

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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ALLIANCE LAUNDRY SYSTEMS, LLC,  
Petitioner,

v.

PAYRANGE LLC,  
Patent Owner.

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IPR2025-00573  
Patent 11,481,772 B2

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Before KEN B. BARRETT, MEREDITH C. PETRAVICK, and  
GEORGE R. HOSKINS, *Administrative Patent Judges*.

PETRAVICK, *Administrative Patent Judge*.

DECISION  
Denying Institution of *Inter Partes* Review  
*35 U.S.C. § 314*

I. INTRODUCTION

*A. Background and Summary*

Alliance Laundry Systems, LLC (“Petitioner”) filed a Petition requesting *inter partes* review of claims 7 and 11 of U.S. Patent No. 11,481,772 B2 (Ex. 1001, “the ’772 patent”). Paper 1 (“Pet.”). PayRange LLC (“Patent Owner”) then filed a Preliminary Response. Paper 8 (“Prelim.

Resp.”). The Director denied Patent Owner’s request for discretionary denial of the Petition and referred the Petition to this panel for a decision on the merits. Paper 9.

Under 35 U.S.C. § 314(a), an *inter partes* review may not be instituted unless the information presented in the petition “shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.”

After considering the Petition, the Preliminary Response, and the evidence of record, we determine the information presented fails to show a reasonable likelihood that Petitioner would prevail in establishing the unpatentability of at least one of the challenged claims of the ’772 patent. Accordingly, we do not institute an *inter partes* review of claims 7 and 11 of the ’772 patent on the grounds asserted in the Petition.

#### *B. Real Parties in Interest*

Petitioner identifies itself, Alliance Laundry Systems, LLC as the real party-in-interest. Pet. 72.

Patent Owner identifies itself, PayRange LLC as the real party-in-interest. Paper 3, 1.

#### *C. Related Matters*

The parties identify several proceedings as possibly related to the present case. See Pet. 2–6; Paper 3, 1–3. Of note, is *CSC ServiceWorks, Inc. v. PayRange Inc.*, IPR2023-01449 and *KioSoft Techs., LLC and TechTrex, Inc. v. PayRange Inc.*, PGR2023-00042, both concerning the ’772 patent.

In IPR2023-01449, the Petitioner challenged claims 1–6 and 8–20 of the '772 patent and, prior to institution, Patent Owner disclaimed claims 1–6, 8–10, and 12–20, leaving claim 11 as the remaining challenged claim. The Board instituted trial for claim 11 based upon grounds that differ from the grounds here. IPR2023-01449, Paper 14. After institution, IPR2023-01449 terminated due to settlement. IPR2023-01449, Paper 18.

PGR2023-00042 terminated due to settlement prior to institution. PGR2023-00042, Paper 9.

#### *D. The '772 Patent*

The '772 patent, titled “Method and System for Presenting Representations of Payment Accepting Unit Events,” describes “a mobile-device-to-machine payment processing system for processing transactions over a non-persistent network connection.” Ex. 1001, code (54), 5:62–65. This system may include a “payment accepting unit” — that is, “equipment that requires payment for the dispensing of products and/or services,” such as a vending machine. *Id.* at 1:54–58.

A mobile application on the mobile device “automatically connects to the payment accepting unit” via a short-range radio communication such as Bluetooth “when the user is within range” of the unit. *Id.* at 7:15–18, 9:65–10:11. In a “manual mode,” the application causes the mobile device to display the user’s “prepaid balance” on the mobile device’s touch screen, which “the user ‘swipes’ to transfer payment to the payment accepting unit.” *Id.* at 7:9–29, 19:39–47.

The '772 patent describes the manual mode as follows:

Manual (Swipe-to-Pay) Mode: Using a “swipe-to-pay” feature (or just “swipe”) refers to a user’s action implemented on

his/her mobile device 150 where he/she quickly brushes his/her finger (or other pre-determined interaction) on the mobile device's touch screen 152 (FIGS. 10A-10D) or other input devices associated with the mobile device 150. From the user's perspective, when the user is within range, a pre-installed mobile application 140 automatically connects to the payment accepting unit 120 (e.g., a vending machine). The mobile application 140 might display (on the touch screen 152) a prepaid balance that the user "swipes" to transfer payment to the payment accepting unit 120. The user could observe the transferred funds on the touch screen 152 of the mobile device 150 and/or on the display 122, 124 (FIG. 19) of the payment accepting unit 120. The transaction is completed just as if cash was inserted in the machine 120 with the user inputting his selection on the payment accepting unit 120 and the payment accepting unit 120 dispensing the product or service. After the selection is made, the change is returned to the mobile device 150 and this may be shown on the touch screen 152 of the mobile device 150.

*Id.* at 7:9–29.

The "swipe" is shown, for example, in Figures 10C and 10D of the '772 patent, reproduced one above the other below.

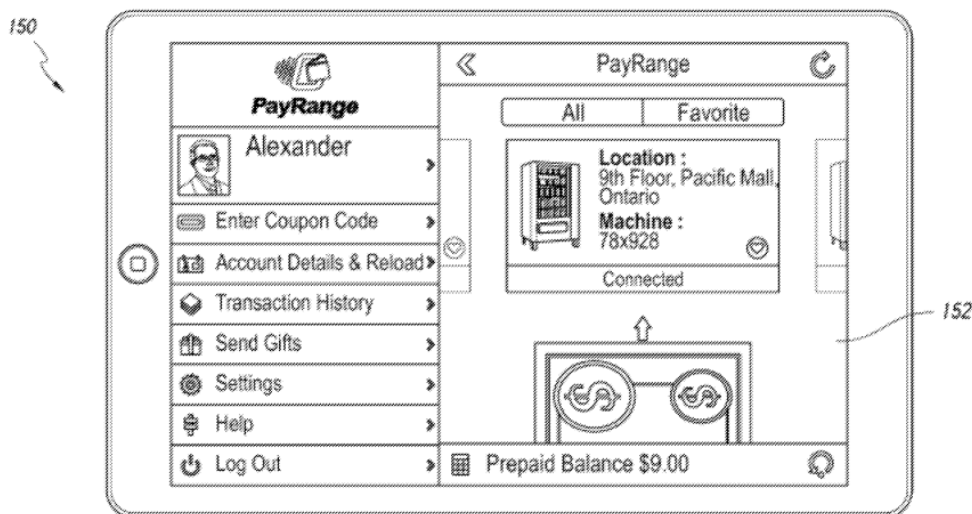
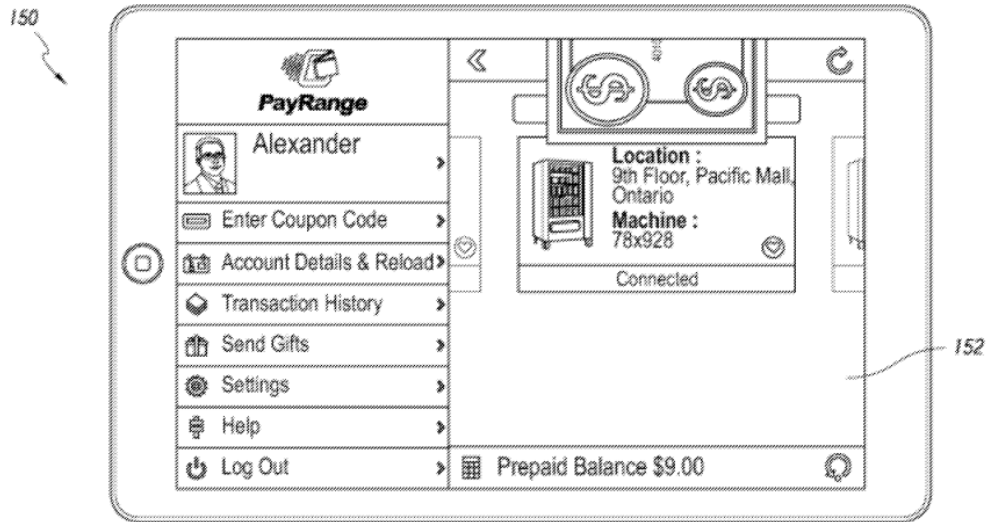


Figure 10C



**Figure 10D**

Figures 10C and 10D show mobile device 150 including a user interface (i.e., touch screen 152) controlled by a mobile application. *See id.* at 4:43–47, 36:37–46. Figure 10C shows the user interface including “a visual indication of the payment accepting unit 120 (e.g., a picture and/or a payment accepting unit ID of the payment accepting unit 120) for visual confirmation,” wherein “the user can manually change the payment accepting unit 120.” *Id.* at 24:51–57. Figures 10C and 10D also show how:

the user of the mobile device 150 initiates a transaction with the machine 120 (e.g., vending machine 78x928) by performing a swipe gesture at a location corresponding to the representation of the dollar bill (e.g., a substantially vertical swipe gesture from a location corresponding to the representation of the dollar bill to the top edge of the mobile device 150).

*Id.* at 36:37–44, Figs. 10C–10D.

*E. Illustrative Claims*

Petitioner challenges claims 7 and 11 of the '772 patent. Claims 7 and 11 depend from claim 1. Claims 1, 7, and 11 are reproduced below.

1. A method of presenting representations of payment accepting unit events, comprising:

at a mobile device with one or more processors, memory, one or more output devices including a display, and one or more radio transceivers:

identifying one or more payment accepting units in proximity to the mobile device that are available to accept payment from a mobile payment application executing on the mobile device, the identifying based at least in part on an identifier corresponding to the one or more payment accepting units, wherein the one or more payment accepting units are payment operated machines that accept payment for dispensing of products and/or services;

displaying a user interface of the mobile payment application on the display of the mobile device, the user interface being configured to display a visual indication of the one or more payment accepting units and accept user input to (i) receive selection by a user of the mobile device of an available payment accepting unit of the one or more payment accepting units and (ii) trigger payment by the mobile payment application for a transaction initiated by the user of the mobile device with the available payment accepting unit of the one or more payment accepting units;

establishing via the one or more radio transceivers a wireless communication path including the mobile device and the available payment accepting unit of the one or more payment accepting units;

after establishing the wireless communication path, enabling user interaction with the user interface of the mobile payment application to complete the transaction;

exchanging information with the available payment accepting unit via the one or more radio transceivers, in conjunction with the transaction; and

after exchanging the information, displaying, on the display, an updated user interface of the mobile payment application to the user of the mobile device.

7. The method of claim 1, wherein the mobile device includes an accelerometer and the method further comprises:

based on data from the accelerometer, determining whether the user is walking away from the available payment accepting unit; and

in accordance with a determination that the user is walking away from the available payment accepting unit, canceling the wireless communication path.

11. The method of claim 1, wherein the user interface of the mobile payment application, after establishing the wireless communication path, includes:

a visual representation of the available payment accepting unit;

an indication of a prepared balance; and

an affordance that when slid, indicates the initiation of the transaction;

wherein the affordance is slid in response to receiving a user input of swipe on the affordance displayed on the display of the mobile device.

Ex. 1001, 47:2–41, 47:66–48:6, 48:21–31.

*F. Evidence*

<b>Name</b>	<b>Reference</b>	<b>Date</b>	<b>Exhibit</b>
Low	U.S. Patent No. 10,210,501 B2	Issued Feb. 19, 2019	1005
Arora	U.S. Patent No. 9,898,884 B1	Issued Feb. 20, 2018	1006
Freeny	U.S. Patent No. 8,958,846 B2	Issued Feb. 17, 2015	1007
Casey	U.S. Patent No. 8,255,323 B1	Issued Aug. 28, 2012	1008

In support of its patentability analysis, Petitioner relies on the Declaration of Dr. B. Clifford Neuman. Ex. 1003.

*G. Asserted Grounds*

Petitioner asserts that claims 7 and 11 would have been unpatentable on the following grounds:

<b>Claim(s) Challenged</b>	<b>35 U.S.C. §</b>	<b>Basis</b>
7	103	Low, Arora
11	103	Low, Arora, Freeny, Casey

II. ANALYSIS

*A. Legal Standards*

Petitioner bears the burden of persuasion to prove unpatentability of the claims challenged in the Petition, and that burden never shifts to Patent Owner. *Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015).

A patent claim is unpatentable under 35 U.S.C. § 103 if the differences between the claimed invention and the prior art are such that the claimed invention, as a whole, would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said

claimed invention pertains. *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including: (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of skill in the art; and (4), if present, any objective evidence of obviousness or non-obviousness. *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966). There is no objective evidence of obviousness or non-obviousness in the record here.

In analyzing the obviousness of a combination of prior art elements, it can be important to identify a reason that would have prompted one of skill in the art “to combine . . . known elements in the fashion claimed by the patent at issue.” *KSR*, 550 U.S. at 418. A precise teaching directed to the specific subject matter of a challenged claim is not necessary to establish obviousness. *Id.* Rather, “any need or problem known in the field of endeavor at the time of invention and addressed by the patent can provide a reason for combining the elements in the manner claimed.” *Id.* at 420. Accordingly, a party who petitions the Board for a determination of unpatentability based on obviousness must show that “a skilled artisan would have been motivated to combine the teachings of the prior art references to achieve the claimed invention, and that the skilled artisan would have had a reasonable expectation of success in doing so.” *In re Magnum Oil Tools Int’l, Ltd.*, 829 F.3d 1364, 1381 (Fed. Cir. 2016) (citations omitted).

#### *B. Level of Ordinary Skill in the Art*

Petitioner contends a person having ordinary skill in the art (“POSA”) pertaining to the ’772 patent “would have had an educational background of,

or practical experience equivalent to, a bachelor’s degree in electrical engineering, computer engineering, computer science, or equivalent training, and approximately three years of experience with electronic payment systems, vending machine technologies, or distributed network systems.” Pet. 19–20; Ex. 1003 ¶¶ 20–26. “Lack of work experience can be remedied by additional education, and vice versa.” Pet. 20; Ex. 1003 ¶ 22.

Patent Owner does not oppose Petitioner’s formulation of ordinary skill. *See* Prelim. Resp. *generally*.

On this record, we adopt Petitioner’s assessment of the level of ordinary skill in the art as it is consistent with the ’772 patent and the asserted prior art. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001).

### C. Claim Construction

In this *inter partes* review, we apply the same claim construction standard that would be used in a civil action under 35 U.S.C. § 282(b). 37 C.F.R. § 42.100(b). In applying this standard, we generally give claim terms their ordinary and customary meaning as would be understood by a person of ordinary skill in the art at the time of the invention and in the context of the entire patent disclosure. *See id.*; *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312–14 (Fed. Cir. 2005) (en banc).

We do not need to construe any terms expressly to determine whether or not to institute a trial. *See Realtime Data LLC v. Iancu*, 912 F.3d 1368, 1375 (Fed. Cir. 2019) (“The Board is required to construe ‘only those terms . . . that are in controversy, and only to the extent necessary to resolve the controversy.’” (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999))).

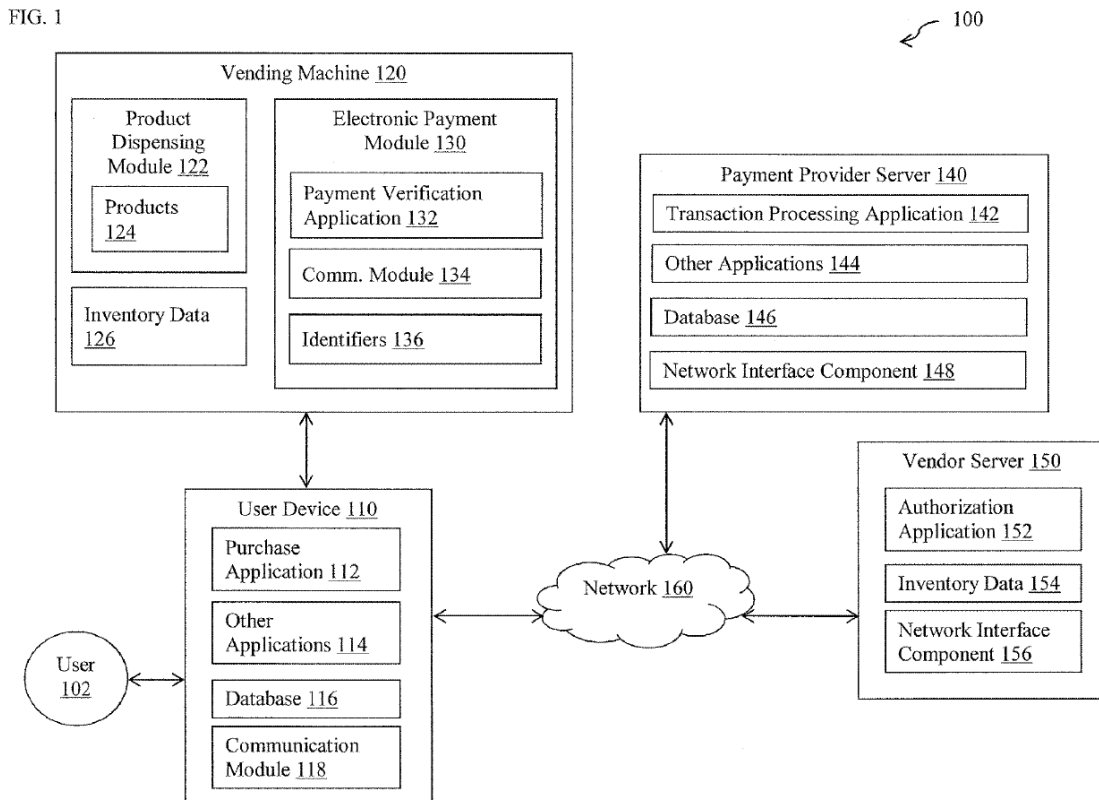
*D. Ground 1 — Claim 7 over Low and Arora*

*1. Summary of Low*

Low is titled “Electronic Payments to Non-Internet Connected Devices Systems and Methods.” Ex. 1005, code (54).

Low describes how a user device such as a smart phone may be utilized to make wireless electronic payments for purchases at a non-Internet connected machine (“NICM”) such as a vending machine. *See id.* at code (57), 1:17–19, 2:11–20.

Figure 1 of Low is reproduced below.



Low’s figure 1 depicts a block diagram of Low’s networked system 100. *Id.* at 1:52–54, 2:63–3:2. System 100 includes user device 110 in wireless communication such as via Bluetooth with vending machine 120 (i.e., a NICM), and also in communication with payment provider server 140

and vendor server 150 through network 160 such as the Internet. *Id.* at 2:11–16, 3:18–25, 4:57–64, 8:48–52. User device 110 has purchase application 112 providing an interface that permits user 102 to select, purchase, and dispense products for sale at vending machine 120. *Id.* at 3:49–51, 3:57–63.

Figure 3 of Low is reproduced below.

FIG. 3

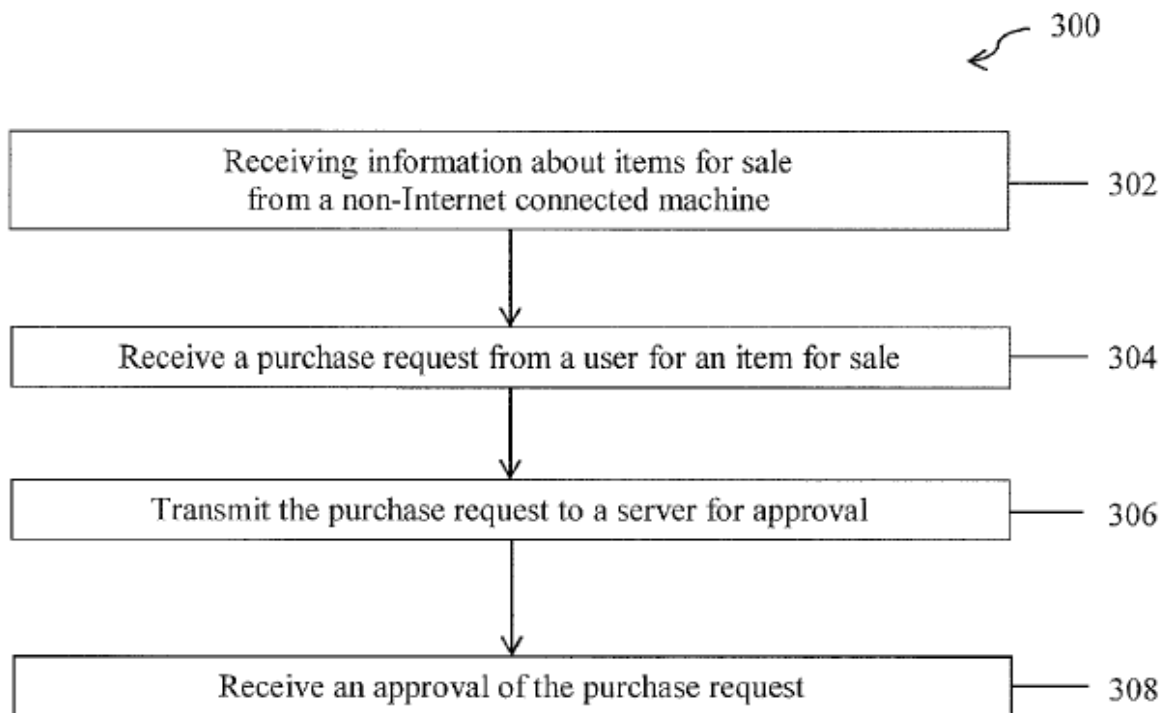


Figure 3 of Low is a flowchart illustrating an exemplary method 300 for user device 110 to make an electronic payment to vending machine 120. *See id.* at 1:59–61, 10:1–5. In step 302, communication module 118 of user device 110 wirelessly connects to communication module 134 of vending machine 120. *See id.* at 10:5–14, 11:36–43. User device 110 then receives information about items for sale from vending machine 120, along with

“information corresponding to vending machine 120, such as a machine identifier.” *Id.* at 10:5–7, 10:14–17, 11:36–43.

In step 304, user 102 utilizes user device 110 and/or vending machine 120 to select a product to be purchased from vending machine 120. *See id.* at 10:18–34 (“For example, user 102 may utilize user device 110 to view and select a product . . .”), 11:43–55.

In step 306, user device 110 transmits a purchase request to payment provider server 140 that: includes the machine identifier of vending machine 120; identifies the product to be purchased; identifies a funding source for the purchase; and provides other information. *See id.* at 10:34–44, 11:56–63. Payment provider server 140 processes the purchase request and, if it is approved, in step 308 the server transmits to user device 110 an approval message including a payment authorization. *See id.* at 10:44–61, 11:64–12:8. User device 110 utilizes the payment authorization to cause vending machine 120 to dispense the purchased product. *See id.* at 10:57–61, 12:9–12.

2. *Summary of Arora*

Arora is titled “Method and System of Personal Vending.” Ex. 1006, code (54). Figure 1 of Arora is reproduced below.

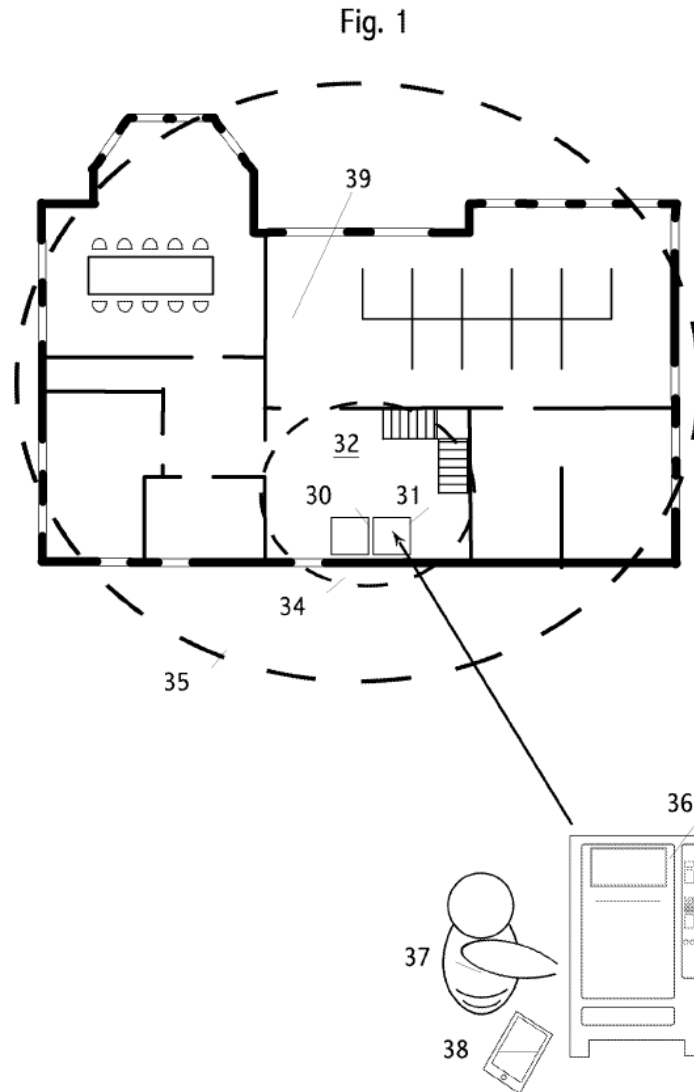


Figure 1 depicts an exemplary system configured as two vending machines on the floor of a private company, with two transaction distances. *Id.* at 11:44–46. Dashed line 34 shows a “within sight” distance in which a user can directly see at least one of vending machines 30, 31. *Id.* at 12:54–57 Dashed line 35 shows a “potential buyer” distance in which a user is within a predetermined distance such as 200 ft. *Id.* at 12:57–13:5.

Arora's Figure 6 is reproduced below.

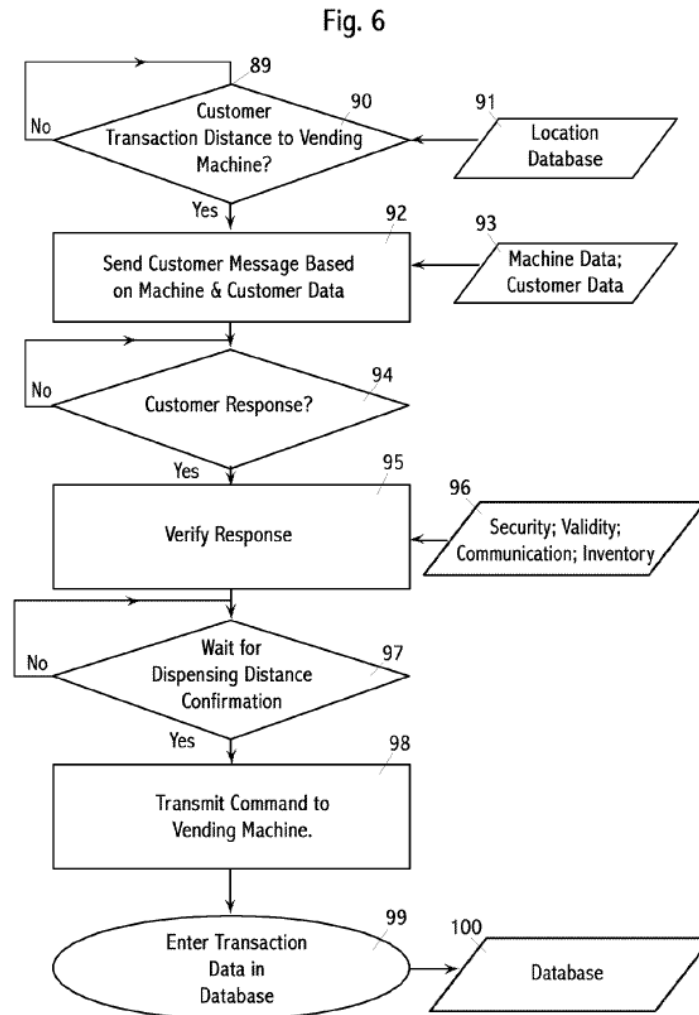


Figure 6 depicts a flowchart illustrating the steps a customer follows to purchase a product. *Id.* at 11:56, 18:37–40. The flowchart starts at step 89. *Id.* at 18:39. At step 90, the flowchart determines whether a customer is within a particular transaction distance of the vending machine using a vending machine location database. *Id.* at 18:39–42. Technologies, such as GPS, cellular geolocation, and inertial guidance may be used to determine a customer's location. *Id.* at 13:28–36. "Inertial guidance may use an accelerometer and other sensors" in the customer's device. *Id.* at 13:34–35. "When the customer [is] within the transaction distance, in step 92 a

message appropriate to the potential transaction is sent to the customer.” *Id.* at 18:44–47. Then the flowchart waits for a customer response, and if no response is received within a time out period, the flowchart returns to the start at step 89. *Id.* at 18:53–55.

If a response is received, the flowchart continues to steps 95, 97, 98, and 99 to conduct the transaction. *Id.* at 18:56–19:6. At step 95, the validity of the response is verified by, for example, whether it falls within predetermined bounds “such as time, location, product type or price.” *Id.* at 18:56–65. After validity is confirmed, the vending machine dispenses the product (step 98) when the user is confirmed to be in the dispensing distance (step 97) and the transaction is recorded in a database (step 99). *Id.* at 18:67–19:6.

### 3. *Analysis*

Claim 7 recites:

7. The method of claim 1, wherein the mobile device includes an accelerometer and the method further comprises:

based on data from the accelerometer, determining whether the user is walking away from the available payment accepting unit; and

in accordance with a determination that the user is walking away from the available payment accepting unit, canceling the wireless communication path.

Petitioner relies upon Arora to teach the additional limitations recited by claim 7. *See e.g.*, Pet. 35. Petitioner points to Arora’s mention of “inertial guidance” using an accelerometer to meet claim 7’s step of determining whether the user is walking away from the available payment accepting unit. *Id.* at 35 (citing Ex. 1006, 13:28–35, 26:65–27:6), 39. Petitioner also points to Arora’s teaching of determining a customer’s location relative to vending machines and a defined transaction distance.

*See id.* Petitioner asserts: “A POSA would understand ‘inertial guidance’ to mean determining the location and trajectory of the user device, including whether the user (e.g., the user in possession of the user device) is walking away from the vending machine.” *Id.* at 39 (citing Ex. 1003 ¶¶ 111–114).

Patent Owner argues that the Petition does not provide sufficient evidence to conclude that “Arora’s description of determining a user’s location relative to a machine (and thus, the ‘transaction distance’) means that Arora discloses determining whether the user is walking away from the vending machine.” Prelim. Resp. 20.

Patent Owner’s argument is persuasive. Arora does not explicitly disclose determining whether the user is walking away from the vending machine. *See generally* Ex. 1006. And, Dr. Neuman’s testimony does not persuade us that Arora’s disclosures “encompass” this limitation. Ex. 1003 ¶ 114.

Petitioner’s expert Dr. Neuman points to certain teachings of Arora and concludes that Arora “clearly encompasses determining whether the customer is walking away from the machine.” *Id.* ¶¶ 110–115. Dr. Neuman first cites Arora’s disclosure of determining the customer’s location through, among other methods, inertial guidance using an accelerometer in the customer’s personal electronic device. *Id.* ¶ 111 (citing Ex. 1006, 13:28–35.)

The cited disclosure of Arora states:

Determining customer 17 location may use one or more technologies, including GPS 11, cellular geolocation 15, LAN identification from access points such as 22 and 20, inertial guidance, vision based location determination, RFID, badge reading (not shown in FIG. 2), NFC 21, manual location entry by the customer, 17, and other technologies. Inertial guidance may

use an accelerometer and other sensors in customer 17's personal electronic device 18.

Ex. 1006, 13:28–35, Fig. 2. Dr. Neuman then cites Arora's disclosure of determining whether a customer is within a transaction distance in order to send the customer a message. Ex. 1003 ¶¶ 111–113 (citing Ex. 1006, 18:37–58, Fig. 6). Referring to the steps of Arora's Figure 6 (reproduced above), the cited disclosure of Arora states:

In determination and waiting step 90, it is determined whether or not a customer is within a particular transaction distance of a particular vending machine or vending group. Transaction distances are discussed elsewhere, herein. A vending machine location database, 91, is used as part of this determination. When the customer [is] within the transaction distance, in step 92 a message appropriate to the potential transaction is sent to the customer. . . . In step 94 the embodiment waits for a customer response. If no response is received within a timeout period (not shown), the flowchart restarts at 89.

Ex. 1006, 18:39–55. Dr. Neuman finally cites Arora's disclosure of verifying a transaction. Ex. 1003 ¶ 113 (citing Ex. 1006 18:57–64). The cited passage of Arora states:

When a timely response has been received, step 95 verifies the validity of the response. There are many ways to verify validity, as those trained in the art know. For example, the message may be encrypted; contain a password; contain a communications checksum or hash; fall within predetermined bounds such as time, location, product type or price; use a secure element within a personal electronic device; use a third party to determine validity or any combination of these or other means.

Ex. 1006, 18:57–64.

We do see how these disclosures of Arora, individually or together, “clearly encompasses determining whether the customer is walking away from the machine,” as Dr. Neuman testifies. Ex. 1003 ¶ 114. At most, the

cited passages disclose that the customer location, determined through inertial guidance, is used to determine whether the customer is within a transaction distance in order to send a message and, separately, is used to verify a transaction. These disclosures do not adequately show that Arora's method includes determining whether the user is walking away from the available payment accepting unit. And, Dr. Neuman's testimony provides no adequate explanation to support the conclusion that Arora does. *See* Ex. 1003 ¶¶ 110–114.

The Petition fails to show sufficiently that Arora teaches all of the additional elements of claim 7. Petitioner, thus, fails to meet its burden to show a reasonable likelihood that claim 7 is unpatentable under 35 U.S.C. § 103 over Low and Arora.

*E. Ground 2 — Claim 11 over Low, Arora, Freeney, and Casey*

*1. Summary of Freeney*

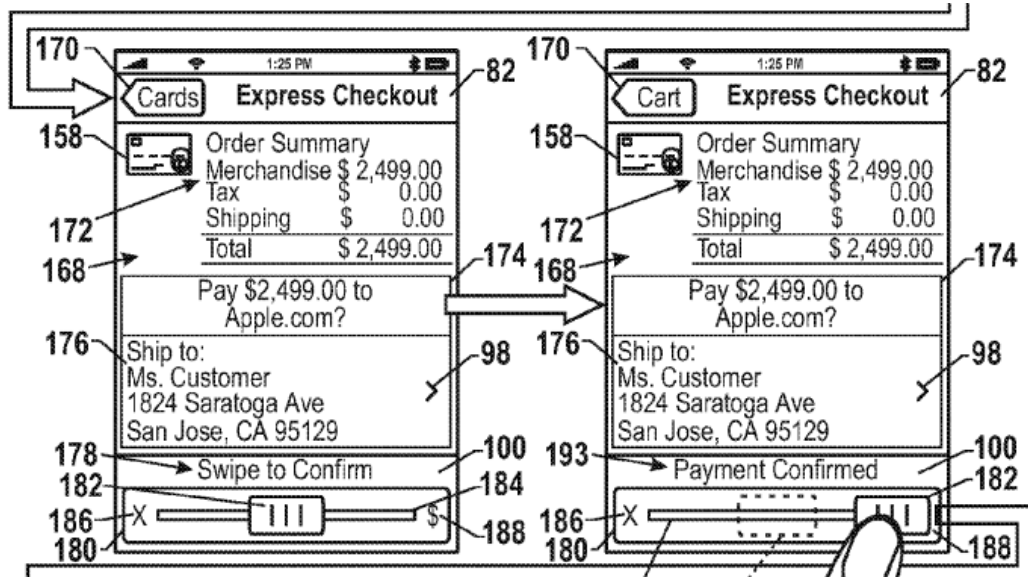
Freeney is titled “Communication and Proximity Authorization Systems.” Ex. 1007, code (54). Freeney describes how a customer's wireless device (e.g., a digital phone) may require finger print or video authorization to perform various control functions such as “control[ling] a customer bank balance request after the customer is connected to their bank.” *Id.* at 9:15–35. Freeney additionally provides a “proximity authorization unit [that] can operate just like a smart card with the approved credit amount stored in the proximity authorization unit,” wherein “the amount can be checked at any time by the user . . . by accessing his account.” *Id.* at 37:58–38:14

*2. Summary of Casey*

Casey is titled “Motion Based Payment Confirmation.” Ex. 1005, code (54). Casey discloses an electronic device having a graphical user

interface with “one or more graphical elements that may be moved by a user to confirm or decline a payment transaction.” *Id.* at code (57).

An excerpt of Casey’s figure 5 is reproduced below.



Excerpted figure 5 shows two views of confirmation screen 168, illustrating confirmation of an online shopping payment. *Id.* at 2:33–35, 13:24–26. Confirmation screen 168 includes order summary section 172 and display window 174 with selection bar 176 displaying shipping information. *Id.* at 13:16–35. Display window 174 also includes “a prompt asking a user to confirm the payment transaction.” *Id.* at 13:36–37.

Instructions 178 located in the lower summary bar 100 may prompt the user to move a graphical element 180 to confirm the payment transaction. The depicted graphical element 180 includes a slide bar 182 that may be moved to the right or to the left using the touch screen 54 (FIG. 2). The slide bar 182 may slide along a track 184 between a decline position 186 and confirmation position 188. Specifically, a user may drag the slide bar to the left to the decline position 186 to decline the payment or the user may drag the slide bar 182 to the right to the confirmation position 188 to confirm the payment transaction.

*Id.* at 13:41–51.

3. *Analysis*

Claim 11 depends from claim 1 and additionally recites that the user interface includes:

an affordance that when slid, indicates the initiation of the transaction;

wherein the affordance is slid in response to receiving a user input of swipe on the affordance displayed on the display of the mobile device.

Ex. 1001, 48:27–31.

To teach the claimed affordance, Petitioner combines Low with Casey. Pet. 42–43, 48–49, 55–57. Petitioner first points to Low’s disclosure of a user selecting a payment button or option on the user’s device. Pet. 41 (citing Ex. 1005, 2:46–49), 55. Petitioner acknowledges that the user interface of Low’s purchase application 112 does not explicitly have an affordance that when slid, indicates the initiation of the transaction. Pet. 42; *see also id.* at 55. Petitioner points to Casey, stating that Casey discloses “a slide bar 182 whereby ‘a user may drag the slide bar to the left to the decline position 186 to decline payment or the user may drag the slide bar 182 to the right to the confirmation position 188 to confirm the payment transaction.’” Pet. 42–43 (quoting Ex. 1008, 13:44–51). Petitioner asserts that “[a] POSA would understand that the user interface of *Low* can include any suitable graphical user interface elements responsive to any suitable user inputs, such as taps, swipes, or other gestures” and thus “[a] POSA would have found it obvious to modify *Low/Aurora/Freeny* with *Casey* because, as just one example, a graphical user interface element that can be slid in response to a user input of a swipe represents one of a finite number of identified, predictable solutions, with a reasonable expectation of success.” Pet. 48; *see also id.* at 55–56.

Patent Owner responds:

[A]ccording to Petitioner, the payment button disclosed by Low satisfies, on the one hand, means to trigger payment for a transaction that has been initiated by the user [as recited by claim 1], while, on the other hand, also provides an affordance that indicates the initiation of the transaction [as recited by claim 1]. However, the petition does not explain how the same payment button interaction can both serve to indicate the initiation of a transaction and trigger payment for the initiated transaction, nor does the petition even acknowledge this apparent contradiction.

Prelim. Resp. 34–35 (emphasis omitted). In other words, Patent Owner contends that Low’s payment button does not indicate initiation of a transaction but instead triggers a payment for an already initiated transaction.

We find Patent Owner’s argument persuasive. Low discloses:

The user device transmits a user identifier to the machine for display. During display of the user identifier, the user can then select one or more items for purchase from the machine. The machine then transmits a purchase request, such as a product name, product price, product code, a machine identifier, and/or a transaction number back to the user device. The user device displays the purchase request and, if the information is correct, the user selects a payment button or option on the user device, which communicates the payment request to a payment provider. . . . The user device may then communicate the purchase authorization to the machine, which may decrypt the information and dispense the purchased items(s) associated with the transaction number.

Ex. 1005, 2:40–62. As can be seen from the passage above, Low’s payment button is selected after the initiation of the transaction. Low’s transaction may reasonably be considered to be initiated when the user makes product selections and the machine transmits the purchase request with the

transaction number to the user device.<sup>1</sup> For example, Petitioner asserts that “the transaction” encompasses dispensing of the purchased item(s). *See* Pet. 28–29, 56. That transaction is “initiated” per claim 11 at the latest when the user selects the item(s) to be purchased. Low’s transaction, thus, is initiated prior to the user selecting the payment button to trigger payment.

The Petition does not sufficiently explain how pressing Low’s payment button to trigger payment, indicates initiation of Low’s transaction. The Petition relies upon Casey to teach an affordance that slides when swiped and does not rely upon Casey to cure this deficiency of Low. Pet. 48–49, 56–57. Petitioner, thus, fails to meet its burden to show a reasonable likelihood that claim 11 is unpatentable under 35 U.S.C. § 103 over Low, Arora, Freeney, and Casey.

### III. CONCLUSION

The Petition fails to establish a reasonable likelihood that at least one of claims 7 and 11 of the ’772 patent is unpatentable.

Accordingly, we do not institute *inter partes* review.

### IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition is *denied* and no trial is instituted.

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<sup>1</sup> Claim 11 refers back to “the transaction” recited in parent claim 1. Ex. 1001, 48:27–28. Claim 1 in turn simply recites “a transaction initiated by the user of the mobile device with the available payment accepting unit of the one or more payment accepting units.” *Id.* at 47:24–27.

IPR2025-00573  
Patent 11,481,772 B2

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