ... and performing each software process required to maintain compliance with one or more information security standards.” However, Petitioner points to no portion of Stringfellow that makes such a teaching. Instead, Petitioner points to ambiguous teachings of “reducing the risk of fraud,” without showing how Stringfellow teaches reducing the risk of fraud by maintaining compliance with information security standards. Petition at 49. Petitioner points to a document titled “PCI Data Security Standard” (Ex. 1024), yet fails to show how Stringfellow is related to the cited document. Indeed, Stringfellow makes no reference to “PCI” or to any type of “standard” because neither term appears in the Stringfellow specification.²⁰

²⁰ While the word “standard” appears in paragraph 0080, it is used with a different meaning, synonymous with traditional, “it will be appreciated that standard web redirection can instead be employed.”

iv. Element [1.4.1]: Petitioners’ cited references do not teach or render obvious this element because Kloster provides the alleged “non-sensitive electronic data token” to the payer.

Petitioner relies entirely on Kloster for Element [1.4.1], but Kloster violates this element’s negative limitation (“without providing the non-sensitive electronic data token to the payer”). As described below, Kloster provides the token to the payer in the form of an HTML parameter which is part of a redirect URL—in the exact same manner as the primary reference in the M&A Ventures Petition,²¹ which the Office denied on these same grounds.²²

Kloster provides the token to the payer:

Element [1.4.1] requires “providing a non-sensitive electronic data token representing the sensitive financial account information to the merchant server [...] *without providing the non-sensitive electronic data token to the payer.*” For disclosure of the claimed “non-sensitive electronic data token,” Petitioners rely on Kloster’s “payment data token.” *See* Paper 1, Petition at 51. But Kloster does not meet the claim language of Element [1.4.1], because it describes a method where token is sent to the payer.

²¹ *M&A Ventures, LLC v. Autoscribe Corporation*, IPR2024-01159, Paper 4 (July 18, 2024).

²² *M&A Ventures, LLC v. Autoscribe Corporation*, IPR2024-01159, Paper 12 (Jan. 29, 2025).

Specifically, in Kloster, the “payment data token” is sent to the payer as a parameter to the call back URL:

In one example of secure cross-domain messaging, the business entity **104** may provide the payment system server **102** with a call back Uniform Resource Locator (URL), and *the payment system server 102 may pass the payment data token 110 as a parameter to the call back URL.*

[...]

The payment data token is provided to the business entity, **208**. (The sensitive payment data may be stored in an electronic database, **210**). For instance, in a specific implementation of secure cross domain messaging, *the inline frame may be redirected to a call back URL specified by the merchant.* In a specific example, the URL is in the same domain as the original payment page. Continuing the present example, *the payment data token is passed as a parameter to the call back URL.*

Ex. 1008 at [0015], [0023] (emphasis added); *see also* Petition at 34. In other words, in Kloster, the secure server passes the token to the merchant server *using the payer as the intermediary*, by appending the token as an HTML parameter to the call back URL to which the secure server redirects the payer’s browser (in the inline frame). Because Kloster provides the token to the payer (via the redirect to the call back URL with the token as a parameter), Element [1.4.1] is not met.

This same issue came up in the M&A Ventures IPR—and institution was denied on that basis:

Kloster passes the token to the payer in the *exact same manner* as the key reference from the M&A Ventures Petition—and the Office specifically cited that as the reason for denying institution of that petition:

“In its Preliminary Response, Autoscribe contends that PayPal Express Checkout does not teach the “providing” step of independent claim 1 because PayPal repeatedly provides the Payer ID to the buyer throughout the PayPal Express Checkout process. Prelim. Resp. 26–28. *For example, Autoscribe notes that the Payer ID is sent to the buyer at step 4 of the PayPal Express Checkout flow run in the sandbox environment because it is part of the redirect URL provided by the PayPal Sandbox to the payer as shown below:*

4. After logging into the buyer test account, confirm the details.

When you confirm, the Sandbox redirects your browser to the return URL you specified when invoking the SetExpressCheckout API operation, as in the following example:

`http://www.YourReturnURL.com/
?token=EC-1NK66318YB717835M PayerID=7AKUSARZ7SAT8`

[...]

With this construction in mind, step 4 of the PayPal Express Checkout flow run in the sandbox environment plainly sends the Payer ID, which M&A Ventures maps to the claimed “data token,” to the buyer. Ex. 1006, 17, 25–26; see also Pet. 64 (arguing PayPal’s Payer ID teaches the “nonsensitive electronic data token” (emphasis omitted)), 67 (arguing the same). Because PayPal sends the Payer ID to the buyer during the PayPal Express Checkout flow, *PayPal provides the data token to the payer and, therefore, violates the negative limitation required by the ‘providing’ and ‘receiving’ steps.*”

M&A Ventures, LLC v. Autoscribe Corporation, IPR2024-01159, Paper 12 (Jan. 29, 2025) at 29–30, 32 (emphasis added, citations omitted); *see also id.* at 33 (“For all the reasons we identify above, we are not persuaded that PayPal Express Checkout teaches the ‘providing’ steps [...]. Accordingly, M&A Ventures has not shown a reasonable likelihood that it would prevail”).

Petitioner’s argument addressing this problem is facially flawed, internally inconsistent, inconsistent with the ’621 Patent, and inconsistent with Kloster itself:

Petitioner recognizes this problem (that the token is provided as an HTML parameter), but attempts to address it by arguing that providing the token to the payer’s *computing system* is not the same as providing it to the *payer*:

Additionally, to the extent Kloster’s disclosure of a passing a payment data token as a parameter to the call back URL that redirects an “iframe” provided by the online merchant system is interpreted as the token being sent from the trusted intermediary system to the payer computer system, such functionality is still sufficient to meet the claim language, which precludes providing the token to the payer (i.e., the user), not the separately-recited payer computer system. EX1005, ¶100.

Petition at 52 n.4. This argument has several problems:

First, it is facially weak (and the ’621 Patent itself disregards such a distinction). The payer computing system is “used by the payer” (’621 Patent at 16:57–58, Element [1.1]), so providing the token to the payer computing system

inherently provides it to the payer. Petitioners would apparently constrain the negative limitation of Element [1.4.1] such that it would only be relevant where the art specifically states that the payer computing system displays the token on its screen. But the '621 Patent itself states that the redirect URL is provided *to the payer* (rather than just the payer computing system, as Petitioner argues). See '621 Patent at 9:55–59 (“Merchant server 204 may *provide the customer* at site 206, 208 or 210 *with a* widget or *redirected URL* [...]”) (emphasis added).

Second, Kloster *does* indicate that the token would be displayed to the payer. See Ex. 1008 at [0013] (“In one implementation, multiple different *token patterns that a customer could select from* may be offered, for instance, restricting the token to 16 numeric digits so that it would be similar to a credit card number.”) (emphasis added). Why would the customer need to select the format of the token, unless Kloster expects them to see the token?

Third, it is internally inconsistent with Petitioner’s argument that the “without providing the ... token” limitation is implicit in Kloster. Petitioner’s argument is that, upon reviewing Kloster, “a POSTA would understand that” providing the token to the payer “would jeopardize security” because “For example, a bad actor obtaining the token may attempt to combine with other user data to request payment.” Petition at 51–52, n.3. But any “bad actor” sophisticated

enough to create malicious API calls (requesting payment with a token) would easily be able to view the provided call back URL. That is, Petitioner argues that this negative limitation is implicit because a POSITA would want to avoid providing the token to the payer for security reasons—but if that were the case, a POSITA would not read in an arbitrary barrier between the payer and the payer’s computing system.

In short, Kloster has the secure server provide the token to the payer by appending it as a parameter to the “call back URL” to which “the inline frame may be redirected.” Ex. 1008 at [0023]. This is how the PayPal reference (from the unsuccessful M&A Ventures Petition) worked, and so for the same reasons, Element [1.4.1] is not met here either.

B. Dependent Claims 2–7

Each of claims 2–7 depend from independent claim 1. Therefore, because Petitioner has failed to show that the combination of Stringfellow and Kloster renders obvious claim 1, Petitioner has also failed to show that Stringfellow and Kloster renders obvious all claims that depend from Claim 1.

Further, even if Petitioner were to succeed with respect to Claim 1, Petitioner fails to independently show that the combination of Stringfellow and Kloster render obvious the added limitations of the dependent claims.

For example, Claim 4 recites, “The method of claim 1, wherein the non-sensitive electronic data token *constitutes a symbolic representation of the sensitive financial account information.*” In the section on Claim 4, petitioner fails to address the “symbolic representation of the sensitive financial account information” at all. Petition at 54 (Petitioner’s arguments read, in their entirety: “Stringfellow/Kloster renders obvious Limitation [4.1] for reasons discussed above in Limitation [1.4.1]. EX1005, ¶105.”). Petitioner simply references its arguments for Element [1.4.1], but these arguments do not even mention the word “symbolic.”

Similarly, Claim 6 recites, “the method of claim 1, wherein the secure socket layer connection is synchronous or asynchronous with a process, performed by the merchant server, *to receive enrollment data provided by the payer.*” In the section on Claim 6, Petitioner failed to address “enrollment data” at all. *See* Petition at 55–56. Petitioner made no attempt to equate any part of either Stringfellow or Kloster with “enrollment data” or to state what “enrollment data” was provided by the payer.

Because Petitioner has not met its burden to establish that the added limitations of claims 2–7 are disclosed by the cited references, it cannot succeed on these claims.

C. Independent Claim 8

Claim 8 is an apparatus claim that recites a secure server that processes a payment transaction from a payer to a payee, in a manner similar to that described with respect to claim 1. For the most part, Petitioner relies on the same arguments it made for claim 1—including its flawed arguments for Elements [1.1.3], [1.1.5.3], [1.1.5.4], [1.3], and [1.4.1], each of which is incorporated by reference into Petitioner's arguments for Claim 8. Petition at 57–60. Accordingly, Patent Owner incorporates its own corresponding arguments by reference in all respects.

Because Petitioner has not met its burden to establish that Claim 1 is disclosed by the cited references, it cannot succeed on Claim 8.

D. Dependent Claims 9–14

Each of claims 9–14 depend from independent Claim 8. Therefore, because Petitioner has failed to show that the combination of Stringfellow and Kloster renders obvious claim 8, Petitioner has also failed to show that Stringfellow and Kloster renders obvious all claims that depend from Claim 8.

Further, even if Petitioner were to succeed with respect to Claim 8, Petitioner fails to independently show that the combination of Stringfellow and Kloster render obvious the added limitations of the dependent claims. For example, Petitioner's arguments as to Claim 11 (which is analogous to Claim 4) simply

incorporate by reference Petitioner's arguments as to Claim 4. And Petitioner's arguments as to Claim 13 (which is analogous to Claim 6) simply incorporate by reference Petitioner's arguments as to Claim 6.

Thus, for the same reasons as discussed in the context of Dependent Claims 2–7, above, Petitioner's challenges to Dependent Claims 9–14 fail as well.

E. Independent Claim 15

Claim 15 is a method claim that is in many regards comparable to Claim 1, but it is presented from the perspective of the merchant server. For the most part, Petitioner relies on the same arguments it made for claim 1—including its flawed arguments for Elements [1.1.3], [1.1.5.3], [1.1.5.4], [1.3], and [1.4.1], each of which is incorporated by reference into Petitioner's arguments for Claim 15. Petition at 62–65. Accordingly, Patent Owner incorporates its own corresponding arguments by reference in all respects.

In addition, there are limitations present in Claim 15 that are not present in Claim 1 that Petitioner fails to address at all. For example, Element [15.2] recites “receiving enrollment data identifying the payer.” Petitioner makes no arguments with respect to Element [15.2] except to point to its arguments with respect to Elements [1.1.3], [5.1], and [6.1]. *See* Petition at 62. However, none of these elements mention “enrollment data.” Instead, for example, Element [1.1.3] recites,

“receiv[ing], from the merchant server via the API, at least one data element associated with the payer and a payment amount from the payer to the payee.” In the discussion of Element [1.1.3], Petitioner states that the trusted intermediary receives an “originating payment authorization request message” that “comprises at least an amount of payment for the selected goods, the online merchant account identifier, and an identifier for the order.” Petition at 39. But Petitioner fails to identify (or even mention) how any of the information qualifies as “enrollment data identifying the payer.” Indeed, all of the information cited by Petitioner identifies the *order*, not the payer. Petitioner made no attempt to equate any part of either Stringfellow or Kloster with “enrollment data identifying the payer” or to state what “enrollment data identifying the payer” was received by the merchant server.

Similarly, Element [15.9] recites “storing the non-sensitive electronic data token in association with the enrollment data identifying the payer.” As with Element [15.2], Petitioner fails to identify (or even mention) how any of the stored information qualifies as “enrollment data identifying the payer.”

Therefore, not only do Petitioner’s arguments at to Claim 15 fail because they incorporate the flawed arguments from Claim 1 (as mentioned above), but

also they fail independently of Claim 1 because Petitioner has failed to address the limitations which Claim 15 adds to Claim 1.

F. Dependent Claims 16–22

Each of claims 16–22 depend from independent Claim 15. Therefore, because Petitioner has failed to show that the combination of Stringfellow and Kloster renders obvious Claim 15, Petitioner has also failed to show that Stringfellow and Kloster renders obvious all claims that depend from Claim 15.

Further, even if Petitioner were to succeed with respect to Claim 16, Petitioner fails to independently show that the combination of Stringfellow and Kloster render obvious the added limitations of the dependent claims. For example, Petitioner’s arguments as to Claim 17 (which is analogous to Claim 4) simply incorporate by reference Petitioner’s arguments as to Claim 4. And Petitioner’s arguments as to Claim 21 (which is analogous to Claim 6) simply incorporate by reference Petitioner’s arguments as to Claim 6.

Thus, for the same reasons as discussed in the context of dependent Claims 2–7, above, Petitioner’s challenges to dependent Claims 16–22 fail as well.

G. Claim 23

Claim 23 is an apparatus claim that is closely analogous to Claim 15. For Claim 23, Petitioners simply cite their arguments for Claims 8 and 15. *See* Petition at

66–68. Patent Owner responds by incorporating its own corresponding arguments regarding Claims 8 and 15 in all respects:

As discussed in the context of Claims 8 and 15, because Petitioner ultimately relies on the same arguments it made for claim 1—including its flawed arguments for Elements [1.1.3], [1.1.5.3], [1.1.5.4], [1.3], and [1.4.1]—Petitioner’s arguments as to Claim 23 fail for the same reasons as Claim 1.

In addition, as with Claim 15, there are limitations present in Claim 23 that are not present in Claim 1 that Petitioner fails to address at all. For example, Element [23.2.2] is analogous to Element [15.2], and Element [23.2.8] is analogous to Element [15.9]. As discussed in the context of Claim 15, above, Petitioner fails to address the limitations of these elements. *See* Petition at 67.

Therefore, not only do Petitioner’s arguments as to Claim 23 fail because they incorporate the flawed arguments from Claim 1 (as mentioned above), but also they fail independently of Claim 1 because Petitioner has failed to address the limitations which Claim 23 adds to Claim 1.

H. Dependent Claim 24

Claim 24 depends from independent Claim 23. Therefore, because Petitioner has failed to show that the combination of Stringfellow and Kloster renders

obvious Claim 23, Petitioner has also failed to show that Stringfellow and Kloster renders obvious Claim 24.

Further, even if Petitioner were to succeed with respect to Claim 23, Petitioner fails to independently show that the combination of Stringfellow and Kloster render obvious the added limitations of dependent Claim 24. For example, Petitioner's arguments as to Claim 24 (which is analogous to Claim 4) simply incorporate by reference Petitioner's arguments as to Claim 4. Petition at 68. Thus, for the same reasons as discussed in the context of dependent Claim 4, above, Petitioner's challenge to dependent Claim 24 fails as well.

I. Claim 25

For Claim 25, Petitioners simply cite their arguments for Claim 1. *See* Petition at 68–69. Patent Owner responds by incorporating its own corresponding arguments regarding Claim 1 in all respects.

J. Dependent Claims 26–27

Each of claims 26 and 27 depend from independent Claim 25. Therefore, because Petitioner has failed to show that the combination of Stringfellow and Kloster renders obvious Claim 25 (for the reasons discussed in the context of

Claim 1), Petitioner has also failed to show that Stringfellow and Kloster renders obvious all claims that depend from Claim 25.

Further, even if Petitioner were to succeed with respect to Claim 25, Petitioner fails to independently show that the combination of Stringfellow and Kloster render obvious the added limitations of dependent claims 26 and 27. For example, Claim 26 adds the limitation that “the URL is a *redirect URL* that redirects the payer computing system to the secure server.” For this Claim, Petitioner simply references its arguments for Element [1.1.5.1]. Petition at 70. But Petitioner does not mention the phrase “redirect URL” anywhere in their Petition, and the word “redirect” does not even appear in Element [1.1.5.1]. This, Petitioner’s challenge to dependent Claim 26 fails.

Similarly, Petitioner fails to independently show that the combination of Stringfellow and Kloster render obvious the added limitations of dependent Claim 27. For example, Petitioner’s arguments as to Claim 27 (which is analogous to Claim 4) simply incorporate by reference Petitioner’s arguments as to Claim 4. Petition at 70. Thus, for the same reasons as discussed in the context of dependent Claim 4, above, Petitioner’s challenge to dependent Claim 27 fails as well.

K. Petitioner fails to provide any reasoning for Ground 2

“The burden of proving invalidity in an IPR remains on the petitioner throughout the proceeding.” *Fanduel, Inc. v. Interactive Games LLC*, 966 F.3d 1334, 1341 (Fed. Cir. 2020) (citing 35 U.S.C. § 316(e): “the petitioner shall have the burden of proving a proposition of unpatentability.”) “In an IPR, the petitioner has the burden from the onset to show *with particularity* why the patent it challenges is unpatentable.” *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1363 (Fed. Cir. 2016) (emphasis added). It is petitioner’s “burden to explain to the Board how [the asserted prior art] rendered the challenged claims unpatentable.” *Id.*

Petitioner’s Ground 2 is a re-hash of Ground 1 with the addition of the Carlson reference (Ex. 1018). However, Petitioner’s entire “element-by element analysis” of the Carlson reference is a single sentence as follows: “Because modification of Stringfellow [’626] in view of Kloster and Carlson results in the same system as described for Ground 1, the same analysis applies.” Petition at 72. There is no analysis as to why a POSITA would combine Stringfellow and Kloster with Carlson; no analysis of what weakness of the combination of Stringfellow and Kloster is being addressed by Carlson; and no analysis of what Carlson adds to the combination of Stringfellow and Kloster. Thus, Petitioner has not even attempted

to meet its burden of showing that the combination of Stringfellow, Kloster, and Carlson renders obvious any claim of the '621 patent.

To the extent that Petitioner attempts to explain the operation of the Carlson reference, the Petition appears to focus on Carlson's use of a "correlation ID." Petition at 71–72 (the Petition bolds a mention of correlation ID, then highlights a usage of the correlation ID). The Petition states that adding Carlson to the combination of Stringfellow and Kloster "results in the same system as already described ... in which the query string of the sign-in URL includes the same two transaction identifiers to the trusted intermediate in the original request message ..." Petition at 72. Therefore, one might guess²³ that the addition of Carlson is aimed at limitation 1.1.5.1a, the limitation about the URL: "a dynamic URL generated by the secure server for the payer and the payee; or a static URL and a hypertext transport protocol (HTTP) parameter used by the secure server to identify the payer and the payee."

Carlson states that the correlation ID "ties together messages associated with the same transaction," without any further explanation. Ex. 1018 at [0042], [0080].

²³ To reiterate the earlier point, it is absurd that the Patent Owner is forced to guess at the claim limitations being addressed in Ground 2 because of Petitioner's failure to spend more than a single sentence on its reasoning.

A correlation ID that merely “ties together messages associated with the same transaction” fails to teach a URL that identifies “the payer and the payee.”

L. There is no motivation to combine the references

Petitioner fails to provide a credible rationale for combining Stringfellow and Kloster. The Petition lacks an “articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007) (quoting *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006)). Instead, Petitioner simply argues that Stringfellow and Kloster should be combined “to obtain the benefits Kloster explicit [sic] describes.” Petition at 30. Petitioner disregards, however, the specific teachings within each reference and the intended purpose of the disclosed inventions. For example, Petitioner states that a benefit of tokenization as taught by Kloster is, “by relying on the tokenization functionality provided by the secure payment system server as disclosed in Kloster, the merchant can avoid handling sensitive data directly while still being able to access secure services ... without having to build or maintain such [secure services] in-house.” Petition at 32–33. However, according to Stringfellow, a merchant using Stringfellow already avoided handling sensitive data: “embodiments of the invention enable a user to select a payment method on a per transaction basis, while *removing the requirement for the user to provide*

payment details to individual online merchant systems.” Ex. 1007 at [0028].

Thus, a POSITA using Stringfellow would not be motivated to combine Stringfellow with Kloster to avoid handling sensitive data because it was already avoiding handling sensitive data.

A POSITA also would not be motivated to combine Carlson with the combination of Stringfellow and Kloster. As an initial matter, a POSITA would not be motivated to combine Stringfellow and Kloster for at least the reasons presented above. Assuming, *arguendo*, that Stringfellow and Kloster can be combined, one would have no motivation to further combine Carlson with Stringfellow and Kloster. To the extent that Petitioner’s proposed combination is understood, Carlson only adds a “correlation ID” that “ties together messages associated with the same transaction.” A POSITA would not be motivated to add that functionality to the combination of Stringfellow and Kloster because Kloster already associated “a payment data token with the sensitive payment data.” Ex. 1008 at Abstract.

VI. Conclusion

For the foregoing reasons, Petitioner has failed to establish a reasonable likelihood of prevailing as to the Challenged Claims of the ’621 Patent, and *inter partes* review of the Challenged Claims should be denied.

Respectfully submitted,

Dated: April 14, 2025

/s/ Sujeeth Rajavolu

Sujeeth Rajavolu

Reg. No. 82,112

Attorney for Patent Owner Autoscribe
Corporation

**AHMAD, ZAVITSANOS & MENSING
PLLC**

1221 McKinney, Suite 2500

Houston, TX 77010

Telephone: (713) 655-1101

Facsimile: (713) 655-0062

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document (Patent Owner's Preliminary Response) was served on April 14, 2025, by electronic mail to the following:

Lead Counsel	Back-up Counsel
Eagle H. Robinson Reg. No. 61,361 NORTON ROSE FULBRIGHT US LLP 98 San Jacinto Blvd, Suite 1100 Austin, TX 78746 Tel: 512-536-3083 Fax: 512-536-4598 Eagle.robinson@nortonrosefulbright.com	Daniel S. Leventhal Reg. No. 59,576 NORTON ROSE FULBRIGHT US LLP 1550 Lamar St., Suite 2000 Houston, TX 77010 Tel: 713-651-8360 Fax: 713-651-5246 Daniel.leventhal@nortonrosefulbright.com

Respectfully submitted,

Dated: April 14, 2025

/s/ Sujeeth Rajavolu

Sujeeth Rajavolu, Reg. No. 82,112
Attorney for Patent Owner Autoscribe
Corporation

**AHMAD, ZAVITSANOS & MENSING
PLLC**

1221 McKinney, Suite 2500
Houston, TX 77010
Telephone: (713) 655-1101
Facsimile: (713) 655-0062

CERTIFICATE OF COMPLIANCE

The undersigned certifies that this document complies with the type-volume limitations set forth in 37 C.F.R. § 42.24 et seq. This document, excluding those portions excluded pursuant to 37 C.F.R. § 42.24(a)(1) contains 12011 words, according to the “Word Count” feature of Microsoft Word for Office 365, the program used in creating it.

/s/ *Sujeeth Rajavolu*

Sujeeth Rajavolu

**AHMAD, ZAVITSANOS & MENSING
PLLC**