UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

CARDWARE INC.,
Patent Owner.

IPR2025-01151
Patent 11,328,286

PATENT OWNER'S BRIEF IN SUPPORT OF ITS REQUEST THAT INSTITUTION OF THE PETITION SHOULD BE DENIED ON DISCRETIONARY GROUNDS

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35 U.S.C. § 314(a) 1

PATENT OWNER'S EXHIBIT LIST

No.	Exhibit Description
2001	Memorandum for Interim Processes for PTAB Workload Management, dated March 26, 2025
2002	Interim Director Discretionary Process *available at* https://www.uspto.gov/patents/ptab/interim-director-discretionary-process
2003	Agreed Scheduling Order in *CardWare Inc. v. Apple Inc.*, No. 1:25-cv-00446-ADA (W.D. Tex. May 20, 2025)
2004	Standing Order Governing Proceedings (OGP)—Patent Cases for cases before Judge Albright (dated Mar. 5, 2025)
2005	DocketNavigator Time to Trial Statistics for Patent Cases before Judge Albright
2006	Judges' Directory and Biographies for the U.S. District Court for the Western District of Texas, *available at* https://www.txwd.uscourts.gov/judges-information/judges-directory-biographies/
2007	Complaint in *CardWare Inc. v. Apple Inc.*, No. 1:25-cv-00446-ADA (W.D. Tex. Nov. 4, 2024)
2008	First Agreed Scheduling Order in *CardWare Inc. v. Google LLC*, No. 7:24-cv-00278-DC-DTG (W.D. Tex. Mar. 6, 2025)
2009	Complaint in *CardWare Inc. v. Google LLC*, No. 7:24-cv-00278-DC-DTG (W.D. Tex. Mar. 6, 2025)
2010	Invalidity Contentions Cover Pleading in *CardWare Inc. v. Apple Inc.*, No. 1:25-cv-00446-ADA (W.D. Tex. Apr. 7, 2025)
2011	Defendants' Notice of Subpoena to Apple, Inc. in *CardWare Inc. v. Samsung Elecs. Co., Ltd.*, No. 2:22-cv-00141-JRG-RSP (E.D. Tex. Dec. 9, 2022)
2012	Apple Inc.'s Response and Objections to Defendants' Subpoena in *CardWare Inc. v. Samsung Elecs. Co., Ltd.*, No. 2:22-cv-00141-JRG-RSP (E.D. Tex. Dec. 23, 2022)
2013	Letter from CardWare, Inc. to Apple Inc. dated October 10, 2023 "RE: Patent Portfolio of CardWare Inc."
2014	Proof of Delivery to Apple Inc. dated October 11, 2023, for Letter from CardWare, Inc. to Apple Inc. dated October 10, 2023 "RE: Patent Portfolio of CardWare Inc."
2015	DocketNavigator Time to Trial Statistics for Patent Cases in the Western District of Texas

No.	Exhibit Description
2016	Apple's Opening Claim Construction Brief in *CardWare Inc. v. Apple Inc.*, No. 1:25-cv-00446-ADA (W.D. Tex. May 27, 2025)
2017	CardWare's Responsive Claim Construction Brief in *CardWare Inc. v. Apple Inc.*, No. 1:25-cv-00446-ADA (W.D. Tex. June 17, 2025)
2018	Apple's Reply Claim Construction Brief in *CardWare Inc. v. Apple Inc.*, No. 1:25-cv-00446-ADA (W.D. Tex. July 1, 2025)
2019	CardWare's Sur-Reply Claim Construction Brief in *CardWare Inc. v. Apple Inc.*, No. 1:25-cv-00446-ADA (W.D. Tex. July 17, 2025)
2020	Joint Claim Construction Statement in *CardWare Inc. v. Apple Inc.*, No. 1:25-cv-00446-ADA (W.D. Tex. July 18, 2025)
2021	Comparison Chart for References Relied Upon in Apple's Invalidity Contentions in *CardWare Inc. v. Apple Inc.*, No. 1:25-cv-00446-ADA (W.D. Tex.)
2022	Excerpts from Defendant Google LLC's Invalidity Contentions in *CardWare Inc. v. Google LLC*, No. 7:24-cv-00278-DC-DTG (W.D. Tex. Apr. 3, 2025)
2023	Claim Construction Order in *CardWare Inc. v. Apple Inc.*, No. 1:25-cv-00446-ADA (W.D. Tex. Aug. 29, 2025)

I. INTRODUCTION

Pursuant to the Interim Processes Memo (EX2001), Patent Owner respectfully submits this brief explaining why the Director should exercise her discretion to deny institution of Petitioner's Petition for *Inter Partes* Review (Paper 1) ("Pet.").

There are several reasons discretionary denial is warranted here: (1) the *Fintiv* factors favor denial because district court trial is several months before a final written decision, there remains significant overlap with the parallel proceedings, and the merits are weak; (2) the multiple ongoing district court proceedings involving related patents that risk duplicative workload and inconsistent outcomes if the Board institutes; (3) Petitioner's inconsistent (and irreconcilable) claim construction positions here versus in district court (arguing for plain and ordinary meaning here, while asserting indefiniteness in district court); and (4) Patent Owner's settled expectations—including Petitioner's knowledge of the '286 Patent (and other related patents with the same inventive disclosure) and the prior PGR petitions against the same.

For these reasons, and the others below, Patent Owner respectfully requests the Director exercise her discretion to deny the IPR Petition.

II. THE *FINTIV* FACTORS DEMONSTRATE DISCRETIONARY DENIAL IS WARRANTED

The Director should exercise her discretion under 35 U.S.C. § 314(a) to deny institution because, among other reasons, "institution of a trial at the PTAB would

be an inefficient use of Board resources in light of the 'advanced state' of the parallel district court litigation…." *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 2 (PTAB Mar. 20, 2020) (precedential) ("*Fintiv*"). As explained below, the *Fintiv* factors overwhelmingly favor discretionary denial.

A. Factor 1 Favors Denial Because There is No Stay of the Parallel District Court Litigation, and a Stay is Highly Unlikely

Factor 1 favors denial when, as here, a district court stay is unlikely. *See 10x Genomics, Inc. v. President & Fellows of Harvard Coll.*, IPR2023-01299, Paper 15 at 16 (PTAB Mar. 7, 2024); *Samsung Elecs. Co., Ltd. v. California Inst. of Tech.*, IPR2023-00133, Paper 10 at 14 (PTAB May 4, 2023); *see also Fintiv*, IPR2020-00019, Paper 11 at 6-8; *Samsung Elecs. Co. Ltd. v. Headwater Rsch. LLC*, IPR2025-00481, Paper 9 at 2 (Director Aug. 4, 2025) ("*Headwater*").

The district court has not granted a stay, and there is nothing to indicate that a stay may be granted if a proceeding is instituted for this patent (and the five other asserted patents). Petitioner has never moved (nor indicated that it intends to move) for a stay, and—even if sought—it is extremely unlikely to be granted by the presiding judge, Judge Albright. *See, e.g.*, *Sonrai Memory Ltd. v. Micron Tech., Inc.*, 2024 WL 5185357 (W.D. Tex. May 29, 2024) (Albright, J.); *Smart Mobile Techs. LLC v. Samsung Elecs. Co., Ltd.*, 2023 WL 11999028 (W.D. Tex. Oct. 24, 2023) (Albright, J.); *Sonrai Memory Ltd. v. Texas Instruments Inc.*, 2022 WL 2782744 (W.D. Tex. May 18, 2022) (Albright, J.); *Kerr Mach. Co. v. Vulcan Indus. Holdings,*

LLC, 2021 WL 1298932 (W.D. Tex. Apr. 7, 2021) (Albright, J.).

B. Factor 2 Favors Denial Because the District Court's Trial Date is Over Five Months Before a Final Written Decision

When, as here, a "district court's trial date is before the projected deadline for the final written decision, the Board has generally weighed this fact in favor of exercising discretion" to deny institution. *10x Genomics*, IPR2023-01299, Paper 15 at 16; *Headwater*, IPR2025-00481, Paper 9 at 2.

There is no credible debate that Factor 2 favors denying institution of the instant Petition. First, in the case between Patent Owner and Petitioner, the district court's trial date is set for July 28, 2026, was agreed to by the parties, and has not changed since it was set. EX2003 at 1, 5 ("Agreed Scheduling Order" setting various deadlines including trial). Moreover, Judge Albright's governing Order specifically states that "[a]fter the trial date is set, the Court will *not* move the trial date except in extreme situations," EX2004 at 9 (§ X.6) (emphasis added), and there is no reason to believe such an "extreme situation[]" will occur. In contrast, the projected statutory deadline for a final written decision is not until January 10, 2027—meaning trial will have happened *over five months before.*

Second, even if an "extreme situation" arises, trial will still occur *before* any final written decision, as evidenced by the relevant median time-to-trial statistics. For example, the median time-to-trial for patent cases before Judge Albright is 24

months, EX2005 at 1, meaning that trial would begin on November 4, 2026[1]—still over two months before a final written decision. *See also* EX2015 at 1 (district wide median of 25 months for patent cases).[2]

Regardless, even if time-to-trial statistics suggested trial would begin after a final written decision (they do not), as the Director has found, it would not change the result because "the parties have agreed to the [July 2026] trial date," and "the district court judge has indicated an intention to maintain the current trial schedule and only delay the trial schedule under extraordinary circumstances." *See LinkPlay Tech. Inc. v. Sonos, Inc.*, IPR2025-00509, Paper 10 at 2 (Director July 31, 2025). "As such," also like here, "it is unlikely that a final written decision in these proceedings will issue before the district court trial occurs, resulting in duplication of effort, additional expense for the parties, and a risk of inconsistent decisions." *Id.*; *see also Taiwan Semiconductor Mfg. Co. Ltd. v. Advanced Integrated Circuit Process LLC*, IPR2025-00682, Paper 17 at 2 (Director Aug. 14, 2025) (finding it

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[1] The case was filed on November 4, 2024. *See* EX2007 at 19.

[2] Patent Owner respectfully submits that, if any time-to-trial statistics are considered, the most appropriate are for patent cases before the presiding judge (or at least district wide for patent cases), rather than, *e.g.*, district-wide statistics for all civil cases (patent and otherwise) before the 15 W.D. Tex. judges. EX2006 at 1.

"unlikely that a final written decision in these proceedings will issue before district court trial occurs" where trial date was June 22, 2026, final written decision was due October 18, 2026, and "time-to-trial statistics suggest trial will begin between May 2026 and January 2027").

Lastly, there is another trial involving Patent Owner's assertion of the related patents that share a common specification and inventive disclosure with the '286 Patent against Google, a competitor of Petitioner set for trial on September 8, 2026, also as agreed to by the parties. EX2008 at 1, 4 ("First Agreed Scheduling Order" setting case deadlines including trial); EX2009 ¶2.

Because trial will occur well before any final written decision, this factor favors discretionary denial. *See, e.g.*, *Vertiv Corp. v. Valtrus Innovations Ltd.*, IPR2025-00667, Paper 11 at 2 (Director July 31, 2025); *Shenzhen Tuozhu Tech. Ltd. v. Stratasys, Inc.*, IPR2025-00354, Paper 11 at 2 (Director June 12, 2025).

C. Factor 3 Favors Denial Because of the Significant Investment in the Parallel Proceeding by the Court and the Parties

For Factor 3, the Director should "consider[] the amount and type of work already completed in the parallel litigation by the court and the parties at the time of the institution decision." *Fintiv*, IPR2020-00019, Paper 11 at 9. This factor favors discretionary denial of the instant Petition because, by the time of institution, the Court and parties will have completed significant work on invalidity and infringement (including invalidity and infringement contentions and claim

construction) and have about six weeks left in fact discovery. EX2003 at 1-3; EX2023 (claim construction order); *see also* EX2008 at 1-3 (similar activity in Google case). The Director and Board have routinely found such work to weigh in favor of discretionary denial. *See, e.g.*, *NXP USA, Inc. v. Redstone Logics LLC*, IPR2025-00485, Paper 11 at 2 (Director July 10, 2025); *Phison Elecs. Corp. v. Vervain, LLC*, IPR2025-00213, Paper 14 at 2 (Director July 10, 2025); *Samsung Elecs. Co., Ltd. v. Mojo Mobility Inc.*, IPR2023-01093, Paper 11 at 13-14 (PTAB Jan. 8, 2024); *Roku, Inc. v. IOENGINE, LLC*, IPR2022-01553, Paper 11 at 11-12 (PTAB May 5, 2023).

D. Factor 4 Favors Denial Because Petitioner's Caveated Stipulation is Ineffective and Leaves the District Court Litigations With Substantially Overlapping Claims and Arguments, and Petitioner With the Ability to File Re-Exams

This factor favors denial, where, as here, "the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding." *Fintiv*, IPR2020-00019, Paper 11 at 12.

Petitioner provided what it refers to as a "*Sotera* Plus Stipulation" (EX1051), but it is full of carveouts that render it ineffective (even less so than a *Sotera* stipulation itself). With its stipulation, Petitioner can still take *multiple* effective bites at the invalidity apple because it allows Petitioner to assert various prior art in various ways (and the very same arguments)—including patents, patent application publications, printed publications, and system art, and combinations thereof—in

district court (which, unsurprisingly, Petitioner is in fact doing).

Among other carveouts, Petitioner can still rely on any system art that does not specifically "correspond[] to a patent or printed publication asserted as part of a ground" in the IPR. EX1051 at 12. Petitioner can also still rely on any such other system art in combination with any reference that is not part of the grounds (including the over *200* other references Petitioner relies upon in district court, and seemingly several of the "background" references in its IPR). *Id.* at 11-12. And Petitioner states that its "stipulation does *not* limit [its] ability to rely on its own products and systems as prior art in the litigation," "nor does it limit [its] ability to rely on *any* patents or patent publications assigned to [Petitioner] as evidence of [Petitioner's] prior invention." *Id.* at 12 (emphasis added).

Taken together—and given Petitioner's extraordinarily expansive contentions—Petitioner can still present wide-ranging prior-art based invalidity defenses in district court. For example, Petitioner has attempted to carve out from its stipulation IPR references—such as Lin (EX1012), Hotelling (EX1042), Jobs (EX1043), and Fadell (EX1050)—under the guise that they are owned by Petitioner. *See id.*; *see also* EX2010 at 193 (Petitioner's § 102(g) defense in district court).

Moreover, Petitioner has included in its district-court invalidity contentions 119 patents and patent application publications, 104 printed publications, and 22 systems. EX2010 at 176-85. Petitioner has also asserted Section 101 and 112

defenses, EX2010 at 194-206, and at least for its Section 101 defense, intends to use the *very same* prior art as here (along with many others), EX2010 at 205 ("The Asserted Claims employ well-known components or functionality (as shown in [Petitioner's] invalidity contentions involving anticipation and/or obviousness in this case)….").

Petitioner's stipulation would, at best, only (i) prevent it from relying on some (but *not* all) of the handful of specific references in its Grounds and from relying on the other patents and printed publications alone (but *not* with a variety of system art) and (ii) remove a few of the 22 systems (though Petitioner's stipulation fails to identify which, if any systems, would actually be impacted). *See* EX1051 at 11-12. And Petitioner's stipulation has *no* impact on its use of any prior art for its Section 101 or 102(g) defenses. *See id.*; EX2010 at 193, 205.

In practice, this makes the alleged "*Sotera* Plus Stipulation" a "*Sotera* Minus Stipulation," as Petitioner can still rely—and expressly intends to rely—on the same art, numerous other art alone and in various combinations, and effectively all of the same arguments in district court. Petitioner's caveated stipulation is thus ineffective, results in significant duplication of efforts across forums, and does not provide any efficiency gains for an IPR proceeding. *See* EX2002 § I.D; *cf. Shenzhen Tuozhu*, IPR2025-00354, Paper 11 at 2-3; *Ingenico Inc. v. IOENGINE, LLC*, 136 F.4th 1354, 1365-66 (Fed. Cir. 2025). That is anything but a "true alternative."

There are three other problems with Petitioner's stipulation. First, it does not account for the fact that Petitioner is relying upon the same 119 patents and patent application publications, 104 printed publications, and 22 systems for each of the six asserted patents (all of which are related and share a common specification). *See* Section III, below; *see also* EX2021 at 1-12 (comparison chart for references relied upon by Petitioner in district court for each patent); EX2010 at 7-16, 43-51, 74-82, 127-35, 176-83, 207-16 (contentions identifying references). This means that, regardless of any stipulation for the challenged patent here, the district court will still be addressing the same art for other related patents. Second, Petitioner can still challenge the '286 Patent in an *ex parte* re-exam using the same art and arguments (at least until a final written decision). Third, the stipulation does nothing to minimize the impact of the invalidity issues in the other case (involving Patent Owner and Google and several related patents), wherein Google seeks to rely on all of the *very same* art. EX2022 at 2-4; *cf. Formycon AG v. Regeneron Pharms., Inc.*, IPR2025-00233, Paper 15 at 19-20 (PTAB June 2, 2025) (Petitioner's *Sotera* stipulation did not effectively mitigate concerns raised by overlap because "other defendants remain free to litigate the same grounds" in parallel proceeding).

Accordingly, Factor 4 weighs in favor of discretionary denial.

E. Factor 5 Favors Denial Because the Parallel District Court Litigation and the Petition Involve the Same Parties

Factor 5 favors denial because the pending parallel district court case involves

the same parties and the same challenged patent, and the district court case will reach trial well before a final written decision. *See Int'l Bus. Machs. Corp. v. Digital Doors, Inc.*, IPR2023-00970, Paper 8 at 13 (PTAB Jan. 12, 2024); *Ericsson Inc. v. Collision Commc'ns, Inc.*, IPR2022-01233, Paper 12 at 16 (PTAB Jan. 19, 2023); *10x Genomics*, IPR2023-01299, Paper 15 at 20.

F. Factor 6 Favors Denial Because Other Circumstances Impact the Director's Exercise of Discretion, Including the Petition's Weak Merits

Other circumstances support the Director exercising her discretion not to institute here. Patent Owner will explain in detail in its forthcoming POPR, the fundamental problems with Petitioner's grounds, including that various claim limitations are missing from the prior art and Petitioner has failed to show its prior art combinations render any claim obvious. *See Fintiv*, IPR2020-00019, Paper 11, 15-16 ("full merits analysis" is not necessary to evaluate factor, but "[r]ather, there may be strengths or weaknesses regarding the merits that the Board considers as part of its balanced assessment"); *see also id.* at 15 ("[I]f the merits of the grounds raised in the petition are a closer call, then that fact has favored denying institution when," as here "other factors favoring denial are present").

In accordance with the Interim Director Discretionary Process (EX2002), Patent Owner directs attention to its forthcoming POPR for a discussion on the merits. *See* EX2002 §§ I.C, II.C.i. Beyond the issues that Patent Owner will explain

in its POPR, there are additional reasons that further counsel toward denial, such as those that Patent Owner addresses in the following Sections III-V—all of which demonstrate that, under a wholistic approach, discretionary denial is warranted.

III. THE PRESENCE OF MULTIPLE PARALLEL PROCEEDINGS AND THE AVOIDANCE OF INCONSISTENT OUTCOMES AND DUPLICATIVE EFFORTS FURTHER DEMONSTRATE DISCRETIONARY DENIAL IS WARRANTED

As discussed in Sections II.B and II.E, above, and further in this Section III, Patent Owner is presently asserting the ’286 Patent and five other related patents with a common specification against Petitioner (set for trial in July 2026), and four of those patents are also in separate case against Google (set for trial in September 2026). EX2003 at 5; EX2008 at 4. In both cases, Patent Owner has alleged infringement of several patents, Petitioner and Google have countered that all asserted patents are invalid for various reasons, and both Petitioner and Google seek to rely on the *same* art. *See generally* EX2010; *see also* EX2022 at 2-4.

Patent Owner respectfully submits that, as in *Comcast Cable Commc’ns, LLC v. Entropic Commc’ns, LLC*, “[i]t is not an efficient use of Board resources to consider the Petitions under these circumstances.” IPR2025-00183, Paper 11 at 3 (Director June 25, 2025). As the Director has found, like here, “[b]ecause there are multiple ongoing district court proceedings, discretionary denial of the Petitions reduces the chances of duplicative workloads and inconsistent outcomes.” *Id.*

Moreover, the district court will be considering the validity of all six asserted patents in the parallel district court proceeding against Petitioner before a final written decision here. EX2007 ¶2; EX2003 at 5. These patents (the '634 Patent, as well U.S. Patent Nos. 10,339,520 ("the '520 Patent"), 10,628,820 ("the '820 Patent"), 10,810,579 ("the '579 Patent"), 11,176,538 ("the '538 Patent"), and 11,328,286 ("the '286 Patent")) share a common specification, claim priority to the same provisional application filed March 15, 2013, are continuations of the same non-provisional application filed in March 2014, and claim similar subject matter. Because "the district court will be considering the validity of the patents," as in *Samsung Elecs. Co., Ltd. v. iCashe, Inc.*, it "would be an inefficient use of Board resources [to refer any IPR petition to the Board] and tips the balance to discretionary denial as to" all patents (including those with settled expectations and any without). IPR2025-00639, Paper 11 at 3 (Director Delegated Aug. 14, 2025) ("*iCashe*");[3] *see also, e.g.*, *Samsung Elecs. Co., Ltd. v. GenghisComm Holdings LLC*, IPR2025-00788, Paper 11 at 2 (Director Delegated Aug. 22, 2025) ("*GenghisComm II*").

[3] Petitioner has challenged the six asserted patents across eight IPR Petitions (IPR2025-01145, IPR2025-01146, IPR2025-01147, IPR2025-01148, IPR2025-01149, IPR2025-01150, IPR2025-01151, and IPR2025-01152).

These inefficiencies and duplicative efforts are also heightened due to Petitioner's expansive invalidity contentions, which assert against all six patents the *same* 119 patents and patent application publications, 104 printed publications, and 22 systems. *See* EX2021 at 1-12 (comparison chart for references relied upon by Petitioner in district court for each patent illustrating that same references are used for every patent); EX2010 at 7-16, 43-51, 74-82, 127-35, 176-83, 207-16.

Lastly, four of the patents (the '520, '579, '538, and '634 Patents) will also be considered in the separate district court case involving Google set for trial in September 2026 involving the same prior art (and more), EX2009 ¶2; EX2008 at 4; EX2022 at 2-4, which raises yet further inefficiencies if an IPR is instituted here.

IV. PETITIONER'S INCONSISTENT AND IRRECONCILABLE CLAIM CONSTRUCTION POSITIONS FURTHER DEMONSTRATE DISCRETIONARY DENIAL IS WARRANTED

Petitioner has taken inconsistent and irreconcilable positions in district court and in its IPR Petition (and failed to acknowledge, let alone address, those contrasting positions). In district court, Petitioner asserts that numerous claim limitations render the challenged claims indefinite. *See* EX2010 at 201-02 (identifying approximately 20 terms and phrases). Petitioner also asserts as part of its district-court claim-construction that the phrase "its valid limitations of use" in independent claims 1 and 15 renders the claims indefinite. EX2016 at 29-31; EX2018 at 16-17; EX2020 at 3. It further asserts that claim 12 is indefinite for

claiming "open-ended Markush groups." EX2016 at 9-13; EX2018 at 4-5; EX2020 at 2. Yet, in its IPR petition, "Petitioner applies the plain and ordinary meaning of *all* claim terms as understood by a POSITA." Pet. at 5-6 (emphasis added). Its expert also purports to apply the plain and ordinary meaning. EX1003 ¶25. Petitioner (and its expert) then proceed—without any mention that anything is indefinite or that the claim scope allegedly cannot be determined—to apply the prior art to the claims. *See generally* Pet. at 19-96. Not only are these positions inconsistent, but they are irreconcilable (and just as importantly, never mentioned by Petitioner).

While Patent Owner disagrees that any claims are indefinite, *see, e.g.*, EX2017 at 9-15, 30-32; EX2019 at 6-10, 16-17, with Petitioner having failed to address its district-court indefiniteness positions—or inform the Director and Board of the same—Patent Owner respectfully submits that discretionary denial is warranted for this additional reason. *Cf. Arthrex, Inc. v. Medshape, Inc.*, IPR2025-00053, Paper 11 at 14-15 (PTAB Apr. 25, 2025) (denying institution where Petitioner asserted indefiniteness in district court but in the IPR sought to "apply 'Patent Owner's apparent interpretation' from the Parallel Proceeding").

V. PATENT OWNER'S SETTLED EXPECTATIONS FURTHER DEMONSTRATE DISCRETIONARY DENIAL IS WARRANTED OR ARE AT LEAST NEUTRAL

Patent Owner recognizes that the Director has generally found that settled expectations exist once patents have been issued for six or more years. *See, e.g.*,

Yangtze Memory Techs. Co., Ltd. v. Micron Tech., Inc., IPR2025-00498, Paper 11 at 2 (Director Aug. 14, 2025); *Kahoot! AS v. Interstellar Inc.*, IPR2025-00696, Paper 12 at 2 (Director July 31, 2025); *Amgen Inc. v. Bristol-Myers Squibb Co.*, IPR2025-00601, Paper 9 at 3 (Director July 24, 2025). While the '286 Patent issued in May 2022, Patent Owner respectfully submits that settled expectations exist here for several reasons. Alternatively, they are at most neutral and the other reasons explained in this brief demonstrate that discretionary denial is still warranted.

Petitioner has long been on notice of Patent Owner's technology and commercialization, as well as the '286 Patent and other related patents that share a common inventive disclosure. Yet, Petitioner did nothing. Petitioner met with Patent Owner's founder, David Wyatt, in 2017 and discussed Patent Owner's technology and patents. EX2007 ¶4. Petitioner was served with a subpoena by a competitor (Samsung) in December 2022 in an earlier patent litigation seeking information about Petitioner's products; that subpoena specifically identified the '286 Patent (and others). EX2011 at 6 (Definition 4), 12-13 (Requests); EX2012 (Petitioner's response dated Dec. 23, 2022). Patent Owner also provided notice of the '286 Patent (and others) to Petitioner in October 2023. EX2013 at 1-2; EX2014 at 1.

Samsung filed two *post grant* review petitions challenging claims 1-27 of the ’286 Patent on January 20, 2023 (PGR2023-00012 and PGR2023-00013),[4] Patent Owner filed its preliminary responses on May 15, 2023 (Paper 9 in both), the Board issued institution decisions on August 11, 2023 (Paper 14 in both), and the proceedings were terminated due to settlement on November 21, 2023 (Paper 19 in both). As Petitioner indisputably knew about the ’286 Patent and the application to its products during this time, Petitioner could have—but chose not to—participate in those PGRs (or file its own challenge then). Petitioner’s time has come and gone to challenge the ’286 Patent. Petitioner’s decision to sit on the sidelines then and now seek to require the Board and Patent Owner to expend significant additional resources should not be rewarded, especially as Petitioner has long been privy to Patent Owner’s Preliminary Response and the Board’s institution decision in Samsung’s IPR. *Cf. Intel Corp. v. Advanced Cluster Sys., Inc.*, IPR2025-00794,

[4] PGR2023-00013 challenged the claims under Sections 101 and 112; PGR2023-00012 challenged the claims under Section 103. Petitioner’s Petition here relies on different Section 103 grounds, art, and combinations than in Samsung’s prior challenge (including different primary references). For example, Petitioner relies on Collinge as its primary reference for all claims, while Samsung relied upon a reference to Smith (Paper 3 in PGR2023-00012).

Paper 13 at 2-3 (Director Aug. 14, 2025) ("Even absent road mapping, repeated prior challenges [to a patent] weigh against institution."). Compounding matters, the resources now demanded by Petitioner include addressing different Section 103 grounds, art, and combinations than the Board did in Samsung's prior petition asserting obviousness.[5] And as Patent Owner will explain in its forthcoming POPR, the current Petition's grounds are weak.

Moreover, the '286 Patent is part of a family of patents that share a common specification, claim priority to the same provisional, are directed to the same subject matter, and claim similar and overlapping subject matter—all in the mobile payment technology space. Many of these patents have been in force for six years and more (including, among others, the '520 Patent, which is subject to two IPR Petitions filed by Petitioner, IPR2025-01145 and IPR2025-01146, as well as, *e.g.*, U.S. Patent Nos. 9,022,286, issued May 5, 2015; 9,224,083, issued Dec. 29, 2015; 9,430,765, issued Aug. 30, 2016; 9,760,884, issued Sept. 12, 2017; and 10,013,693, issued July 7, 2018). The commonality of the patents and claimed subject matter is further evidenced by Petitioner in district court relying on the *same* references for the '520 Patent (in force over six years) and the '286 Patent (and others). *See* §§ II.D and III,

[5] Petitioner instead relies on Smith (the primary reference in Samsung's prior-art based PGR2023-00012) in district court. EX2010 at 187.

above (explaining same). This further supports Patent Owner's settled expectations across its patents—especially coupled with Petitioner's knowledge, the prior IPR, and Petitioner's inactions discussed above in this section.

Lastly, Patent Owner has also devoted significant resources to develop and commercialize secure systems for electronic payments including dynamic tokenization systems that enhance the security mobile and electronic payments over the last decade-plus. EX2007 ¶¶14-17. These efforts (including specifically in the mobile payment space) further support Patent Owner's settled expectations for its patents.

In sum: Patent Owner respectfully submits that Patent Owner's settled expectations on the record here provide another basis for discretionary denial. But regardless, the other considerations (discussed in §§ II-IV, above) nonetheless demonstrate that discretionary denial is warranted. *See, e.g.*, *GenghisComm II*, IPR2025-00788, Paper 11 at 2 ("Although the patents challenged in these proceedings have not been in force for as long as those in IPR2025-00780 and IPR2025-00781,[6] this fact alone does not tip the balance against discretionary

[6] *See Samsung Elecs. Co., Ltd. v. GenghisComm Holdings LLC*, IPR2025-00780, Paper 11 at 2 (Director Delegated Aug. 14, 2025) (granting discretionary denial because "it is unlikely that a final written decision in these proceedings will issue

denial."); *iCashe*, IPR2025-00639, Paper 11 at 3 (Because "the district court will be considering the validity of the patents … [it] would be an inefficient use of Board resources [to refer any IPR petition to the Board] and tips the balance to discretionary denial as to" all patents (including those with settled expectations and any without)); *Amazon.com, Inc. v. Audio Pod IP, LLC*, IPR2025-00757, Paper 15 at 2-3 (Director Aug. 14, 2025) (denying institution "where Petitioner appears to have had notice of the challenged patents or patent family for a significant period of time" and noting that it "would be an inefficient use of Board resources and tips the balance to discretionary denial as to" a related patent without settled expectations); *Phison Elecs. Corp. v. Vervain LLC*, IPR2025-00215, Paper 15 at 3 (Director July 10, 2025) (denying institution despite the "challenged patents [not having] been in force for a significant period of time (issued in 2021, 2024, and 2024)" because of lack of stipulation and risk of "duplicative efforts and potentially conflicting decisions in view of a significantly earlier trial date in a co-pending case that is unlikely to be stayed").

VI. CONCLUSION

Patent Owner respectfully requests discretionary denial.

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before the district court trial" where the "challenged patents have been in force for approximately eight and six years.").

Dated: September 10, 2025

Respectfully submitted,

/Patrick Colsher/

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Counsel for Patent Owner

CERTIFICATE OF COMPLIANCE

I hereby certify that this paper complies with the 20-page limit requirement for discretionary denial briefs filed after September 1, 2025.

Dated: September 10, 2025

Respectfully submitted,

/Patrick Colsher/

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing document and Exhibits listed on the List of Exhibits were served on September 10, 2025, via electronic mail upon counsel of record for Petitioner at the following email addresses:

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