UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.
Petitioner

v.

CARDWARE INC.
Patent Owner

Case No. IPR2025-01150
U.S. Patent No. 11,176,538

PETITIONER'S EXPLANATION OF MULTIPLE PETITIONS FOR *INTER PARTES* REVIEW OF U.S. PATENT NO. 11,176,538

Petitioner is concurrently filing two petitions challenging U.S. Patent 11,176,538 ("the '538 Patent"). "To aid the Board in determining" why "more than one petition is necessary," Petitioner provides the information below. *See* PTAB Consolidated Trial Practice Guide ("TPG") (November 2019), 59-60.

I. RANKING

The TPG states that a petitioner filing multiple petitions against the same patent "should" identify "a ranking of the petitions in order in which [the petitioner] wishes the Board to consider the merits. TPG, 60. To the extent required by the TPG, Petitioner requests that the Board consider the petitions in the following order: 1) IPR2025-01149 and 2) IPR2025-01150.

While Petitioner provides the above ranking per the PTAB's guidance in the TPG, Petitioner believes ranking in this instance is inappropriate and/or unnecessary and the Board should institute both petitions because (as explained further below), both petitions are necessary to address all claims that Patent Owner asserted against Petitioner in ongoing district court litigation, each petition addresses different claims that recite different features such that <u>there is little overlap in claim language</u> between the two petitions, and the grounds in each petition rely on much of the same prior art. If the Board were to choose one petition over the other, the parties would be forced to address the same basic grounds of unpatentability before the Board (for

some claims) and in the district court (for the other claims), which would be an extremely inefficient result.

II. EXPLANATION OF DIFFERENCES BETWEEN PETITIONS

Petitioner made the decision to file two petitions given Patent Owner has asserted all 30 claims of the ’538 Patent in litigation and also because of the length (over 3,500 words total) and scope of the claims (9-11 limitations in the independent claims alone). Both petitions are necessary because they challenge different claims with each petition addressing different independent claims, in light of word limit constraints. The Board has found this approach reasonable in similar circumstances. *Intel Corp. v. VLSI Technology LLC*, IPR2019-01199, Paper 19 at 10; *Microsoft Corp. v. IPA Techs. Inc.*, IPR2019-00810, Paper 12 at 14.

Patent Owner has asserted each of the challenged claims against Petitioner in related district court litigation. Thus, Petitioner has a concrete, non-speculative interest in the IPR challenges against each claim. The TPG expressly recognizes the assertion of a large number of claims in litigation as a justification for bringing multiple petitions against a single patent. TPG, 59 (recognizing that “more than one petition may be necessary, including, for example, when the patent owner has asserted a large number of claims in litigation”). And the Board has previously instituted parallel petitions in similar circumstances. *Apple Inc. v. Seven Networks, LLC*, IPR2020-00156, Paper 10 at 22–28 (PTAB June 15, 2020); *Adobe Inc. v.*

Synklound Techs., LLC, IPR2020-01392, Paper 8 at 8–10 (PTAB Mar. 11, 2021) (finding "Petitioner's showing for two petitions is reasonable" where petitions involved 20 claims, the independent claims required numerous pages of analysis, and claim language was "lengthy or complex").

Petitioner divided the Petitions based on the scope of the limitations present in the independent claims. For example, Claim 1 recites "performing a transaction" using an "NFC interface." The number of words required to challenge Claims 1-18 approached the number of words available for a single petition on its own. In contrast, Claim 19 requires "performing an online payment transaction" and Claim 25 similarly relates to a transaction involving "online payment information." The number of words required to challenge Claims 18-30 far exceeds the number of words available for a single petition. The number of additional words required to challenge Claims 19-30 far exceeds the number of words available in the first petition. Given the differences in scope, Petitioner's grounds also differ and Petitioner determined that it could not reasonably fit its analysis in fewer petitions. Accordingly, by analyzing the most similar independent and dependent claims in separate petitions, Petitioner has presented the analysis in the most efficient manner while maintaining appropriate word count limits.

Institution of both petitions is also warranted given the length and detail of the challenged claims. *See*, *e.g.*, *Microsoft Corp. v. Synkloud Techs., LLC*, IPR2020-

01269, Paper 9 at 9 (P.T.A.B. Apr. 7, 2021) (granting institution of multiple petitions against a single patent where the claims were lengthy and differed in scope and where petitions relied on the same prior art). There are three challenged independent claims of the ’538 Patent, containing between 9 and 11 limitations. Further, there are 27 challenged dependent claims. The claim language itself is over 3,500 words. Many of the limitations and dependent claims themselves are lengthy and detailed, requiring significant analysis. The level of detail included in the petitions is appropriate, especially because it is Petitioner’s burden to establish unpatentability of the challenged claims and the claims require different primary references. Indeed, both petitions are close to the Board’s word limit, thus demonstrating that it was not feasible to combine the petitions into a single petition. The Board should not penalize Petitioner for doing so by exercising its discretion to deny either petition on account of the grounds being presented across two petitions.

Petitioner also submits that any additional burden on the Board and the parties that would be imposed by institution of both petitions would not be extraordinary, especially since much of the prior art relied on in each petition are the same with the exception of the primary references and a couple secondary references. “[A]ny duplication of effort that may place unnecessary burdens on the parties and the Board may be avoided or reduced by consolidating the instituted IPRs (if institution of review is granted in more than one proceeding).” *See, e.g., IPA Techs.*, IPR2019-

00810, Paper 12 at 15. Because much of the prior art overlaps on related claim limitations across the two petitions (e.g., Smith, Varadarajan, Hammad, and Kranzley are used in both petitions), any potential duplication of effort can be addressed by consolidating the proceedings.

Finally, the Board's institution of IPRs based on both petitions, which compellingly demonstrate invalidity of the Challenged Claims based on different grounds, would serve to efficiently address issues of invalidity for all parties, including CardWare. Indeed, the Board's institution of both petitions and subsequent resolution of the validity issues presented therein has the potential to play a significant role in bringing the dispute between the parties to a closer sooner than if the Board exercised discretion not to institute on one or more of the petitions. The compelling merits of the grounds set forth in both petitions also warrants instituting both petitions, both to serve the public's interest in weeding out bad patent claims and to ensure that Petitioner has a fair and reasonable opportunity for its invalidity challenges against all the claims that CardWare currently asserts in its litigation campaign to be considered by the PTAB.

III. CONCLUSION

For the foregoing reasons, Petitioner respectfully requests institution of IPR2025-01149 and IPR2025-01150 so that the Board can consider both petitions and all of Patent Owner's asserted claims on the merits.

Respectfully submitted,

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COUNSEL FOR PETITIONER

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 June 24, 2025, a complete and entire copy of this Explanation of Multiple Petitions was provided via Federal Express to the Patent Owner by serving the correspondence address of record for the '538 patent:

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A courtesy copy of the Petition for *Inter Partes* Review was emailed to counsel of record in the parallel litigation:

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