**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

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**BEFORE THE PATENT TRIAL AND APPEAL BOARD**

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SAMSUNG ELECTRONICS CO., LTD.,

Petitioner,

v.

TELCOM VENTURES LLC.,

Patent Owner.

_____

Case No. IPR2025-00972

U.S. Patent No. 10,219,199

_____

# PETITIONER'S OPPOSITION TO PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL OF INSTITUTION

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| Exhibit | Description |
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| 1001-1047 | *Previously presented.* |
| 1048 | "KYOCERA Wireless Demonstrates Emerging Wireless Technologies at CTIA Wireless 2008", Kyocera (Apr. 1, 2008), https://americas.kyocera.com/press-releases/press-releases_201503201967.htm |
| 1049 | "Mastercard, Nokia again team for NFC test payments", RCRWireless (Nov. 3, 2006), https://www.rcrwireless.com/20061103/archived-articles/mastercard-nokia-again-team-for-nfc-payment-tests |
| 1050 | "MasterCard and 7-Eleven Launch NFC Trial", RFIDJournal (Nov. 7, 2006), https://www.rfidjournal.com/news/mastercard-and-7-eleven-launch-nfc-trial/80201/ |
| 1051 | Petitioner's District Court Invalidity Contentions |
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| 1055 | Dkt. No. 55, *Telcom Ventures LLC v. Samsung Electronics, Co.*, Case No. 2:24-cv-00691-JRG |
| 1056 | Dkt. No. 57-2, *Telcom Ventures LLC v. Samsung Electronics, Co.*, Case No. 2:24-cv-00691-JRG |
| 1057 | United States District Courts – National Judicial Caseload Profile for the Eastern District of Texas as of June 2025, https://www.uscourts.gov/data-news/reports/statistical-reports/federal-court-management-statistics/federal-court-management-statistics-june-2025 |

# I. INTRODUCTION

The Director should deny Patent Owner's Request for Discretionary Denial (Paper 7) ("DD Request") and refer the Petition to the panel. Here, a lack of settled expectations—a factor on which the Director has placed significant emphasis—strongly favors referral, as the '199 patent, issued in 2019, is one of eight related patents asserted against Petitioner, five of which were issued in 2020 or later. Patent Owner's lawsuit against Petitioner is the first time Patent Owner has asserted any patents from this family, which have never before been licensed, commercialized, or the subject of any demand letter.

In addition, the examiner erred in allowing the '199 patent by not finding and considering the Dua reference (which is the basis for Ground 2 in this IPR). During the subsequent prosecution of related U.S. Pat. No. 10,674,432 ("'432 patent"), the examiner (who was also responsible for examining the '199 patent) identified Dua as prior art and rejected the claims based on Dua. Thus, the examiner erred in not finding and considering Dua during prosecution of the '199 patent. The Director should allow the Board to review and correct the examiner's errors. Moreover, the errors (some similar, some different) made during prosecution of the other members of this family that are the subject of Samsung petitions–errors that are identified in those petitions and in Samsung's responses to Patent Owner's requests for

discretionary denial–reinforce the need to deny Patent Owner's request and to institute review of this patent and the challenged related patents.

Petitioner has also filed a broad prior art stipulation, promising not to assert in the litigation any grounds that could have been raised in this IPR, as well as any combination of system art and the art asserted in this IPR. Along with the minimal amount of investment by the parties in the litigation, this should mitigate any concerns about the trial date, as the overlap between the litigation and the IPR is minimal.

## II. SETTLED EXPECTATIONS STRONGLY WEIGH AGAINST DENIAL

The '199 patent is part of a family of 11 patents,[1] 8 of which are asserted against and challenged by Petitioner. Each patent shares the same specification and is a continuation of the '411 patent. Petitioner has since filed IPR petitions challenging those 8 patents. These challenged patents were issued as follows:

- the '793 on July 2, 2024 (challenged in IPR2025-00978),
- the '172 on March 19, 2024 (challenged in IPR2025-00957),
- the '743 on March 5, 2024 (challenged in IPR2025-00976),
- the '756 on September 26, 2023 (challenged in IPR2025-00977),

[1] One of these patents, U.S. Pat. No. 12,402,066, issued less than a month ago.

- the '432 on June 2, 2020 (challenged in IPR2025-00974),
- the '199 on February 26, 2019 (challenged in IPR2025-00972 (*i.e.*, here)),
- the '708 on November 28, 2017 (challenged in IPR2025-00975), and
- the '411 on October 4, 2016 (challenged in IPR2025-00973).

Five of these patents were recently issued and the '199 issued only 6 years before the filing of this Petition. Thus, they lack settled expectations. *See Cambridge Industries USA, Inc. v. Applied Optoelectronics, Inc.*, IPR2025-00433, Paper 11 at 2 (Director June 27, 2025) ("[M]ost of the challenged patents have not been in force for a significant period of time (issued in 2020, 2019, and 2019), and, accordingly, Patent Owner has not developed strong settled expectations that favor discretionary denial as to at least those patents.").

Lack of settled expectations is further underscored by Patent Owner's lack of contention that the '199 patent has ever been "commercialized, asserted, marked, licensed, or otherwise applied in [Petitioner's] particular technology space." *Shenzen Tuozhu Technology Co., Ltd. v. Stratasys, Inc.*, IPR2025-00438, Paper 10 (Director July 17, 2025). Furthermore, the asserted patents were never asserted in any lawsuit until this one and then, a few weeks later, a similar lawsuit filed against Apple in a different district court. Nor does Patent Owner contend it has ever sent a demand letter to anyone—certainly, none was sent to Petitioner prior to the filing of

this lawsuit in 2024. It is therefore abundantly clear that only recently (2024) has Patent Owner elected to do anything with its patents.

Since then, however, through its lawsuits against Petitioner (which implicates both Samsung Pay and Google Pay) and Apple (which implicates Apple Pay), Patent Owner has asserted infringement by all of the leading mobile payment platforms. Resolving Patent Owner's allegations against all these application in a single set of IPRs (these) is an efficient use of Board resources.

Moreover, the mobile payments technology space is not a new one. The challenged claims of the '199 patent are, in Patent Owner's own words, "directed to financial transactions and wallet applications" and "use of a proximity criterion for completing financial transactions." DD Request, 5. The claims also use an authentication parameter, such as a password or a biometric sensor. EX1001, Abstract, cl. 1. The '199 patent itself acknowledges the existence of wireless mobile devices, specifically that "adaptivity and mobility aspects of wireless communications" were "important in people's lives." EX1001, 1:27-28. It also acknowledges that mobile devices can act as wallets. *Id.*, 1:27-47. It further acknowledges the existence of communications protocols such as NFC, RFID, WiFi, and cellular communications. *Id.*, 7:14-24.

Accordingly, by 2008, there were numerous systems in public use that allowed for financial transactions based on proximity. For example, in October 2007,

Kyocera Wireless announced the completion of a three-month trial in Jackson, Mississippi and Memphis, Tennessee, in which Cellular South customers were provided with NFC-enabled Kyocera phones equipped with fingerprint sensors / biometric authentication and ViVOtech electronic wallet software. Customers downloaded credit cards into their phones via an over-the-air ("OTA") process, after which they could wirelessly pay for items at point-of-sale terminals at retailers utilizing NFC. EX1023. Kyocera similarly exhibited and publicly displayed the technology at the CTIA Wireless 2008 trade show in Las Vegas, NV. EX1048. These Kyocera devices included an integrated fingerprint reader. EX1023; EX1048.

Similarly, in November 2006, MasterCard, Nokia, and 7-Eleven conducted a trial in Dallas in which participants received a Nokia 3220 phone that was provisioned with MasterCard's PayPass service, allowing users to make purchases at 7-Eleven stores and other retailers. EX1049. These devices used NFC to detect proximity, allowing the device to act like "an RFID-enabled payment card." EX1050. In addition, these phones used password protection to "prevent financial loss if lost or stolen." EX1049.

These technologies and dozens of others, including RFID-enabled payment devices developed in the 1970s, are extensively discussed in Petitioner's invalidity contentions. EX1051, 26-88.

This technology space has existed for over half a century, but only last year did Patent Owner declare it had patent rights over the field and accuse the three largest digital wallet platforms in the world. In such a mature market, neither Patent Owner nor any market participant could have had settled expectations of validity with respect to any of the asserted patents.

Patent Owner's only assertion of settled expectations is its "invest[ment] of time and resources into this family of patents" via their prosecution—notably, Patent Owner does not assert any resources spent commercializing, licensing, or litigating these patents. DD Request, 34-37. But five of the asserted patents were issued after 2020, and the '199 patent was just barely six-years old when Petitioner challenged it. This is far too short of time to have established any settled expectations.

Nor can Patent Owner claim that the earlier patents created any settled expectations as to the later patents. Indeed, the opposite is true. The Director has held on several occasions that where a family of patents constitute older and newer patents, all of them should be referred to the panel if it is an "efficient use of Board resources." *Embody, Inc. v. LifeNet Health*, IPR2025-00248, Paper 13 at 3 (Director June 26, 2025) (referring challenges to a 3-year old and 7-year old patent to the Board); *Advanced Micro Devices, Inc. et al. v. Concurrent Ventures, LLC et al.*, IPR2025-00478, Paper 10 (Director July 31, 2025) (referring challenges to a 4-year

old and 10-year old patent). None of Patent Owner's cited decisions say otherwise, as they each only involved patents 6 years or older. DD Request, 35-36.

Here, referring all of the IPR petitions to the Board would be an "efficient use of Board resources." *Embody*, IPR2025-0248, Paper 13 at 3. Given the significant overlap between the asserted patents, there is also significant overlap between each of the petitions. Each petition asserts the same prior art using the same grounds and the same arguments—specifically, each petition asserts two grounds: single-reference obviousness in view of Jain and, alternatively, single-reference obviousness in view of Dua. Moreover, Patent Owner's DD Requests in the eight proceedings make substantially the same arguments against Jain and/or Dua. *See* IPR2025-00976, Paper 9; IPR2025-00975, Paper 7; IPR2025-00974, Paper 7; IPR2025-00973, Paper 7; IPR2025-00957, Paper 8; IPR2025-00977, Paper 7; IPR2025-00978, Paper 7. Thus, the Board's decision in one challenged patent would likely apply to all of them, and referring all of the IPR challenges to the Board would accordingly be a highly efficient use of Board resources. For these reasons, the '199 patent lacks settled expectations, which heavily weighs against denial.

## III. THE EXAMINER ERRED IN ALLOWING THE '199 PATENT

Referral to the Board is also warranted because the examiner committed multiple material errors in allowing the '199 patent. *Anthony Inc. v. ControlTec LLC*, IPR2025-00559, Paper 12 at 2 (Director July 16, 2025). Even if the Director finds

that other factors may favor discretionary denial, "it is an appropriate use of Office resources to review the[se] potential error[s]." *Taiwan Semiconductor Manufacturing Co. v. Marlin Semiconductor Ltd.*, IPR2025-00847 *et al*, Paper 11 (Director Sept. 3, 2025) (referring IPR2025-00847 to the Board even though the ITC hearing on the challenged patent is scheduled 9 months before the projected final written decision due date). This remains true even if the Director finds the examiner's errors are applicable to only a subset of patents challenged by Petitioner, since instituting IPRs on the other related, overlapping patents will be an "efficient use of Board resources." *Embody*, IPR2025-00248, Paper 13 at 3. In each of the other seven proceedings in which Samsung challenges a Telcom patent related to this patent, Section III of Samsung's response to Patent Owner's Request for Discretionary Denial identifies multiple examiner errors specific to that patent. Some are similar to those identified here, while others are particular to the challenged patent. Consistent with Embody, these errors in the prosecution of related patents weigh in favor of instituting IPRs for all challenged patents.

The examiner erred in not identifying and considering Dua during prosecution of the '199 patent despite being able to subsequently identify Dua during prosecution of the related '432 patent. Thus, the examiner overlooked critical teachings in Dua and allowed the '199 patent even though Dua discloses or at least renders obvious all claims of the '199 patent. *See* Pet., Ground 2. Specifically, the examiner

responsible for examining and allowing the '199 patent subsequently also examined the related '432 patent. *Compare* EX1007 at 197 *with* EX1009 at 269. During prosecution of the '432 patent, the pending claims included similar limitations to the '199 patent issued claims, and the examiner rejected the pending claims over Dua in combination with a secondary reference, Creamer. EX1009 at 169-171. The examiner responsible for the '432 and '199 patents erred in overlooking key disclosure in Dua. *Anthony Inc. v. ControlTec, LLC*, IPR2025-00559, Paper 12 at 2 (Director July 16, 2025) ("Petitioner persuasively explains that the patent examiner erred by overlooking the teachings of Carter. … [I]t is an appropriate use of Office resources to review the potential error."). Allowing this IPR petition to proceed to the merits stage will give the PTAB an opportunity to correct this error.

## IV. PETITIONER'S BROAD STIPULATION MITIGATES ANY *FINTIV* CONCERNS

Notwithstanding Patent Owner's erroneous analysis of the *Fintiv* factors, they are all substantially outweighed by the broad stipulation Petitioner has filed in this case, which goes beyond addressing the Director's concerns with *Sotera* stipulations. Pet., 70; *Motorola Sols. v. Stellar, LLC*, IPR2024-01205, Paper 19 at 3-4 (Director Mar. 28, 2025). Petitioner's stipulation includes a *Sotera* stipulation, but adds any combination of system art and IPR art as well as any combination using patents or printed publications as a primary reference (which would include combinations with

system art and other art that could not have reasonably been included in the petition).

Pet., 70. With this broad stipulation, there is no overlap at all between this proceeding and the litigation.

### 1. Factor 4: Petitioner's Broad Stipulation Significantly Weighs Against Denial

Petitioner's stipulation outweighs every other *Fintiv* factor given its breadth. Indeed, Petitioner's research indicates that its stipulation is one of the broadest prior art stipulations that an IPR petitioner has ever provided.

Petitioner stipulates that, if this petition is instituted, it will not assert invalidity grounds in the litigation that include:

> 1. "any ground raised or that could have reasonably been raised in the petition,"
>
> 2. "any ground that relies on a patent or printed publication as its primary reference;" or
>
> 3. "any ground that includes Jain or Dua in an obviousness combination."

Pet., 70.

Not only does this stipulation include the standard *Sotera* stipulation, but it also covers any combination of system art and the IPR art (Jain and Dua), closing the *Sotera* stipulation loophole that the Director identified in *Motorola*. *Motorola Sols.*, IPR2024-01205, Paper 19 at 4 ("Petitioner's invalidity arguments in the district court are more expansive and include combinations of the prior art asserted

in these proceedings with unpublished system prior art, which Petitioner's stipulation is not likely to moot.").

Importantly, this stipulation also goes beyond the Director's concerns and further covers ***any*** combination of a patent or printed publication as a primary reference—including when combined with system art or art that could not have reasonably been raised in the Petition. This greatly expands the number of grounds that Petitioner would not be able to assert in the litigation, and nearly removes all patent or printed publication art from the scope of Petitioner's invalidity contentions.

Petitioner's stipulation is a significant and material expansion of the typical *Sotera* stipulation that is intended to preclude any possibility of an overlap between this proceeding and the litigation. *Shenzhen Tuozhu Tech. Co., Ltd. v. Stratasys, Inc.*, IPR2025-00321, Paper 10 at 13 (P.T.A.B. June 18, 2025) ("This … stipulation mitigates any concerns of duplicative efforts between the district court and the Board, as well as concerns of any potentially conflicting decisions.").

Accordingly, this factor heavily weighs against denial, especially because the remaining factors are either neutral or only modestly in favor of denial.

### 2. Factor 1: The District Court's Likelihood To Grant A Stay If The IPR Is Instituted Is Neutral

Patent Owner bizarrely spills significant ink speculating about whether the District Court will grant a stay. As the Board has held time and time again, when

the Court has not indicated one way or another about a stay, the Board will not speculate and will give this factor neutral weight. *Apple, Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 12 (P.T.A.B. May 13, 2020) ("We decline to infer, based on actions taken in different cases with different facts, how the District Court would rule should a stay be requested by the parties in the parallel case here.").

Even Patent Owner admits that the District Court will entertain and likely grant a stay if the Board grants institution on all eight IPR petitions. DD Request, 10; *see also Cobblestone Wireless, LLC v. Cisco Systems, Inc.*, No. 2:23-cv-00454-JRG-RSP, 2024 WL 5047854 (E.D. Tex. Dec. 9, 2024) (granting stay following institution of IPR against asserted patent); *Emerging Automotive LLC v. Kia Corp. et al.*, No. 2:23-cv-00437-JRG, Dkt. 301 (E.D. Tex. Jun. 30, 2025) (granting stay following institution of IPRs and *ex parte* reexamination against all asserted patents). As Patent Owner acknowledges, the claims of the eight patents have significant overlap. DD Request, 5 ("[E]ach of the applications has been directed to the same technology area … each of the Telcom Ventures Patents is directed to a wallet function on a mobile wireless device such as a smartphone … each of the Telcom Ventures Patents relates to the use of a proximity criterion for completing financial transactions."). Indeed, as discussed above, each petition asserts the same art and grounds, and there are significant efficiencies in referring all eight petitions to the Board. Thus, it is likely the petitions rise or fall together, rendering moot any

concerns that the District Court will only grant a stay if all IPR petitions are instituted.

As for Patent Owner's argument that Petitioner will fail to meet the requirements for a stay, the Board should decline to speculate what the District Court will do. In any case, Patent Owner's arguments are not consistent with the Court's typical practice—indeed, the Court recently stayed a case on the eve of trial when petitions against some of the patents were instituted. *Stellar LLC v. Motorola Solutions, Inc. et al.*, No. 4:23-cv-750-SDJ, Dkt. 156 (Feb. 24, 2025) (staying all deadlines two weeks before trial after four of eight IPRs were instituted, pending decisions on the remaining four IPRs); *Emerging Automotive LLC v. Kia Corp. et al.*, No. 2:23-cv-00437-JRG, Dkt. 301 (E.D. Tex. Jun. 30, 2025) (granting stay 3 weeks before trial following institution of IPRs and *ex parte* reexamination against all asserted patents).

### 3. Factor 2: The Proximity of the District Court Trial And The Board's Final Written Decision Is Neutral

This factor is neutral or at best slightly in favor of denial. Although the District Court has scheduled a trial for June 1, 2026, such a date is unlikely because it is not consistent with median time-to-trial statistics for the Eastern District of Texas. The official U.S. Courts statistics show that the most recent (and therefore most relevant) median time-to-trial for the district court is 25.1 months. EX1057.

For a complaint filed on August 21, 2024, that would place trial at around late September to early October 2026, approximately two months before the Board's latest statutory deadline of December 11, 2026. Moreover, Judge Gilstrap has scheduled ***10 trials*** for June 1, 2026, making it significantly likely that the trial date will be moved. EX1052. In at least one case, the asserted patent's corresponding IPR petition has been denied and therefore there is little chance of a stay. *See Samsung Elec. Co. Ltd. v. OS-New Horizon Personal Comput. Sols. Ltd.*, IPR2025-00613, Paper 10 (Director July 17, 2025). And several of these cases involve numerous defendants, decreasing the likelihood of settlement. This small difference cannot outweigh Petitioner's broad stipulation.

Undoubtedly, Patent Owner is aware of the U.S. Courts' time-to-trial statistics and deliberately chose not to use them. *See, e.g.*, *Nokia of America Corp. et al. v. Ianarch Techs. Ltd.*, IPR2024-00899, Paper 3 at 67-68 (May 30, 2024) (Patent Owner's lead counsel citing to the official time-to-trial statistics). Instead, Patent Owner relies on third-party statistics of dubious reliability and relevance. DD Request, 14-15 (citing EX2004). As an initial matter, Patent Owner fails to heed Chief APJ Boalick's instruction to use "median time-to-trial statistics for ***civil actions in the district court***." March 24, 2025 Guidance on USPTO's Rescission of Vidal Memo. Patent Owner instead uses statistics for patent cases of a single judge within the district. EX2004. These statistics are also flawed because they begin

from January 1, 2020, and fail to account for the significant rise in cases for the Eastern District of Texas over the past few years. Patent Owner's claim that starting with cases filed after January 1, 2020 is a "conservative estimate because it includes many cases delayed by the Covid-19 pandemic" is simply false. DD Request, 14. For example, using the same Docket Navigator statistics as Patent Owner, the median time-to-trial for patent cases before Judge Gilstrap filed after January 1, 2022 is about 24 months—as are cases filed after January 1, 2023—higher than the 21.7 months Patent Owner uses. EX1053; EX1054.

Whether the Director uses the 24-month (four month difference between trial and FWD) or 26-month (2 month difference between trial and FWD) time-to-trial statistics, the timing of trial and the Final Written Decision would be consistent with the *Shenzhen* case, where the Director referred the IPR petitions to the Board when trial preceded the Final Written Decision by 4 months, most of the patents lacked settled expectations, and Petitioner had filed a broad stipulation. *Shenzhen*, IPR2025-00321, Paper 10 at 13. The cases cited by Patent Owner are inapposite, as none of them dealt with the same combination of lack of settled expectations and a broad stipulation.

Patent Owner also accuses Petitioner of "creat[ing] this situation" by filing the petition nine months after the lawsuit was filed. DD Request, 16. To the contrary, nine months to search for prior art and prepare eight IPR petitions is

evidence of diligence—especially where, as here, the prior art is extensive. *Tianma Microelectronics Co. Ltd. v. Japan Display Inc.*, IPR2021-01057, Paper 15 at 9-11 (P.T.A.B. Jan. 6, 2022) (finding Petitioner acted with diligence in filing Petition nine months after complaint and six months after infringement contentions). Moreover, the Director's March 24, 2025 rescission of the Vidal Memo and March 26, 2025 issuance of the Workload Memo crystallized the importance of filing petitions as early as possible—and, taking a cue from the Director, Petitioner diligently filed all eight of its petitions within two months of those memos.

#### 4. Factor 3: The Parties' Limited Investment In The District Court Litigation Weighs Against Discretionary Denial

The factor weighs against discretionary denial. Assuming the Board's institution decision is dated December 10, 2025, the District Court case will still be in the relatively early stages with minor investment by the court and the parties.

The District Court has not issued any substantive orders related to the patents-in-suit. Nor will it until after the Board's institution decision. There will be no claim construction hearing or order because there are no disputed terms for construction, and dispositive motions will not be filed until February 9, 2026. EX1055 at 4; *see Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 10 (P.T.A.B. Mar. 20, 2020) ("If, at the time of the institution decision, the district court has not issued orders

related to the patent at issue in the petition, this fact weighs against exercising discretion to deny institution.").

While the parties are in the midst of fact discovery, it will not close until after the institution decision date. EX1055 at 4. Expert discovery will not close until after the institution decision date. EX1055 at 4. Patent Owner will not need to respond to Petitioner's invalidity contentions in expert reports until after the institution decision date, meaning that, if these IPRs are instituted, Patent Owner will not need to address any prior art basis that fall within the scope of Petitioner's broad stipulation. EX1055 at 4. This schedule alone weighs against discretionary denial. Moreover, discovery by Patent Owner has so far been minimal. Patent Owner has issued zero subpoenas, scheduled zero depositions, and produced only 225 documents, nearly all of which are public or patent documents (only eight have any confidentiality designation). Further, ongoing discovery has focused on issues unrelated to the grounds presented in the Petition. For example, Petitioner's subpoenas have targeted tracking down invalidating prior art systems and product trials from nearly twenty years ago, *e.g.* Motorola, Nokia, Kyocera, and ViVOtech. EX1056. In sum, neither party has made substantial investment in the District Court and the investment that has been made is non-duplicative and unrelated to the petitions.

### 5. Factor 5: The Same Parties In The District Court Litigation Does Not Outweigh the Factors Against Discretionary Denial

The Petitioner here is the same party as the defendant in the district court case. Although this factor may weigh slightly in favor of discretionary denial, it does not outweigh the other factors discussed above.

### 6. The Merits Of The Petition Are Strong

The merits of Samsung's Petition are strong. Telcom advances its best examples of alleged weaknesses in Samsung's Petition, but those examples show Patent Owner's failure to understand the underlying references—Jain and Dua.

#### (a) *Jain Discloses Or Renders Obvious "[a] method of operating a smartphone."*

Highlighting the weakness of Patent Owner's arguments on the merits, Patent Owner begins with and expends significant time attempting to argue that Jain does not disclose a "smartphone." Yet Jain expressly discloses a "mobile device 110" with a transaction card 112 attached thereto or incorporated therein as the "***smartphone***" to "wirelessly execut[e] transactions" with retail point-of-sale terminal 114 (***method of operating a smartphone***). Jain, ¶¶[0005], [0018], [0021], [0029]; FIG 1:

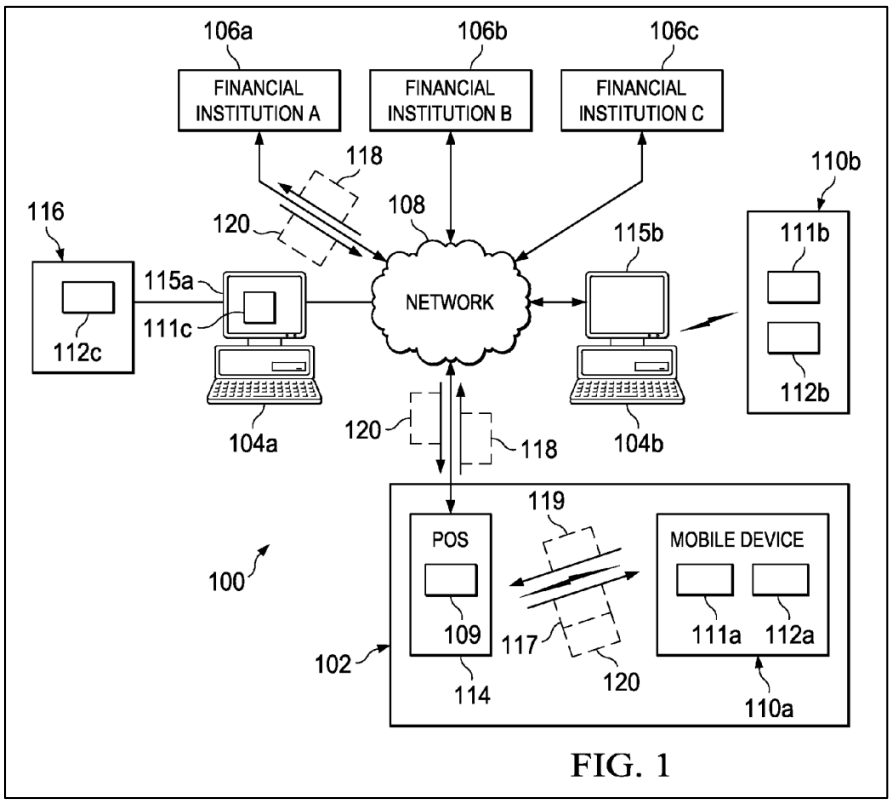
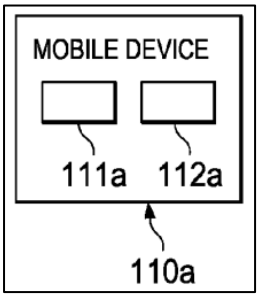



FIG. 1

Patent Owner argues that the Petition mapped "'mobile device' [110] and a separate and distinct 'transaction card'" onto "***smartphone.***" DD Request, 25. Patent Owner adds that the Petition "rel[ies] on … [a] 'mobile device'" for some limitations and a separate "'transaction card' … [for] other[]" limitations. DD Request, 25-26. Neither is true. The Petition refers to "'mobile device 110,' which can be a '***smartphone***,' with a 'transaction card 112' **attached** thereto or **incorporated** therein." Pet., 9. Transaction card 112 is not separate and distinct. A smartphone with a card in it or attached to it (*e.g.*, microSD card, SIM card, memory cards, computer chips, etc.) is still a smartphone. That is exactly what is shown in

Jain's figures, where the mobile device 110's transaction card 112 is just another component, same as mobile device 110's GUI 111 provided via a "touch screen."




For example, Figures 7 and 8 of Jain are about a transaction card (interchangeably called an "intelligent card" in this portion of Jain) "inserted into" (*i.e.*, integrated with) "a host device" (Jain's mobile device 110). See Jain, [0072]-[0073] et seq. *See also* Jain, [0076] ("The host device 804 … includes a slot for insertion of the intelligent card 806.").

And just as the functionality of other components of a smartphone are attributable to the smartphone (*e.g.*, input/output capability provided by the smartphone's touchscreen, cellular connectivity by the smartphone's radio components, processing by the smartphone's CPU, etc.), functionality of the smartphone's transaction card is functionality of the smartphone. Indeed, in these embodiments the transaction card is non-functional without being coupled to the smartphone because it relies on the smartphone for network connectivity. *See* Jain, ¶[0077].

Patent Owner provides no citation where Petitioner relies on some limitations being performed by the mobile device and other limitations being performed by a separate transaction card. DD Request, 25. There are none. The Petition only refers to "'mobile device 110' … with a 'transaction card 112' attached thereto or incorporated therein." Pet., 9. Both mobile device 110 and transaction card 112 are described in the Petition as electrically coupled and operating together as a single unit. *See, e.g.*, Pet., 9-12.

Patent Owner incorrectly asserts that Jain does not support integrating the transaction card into the mobile device. DD Request, 26-27. But Jain expressly and repeatedly depicts "transaction card 112" integrated with "mobile device 110." Jain, FIGs. 1-2, 5:

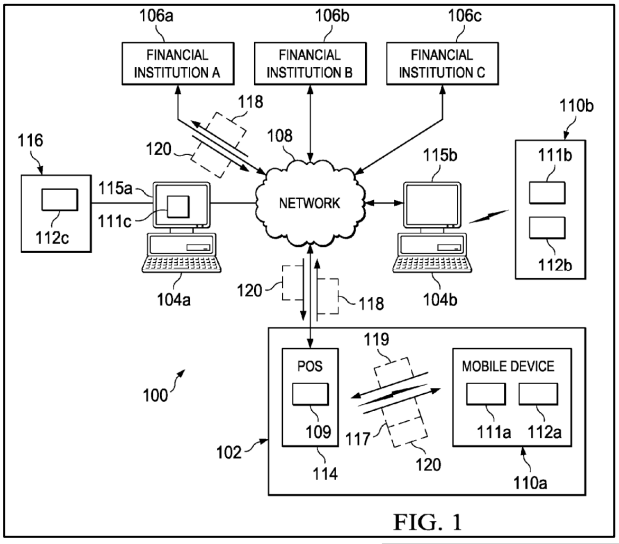



FIG. 1

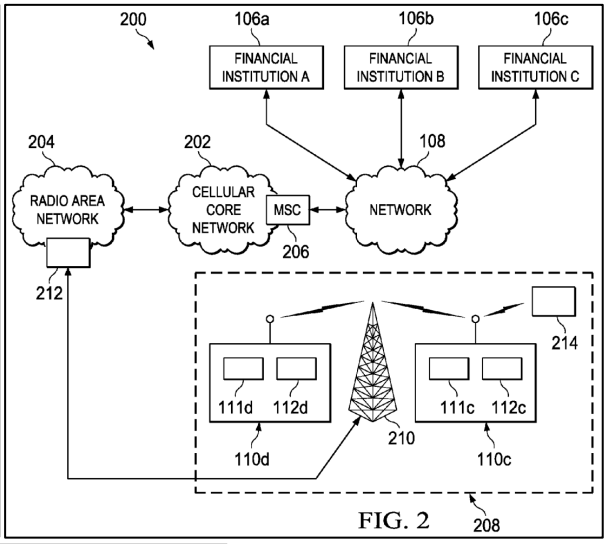



FIG. 2

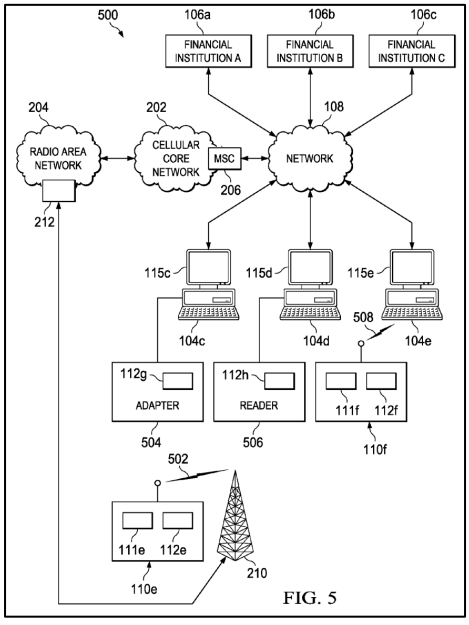



FIG. 5

Moreover, Jain describes transaction card 112 as a mobile device's SD card. Jain, ¶¶[0004], [0018], [0025], [0032], [0034], [0051], Claims 6, 21, FIG. 8A.

Trying to support mobile device 110 and transaction card 112 as being separate, Telcom misrepresents language from Jain to argue that "'mobile device 110 does not require additional hardware, software, and/or firmware' because … transaction card [112] itself has the required functionalities" for "wirelessly

execut[ing] transactions with the POS device 114." DD Request, 26. In reality, the cited portions of Jain are discussing precisely the integration that Patent Owner insists is not disclosed. Mobile device 110 does not require **additional** hardware, software, and/or firmware because integrating mobile device 110 with transaction card 111 provides mobile device 110 with transaction card's 111 capabilities. *See* Jain, ¶¶[0023] ("[M]obile device 110 does not require **additional** hardware, software, and/or firmware to wirelessly execut[e] a transaction with … POS 114 such as an NFC transaction."), [0029] ("[T]ransaction card 112 may operate [in] active-card-emulation mode to **convert** … **mobile device 110 to a contactless payment device**."), [0030] ("In active-reader mode, … transaction card 112 may **convert** … **mobile device 110 to a contactless reader device capable of receiving data when in range of** … **POS 114**."); *see also* Jain, ¶¶[0020] ("[O]ffline store 102 **may wirelessly execute financial transactions with** … **mobile device 110**."), [0052] (allowing mobile device 110 to change the "mode of operation (e.g., sending mode, listening mode)" of the antenna on transaction card 112). If mobile device 110 were not incorporated with transaction card 111, mobile device 110 would need additional hardware, software, and/or firmware.

Patent Owner also asserts that "Jain specifically requires a distinct transaction card that is 'independent' of the mobile device," and that the "transaction card alone … is essential to executing transactions." DD Request, 26-27. But as discussed

above, Jain does expressly and repeatedly disclose and depict transaction card 112 integrated with mobile device 110, and a smartphone with an attached card is still nevertheless a smartphone.

Even if Jain did not disclose a mobile device with an integrated transaction card, as Telcom contends, Jain at a minimum renders such an implementation obvious. Pet., 11-12. Telcom attempts to refute the obviousness of this simple modification by asserting that Jain does not support cost saved from not developing an independent transaction card, and instead exclusively supports cost saved from not modifying an existing mobile device. DD Request, 27-28. But Jain recognizes the complexity of developing an independent transaction card and interfacing it with a mobile device. See Jain, ¶¶[0023]-[0025], [0049]-[0061], [0076]-[0079]. A POSITA would have understood from this, and from Jain's disclosure that it is "directed to a system and method for interfacing transaction cards with mobile devices" (Jain, Abstract), that integration of transaction card 112 with mobile device 110 reduces the costs of (1) developing transaction card 112 and (2) developing an interfacing and coordination scheme with mobile device 110. To the extent Jain discloses independently-operating transaction cards, multiple components or functionalities of such a card are duplicated in the host smartphone or could advantageously be used for additional purposes if present in a smartphone. *See, e.g.*, Jain, ¶[0018] and Fig. 3. To wit, Jain already describes transaction card 112 as

leveraging components and resources of mobile device 110. See, e.g., Jain, Abstract, ¶¶[0005], [0023], [0046]-[0048], [0053]. A POSITA would have recognized that in at least some scenarios, Jain's disclosures can be advantageously implemented by tighter integration of the transaction card functionality with the host smartphone functionality, thereby facilitating further sharing of mobile device's 110 software and hardware components and avoiding the associated costs.

Integration of transaction card 112 with mobile device 110 reduces the costs in developing transaction card 112 and its interfacing and coordination scheme with mobile device 110. Despite the tall and complex technology stack, each component is found on, or can be supported by, a mobile device (*e.g.*, smartphone). Jain, ¶[0018]. Moreover, Jain already describes transaction card 112 as leveraging components and resources of mobile device 110. *See, e.g.*, Jain, Abstract, ¶¶[0005], [0023], [0046]-[0048], [0053]. Further sharing of mobile device's 110 software/hardware components avoids development of a whole new technology stack from scratch and a manner of interfacing and coordinating with that new technology stack.

**(b)** ***Jain Discloses Or Renders Obvious "in response to at least the proximity condition having been satisfied … and in response to a physiological parameter, wirelessly providing by the smartphone … information to the entity and wirelessly receiving by the smartphone … information from the entity.*"**

Patent Owner argues that Jain's disclosure of ***wirelessly providing by the smartphone … information to the entity and wirelessly receiving by the smartphone … information from the entity*** is not "***in response to both*** a proximity criterion and a physiological parameter" because the "bootstrapping process" is performed "independently of any process involving the first air interface." DD Request, 29-30.

Jain discloses the ***physiological parameter*** as part of the authentication process for "automatically bootstrapping" transaction card 112 to mobile device 110. Pet., 23-25. Patent Owner's attempt to require the authentication process, *i.e.* the ***physiological parameter***, to be further "triggered" by the "first air interface" does not align with the limitations. DD Request, 30 ("This bootstrapping process of Jain is done independently of any process involving the first air interface" and "[t]his authentication process is triggered not by a connection using the first air interface"). There is no limitation that requires the physiological parameter to be read in response to the proximity criterion. Instead, the claims only require that the ***providing*** and ***receiving*** is in response to both. And this argument does not otherwise rebut Petitioner's anticipation position that the bootstrapping is required before being able to engage in financial transactions with the merchant payment terminal ("***entity***"). Pet. 23-25, Jain ¶¶[0072], [0075], Fig. 7B.

Further, Patent Owner's response to the Petition's obviousness argument regarding replacing the PIN entry during an individual financial transaction with biometric authentication treats it as an anticipation theory. DD Request, 30-31 ("Petitioner is again conflating two different processes—the 'bootstrapping process' that it relies on with respect to Figure 7B and the distinct transaction process that Petitioner alleges is disclosed in Jain, ¶[0029]."). But the Petition recognizes that bootstrapping and financial transactions are two different processes and instead explains why it would be obvious to take teachings from the former and apply them to the latter. Specifically, the Petition describes Jain's disclosure of the physiological parameter with each specific financial transaction as obvious based on (1) Jain's contemplation of biometrics (*e.g.* fingerprints) in the bootstrapping process (Jain ¶[0075], Figure 7), (2) Jain's disclosure of user PINs to authorize each transaction (Jain, ¶[0029]), and (3) the well-known use of biometric authorization of individual financial transactions as an alternative to PINs (EX1020 ¶¶[0083]-[0084], [0088], Fig. 14. EX1021 ¶[0052]).

**(c) *Dua Discloses Or Renders Obvious "detecting by the smartphone that a proximity condition is satisfied between the smartphone and the entity."***

Dua discloses a smartphone using short-range wireless communications to communicate with a nearby merchant POS terminal. Dua Abstract, ¶¶[0026], [0041], [0405]; *see also* Pet., 47-48. Dua discloses that this requires physical

proximity between the smartphone and the terminal: "a wireless device loaded with a wallet application, that also has an integrated RFID chip can simply be waved slowly in close proximity to a reader device to facilitate a transaction." Dua, ¶[0305]. Finally, Dua discloses the smartphone using either RFID or NFC technology for these short-range communications. Dua, ¶[0016] ("Wireless devices with integrated RFID proximity chips or Near Field Communication (NFC) technology may also provide users the ability to transfer information to a reader device.").

Patent Owner misreads Dua to in an attempt to avoid Dua's express disclosure of NFC technology by noting NFC's absence from Dua's list of network protocols for "**connecting to the Internet**." DD Request, 32 (citing Dua, ¶[0041] ("wireless device 200 is preferably a device that is capable of wirelessly connecting to the Internet using network protocols such as GSM/GPRS, CDMA2000, W-CDMA, EDGE, HDR, 1xRTT, UMTS, IMT-2000, 802.11a, 802.11b, 802.11g, or BLUETOOTH or other relevant protocols developed hereinafter.")). But whether NFC is used for "connecting to the Internet" is irrelevant, and Patent Owner's selective quoting from other paragraphs in Dua cannot alter Dua's express disclose of using NFC for communications between the smartphone and the POS terminal: "Near Field Communication (NFC) technology may also provide users the ability to transfer information to a reader device." Dua, ¶[0016]; *see also* Dua, ¶[0315]

("Connectivity between the wireless device and the reader/POS terminal could be made via 802.11a/b/g, Bluetooth, **or other RF protocols**.").

Patent Owner also makes the unsubstantiated assertion that "it would not have been obvious to a POSITA to seek out and rely on undiscussed NFC standards relating to proximity." DD Request, 33. But Patent Owner does not refute that NFC technologies actually disclosed in Dua meet the proximity limitations of the '199 patent. DD Request, 32-34. ECMA 340, also known as the "Near Field Communication – Interface Protocol," is not some arbitrary "NFC standard[]" but the specific NFC standard that existed in 2002, when Dua was filed. EX1034, 1, 9 ("This Standard defines communication modes for Near Field Communication Interface and Protocol (NFCIP-1) using inductive coupled devices operating at the centre frequency of 13,56 MHz for interconnection of computer peripherals."). Thus, "[a] POSITA would thus understand that Dua's references to NFC refer to implementing the ECMA 340 standard, 2nd edition." Pet., 48. Moreover, beyond its unsubstantiated assertion, Patent Owner does not dispute it would have been obvious to implement Dua's NFC using the ECMA 340 standard, 2nd edition.

Finally, Patent Owner argues that Dua's "30-second connectivity time out" suggest Dua teaches an alternative "concept[] for protocols that could be used for connectivity" instead of ECMA 340. DD Request, 32-33. The timeout serves as an application-level security mechanism that relies on the detection or lack of detection

of proximity to a POS terminal, *i.e.* "the device is not placed in proximity of the reader," to trigger "disabl[ing] RF communication and the **application** may shutdown or go into its normal dormant state." Dua, ¶¶[0383], [0384]. Similarly, Dua's suggestion "exchanging encryption keys via RFID" provides another security mechanism that relies on the underlying protocol for short-range communications like ECMA 340. Dua, ¶[0318]. These application features rely on the proximity detection in ECMA 340 and are no replacement for Dua's reliance on existing NFC standards for connectivity. DD Request, 33.

## V. OTHER FACTORS WEIGH AGAINST DENIAL

### A. The Board is an Especially Suitable Forum to Efficiently Resolve Multiple Matters

As mentioned above, Patent Owner has asserted the 8 challenged patents against both Samsung and Apple—and accuses all through major mobile payment platforms: Samsung Pay, Google Pay, and Apple Pay. Accordingly, institution of these proceedings would be an especially efficient use of Board resources, as it may resolve questions of invalidity for both proceedings. Indeed, if all Petitions are instituted, the Courts are likely to stay the two proceedings. The Apple litigation is currently before the Northern District of California where a trial date has not even been set—and that court routinely stays cases before institution, especially when there is no trial date and minimal (if any) discovery. *Dialect, LLC v. Google, LLC*,

Case No. 24-CV-04388-JSC, 2024 WL 4314206, at *4 (N.D. Cal. Sept. 26, 2024); *Apple Inc. v. AliveCor, Inc.*, No. 22-CV-07608-HSG, 2023 WL 9187388, at *4 (N.D. Cal. Dec. 29, 2023).

Moreover, between the two cases, the numerous prior art asserted by Petitioner and Apple, and the three accused product ecosystems, the eight patents here present "[a] large number and vast scope of the patents" which the Board is better positioned to review. *Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00217, Paper 9 at 3 (Director June 13, 2025).

### B. Petitioner Relies On Expert Testimony Only To Provide Background Information

Patent Owner fails to identify any portion of the expert testimony that suggests Petitioner is using its expert to fill gaps in the prior art. Patent Owner references the Petition's citation of the expert declaration for statements such as "[a] POSITA would understand…" and "[a] POSITA would be motivated to implement…" but makes no attempt to identify a particular gap in the prior art. DD Request, 38-39. Patent Owner fails because Petitioner relies on Dr. Almeroth only to explain the background knowledge of a person of ordinary skill in the art and the motivations to combine and modify, supported by citations to evidence as required. *See, e.g.* EX1002 ¶¶70-81; *See* 37 C.F.R. § 42.65(a); *Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper 9 (Aug. 24, 2022) (precedential). Further, Dr. Almeroth's declaration

is comprehensive in addressing each limitation of each claim, but it still provides a focused analysis of the prior art's disclosure of those claim limitations, weighing against discretionary denial.

### C. Patent Owner's Other Considerations Do Not Favor Denial

Patent Owner argues the breadth and scale of Petitioner's invalidity arguments against the patents-in-suit somehow "frustrate the intended efficiencies of the AIA." DD Request, 40. But, as explained above regarding *Fintiv* factor four, Patent Owner fails to recognize that, if the IPRs are instituted, none of Petitioner's invalidity arguments in the District Court litigation will in fact be duplicative of those raised in the IPRs. Moreover, IPRs only address 102 and 103 challenges based on patents and printed publications; Patent Owner's concerns regarding the District Court's handling of subject-matter eligibility, written description, enablement, definiteness, and prior art systems are irrelevant. DD Request, 40. Petitioner's broad stipulation prevents any duplication of effort between the IPR proceedings and the district court.

## VI. CONCLUSION

Patent Owner has identified no legitimate basis for the Director to deny institution based on any discretionary factors. Institution should be granted.

DATED: September 18, 2025 Respectfully submitted,

By */s/ James Glass*

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**CERTIFICATE OF COMPLIANCE**

Pursuant to 37 C.F.R. § 42.24(a) and (d), the undersigned hereby certify that the foregoing Petitioner's Opposition to Patent Owner's Request for Discretionary Denial of Institution complies with the type-volume limitation of 37 C.F.R. § 42.24(a)(1)(i) and (b)(1)(i) permitting a petition of up to 14,000 words because, exclusive of the exempted portions, it contains 6,759 words as counted by the word processing program used to prepare the paper.

Date: September 18, 2025

Respectfully submitted,
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**CERTIFICATE OF SERVICE**

In accordance with 37 C.F.R. §§ 42.6(e) and 42.105, I hereby certify that true and correct copies of Petitioner's Power of Attorney, Petitioner's Opposition to Patent Owner's Request for Discretionary Denial of Institution and Exhibits 1048-1057 were served on September 18, 2025 via electronic mail on Patent Owner at:

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