

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

DH INTERNATIONAL LTD.,
Patent Owner.

IPR2025-00173
Patent 7,628,333 B2

Before KARL D. EASTHOM, BRIAN P. MURPHY, and
MARY C. HOFFMAN, *Administrative Patent Judges*.

MURPHY, *Administrative Patent Judge*.

DECISION

Denying Petitioner's Request for Rehearing of Institution Denial
37 C.F.R. § 42.71(d)

I. INTRODUCTION

Apple Inc. (“Petitioner”) filed a Petition pursuant to 35 U.S.C. § 311 requesting institution of *inter partes* review of claims 1–13 of U.S. Patent No. 7,628,333 B2 (Ex. 1001, “the ’333 patent”). Paper 1 (“Pet.”). DH International (“Patent Owner”) timely filed a Patent Owner Preliminary Response. Paper 6 (“Prelim. Resp.”). On June 25, 2025 we denied institution of the requested *inter partes* review. Paper 8 (“Decision” or “Dec.”). On July 25, 2025, Petitioner timely filed a Request for Rehearing of our Decision. Paper 9 (“Rehearing Request” or “Req.”). For the reasons given below, we deny the Request for Rehearing.

II. ANALYSIS

A request for rehearing “must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, a reply or sur-reply.” 37 C.F.R. § 42.71(d). The party challenging a decision bears the burden of showing the decision should be modified. *Id.* We address Petitioner’s rehearing arguments below.

The Rehearing Request is based on the faulty premise that the Board misunderstood the claimed “*data conveyance switching element*” (hereafter “switching element”), in light of Patent Owner’s criticism of the Petition’s proposed invalidating combination of McGregor¹ and Palmer² as “non-switching.” Req. 1 (citing Prelim. Resp. 6, 36–40). Petitioner asserts that we improperly

¹ U.S. Patent Pub. No. 2002/0180584 A1 to McGregor Published Dec. 5, 2002 (“McGregor”) (Ex. 1004).

² U.S. Patent Pub. No. 2003/0226041 A1 to Palmer Published Dec. 4, 2003 (“Palmer”) (Ex. 1005).

construed the claims to exclude an embodiment where “data is both transmitted and displayed in an activated state,” such as the embodiment recited in claim 13 of the ’333 patent. *Id.* at 2–3. Petitioner contends that because the “*activated state*” of the switching element does not exclude both displaying data on the claimed device as well as transmitting data to an external device, we committed error. *Id.* at 3–15.

To the contrary, we first found as follows:

The Petition is unclear as to which McGregor device is being referenced, e.g., the smart card of Figure 2, the wallet embodiment of Figure 4, or some combination of embodiments disclosed in McGregor and Palmer. *Id.* Regardless, the proposed modification of McGregor in view of Palmer, as we understand it, is based on conclusory reasoning and appears to be motivated by hindsight rather than the teachings of the applied references. Prelim. Resp. 38–40 (citing [Dr. Zaheer Dec.] Ex. 2001 ¶¶ 97–102).

Dec. 16 (also citing Buehrer Dec. Ex. 1003 ¶¶ 95–105, 125–127). We also found that:

The Petition’s analysis [] does not address why or how McGregor’s microprocessor would “accordingly” act as a data conveyance switching element or why a POSITA would want to program McGregor’s microprocessor to execute such a switching function in view of Palmer. We find the Petition and Dr. Buehrer’s testimony lacking in articulated reasoning supported by rational underpinnings sufficient to support the conclusion that limitation [1(e)] reads on the proposed McGregor-Palmer combination.

Id. at 17 (citing Ex. 1003 ¶ 127; *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007)). We further noted the lack of a particularized explanation of the asserted switching function in the Petition, particularly “what happens when the microprocessor [in McGregor-Palmer] is in an *inactive state*; i.e., when no reader/writer device or RF field is detected.” *Id.* at 18 (citing Ex. 1003 ¶¶ 92, 95–105, 125–127) (emphasis added). Our findings, quoted above, rely not at all on a

misunderstanding of the asserted “*data conveyance switching element*” recited in the claims as mapped to McGregor-Palmer. The Petition fails to provide sufficient evidence and persuasive argument that McGregor-Palmer teaches a “*data conveyance switching element*” that switches between an “*activated state*” and an “*inactive state*” depending on whether or not an “*activation cue*” is received by a “*data transceiver*,” as recited in the claims.

Our findings rest on the Petition’s failure to satisfy the obviousness standard with a reasonable likelihood of success as required under 35 U.S.C. §§ 103, 314(a), by not adequately supporting or explaining how the McGregor-Palmer device would act as a switching element, particularly when in the asserted “*inactive state*.” We determined the Petition to be inadequate in failing to reconcile how the McGregor device would act as a switching element when in the “*inactive state*,” i.e., when the *device itself* is deactivated because it is not within Palmer’s RF activation field generated by a financial transaction “reader/writer device.” *Id.* at 22–23. Under those conditions, the Petition acknowledged that McGregor’s *microprocessor* “remains in an *inactivated state* if no reader/writer is detected,” and therefore could not provide two-way communication to execute the asserted data conveyance switching function. *Id.* (quoting Pet. 42 (emphasis added)) (citing Ex. 1003 ¶ 92; Ex. 1005 ¶¶ 50–51, Fig. 9). We considered Dr. Buehrer’s cited declaration testimony on the contested point raised in the Petition, but we found his testimony unpersuasive. *Id.*

The Rehearing Request also overlooks our crediting of Dr. Zaheer’s incisive analysis of the asserted McGregor-Palmer combination:

No software is identified as a switching element in either McGregor or Palmer. The microprocessor of McGregor is not described as doing any switching of data paths. . . .

Next, the Petitioner disregards its dual data conveyance approach when it states, “*McGregor’s* device, modified pursuant to *Palmer’s* processes, satisfies this limitation.” Pet. 42. However, *Palmer’s* process (and similarly *McGregor’s* device) does not have: (1) two data conveyance paths; (2) a switching element; (3) switching code for a microprocessor; or (4) any explanation of why a POSITA would choose one approach over another, except for what is taught in the ’333 Patent.

Id. at 20 (quoting Ex. 2001 ¶¶ 100–103). We credited Dr. Zaheer’s testimony because it is consistent with the teachings of *McGregor* and *Palmer*. *Id.* Moreover, we emphasized that the Petition’s theory for mapping the claimed switching element onto *McGregor-Palmer* is based on the flawed assumption that *McGregor* “does not explain how the device determines *whether* to automatically transmit the data [security key code] in lieu of (or in addition to) displaying the data.” *Id.* at 20–21 (quoting Pet. 25).

We explained the logical flaw in the Petition’s argument is that “display of the security key code in *McGregor* is not optional,” rather it is automatic and provides no basis for teaching or suggesting the switching element, even in combination with *Palmer*. *Id.* at 22. In short, there is no need for a switch to determine “whether” to transmit the data in *McGregor’s* device; the data transmission is automatic. Moreover, none of our analysis regarding the “First” through “Third” reasons at pages 19–23 of our Decision is based on any misunderstanding of the switching element when in the “*activated state*.” Our emphasis, instead, was on the failure of the Petition and Dr. Buehrer to address persuasively the asserted switching element of *McGregor-Palmer* when in an “*inactive state*.” Any one of those three reasons, independently, is sufficient to deny the Petition.

Regarding our “Fourth” reason for denying institution (Dec. 23), any confusion by the Board regarding the Petition’s application of *McGregor-Palmer* to

the claimed switching element is rooted in the Petition. The Board denied the Petition because the Petition did not demonstrate a reasonable likelihood of showing that a person of ordinary skill in the art would have been motivated to apply Palmer’s switching technique to McGregor’s “automatic” transmission of the security key code to the transaction network for authorization. Dec. 23 (citing Ex. 1004 ¶ 44; Ex. 2001 ¶¶ 97–103). We considered what the proposed McGregor-Palmer combination would have taught to one of skill in the art based on the argument and evidence cited in the Petition and Preliminary Response. We determined there was inadequate argument and evidence in the Petition to support the contention that the proposed McGregor-Palmer combination teaches the claimed switching element in the absence of hindsight.

Therefore, for the reasons given above, we *deny* Petitioner’s request for rehearing.

III. ORDER

It is hereby ORDERED that Petitioner’s request for rehearing is *Denied*.

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