

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ALLIANCE LAUNDRY SYSTEMS, LLC,
Petitioner,

v.

PAYRANGE LLC,
Patent Owner.

Case No. PGR2025-00028
Patent No. 11,972,423

PATENT OWNER'S SURREPLY

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I. INTRODUCTION

Petitioner's reply confirms that the petition fails to show unpatentability of claims. As detailed below, Petitioner's reply arguments repeatedly disavow positions taken in the petition, shift to new theories and arguments, and fail to respond to PayRange's rebuttal evidence.

II. PETITIONER'S THEORY REGARDING LOW'S PURPORTED DISCLOSURE OF THE CLAIMED VISUAL INDICATION FAILS [1.6]

The petition relied on Low as teaching a user interface that is *configured to display a visual indication of the one or more payment accepting units*.¹ Pet., 26-27. The petition specifically alleged that "a POSA would understand that the user device 110 [of Low] **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."² *Id.* Petitioner's expert made the same assertion. EX1003, ¶81 (stating "[i]n my opinion, the user device 110 **is configured** to display the available machines"). While Patent Owner's preliminary response noted that Low lacked any disclosure that its user device "is configured to display

¹ Consistent with the POR, language recited in the challenged claims is italicized throughout this paper.

² Emphases added except where otherwise noted.

the available machines,” the Board interpreted the petition’s theory as one of inherency—*i.e.*, Low’s device “would necessarily” display a visual indication of the machines. Institution Decision, 36-37. Petitioner’s reply disavows the Board’s interpretation of the petition. Reply, 4 (“Patent Owner argues against an inherency-type argument never advanced by Petitioner.”). Instead, citing the Federal Circuit’s decision in *Acoustic Tech., Inc. v. Iron Networked Solutions, Inc.*, 949 F.3d 1366 (Fed. Cir. 2020), Petitioner argues that a POSA would, “using common sense and appropriate perspective,” reasonably understand or infer from Low that the claim limitation is disclosed. *Id.*, 2-4.

Petitioner’s theory is not supported by evidence meeting Petitioner’s burden in arguing that a POSA would have reasonably understood or inferred from Low that its user device “is configured” to display the available machines. In *Acoustic Tech.*, the Federal Circuit affirmed the Board’s finding that a reference disclosed CDMA communication based on its radio wave communication disclosures. 949 F.3d at 1373-74. In finding that CDMA could be reasonably inferred from the reference, the Board credited the petitioner’s expert, who “conducted a detailed analysis” to explain how the disclosed “radio wave communication was the same as CDMA.” *Id.* at 1374. This included identification of passages describing the specific radio wave communication in terms that would have been recognized to be

CDMA. *Id.* The Federal Circuit also noted that the patent owner “provided no evidence to rebut [the expert’s] testimony.” *Id.*

Here, there is no testimony from Dr. Neuman to support a similar showing with respect to Low and what little testimony there is has been rebutted by PayRange’s expert Dr. Miller. For example, Petitioner argues that “Dr. Neuman’s interpretation” of Low is “the most practical and based on ‘the then-accepted wisdom in the field.’” Reply, 2-3. However, Dr. Neuman’s testimony does not support these allegations. Indeed, the paragraph cited by Petitioner, which addresses a **different** limitation, provides no analysis whatsoever that would support the notion that displaying a visual indication of the vending machine was “the most practical” or based on “the then-accepted wisdom in the field.” See EX1003, ¶83. And where Dr. Neuman actually addresses the relevant claim limitation, he only quotes certain passages discussing the transmission of machine identifiers (which Petitioner concedes are not displayed in Low (*see* Reply, 3)) and asserts a single conclusory statement that Low’s user device “is configured to display the available machines.” EX1003, ¶¶81-82. No “detailed analysis” of Low was ever provided to explain how Low’s disclosure might lead to a reasonable inference that a visual indication of available machines is displayed on the user device. *See Acoustic Tech.*, 949 F.3d at 1373-74. In fact, Dr. Miller’s testimony demonstrates that it **cannot** be reasonably inferred as he discusses numerous other

ways Low's disclosure could be implemented, consistent with its disclosure, that **do not** involve displaying a visual indication of available machines. See EX2008, ¶¶47-49.

Petitioner does not meaningfully rebut Dr. Miller's testimony. For instance, while Petitioner argues that Dr. Miller's testimony "would lead to the non-sensical result of a user purchasing items from an unidentified vending machine, at an unknown location" (Reply, 4), Petitioner ignores that Dr. Miller provides several examples in which other features can be provided to the user to indicate the vending machine that the user is purchasing from, all without involving the display of a visual indication of the machine. EX2008, ¶49. Petitioner's attorney-argument characterization of Dr. Neuman's testimony as "straightforward," "practical," and "the most common sense" is not only unsupported, it does nothing to rebut Dr. Miller's testimony showing that Low cannot be read as teaching that its user device **is configured** to display the available machine.

Furthermore, Petitioner's assertion that Patent Owner's evidence "demonstrates only that other embodiments are taught by Low" is incorrect and misleading. To be clear, Low is **silent** with respect to what, if anything, is displayed on the user device "such that the user is able to select one or more machines to purchase from." EX1005, 2:26-28. As such, there are **no**

embodiments that are taught by Low on this point, which further illustrates that the limitation is not disclosed.

Finally, to the extent Petitioner relies on “common sense” in support of an assertion that displaying a visual indication of the available machines would have been one obvious option for implementing Low, this theory was never laid out in the petition. The petition challenges claim 1 as anticipated by Low. *See* Pet. 21. For the reasons above, Petitioner has failed to meet its burden in establishing that Low anticipates limitation [1.6].

III. PETITIONER FAILS TO SHOW THE DEPENDENT CLAIMS ARE ANTICIPATED

Petitioner’s reply arguments concerning the dependent claims also fail. Petitioner consistently mischaracterizes and fails to respond to the issues raised in the POR and further presents improper new arguments and theories that were not raised in the petition.

A. Claims 2 and 16

Petitioner contends that PayRange “argues against the straw man of inherency” (Reply, 5), but it was Petitioner who set forth the assertion that the identified *message* (i.e., “Would you like chips with your drink”) “**would be** displayed on the user interface of the user device 110.” Pet., 33. Dr. Neuman made the same assertion. EX1003, ¶98 (“In my opinion, the message displayed to user 102 would be displayed on the user interface of the user device 110.”).

PayRange noted the lack of support for the assertion, as there would have been other ways the message could be displayed. POR, 13-14. In reply, Petitioner now contends that “a POSA would understand that the message is displayed on the user device” by stringing together two different parts of Low, one of which is newly cited and does not mention messages that are displayed on the user device.

Compare Reply, 5 (citing EX1005, 2:21-23, 7:35-39) *with* Pet., 33 (citing only EX1005, 7:24-39) *and* EX1003, ¶98 (citing same). Petitioner’s attempt to newly manufacture a disclosure in Low should be rejected.

B. Claim 3

Petitioner argues that Low satisfies claim 3 because “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 server through the user device.” Reply, 5-6. Petitioner’s argument incorrectly presumes that the transaction history Low describes originates at the vending machine or user device. Petitioner does not respond to the arguments raised in the POR, which noted that Low’s payment provider server has its own “transaction history processing” that originates at the server. POR, 16-17; EX2008, ¶¶60-62; EX1005, 6:51-7:35. Because the server saves a record of **its own history of processing**, there is no evidence in Low that this information “is exchanged between the user device 110 and vending machine 120 and ultimately

sent to the payment provider server 140,” as was asserted. EX1003, ¶101; Pet., 33-34. Petitioner’s reply simply ignores PayRange’s evidence establishing that this assertion is incorrect.

C. Claim 4

Petitioner’s reply for claim 4 further highlights its flawed reading of Low’s transaction history processing. Petitioner asserts “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.” Reply, 6. As an initial matter, Petitioner has no response to PayRange’s argument that the petition’s citation to Low’s “product price” refers to a different embodiment. *Id.*; POR, 18-19. In addition, Petitioner newly asserts that Low’s “transaction history processing” would have also been understood to include a “receipt.” Reply, 6. However, despite citing to its expert, Dr. Neuman’s declaration makes no such assertion. EX1003, ¶105.

Moreover, Low does not describe that a “receipt” is exchanged between the vending machine and user device prior to storage on the payment provider server. Low describes the “receipt” as part of the approval processed by the payment provider server and communicated to the user device. *See* EX1005, 9:39-46 (“the approval may include a payment authorization, receipt, or other payment verification”), 12:5-8. As explained in the POR, it would make no sense for the

payment provider server to first transmit an approval to the user device, which would then transmit it to the vending machine, only for the vending machine to transmit the approval back to the server for storage. POR, 17-18 n.2.

D. Claims 5-6 and 18-19

Petitioner defends its reliance on Low’s generic disclosure of “tak[ing] appropriate actions as desired” as including abortion of the transaction and incorrectly contends that Dr. Miller “interprets Low as teaching all limitations of these claims” because “[d]enying the purchase request is a failure of the transaction.” Reply, 7. Petitioner again fails to respond to the deficiencies identified in the POR. The claims require that *the information*, which *indicates abortion of the transaction* (claims 5 and 18) or *failure of the transaction* (claims 6 and 19), **is exchanged between the mobile device and the available payment accepting unit**. As Dr. Miller explained, there is no support in Low that this type of information is transmitted to the vending machine. EX2008, ¶¶96-99; POR, 19-21.

Petitioner’s reply additionally argues that 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,” which indicates an abortion of the transaction.” Reply, 7 (citing EX1003, ¶111). However, operation of common communication protocols, such

as Bluetooth, is irrelevant because Petitioner fails to point to anything in Low that describes that the user device actively terminates the short-range communication link between the device and the vending machine (resulting in the sending of a “close” or “terminate” protocol message). Indeed, as noted with respect to claim 7 (*infra*, section IV), Petitioner does not dispute that there is no disclosure in Low of canceling the wireless communication path. Moreover, as explained by Dr. Miller, a reasonable interpretation of the “appropriate actions” that may be taken by the server when it determines that there is a restriction or limitation on the transaction is to inform the user of the restriction or limitation, at which point, the user can simply walk away. EX2008, ¶¶70-72. In this case, as Dr. Miller explains, no information is exchanged between the user device and vending machine (*id.*), a logical result of the user walking out of range of the communication link. Petitioner does not address this aspect of Dr. Miller’s testimony, nor does Petitioner explain how a “close” or “terminate” message can even be sent to the vending machine when the user is out of communication range.

Thus, whether denial of the purchase request by the server can be characterized as information that *indicates failure (or abortion) of the transaction* (an assertion that was never advanced in the petition) is irrelevant. Petitioner still has failed to provide sufficient evidence that information indicating failure or abortion of the transaction is sent **to the vending machine**.

E. Claim 10

Petitioner does not contest that Low describes that inventory data can be transmitted to the user device even without a short-range communication link between the user device and the vending machine. Reply, 8 (citing POR, 23). Instead, Petitioner responds that, because there are instances where it is possible to receive inventory data when a short-range communication link is established, the inventory data *indicates that the wireless communication path has been established*. *Id.* Petitioner’s arguments are new. The petition argued that “receiving and displaying the inventory data” in and of itself is an indication that the wireless communication path has been established because “the inventory data 154 could not be received unless the wireless communication path had successfully been established.” Pet., 38. The POR established why this is false because Low teaches that inventory data can be received without a wireless communication path. Thus, Petitioner’s reply argument that the receipt of inventory data can serve as an indication that a wireless communication path has been established in instances where the user device receives the inventory data through a short-range communication link is new and improper. Even so, Petitioner’s argument remains flawed—if inventory data can be received both with and without a wireless connection, then it follows that its receipt does not indicate a wireless connection has been established.

F. Claim 17

Petitioner asserts “[c]laim 17 is anticipated by Low for the same reasons as [c]laims 3 and 4.” Reply, 7. Accordingly, Petitioner fails to establish Low anticipates claim 17 for the same reasons described above with respect to claims 3 and 4.

IV. PETITIONER FAILS TO SHOW DEPENDENT CLAIM 7 IS OBVIOUS OVER LOW AND ARORA

Petitioner argues that “Arora unmistakably determines ‘whether the user is walking away from the available payment accepting unit’” because it determines the location of a customer at two different points. Reply, 8-9. The only support Petitioner provides is an attorney-annotated figure of Arora. *Id.*, 10. As noted in the POR, Arora lacks any disclosure that the mobile device *determin[es] whether the user is walking away from the available payment accepting unit* based on accelerometer data. Arora only discloses calculating the distance of a customer relative to the vending machine and determining whether that distance meets a certain threshold (*e.g.*, dispensing distance), which prompts the system to proceed to the next step of the process (*e.g.*, sending a dispense command). See EX1006, 18:44-19:5, FIG. 6; POR, 25-26. Arora does not disclose determining the **direction** the customer is walking relative to the machine, such as whether the customer is walking away from the machine. Petitioner’s misleading and self-

serving annotations are insufficient to satisfy its burden to show that Arora discloses the claim limitation.

Furthermore, regarding *canceling the wireless communication path*, Petitioner does not contest that neither Low nor Arora describes such a step. See Reply, 10-11; POR, 27. Petitioner only takes issue with PayRange's arguments regarding the proffered motivation to combine Low and Arora. In this respect, Petitioner chooses to ignore the very theory it advanced in the petition. Specifically, both Petitioner and Dr. Neuman asserted that a POSA would have been motivated to cancel the wireless communication path upon a determination that the user was walking away because doing so would "conserve resources." Pet., 50, 52-53; EX1003, ¶¶201, 217. Dr. Miller explained how this premise was **false**: canceling the communication path would not conserve resources, it would actually expend **more** resources and there were other known ways that conservatively managed connections. EX2008, ¶¶94-95. Thus, Petitioner's reply argument that "the law does not require that a particular combination must be the preferred, or the most desirable, combination" to provide motivation is a red herring. Reply, 10-11. Petitioner's stated motivation to arrive at the claim limitation was to "conserve resources" and PayRange provided evidence as to why a POSA would have understood that it would not. Petitioner backing away from its own proffered motivation is not a rebuttal, and its failure to address PayRange's

evidence highlights the deficiency of its alleged motivation. *See ActiveVideo Networks, Inc. v. Verizon Comms., Inc.*, 694 F.3d 1312, 1327-28 (Fed. Cir. 2012) (affirming district court’s finding that expert’s alleged motivation to make the system “more efficient” was factually unsupported because it was “generic and bears no relation to any specific combination of prior art elements”).

Accordingly, Petitioner fails to satisfy its burden to show that Low and Arora render obvious claim 7.

V. PETITIONER FAILS TO SHOW DEPENDENT CLAIM 11 IS OBVIOUS OVER LOW, ARORA, FREENY, AND CASEY

As explained in the POR, Petitioner’s obviousness theory for claim 11 fails because the alleged “payment button or option” of Low that was relied on in the petition relates to a **different** embodiment. POR, 28-32. In reply, Petitioner does not dispute this. *See* Reply, 11-13. Instead, Petitioner newly argues that Low “explicitly contemplates” combining the payment button with its first embodiment because Low states that “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.” *Id.*, 12 (citing EX1005, 13:60-64).

As an initial matter, Petitioner’s reply arguments should have been presented in the petition. Petitioner does not dispute that the petition failed to provide any explanation as to why a POSA would have sought to combine the two embodiments of Low. *See* POR, 28 (noting the petition’s failure to acknowledge

the different embodiments or propose combining them). Petitioner's belated attempt to gap-fill the petition's deficiency should be rejected. *See Abiomed, Inc. v. Maquet Cardiovascular, LLC*, IPR2017-01204, Paper 9, 10-11 (PTAB Oct. 23, 2017) (finding petition deficient for failing "to provide a sufficient rationale to combine the teachings of [the applied reference's] different embodiments").

Nevertheless, Petitioner's arguments also fail on the merits. Low's statement that various **steps** may be "combined into composite steps" is a far cry from "explicitly contemplat[ing]" that the **payment button** of one embodiment can be combined with another embodiment. *See* Reply, 12. Indeed, Petitioner's reliance on a generic boilerplate statement alone is insufficient to establish a motivation to combine embodiments. *MarkForged, Inc. v. Continuous Composites, Inc.*, IPR2022-00679, Paper 24, 15-16 (PTAB Sep. 26, 2023) (finding petitioner's reliance on reference's boilerplate language that "various features" "may be provided in combination in a single embodiment" "lacks specificity and precision" and "falls short" of establishing motivation to combine features described in different embodiments); *see also Fromson v. Anitec Printing Plates, Inc.*, 132 F.3d 1437, 1447 (Fed. Cir. 1997) (finding that "a boiler-plate statement that other 'suitable liquids' can be used" as "insufficiently specific" to support combination) (abrogated on other grounds by *Cybor Corp. v. FAIS Techs., Inc.*, 138 F.3d 1448 (Fed. Cir. 1998)).

Moreover, Petitioner attempts to downplay its failed petition showing by asserting that the differences between Low's embodiments "are not material for purposes of the payment button and its application to Claim 11," contending that "[t]he 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." Reply, 12-13. However, the cited evidence fails to support Petitioner's assertion. Nowhere in Low's discussion of its first embodiment does it mention a payment button (like it does with its second embodiment). See EX1005, 2:11-62. And Petitioner's citation to Dr. Neuman's declaration provides no analysis that "a POSA would understand" the first embodiment to include "a payment button." EX1003, ¶285. Instead, Dr. Neuman **exclusively** relies on Low's second embodiment and provides no discussion of its applicability to the first. *Id.*

Accordingly, Petitioner fails to satisfy its burden in showing that claim 11 is rendered obvious over Low, Arora, Freeny, and Casey.

VI. PETITIONER FAILS TO SATISFY ITS BURDEN IN SHOWING CLAIMS 1-20 ARE PATENT-INELIGIBLE

Petitioner's reply arguments fail to show that claims 1-20 are patent-ineligible. First, Petitioner fails to carry its burden in establishing that collateral estoppel applies to the '423 patent claims. Like the petition, Petitioner's reply fails to show the issues decided in the '614 PGR are identical to the issues of patent eligibility involved in this proceeding. Second, Petitioner also fails to carry its

burden on the merits. Despite Petitioner’s contentions that the petition identified the abstract idea “recited” in the claims, the petition materials fail to support this assertion. Moreover, Petitioner does not dispute that it supported its assertions that the claims recite elements that were well-known, routine, and conventional by relying on the petition’s anticipation and obviousness assertions. Thus, because Petitioner’s anticipation and obviousness case fails to show the claimed elements were known and conventional, Petitioner’s assertions regarding §101 likewise fail as unsupported.

A. Petitioner Fails to Establish Collateral Estoppel Applies

Petitioner concedes that “there are differences between the claims of the ’423 Patent and the ’614 Patent,” but Petitioner nevertheless contends “the issues of patentability are identical between these two sets of claims, and collateral estoppel should apply.” Reply, 13. However, as explained in the POR, it is Petitioner’s burden to identify the particular issues that were decided by the Board and establish that they are identical to the issues raised here. See POR, 34-39 (citing, in part, *ParkerVision, Inc. v. Qualcomm Inc.*, 116 F.4th 1354, 1357 n.4 (Fed. Cir. 2024) (“the party invoking collateral estoppel ... bears the burden of proving the identity of issues”)). As described below, Petitioner fails to meet that burden.

Petitioner concedes that claim 1 of the '423 patent requires identifying one or more payment units *based at least in part on an identifier*, while claim 1 of the '614 patent requires identifying payment units by detecting “predefined radio messages.” Reply, 14. Petitioner also does not dispute the POR’s showing that the specification treats these features as distinct and even describes the type of content recited in the '423 patent claim 1 as narrower than the predefined radio messages of the '614 patent claim 1. *See id.*; POR, 35-36. Instead, Petitioner only argues that “the Board found the ‘issue of patentability’ did not extend ‘beyond the judicial exception, i.e., the additional elements.’” Reply, 14 (quoting '614 PGR FWD, 37). But the cited portion of the Board’s decision does not mention an “issue of patentability” nor does Petitioner identify what the alleged issue is. As noted in the POR, the Board only opined on the impact of “predefined radio messages” to the §101 analysis. POR, 35-36. Although Petitioner attempts to analogize the Board’s prior findings addressing “predefined radio messages” to the distinct feature of *an identifier* (Reply, 14), it does not mean that **the same finding** has already been decided by the Board. There is no dispute that “predefined radio messages” are a different feature than what is claimed by the '423 patent. Thus, Petitioner fails to show that the Board’s findings necessarily decide the issue of patent eligibility of the '423 patent claims.

In addition, Petitioner further misrepresents the '423 patent's prosecution history by arguing that the Examiner's double-patenting rejection supports collateral estoppel as to patent-ineligibility. Reply, 14. This is wrong for several reasons. The Examiner's application of double-patenting was based on **obviousness**, not §101. See M.P.E.P. §804 ("It is important to note that the 'obviousness' analysis for 'obviousness-type' double-patenting is 'similar to, but not necessarily the same as, that undertaken under 35 U.S.C. 103.'). Indeed, despite finding the '423 patent claims "not patentably distinct" from the '614 patent claims, the Examiner also found the claims to be patent eligible under §101. EX1002, 193-94. Moreover, the Examiner never opined that **claim 1** of the '423 patent is materially indistinct from **claim 1** of the '614 patent, as Petitioner argues for collateral estoppel. See *id.*, 151-52.

Finally, *IronSource* does not support Petitioner's assertion that "collateral estoppel for §101" can be "applied on a limitation-by-limitation basis." Reply, 15 (citing *IronSource Ltd. v. Digital Turbine Inc.*, No. PGR2022-00053, 2024 WL 1098132, at *8 (PTAB Mar. 12, 2024)). The Board in *IronSource* merely concluded anticipation and obviousness issues were identical to those resolved in a prior proceeding because the presently challenged claims were broader (in contrast to here, where there is no such showing). The Board made no determination that collateral estoppel as to the issues of anticipation and obviousness applied to some

parts of a claim but not others (*i.e.*, the limitation-by-limitation approach Petitioner urges here). *See IronSource*, PGR2022-00053, Paper 58, 9-16. Furthermore, with respect to the Board’s determination that “Petitioner [wa]s precluded from challenging [the challenged claims] ... under section 101,” the Board only addressed whether the prior decision’s determination that the same petitioner had failed to show the previously challenged claims patent-ineligible was “essential to” the final judgment. *See id.*, 17-20. Again, the Board made no determination that collateral estoppel as to the issue of §101 eligibility applied to some parts of a claim but not others.

B. Petitioner Fails to Show that the Claims Recite an Abstract Idea

Petitioner acknowledges that, as reminded by the recent Office memorandum, it is not enough to establish that the claims involve the identified abstract idea, it must be shown that they recite it. Reply, 16. Petitioner contends it makes this showing at pages 78-79 of the petition. *Id.* But, these pages merely contend that claim 1 “is directed to the abstract idea of identifying a merchant and enabling completion of a purchase from the merchant.” Pet., 78. Petitioner does not point to any limitations that actually recite this abstract idea. *See* Pet., 78-79; Reply, 16. At best, Petitioner only asserts that the claim merely involves identifying a merchant and enabling completion of a purchase. This is insufficient

to satisfy Petitioner's burden under Step 2A, as highlighted by the Office's memorandum.

Moreover, Petitioner unconvincingly dismisses the POR's rebuttal of the petition's assertion that claim 1 of the '423 patent "can be performed by a human in the mind or via oral, or written communication with a merchant." POR, 42-46 (citing Pet., 78). In particular, Petitioner asserts that PayRange's arguments "read in" specific embodiments disclosed in the '423 patent, but this misses the point. Reply, 16-17. PayRange is not contending that the "exact examples" disclosed in the '423 patent specification should be read into the claims. *Id.* Instead, as Petitioner's own expert acknowledged, the claims are generally directed to the manual mode, which require user interaction with the mobile device. *See* EX2010, 58:3-60:10. While Petitioner takes issue with the POR's discussion of certain examples described in the specification, the POR also identifies **specific claim limitations** that reflect specific features on a mobile device that a user must interact with to perform the recited method. POR, 44-45. Petitioner provides no evidence or explanation as to how these particular limitations "can easily be performed in the human mind." Reply, 16-17.

Finally, regarding the petition's failure to analyze the claim as a whole in assessing whether the claims integrate the judicial exception into a practical application, Petitioner contends "[t]he Petition 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.” Reply, 17 (citing Pet., 82). Thus, Petitioner takes the facially indefensible position that the challenged claims preempt the entire idea of identifying a merchant and enabling completion of a purchase from that merchant. What’s more, this is precisely what the Office identifies as improper analysis. Reminders on 101 at 3-4 (“the additional limitations should not be evaluated in a vacuum, completely separate from the recited judicial exception”). As noted in the POR, this is material. As Dr. Neuman agreed, the claim recites limitations that interact with one another to recite a user interface that provides an ordered combination of functionality and interactivity on a mobile device, which demonstrates that the claim, as a whole, recites limitations that work together to meaningfully limit any judicial exception to a particular practical application. POR, 48-49. Petitioner has no response to this rebuttal evidence.

C. Petitioner Fails to Show that the Claims Recite Well-Known, Routine, and Conventional Elements

Petitioner confirms that the petition relied on “the prior art cited in the obviousness analysis as examples of how the limitations are well-known, routine, and conventional” as the backbone of Step 2B in its §101 analysis. Reply, 18. PayRange’s showing that the prior art fails to teach such limitations is thus

determinative of Petitioner's §101 assertions and further demonstrates Petitioner's failure to meet its burden in establishing the patent-ineligibility of the claims.

Petitioner additionally argues that “Dr. Miller acknowledged that each of the hardware elements recited in Claim 1 were known prior to the '423 Patent” and “also acknowledged that each recited step is a function performed by the generic mobile device.” Reply, 18-19. Petitioner's arguments essentially suggest that, because mobile devices were already known, any mobile device interface is necessarily ineligible. But the claims recite specific hardware and software features that provide for particular user interactivity, which Petitioner tried and failed to show was “well-known, routine, and conventional.” Asserting that mobile devices themselves were known does not end the analysis. *See Berkheimer v. HP Inc.*, 881 F.3d 1360, 1369 (Fed. Cir. 2018) (“Whether a particular technology is well-understood, routine, and conventional goes beyond what was simply known in the prior art.”).

Petitioner's reliance on its obviousness analysis and erroneous assertions regarding the prior art's disclosure also carries over to the dependent claims. Reply, 20-22. Despite Petitioner's assertions to the contrary, the prior art does not evidence that limitations recited in the dependent claims were known at all, let alone “well-known, routine, and conventional.” As such, Petitioner also fails to meet its burden under Step 2B with respect to the dependent claims.

VII. CONCLUSION

Accordingly, for at least the reasons set forth above, Petitioner fails to meet its burden of establishing the unpatentability of claims 1-20 of the '423 patent.

Respectfully submitted,

Date: April 10, 2026

/ Matthew A. Argenti /
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CERTIFICATE OF COMPLIANCE

Pursuant to §42.24(d), the undersigned certifies that this paper contains no more than 5,600 words, not including the portions of the paper exempted by §42.24(c). According to the word-processing system used to prepare this paper, the paper contains 4941 words.

Respectfully submitted,

Date: April 10, 2026

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CERTIFICATE OF SERVICE

I certify that the foregoing Patent Owner's Surreply was served on this 10th day of April, 2026, on the Petitioner at the following electronic service addresses:

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