

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner

v.

CARDWARE INC.,
Patent Owner

IPR2025-01147
Patent 10,628,820

**PETITIONER'S REPLY TO PATENT OWNER'S
PRELIMINARY RESPONSE**

TABLE OF CONTENTS

A.	CARDWARE’S INFRINGEMENT CONTENTIONS POINT TO SINGLE- USE INFORMATION	1
B.	CARDWARE’S INFRINGEMENT CONTENTIONS INTERPRET THE CLAIMS DIFFERENTLY	2
C.	THE ’820 PATENT DESCRIBES ONLY SINGLE-USE ONLINE PAYMENT INFORMATION	3

Patent Owner (“PO”) alleges that limitations 15(i) and 1(f) require the same payment information be used in multiple transactions. Patent Owner’s Preliminary Response (Paper 8, “POPR”) at 18-21 (§ B.1), 30-31 (§ C.2). PO’s position is inconsistent with its litigation infringement contentions and the ’820 Patent’s teachings. PO’s “transactions” arguments are also limited to claims 1 and 15; independent claim 11 has no such limitation.

A. CardWare’s Infringement Contentions Point to Single-Use Information

As PO acknowledges, the Petition maps claim 15’s “limited-use payment information” to “a single use cryptogram[.]” POPR, 30. This is exactly what CardWare maps in its infringement contentions: for claim 15, CardWare maps “dynamically generate a limited-use payment information” to (1) “the dynamic cryptogram,” (2) “the dynamic security code,” or (3) “a combination of the same with the DAN [or] VAN...” EX1049, 63 (claim 15(h)); 67 (claim 15(i)) (same).

The contentions describe the accused dynamic cryptogram as a one-time unique number. EX1049, 71. (“the Dynamic Cryptogram (**also called, the One-time Unique Number**)” (emphasis number). The contentions further describe the accused dynamic security code as a transaction-specific number. EX1049, 64 (“Like with in-store payments Apple sends...the **transaction-specific dynamic security code**”).

CardWare maps limitation 15[h]’s generation of limited-use payment information “upon the authorization of a valid computing device user” to user

authentication that occurs during each transaction. EX1049, 63 (“upon the authorization of a valid computing device user (e.g., side button or Home button double click, passcode, password, Face ID, Touch ID, Optic ID, wrist detection), 64 (describing authorization for each payment). Therefore, CardWare’s argument that claim 15 requires the same payment information be used in multiple transactions contradicts its own litigation position that transaction-specific limited-use payment information satisfies claim 15.

The Petition maps claim 1’s “limited use payment information” to “a single-use credit card number.” POPR, 20. CardWare’s infringement contentions likewise map “limited use payment information” to single-use information. EX1049, 6 (mapping “limited use payment information” to a “CVV1” or “CVV3”); 7 (“the single-use CVV3...which is used in place of the CVV2 for transactions[.]”).

B. CardWare’s Infringement Contentions Interpret the Claims Differently

In the litigation, PO alleges the phrase “for payment transactions” modifies the “card issuer payment information” and not the “limited-use payment information.” EX1049, 6 (“the limited-use payment information is to be used in place of card issuer payment information (e.g., the CVV1 and CVV3 are used ...in place of the Apple Card security code stored on an accompanying iPhone, **which is a [CVV2] for payment transactions ...**”) (emphasis added). This, too, undercuts PO’s position.

C. The '820 Patent Describes Only Single-Use Online Payment Information

PO's implied construction would exclude all three online-transaction embodiments disclosed in the '820 Patent, each of which disclose only unique or per-transaction, limited-duration payment numbers. EX1001, 12:50-13:40.

In the first embodiment: The device “can *uniquely* generate a limited-duration credit card number[.]” EX1001, 12:61-63, 13:1-3 (emphasis added). The specification equates a “unique” number with a “per-transaction” number. *Id.*, 18:9-12. **In the second embodiment:** A “per-transaction, limited-use credit card number” is described with respect to Figure 10. *Id.* at 13:6-11. **In the third embodiment:** The “electronic device will only successfully generate a limited-duration credit number” if, for that transaction, the user provides “correct identification” and “an amount for) the transaction” is “less than the total credit available[.]” *Id.* at 13:32-40.

Dated: November 3, 2025. Respectfully submitted,

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CERTIFICATE OF SERVICE ON PATENT OWNER
UNDER 37 C.F.R. § 42.105(a)

Pursuant to 37 C.F.R. §§ 42.6(e) and 42.105(b), the undersigned certifies that on November 3, 2025, a complete and entire copy of this *Preliminary Reply to Patent Owner's Preliminary Response* were served via electronic filing with the Board and via Electronic Mail on the following practitioners of record for Patent Owner:

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