

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE LLC,
Petitioner

v.

CARDWARE INC.,
Patent Owner.

Case No. IPR2025-01344
U.S. Patent No. 10,810,579

**PETITIONER'S OPPOSITION TO PATENT OWNER'S
REQUEST FOR DISCRETIONARY DENIAL**

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	THE PETITION SHOULD BE INSTITUTED BECAUSE IT RELIES ON PREVIOUSLY INSTITUTED GROUNDS THAT REMEDY CARDWARE’S DISCLOSURE GAMESMANSHIP THAT EXACERBATED THE LACKLUSTER EXAMINATION OF THE ’579 PATENT.....	2
A.	LEGAL BACKGROUND.....	2
B.	THE PETITION SHOULD BE INSTITUTED BECAUSE CARDWARE’S DISCLOSURE GAMESMANSHIP EXACERBATED THE LACKLUSTER EXAMINATION	4
C.	THE PETITION SHOULD BE INSTITUTED BECAUSE OF ITS STRONG MERITS, AS DEMONSTRATED BY THE PREVIOUSLY INSTITUTED PETITION.....	6
III.	THE PETITION SHOULD BE INSTITUTED FOR THE BOARD TO EFFICIENTLY REVIEW THE ’579 PATENT.....	7
IV.	THE PETITION SHOULD BE INSTITUTED GIVEN THERE IS NO INCONSISTENCY BETWEEN GOOGLE’S POSITIONS	12
V.	THE PETITION SHOULD BE INSTITUTED BECAUSE THE ’579 PATENT HAS NOT DEVELOPED ANY SETTLED EXPECTATIONS SINCE ITS 2020 ISSUANCE.....	13
VI.	CONCLUSION	17

TABLE OF AUTHORITIES

Cases	Page(s)
<i>Alliance Laundry Sys., LLC v. PayRange LLC</i> , IPR2025-00950, Paper 11 (Director Sept. 19, 2025)	15
<i>Apple Inc. v. Fintiv, Inc.</i> , IPR2020-00019, Paper 11 (P.T.A.B. Mar. 20, 2020)	<i>passim</i>
<i>Arthrex, Inc. v. Medshape, Inc.</i> , IPR2025-00053, Paper 11 (P.T.A.B. Apr. 25, 2025)	13
<i>CardWare Inc. v. Apple Inc.</i> , No. 1:25-cv-00446-ADA (W.D. Tex. Nov. 4, 2024)	8
<i>CardWare Inc. v. Google LLC</i> , No. 7:24-cv-00278-DC (W.D. Tex. Nov. 4, 2024)	8
<i>Celgene Corp. v. Peter</i> , 931 F.3d 1342 (Fed. Cir. 2019)	14
<i>Greenthread, LLC v. Cirrus Logic, Inc.</i> , WDTX-1-23-cv-00369-DC (Order Sep. 06, 2024)	8
<i>Intel Corp. v. Advanced Cluster Sys., Inc.</i> , IPR2025-00794, Paper 13 (Director Aug. 14, 2025)	16
<i>Mercedes-Benz Group AG v. The Phelan Group, LLC</i> , IPR2025-00758, Paper 8 (Director Aug. 14, 2025)	3
<i>NeuMoDx Molecular, Inc. v. HandyLab, Inc.</i> , IPR2020-01133, Paper 23 (P.T.A.B. Aug. 6, 2021)	11
<i>POSCO Co. Ltd. v. ArcelorMittal</i> , IPR2025-00370, Paper 10 (Director June 25, 2025)	3
<i>RØDE Microphones, LLC v. Zaxcom, Inc.</i> , IPR2025-00557, Paper 11 (Director July 17, 2025)	3
<i>Samsung Elecs. Am., Inc. v. Prisua Eng'g Corp.</i> , 948 F.3d 1342 (Fed. Cir. 2020)	12

<i>Tesla, Inc. v. Intellectual Ventures II LLC</i> , IPR2025-00217, Paper 9 (Director June 13, 2025)	3
---	---

Statutes

5 U.S.C. § 706(2)(A).....	14
35 U.S.C. § 257	3

Other Authorities

37 C.F.R. § 1.56	2
37 C.F.R. § 1.313	2
37 CFR § 42.122 (b)	15
MPEP §§ 609, 2001.06	2
MPEP §§ 609.01, 609.04(b)	2
MPEP § 707.07(f)	5
MPEP § 1308 (I)(B).....	2
MPEP § 2001.04	2
MPEP § 2106	10
MPEP § 2801	3

TABLE OF EXHIBITS

Exhibit No.	Description
EX1001	U.S. Patent No. 10,810,579 to Wyatt (“the ’579 patent”)
EX1002	Prosecution History of U.S. Patent App. No. 16/459,150
EX1003	Declaration of Dr. Michael Ian Shamos, Ph.D.
EX1004	U.S. Patent Publication No. 2010/0185545 to Royyuru
EX1005	U.S. Patent Publication No. 2012/0310760 to Phillips
EX1006	U.S. Patent No. 8,255,323 to Casey et al. (“Casey”)
EX1007	U.S. Patent No. 9,600,808 to Gomez et al. (“Gomez”)
EX1008	U.S. Patent No. 8,423,462 to Amacker et al. (“Amacker”)
EX1009	U.S. Patent Publication No. 2012/0123937 to Spodak
EX1010	U.S. Patent Publication No. 2013/0036050 to Giordano
EX1011	U.S. Patent Publication No. 2008/0017704 A1 to VanDeburg
EX1012	U.S. Patent Publication No. 2008/0172317 to Deibert
EX1013	U.S. Patent Publication No. 2008/0319905 to Carlson
EX1014	Curriculum Vitae of Dr. Michael Ian Shamos
EX1015	Whitepaper_TPMs_Strengthen_User_and_Platform_Authenticity_Final_1_0
EX1016	U.S. Patent No. 8,052,052 to Power

Exhibit No.	Description
EX1017	RESERVED
EX1018	RESERVED
EX1019	RESERVED
EX1020	RESERVED
EX1021	RESERVED
EX1022	CI Data Security Standard (PCI DSS), Information Supplement: PCI DSS E-commerce Guidelines (January 2013)
EX1023	RESERVED
EX1024	RESERVED
EX1025	Kadambi et al., Near-Field Communication-Based Secure Mobile Payment Service, ACM 11th International Conference on Electronic Commerce 2009
EX1026	CI Data Security Standard, Navigating PCI DSS: Understanding the Intent of the Requirements, Version 2.0 (October 2010)
EX1027	RESERVED
EX1028	RESERVED
EX1029	Todd Wasserman, New Credit Card has LCD Screen, Touch Sensitive Buttons, The Sydney Morning Herald (Nov. 9, 2012)
EX1030	PCI Data Security Standard (PCI DSS), Information Supplement: PCI DSS Tokenization Guidelines, Version 2.0 (August 2011)

Exhibit No.	Description
EX1031	History of Phones, Georgia Southern University
EX1032	RESERVED
EX1033	RESERVED
EX1034	RESERVED
EX1035	RESERVED
EX1036	RESERVED
EX1037	RESERVED
EX1038	RESERVED
EX1039	RESERVED
EX1040	RESERVED
EX1041	RESERVED
EX1042	RESERVED
EX1043	RESERVED
EX1044	RESERVED
EX1045	RESERVED
EX1046	Samsung Petitions Against CardWare Patents Listed on P-TACTS
EX1047	IPR2023-00196 Institution Decision

Exhibit No.	Description
EX1048	Apple Discretionary Denial Opposition in IPR2025-01152
EX1049	United States Courts Judicial Caseload Profile Statistics for the Western District of Texas
EX1050	Docket Navigator Trial Statistics for the Western District of Texas Between October 22, 2024 and October 22, 2025
EX1051	RESERVED
EX1052	Claim Construction Order in <i>CardWare Inc. v. Apple Inc.</i> , No. 1:25-cv-00446-ADA (W.D. Tex. Nov. 4, 2024)
EX1053	Claim Construction Order in <i>CardWare Inc. v. Google LLC</i> , No. 7:24-cv-00278-DC (W.D. Tex. Nov. 4, 2024)
EX1054	CardWare SmartTokenization Trademark Status
EX1055	RESERVED
EX1056	RESERVED
EX1057	RESERVED
EX1058	U.S. Patent No. 9,195,926 to Spodak
EX1059	Termination due to Settlement of Instituted Samsung Petitions Against CardWare Patents
EX1060	RESERVED
EX1061	RESERVED
EX1062	RESERVED

Exhibit No.	Description
EX1063	RESERVED
EX1064	IPR2023-00210 Institution Decision
EX1065	IPR2023-00211 Institution Decision
EX1066	IPR2023-00219 Institution Decision
EX1067	IPR2023-00314 Institution Decision
EX1068	PGR2023-00012 Institution Decision
EX1069	PGR2023-00013 Institution Decision
EX1070	Samsung-CardWare Joint Motion to Terminate IPR2023-00196
EX1071	USPTO Patent Center Patent Family Listing for the '579 Patent
EX1072	RESERVED
EX1073	Prosecution History of U.S. Patent No. 11,620,634
EX1074	Prosecution History of U.S. Patent No. 10,339,520
EX1075	Prosecution History of U.S. Patent No. 11,176,538
EX1076	Prosecution History of U.S. Patent No. 9,760,884
EX1077	Prosecution History of U.S. Patent No. 9,224,083
EX1078	Prosecution History of U.S. Patent No. 9,022,286
EX1079	RESERVED

Exhibit No.	Description
EX1080	Summary Notice Denial of Apple's Petitions Against CardWare Patents

I. INTRODUCTION

Google's Petition should be instituted to review Patent No. 10,810,579 ("the '579 patent"). The majority of the claims were never rejected and indeed none of the related patents ever faced prior art rejections, which implies lackluster examination given that the patents are directed to the crowded field of mobile payments. The Office allowed the claims without any articulated reasons and the claims issued with typos in 2020. A few days *after* the '579 patent issued, Patent Owner CardWare filed its only information disclosure statement (IDS), which was never considered because CardWare failed to request Supplemental Examination. In 2022, another petitioner challenged the '579 patent, and the Board's institution was followed by settlement a few months thereafter. Google's Petition includes grounds from the instituted petition and a reference from the unconsidered IDS, which should be reviewed by the Board given their previous institution decision, the Office's lackluster examination, and CardWare's improper disclosure practices. Because the '579 patent is involved in two parallel cases before two different Judges in the Western District of Texas, the Board may help the Western District of Texas avoid duplicative efforts and inconsistent outcomes.

II. THE PETITION SHOULD BE INSTITUTED BECAUSE IT RELIES ON PREVIOUSLY INSTITUTED GROUNDS THAT REMEDY CARDWARE'S DISCLOSURE GAMESMANSHIP THAT EXACERBATED THE LACKLUSTER EXAMINATION OF THE '579 PATENT

A. LEGAL BACKGROUND

The Office imposes a duty on patent applicants to disclose information that is material to patentability. *See* 37 C.F.R. § 1.56. The Office explains that the “term ‘information’ is intended to be all encompassing” such as “prior art.” MPEP § 2001.04. The duty of disclosure is fulfilled by timely including the material information in the IDS filed anytime during prosecution before paying the issue fee. MPEP §§ 609, 2001.06. If an applicant discovers prior art after paying the issue fee but before the patent issues, a patent applicant may file a Quick Path Information Disclosure Statement (QPIDS) or petition the Office to prevent the patent from issuing. *See* 37 C.F.R. § 1.313; MPEP § 1308 (I)(B). Once the patent issues, however, prosecution is closed: the Examiner will not consider new prior art submissions because the patent is no longer in examination. MPEP §§ 609.01, 609.04(b). In other words, after the issue date, it is too late to have the Examiner consider new references by filing an IDS. Here, CardWare could have filed its IDS before paying the issue fee or shortly thereafter through QPIDS. Instead, CardWare filed its IDS six days after the '579 patent issued, and the IDS was not considered by the Examiner. EX1002 at 33-41.

The America Invents Act (AIA) created Supplemental Examinations to allow patent owners to submit references for consideration by the Director after the issue date. *See* 35 U.S.C. § 257; MPEP § 2801. The Director may then confirm the patentability of the claims, which enables the patent owner to reap the defensive benefits of estopping unpatentability challenges or allegations of hiding information from the Office. Here, CardWare could have rectified its improper IDS by requesting Supplemental Examination. Instead, CardWare's strategic inaction left the references unconsidered.

Institution is favored both to enforce Office regulations and when the Board has previously instituted review, as doing so ensures consistency and predictability in the Office's application of the law. *See, e.g., POSCO Co. Ltd. v. ArcelorMittal*, IPR2025-00370, Paper 10 (Director June 25, 2025) (referring petition to ensure consistent application of Office regulations); *RØDE Microphones, LLC. v. Zaxcom, Inc.*, IPR2025-00557, Paper 11 (Director July 17, 2025) (referring petition because the related IPRs were not considered during prosecution); *Mercedes-Benz Group AG. v. The Phelan Group, LLC*, IPR2025-00758, Paper 8 (Director Aug. 14, 2025) (institution of similar claims on similar grounds favors referral); *Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00217, Paper 9 (Director June 13, 2025) (same). Here, institution is warranted given that CardWare flouted the Office's disclosure practices and failed to request Supplemental Examination.

**B. THE PETITION SHOULD BE INSTITUTED BECAUSE
CARDWARE'S DISCLOSURE GAMESMANSHIP
EXACERBATED THE LACKLUSTER EXAMINATION**

The Petition should be instituted because CardWare's first and only IDS was never considered by the Office, because CardWare filed the IDS *after* the '579 patent issued, and because CardWare failed to request Supplemental Examination to rectify its disclosure gamesmanship with the Office. On October 20, 2020, the '579 patent issued and six days later, on October 26, 2020, CardWare filed an IDS with 31 references, which was the only IDS filed for this patent. EX1002 at 33-41. Included in the IDS was a cite to a Spodak patent (EX1002 at 33 (Cite No. 7)) that issued from the patent application asserted in multiple grounds of this Petition. *See* Pet. 4-5 (multiple Spodak grounds); EX1009 (Patent Application No. US 2012/0123937); EX1058 (U.S. Patent No. 9,195,926 issued from US 2012/0123937). But since the '579 patent already issued, the IDS was never considered by the Office. Although CardWare could have requested Supplemental Examination for the Office to consider the information in the IDS, it never made this request. In essence, by filing the IDS late after the '579 patent issued, CardWare ensured that the IDS would never be considered. This was clear disclosure gamesmanship by CardWare, and the Petition should therefore be instituted.

CardWare's gamesmanship is particularly problematic here, because the Office's original examination was lackluster and resulted in a nonsensical

allowance. On July 1, 2019, CardWare filed patent application No. 16/459,150, which became the '579 patent. EX1002 at 218. The Examiner's search resulted in only three cited references. EX1002 at 118. And the same Examiner never made a single prior art rejection against any of the related patents before issuing them. *See* EX1071 (patent family listing); EX1073 at 1024-1031; EX1075 at 136-143; EX1074 at 67-70, 134-141; EX1076 at 78-83, 108-114; EX1077 at 58-65; EX1078 at 79-86. On May 8, 2020, the first and only office action allowed claims 1-14 and 20-24, rejected claims 15-18 as anticipated, and objected to claim 19 as depending on a rejected base claim. EX1002 at 112-116. In response, CardWare amended claim 15 to add additional limitations and canceled claim 19. EX1002 at 97-108. On June 21, 2020, the Examiner conducted a few searches over the course of 11 minutes and did not cite any more references. EX1002 at 78.

On June 30, 2020, a Notice of Allowance allowed claims 15-18 that were previously rejected, without articulating any reasons for allowance. EX1002 at 70. The Notice copied the previously allowed claim 1, EX1002 at 116, but because claim 1 and amended claim 15 have different limitations (*compare* EX1002 at 85 *with* EX1002 at 97-98), the failure to explain the allowance of claim 15 was improper. *See* MPEP § 707.07(f) ("In order to provide a complete application file history and to enhance the clarity of the prosecution history record, an examiner must provide

clear explanations of all actions taken by the examiner during prosecution of an application.”). The ’579 patent issued on October 20, 2020. EX1002 at 42-48.

**C. THE PETITION SHOULD BE INSTITUTED BECAUSE
OF ITS STRONG MERITS, AS DEMONSTRATED BY
THE PREVIOUSLY INSTITUTED PETITION**

The Petition should be instituted because it is based on the previously instituted grounds and CardWare’s unconsidered IDS, which makes Board review the most efficient and consistent path forward. In 2022, Samsung filed IPR2023-00196 challenging the ’579 patent, as well as six other petitions against two parent patents (IPR2023-00210 and IPR2023-00211 challenging Patent No. 10,339,520; and PGR2023-00012 and PGR2023-00013 challenging Patent No. 11,328,286); one child patent (IPR2023-00219 challenging Patent No. 11,176,538); and one related patent (IPR2023-00314 challenging Patent No. 10,628,820). EX1046; EX1064-EX1071. The Board instituted the petition against the ’579 patent as well as most of the other petitions, which prompted a settlement soon after. EX1059; EX1070. The Board’s prior institution involved an extensive and detailed analysis of the ’579 patent, the same claims, and the same core combination of references that underpin Google’s grounds. Google’s first set of grounds relies on the same combination of Royyuru, Phillips, and Casey. Pet. 4-5. The Board’s institution decision found that a POSITA would have combined Royyuru’s system for NFC communication between the user device and merchant device to include Phillips’s merchant

information and Casey's product and price information. EX1047 at 17-22. Google's second set of grounds combine Gomez's dynamic cryptogram with Amacker's NFC communications. Pet. 5. The Board's institution found that Gomez's authentication cryptogram is transmitted via NFC, and that the authentication cryptogram with the EPIC account number satisfy the claimed "limited-use payment information" because they are used in place of the issuer payment information. EX1047 at 35-37. The Board also credited Amacker's disclosure of a user interface that receives a payment request via NFC and prompts the user to accept or reject the transaction. EX1047 at 36. The Board's previous institution demonstrates the strong merits of Google's grounds.

Google's new grounds incorporate Spodak from the unconsidered IDS. Pet. 4-5. Spodak is directed to a universal payment card that enables transactions with both a magnetic stripe reader and a contactless payment terminal. *See, e.g.*, Pet. 45; EX1009. Had the Office considered the IDS and reviewed Spodak, the Office could and likely would have raised rejections instead of quickly issuing the claims. By instituting this Petition, the Board can efficiently continue its review of the '579 patent and prevent CardWare from benefitting from its omission of Spodak.

III. THE PETITION SHOULD BE INSTITUTED FOR THE BOARD TO EFFICIENTLY REVIEW THE '579 PATENT

The Petition should be instituted for the Board to adjudicate the '579 patent. The '579 patent is involved in two District Court cases, *CardWare Inc. v. Apple Inc.*,

No. 1:25-cv-00446-ADA (W.D. Tex. Nov. 4, 2024) (“Apple district court case”) and *CardWare Inc. v. Google LLC*, No. 7:24-cv-00278-DC (W.D. Tex. Nov. 4, 2024) (“Google district court case”). As both the Google and Apple district court cases involving the same patents were filed in the same District but ended up with different Judges, the Board’s adjudication of these patents may allow the District Court to avoid duplicative invalidity efforts and inconsistent outcomes. Google has also filed petitions against the other three asserted patents (’520 patent, ’538 patent, U.S. Pat. No. 11,620,634 (“the ’634 patent”)) on similar grounds. *See* IPR2025-01361, IPR2025-01513, IPR2025-01514.

The factors enumerated in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 6 (P.T.A.B. Mar. 20, 2020) (precedential) further confirm that the Petition should be instituted.

***Fintiv* Factor 1 (stay)** weighs in favor of institution because both the Apple and Google district court cases may be stayed. Apple has indicated that it intends to seek a stay if the Board institutes review, and that Judge Albright may be inclined to grant a stay. EX1048 at 22. Google likewise would move to stay the Google district court case if the Board institutes review, and Judge Counts may be inclined to grant a stay. *See, e.g., Greenthread, LLC v. Cirrus Logic, Inc.*, WDTX-1-23-cv-00369-DC (Order Sep. 06, 2024) (granting post-institution stay). Given that the Apple and Google district court cases are occurring in parallel before two different Judges in

the same District, the Judges may be even more likely to stay their respective cases to prevent inconsistent outcomes and inefficiencies.

***Fintiv* Factor 2 (trial)** weighs in favor of institution because time to trial statistics indicate that the Board's Final Written Decision ("FWD") is expected to occur at least 6 months before the trial in both the Apple and Google district court cases. The Board accorded a filing date on August 7, 2025, which means the Board is expected to issue a FWD by February 2027. *See* Paper 5. CardWare mentions that the Apple district court case is scheduled for trial in July 2026 and the Google district court case for September 2026 (DD Req. 3-5), but the current time-to-trial in the Western District of Texas is 32.8 months for civil cases generally (EX1049) or 41 months for patent cases specifically (EX1050). The Apple and Google district court cases were both filed on November 4, 2024, which pushes the statistically expected trial dates to August 2027 or April 2028. CardWare's trial statistics are unpersuasive because they aggregate patent cases going back to 2008. *See* EX2017 ("2008"). Accordingly, *Fintiv* Factor 2 weighs in favor of institution.

***Fintiv* Factor 3 (investment)** weighs in favor of institution because the Board's review of the patentability of the '579 patent would absolve the Western District of Texas from duplicative effort and potentially inconsistent outcomes between two different cases. Both the Apple and Google district court cases were filed on the same day in the Western District of Texas. The Apple case is with Judge

Albright and the Google case is with Judge Counts. Each district court case has overlapping validity issues being considered on very similar schedules. Unless the Board resolves the patentability of the '579 patent, the resources of the Western District of Texas will be unnecessarily spent on the simultaneous consideration of overlapping issues. If both cases go to trial, there is a risk of inconsistent outcomes coming from the same District. Instituting the Petition to the Board may assist the Western District of Texas conserve judicial and party resources, and achieve the AIA's goal of efficient determination of patentability. Accordingly, *Fintiv* Factor 3 weighs in favor of institution.

***Fintiv* Factor 4 (overlap)** weighs in favor of institution because Google's *Sotera* stipulation (EX2014) eliminates any meaningful overlap between this proceeding and the Google district court case. CardWare speculates about system art (DD Req. 7-8), but system art cannot be raised before the Board.

CardWare's additional arguments about other types of challenges are irrelevant. First, CardWare conflates the use of references in obviousness grounds and the use of references to explain background knowledge in a § 101 contention. *See* DD Req. 8-9. Google's stipulation prevents overlapping grounds because courts have recognized that patent eligibility and obviousness are statutorily separated and different inquiries. *See, e.g.*, MPEP § 2106 (collecting cases). Second, CardWare speculates about whether Google will file *ex parte* reexaminations (DD Req. 9), but

Google has not challenged the '579 patent in such proceedings nor can Google do so because such proceedings are stayed while there is a pending IPR. Third, as for the Apple district court case (DD Req. 9), Google is not involved and CardWare recognized that "Apple, [is] a competitor of Petitioner" (DD Req. 5). CardWare's decision to file suit against both Apple and Google on the same day is a litigation decision for which CardWare should not be rewarded with an ability to evade review. Accordingly, *Fintiv* Factor 4 weighs in favor of institution.

***Fintiv* Factor 5 (parties)** weighs in favor of institution because the Board's FWD will issue before the statistically projected trial dates in the Apple and Google district court cases. In the Apple district court case, Google is not a party. In the Google district court case, the *Sotera* stipulation in this proceeding will effectively subject Google to estoppel before trial. *See NeuMoDx Molecular, Inc. v. HandyLab, Inc.*, IPR2020-01133, Paper 23 at 13-14 (P.T.A.B. Aug. 6, 2021) ("The parties in this proceeding are identical to the parties in the parallel litigation. Because the final written decision in this case will issue before trial in the parallel litigation, this factor weighs against exercising discretion to deny institution."). Accordingly, *Fintiv* Factor 5 weighs in favor of institution.

***Fintiv* Factor 6 (merits)** weighs in favor of institution because, as explained above, the strong merits are demonstrated by grounds that are either the same as the previously instituted grounds or rely on the same core combination of references

from the previously instituted grounds in combination with the Spodak reference that was withheld from the Office due to CardWare's disclosure gamesmanship. Institution here promotes overall efficiency and preserves the integrity of the patent system by allowing the Board to use its expertise—with the patent family, the prior art, examination, and disclosure practices—to review the '579 patent so that two different District Court Judges can avoid duplication or inconsistency. Accordingly, *Fintiv* Factor 6 weighs in favor of institution.

IV. THE PETITION SHOULD BE INSTITUTED GIVEN THERE IS NO INCONSISTENCY BETWEEN GOOGLE'S POSITIONS

The Petition should be instituted because there is no inconsistency between Google's positions in district court and this Petition. By asserting that Google's positions are "inconsistent" (DD Req. 12-14), CardWare misapprehends the distinction between indefiniteness challenges and obviousness challenges. The Federal Circuit explained that because the Board cannot find claims indefinite, the Board should construe the claims under *Phillips* and evaluate their patentability in view of the prior art. *Samsung Elecs. Am., Inc. v. Prisia Eng'g Corp.*, 948 F.3d 1342 (Fed. Cir. 2020). Google's Petition thus did not assert nor concede indefiniteness, but rather explained that "given the correlation between the prior art references and the challenged claims of the '579 patent...any reasonable construction reads on the prior art." Pet. 9.

The lack of any specific constructions distinguishes Google's Petition from

CardWare's cite to *Arthrex, Inc. v. Medshape, Inc.*, IPR2025-00053, Paper 11 at 14-15 (P.T.A.B. Apr. 25, 2025) (DD Req. 13), where a petitioner affirmatively imported patent owner's constructions from district court. *Arthrex* at 14 ("Petitioner asserts that, for purposes of its Petition, it will apply 'Patent Owner's apparent interpretation' from the Parallel Proceeding."). Moreover, District Court indefiniteness disputes relating to the '579 patent are now moot after the parties agreed on the meaning of the numerous typos in the claims (e.g., "on at least one" means "based on at least one") and none of the terms of the '579 patent were found indefinite in either the Apple or Google district court cases. *See* EX1052; EX1053. There will be no inconsistencies between how the claims will be interpreted in this Petition and how they will be interpreted in the Google and Apple district court cases. Accordingly, Google's petition should be instituted.

V. THE PETITION SHOULD BE INSTITUTED BECAUSE THE '579 PATENT HAS NOT DEVELOPED ANY SETTLED EXPECTATIONS SINCE ITS 2020 ISSUANCE

To the extent settled expectations are considered,¹ the Petition should be instituted because the '579 patent has not developed any settled expectations since

¹ Settled expectations should not be considered in IPRs. *See Celgene Corp. v. Peter*, 931 F.3d 1342, 1361-62 (Fed. Cir. 2019); *see also* 5 U.S.C. § 706(2)(A). But if they are considered, settled expectations favor Petitioner here.

its October 20, 2020 issuance. As explained above, there are numerous indicators of the '579 patent's susceptibility to unpatentability that prevent the development of settled expectations: the previous institution of the petition challenging the '579 patent, institutions against the related patents, the unconsidered IDS, and the Examiner's cursory examination.

CardWare's arguments about settled expectations are misguided. As an initial matter, CardWare cites events that occurred within the last 6 years, which as CardWare concedes generally do not give rise to settled expectations. DD Req. 14. CardWare's February 2023 subpoena for information about Google's products for a district court case against Samsung (DD Req. 14) is irrelevant because Samsung, not Google, was accused of infringement. Google was not involved in Samsung's case, and CardWare recognized that "Samsung, [is] a competitor of Petitioner." DD Req. 14. CardWare purportedly "provided specific notice" of the '579 patent to Google in October 2023 (DD Req. 14), but CardWare merely sent a letter that listed its patents (EX2019; EX2020).

CardWare's argument that Google could have joined Samsung in challenging patents (DD Req. 15) is nonsensical, and if anything illustrates CardWare's gamesmanship. Samsung's petition against the '579 patent was instituted in June 2023 (EX1047). CardWare then waited until October 2023 to send Google a letter (EX2019), thus strategically waiting until *after* the deadline for Google to seek

joinder. *See* 37 CFR § 42.122 (b). And even if Google had sought joinder, the Board was asked to terminate Samsung's proceeding due to settlement that same month of October 2023, and thus there would not have been any proceeding to which Google could have joined. EX1070.

CardWare argues that its "settlement and license agreement" with Samsung "counsels towards Patent Owner's settled expectations." DD Req. 15 n.4. But it's quite the opposite, where, as here, the settlement and license agreement was prompted by institution of Samsung's petition, which demonstrates the '579 patent's vulnerability. Indeed, CardWare has not pointed to any evidence that the purported settlement and license agreement has any value, which distinguishes *Alliance Laundry Sys., LLC v. PayRange LLC*, IPR2025-00950, Paper 11 at 3 (Director Sept. 19, 2025) (DD Req. 15), cited by CardWare. *See also Alliance*, Paper 6 at 3-4. In view of all these developments, it would have been a waste of resources for Google to challenge the '579 patent before CardWare filed its complaint in November 2024, after which Google timely filed this Petition in July 2025.

Contrary to CardWare's argument, the similarities between Google's petition and the previously instituted petition (DD Req. 15-16) weigh in favor of institution. As CardWare recognized, Google's Petition "relies on much of the same prior art using the same expert as Samsung." DD Req. 15. Unlike in *Intel Corp. v. Advanced Cluster Sys., Inc.*, IPR2025-00794, Paper 13 (Director Aug. 14, 2025), cited by

Cardware, where the Board previously denied two petitions against the challenged patent, here the Board instituted the previous petition based on overlapping references and Apple's petitions were denied in a summary notice. EX1080. Thus, Google's approach enables the Board to leverage its familiarity with the prior art to efficiently review grounds that were previously instituted. CardWare also recognized that Google's Petition "adds Spodak." DD Req. 16. As explained above, Spodak is a reference from CardWare's unconsidered IDS, and Spodak renders obvious certain claims of the '579 patent. The Board should review Spodak to cure CardWare's improper and belated IDS filing and its failure to request Supplemental Examination.

CardWare complains that Apple is also challenging the '579 patent (DD Req. 16), but Apple's petition has since been denied in a summary notice (EX1080) and Google was not involved with Apple's petition, and CardWare recognized that "Apple, [is] a competitor of Petitioner" (DD Req. 5). CardWare lists Samsung's and Apple's petitions against the related patents (DD Req. 16-18), but these petitions arose from CardWare's own litigation activity. CardWare strategically settled with Samsung to terminate the instituted Samsung petitions, including the petition against the '579 patent, and then CardWare filed suit against both Apple and Google, who responded with their own petitions. There are no concerns over repeat challenges given that only Samsung's petitions were considered on the merits and instituted.

The Petition should be instituted because vulnerable patents do not have settled expectations.

CardWare's final argument about its commercial efforts only cites its own Complaint. DD Req. 18-19 (citing EX2004 ¶¶13-17). Just like CardWare's filings to the Patent Examiner omitted the petitions before the Board, CardWare's Complaint says its "innovations include its SmartTokenization™ technology" (EX2004 ¶15) but CardWare omits that its trademark filings indicated nonuse of SmartTokenization (EX1054 ("Filed Use: No...Currently Use: No")). The Petition should be instituted given Cardware's pattern of omissions and the lack of settled expectations.²

VI. CONCLUSION

Google respectfully requests institution.

Respectfully submitted,

Dated: November 7, 2025

By: /Naveen Modi/
Naveen Modi (Reg. No. 46,224)
Counsel for Petitioner

² Petitioner reserves the right to challenge the March 26, 2025 Interim Processes for PTAB Workload Management, including that document's list of "relevant factors," at least because that document is legally invalid as (1) exceeding the Director's authority, (2) arbitrary and capricious, and (3) adopted without notice-and-comment rulemaking.

CERTIFICATE OF SERVICE

I hereby certify that on November 7, 2025, I caused a true and correct copy of the foregoing Petitioner's Opposition to Patent Owner's Request For Discretionary Denial and supporting exhibits to be served by electronic means on the counsel identified below:

Matthew G. Berkowitz (mberkowitz@reichmanjorgensen.com)
Patrick R. Colsher (pcolsher@reichmanjorgensen.com)
Khue V. Hoang (khoang@reichmanjorgensen.com)
Yue (Joy) Wang (ywang@reichmanjorgensen.com)
Timothy A. Trost (ttrost@reichmanjorgensen.com)
RJ_CardWare_GoogleIPR@reichmanjorgensen.com

By: /Naveen Modi/
Naveen Modi (Reg. No. 46,224)