

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ALLIANCE LAUNDRY SYSTEMS, LLC,
Petitioner,

v.

PAYRANGE LLC,
Patent Owner.

PGR2025-00028
U.S. Patent No. 11,972,423

**PETITIONER'S REPLY TO
PATENT OWNER'S RESPONSE**

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PETITIONER'S EXHIBIT LIST

Exhibit No.	Description	Publication Date (unless otherwise noted)	Type of Prior Art
1001	USPN 11,972,423 (the '423 Patent) (Patent submitted for Post-Grant Review)	December 18, 2013 (earliest possible priority date based on filing of provisional application)	N/A
1002	File History for USPN 11,972,423	N/A	N/A
1003	Declaration of Dr. B. Clifford Neuman Under 37 C.F.R. § 1.68 in Support of Petition for Post-Grant Review of the '423 Patent	N/A	N/A
1004	<i>Curriculum Vitae</i> of Dr. B. Clifford Neuman	N/A	N/A
1005	USPN 10,210,501 (" <i>Low</i> ")	July 25, 2013	§ 102(a), (d)
1006	USPN 9,898,884 (" <i>Arora</i> ")	April 4, 2013	§ 102(a), (d)
1007	USPN 8,958,846 (" <i>Freeny</i> ")	Aug. 23, 2006	§ 102(a), (d)
1008	USPN 8,255,323 (" <i>Casey</i> ")	Aug. 28, 2012 (issuance date)	§ 102(a)(1)
1009	PayRange's Statutory Disclaimer of USPN 11,481,772 claims 1-6, 8-10, and 12-20	Filed on November 22, 2023	N/A
1010	Redline comparison of Claim 1 of the '423 Patent to Claims 13 and 15 of the '423 Patent	N/A	N/A
1011	Redline comparison of claims of USPN 10,891,614 and corresponding claims of the '423 Patent	N/A	N/A
1012	USPN 3,457,391 (" <i>Yamamoto</i> ")	July 19, 1965 (issuance date)	§ 102(a)(1)

Exhibit No.	Description	Publication Date (unless otherwise noted)	Type of Prior Art
1013	USPN 3,931,497 (“ <i>Gentile</i> ”)	Jan. 6, 1976 (issuance date)	§ 102(a)(1)
1014	USPN 6,810,234 (“ <i>Räsänen</i> ”)	Oct. 26, 2004	§ 102(a)(1)
1015	US Patent Pub. No. 2003/0172028 (“ <i>Abell</i> ”)	Mar. 7, 2002	§ 102(a), (d)
1016	US Patent Pub. No. 2003/0130902 (“ <i>Athwal</i> ”)	Nov. 4, 2002	§ 102(a), (d)
1017	PayRange Claim Chart for the USPN 11,481,772, attached as Exhibit L to PayRange’s Amended Counterclaims in <i>Alliance Laundry Systems, LLC v. PayRange, Inc.</i> , 24-cv-733-MN, Dkt. 18, PageID.1404-1416 (D. Del., filed Oct. 4, 2024)	N/A	N/A
1018	Slip Opinion, <i>Linfo IP, LLC v. TrustPilot, Inc.</i> , 24-cv-2796, slip. op., Dkt. 37 (S.D.N.Y. Jan. 3, 2025)	N/A	N/A
1019	Transcript, <i>Chemours Co. FC, LLC v. Daikin Indus. Ltd.</i> , 1:17-cv-01612, Dkt. 77, at 29:1-33:16 (D. Del. Jan. 3, 2019).	N/A	N/A
1020	Excerpted Copy of U.S. District Courts—Combined Civil and Criminal Federal Court Management Statistics-Profiles for the Reporting Period ending June 30, 2024, available at https://www.uscourts.gov/data-news/reports/statistical-reports/federal-court-management-statistics/federal-court-management-statistics-june-2024 .	N/A	N/A

Exhibit No.	Description	Publication Date (unless otherwise noted)	Type of Prior Art
1021	US Patent Pub. No. 2015/0302411 (“ <i>Bondessen</i> ”)	April 22, 2014	N/A
1022	US Patent Pub. No. 2014/0279537 (“ <i>Cicoretti</i> ”)	Mar. 12, 2014	N/A
1023	USPN 11,010,759 (“ <i>Maeng</i> ”)	Sep. 11, 2018	N/A
1024	USPN 309,219 (“ <i>Fruen</i> ”)	Jan. 28, 1884	N/A
1025	Docket Navigator statistics regarding Judge Noreika decisions on motions to stay pending IPR/PGR	N/A	N/A
1026	Docket Navigator statistics regarding District of Delaware decisions on motions to stay pending IPR/PGR	N/A	N/A
1027	PayRange’s Opposition to CSC’s Motion to Stay Pending Inter Partes Review, <i>PayRange Inc. v. CSC ServiceWorks, Inc.</i> , No. 1:23-cv-00278, Dkt. 59 (D. Del. Feb. 23, 2024)	N/A	N/A
1028	<i>Nuance Comms., Inc. v. MModal, LLC</i> , No. 1:17-cv-01484, Dkt. 226, (D. Del. Apr. 11, 2019) (Noreika, J.)	N/A	N/A
1029	<i>Waters Corp. v. Agilent Techs., Inc.</i> , No. 1:18-cv-01450, Dkt. 95 (D. Del. Aug. 6, 2019) (Noreika, J.)	N/A	N/A
1030	<i>PayRange Inc. v. CSC ServiceWorks, Inc.</i> , No. 23-cv-278, Dkt. 61 (D. Del. Feb. 26, 2025)	N/A	N/A

Exhibit No.	Description	Publication Date (unless otherwise noted)	Type of Prior Art
1031 (NEW)	Transcript of Cross-Examination Deposition of Dr. Jeffrey Miller	N/A	N/A

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I. INTRODUCTION

The Petition (“Pet.”) shows that all claims of the ’920 Patent are unpatentable by a preponderance of the evidence. Patent Owner’s Response (“POR”) fails to undermine that showing.

Regarding anticipation of all three independent claims, Patent Owner disputes only a single limitation (Limitation [1.6]). Facing Petitioner’s clear showing that a POSA would understand this limitation to be taught by *Low*, Patent Owner applies an incorrect legal standard, demanding that *Low* must “expressly” disclose the limitation. But the law is clear that such “express” disclosure is not required. Patent Owner then seizes on the Board’s determination that Limitation [1.6] must “necessarily” be disclosed by *Low* to manufacture, and then attack, a strawman “inherency”-type argument never raised in the Petition. Because Petitioner never advanced such an argument, Patent Owner’s attacks against it are a red herring, and Petitioner has met its burden to show that *Low* teaches Limitation [1.6].

Regarding patent eligibility, even Patent Owner’s expert, Dr. Miller, agrees that all the claim elements recite generic hardware components to achieve functional displays of graphical user interface elements on a conventional mobile phone to enable completion of a transaction. These types of claims have routinely been found ineligible by the PTAB and Federal Circuit and should likewise be found ineligible here.

II. GROUND 1: CLAIMS 1–6, 8, 10, AND 12–20 ARE ANTICIPATED BY LOW

A. Limitation [1.6] is Taught by *Low* as Understood by a POSA

Low discloses a “user device” which includes “an input/output (I/O) component 504 that processes a user action” and “an output component, such as a display 511.” Ex. 1005, 12:42–47. A POSA reading *Low*—“using common sense and appropriate perspective”—would understand that a user device with a display and I/O component, coupled with the disclosure that “the user is able to select one or more machines to purchase from” teaches “the user device 110 is configured to display...the available machines such that the user is able to interact with the display to select the one or more machines from which to make a purchase.” Ex. 1003, ¶ 81; Ex. 1005, 2:16–28; *see also Unigene Lab’sys, Inc. v. Apotex, Inc.*, 655 F.3d 1352, 1361 (Fed. Cir. 2011). The Board, in its Institution Decision, agreed. *See* Paper 12 at 36–37.

Low also discloses a scenario in which a menu of items is displayed on the user device. Ex. 1005, 9:8–13. Dr. Neuman explained that in this configuration, “selecting the product(s) necessarily selects the available machine that offers the product(s),” which satisfies the limitation. Ex. 1003, ¶ 83. Thus, *Low* does not require that the “machine identifier” itself be displayed on the display, but it clearly teaches that a user interface element (e.g., “available machines,” “product(s)”) that

is associated with the machine identifier is displayed on the display. *Id.* Dr. Neuman's interpretation is the most practical and based on "the then-accepted wisdom in the field." *Ecolochem Inc. v. S. California Edison Co.*, 227 F.3d 1361, 1371 (Fed. Cir. 2000).

Patent Owner argues that *Low* does not "expressly disclose[] displaying a visual indication of the vending machine on the user device" nor would the user device of *Low* **necessarily** do so. POR at 6–12; Ex. 1032, 77:4-8. Both arguments fail.

First, the Federal Circuit has repeatedly made clear that an explicit teaching is not required. *See, e.g., VirnetX Inc. v. Apple Inc.*, No. 22-1523, 2023 WL 6933812, at *4 (Fed. Cir. Oct. 20, 2023) ("This court has made clear that a reference can anticipate, even when it does not expressly recite a claimed limitation."). Contrary to the standard applied by Patent Owner and its expert, "[i]n an anticipation analysis, the dispositive question is whether a skilled artisan would 'reasonably understand or infer' from a prior art reference that every claim limitation is disclosed in that single reference." *Acoustic Tech., Inc. v. Itron Networked Solutions, Inc.*, 949 F.3d 1366, 1373 (Fed. Cir. 2020) (citation omitted). That is the case here. Dr. Neuman explained that a POSA would understand *Low* to teach Limitation [1.6], as it is the most common sense and straightforward understanding of *Low*'s plain

teachings. Ex. 1003, ¶ 81. Patent Owner's argument demanding an "explicit" teaching or visualization is legally incorrect and should be ignored.

Second, Patent Owner argues against an inherency-type argument never advanced by Petitioner. *Compare* POR at 5–6 with Pet. at 26–27. Patent Owner then conjures increasingly far-fetched arguments for why a POSA would not "necessarily" understand this limitation to be taught by *Low*. For example, Patent Owner argues that the mobile device could present the user with a menu of items available for purchase, with ***no indication*** of the machine at which the items are available. *See* POR at 11–12; *see also* Ex. 2008, ¶ 49. This argument would lead to the non-sensical result of a user purchasing items from an unidentified vending machine, at an unknown location. While Dr. Miller references an "external cue, such as an audio indication," this strained interpretation is unworkable for instances where the user "receive[s] directions, map coordinates, and/or a GPS location of desired NICM." Ex. 2008, ¶ 49; Ex. 1005, 9:21–23.

At most, Patent Owner's argument demonstrates only that other embodiments are taught by *Low*, which does nothing to undercut the Board's preliminary finding that Limitation [1.6] is taught by *Low* as understood by a POSA. *See Seachange Intern., Inc. v. C-COR, Inc.*, 413 F.3d 1361, 1380 (Fed. Cir. 2005) ("The fact that another embodiment is disclosed does not detract from the remainder of the disclosure."). Accordingly, Limitation [1.6] is taught by *Low*.

B. Independent Claims 13 and 15

Independent Claims 13 and 15 are anticipated by *Low* for the same reasons as independent Claim 1.

C. Dependent Claims 2 and 16

Patent Owner again argues against the straw man of inherency for these claims. It argues that in *Low*, “it would not necessarily be the case that the message ‘would be displayed’ on the user device and instead could be displayed on the vending machine itself.” POR at 13–14. However, *Low* is explicit that “the payment provider...may send product details *to the user device* to *upsell or advertise products* available on the NICM” and an exemplary “preference[] for use in upselling products” includes “displaying a message to user 102 after purchasing a drink such as, ‘Would you like chips with your drink.’” Ex. 1005, 2:21–23, 7:35–39 (emphasis added). Thus, a POSA would understand that the message is displayed on the user device to upsell or advertise products. Ex. 1003, ¶ 98.

D. Dependent Claim 3

Patent Owner argues that the transaction history stored on the payment provider server 140 does not mean that this information was exchanged between the mobile device and the available payment accepting unit. POR at 14–18; *see* Ex. 1005, 7:22–24. Instead, Patent Owner and Dr. Miller argue that the “more straightforward reading” of *Low* is that the transaction history processing is a record

of approvals performed by the payment provider server 140, and this information is never exchanged between the mobile device and the available payment accepting unit. POR at 16. However, Dr. Miller conceded that information from the vending machine 120 is transmitted to the payment provider server 140 only through the user device 110 of *Low* as the vending machine is described as a non-Internet connected machine. Ex. 1031, 128:4–129:17. Thus, the information indicating completion of the transaction (i.e., transaction history processing), which occurs between the user device and vending machine of *Low*, can only be transmitted to the payment provider server 140 through the user device. *Id.*; Ex. 1005, 7:22–24.

E. Dependent Claims 4 and 17

Similar to Claim 3 and Dr. Miller's admission that the payment provider server 140 of *Low* receives information from the vending machine 120 only through the user device 110 as an Internet-enabling intermediary, the "transaction history processing described herein," which occurs between the user device and vending machine of *Low*, can only be transmitted to the payment provider server 140 through the user device. Ex. 1031, 128:4–129:17; Ex. 1005, 6:5-9, 7:22–24, 9:46. And a POSA would understand the "transaction history processing" of *Low*, which explicitly includes "product price" and a "receipt," to include the amount of the completed transaction. Ex. 1005, 6:5-9, 7:22-24; *see also* Ex. 1003, ¶ 105.

Patent Owner acknowledges that dependent Claim 17 “recites substantially the same limitations as those recited in claims 3 and 4.” POR at 24. Accordingly, Claim 17 is anticipated by *Low* for the same reasons as Claims 3 and 4.

F. Dependent Claims 5, 6, 18, and 19

Patent Owner argues that *Low*’s disclosure of “tak[ing] appropriate actions as desired” is too speculative to support an interpretation that *Low* discloses these claims. POR at 19–22; *see also* Ex. 1005, 10:54. But as to Claims 5 and 18, Dr. Neuman explained that this disclosure of *Low* indicates abortion of the transaction because “in most communication protocols, including Bluetooth, a closing of the connection involves the sending of a ‘close’ or ‘terminate’ protocol message. Thus, the transmitted information taught by *Low* may simply be the closing of the connection between the user device and the vending machine without transmitting any authorization information, indicating an abortion of the transaction.” Ex. 1003, ¶ 111. As for Claims 6 and 19, even Dr. Miller interpreted “appropriate actions” to mean “that the transaction processing application can approve the purchase request” and “deny the purchase request.” Ex. 1032, 133:7–18. Denying the purchase request is a failure of the transaction, so Patent Owner’s own expert interprets *Low* as teaching all limitations of these claims.

G. Dependent Claim 10

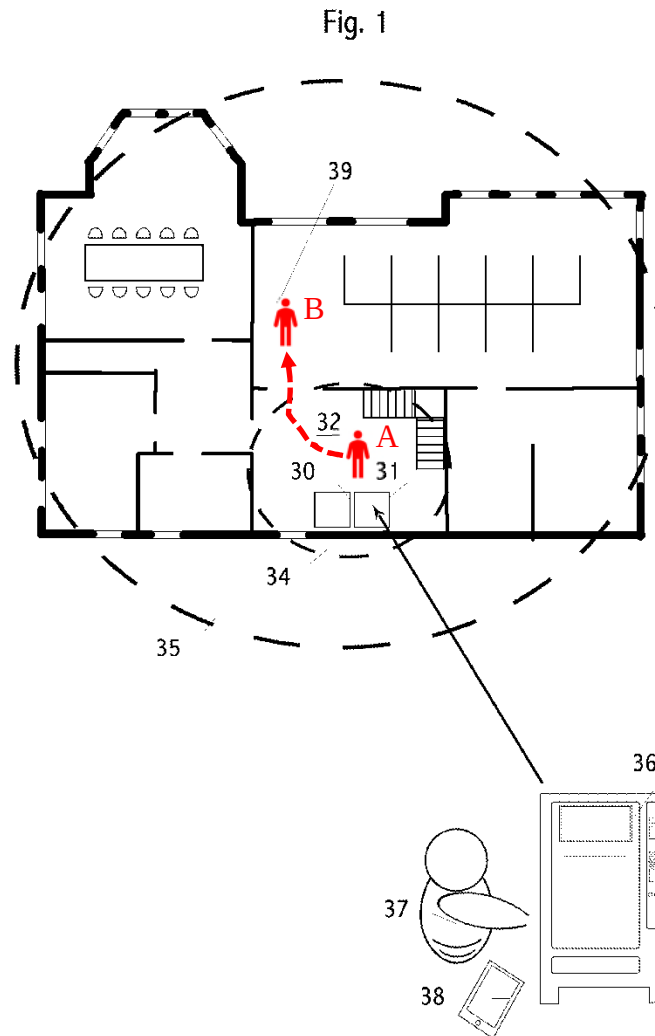
Patent Owner argues that “Low also describes that this inventory data can be transmitted to the user device even in instances where the user device is **not** in communication range with the vending machine.” POR at 23 (emphasis in original). But again, “[t]he anticipation analysis asks solely whether the prior art reference discloses and enables the claimed invention, and not...whether alternatives are also disclosed.” *Hewlett–Packard Co. v. Mustek Sys., Inc.*, 340 F.3d at 1314, 1324 & n.6 (Fed. Cir. 2003). Even Dr. Miller acknowledged that inventory data 154 is received from vending machine 120 after a short-range communication link is established, which would indicate that the wireless communication path has been established with the available payment accepting unit. Ex. 1031, 137:16–25.

III. GROUND 2: CLAIMS 7 AND 9 ARE OBVIOUS OVER LOW IN VIEW OF ARORA

A. Claim 7

Patent Owner's argument that “Arora describes only ‘determin[ing] whether or not a customer is within a particular transaction distance of a particular vending machine or vending group’” is an admission that *Arora* determines the location of a customer at two different points, and, in situations where the second point is further from the vending machine than the first point, *Arora* unmistakably determines “whether the user is walking away from the available payment accepting unit.” POR at 25–26 (quoting Ex. 1006, 18:37–42). Specifically, *Arora* discloses “[d]etermining

customer 17 location” through “[i]nertial guidance [which] may use an accelerometer,” relative to various distances from a vending machine, including a “within sight” distance 34 and a “potential buyer” distance 35. Ex. 1006, 12:41–13:46; Ex. 1003, ¶¶ 216–17. Referring to annotated Figure 1 of *Arora* below, when *Arora* uses the accelerometer to determine that the user has moved (represented by the dashed line) from point A in the “within sight” distance 34 to point B in the “potential buyer” distance 35, it has determined “whether the user is walking away from the available payment accepting unit.”



Ex. 1006, Figure 1 (annotated).

Additionally, Patent Owner argues there is no support for the conclusion that a POSA would be motivated to cancel the communication between the user device 110 and vending machine 120 of *Low*, and Dr. Miller argues that “more efficient means to manage connections, such as based on timing, were known.” POR at 27 (citing Ex. 2008, ¶¶ 95–96). But even if Dr. Miller is correct—and he is not—the “law does not require that a particular combination must be the preferred, or the most

desirable, combination described in the prior art in order to provide motivation for the current invention.” *See, e.g., In re Fulton*, 391 F.3d 1195, 1200 (Fed. Cir. 2004) (noting “law does not require that a particular combination must be the preferred, or the most desirable, combination described in the prior art in order to provide motivation for the current invention”). Dr. Neuman provided a rational basis for combining *Low* with *Arora*; Dr. Miller’s attempts to identify “more efficient” combinations does not undercut that showing. *See, e.g.,* Ex. 1003, ¶¶ 196–204; Ex. 2008, ¶¶ 95–96.

B. Claim 9

Patent Owner presents no arguments regarding Claim 9 other than its arguments regarding Ground 1. *See* POR at 24–27. Petitioner maintains that this claim would have been obvious over *Low* in view of *Arora* for all the reasons stated in the Petition. *See* Pet. at 53–55.

IV. GROUND 3: CLAIM 11 IS OBVIOUS OVER LOW IN VIEW OF ARORA IN FURTHER VIEW OF FREENY AND CASEY

Patent Owner concedes that *Low* discloses a “payment button or option,” but attempts to sidestep this teaching by baselessly arguing that this disclosure is part of “a different embodiment, separate from the embodiment the petition relies on as disclosing other limitations recited in claim 1.” POR at 29–32; Pet. at 46–47; Ex. 1003, ¶ 285. This argument fails for several reasons.

First, Patent Owner's interpretation is an overly narrow reading of *Low*, which broadly describes "various embodiments...for making a payment to the device utilizing a payment provider." Ex. 1005, 2:11–16; *see also* 13:65–67. "[A]nticipation may still be found by disparate disclosures in the same reference where the reference explicitly contemplates combining those disclosures." *Stryker Corp. v. OsteoMed LLC*, No. 23-1925, 2025 WL 2814019, at *5 (Fed. Cir. Oct. 3, 2025). That is exactly what *Low* teaches: "[w]here applicable, the ordering of various steps described herein may be changed, combined into composite steps, and/or separated into sub-steps to provide features described herein." Ex. 1005, 13:60–64.

Second, even if *Low* was interpreted as disclosing two distinct embodiments (which Petitioner does not concede), the differences are not material for purposes of the payment button and its application to Claim 11. Instead, *Low* simply teaches two ways in which a user can **select** items: (1) through a user interface on their user device; and (2) at the vending machine itself. *See* Ex. 1005, 2:11–62. Fatal to Patent Owner's arguments, however, the **payment** functionality taught by *Low* is the same in either scenario.

Patent Owner alleges that because one embodiment of *Low* explicitly describes "a payment button or option," other embodiments of *Low* necessarily exclude "a payment button or option." *See* POR at 29–30. But the first embodiment

clearly teaches using a user device to “make the purchase,” which a POSA would understand to be accomplished by *Low*’s payment button. *See, e.g.*, Ex. 1005, 2:29–48; Ex. 1003, ¶ 285. Moreover, Patent Owner does not identify any reason why the “payment button or option” in the second embodiment is incompatible with or could not apply to the first embodiment. *See* POR at 30–32; *see also Stryker*, 2025 WL 2814019, at *5.

V. CLAIMS 1–20 ARE DIRECTED TO PATENT-INELIGIBLE SUBJECT MATTER

A. Collateral Estoppel Applies

Patent Owner’s collateral estoppel argument focuses on the wrong analysis. The question is not, as Patent Owner suggests, whether there are differences between the claims of the ’423 Patent and the ’614 Patent—a fact Petitioner concedes. Nor is Patent Owner’s focus on the (alleged) narrowing of the ’423 Patent claims compared to the ’614 Patent claims the proper inquiry. *See* POR at 35–36. Instead, the relevant question is whether the *issues of patentability* are identical for the adjudicated claims of the ’614 Patent and Claims 1–6, 8–10, 13, and 15–19 of the ’423 Patent. *See, e.g., Google LLC v. Hammond Development Int’l, Inc.*, 54 F.4th 1377, 1381 (Fed. Cir. 2022). Here, the issues of patentability are identical between these two sets of claims, and collateral estoppel should apply.

Patent Owner argues that there is a material difference between the claims because Claim 1 of the '614 Patent required the specific “predefined radio message,” whereas Claim 1 of the '423 Patent requires “content” (i.e., identifier). POR at 35–36. But the Board in the prior proceeding found that the “issue of patentability” did not extend “*beyond the judicial exception*, i.e., the additional elements.” PGR2021-00093, Paper 38 at 37. The same applies here. “Patent Owner’s arguments...rest on the alleged novelty of the abstract idea itself” of an “identifier”, which involves the same issue of patentability as the “predefined radio message.” *Id.* Additionally, Patent Owner ignores the other reasons presented in the Petition that independent Claim 1 of the '423 Patent is broader than Claim 1 of the '614 Patent because it removes the requirement that the user input be configured to “(i) receive selection ... and (ii) trigger payment” from limitation [1.7]. *See* Pet. at 75 (citing Ex. 1011).

Moreover, the Examiner issued an obviousness-type double patenting rejection against all pending claims of the '423 Patent in view of, *inter alia*, the '614 Patent, concluding “the conflicting claims...are not patentably distinct from each other.” Ex. 1002, 151–52. The Examiner noted that “[t]he only difference between the instant application and the '614 Patent is merely a labeling difference.” *Id.* Patent Owner never disputed this conclusion and instead filed a terminal disclaimer in response. *Id.*, 174.

Next, Patent Owner argues that collateral estoppel for § 101 cannot be applied on a limitation-by-limitation basis. POR at 37–39. However, the Board endorsed such an approach in *IronSource Ltd. v. Digital Turbine Inc.*, No. PGR2022-00053, 2024 WL 1098132, at *8 (PTAB Mar. 12, 2024). In that case, the Board determined—based on a table comparison on a limitation-by-limitation basis between the current and prior patents—that “the issues of patentability of [challenged claims] of the [prior] patent and [challenged claims] of the [current] patent under Section 101 are identical and because the other *Google* factors weigh in favor of collateral estoppel, we hold that Petitioner is precluded from challenging [challenged claims] of the [current] patent under section 101.” *Id.* at *4-8.

B. Even if Collateral Estoppel Does Not Apply, the Challenged Claims are Ineligible

The Petition cited numerous cases where concepts similar to the Challenged Claims were found ineligible. *See* Pet. at 78–79. The Board found these cases persuasive and correctly noted that “Patent Owner in its Preliminary Response does not address the cases cited by Petitioner or explain why they are inapplicable.” Paper 12 at 17–18 (collecting cases). Despite this, Patent Owner again failed to address these cases in its POR. Nor could it—the claims found ineligible in those cases are highly similar to the Challenged Claims. Accordingly, this precedent also supports a finding that the Challenged Claims are ineligible.

1. Claim 1, Step 2A

Patent Owner argues “it is not enough to show that a claim recites limitations that could **involve** an abstract idea in order to show patent ineligibility, it must be shown that the claim **recites** the abstract idea.” POR at 42 (emphasis in original). However, Petitioner has already demonstrated how the claims recite the abstract idea and how these types of abstract ideas have routinely and consistently been found to be ineligible. *See* Pet. at 78–79; *see also Universal Secure Registry LLC v. Apple Inc.*, 10 F.4th 1342, 1349 (Fed. Cir. 2021) (enabling transaction using time-varying code); *In re AuthWallet, LLC*, No. 2022-1842, 2023 WL 3330298, at *3 (Fed. Cir. May 10, 2023) (authorizing transaction requests and applying discounts and benefits to transaction).

Next, Patent Owner argues that the claims are not abstract because they contain elements that cannot be performed in the human mind. *See* POR at 42–46. Specifically, Patent Owner focuses on the disclosure of two different modes, a “hands-free mode” and a “manual mode.” *See id.* But these modes are disclosed only in the specification and are not in the claims themselves, and therefore cannot support a Section 101 argument. As this Board correctly noted, “[i]t is the subject matter of the claims, not embodiments disclosed in the Specification, that we analyze.” Paper 12 at 22 (citing *ChargePoint, Inc. v. SemaConnect, Inc.*, 920 F.3d 759, 769 (Fed. Cir. 2019)). Additionally, Patent Owner tried to read in these ***exact***

examples during the '614 Patent PGR, and this Board (correctly) rejected those efforts. *See, e.g.*, PGR2021-00093, Paper 38 at 31-32 n.12 (“Patent Owner agrees that the disclosed ‘hands-free’ mode is not claimed. Tr. 44:24-45:6.”); *see also* 27 n.11, 29, 33. Focusing instead on the claims themselves, the claims recite a transaction process at such a high level of generality, that they can easily be performed in a human mind. *See, e.g., cxLoyalty, Inc. v. Maritz Holdings Inc.*, 986 F.3d 1367, 1377 (Fed. Cir. 2021).

Patent Owner next argues that the Petition fails to show that the claim does not integrate the abstract idea into a practical application because Petitioner allegedly analyzed certain elements in isolation and not in the context of the claim as a whole. POR at 47–49. Not so. The Petition clearly analyzes the entire claim by asserting that “[n]othing in Claim 1 integrates the abstract idea into a practical application that imposes a meaningful limit on the abstract idea,” followed by an identification of the generic elements recited in the claim. Pet. at 82. Patent Owner’s arguments regarded the supposed ordered combination—which was previously rejected by this Board regarding the '614 Patent—likewise do nothing to integrate the abstract idea into a practical application. POR at 49; PGR2021-00093, Paper 38 at 27-28; *see GoTV Streaming, LLC v. Netflix, Inc.*, No. 2024-1669, 2026 WL 346200, at *1066-68 (Fed. Cir. Feb. 9, 2026) (finding ineligible claims directed to tailoring content display to wireless device capabilities).

2. Claim 1, Step 2B

Patent Owner argues that Dr. Neuman's testimony is improper because he allegedly conflated the routine and conventional analysis of Section 101 with a Section 102/103 analysis. POR at 49–51. Patent Owner then confusingly argues that the failure of the Petition to “establish the anticipation of claim 1 further demonstrates that Petitioner fails to meet its burden in establishing that claim 1 recites only elements that were ‘well-known, routine, and conventional.’” *Id.* at 51. The Petition and Dr. Neuman merely referred to the prior art cited in the obviousness analysis as examples of how the limitations are well-known, routine, and conventional, which is perfectly acceptable. *See Internet Pats. Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1347 (Fed. Cir. 2015) (“Other precedent illustrates that pragmatic analysis of § 101 is facilitated by considerations analogous to those of §§ 102 and 103 as applied to the particular case.”).

Additionally, Dr. Miller acknowledged that each of the hardware elements recited in Claim 1 were known prior to the '423 Patent, further demonstrating how the claims recite a generic mobile device used to perform conventional operations, which has consistently been found to be an ineligible abstract idea. *See, e.g.*, Ex. 1031, 140:18–151:18; *see Intell. Ventures I LLC v. Erie Indem. Co.*, 850 F.3d 1315, 1330 (Fed. Cir. 2017) (finding claims ineligible where “the mobile interface here does little more than provide a generic technological environment to allow users to

access information”); *Affinity Labs of Texas, LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1265 (Fed. Cir. 2016) (finding claims ineligible that “describe purely conventional features of cellular telephones and the applications that enable them to perform particular functions.”).

Dr. Miller also acknowledged that each recited step is a function performed by the generic mobile device. Ex. 1031, 140:18–151:18. These types of claims have consistently been found to be ineligible. *See, e.g., Hawk Tech. Sys., LLC v. Castle Retail, LLC*, 60 F.4th 1349, 1358 (Fed. Cir. 2023) (finding ineligible claims that lacked “sufficient recitation of *how* the purported invention improve[s] the functionality of video surveillance systems and are recited at such a level of result-oriented generality that those claims amount[] to a mere implementation of an abstract idea”) (internal quotations omitted) (emphasis in original); *Int’l Bus. Machines Corp. v. Zillow Grp., Inc.*, 50 F.4th 1371, 1378 (Fed. Cir. 2022) (finding ineligible claims that are “result-oriented, describing required functions (presenting, receiving, selecting, synchronizing), without explaining how to accomplish any of the tasks”) (internal citations and quotations omitted); *Two-Way Media Ltd. v. Comcast Cable Commc’ns, LLC*, 874 F.3d 1329, 1337-39 (Fed. Cir. 2017)).

3. Independent Claims 13 and 15

Independent Claims 13 and 15 are ineligible for the same reasons as independent Claim 1. *See* Pet. at 84–85.

4. Dependent Claims (2–12, 14, and 16–20)

Beyond its arguments regarding the independent claims, Patent Owner only attempts to defend “certain” dependent claims from the Petition’s ineligibility challenge. *See* POR at 52. More specifically, Patent Owner only defends claims 2–7, 10–11, 16–19. *See id.* Dependent claims 8–9, 12, 14, and 20, which Patent Owner does not specifically address, should be found ineligible for the reasons stated in the Petition. *See* Pet. at 85–92.

Claims 2, 3, and 16 do not provide additional information regarding the claimed messages, notifications, or visual alerts, beyond that “appropriate technology may be used” and providing generic sample notifications and messages. Ex. 1001, 13:45–50, 38:5–43; Ex. 1003, ¶¶ 324–25. Patent Owner made similar arguments in the ’614 PGR, which the Board properly rejected. *See, e.g.*, PGR2021-00093, Paper 38 at 34–35 (“We fail to see . . . how updating a display after the transmittal of some unspecified information ‘in conjunction with a vending transaction’ constitutes a technological improvement or otherwise integrates the abstract idea into a practical application.”); *see also id.* at 44–45 (rejecting argument that dependent claims including an interface that displays or includes a “message, banner notification, or visual alert” adds “meaningful limitations to the judicial exception” such that the claims are patent eligible).

For Claims 4–6, 10, and 17–19, the Board already concluded that the additional limitations in nearly identical claims did not add “meaningful limitations to the judicial exception and that the claimed subject matter of each of those claims is patent ineligible.” *See, e.g., id.* at 45-46; *see also* Ex. 1011. These claims are also analogous to those found ineligible in *Ex Parte Latoya H. James*, 2018-005345, 2019 WL 2763407, at *7–8 (PTAB June 21, 2019).

Claim 7’s recitation of a standard accelerometer “as specifically claimed” in a conventional mobile device to detect movement and determine that a user is walking away from a vending machine was already well-known and conventional. *Ex Parte James*, 2019 WL 2763407, at *16. Indeed, Dr. Neuman explained in detail how Claim 7’s specific claimed **use** of an accelerometer was well-known, routine, and conventional, as evidenced at least by certain prior art. *See, e.g.,* Ex. 1003, ¶¶ 330-33, Section IX.B.2. Further, cancelling a wireless communication path based on a determination from a conventional accelerometer that a user is walking away from a vending machine was so routine that it was within the knowledge of a POSA at the time of the ’423 Patent, as explained by Dr. Neuman. *Id.*

Claim 11 merely recites the abstract idea of communicating generic information regarding a transaction using a well-known, routine, and conventional “user interface.” Patent Owner’s arguments that the recited elements “work together to provide specific features on a mobile device that a user must interact with to

engage with the payment accepting unit, while also providing specific assurances that the user will be able to conduct the transaction that the user desires” are without merit. POR at 56–57. Indeed, Patent Owner made similar arguments regarding the ’614 Patent, which the Board rejected. PGR2021-00093, Paper 38 at 28; *id.*, Paper 15 at 24 (arguing that “the ordered combination of the claims helps to solve the problem of preventing an unauthorized user from making use of an authorization that is not their own”). While the Board determined the ’614 Patent petitioner had “failed to adequately address [claim 11] as a whole,” Petitioner here has demonstrated how the “particularly claimed interface” recited in Claim 11 was well-known, routine, and conventional, as evidenced at least by certain prior art. *See, e.g.*, Ex. 1003, ¶¶ 225–289; Pet. at 55–71. Additionally, reciting a generic “swipe” interaction has been found to be well-known. *See, e.g., Linfo IP, LLC v. TrustPilot, Inc.*, 761 F.Supp.3d 679, 689 (S.D.N.Y. 2025); *see also* Pet. at 90-92; Ex. 1003 ¶¶ 333-337.

VI. CONCLUSION

Petitioner respectfully requests the Board find Claims 1–20 of the ’423 Patent unpatentable.

Respectfully submitted,

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By: /Sarah E. Waidelich/
Sarah E. Waidelich (Reg. No. 78,706)
Honigman LLP
101 N. Main St., Suite 850
Ann Arbor, MI 48104
(734) 418-4242
swaidelich@honigman.com

Attorney for Petitioner Alliance Laundry Systems LLC

CERTIFICATE OF SERVICE

I certify that the foregoing Petitioner's Reply and accompanying Exhibit 1031 were served on this 27th day of February, 2026, on the Patent Owner at the following electronic service addresses:

Matthew A. Argenti
Michael T. Rosato
Jad A. Mills
Tasha M. Thomas
Wilson Sonsini Goodrich & Rosati
margenti@wsgr.com
mrosato@wsgr.com
jmills@wsgr.com
tthomas@wsgr.com

Dated: February 27, 2026

/Sarah E. Waidelich/
Sarah E. Waidelich (Reg. No. 78,706)

**CERTIFICATE OF COMPLIANCE WITH TYPE-VOLUME
LIMITATION, TYPEFACE REQUIREMENTS, AND TYPE STYLE
REQUIREMENTS**

This Petitioner's Reply complies with the type-volume limitation in 37 C.F.R. §42.24(c) in that it contains 4,785 words, excluding the parts exempted by 37 C.F.R. § 42.24(c), as measured by the word processing software used to prepare the document.

This Petitioner's Reply complies with the general format requirements of 37 C.F.R. § 42.6(a) and has been prepared using Microsoft Office 365 in 14-point Times New Roman.

Dated: February 27, 2026

/Sarah E. Waidelich/
Sarah E. Waidelich (Reg. No. 78,706)