

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE LLC,
Petitioner

v.

TELCOM VENTURES LLC,
Patent Owner

Case No. IPR2025-01409
U.S. Patent No. 11,770,756

PATENT OWNER'S PRELIMINARY RESPONSE

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Exhibit Number	Description
2001	Interim Processes for PTAB Workload Management, Acting Director Memorandum (March 26, 2025) (https://www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf)
2002	Telcom Ventures' Local Patent Rule 3.1 and 3.2 Disclosures, Served November 21, 2024
2003	Telcom Ventures' Subpoena to Google, Served July 18, 2025
2004	Stipulated Protective Order for Non-Party Google, Dated September 11, 2025
2005	Third Amended Docket Control Order
2006	Order Denying Samsung's Motion to Stay, Dated August 27, 2025
2007	Exhibit A16 to Samsung's Invalidity Contentions
2008	Exhibit A13 to Samsung's Invalidity Contentions
2009	Paul Hasting's Notices of Appearance in the Samsung Litigation
2010	Declaration of Dr. Chuck Easttom
2011	<i>Curriculum Vitae</i> of Dr. Chuck Easttom
2012	Chiradeep BasuMallick, "What is NFC (Near Field Communication)? Definition, Working, and Examples" (Sept. 29, 2022), https://www.spiceworks.com/tech/networking/articles/what-is-near-field-communication/
2013	Liu et al., "Near-Field Communications: A Comprehensive Survey," IEEE (June 2025)
2014	"The Creation of the NFC Forum and its Vision" (2011) https://cs.stanford.edu/people/eroberts/courses/cs181/projects/2010-11/NFCChips/nfcforum.html
2015	McHugh & Yarmey, "Near Field Communication: Introduction and Implication," ERIC (2012)
2016	Coskun et al., "The Survey on Near Field Communication," Sensors (June 5, 2015)

TABLE OF CLAIMS

Reference	Claim Limitation
Claim 1	
1[pre]	A method of operating a device, the method comprising:
1[a]	sensing by the device, using a device-based sensor, a parameter that is associated with the device, an environment of the device and/or a user of the device;
1[b]	determining by the device a value of the parameter that is sensed; and
1[c]	responsive to the value that is determined by the device for the parameter that is sensed satisfying a threshold criterion, enabling by the device a number of functions of the device and disabling by the device a function of the device;
1[d]	wherein the parameter that is sensed using the device-based sensor, comprises a velocity, an acceleration, a time-of-day, a humidity, a temperature, a height, a level of brightness, a level of darkness, a blood pressure, a heart rate, a blood content, a physiological state and/or a psychological state; and
1[e]	wherein the device comprises a smartphone.
Claim 2	
2[pre]	The method of claim 1,
2[a]	wherein said enabling by the device a number of functions of the device comprises enabling by the device a number of functions of the device that is greater than or equal to one.
Claim 3	
3[pre]	The method of claim 3, further comprising:
3[a]	while said number of functions is enabled by having sensed by the device the parameter and by having determined by the device that the value of the parameter that is sensed satisfies the threshold criterion, requesting by the device from a second device an authorization to enable a function for conducting a financial transaction by the device;
3[b]	responsive to the requesting, receiving by the device from the second device the authorization to enable the function for conducting the financial transaction; and
3[c]	responsive to receiving the authorization, enabling at the device the function for conducting the financial transaction.
Claim 4	
4[pre]	The method of claim 3,

Reference	Claim Limitation
4[a]	responsive to the device satisfying a proximity condition relative to an entity and responsive to the device sensing the parameter and determining the value that is associated with parameter that is sensed satisfies the threshold criterion, using by the device the function for conducting the financial transaction and conducting by the device the financial transaction by paying for a product.
Claim 5	
5[pre]	The method of claim 3, further comprising:
5[a]	enabling at the second device a function for conducting the financial transaction.
Claim 6	
6[pre]	A device that is configured to perform operations comprising:
6[a]	sensing by the device, using a device-based sensor, a parameter that is associated with the device, an environment of the device and/or a user of the device;
6[b]	determining by the device a value of the parameter that is sensed; and
6[c]	responsive to the value that is determined by the device for the parameter that is sensed satisfying a threshold criterion, enabling by the device a number of functions of the device and disabling by the device a function of the device;
6[d]	wherein the parameter that is sensed using the device-based sensor, comprises a velocity, an acceleration, a time-of-day, a humidity, a temperature, a height, a level of brightness, a level of darkness, a blood pressure, a heart rate, a blood content, a physiological state and/or a psychological state; and
6[e]	wherein the device comprises a smartphone.
Claim 7	
7[pre]	The method of claim 6,
7[a]	wherein said enabling by the device a number of functions of the device comprises enabling by the device a number of functions of the device that is greater than or equal to one.
Claim 8	
8[pre]	The device of claim 6, wherein the operations further comprise:
8[a]	while said number of functions is enabled by having sensed the parameter and by having determined by the device that the value of the parameter that is sensed satisfies the threshold criterion, requesting by the device from a second device an authorization to enable a function for conducting a financial transaction by the device;

Reference	Claim Limitation
8[b]	responsive to the requesting, receiving from the second device the authorization to enable the function for conducting the financial transaction; and
8[c]	responsive to receiving the authorization, enabling the function for conducting the financial transaction.
Claim 9	
9[pre]	The device of claim 8, wherein the operations further comprise:
9[a]	detecting by the device that a proximity condition has been satisfied between the device and an entity;
9[b]	sensing by the device the parameter and determining by the device the value that is associated with the parameter that is sensed satisfies the threshold criterion; and
9[c]	responsive to the value that is associated with the parameter that is sensed satisfying the threshold criterion, using by the device the function for conducting the financial transaction and conducting by the device the financial transaction by paying for a product.
Claim 10	
10[pre]	The device of claim 8, wherein the operations further comprise:
10[a]	causing a function for conducting the financial transaction to be enabled at the second device.
Claim 11	
11[pre]	A method of operating a wireless device, the method comprising:
11[a]	sensing by the wireless device, using a sensor of the wireless device, a parameter that is associated with the wireless device, an environment of the wireless device and/or a user of the wireless device;
11[b]	determining by the wireless device a value of the parameter that is sensed and determining by the wireless device whether or not the value that is sensed satisfies a threshold criterion;
11[c]	responsive to the value that is sensed satisfying the threshold criterion, enabling a number of functions of the wireless device and disabling a function of the wireless device;
11[d]	requesting by the wireless device from a second device an authorization to enable a function for conducting a financial transaction;
11[e]	responsive to the requesting, receiving by the wireless device from the second device the authorization to enable the function for conducting the financial transaction;

Reference	Claim Limitation
11[f]	responsive to receiving the authorization, enabling at the wireless device the function for conducting the financial transaction; and
11[g]	responsive to the wireless device satisfying a proximity condition relative to an entity and responsive to the wireless device sensing the parameter and determining that the value sensed satisfies the threshold criterion, using the function for conducting the financial transaction and conducting the financial transaction by paying for a product;
11[h]	wherein the parameter that is sensed, using the sensor of the wireless device, comprises a velocity, an acceleration, a time-of-day, a humidity, a temperature, a height, a level of brightness, a level of darkness, a blood pressure, a heart rate, a blood content, a physiological state and/or a psychological state; and
11[i]	wherein the wireless device comprises a smartphone.
Claim 12	
12[pre]	The method of claim 11,
12[a]	wherein said enabling a number of functions of the wireless device comprises enabling a number of functions of the wireless device that is greater than or equal to one.
Claim 13	
13[pre]	The method of claim 11, further comprising:
13[a]	enabling at the second device a function for conducting the financial transaction.
Claim 14	
14[pre]	A wireless device that is configured to perform operations comprising:
14[a]	using a sensor of the wireless device and sensing a parameter that is associated with the wireless device, an environment of the wireless device and/or a user of the wireless device;
14[b]	determining a value that is associated with the parameter that is sensed and determining whether or not the value satisfies a threshold criterion;
14[c]	responsive to the value satisfying the threshold criterion, enabling a number of functions of the wireless device and disabling a function of the wireless device;
14[d]	requesting from a second device an authorization to enable a function for conducting a financial transaction;

Reference	Claim Limitation
14[e]	responsive to the requesting, receiving from the second device the authorization to enable the function for conducting the financial transaction;
14[f]	responsive to receiving the authorization, enabling the function for conducting the financial transaction; and
14[g]	responsive to the wireless device satisfying a proximity condition relative to an entity and responsive to the wireless device sensing the parameter and determining that the value of the parameter sensed satisfies the threshold criterion, using the function for conducting the financial transaction and conducting the financial transaction by paying for a product;
14[h]	wherein the parameter that is sensed comprises a velocity, an acceleration, a time-of-day, a humidity, a temperature, a height, a level of brightness, a level of darkness, a blood pressure, a heart rate, a blood content, a physiological state and/or a psychological state; and
14[i]	wherein the wireless device comprises a smartphone.
Claim 15	
15[pre]	The smartphone of claim 9,
15[a]	wherein said enabling a number of functions of the wireless device comprises enabling a number of functions of the wireless device that is greater than or equal to one.
Claim 16	
16[pre]	The wireless device of claim 14, wherein the operations further comprise:
16[a]	causing a function for conducting the financial transaction to be enabled at the second device.
Claim 17	
17[pre]	The wireless device of claim 14, wherein said conducting the financial transaction by paying for a product comprises:
17[a]	establishing by the wireless device a short-range wireless link with the entity;
17[b]	wirelessly transmitting information to the entity using unlicensed frequencies; and
17[c]	wirelessly receiving information from the entity using unlicensed frequencies;
17[d]	wherein said wirelessly transmitting and said wirelessly receiving comprises using a time domain duplex protocol; and

Reference	Claim Limitation
17[e]	wherein said establishing by the wireless device a short-range wireless link with the entity comprises establishing the short-range wireless link with the entity responsive to the wireless device satisfying the proximity condition relative to the entity and responsive to the wireless device sensing the parameter and determining that the value associated therewith satisfies the threshold criterion.
Claim 18	
18[pre]	The wireless device of claim 14, wherein said requesting from a second device an authorization to enable a function for conducting a financial transaction and/or said receiving from the second device the authorization to enable the function for conducting the financial transaction comprises:
18[a]	establishing by the wireless device a link with the second device, comprising a wireless link that comprises a distance that is greater than a distance associated with the proximity condition;
18[b]	wirelessly transmitting information to the second device over said wireless link using unlicensed and/or licensed frequencies; and
18[c]	wirelessly receiving information from the second device over said wireless link using unlicensed and/or licensed frequencies;
18[d]	wherein said wirelessly transmitting and/or said wirelessly receiving comprises using an orthogonal frequency division multiplexing and/or orthogonal frequency division multiple access protocol; and
18[e]	wherein said establishing by the wireless device a link with the second device comprises establishing the link with the second device responsive to the wireless device sensing the parameter and determining that the value sensed satisfies the threshold criterion.

I. INTRODUCTION

Telcom Ventures LLC (“Telcom Ventures” or “Patent Owner”) respectfully submits this Preliminary Response (“POPR”) requesting that the Director deny institution of the Petition for *inter partes* review (Paper 1, “Petition,” or “Pet.”) filed by Petitioner Google LLC (“Google” or “Petitioner”).

The Petition seeks *inter partes* review (“IPR”) of claims 1-18 (the “Challenged Claims”) of U.S. Patent No. 11,770,756 (the “’756 Patent,” Ex. 1001). The Petition sets forth three Grounds. In all Grounds, Petitioner relies on U.S. Patent Application Publication No. 2009/0170483 A1 to Barnett et al. (“*Barnett*”) (Ex. 1005). In Ground 1, Petitioner alleges that certain claims would have been obvious over *Barnett* in view of International Patent Publication No. WO 2006/087503 A1 to Waters et al. (“*Waters*”) (Ex. 1006). In Ground 2, Petitioner alleges that certain claims would have been obvious over *Barnett*, *Waters*, and additionally U.S. Patent No. 7,434,723 to White et al. (“*White*”) (Ex. 1007). In Ground 3, Petitioner adds International Patent Publication No. WO 02/09005 A1 to Smith et al. (“*Smith*”) (Ex. 1008) to the combination. Claims 1 and 6 are independent claims addressed in Ground 1, and claims 11 and 14 are independent claims addressed in Ground 2. All other claims, across Grounds 1–3, depend from these four claims.

Petitioner identifies disparate, isolated, and inconsistent disclosures from all three references in developing a combination system that is then incorrectly applied

to the claims. Petitioner draws conclusions contrary to the references' teachings by heavily relying on gap filling and expert testimony in a failed attempt to reach the claimed inventions of the '756 Patent. Petitioner's obviousness grounds based on *Barnett*, *Waters*, *White*, and *Smith* fail for several reasons.

First, Petitioner's Ground 1 fails because it does not teach or suggest "sensing by the device, using a device-based sensor, a parameter that is associated with the device, an environment of the device and/or a user of the device" of independent claim limitations 1[a] and 6[a]. Moreover, a POSITA would not have been motivated to combine *Barnett* and *Waters* as Petitioner suggests. Petitioner's reasons for combining *Barnett* and *Waters* are based on impermissible hindsight in view of the claims of the '756 Patent—not substantiated by the references themselves.

Second, the *Barnett-Waters* combination would not have rendered obvious "responsive to the value that is determined by the device . . . disabling by the device a function of the device" of claim limitations 1[c] and 6[c]. Petitioner's assertions fail at least because it relies on conclusory testimony from its expert, Dr. Chatterjee, that is inconsistent with the teachings of *Barnett* and *Waters* to fill in gaps in the prior art.

Third, Petitioner's *Barnett-Waters-White* combination in Grounds 2 and 3 does not address the deficiencies of the *Barnett-Waters* combination in Ground 1. Therefore, a POSITA would not have been motivated to combine *Barnett*, *Waters*,

and *White*, and Grounds 2 and 3 fail to teach or suggest “sensing by the wireless device, using a sensor of the wireless device, a parameter that is associated with the wireless device, an environment of the wireless device and/or a user of the wireless device” of independent claim limitation 11[a] and similar claim limitation 14[a]. Grounds 2 and 3 also fail to teach or suggest “responsive to the value [that is sensed] satisfying the threshold criterion, enabling a number of functions of the wireless device and disabling a function of the wireless device” of limitations 11[c] and 14[c].

Fourth, Grounds 2 and 3 fail because the *Barnett-Waters-White* combination does not teach or suggest “requesting by the device from a second device an authorization to enable a function for conducting a financial transaction by the device” of independent claim limitations 11[d] and 14[d] and dependent claim limitations 3[a] and 8[a]. Moreover, a POSITA would not have been motivated to combine *Barnett* with *Waters* and *White* in the way Dr. Chatterjee suggests. Because a POSITA would not have been motivated to make this combination, Dr. Chatterjee fails to show how his combined system meets claim limitations 3[a], 8[a], 11[d], and 14[d].

Accordingly, the Petition fails to establish that any Ground would have rendered the Challenged Claims obvious. Petitioner has failed to meet its burden to show a reasonable likelihood of unpatentability of any of the Challenged Claims.

See 37 C.F.R. § 42.108(c). Accordingly, Patent Owner requests that the Director deny institution of *inter partes* review.

II. LEGAL STANDARD

The Petition must both “clearly point out the differences between the claimed invention and [the prior art]” and “explain why a person of ordinary skill in the art would have found the claimed subject matter obvious in spite of those differences.” *Synopsys, Inc. v. Mentor Graphics Corp.*, IPR2012-00041, Paper 16 at 14 (P.T.A.B. Feb. 22, 2013). The Petition must recite where the challenged limitation is found in the reference(s) and explain why a POSITA would have modified the primary reference with the recited limitation from the secondary reference(s). *Microsoft Corp. v. Secure Web Conf. Corp.*, IPR2014-00745, Paper 12 at 11-13 (P.T.A.B. Sept. 29, 2014). The Petition must establish, **with particularity**, the grounds and evidence that support invalidating the challenged claims. 35 U.S.C. § 312(a)(3). In addition, the Director institutes based on what the Petition **actually presents** and not what it could have reasonably contained. *In re Magnum Oil Tools Int’l, Ltd.*, 829 F.3d 1364, 1381 (Fed. Cir. 2016). The Director cannot “deviate from the grounds in the petition and raise its own” theories of invalidity. *Sirona Dental Sys. GmbH v. Institut Straumann AH*, 892 F.3d 1349, 1356 (Fed. Cir. 2018).

III. BACKGROUND

A. The '756 Patent

Applicants filed U.S. Patent Application No. 17/653,748 on March 7, 2022, which issued as U.S. Patent No. 11,770,756 on September 26, 2023. '756 Patent at 1. The '756 Patent claims the benefit of U.S. Patent Application No. 12/264,711—later issued as U.S. Patent No. 9,462,411—which has a filing date of November 4, 2008. *Id.* at 2.

The '756 Patent describes mobile wireless devices and methods of using a mobile wireless device to perform financial transactions, but only when certain conditions or criteria are met, such as the satisfaction of a proximity condition and a criterion for the value of a parameter, e.g., a physiological parameter. '756 Patent, 1:25-30, 6:13-23; *see also* Ex. 2010, ¶59. In the prior art, mobile wireless devices were rigidly configured to perform a predetermined number of functions. '756 Patent, 1:39-44; *see also* Ex. 2010, ¶59. To overcome this rigidity, the '756 Patent describes devices and methods that “may be used to enable adaptively one or more modes/functions of a device” based upon satisfying certain criteria. '756 Patent, 1:49-54; *see also* Ex. 2010, ¶59. The '756 Patent explains that the invention advantageously allows “a mobile wireless device [to] act as a ‘wallet’ (over and above other functions) only when it is time to pay for an item and not act as a wallet when there is no need to do so.” '756 Patent, 1:44-57; *see also* Ex. 2010, ¶59.

The '756 Patent also describes estimating “a value of at least one other parameter that may be associated with the wireless communications device . . . and/or an entity (living or otherwise) that is associated with and/or is proximate to the wireless communications device.” ’756 Patent, 6:15-19; *see also* Ex. 2010, ¶60. Such parameters include “velocity, acceleration, ToD, ToM, ToY, humidity, temperature, height, level of brightness, level of darkness, a blood pressure, a heart rate, a blood content, a physiological state, a psychological state, etc.” ’756 Patent, 6:20-23; *see also* Ex. 2010, ¶60. These parameters can be estimated using “sensors that may, according to some embodiments, be device-based and/or network assisted/based means and/or sensors.” ’756 Patent, 6:28-30; *see also* Ex. 2010, ¶60. The disclosed wireless communications devices may be “configured to selectively enable the first communications mode/function” responsive to a value of such a parameter. ’756 Patent, 6:40-44; *see also* Ex. 2010, ¶60.

During prosecution, the Examiner issued a non-final rejection that rejected the claims as unpatentable under 35 U.S.C. § 103 over U.S. Patent Application Publication No. 2009/0058637 to Kuo et al. (“Kuo”) in view of U.S. Patent Application Publication No. 2003/0172028 to Abell et al. (“Abell”), and for double patenting over claims 1, 7, and 17 of U.S. Patent No. 11,304,118. Ex. 1004 at 104, 106. Following an amendment of the independent claims to include “responsive to the value that is determined . . . enabling . . . a number of functions . . . and disabling

a function” and the filing of a terminal disclaimer, the Examiner allowed the claims. *Id.* at 206-07. In the Notice of Allowance, the Examiner explained that Kuo, as the closest prior art of record, alone or in combination failed to teach or suggest “responsive to the value that is determined by the device for the parameter that is sensed satisfying a threshold criterion, enabling by the device a number of functions of the device and disabling by the device a function of the device.” *Id.* at 207.

B. *Barnett* (Ex. 1005)

United States Patent Application No. 2009/0170483 to Barnett, et al. (“*Barnett*”) is titled “System and Method for Transmitting Information Using a Mobile Phone.”

Barnett is a fully self-sustained system that is narrowly limited to an efficient means of providing a customer information while they are shopping in a store. *See Barnett*, ¶[0001] (“The invention relates generally to a system and method of communicating shopping information between a consumer and a retailer. In particular, the invention relates to a system for enabling a consumer to obtain shopping information from a retailer, and the retailer to obtain information from the consumer, using a communication device, such as a mobile phone.”); *see also* Ex. 2010 ¶65. Figure 1 (reproduced below) illustrates this system. *Barnett* explains that, for example, “[t]he information transmitted to the retailer may include a shopping list of goods or services desired by the consumer. In return, the retailer

may provide the home computer system 12 and portable communications device will information regarding the desired goods or services.” *Id.*, ¶[0011].

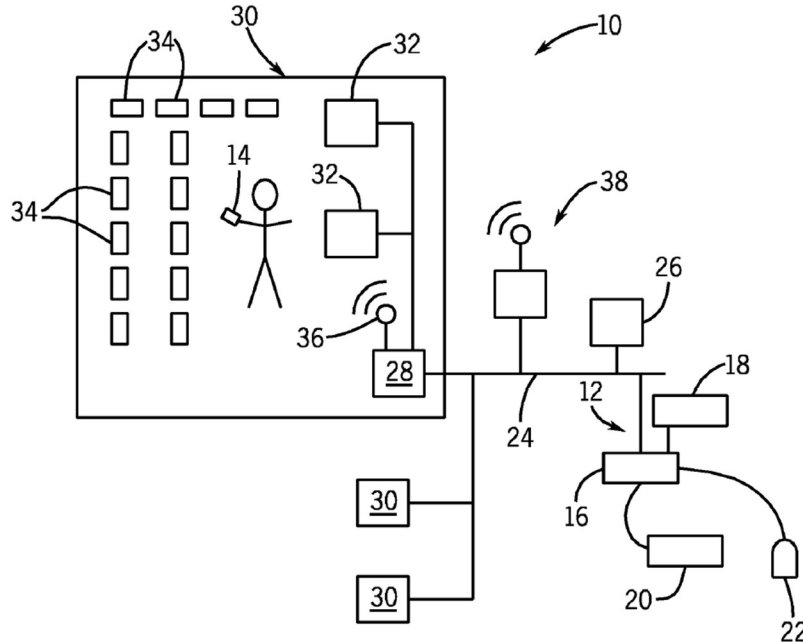


FIG. 1

Barnett, Fig. 1.

Barnett also discloses how the store’s infrastructure is self-sustained, explaining that “[w]ithin the store 30 are a series of displays 32 that are connected to the store computing system 28. In this embodiment, the displays 32 are NFC [near field communication]-enabled displays that can interact with a NFC-enabled mobile phone 14 using device-to-device communication” (*Barnett*, ¶[0021]) and that “[s]tand-alone NFC-enabled devices 34 that have been programmed with specific information are located around the store 30. In this embodiment, the stand-alone

NFC-enabled devices 34 are used to identify products to NFC-enabled devices.”

Barnett, ¶[0023].

Barnett discloses an infrastructure for reducing the time the customer spends in the store by streamlining the exchange of communication about the products to the customer. *See Barnett*, ¶[0002] (“[A] consumer may go to a store to purchase an item and find on arriving at the store that the item is not in stock. In addition, even if the item is in stock, considerable time may be wasted looking for the item in the store. Locating a store employee to ask the employee a question about a product can also be very time consuming. There are many other examples of problems that a consumer can experience when shopping that lead to considerable amounts of time being wasted.”); ¶[0042] (“Generally the time that the consumer spends in a store may be used more efficiently. For example, the consumer knows immediately whether or not an item is in stock at a nearby store. In addition, there is less need to find a person at the store to obtain additional information.”).

C. *Waters* (Ex. 1006)

International Patent Publication No. 2006/087503 to Waters, et al. (“*Waters*”) is titled “Improved Security for Wireless Communication.”

Waters focuses on limiting NFC capability. Ex. 2010 ¶69. For example, *Waters* discloses a method of authenticating a subscriber identity module (SIM) to “control to some extent the operation of the near field tag 41” so that the near field

tag 41 is “under control of the SIM 15, by means of communication link 43.” *Waters*, 9.

As one example, *Waters* discloses a “[j]amming device” where “near field tag 41 and/or the mobile terminal 1 is designed to jam/disrupt the low level communications of all other RF tags within range of the jamming device. Instead of following the anti-collision protocol commonly used in near field tag technology, the device attempts to create collisions and other forms of interference. The jamming device is disabled, or the near field tag 41 is removed from proximity of the jamming device, when authorised use of the card is required.” *Waters*, 16-17.

D. *White* (Ex. 1007)

United States Patent No. 7,434,723 to White, et al. (“*White*”) is titled “Mobile Payment Authorization System and Method.”

White “is directed to a payment approval system, and more particularly, but not by way of limitation, to a system and method for mobile payment approval.” *White*, 1:20-25. Specifically, *White* provides embodiments for systems and methods for “completing a pending purchase” and “payment approval.” *White*, 1:38-2:8. Figure 1 (reproduced below) provides an exemplary architecture for an embodiment of *White*’s system.

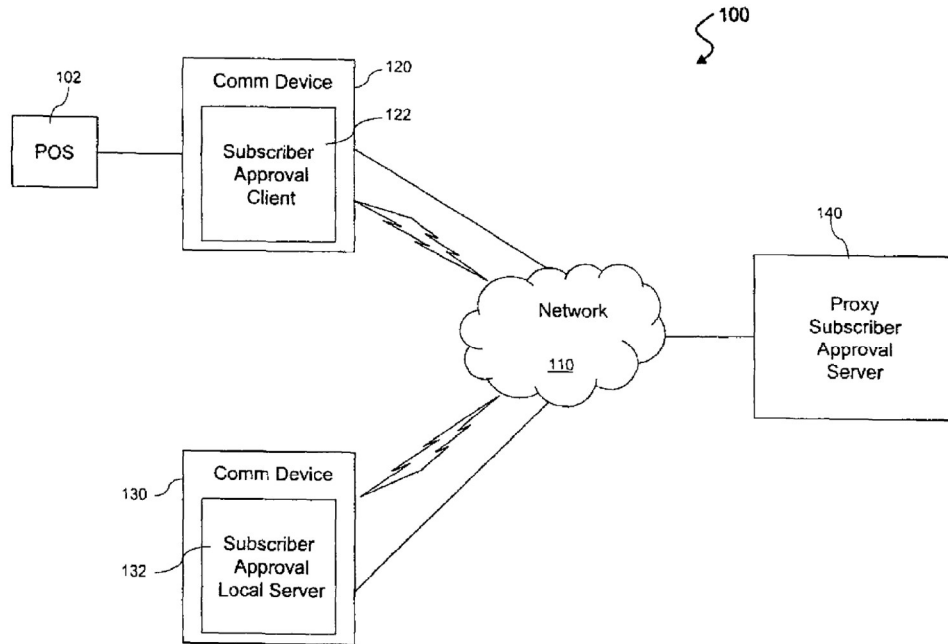


Figure 1

White, Fig. 1.

Regarding communicating with the second communication device 130 in Figure 1, *White* explains that “[t]he first communication device 120 communicates with the second communication device 130 through the network 110” (*White*, 4:17-19) and that these devices can be “computer-based entities, such as personal digital assistants (PDAs), mobile phones, personal computers (PC), laptop computers, or traditional wireless or wire-line telephones.” *White*, 4:12-15.

IV. CLAIM CONSTRUCTION

Claim terms should be given their plain and ordinary meaning to a POSITA as of the earliest effective filing date. *See, e.g., Eon Corp. IP Holdings LLC v. Silver Spring Networks, Inc.*, 815 F.3d 1314, 1320 (Fed. Cir. 2016). “The ordinary meaning of a claim term is not ‘the meaning of the term in the abstract.’ Instead, ‘the “ordinary

meaning” of a claim term is its meaning to the ordinary artisan after reading the entire patent.”” *Id.* (quoting *Philips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005) (en banc)).

Petitioner contends that “the Board need not construe any terms of the challenged claims to resolve the underlying controversy, as any reasonable construction reads on the prior art.” Pet., 9. Patent Owner agrees that the Board should apply the plain and ordinary meaning of the terms in the Challenged Claims. Patent Owner does not waive its right to raise additional issues of claim construction in any litigation, nor does it waive any argument in any litigation that claim terms are not indefinite or are otherwise valid. The failure of the Petition to render obvious the Challenged Claims is clear in view of the arguments below without construing any specific claim term.

V. LEVEL OF ORDINARY SKILL IN THE ART

Each of the arguments below is considered from the standpoint of a POSITA in the field of the '756 Patent at the time of the invention. Patent Owner contends that a POSITA would have had at least a bachelor's degree in electrical engineering, computer engineering, or a related field, with about two years of experience in wireless communications. Ex. 2010, ¶47. This is different from Petitioner's proposal, which calls for “an undergraduate degree in electrical engineering,

computer engineering, computer science or a related field along with two years of work experience in the field of mobile communication applications.” Pet., 5.

Patent Owner disagrees that a POSITA should be required to have at least two years of experience in mobile communication applications. Ex. 2010, ¶48. Petitioner has not described or explained the scope or meaning of “the field of mobile communication applications.” *Id.* Regardless, Petitioner fails to meet its burden under either POSITA definition.

VI. THE DIRECTOR SHOULD NOT INSTITUTE *INTER PARTES* REVIEW

All of Petitioner’s Grounds fail. As described below, Petitioner’s combinations fail to render obvious all elements of any of the Challenged Claims. Petitioner’s proposed combinations are as follows:

Ground	Claims	Proposed Ground of Unpatentability
1	1-2 and 6-7	Obvious under pre-AIA 35 U.S.C. § 103 in view of <i>Barnett</i> and <i>Waters</i>
2	3-5, 8-16, and 18	Obvious under pre-AIA 35 U.S.C. § 103 in view of <i>Barnett</i> , <i>Waters</i> , and <i>White</i> , and <i>Smith</i>
3	17	Obvious under pre-AIA 35 U.S.C. § 103 in view of <i>Barnett</i> , <i>Waters</i> , <i>White</i> , and <i>Smith</i>

A. Petitioner’s Ground 1 Fails Because the Claims Would Not Have Been Obvious in View of *Barnett*, *Waters*, and *White*.

In Ground 1, Petitioner argues that *Barnett* in view of *Waters* teaches the limitations of claims 1-2 and 6-7, including independent claims 1 and 6. Pet., 4. Dependent claims 2-5 and 7-10 depend from independent claims 1 and 6. Petitioner

provides analysis for claim 1, and then incorporates that analysis into the limitations of claim 6. Pet., 27-29. For the reasons set forth below, the references in Ground 1 neither disclose the Challenged Claims nor, individually or in combination, would have rendered those claims obvious. Ex. 2010, ¶¶76-79.

1. *Barnett-Waters* Does Not Disclose and Would Not Have Rendered Obvious “sensing by the device, using a device-based sensor, a parameter that is associated with the device, an environment of the device and/or a user of the device.”

Claim limitations 1[a] and 6[a] require “sensing by the device, using a device-based sensor, a parameter that is associated with the device, an environment of the device and/or a user of the device.” Dependent claims 2-5 and 7-10 directly or indirectly depend from independent claims 1 and 6, and therefore also require “sensing by the device, using a device-based sensor, a parameter that is associated with the device, an environment of the device and/or a user of the device.” Ex. 2010, ¶80.

i. A POSITA Would Not Have Been Motivated to Combine Barnett and Waters.

Petitioner admits that *Barnett* itself does not disclose “sensing by the device, using a device-based sensor, a parameter that is associated with the device, an environment of the device and/or a user of the device” of claim limitations 1[a] and 6[a]. Pet., 13-14, 28. Petitioner proposes to solve this deficiency by combining *Barnett* with *Waters* to meet the “sensing by the device, using a device-based sensor,

a parameter that is associated with the device, an environment of the device and/or a user of the device” Pet., 14. This combination fails. Ex. 2010, ¶¶83-90.

Petitioner’s statement that a POSITA would have been motivated to incorporate “a sensing mechanism, similar to that disclosed by *Waters*, to selectively enable/disable the NFC tag in *Barnett*’s device” such that it performs the “sensing by the device, using a device-based sensor, a parameter that is associated with the device, an environment of the device and/or a user of the device” is not substantiated by either *Barnett* or *Waters*. Pet., 18. These references are directed to conflicting goals: *Barnett* is concerned with speed and ease, while *Waters* forgoes speed and ease for improved security. Ex. 2010, ¶¶84-88.

Barnett discloses a technique focused on efficiency and time savings in the specific context of shopping. Ex. 2010, ¶84. Specifically, *Barnett* discloses an unrestricted system that relies on NFC-enabled devices to quickly and easily exchange information within the context of shopping in a store. Ex. 2010, ¶84. Notably, the *Barnett* system is not restricted to using NFC at the point of sale, but discloses using NFC to “enable a consumer to obtain information regarding the availability, location, and/or price of the goods or services provided in the shopping list by using either the NFC capability of the mobile phone . . . to receive information from the retailer within a retail stores.” *Barnett*, ¶[0016]; Ex. 2010, ¶84. *Barnett* also discloses using NFC to “provide the display 32 [of the store computing system] with

the identity of the customer. Thus, informing the store computing system 28 that the consumer is in the store 30.” *Barnett*, ¶[0021]; *see also* Ex. 2010, ¶84.

Barnett, in fact, discloses the use of “[s]tand-alone NFC-enabled devices 34 that have been programmed with specific information [] located around the store 30.” *Barnett*, ¶[0023]; *see also id.*, ¶[0033] (“[A]s the consumer travels through the store 30, the consumer may see other items of interest. The consumer may hold their mobile phone next to a product identifier 34 and retrieve and store information regarding the product, such as the identity of the product.”); *see also* Ex. 2010, ¶85. *Barnett* also contemplates using NFC information “to direct the consumer” and “to analyze traffic flows through the store.” *Barnett*, ¶[0025]; Ex. 2010, ¶85. The system of *Barnett* relies “information to be transmitted to and from a[n] NFC-enabled mobile phone.” *Barnett*, ¶[0044]; Ex. 2010, ¶85. Thus, *Barnett* relies on the consumer’s device being NFC-enabled—not restricted—otherwise the *Barnett* system would not work. Ex. 2010, ¶85.

Barnett discloses using NFC for financial transactions and proposes a novel security regime for conducting these financial transactions. Ex. 2010, ¶86. Petitioner and its expert overlook the security regime put into place by *Barnett*. Specifically, *Barnett* addresses security concerns through its design: it restricts where specific cards can be used and enables automatic payments exclusively at approved locations. Ex. 2010, ¶86. By limiting card usage to authorized environments, *Barnett*

effectively mitigates risk without imposing unnecessary barriers to NFC functionality. Ex. 2010, ¶86. In fact, the *Barnett* system not only obviates the need for further security measures, but affirmatively teaches away from any additional protocols that would impede the efficient use of NFC—particularly in the context of completing purchases. *See Barnett*, ¶[0032] (“Thus, the consumer does not have to scroll through menus or follow any other time consuming process simply to configure the mobile phone 14 each time they make a purchase.”); Ex. 2010, ¶86. A POSITA would have understood that the security features in *Barnett* are both sufficient and intentionally streamlined to support the system’s core objectives. Ex. 2010, ¶86.

In sharp contrast, *Waters* precisely discloses and relies on oppressive restriction protocols. Ex. 2010, ¶87. *Waters* outlines additional security protocols implemented solely for enabling or disabling NFC functionality in dependence on some data. *See Waters*, 2 (“there is provided apparatus for controlling use of a near field communication device, wherein [a] smart card means is operable to receive from the mobile telecommunications network data for controlling use of the near field communication device and is operable to selectively enable the near field communication device in dependence upon the data”); Ex. 2010, ¶87. For example, *Waters* discloses an embodiment requiring a PIN or password, describing that, until the correct PIN or password is entered, NFC is not enabled for *any* purpose. *See*

Waters, 14; Ex. 2010, ¶87. Thus, *Waters*'s measures for restricting NFC usage involves time-consuming and multi-step input validations that may ultimately end up failing validation and delaying the use of NFC indefinitely. Ex. 2010, ¶¶87-88.

Petitioner relies on embodiments of *Waters* in which “various types of sensors . . . can be used to activate the near field/RF tag, such as a light sensor, pressure sensor (in combination with a fingerprint or skin resistance sensor), or heat sensor.” Pet., 15 (citing *Waters*, 15-16 and Ex. 1002, ¶57). These embodiments exemplify the unresolvable tension between *Waters*'s disclosure and the connected store experience of *Barnett*. Ex. 2010, ¶88. For example, the “light sensor” may fail in practical retail environments—such as dimly lit furniture stores or those using fluorescent lighting—if the sensor's frequency range does not align with ambient conditions. Ex. 2010, ¶88. Similarly, the “pressure sensor” combined with a fingerprint scanner could prevent legitimate transactions. Ex. 2010, ¶88. *Barnett* in fact explicitly contemplates a scenario where “the mobile phone 14 may have an ‘anonymous’ option so that the consumer may use some of the features the store provides, but the mobile phone 14 does not reveal the consumer's name to the store.” *Barnett*, ¶[0031]. Use of *Waters*'s sensor would render *Barnett*'s retail environment embodiment non-functional. Ex. 2010, ¶88. That is, because *Barnett* is directed to unrestricted, seamless NFC operation, any combination with *Waters* is

fundamentally incompatible with *Barnett*'s approach to seamless user experience and transaction efficiency.

Moreover, in asserting that a POSITA would have been motivated to combine *Barnett* and *Waters*, Petitioner misrepresents *Barnett*'s disclosures. Specifically, Petitioner relies on paragraph [0043] of *Barnett* and the misinformed opinions of its expert to argue that the security measures of *Waters* would have benefitted *Barnett*'s system so as to reduce the number of staff members. Pet., 18-19; *see also* Ex. 2010, ¶89. Petitioner incorrectly states that *Barnett*'s "NFC readers are largely unmonitored by retail workers, since the goal of the invention is to reduce the number of higher cost human employees in the store." Pet., 18 (citing *Barnett*, ¶[0043]). Petitioner alleges that "[a] POSITA would have thus recognized the importance of implementing security features at each user's mobile phone in an environment with fewer employees, so as to reduce the risk of unauthorized access by an unauthorized NFC reader." Pet., 19. But Petitioner is wrong. *Barnett* never contemplates reducing the total number of employees in a store, but instead just suggests replacing those that are highly compensated (due to product-specific expertise) with lower-cost employees. Ex. 2010, ¶89; *Barnett*, ¶[0043] ("A retail store does not need as many people employed at the store to handle tasks like finding out if the item is in stock, finding out technical questions, etc. By not requiring product experts to be employed in each store, lower cost employees can be employed

to work in the store.”). That is, *Barnett* is trying to reduce the cost of “people employed at the store to handle tasks like finding out if the item is in stock, finding out technical questions, etc.,” not reduce the overall headcount. *Barnett*, ¶[0043]; Ex. 2010, ¶89. Indeed, *Barnett* says nothing about removing or reducing the number of low-cost employees at checkout or in such a way that security would be impaired. Ex. 2010, ¶89.

A POSITA would have understood that *Barnett* is designed for efficiency and seamless transactions. *Barnett* enables automatic credit card use for pre-approved cards at approved locations, eliminating the need for manual selection, configuration, or authorization. Ex. 2010, ¶¶84-88. In contrast, *Waters* introduces time-consuming validation steps—such as input validation and device configuration—that directly undermine *Barnett*’s objectives. *Id.*

In sum, Petitioner’s asserted motivation to combine *Barnett* and *Waters* is unsubstantiated and is plagued by hindsight. Indeed, rather than identifying a clear, credible reason for integration, Petitioner selectively extracts features from each reference without regard for their underlying purposes or technical incompatibility. *Sanofi-Aventis Deutschland GmbH v. Mylan Pharm. Inc.*, 66 F.4th 1373 (Fed. Cir. 2023). Thus, *Barnett-Waters* does not disclose or render obvious claim limitations 1[a] and 6[a] of the ’756 Patent, and as a result, Ground 1 does not disclose and

would not have rendered obvious independent claims 1 and 6, and all dependent claims that depend therefrom. Ex. 2010, ¶90.

ii. Petitioner Relies on Impermissible Hindsight.

Petitioner’s approach not only fails to address the technical requirements of the claims, but also disregards established principles of obviousness. Indeed, Petitioner’s argument rises and falls on the testimony of its expert, Dr. Chatterjee, who impermissibly applies hindsight to combine *Barnett* and *Waters*. *InTouch Techs., Inc. v. VGO Commc’ns, Inc.*, 751 F.3d 1327, 1351 (Fed. Cir. 2014) (“It appears that [the expert] relied on the . . . patent itself as her roadmap for putting what she referred to as pieces of a ‘jigsaw puzzle’ together.”). As described *supra* in §§VI.A.1.i, the references do not suggest, and in fact teach away from, Petitioner’s proposed combinations. Petitioner’s hand-waving arguments that a POSITA would have been motivated to combine *Barnett* and *Waters* based on security considerations lack proper and sufficient evidentiary support. *See, e.g.*, Pet., 19 (“A POSITA would have thus recognized the importance implementing security features at each user’s mobile phone in an environment with fewer employees, so as to reduce the risk of unauthorized access by an unauthorized NFC reader.” (citing Ex. 1002, ¶63)).

Similar to Petitioner’s (and its expert’s) faults in this case, in a recent decision the Board noted that the petitioner’s overarching rationale for combining two

references was “gleaned only from applicant’s disclosure, not the art.” *Iriusrisk, Inc. v. Threatmodeler Software Inc.*, No. IPR2023-00656, Paper 33, 50 (P.T.A.B. Oct. 2, 2024). The Board found that “[g]iven this context, we find no evidence of record sufficiently showing why the skilled artisan would have taken the fabric of [the primary reference] and stitched it together” with very particular disclosures in the secondary reference that were not contemplated therein. *Id.* at 52 (“Petitioner’s reach to reasons to [combine the references’ components] like improving [the] systems or creating more effective, efficient, or faster [] systems to be insufficiently supported (if at all) and unpersuasive. We also find this context shows that Petitioner’s proffered reasons for combining [the references] to achieve the subject limitations lack rational underpinning, and that Petitioner’s proposed combination of teachings plainly takes into account knowledge gleaned only from applicant’s disclosure, i.e., impermissible hindsight.”) (citing *In re McLaughlin*, 443 F.2d 1392, 1313–14 (CCPA 1971)).

2. *Barnett* in View of *Waters* Does Not Disclose and Would Not Have Rendered Obvious “responsive to the value that is determined by the device . . . disabling by the device a function of the device.”

Claim limitations 1[c] and 6[c] require “responsive to the value that is determined by the device . . . disabling by the device a function of the device.” Dependent claims 2-5 and 7-10 directly or indirectly depend from independent

claims 1 and 6, and therefore also require “responsive to the value that is determined by the device . . . disabling by the device a function of the device.”

The Petition states that a POSITA would have been motivated to further modify the *Barnett-Waters* combination “in view of *Barnett* such that when the phone’s NFC function is enabled . . . some second function of the device is disabled.” Pet., 21. Specifically, the Petition alleges that “it would have been beneficial to implement the *Barnett-Waters* system/method such that when the NFC function is enabled . . . the phone’s function allowing for the selection of one of several credit cards would have been disabled.” Pet., 23. Here, Petitioner’s modification finds no support in the prior art references. Regardless, a POSITA would not have made the proposed modifications and, thus, the *Barnett-Waters* system/method fails to render obvious claim limitations 1[c] and 6[c]. Ex. 2010, ¶¶91-97.

i. Petitioner’s rationale for modifying the Barnett-Waters system/method is unsupported.

Barnett does not disclose or render obvious **disabling** a function for selecting a particular credit card and would have had no reason to do so. Ex. 2010, ¶93. The only discussion of selecting between different credit cards occurs in *Barnett*’s paragraph [0032] and relates to a security protocol where a user identifies a particular card that is to be used at a particular location. Specifically, *Barnett* discloses that “the mobile phone 14 may be **programmed** with a plurality of different credit card

numbers” and “the mobile phone 14 may be *programmed* to provide a specific credit card number when the mobile phone 14 is used in making purchases in a specific store.” *Barnett*, ¶[0032] (emphasis added). *Barnett* further explains that “the configuration of the mobile phone 14 as a credit card is done *automatically* simply by placing the mobile phone 14 proximate to the NFC-enabled display 32 so that the desired information may be exchanged between the two.” *Id.* (emphasis added). In other words, at the moment of purchase, *Barnett*’s device is pre-programmed to select a credit card based on the information received via NFC. Ex. 2010, ¶93. Thus, *Barnett* proposes performing the particular function of selecting a credit card *while* performing an NFC-based financial transaction. *Id.* This accomplishes *Barnett*’s stated goal of eliminating the need for a consumer to “have to scroll through menus or follow any other time consuming process simply to configure the mobile phone 14 each time they make a purchase” (*id.*) and provides a smoother and easier customer experience in-store. Ex. 2010, ¶93. Thus, *Barnett*’s credit cards are always selectable based on pre-established rules, and *Barnett* never discloses or suggests “disabling” a function to select a credit card. *Id.*

The Petition does not rely on any disclosures in *Waters* to support the conclusory argument that a POSITA would have been motivated to modify the *Barnett-Waters* combination to disable “some second function of the device” that is not NFC. Pet., 21-25. This is because *Waters*’s only disclosures relating to disabling

a function relates to disabling NFC entirely. *See, e.g., Waters*, Abstract (disabling near field tag “after being read by the reader, after a predetermined time, or when the stimulus to the sensor is no longer present”); *id.*, 9 (“According to an important feature of this embodiment, the near field tag 41 is selectively enabled or disabled for communication with the reader under control of the SIM 15, by means of communication link 43.”). *Waters* never discloses or suggests a function for selecting between different NFC tags, nor does it disclose or suggest disabling that function responsive to a certain threshold criterion being satisfied. Ex. 2010, ¶94. Therefore, a POSITA would not have been motivated to modify *Barnett* in view of *Waters* to disable a function other than NFC “responsive to the value that is determined by the device.” *Id.*

ii. Petitioner’s proposed combination undercuts the intended function of Barnett.

Petitioner relies on the *Barnett-Waters* combination to ***disable*** the function to select a credit card “responsive to” the same condition that ***enables*** an NFC function. Pet., 23 (stating it would have been beneficial to disable the phone’s function for selection of one of several credit cards “***when the NFC function is enabled.***” (emphasis added)); Ex. 1002, ¶70. In so doing, Petitioner overlooks that it would have been non-sensical to a POSITA to disable the ability to select/use a credit card when NFC, especially NFC for the purposes of conducting a financial transaction, had just been enabled. Ex. 2010, ¶95. Disabling the function to select a credit card

renders *Barnett* inoperable for its intended purpose. *See Tec Air, Inc. v. Denso Mfg. Mich. Inc.*, 192 F.3d 1353, 1360 (Fed. Cir. 1999) (teaching away based upon a combination that “would be inoperable for its intended purpose”); *In re Gordon*, 733 F.2d 900, 902 (Fed. Cir. 1984) (inoperable modification teaches away); *see also Deere & Co. v. David’s Dozer V-Loc Sys., Inc.*, IPR2024-01442, Paper 10 at 28-30 (P.T.A.B. Mar. 18, 2025) (finding petitioner’s proposed modification “antithetical” to operation of the prior art reference) (citing *Tec Air*, 192 F.3d at 1356).

Barnett describes a store filled with “a series of displays that are connected to the store computing system 28,” wherein “the displays are NFC-enabled displays that can interact with a NFC-enabled mobile phone 14 using device-to-device communication.” *Barnett*, ¶[0021]. *Barnett* explains that these NFC-enabled displays can be used to provide “product identity information” (*Barnett*, ¶[0033]) or “information to enable the consumer to use the store’s Wi-Fi system 36” (*Barnett*, ¶[0035]). *See also* Pet., 12 (acknowledging “NFC displays 32 have multiple purposes” (citing *Barnett*, ¶¶[0033], [0015], [0016], [0026], [0041])). Disabling a function to select a credit card “when the NFC function is enabled” would have necessarily interfered with a customer’s in-store experience, such as the ability to select or change a credit card while shopping using *Barnett*’s NFC-enabled displays to receive product information. Ex. 2010, ¶96. For example, after receiving the price of the product from the NFC-enabled display (*Barnett*, ¶[0026]), a consumer may

wish to select a different credit card with a higher or lower credit card limit to perform a financial transaction for that product. Ex. 2010, ¶96. It is thus clear that any disabling of the ability to “select a credit card” in *Barnett* would render *Barnett* inoperable. Ex. 2010, ¶96.

Thus, a POSITA would not have been motivated to modify *Barnett* or the *Barnett-Waters* system to “disabl[e] by the device a function of the device” “responsive to the value that is determined by the device” of limitations 1[c] and 6[c]. Therefore, Ground 1 does not disclose and would not have rendered obvious independent claims 1 and 6, and all dependent claims depending therefrom. Ex. 2010, ¶97.

B. Petitioner’s Grounds 2 and 3 Fail Because the Claims Would Not Have Been Obvious in View of *Barnett*, *Waters*, and *White*

In Ground 2, Petitioner argues that *Barnett* in view of *Waters* and *White* teaches the limitations of claims 3-5, 8-16, and 18, including independent claims 11 and 14. Pet., 4. Dependent claims 12-13 and 15-16 depend from independent claims 11 and 14. Dependent claims 3-5 and 8-10 depend from independent claims 1 and 6, discussed with respect to Ground 1, above. In Ground 3, Petitioner argues that the combination of *Barnett*, *Waters*, *White*, and *Smith* teaches the limitations of dependent claim 17, which depends from independent claim 14. Pet., 5.

Petitioner provides analysis for dependent claim 3, and then incorporates that analysis into the analysis of the limitations of independent claims 11 and 14 and

dependent claim 8. Thus, for independent claims 11 and 14, the Petition incorporates the discussion of independent claim 1 and dependent claim 3. Pet., 50-54, 55-57.

For limitations 14[g], 14[h], and 14[i] specifically, the Petition does not provide any analysis other than “re”-incorporating the analysis of those very limitations: 14[g], 14[h], and 14[i], respectively. Pet., 57. The Petition has thus failed to provide any analysis of these limitations, and Ground 2 fails to show that independent claim 14 would have been obvious. Because dependent claims 15-18 depend from claim 14 and also include these limitations, Grounds 2-3 also fail to show that claims 15-18 would have been obvious.

For the reasons set forth below, the references in Grounds 2 and 3 neither disclose the Challenged Claims nor, individually or in combination, would have rendered those claims obvious. Ex. 2010, ¶¶99-101.

1. *Barnett-Waters-White* Does Not Disclose and Would Not Have Rendered Obvious “sensing by the wireless device, using a sensor of the wireless device, a parameter that is associated with the wireless device, an environment of the wireless device and/or a user of the wireless device.”

Like independent claim limitations 1[a] and 6[a], independent claim limitation 11[a] requires “sensing by the wireless device, using a sensor of the wireless device, a parameter that is associated with the wireless device, an environment of the wireless device and/or a user of the wireless device.” Similarly, independent claim limitation 14[a] requires “using a sensor of the wireless device and sensing a

parameter that is associated with the wireless device and/or a user of the wireless device.” Dependent claims 12-13 and 15-18 depend from independent claims 11 and 14, and therefore also require these “sensing” limitations.

For limitation 11[a], the Petition only incorporates the analysis of claim limitation 1[a]. Pet., 51. For limitation 14[a], the Petition only incorporates the analysis of claim limitation 11[a]. Pet., 55. The Petition does not provide any further analysis of the *Barnett-Waters* combination or *White*. For the same reasons explained above with respect to Ground 1 and limitations 1[a] and 6[a], the Petition fails to show how the combined system meets claim limitations 11[a] and 14[a]. See *supra* Section VI.A.1; Ex. 2010, ¶¶103-104.

2. *Barnett-Waters-White* Does Not Disclose and Would Not Have Rendered Obvious “responsive to the value that is determined by the device . . . disabling by the device a function of the device.”

Like claim limitations 1[c] and 6[c], independent claim limitation 11[c] and 14[c] require “responsive to the value [that is sensed] satisfying the threshold criterion, enabling a number of functions of the wireless device and disabling a function of the wireless device.” Dependent claims 12-13 and 15-18 depend from independent claims 11 and 14, and therefore also require “disabling a function of the wireless device” “responsive to the value.”

For limitation 11[c], the Petition only incorporates the analysis of claim limitation 1[c]. Pet., 52. For limitation 14[c], the Petition only incorporates the

analysis of claim limitation 11[c]. Pet., 56. The Petition does not provide any further analysis of the *Barnett-Waters* combination or *White*. For the same reasons explained above with respect to Ground 1 and limitations 1[c] and 6[c], the Petition fails to show how the combined system meets claim limitations 11[c] and 14[c]. *See supra* Section VI.A.2; Ex. 2010, ¶¶105-106.

3. *Barnett-Waters-White* Does Not Disclose and Would Not Have Rendered Obvious “requesting by the device from a second device an authorization to enable a function for conducting a financial transaction by the device.”

Claim limitations 3[a] and 8[a] require “while said number of functions is enabled by having sensed by the device the parameter and by having determined by the device that the value of the parameter this is sensed satisfies the threshold criterion, requesting by the device from a second device an authorization to enable a function for conducting a financial transaction by the device.” Dependent claims 4 and 9-10 depend from dependent claims 3 and 8, and therefore also include this limitation. Independent claim limitations 11[d] and 14[d] similarly require “requesting [by the wireless device] from a second device an authorization to enable a function for conducting a financial transaction.” Dependent claims 12-13 and 15-18 depend from independent claims 11 and 14, and therefore also include this limitation. Ex. 2010, ¶107.

i. A POSITA Would Not Have Been Motivated to Combine Barnett, Waters, and White.

Petitioner alleges that “a POSITA would have been motivated to further modify the *Barnett-Waters* system/method in view of *White* such that it performs” “requesting by the device from a second device an authorization to enable a function for conducting a financial transaction by the device’ while the NFC function in enabled.” Pet., 13-14 (underlining in original); Ex. 2010, ¶108. Here, Petitioner’s approach ignores that *White*’s remote authorization process, like *Waters*’s restrictive validation steps, directly conflicts with *Barnett*’s core objective of efficient, seamless NFC use throughout the shopping experience. Ex. 2010, ¶¶109-116. By conflating fundamentally different systems, Petitioner’s arguments lack support in the prior art and fail to demonstrate any legitimate motivation to combine. *Id.*

At best, *White* is directed to limiting or restricting purchases. *See* Pet., 31-38; *see also id.* at 38 (“*White* discloses that its authorization method is beneficial because unlike other prior art authorization methods, it allows for an owner of a card/payment method to remotely approve transactions on a ***purchase-by-purchase basis***.”); Ex. 2010, ¶112. The approval/authorization process disclosed by *White* is for completing a single ***pending*** purchase.

White’s disclosed processes include an authorization process that *White* admits can involve time-consuming steps. Ex. 2010, ¶112. For example, *White* contemplates the use of a “subscriber approval local server” through which the

operator of a “second communication device 130” may “view pending purchase information, and . . . approve the pending purchase.” *White*, 7:27-34. *White* also discloses the purchasing user communicating with the approving user mid-purchase, such as a child whose purchase request is denied, and “may subsequently communicate with the parent to further describe and discuss the pending purchase with the parent, which may be referred to as disputing the rejection of the pending purchase.” *White*, 6:49-56; *see also id.*, 7:46-52. *White* contemplates the request for approval timing out, disclosing that “if the subscriber approval local server 132 is unable to respond to a request for approval from the subscriber approval client 122 after a pre-determined time the process 210 may proceed to block 214 or to block 216.” *White*, 7:53-62; *see also* Ex. 2010, ¶112.

Petitioner’s assertion that a POSITA would have been motivated to “modify the *Barnett-Waters* system/method to incorporate such an authorization feature, similar to that disclosed by *White*,” is entirely unsupported. Pet., 37. Petitioner offers no substantive reason for this modification, instead relying on the generic assertions that remote authorization rules were well known at the time. Pet., 37-38 (arguing that “[i]t was well known at the time of the alleged invention that authorization rules could be established such that one individual (or their device) could remotely authorize transactions performed by another individual using a mobile phone,” and then making a conclusory jump to conclude that “[t]hus, a POSITA would have been

motivated to consider various authorization methods in order to allow for purchase approval in the *Barnett-Waters* system/method”); *see also* Ex. 2010, ¶113.

Petitioner goes on to argue that “*White*’s authorization method would have allowed for enhanced flexibility, while still offering the security benefits of an authorization process that allows a card owner to approve transactions performed by authorized users.” Pet., 38-39. This is nonsensical in view of the *Barnett-Waters* system, and is pure hindsight as well. *White*’s authorization is not “flexible” simply because a second device is remotely authorizing transactions on a ***purchase-by-purchase basis***—such an approach is rigid and constrained. Ex. 2010, ¶114.

Moreover, *Barnett* is so concerned with security and time-savings that it discloses pre-authorizing specific credit cards to be used in specific stores so as to maintain security while reducing time spent by the shopper. *See Barnett*, ¶[0032] (“the mobile phone 14 may be programmed to provide a first credit card number when the consumer is in a first store and provide a second credit card number when the consumer is in a second store” so that “the consumer does not have to scroll through menus or follow any other time consuming process simply to configure the mobile phone 14 each time they make a purchase”); Ex. 2010, ¶115.

Petitioner’s arguments do not address why a POSITA would have sought to introduce time-consuming remote authorization procedures into *Barnett*’s system, which is designed for efficiency and seamless transactions. Introducing the step of

remote approval request and authorization, as disclosed in *White*—and doing so *in addition to* restrictive NFC-security functionality Petitioner already suggested applying from *Waters*—would eliminate the time savings desired in *Barnett*. Ex. 2010, ¶¶111-116. And for the same reasons discussed above in Section VI.A.1.ii, Petitioner relies on impermissible hindsight.

Accordingly, a POSITA would not have been motivated to modify *Barnett* in view of *Waters* and *White* as Petitioner suggests, and as a result, the *Barnett-Waters-White* system fails to disclose or render obvious limitations 3[a], 8[a], 11[d] and 14[d] of the '756 Patent, and as a result, Grounds 2-3 do not disclose and would not have rendered obvious independent claims 11 and 14, and all dependent claims depending therefrom. Ex. 2010, ¶116.

VII. CONCLUSION

For the foregoing reasons, institution should be denied.

Dated: November 14, 2025

Respectfully submitted,

By: / Christopher TL Douglas /
Christopher TL Douglas, Reg. No. 56,950

CERTIFICATION UNDER 37 C.F.R. §42.24(d)

Under the provisions of 37 CFR § 42.24(d), the undersigned hereby certifies that the word count for the foregoing Patent Owner's Preliminary Response to Petition totals 7,696 which is less than the 14,000 allowed under 37 CFR § 42.24(b)(1).

Dated: November 14, 2025

By: / Christopher TL Douglas / _____
Christopher TL Douglas

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §42.6(e), the undersigned hereby certifies that true and correct copies of the above-captioned **PATENT OWNER'S PRELIMINARY RESPONSE and Exhibits 2010 – 2016** were served in their entirety on November 14, 2025 via filing through the Patent Trial and Appeal Case Tracking System (P-TACTS) and electronic mail on the following counsel of record for Petitioner:

Naveen Modi
naveenmodi@paulhastings.com

Daniel Zeilberger
danielzeilberger@paulhastings.com

Quadeer Ahmed
quadeerahmed@paulhastings.com

Alexa Lowman
alexalowman@paulhastings.com

Maksim Mints
maksimmints@paulhastings.com

Service email
PH-Google-Telcom-IPR@paulhastings.com

Date: November 14, 2025

/Christopher TL Douglas/
Christopher Douglas
Reg. No. 56,950