

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE
FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE
UNITED STATES PATENT AND TRADEMARK OFFICE

USAA FEDERAL SAVINGS BANK,
Petitioner,

v.

PACID TECHNOLOGIES, LLC,
Patent Owner.

IPR2025-00697 (Patent 9,577,993 B2)
IPR2025-00751 (Patent 9,876,771 B2)
IPR2025-00752 (Patent 10,044,689 B2)
IPR2025-00753 (Patent 10,171,433 B2)
IPR2025-00754 (Patent 10,484,344 B2)
IPR2025-00755 (Patent 11,070,530 B2)

Before COKE MORGAN STEWART, *Acting Under Secretary of
Commerce for Intellectual Property and Acting Director of the United States
Patent and Trademark Office.*

DECISION
Referring the Petitions to the Board

IPR2025-00697 (Patent 9,577,993 B2)
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PACid Technologies, LLC (“Patent Owner”) filed a request for discretionary denial (Paper 7, “DD Req.”) in the above-captioned cases, and USAA Federal Savings Bank (“Petitioner”) filed an opposition (Paper 8, “DD Opp.”).¹

After considering the parties’ arguments and the record, and in view of all relevant considerations, discretionary denial of institution is not appropriate in these proceedings. This determination is based on the totality of the evidence and arguments the parties have presented.

In particular, the projected final written decision due date is October 17, 2026. DD Opp. 8. The district court has not yet scheduled a trial date, and the time-to-trial statistics suggest trial would not begin until February 8, 2027. *Id.* As such, it is likely that a final written decision in this proceeding will issue before the district court trial occurs, reducing the immediate concern of inconsistent outcomes or significant duplication of efforts.

Furthermore, the examiner allowed an ancestor patent with claims directed to a method for encrypting communications over certain prior art. *See* DD Opp. 3, 24. The claims of the challenged patents, on the other hand, are directed to user authentication. *See, e.g.,* Ex. 1001, 27:35–54. Despite the claims being directed to different technologies than the ancestor patent’s claims, the patent examiner allowed the claims of the challenged patents

¹ Citations are to papers in IPR2025-00697. The parties filed similar papers in IPR2025-00751, IPR2025-00752, IPR2025-00753, IPR2025-00754, IPR2025-00755.

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over the same prior art, directed to the encrypting communications technology. *See* Ex. 1002, 52–53. It appears that the Office erred in maintaining the same prior art discussed in the ancestor application during the prosecution of the child applications, even though the child applications are directed to different technologies, and it is an appropriate use of Office resources to review the potential error. *See* DD Opp. 19–21.

Although certain arguments are highlighted above, the determination not to exercise discretion to deny institution is based on a holistic assessment of all of the evidence and arguments presented. Accordingly, the Petitions are referred to the Board to handle the cases in the normal course, including by issuing a decision on institution addressing the merits and other non-discretionary considerations, as appropriate.

In consideration of the foregoing, it is:

ORDERED that Patent Owner’s request for discretionary denial is *denied*;

FURTHER ORDERED that the Petitions are referred to the Board;
and

FURTHER ORDERED that neither party shall file a request for rehearing or Director Review of this decision until the Board issues a decision on institution.

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