

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE LLC,
Petitioner,

v.

CARDWARE INC.,
Patent Owner.

IPR2025-01513
Patent 10,339,520

**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

No.	Exhibit Description
2001	Memorandum for Memorandum for Director Institution of AIA Trial Proceedings, dated October 17, 2025
2002	Interim Director Discretionary Process <i>available at</i> https://www.uspto.gov/patents/ptab/interim-director-discretionary-process
2003	First Agreed Scheduling Order in <i>CardWare Inc. v. Google LLC</i> , No. 7:24-cv-00278-DC-DTG (W.D. Tex. Mar. 6, 2025)
2004	Complaint in <i>CardWare Inc. v. Google LLC</i> , No. 7:24-cv-00278-DC-DTG (W.D. Tex. Mar. 6, 2025)
2005	Order and Advisory in <i>CardWare Inc. v. Google LLC</i> , No. 7:24-cv-00278-DC-DTG (W.D. Tex. Nov. 5, 2024)
2006	Order Denying Defendants’ Motion to Stay in <i>Quantum Imaging, LLC v. Sony Interactive Entm’t Inc.</i> , No. 1:23-cv-1212-ADA-DTG (W.D. Tex. Dec. 4, 2024) (Gilliland)
2007	Agreed Scheduling Order in <i>CardWare Inc. v. Apple Inc.</i> , No. 1:25-cv-00446-ADA (W.D. Tex. May 20, 2025)
2008	Complaint in <i>CardWare Inc. v. Apple Inc.</i> , 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 <i>CardWare Inc. v. Google LLC</i> , No. 7:24-cv-00278-DC-DTG (W.D. Tex. Aug. 15, 2025)
2011	Order Adopting Report and Recommendation Denying The Defendants’ Motion to Dismiss in <i>CardWare Inc. v. Google LLC</i> , No. 7:24-cv-00278-DC-DTG (W.D. Tex. Sept. 3, 2025)
2012	Order Denying the Defendant’s Motion to Transfer Venue to the Northern District of California in <i>CardWare Inc. v. Google LLC</i> , No. 7:24-cv-00278-DC-DTG (W.D. Tex. Aug. 7, 2025)
2013	Claim Construction Order in <i>CardWare Inc. v. Apple Inc.</i> , No. 1:25-cv-00446-ADA (W.D. Tex. Aug. 29, 2025)
2014	Email from counsel for Petitioner to counsel for Patent Owner, dated Sept. 4, 2025
2015	Defendant Google LLC’s Invalidity Contentions in <i>CardWare Inc. v. Google LLC</i> , No. 7:24-cv-00278-DC-DTG (W.D. Tex. Apr. 3, 2025)

No.	Exhibit Description
2016	Exhibit I to Defendant Google LLC’s Invalidity Contentions in <i>CardWare Inc. v. Google LLC</i> , No. 7:24-cv-00278-DC-DTG (W.D. Tex. Sept. 18, 2025)
2017	DocketNavigator Time to Trial Statistics for Patent Cases in the Western District of Texas
2018	Defendants’ Notice of Subpoena to Google in <i>CardWare Inc. v. Samsung Elecs. Co., Ltd.</i> , 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 <i>Inter Partes</i> Review of Pat. 10,339,520 in IPR2023-00210, by Petitioner Samsung Electronics Co., Ltd.
2022	Notice of Order Denying Institution in IPR2025-01145, IPR2025-01146, IPR2025-01147, IPR2025-01148, IPR2025-01149, IPR2025-01150, IPR2025-01151, IPR2025-01152
2023	Defendant Google LLC’s Objections to Claim Construction Memorandum and Order, Dkt. 105, filed in <i>CardWare Inc. v. Google LLC</i> , No. 7:24-cv-00278-DC-DTG (W.D. Tex. Sept. 11, 2025)
2024	Defendant Google LLC’s Claim Construction Brief, Dkt. 58, filed in <i>CardWare Inc. v. Google LLC</i> , No. 7:24-cv-00278-DC-DTG (W.D. Tex. May 22, 2025)
2025	Joint Claim Construction Statement, Dkt. 85, filed in <i>CardWare Inc. v. Google LLC</i> , No. 7:24-cv-00278-DC-DTG (W.D. Tex. July 15, 2025)

I. INTRODUCTION

Pursuant to the Director Institution of AIA Trial Proceedings Memo (EX2001), Patent Owner respectfully submits this brief explaining why the Director should exercise discretion to deny institution of the IPR Petition (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 are weak; (2) Patent Owner’s strong settled expectations—including the fact that the challenged ’520 Patent has been in force for over six years, Patent Owner not facing serial challenges to its patents (especially in view of the *three failed attempts* against the ’520 Patent), Patent Owner’s actual notice to Petitioner in 2023 of the ’520 Patent (and other related patents with the same inventive disclosure), and a “settlement and license” to a competitor of Petitioner; (3) Petitioner’s inconsistent (and irreconcilable) claim construction positions here versus in district court (arguing for plain and ordinary meaning here, while alleging indefiniteness in district court); and (4) the multiple ongoing district court proceedings that risk duplicative workload and inconsistent outcomes if the Director institutes.

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 Litigations, 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 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); EX2005 at 1 (referral order to Mag. Judge Gilliland).

Moreover, it is a virtual certainty that Judge Albright in the case involving Apple (which involves the same asserted patents, plus two more, EX2008 ¶2) would not issue a stay, if sought, now that all eight of Apple’s IPR challenges have been denied (EX2022 at 1), 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 Over Six Months, and Another is Over Seven Months, Before a Final Written Decision

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

There is no credible debate that Factor 2 favors denying institution of the instant Petition. First, in the case between Patent Owner and Petitioner, the district court’s trial date is set for 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 not until March 15, 2027—meaning trial will have happened *over six 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 over three months before a final decision.¹

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 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*

¹ Patent Owner is not aware of statistics specific to the presiding judge. As to district-wide statistics, if considered, Patent Owner submits the most appropriate are for patent cases, rather than, *e.g.*, district-wide statistics for all civil cases.

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 ’520 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. Stratasy, 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), completed fact discovery, and be a few days away from serving opening expert reports. 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 (EX1046). The Court also denied Petitioner's motion to transfer (EX2012; EX2011). Similar activity will have occurred in the case involving Apple. 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 IPR2025-01513, then Google LLC will not assert in the District Court Case that any challenged claim of the ’520 patent is invalid on any ground raised in IPR2025-01513 or any other ground that could have been reasonably raised in IPR2025-01513.” 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., Shenzhen 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 ’520 Patent 136 “*exemplary*” *different “prior art combination[s]”* using a combination of references and system art (including combining its IPR references with system art). EX2016 at 1-9 (*e.g.*, using system art

such as “Google Wallet” in various combinations with Petitioner’s IPR art including Law, Gomez, Spodak, Gill, Smith, and Kay, as well as other references). Petitioner also sought to “reserve[]” the right to supplement its contentions to identify additional prior art (EX2015 at 9), and attempts to incorporate by reference numerous other prior art and arguments (including any reference from prosecution of the ’520 Patent and related patents, IPRs, or any other defendant) (*id.* 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 ’520 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

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 Petitioner’s grounds, including that various claim limitations are missing from the prior art and Petitioner has failed to show its prior art combinations render any claim obvious. *See Fintiv*, IPR2020-00019, Paper 11 at 15-16.

Beyond the issues that Patent Owner will explain in its POPR, *see* EX2002 §§ I.C, II.C.i, there are additional reasons that further counsel toward denial, such as those that Patent Owner addresses in the following Sections III-V—all of which demonstrate that, under a wholistic approach, discretionary denial is warranted.

III. PATENT OWNER’S SETTLED EXPECTATIONS FURTHER DEMONSTRATE DISCRETIONARY DENIAL IS WARRANTED

Patent Owner has strong settled expectations for the ’520 Patent. To begin, the ’520 Patent issued more than six years ago, EX1001 at Cover Page, “creating strong settled expectations for Patent Owner.” *See, e.g., Yangtze Memory Techs. Co., Ltd. v. Micron Tech., Inc.*, IPR2025-00498, Paper 11 at 2 (Director Aug. 14, 2025) (granting request for discretionary denial of institution despite no parallel litigation where “patents have been in force for approximately ten, six, and six years, respectively, creating strong settled expectations for Patent Owner....”); *Advanced Micro Devices, Inc. v. Advanced Cluster Sys., Inc.*, IPR2025-00862, Paper 14 at 2

(Director Sept. 3, 2025) (“the challenged patent has been in force for approximately six years, creating settled expectations for Patent Owner”); *Kahoot! AS v. Interstellar Inc.*, IPR2025-00696, Paper 12 at 2 (Director July 31, 2025) (“[T]he challenged patent has been in force for over six years, creating strong settled expectations” and such expectations “tip the balance in favor of discretionary denial”); *Amgen Inc. v. Bristol-Myers Squibb Co.*, IPR2025-00601, Paper 9 at 3 (Director July 24, 2025) (“[T]he challenged patents have been in force for seven and six years ... creating strong settled expectations for Patent Owner.”).

Petitioner has also been on notice for years of the ’520 Patent (and related patents with the same inventive disclosure). Samsung, a competitor of Petitioner, issued a subpoena to Petitioner in February 2023 in an earlier patent litigation involving the ’520 Patent (and others) seeking information about Petitioner’s products. EX2018. Patent Owner also provided specific notice of the ’520 Patent (and others) to Petitioner in October 2023. EX2019 at 1-2; EX2020 at 1; EX2004 ¶¶4, 40; *see also Toyota Motor Corp. v. AutoConnect Holdings LLC*, IPR2025-00890, Paper 9 at 3 (Director Sept. 19, 2025) (“Patent Owner provides evidence that it brought the challenged patents to Petitioner’s attention in 2023, which further supports discretionary denial.”).

Samsung filed an *inter partes* review petition challenging claims 1 and 4-17 of the ’520 Patent in November 2022 (IPR2023-00210), which was denied

institution on the merits in June 2023 (Paper 13) and again denied on rehearing by a reconstituted panel in August 2023 (Paper 16). Samsung filed a second IPR Petition challenging claims 18-24 in November 2022 (IPR2023-00211), which was terminated due to “a settlement and license agreement” in November 2023 (Paper 24).² Petitioner’s time has come and gone to challenge the ’520 Patent. Petitioner’s decision to sit on the sidelines then and now seek to require the Board and Patent Owner to expend significant additional resources should not be rewarded, especially as Petitioner has long been privy to Patent Owner’s Preliminary Responses and the Board’s institution decisions in Samsung’s IPRs. *See, e.g., HiSense USA Corp. v. Phenix Longhorn LLC*, IPR2025-01004, Paper 10 at 2 (Director Oct. 3, 2025) (discretionarily denying institution where “challenged patent was involved in a prior Board proceeding” that the Board denied institution of petition that “did not present a reasonable likelihood that a challenged claim was unpatentable” and noting that, “[e]ven absent road mapping, prior challenges weigh against institution.”); *Intel*

² This also counsels toward Patent Owner’s 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 [] patent, which creates some settled expectations favoring Patent Owner.”).

Corp. v. Advanced Cluster Sys., Inc., IPR2025-00794, Paper 13 at 2-3 (Director Aug. 14, 2025) (similar).

Worse, Petitioner is using the prior IPRs as a roadmap here—retaining certain references from Samsung’s failed challenge to claims 10-17 (*e.g.*, Gomez, *see* EX2021)³ but swapping in different references (*e.g.*, Law and Spodak) for its Grounds 1A and 1B challenges.⁴ *See, e.g., Lenovo (U.S.) Inc. v. Collision Commc’ns, Inc.*, IPR2025-00927, Paper 10 at 2 (Director Sept. 19, 2025) (“[T]he challenged patent in this proceeding was the subject of a previous inter partes review, and the Board denied institution on the merits. Repeat challenges raise concerns of road mapping and weigh against institution.”) (citation omitted).

The same is true for Apple’s earlier Petitions challenging the ’520 Patent

³ Petitioner asserts that its “prior art was not identified during prosecution,” Pet. at 5, but omits that much of the art was before the Patent Office in Samsung’s prior IPRs and Apple’s more recent ones.

⁴ Notably, for its “Ground 2A” challenging claims 18-24, instead of swapping out references, Petitioner states it is using a ground “previously instituted by the Board in IPR2023-00211.” Pet. at 4 n.2. This approach—contrasted to Petitioner’s decision to replace references from Samsung’s failed challenge to claims 10-17—further indicates that Petitioner is improperly using the prior proceedings as a roadmap here.

(IPR2025-01145 and IPR2025-01146, both filed June 24, 2025). Yet, Petitioner does *not* even acknowledge their existence. *See* Pet. at 1-2 (identifying “Related Matters” including IPRs filed by Samsung, but not Apple). The Director has now denied *both* of Apple’s IPR Petitions. EX2022 at 1. Petitioner’s omission is especially important to the discretionary denial analysis as Petitioner’s Ground 2A (challenging claims 18-24 based on Gill, Smith, Kay, and Gomez) *uses the identical art challenging the same claims* as Apple’s (now rejected) Ground 2 in IPR2025-01146.⁵

There is no reason that Petitioner needed to file yet another challenge, beyond the *three failed attempts*, all of which Petitioner could have sought to join—especially given the overlapping art and arguments.⁶ And as Patent Owner will explain in its POPR, the current Petition’s grounds are weak.

⁵ Apple’s other Ground (Ground 1) in IPR2025-01146 challenges claims 18-21 and 24 using Gill, Smith, and Kay (without Gomez).

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.

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 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 brief) 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 the “challenged patents [not having] been in force for a significant period of time (issued in 2021, 2024, and 2024)” because of lack of stipulation and risk of “duplicative efforts and potentially conflicting decisions in view of a significantly earlier trial date in a co-pending case that is unlikely to be stayed”); *Samsung Elecs. Co., Ltd. v. GenghisComm Holdings LLC*, IPR2025-00788, Paper 11 at 2 (Director Aug. 22, 2025) (“*GenghisComm I*”) (“Although the patents challenged in these proceedings have not been in force for as long as those in IPR2025-00780 and IPR2025-00781, this fact alone does not tip the balance against discretionary denial.”); *Samsung Elecs. Co., Ltd. v. iCashe, Inc.*, IPR2025-00639, Paper 11 at 3 (Director Aug. 14, 2025) (“*iCashe*”) (Because “the district court will be considering the validity of the patents ... [it] would be an inefficient use of Board resources [to refer any IPR petition to the Board] and tips the balance to discretionary denial as to” all patents (including those with settled expectations and any without)); *Amazon.com, Inc. v. Audio Pod IP, LLC*, IPR2025-00757, Paper 15 at 2-3 (Director Aug. 14, 2025) (denying institution where “Petitioner appears to have had notice of the challenged patents or patent family for a significant period of time” and noting that it “would be an inefficient use of Board resources and tips the balance to discretionary denial as to” a related patent without settled expectations); *Alliance Laundry*, IPR2025-00950, Paper 11 at 3 (despite patent issuing in 2021, Patent Owner “has licensed the

[] patent, which creates some settled expectations favoring Patent Owner.”).

IV. 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 IV, Patent Owner is presently asserting the ’520 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 ’520 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 ’520 Patent, as

well U.S. Patent Nos. 10,810,579 (“the ’579 Patent”), 11,176,538 (“the ’538 Patent”), and 11,620,634 (“the ’634 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 IPR petition to the Board] and tips the balance to discretionary denial as to” all patents (including those with settled expectations and any without). *iCashe*, IPR2025-00639, Paper 11 at 3; *see also, e.g., GenghisComm I*, IPR2025-00788, Paper 11 at 2.

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

Lastly, the four asserted patents (the ’520, ’579, ’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.

V. 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 asserted during claim-construction briefing that various “payment information” terms in independent claim 10 render claim 10 (and by extension, dependent claims 11-17) indefinite because the scope of those terms allegedly could not be ascertained with reasonable certainty. *See* EX2024 at 3-10 (Petitioner’s opening claim construction brief); EX2025 at 1 (joint claim construction statement); EX1046 at 7-8 (court order); EX2023 at 1-4 (objections to same). Petitioner also asserts that numerous claim limitations render the challenged claims indefinite. *See* EX2015 at 108-11 (identifying 60+ terms and phrases). Yet, in its IPR petition, Petitioner asserts that “any reasonable construction reads on the prior art.” Pet. at 7. Its expert notes his “understand[ing] that claim terms, in the absence of an express definition or disclaimer, are given their ordinary and customary meaning, as would have been understood by a POSITA at the time of the alleged invention” and that he “applie[s] these principles in interpreting the Challenged Claims.” EX1003 ¶¶86-89. Petitioner (and its expert) then proceed—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 8-77. Not only are these positions inconsistent, but they are irreconcilable (and just as importantly, never mentioned by Petitioner).

While Patent Owner disagrees any claims are indefinite and the district court has rejected certain positions (EX1046), with Petitioner failing to address its district-

court indefiniteness positions—or inform the Director of the same⁷—Patent Owner respectfully submits that discretionary denial is warranted for this additional reason. *Cf. Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00340, Paper 18 at 2-4 (Director Nov. 5, 2025) (informative); *Revvo Techs., Inc. v. Cerebrum Sensor Techs., Inc.*, IPR2025-00632, Paper 20 at 3-5 (Director Nov. 3, 2025) (precedential); *Arthrex, Inc. v. Medshape, Inc.*, IPR2025-00053, Paper 11 at 14-15 (PTAB Apr. 25, 2025).

VI. CONCLUSION

Patent Owner respectfully requests discretionary denial.

⁷ While Petitioner attaches the district court’s claim construction order and mentions it in passing (Pet. at 7 (citing EX1046)), Petitioner fails to acknowledge the shotgun indefiniteness positions it has taken in district court. Petitioner also omits that it filed objections to the court’s order, asking the court to revisit its determination rejecting Petitioner’s indefiniteness assertion for claims 10-17. EX2023 at 1-5. And importantly, Petitioner has *not* withdrawn or otherwise agreed to not pursue its indefiniteness issues on appeal. Patent Owner respectfully submits that this further counsels toward discretionary denial, as Petitioner is continuing to assert irreconcilable positions across forums without explanation.

Dated: November 17, 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: November 17, 2025

Respectfully submitted,

/Patrick Colsher/

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Counsel for Patent Owner

CERTIFICATE OF SERVICE

I hereby certify that the foregoing document and Exhibits listed on the List of Exhibits were served on November 17, 2025, via electronic mail upon counsel of record for Petitioner at the following email addresses:

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