UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

_____

GOOGLE LLC,
Petitioner,

v.

CARDWARE INC.,
Patent Owner.

_____

IPR2025-01361
Patent 11,620,634

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

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PATENT OWNER'S EXHIBIT LIST

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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	First Agreed Scheduling Order in *CardWare Inc. v. Google LLC*, No. 7:24-cv-00278-DC-DTG (W.D. Tex. Mar. 6, 2025)
2004	Complaint in *CardWare Inc. v. Google LLC*, No. 7:24-cv-00278-DC-DTG (W.D. Tex. Mar. 6, 2025)
2005	Order and Advisory in *CardWare Inc. v. Google LLC*, No. 7:24-cv-00278-DC-DTG (W.D. Tex. Nov. 5, 2024)
2006	Order Denying Defendants' Motion to Stay in *Quantum Imaging, LLC v. Sony Interactive Entm't Inc.*, No. 1:23-cv-1212-ADA-DTG (W.D. Tex. Dec. 4, 2024) (Gilliland)
2007	Agreed Scheduling Order in *CardWare Inc. v. Apple Inc.*, No. 1:25-cv-00446-ADA (W.D. Tex. May 20, 2025)
2008	Complaint in *CardWare Inc. v. Apple Inc.*, No. 1:25-cv-00446-ADA (W.D. Tex. Nov. 4, 2024)
2009	Standing Order Governing Proceedings (OGP)—Patent Cases for cases before Judge Albright (dated Mar. 5, 2025)
2010	Report and Recommendation Denying The Defendants' Motion to Dismiss in *CardWare Inc. v. Google LLC*, No. 7:24-cv-00278-DC-DTG (W.D. Tex. Aug. 15, 2025)
2011	Claim Construction Memorandum and Order in *CardWare Inc. v. Google LLC*, No. 7:24-cv-00278-DC-DTG (W.D. Tex. Aug. 28, 2025)
2012	Order Denying the Defendant's Motion to Transfer Venue to the Northern District of California in *CardWare Inc. v. Google LLC*, No. 7:24-cv-00278-DC-DTG (W.D. Tex. Aug. 7, 2025)
2013	Claim Construction Order in *CardWare Inc. v. Apple Inc.*, No. 1:25-cv-00446-ADA (W.D. Tex. Aug. 29, 2025)
2014	Email from counsel for Petitioner to counsel for Patent Owner, dated Aug. 21, 2025
2015	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)
2016	Exhibit I to Defendant Google LLC's Invalidity Contentions in *CardWare Inc. v. Google LLC*, No. 7:24-cv-00278-DC-DTG (W.D. Tex. Sept. 18, 2025)

No.	Exhibit Description
2017	DocketNavigator Time to Trial Statistics for Patent Cases in the Western District of Texas
2018	Defendants' Notice of Subpoena to Google in *CardWare Inc. v. Samsung Elecs. Co., Ltd.*, No. 2:22-cv-00141-JRG-RSP (E.D. Tex. Feb. 2023)
2019	Letter from CardWare, Inc. to Google LLC dated October 10, 2023 "RE: Patent Portfolio of CardWare Inc."
2020	Proof of Delivery to Apple Inc. for Letter from CardWare, Inc. to Google LLC dated October 10, 2023 "RE: Patent Portfolio of CardWare Inc."
2021	Petition for *Inter Partes* Review of Pat. 10,339,520 in IPR2023-00210, by Petitioner Samsung Electronics Co., Ltd.
2022	Order Adopting Report and Recommendation Denying The Defendants' Motion to Dismiss in *CardWare Inc. v. Google LLC*, No. 7:24-cv-00278-DC-DTG (W.D. Tex. Sept. 3, 2025)
2023	Screenshot of P-TACTs for documents filed in IPR2025-01361 (as of Oct. 4, 2025)

I. INTRODUCTION

Pursuant to the Interim Processes Memo (EX2001), Patent Owner respectfully submits this brief explaining why the Director should exercise 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 two district court trials are several months before a final written decision, there remains significant overlap with the parallel proceedings, and the merits of Petitioner's multi-reference obviousness combinations are weak (including because they fail to show obviousness of any claim and because Petitioner did not submit an expert declaration into the IPR record, leaving it with only attorney argument); (2) the multiple ongoing district court proceedings that risk duplicative workload and inconsistent outcomes if the Board institutes; (3) Petitioner's inconsistent (and irreconcilable) positions here versus in district court as to claim scope (arguing for plain and ordinary meaning here, while asserting indefiniteness for 90+ claim terms in district court); and (4) Patent Owner's settled expectations—including Patent Owner's actual notice to Petitioner in 2023 and Petitioner's knowledge of the '634 Patent (and related patents with the same inventive disclosure) and prior IPR petitions against the '634 Patent and related patents.

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

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

The Director should exercise 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 three 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. *See, e.g.*, EX2006 at 1-4 (Order Denying Defendants' Motion to Stay in *Quantum Imaging,*

LLC v. Sony Interactive Entm't Inc., No. 1:23-cv-1212-ADA-DTG (W.D. Tex. Dec. 4, 2024) (Gilliland)); *Sonrai Memory Ltd. v. Texas Instruments, Inc.*, 2022 WL 2782744 (W.D. Tex. May 18, 2022) (Gilliland).[1]

Moreover, it is likewise extremely unlikely that Judge Albright in the case involving Apple (which involves the same asserted patents, plus two more, EX2008 ¶2) would issue a stay, meaning that case too will proceed regardless of any parallel IPRs. *See, e.g.*, *Sonrai Memory Ltd. v. Micron Tech., Inc.*, 2024 WL 5185357 (W.D. Tex. May 29, 2024) (Albright); *Smart Mobile Techs. LLC v. Samsung Elecs. Co., Ltd.*, 2023 WL 11999028 (W.D. Tex. Oct. 24, 2023) (Albright).

As a stay is unlikely in either case, Factor 1 favors discretionary denial.

B. Factor 2 Favors Denial Because the District Court's Trial Date is Approximately Five Months, and Another 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

[1] The case involving Petitioner has been referred to Mag. Judge Gilliland for all pre-trial matters. EX2005 at 1.

instant Petition. First, in the case between Patent Owner and Petitioner, the district court's trial date is set for September 8, 2026, was agreed to by the parties, and has not changed since it was set. EX2003 at 1, 4 ("First Agreed Scheduling Order" setting case deadlines including trial); EX2004 ¶2. In contrast, the projected statutory deadline for a final written decision is February 5, 2027—meaning trial will have happened *approximately five months before.* While Patent Owner submits that the actual trial date is most relevant to this analysis, using median time-to-trial statistics for patent cases in the Western District of Texas (25 months, EX2017 at 1) would still result in trial approximately two months before a final written decision.[2]

But even if time-to-trial statistics suggested trial would begin after a final written decision (they do not), as the Director has found, like here, it would not change the result because "the parties have agreed to the [September 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

[2] Patent Owner is not aware of statistics specific to the presiding judge. As to district-wide statistics, if those are considered, Patent Owner respectfully submits that the most appropriate are for patent cases, rather than, *e.g.*, district-wide statistics for all civil cases (patent and otherwise).

31, 2025). "As such, 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 "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 the '634 Patent and others against Apple, a competitor of Petitioner, set for trial on July 28, 2026, also as agreed to by the parties. EX2007 at 1, 5 ("Agreed Scheduling Order" setting case deadlines including trial); EX2008 ¶2; *see also* EX2009 at 9 (§ X.6) ("After the trial date is set, the Court will not move the trial date except in extreme situations.").

Because trial in both cases 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. Co., 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 Proceedings 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 less than four weeks left in fact discovery. EX2003 at 1-3. Among other things, the Court in the case involving Petitioner has already issued an Order denying Petitioner's Section 101-based motion to dismiss (EX2010) and another Order construing claim terms of the asserted patents (EX2011). The Court also denied Petitioner's motion to transfer (EX2012; EX2023). Similar activity will have occurred in the Apple case. EX2007 at 1-3; EX2013 (claim construction order). 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 *Sotera* 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.

Counsel for Petitioner sent an email stating that Petitioner "stipulates that if the [PTAB] grants institution of IPR2025-01361, then Google LLC will not assert in the District Court Case that any challenged claim of the '634 patent is invalid on any ground raised in IPR2025-01361 or any other ground that could have been reasonably raised in IPR2025-01361." EX2014 at 1.

Even if this *Sotera*-style stipulation is considered, 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). *See, e.g.*, *Shenhzen Tuozhu*, IPR2025-00354, Paper 11 at 2-3; *see also, e.g.*, *Cisco Sys. Inc. v. WSOU Investments LLC*, IPR2025-00188, Paper 14 at 2-3 (PTAB Aug. 22, 2025) (Director Review); *Motorola Sols., Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19 at 2-4 (PTAB Mar. 28, 2025) (Director Review); *cf. Ingenico Inc. v. IOENGINE, LLC*, 136 F.4th 1354, 1365-66 (Fed. Cir. 2025).

In district court, Petitioner's invalidity contentions identify dozens of patents, patent application publications, printed publications, and system art. *E.g.*, EX2015 at 84-90. Petitioner also asserts for the '634 Patent *111 "exemplary" different* "*prior*

art combination[s]" using a combination of references and system art (including combining its IPR references with system art). EX2016 at 1, 22-40 (*e.g.*, using system art such as "Google Wallet" in various combinations with Petitioner's IPR art including Gomez, Amacker, Casey, Law, and Chin, as well as other references and systems). And Petitioner sought to "reserve[]" the right to supplement, EX2015 at 9, and attempts to incorporate by reference numerous other prior art and arguments (including references from prosecution of the challenged patent and related patents, IPRs, or any other defendant), EX2015 at 96, 80.

In practice, this means that Petitioner still 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 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; *Shenzhen Tuozhu*, IPR2025-00354, Paper 11 at 2-3; *Cisco*, IPR2025-00188, Paper 14 at 2-3; *Motorola*, IPR2024-01205, Paper 19 at 2-4. That is anything but a "true alternative."

There are three other problems with Petitioner's stipulation that further renders it effectively meaningless. First, Petitioner seeks to rely on *all* of the prior art in its Section 101 contention, notwithstanding its stipulation. EX2015 at 154 ("The well-understood, routine, and conventional nature of the components and steps of the Asserted Claims are demonstrated by the discussion of the state of the

art, set forth in Section I, *supra*, and the identification of prior art and prior art itself, set forth in Section II, *supra*, including the charts attached to this document."). Thus, the stipulation has no effect whatsoever on the fact that the district court will still need to consider every piece of prior art that Petitioner purportedly "stipulates" not to use. Second, Petitioner can still challenge the '634 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 Apple) and much of the same art and arguments. *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 and Petitioner's Failure to Submit an Expert Declaration into the Record

Other circumstances support the Director exercising discretion not to institute here. Patent Owner will explain in detail in its forthcoming POPR, the fundamental problems with the 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 at 15-16; EX2002 §§ I.C, II.C.i.

Petitioner also has ***not*** submitted an expert declaration into the IPR record, and so its multi-reference obviousness combinations are based on attorney argument alone. Complicating matters, Petitioner's Grounds—as well as its arguments for the level of ordinary skill and that Law (EX1032) is prior art based on its provisional's filing date—rely heavily on a purported declaration (identified as EX1003) but which was not filed with its Petition. Petitioner simply cannot meet its burden to show a reasonable likelihood of success for any claim on the current record.

Having sought to invoke the Board's finite resources and require Patent Owner to defend its patent in parallel forums using effectively the same art and arguments, there is an expectation that Petitioner reviews the documents it files with its Petition. *See Nuna Baby Essentials, Inc. v. Britax Child Safety, Inc.*, IPR2018-01683, Paper 11 at 6 (PTAB Dec. 18, 2018) ("Though Petitioner may have had a good faith belief on the day of filing, this belief must be reconciled with the

obligation of counsel to review the filing and the file. There is no evidence concerning whether counsel for Petitioner checked to ensure that the filing had been properly completed in the [filing system] at or around the time of filing or for almost three weeks thereafter…. [I]n this case even a cursory review of the file would have alerted counsel for Petitioner that no exhibits were on file.") (citation omitted).[3] Patent Owner respectfully submits that here, Petitioner's failure to check its filing at the time of filing and for *over two months* since counsels toward discretionary denial.

To the extent Petitioner takes the position it filed an incomplete petition and seeks to amend the filing to add a declaration, Patent Owner respectfully submits that it would be prejudiced by Petitioner's inactions to date and Petitioner will be unable to show good cause. *Cf. id.* at 9 ("Because we are not persuaded that Petitioner has established good cause to excuse the late filing and because Petitioner has not persuaded us that it is in the interests of justice to consider the exhibits on

[3] A cursory review would have confirmed no EX1003 was filed, as the as-filed Exhibits jump from EX1002 to EX1006. *See* EX2023 at 1. Petitioner also improperly "RESERVED" (*i.e.*, intentionally skipped) EX1004 and EX1005 (and others). Pet. at v; EX2023 at 1; *see also HTC Corp. v. Parthenon Unified Memory Architecture LLC*, IPR2015-01502, Paper 14 at 6 n.2 (PTAB Jan. 6, 2016) ("reserving" exhibit numbers violates requirement of sequential numbering per 37 C.F.R. § 42.63(c)).

the merits, we determined that [the exhibits] should be expunged."). As of this brief, there is only a month left before the POPR on the merits is due and Patent Owner should not be forced to address in short order any newly submitted evidence (if requested by Petitioner and allowed by the Board).

In short: Petitioner's failure and inactions to date lead to significant complications, potential delay, and increased burdens, all of which counsel toward discretionary denial.

Beyond the issues above and those Patent Owner will explain in its POPR, there are other reasons that further counsel toward denial, such as those 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 '634 Patent and other related patents with a common specification in two cases (one case against Petitioner set for trial in September 2026, and another case against Apple set for trial in July 2026). EX2003 at 4; EX2007 at 5. In both cases, Patent Owner has alleged infringement of several patents (including the '634 Patent), Petitioner and Apple have countered that all asserted patents are invalid for various reasons, and both Petitioner and Apple seek

to rely on much of the same art. *See generally* EX2015; EX2016.

Patent Owner respectfully submits that "[i]t is not an efficient use of Board resources to consider the Petitions under these circumstances." *Comcast Cable Commc'ns, LLC v. Entropic Commc'ns, LLC*, 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 four asserted patents in the parallel district court proceeding against Petitioner before a final written decision here. EX2004 ¶2; EX2003 at 4. These patents (the '634 Patent, as well U.S. Patent Nos. 10,339,520 ("the '520 Patent"), 10,810,579 ("the '579 Patent"), and 11,176,538 ("the '538 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," it "would be an inefficient use of Board resources [to refer any petition to the Board] and tips the balance to discretionary denial as to" all patents (including with and without settled expectations). *Samsung Elecs. Co., Ltd. v. iCashe, Inc.*, IPR2025-00639, Paper 11 at 3 (Director Aug. 14, 2025) ("*iCashe*"); *see also Samsung Elecs. Co., Ltd. v. GenghisComm Holdings LLC*, IPR2025-00788, Paper

11 at 2 (Director Aug. 22, 2025) ("*GenghisComm I*").

These inefficiencies and duplicative efforts are also heightened due to Petitioner's expansive invalidity contentions, *see* EX2015; EX2016, meaning that the district court will still consider much of the same art and arguments given the ineffective stipulation.

Lastly, the four asserted patents (the '579, '520, '538 and '634 Patents) will also be considered in the separate district court case involving Apple set for trial in July 2026 involving much of the same prior art, EX2008 ¶2; EX2007 at 5, which raises yet further inefficiencies if an IPR is instituted here.

IV. PETITIONER'S INCONSISTENT AND IRRECONCILABLE POSITIONS CONCERNING CLAIM SCOPE 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* EX2015 at 119-23 (identifying 90+ terms and phrases). Yet, in its IPR petition, Petitioner asserts that "any reasonable construction reads on the prior art" and identifies that the Board applies the *Phillips* standard. Pet. at 7. Petitioner then proceeds—without any mention that anything is allegedly indefinite or that the claim scope allegedly cannot be determined—to apply the prior art to the claims. *See generally* Pet. at 8-82. 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, with Petitioner having failed to address its district-court indefiniteness positions—or inform the Director and Board of the same—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 '634 Patent issued in April 2023, 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.

Samsung, a competitor of Petitioner, issued a subpoena to Petitioner in February 2023 in an earlier litigation involving patents with a common inventive disclosure as the '634 Patent, seeking information about Petitioner's products. EX2018. Patent Owner also provided specific notice of the '634 Patent (and others) to Petitioner in October 2023. EX2019 at 1-2; EX2020 at 1; EX2004 ¶¶4, 56; *see also Toyota Motor Corp. v. AutoConnect Holdings LLC*, IPR2025-00890, Paper 9 at 3 (Director Sept. 19, 2025) ("Patent Owner … brought the challenged patents to Petitioner's attention in 2023, which further supports discretionary denial.").

Apple earlier filed an IPR Petition challenging the '634 Patent (IPR2025-01152, filed June 20, 2025), which is currently pending and was pending when Petitioner filed its petition. There is no reason Petitioner needed to file a separate challenge and seek to require additional Board resources. And as Patent Owner will explain in its POPR, the current Petition's grounds are weak.[4]

Moreover, the '634 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

[4] Indeed, Gomez, Amacker, and Casey (*i.e.*, the 3 references in Petitioner's Ground 1A and 3 of 4 references in Grounds 1B and 1C) were already considered by the Patent Office during original prosecution. EX1001, 1 ("References Cited").

technology space. Many of these patents have been in force for six years and more, including, among others, the '520 Patent (for which Apple filed two IPR Petitions, IPR2025-01145 and IPR2025-01146, Petitioner has now also challenged in IPR2025-01513, and Samsung previously did in IPR2023-00210 and IPR2023-00211),[5] as well as, *e.g.*, U.S. Patent Nos. 9,022,286, issued Mar. 15, 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.[6] The commonality of the patents and claimed subject matter is further evidenced by Petitioner in district court

[5] As evidence of the commonality across patents, in IPR2023-00210 challenging the '520 Patent, Samsung relied upon overlapping references as Petitioner (including Gomez, which both Samsung and Petitioner use as a primary reference). *See* EX2021 (IPR2023-00210, Petition (Paper 3)). In IPR2023-00210, the Board denied institution on the merits (Paper 13) and Samsung's rehearing request (Paper 16).

[6] 19 post-grant challenges have been filed to date against Patent Owner's patents that share a common inventive disclosure. *See* IPR2023-00196, IPR2023-00210, IPR2023-00211, IPR2023-00219, IPR2023-00314, PGR2023-00012, PGR2023-00013, IPR2025-01145, IPR2025-01146, IPR2025-01147, IPR2025-01148, IPR2025-01149, IPR2025-01150, IPR2025-01151, IPR2025-01152, IPR2025-01344, IPR2025-01361, IPR2025-01513, and IPR2025-01514.

relying on the *same* references for the ’520 Patent (in force over six years) and the ’634 Patent (and others) to assert anticipation and alternatively, obviousness—including for the references it relies upon in its IPR Grounds. EX2015 at 97-98 (identifying charts asserting invalidity for ’520 Patent based on, *e.g.*, Gomez, Casey, Law, and Google Wallet),[7] 100-01 (similarly identifying charts asserting invalidity for ’634 Patent based on, *e.g.*, Gomez, Casey, Law, and Google Wallet).[8] And the commonality is also demonstrated by Petitioner seeking to rely on the same prior art from other patents related to the ’634 Patent (*i.e.*, including those in force more than six years). EX2015 at 96, 80. These facts further support Patent Owner’s settled expectations across its patents.

Lastly, Patent Owner has devoted significant resources over the last decade-plus to develop and commercialize secure systems for electronic payments including dynamic tokenization systems that enhance security of mobile and electronic

[7] These references correspond to the following references relied upon by Petitioner in its Grounds: Gomez (EX1007), Casey (EX1006), and Law (EX1032). *See also* EX2015 at 84-86 (identifying same by number and shorthand name).

[8] There are many other references Petitioner relies upon for both patents (*e.g.*, Assora, Cox, Doughty, Gill, Hathaway, etc. Javani, Jones, Kay, Killoran, Mjølsnes, Mullen915, Qasim, Royyuri-866, Royyuru-545, etc.). EX2015 at 97-98, 100-01.

payments. EX2004 ¶¶13-17. 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 this section and in §§ II-IV, above) nonetheless demonstrate that discretionary denial is warranted. *See, e.g.*, *Tesla, Inc. v. Granite Vehicle Ventures, LLC*, IPR2025-00943, Paper 17 at 2 (Director Sept. 26, 2025) (discretionarily denying institution despite "the challenged patents hav[ing] not been in force for a significant period of time (issued in 2023)" including because "it is unlikely that a final written decision in th[e] proceeding will issue before the district court trial occurs, resulting in significant duplication of effort, additional expense for the parties, and a risk of inconsistent decisions"); *Samsung Elecs. Co., Ltd. v. GenghisComm Holdings, LLC*, IPR2025-00899, Paper 10 at 2 (Director Sept. 26, 2025) (similar); *Milwaukee Elec. Tool Corp. v. Klein Tools, Inc.*, IPR2025-00724, Paper 14 at 2-3 (Director Sept. 12, 2025) (denying institution for patents issued in 2022, 2023, and 2025 in view of parallel proceeding that was likely to be completed before a final written decision); *Phison Elecs. Corp. v. Vervain LLC*, IPR2025-00215, Paper 15 at 3 (Director July 10, 2025) (denying institution despite "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"); *GenghisComm I*, IPR2025-00788, Paper 11 at 2 ("Although the patents challenged in these proceedings have not been in force for as long as those in [two others], this fact alone does not tip the balance against discretionary 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 (both with and without settled expectations)); *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); *Alliance Laundry Sys., LLC v. PayRange LLC*, IPR2025-00950, Paper 11 at 3 (Director Sept. 19, 2025) ("[A]lthough the challenged patent has not been in force for a significant period of time (issued in 2021), Patent Owner presents evidence that it has licensed the challenged patent, which creates some settled expectations favoring Patent Owner.").

VI. CONCLUSION

Patent Owner respectfully requests discretionary denial.

Dated: October 6, 2025

Respectfully submitted,

/Patrick Colsher/

Patrick Colsher (Reg. No. 74,955)
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: October 6, 2025

Respectfully submitted,

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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 October 6, 2025, via electronic mail upon counsel of record for Petitioner at the following email addresses:

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