

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE LLC,

Petitioner,

v.

TELCOM VENTURES LLC,

Patent Owner.

Case No. IPR2025-01421
U.S. Patent No. 10,674,432

PATENT OWNER'S PRELIMINARY RESPONSE

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION	1
II. LEGAL STANDARD.....	3
III. BACKGROUND.....	4
A. The '432 Patent	4
B. <i>Barnett</i> (Ex. 1005).....	7
C. <i>Waters</i> (Ex. 1006).....	9
D. <i>White</i> (Ex. 1007).....	10
IV. CLAIM CONSTRUCTION.....	11
V. LEVEL OF ORDINARY SKILL IN THE ART	12
VI. THE DIRECTOR SHOULD NOT INSTITUTE <i>INTER PARTES</i>	
 REVIEW.....	13
A. Petitioner’s Ground 1 Fails Because the Claims Would Not	
Have Been Obvious in View of <i>Barnett</i> , <i>Waters</i> , and <i>White</i>	14
1. <i>Barnett-Waters-White</i> Does Not Disclose or Render	
Obvious “responsive to at least one physiological	
parameter having been sensed by at least one sensor of	
the smartphone, enabling a mode to communicate by the	
smartphone information requesting an authorization.”	14
i. <i>Barnett-Waters-White</i> Does Not Disclose or	
Render Obvious “responsive to at least one	
physiological parameter having been sensed by at	
least one sensor of the smartphone, enabling a	
mode to communicate by the smartphone	
information requesting an authorization.”	15
ii. A POSITA Would Not Have Been Motivated to	
Combine <i>Barnett</i> and <i>Waters</i>	19
iii. A POSITA Would Not Have Been Motivated to	
Combine <i>Barnett</i> , <i>Waters</i> , and <i>White</i>	25
iv. Petitioner Relies on Impermissible Hindsight.....	29
2. <i>Barnett-Waters-White</i> Does Not Disclose or Render	
Obvious “while the mode is enabled, transmitting by the	

smartphone first data to a first device, the first data
relating to a plurality of financial transactions to be
conducted.”31

VII. CONCLUSION33

TABLE OF AUTHORITIES

	Page(s)
CASES	
<i>Eon Corp. IP Holdings LLC v. Silver Spring Networks, Inc.</i> , 815 F.3d 1314 (Fed. Cir. 2016)	11, 12
<i>In re Magnum Oil Tools Int’l, Ltd.</i> , 829 F.3d 1364 (Fed. Cir. 2016)	3
<i>In re McLaughlin</i> , 443 F.2d 1392 (CCPA 1971)	31
<i>Iriusrisk, Inc. v. Threatmodeler Software Inc.</i> , No. IPR2023-00656, Paper 33, 50 (P.T.A.B. Oct. 2, 2024)	30
<i>Microsoft Corp. v. Secure Web Conf. Corp.</i> , IPR2014-00745, Paper 12 (P.T.A.B. Sept. 29, 2014)	3
<i>Phillips v. AWH Corp.</i> , 415 F.3d 1303 (Fed. Cir. 2005) (en banc)	12
<i>Sanofi-Aventis Deutschland GmbH v. Mylan Pharm. Inc.</i> , 66 F.4th 1373 (Fed. Cir. 2023)	25
<i>Sirona Dental Sys. GmbH v. Institut Straumann AH</i> , 892 F.3d 1349 (Fed. Cir. 2018)	4
<i>Synopsys, Inc. v. Mentor Graphics Corp.</i> , IPR2012-00041, Paper 16 (P.T.A.B. Feb. 22, 2013)	3
<i>InTouch Techs., Inc. v. VGO Commc’ns, Inc.</i> , 751 F.3d 1327 (Fed. Cir. 2014)	29
OTHER AUTHORITIES	
37 C.F.R. § 42.108(c)	3

LIST OF EXHIBITS

Exhibit Number	Description
2001	Interim Processes for PTAB Workload Management, Acting Director Memorandum (March 26, 2025) (https://www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf)
2002	Telcom Ventures’ Local Patent Rule 3.1 and 3.2 Disclosures, Served November 21, 2024
2003	Telcom Ventures’ Subpoena to Google, Served July 18, 2025
2004	Stipulated Protective Order for Non-Party Google, Dated September 11, 2025
2005	Third Amended Docket Control Order
2006	Order Denying Samsung’s Motion to Stay, Dated August 27, 2025
2007	Exhibit A13 to Samsung’s Invalidity Contentions
2008	Exhibit A16 to Samsung’s Invalidity Contentions
2009	Paul Hasting’s Notices of Appearance in the Samsung Litigation
2010	Declaration of Dr. Chuck Easttom
2011	<i>Curriculum Vitae</i> of Dr. Chuck Easttom
2012	Chiradeep BasuMallick, “What is NFC (Near Field Communication)? Definition, Working, and Examples” (Sept. 29, 2022), https://www.spiceworks.com/tech/networking/articles/what-is-near-field-communication/
2013	Liu et al., “Near-Field Communications: A Comprehensive Survey,” IEEE (June 2025)
2014	“The Creation of the NFC Forum and its Vision” (2011) https://cs.stanford.edu/people/eroberts/courses/cs181/projects/2010-11/NFCChips/nfcforum.html
2015	McHugh & Yarmey, “Near Field Communication: Introduction and Implication,” ERIC (2012)
2016	Coskun et al., “The Survey on Near Field Communication,” Sensors (June 5, 2015)

TABLE OF CLAIMS

Claim	Limitation
1[pre]	A method of operating a smartphone in performing a plurality of financial transactions, the method comprising:
1[a][i]	responsive to at least one physiological parameter having been sensed by at least one sensor of the smartphone,
1[a][ii]	enabling a mode to communicate by the smartphone information requesting an authorization;
1[b]	while the mode is enabled, transmitting by the smartphone first data to a first device, the first data relating to a plurality of financial transactions to be conducted;
1[c]	receiving by the smartphone second data from the first device responsive to said transmitting by the smartphone the first data, the second data relating to the plurality of financial transactions to be conducted and differing from the first data;
1[d]	performing a first transaction of the plurality of financial transactions by:
1[e]	detecting by the smartphone that a proximity condition is satisfied between the smartphone and a first entity, wherein the first entity is distinct from the first device;
1[f]	establishing, using a first air interface, a wireless short-range communications link between the smartphone and the first entity, in response to the proximity condition having been satisfied between the smartphone and the first entity;
1[g]	receiving, using the first air interface, a short-range signal from the first entity; and

Claim	Limitation
1[h]	responsive to receiving the short-range signal from the first entity, sending by the smartphone to the first entity over the first air interface, information associated with the second data received from the first device; and
1[i]	independent of performing said first transaction, receiving by the smartphone a communications service from a wireless network, using a second air interface that differs from the first air interface,
1[j]	wherein said transmitting by the smartphone first data and said receiving by the smartphone second data are performed over an air interface that differs from the first air interface.
2[pre]	The method of claim 1,
2[a]	wherein establishing the wireless short-range communications link between the smartphone and the first entity is performed responsive to at least one physiological parameter having been sensed by at least one sensor of the smartphone.
3[pre]	The method of claim 1,
3[a]	wherein sending by the smartphone to the first entity, information associated with the second data, is performed responsive to at least one physiological parameter having been sensed by at least one sensor of the smartphone.
4[pre]	The method of claim 1,
4[a]	wherein sending by the smartphone to the first entity, information associated with the second data, is performed responsive to a value of at least one parameter associated with the smartphone.
5[pre]	The method of claim 1, wherein the method further comprises:
5[a]	performing a second transaction of the plurality of financial transactions by:

Claim	Limitation
5[b]	detecting by the smartphone that a proximity condition is satisfied between the smartphone and a second entity, wherein the second entity is distinct from the first entity and is further distinct from the first device;
5[c]	establishing, using the first air interface, a wireless short-range communications link between the smartphone and the second entity, in response to the proximity condition having been satisfied between the smartphone and the second entity;
5[d]	receiving, using the first air interface, a short-range signal from the second entity; and
5[e]	responsive to receiving the short-range signal from the second entity, sending by the smartphone to the second entity over the first air interface, information associated with the second data received from the first device.
6[pre]	The method of claim 1,
6[a]	wherein said transmitting by the smartphone first data to a first device includes transmitting by the smartphone data relating to a request to pay for a transaction; and
6[b]	wherein said receiving by the smartphone second data from the first device includes receiving by the smartphone data relating to an acknowledgement and/or authorization of enabling a mode/function to pay for a transaction.
7[pre]	The method of claim 1, comprising:
7[a]	transmitting by the smartphone third data to a second device; the second device being distinct from the first device and further being distinct from the first entity; and
7[b]	receiving by the smartphone fourth data from the second device relating to an acknowledgement and/or authorization of enabling a mode/function to pay for a financial transaction,

Claim	Limitation
7[c]	wherein said transmitting by the smartphone third data to a second device and said receiving by the smartphone fourth data from the second device are performed over the air interface that differs from the first air interface.
8[pre]	The method of claim 1, wherein said operations further comprise:
8[a]	responsive to performing a financial transaction, causing data to be transmitted selectively to a plurality of predetermined devices and further causing data to be received selectively from said plurality of predetermined devices.
9[pre]	The method of claim 1,
9[a]	wherein the second air interface comprises an Orthogonal Frequency Division Multiplexed and/or an Orthogonal Frequency Division Multiple Access (OFDM/OFDMA) technology.
10[pre]	A smartphone that is configured to perform operations associated with a plurality of financial transactions; the operations comprising:
10[a]	responsive to at least one physiological parameter having been sensed by at least one sensor of the smartphone, enabling a mode to communicate by the smartphone information requesting an authorization;
10[b]	while the mode is enabled, transmitting first data to a first device as a precursor to performing the plurality of financial transactions; and
10[c]	receiving second data from the first device responsive to said transmitting the first data;
10[d]	performing a first financial transaction of the plurality of financial transactions by:
10[e]	detecting by the smartphone that a proximity condition is satisfied between the smartphone and a first entity, wherein the first entity is distinct from the first device;

Claim	Limitation
10[f]	establishing, using a first air interface, a wireless short-range communications link between the smartphone and the first entity, in response to the proximity condition having been satisfied between the smartphone and the first entity;
10[g]	receiving, using the first air interface, a short-range signal from the first entity; and
10[h]	responsive to receiving the short-range signal from the first entity, sending to the first entity over the first air interface, information based on the second data received from the first device; and
10[i]	independent of performing a transaction to pay for one or more items, receiving by the smartphone a communications service from a wireless network, using a second air interface that differs from the first air interface,
10[j]	wherein said transmitting first data and said receiving second data are performed over an air interface that differs from the first air interface.
11[pre]	The smartphone of claim 10,
11[a]	wherein establishing the wireless short-range communications link between the smartphone and the first entity is performed responsive to at least one physiological parameter having been sensed by at least one sensor of the smartphone.
12[pre]	The smartphone of claim 10,
12[a]	wherein sending by the smartphone to the first entity, information based on the second data, is performed responsive to at least one physiological parameter having been sensed by at least one sensor of the smartphone.
13[pre]	The smartphone of claim 10,
13[a]	wherein sending by the smartphone to the first entity, information based on the second data, is performed responsive to a value of at least one parameter associated with the smartphone.
14[pre]	The smartphone of claim 10, wherein the operations further comprise:

Claim	Limitation
14[a]	performing a second financial transaction of the plurality of financial transactions by:
14[b]	detecting by the smartphone that a proximity condition is satisfied between the smartphone and a second entity; wherein the second entity is distinct from the first entity and is further distinct from the first device;
14[c]	establishing, using the first air interface, a wireless short-range communications link between the smartphone and the second entity, in response to the proximity condition having been satisfied between the smartphone and the second entity;
14[d]	receiving, using the first air interface, a short-range signal from the second entity; and
14[e]	responsive to receiving the short-range signal from the second entity, sending by the smartphone to the second entity over the first air interface; information associated with the second data received from the first device.
15[pre]	The smartphone of claim 10,
15[a]	wherein said transmitting by the smartphone first data to a first device includes transmitting by the smartphone data relating to a request to pay for a transaction; and
15[b]	wherein said receiving by the smartphone second data from the first device includes receiving by the smartphone data relating to an acknowledgement and/or authorization of enabling a mode/function to pay for a transaction.
16[pre]	The smartphone of claim 10, wherein said operations further comprise:
16[a]	transmitting third data to a second device; the second device being distinct from the first device and further being distinct from the first entity; and

Claim	Limitation
16[b]	receiving by the smartphone fourth data from the second device relating to an acknowledgement and/or authorization of enabling a mode/function to pay for a financial transaction;
16[c]	wherein said transmitting by the smartphone third data to a second device and said receiving by the smartphone fourth data from the second device are performed over the air interface that differs from the first air interface.
17[pre]	The smartphone of claim 10, wherein said operations further comprise:
17[a]	responsive to performing a financial transaction, causing data to be transmitted selectively to a plurality of predetermined devices and further causing data to be received selectively from said plurality of predetermined devices.

I. INTRODUCTION

Telcom Ventures LLC (“Telcom Ventures” or “Patent Owner”) respectfully submits this Preliminary Response (“POPR”) requesting that the Board deny institution of the Petition for inter partes review (Paper 1, “Petition,” or “Pet.”) filed by Petitioner Google LLC (“Google” or “Petitioner”).

The Petition seeks inter partes review (“IPR”) of claims 1-17 (the “Challenged Claims”) of U.S. Patent No. 10,674,432 (“the ’432 Patent,” Ex. 1001). The Petition sets forth a single Ground with regard to the independent claims, claims 1 and 10. Pet., 4.¹ Specifically, Petitioner’s Ground 1 asserts that U.S. Patent Application Publication No. 2009/0170483 A1 to Barnett et al. (“*Barnett*”) (Ex. 1005), International Patent Publication No. WO 2006/087503 A1 to Waters et al. (“*Waters*”) (Ex. 1006), and U.S. Patent No. 7,434,723 to White et al. (“*White*”) (Ex. 1007) (collectively, the “*Barnett-Waters-White*” system/method) would have rendered each of the Challenged Claims obvious. *Id.* Petitioner identifies disparate, isolated, and inconsistent disclosures from all three references in developing a combination system that is then incorrectly applied to the claims. Petitioner draws

¹ Petitioner’s Ground 2 adds International Patent Publication No. 02/09005 A1 to Smith et al. (“*Smith*”) (Ex. 1018) to the *Barnett-Waters-White* combination, but does so only to challenge dependent claims 8 and 17. Pet., 4.

conclusions contrary to the references' teachings by heavily relying on gap filling and expert testimony in a failed attempt to reach the claimed inventions of the '432 Patent. Petitioner's three-reference obviousness ground based on *Barnett-Waters-White* fails for several reasons.

First, Petitioner's combined system fails because it does not teach or suggest "responsive to at least one physiological parameter having been sensed by at least one sensor of the smartphone, enabling a mode to communicate by the smartphone information requesting an authorization" of independent claim limitations 1[a] and 10[a]. Petitioner identifies a transmission—"consumer's phone sending a subscriber approval request . . . from the first communication device to a second communication device"—of *White* as disclosing the claimed "mode to communicate by the smartphone information requesting an authorization." Pet., 26. However, Petitioner improperly conflates the act of sending a transmission with the claimed "enabling a mode to communicate by the smartphone information requesting an authorization." Pet., 30. Further, a POSITA would not have been motivated to combine *Barnett*, *Waters*, and *White* as Petitioner suggests. Petitioner's reasons for combining *Barnett*, *Waters*, and *White* are based on impermissible hindsight in view of the claims of the '432 Patent—not substantiated by the references themselves.

Second, Petitioner impermissibly maps the exact same transmission identified as the "enabling a mode to communicate by the smartphone information requesting

an authorization” of claim limitation 1[a], as the “transmitting by the smartphone first data to a first device” of claim limitation 1[b]. Pet., 31. Petitioner’s assertion is non-sensical and further underscores Petitioner’s error in mapping a transmission as enabling “a mode to communicate.”

Accordingly, the Petition fails to establish that either Ground 1 or Ground 2 would have rendered the Challenged Claims obvious. Petitioner has failed to meet its burden to show a reasonable likelihood of unpatentability of any of the Challenged Claims. *See* 37 C.F.R. § 42.108(c). Accordingly, Patent Owner requests that the Board deny institution of inter partes review.

II. LEGAL STANDARD

The Petition must both “clearly point out the differences between the claimed invention and [the prior art]” and “explain why a person of ordinary skill in the art would have found the claimed subject matter obvious in spite of those differences.” *Synopsys, Inc. v. Mentor Graphics Corp.*, IPR2012-00041, Paper 16 at 14 (P.T.A.B. Feb. 22, 2013). The Petition must recite where the challenged limitation is found in the reference(s) and explain why a POSITA would have modified the primary reference with the recited limitation from the secondary reference(s). *Microsoft Corp. v. Secure Web Conf. Corp.*, IPR2014-00745, Paper 12 at 11-13 (P.T.A.B. Sept. 29, 2014). The Petition must establish, with particularity, the grounds and evidence that support invalidating the challenged claims. 35 U.S.C. § 312(a)(3). In addition,

the Director institutes based on what the Petition actually presents and not what it could have reasonably contained. *In re Magnum Oil Tools Int'l, Ltd.*, 829 F.3d 1364, 1381 (Fed. Cir. 2016). The Director cannot “deviate from the grounds in the petition and raise its own” theories of invalidity. *Sirona Dental Sys. GmbH v. Institut Straumann AH*, 892 F.3d 1349, 1356 (Fed. Cir. 2018).

III. BACKGROUND

A. The '432 Patent

Applicants filed U.S. Patent Application No. 16/251,834 on January 18, 2019, and the '432 Patent issued on June 2, 2020. Ex. 1004 at 58, 356. The '432 Patent claims the benefit of U.S. Patent Application No. 12/264,711—later issued as U.S. Patent No. 9,462,411—which has a filing date of November 4, 2008. Ex. 1001 at 2.

The '432 Patent describes mobile wireless devices and methods of using a mobile wireless device to perform financial transactions, but only when certain conditions or criteria are met, such as the satisfaction of a proximity condition and a criterion for the value of a parameter, e.g., a physiological parameter. '432 Patent, 1:22-27; 6:14-25; *see also* Ex. 2010, ¶56. In the prior art, mobile wireless devices were rigidly configured to perform a predetermined number of functions. '432 Patent, 1:36-41; *see also* Ex. 2010, ¶56. To overcome this rigidity, the '432 Patent describes devices and methods that “may be used to enable adaptively one or more modes/functions of a device” based upon satisfying certain criteria. '432 Patent,

1:45-51; *see also* Ex. 2010, ¶56. The '432 Patent explains that the invention advantageously allows “a mobile wireless device [to] act as a ‘wallet’ (over and above other functions) only when it is time to pay for an item and not act as a wallet when there is no need to do so.” '432 Patent, 1:41-44; *see also* Ex. 2010, ¶56.

The '432 Patent also describes estimating “a value of at least one other parameter that may be associated with the wireless communications device . . . and/or an entity (living or otherwise) that is associated with and/or is proximate to the wireless communications device.” '432 Patent, 6:14-20; *see also* Ex. 2010, ¶57. Such parameters include “velocity, acceleration, ToD, ToM, ToY, humidity, temperature, height, level of brightness, level of darkness, a blood pressure, a heart rate, a blood content, a physiological state, a psychological state, etc.” '432 Patent, 6:20-25; *see also* Ex. 2010, ¶57. These parameters can be estimated using “sensors that may, according to some embodiments, be device-based and/or network assisted/based means and/or sensors.” '432 Patent, 6:25-31; *see also* Ex. 2010, ¶57. The disclosed wireless communications devices may be “configured to selectively enable the first communications mode/function” responsive to a value of such a parameter. '432 Patent, 6:41-50; *see also* Ex. 2010, ¶57.

During prosecution, the Examiner rejected proposed claims 1-19 under 35 U.S.C. § 103 as being unpatentable over Dua in view of Creamer et al. (US 2004/0143550). Ex. 1004 at 169; Ex. 2010, ¶62. Applicants filed a request for

continued examination along with a response. Ex. 1004 at 233-254. Applicants noted that “[a]mended claim 1 recites in pertinent part: responsive to at least one physiological parameter having been sensed by at least one sensor of the smartphone, enabling a mode to communicate by the smartphone information requesting an authorization” Ex. 1004 at 253; Ex. 2010, ¶63. Applicants also stated:

The Final Office Action asserted that paragraphs [0026], [0089], and [0495] of Dua taught “the service parameters interaction based on the transaction reads on a physiological parameter”. None of these paragraphs, however, nor anywhere else in Dua or Creamer, teach or suggest “enabling a mode to communicate . . . responsive to at least one physiological parameter . . .” as recited in amended claim 1. Independent claims 5, 9, and 14 include similar language.

Ex. 1004 at 253; Ex. 2010, ¶63. A notice of allowance issued on April 22, 2020. Ex. 1004 at 269-278; Ex. 2010, ¶64. The Examiner stated in the notice of allowance that:

Dua alone or in combination fails [to] teach[] or fairly suggest[:]
responsive to at least one physiological parameter having been sensed by at least one sensor of the smartphone, enabling a mode to communicate by the smartphone information requesting an authorization;
while the mode is enabled, transmitting by the smartphone first data to a first device, the first data relating to a plurality of financial transactions to be conducted;
. . . independent of performing said first transaction, receiving by the smartphone a communications service from a wireless network, using a second air interface that differs from the first air interface, wherein said transmitting by the smartphone first data and said receiving by the smartphone second data are performed over an air interface that differs from the first air interface.

Ex. 1004 at 275-276 (emphasis in original); Ex. 2010, ¶64.

B. *Barnett* (Ex. 1005)

United States Patent Application No. 2009/0170483 to Barnett, et al. (“*Barnett*”) is titled “System and Method for Transmitting Information Using a Mobile Phone.” Ex. 1005.

Barnett is a fully self-sustained system that is narrowly limited to an efficient means of providing a customer information while they are shopping in a store. *See Barnett*, ¶[0001] (“The invention relates generally to a system and method of communicating shopping information between a consumer and a retailer. In particular, the invention relates to a system for enabling a consumer to obtain shopping information from a retailer, and the retailer to obtain information from the consumer, using a communication device, such as a mobile phone.”); Ex. 2010, ¶66. Figure 1 (reproduced below) illustrates this system. *Barnett* explains that, for example, “[t]he information transmitted to the retailer may include a shopping list of goods or services desired by the consumer. In return, the retailer may provide the home computer system 12 and portable communications device will information regarding the desired goods or services.” *Barnett*, ¶[0011]; Ex. 2010, ¶66.

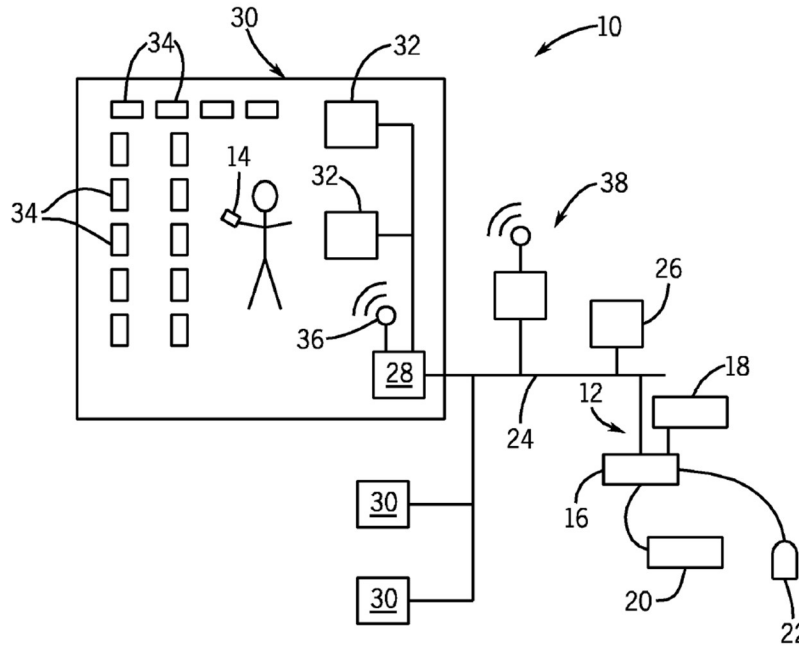


FIG. 1

Barnett, Fig. 1.

Barnett also discloses how the store's infrastructure is self-sustained, explaining that “[w]ithin the store 30 are a series of displays 32 that are connected to the store computing system 28. In this embodiment, the displays 32 are NFC [near field communication]-enabled displays that can interact with a NFC-enabled mobile phone 14 using device-to-device communication” (*Barnett*, ¶[0021]) and that “[s]tand-alone NFC-enabled devices 34 that have been programmed with specific information are located around the store 30. In this embodiment, the stand-alone NFC-enabled devices 34 are used to identify products to NFC-enabled devices.”

Barnett, ¶[0023]; Ex. 2010, ¶67.

Barnett discloses an infrastructure for reducing the time the customer spends in the store by streamlining the exchange of communication about the products to the customer. *See Barnett*, ¶¶[0002] (“[A] consumer may go to a store to purchase an item and find on arriving at the store that the item is not in stock. In addition, even if the item is in stock, considerable time may be wasted looking for the item in the store. Locating a store employee to ask the employee a question about a product can also be very time consuming. There are many other examples of problems that a consumer can experience when shopping that lead to considerable amounts of time being wasted.”); [0042] (“Generally the time that the consumer spends in a store may be used more efficiently. For example, the consumer knows immediately whether or not an item is in stock at a nearby store. In addition, there is less need to find a person at the store to obtain additional information.”); *see also* Ex. 2010, ¶68.

C. *Waters* (Ex. 1006)

International Patent Publication No. 2006/087503 to Waters, et al. (“*Waters*”) is titled “Improved Security for Wireless Communication.” Ex. 1006.

Waters focuses on limiting NFC capability. Ex. 2010, ¶70. For example, *Waters* discloses a method of authenticating a subscriber identity module (SIM) to “control to some extent the operation of the near field tag 41” so that the near field tag 41 is “under control of the SIM 15, by means of communication link 43.” *Waters*, 9; Ex. 2010, ¶70.

As one example, *Waters* discloses a “[j]amming device” where “near field tag 41 and/or the mobile terminal 1 is designed to jam/disrupt the low level communications of all other RF tags within range of the jamming device. Instead of following the anti-collision protocol commonly used in near field tag technology, the device attempts to create collisions and other forms of interference. The jamming device is disabled, or the near field tag 41 is removed from proximity of the jamming device, when authorised use of the card is required.” *Waters*, 16-17; Ex. 2010, ¶71.

D. *White* (Ex. 1007)

United States Patent No. 7,434,723 to White, et al. (“*White*”) is titled “Mobile Payment Authorization System and Method.” Ex. 1007.

White “is directed to a payment approval system, and more particularly, but not by way of limitation, to a system and method for mobile payment approval.” *White*, 1:20-25; Ex. 2010, ¶73. Specifically, *White* provides embodiments for systems and methods for “completing a pending purchase” and “payment approval.” *White*, 1:38-2:8. Figure 1 (reproduced below) provides an exemplary architecture for an embodiment of *White*’s system. Ex. 2010, ¶74.

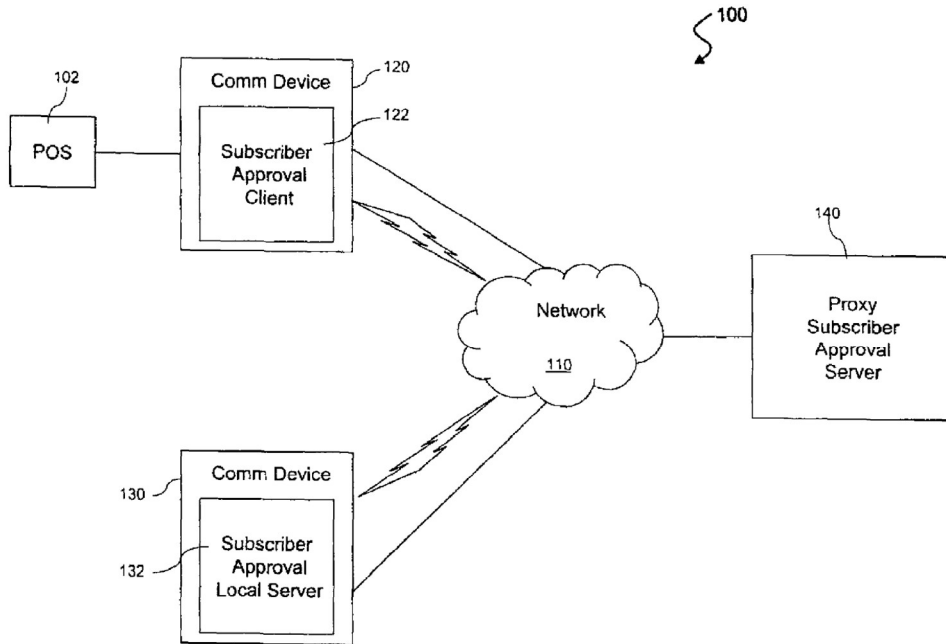


Figure 1

White, Fig. 1.

Regarding communicating with the second communication device 130 in Figure 1, *White* explains that “[t]he first communication device 120 communicates with the second communication device 130 through the network 110” (*White*, 4:17-19) and that these devices can be “computer-based entities, such as personal digital assistants (PDAs), mobile phones, personal computers (PC), laptop computers, or traditional wireless or wire-line telephones.” *White*, 4:12-15; Ex. 2010, ¶75.

IV. CLAIM CONSTRUCTION

Claim terms should be given their plain and ordinary meaning to a POSITA as of the earliest effective filing date. *See, e.g., Eon Corp. IP Holdings LLC v. Silver Spring Networks, Inc.*, 815 F.3d 1314, 1320 (Fed. Cir. 2016). “The ordinary meaning of a claim term is not ‘the meaning of the term in the abstract.’ Instead, ‘the ‘ordinary

meaning’ of a claim term is its meaning to the ordinary artisan after reading the entire patent.” *Id.* (quoting *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005) (en banc)).

Petitioner contends that “the Board need not construe any terms of the challenged claims to resolve the underlying controversy, as any reasonable construction reads on the prior art.” Pet. at 8. Patent Owner agrees that the Board should apply the plain and ordinary meaning of the terms in the Challenged Claims. Patent Owner does not waive its right to raise additional issues of claim construction in any litigation, nor does it waive any argument in any litigation that claim terms are not indefinite or are otherwise valid. The failure of the Petition to render obvious the Challenged Claims is clear in view of the arguments below without construing any specific claim term.

V. LEVEL OF ORDINARY SKILL IN THE ART

Each of the arguments below is considered from the standpoint of a POSITA in the field of the ’432 Patent at the time of the invention. For purposes of this POPR, Patent Owner disputes the definition of a POSITA proposed by Petitioner. Patent Owner contends that a POSITA would have had at least a bachelor’s degree in electrical engineering, computer engineering, or a related field, with about two years of experience in wireless communications. Ex. 2010, ¶44. This is different from Petitioner’s proposal, which calls for “an undergraduate degree in electrical

engineering, computer engineering, computer science or a related field along with two years of work experience in the field of mobile communication applications.”

Pet., 5.

Patent Owner disagrees that a POSITA should be required to have at least two years of experience in mobile communication applications. Ex. 2010, ¶45. Petitioner has not described or explained the scope or meaning of “the field of mobile communication applications.” *Id.* Regardless, Petitioner fails to meet its burden under either POSITA definition.

VI. THE DIRECTOR SHOULD NOT INSTITUTE *INTER PARTES* REVIEW

All of Petitioner’s Grounds fail. As described below, Petitioner’s combinations fail to render obvious all elements of any of the Challenged Claims.

Petitioner’s proposed combinations are as follows:

Ground	Claims	Proposed Ground of Unpatentability
1	1-7 and 9-16	Obvious under pre-AIA 35 U.S.C. § 103 in view of <i>Barnett, Waters, and White</i>
2	8 and 17	Obvious under pre-AIA 35 U.S.C. § 103 in view of <i>Barnett, Waters, White, and Smith</i>

A. Petitioner’s Ground 1 Fails Because the Claims Would Not Have Been Obvious in View of *Barnett, Waters, and White*.

In Ground 1,² Petitioner argues that *Barnett* in view of *Waters* and *White* teaches the limitations of claims 1-7 and 9-16, including independent claims 1 and 10. Pet., 4. All dependent claims of the ’432 Patent depend from one of these two independent claims. Petitioner provides analysis for claim 1, and then incorporates that analysis into the limitations of claim 10. Pet., 57-61. For the reasons set forth below, the references in Ground 1 and 2 neither disclose the Challenged Claims nor, individually or in combination, would they have rendered those claims obvious. Ex. 2010, ¶77.

1. *Barnett-Waters-White* Does Not Disclose or Render Obvious “responsive to at least one physiological parameter having been sensed by at least one sensor of the smartphone, enabling a mode to communicate by the smartphone information requesting an authorization.”

Claim limitations 1[a] and 10[a] require “responsive to at least one physiological parameter having been sensed by at least one sensor of the smartphone, enabling a mode to communicate by the smartphone information requesting an authorization.” All dependent claims of the ’432 Patent depend from

² Petitioner asserts a second Ground, Ground 2, with respect to dependent claims 8 and 17. If instituted, Patent Owner reserves the right to address Ground 2 at that time.

independent claims 1 and 10, and therefore all claims include this requirement. Ex. 2010, ¶79.

Petitioner erroneously states that “Barnett in view of Waters and White discloses and/or suggests this limitation.” Pet., 13. Petitioner states that “[a] POSITA would have been motivated and found it obvious to implement such features in the Barnett system/method in view of Waters and White.” *Id.* Petitioner’s proposed system does not disclose and would not have rendered obvious claim limitations 1[a] and 10[a] because (1) Petitioner fails to show how “enabling a mode to communicate” is met by the *Barnett-Waters-White* system/method, and (2) a POSITA would not have been motivated to combine *Barnett*, *Waters*, and *White* as Petitioner suggests. Ex. 2010, ¶¶80-81.

- i. Barnett-Waters-White Does Not Disclose or Render Obvious “responsive to at least one physiological parameter having been sensed by at least one sensor of the smartphone, enabling a mode to communicate by the smartphone information requesting an authorization.”*

Limitations 1[a] and 10[a] specifically require “*enabling a mode to communicate* by the smartphone information requesting an authorization” that occurs “responsive to at least one physiological parameter having been sensed by at least one sensor of the smartphone.”³ Petitioner points to *White* as disclosing “a ‘mode to communicate by the smartphone information requesting an authorization’”

³ All emphasis added unless otherwise noted.

to conduct a financial transaction, where the communication mode involves the consumer's phone sending a subscriber approval request ('information requesting an authorization') from the first communication device to a second communication device." Pet., 26 (underlining in original). Later, Petitioner confirms its reliance on *White* when Petitioner alleges that a consumer triggering "the consumer's device to begin an authorization/approval process by sending a subscriber approval request to a specific approver's device (e.g., the owner of the specific card for which the consumer is an authorized user)" of *White* meets "enabling a mode to communicate by the smartphone information requesting an authorization" as required by limitation 1[a]. Pet., 30 (underlining in original). Petitioner's analysis improperly conflates the mere act of sending a transmission with the claimed "enabling a mode to communicate." Ex. 2010, ¶83. Nowhere does Petitioner establish that "a mode" is enabled in the *Barnett-Waters-White* system "responsive to at least one physiological parameter having been sensed by at least one sensor of the smartphone." *Id.*

For example, Petitioner asserts that in response to satisfying proximity conditions, the consumer's phone will "enable the authorization communication mode and send an authorization request" in accordance with *White*. Pet., 26. Then, Petitioner alleges that the authorization method of *White* is "beneficial because . . . an owner of a card/payment method may remotely approve transactions on a more

flexible and frequent basis with real-time control” and “would have allowed for enhanced flexibility, while still offering the security benefits of an authorization process.” Pet., 27 (citing *White*, 3:7-21; 6:9-64, 6:65-7:30). But these steps of *White* do not describe enabling *a mode to communicate*. Ex. 2010, ¶84. Instead, Petitioner describes the transmission and benefits of an “authorization request” over an already enabled communication pathway. *Id.* *White* discloses that its authorization request can be sent over a variety of networks, such as “voice-based telephony, video conference, internet protocol, multimedia messaging service (MMS), short messaging service (SMS), email, instant text messaging, and/or other means of communication.” *White*, 4:22-25; Ex. 2010, ¶84.

Further, Petitioner fails to demonstrate that “*enabling a mode to communicate* by the smartphone information requesting an authorization” occurs “responsive to at least one physiological parameter having been sensed by at least one sensor of the smartphone.” Ex. 2010, ¶85. Petitioner states that “[c]onsistent with Waters’ disclosure, the NFC tag of the mobile phone would only be enabled while the mobile device senses at least one physiological parameter (e.g., a fingerprint/pressure combination, a skin resistance/pressure combination, or heat).” Pet., 29. Even if Petitioner were correct that “the NFC tag of the mobile phone would only be enabled while the mobile device senses at least one physiological parameter,” this argument underscores the flaws in the analysis. Ex. 2010, ¶85.

Specifically, as admitted by Petitioner, the proposed *Barnett-Waters-White* combination enables NFC in response to a sensed parameter satisfying a criterion (Pet., 29), but NFC is *not* the mode of communication used in *White* for the purpose of “requesting an authorization” (e.g., the *White* authorization process). Ex. 2010, ¶85. NFC is instead used to initiate an NFC payment transaction with an NFC-enabled point of sale (“POS”). *Id.*

Indeed, when Petitioner discusses the *White* authorization process, Petitioner does so with respect to already established modes of communication. Ex. 2010, ¶86. For example, Petitioner states that *White* discloses communication via the Internet or similar wireless network communication, while *Barnett* discloses such communication over a Wi-Fi system. Pet., 28 (citing *White*, 4:3-25 and *Barnett*, ¶¶[0005], [0012], [0016], [0026], [0027], [0035]). *White* never discloses sending the authorization message via NFC. *White*, 4:22-25 (listing “voice-based telephony, video conference, internet protocol, multimedia messaging service (MMS), short messaging service (SMS), email, instant text messaging, and/or other means of communication” as available communication networks between the requesting and authorizing devices); Ex. 2010, ¶86.

Because Petitioner never identifies “enabling *a mode to communicate*,” Petitioner fails to show that *Barnett-Waters-White* discloses or suggests “responsive to at least one physiological parameter having been sensed by at least one sensor of

the smartphone, enabling a mode to communicate by the smartphone information requesting an authorization.” ’432 Patent, cls. 1[a], 10[a]. Thus, *Barnett-Waters-White* does not disclose or render obvious claim limitations 1[a] and 10[a] of the ’432 Patent, and as a result, Ground 1 does not disclose and would not have rendered obvious independent claims 1 and 10, and all dependent claims. Ex. 2010, ¶87. Petitioner’s discussion of Ground 2, which is directed only to certain dependent claims, does not alter this analysis or conclusion. *Id.*

ii. A POSITA Would Not Have Been Motivated to Combine Barnett and Waters.

Petitioner admits that *Barnett* itself does not disclose “responsive to at least one physiological parameter having been sensed by at least one sensor of the smartphone, enabling a mode to communicate by the smartphone information requesting an authorization” of claim limitations 1[a] and 10[a]. Pet., 13-14, 58. Petitioner proposes to solve this deficiency by combining *Barnett* with *Waters* to meet “at least one physiological parameter having been sensed by at least one sensor of the smartphone.” Pet., 13-14, 16. This combination fails. Ex. 2010, ¶¶88-95.

Petitioner’s statement that a POSITA would have been motivated to incorporate “a sensing mechanism, similar to that disclosed by *Waters*, to selectively enable/disable the NFC tag in *Barnett*” such that it performs the “at least one physiological parameter having been sensed . . . by at least one sensor of the smartphone” is not substantiated by either *Barnett* or *Waters*. Pet., 16. These

references are directed to conflicting goals: *Barnett* is concerned with speed and ease, while *Waters* forgoes speed and ease for improved security. Ex. 2010, ¶¶88-94.

Barnett discloses a technique focused on efficiency and time savings in the specific context of shopping. Ex. 2010, ¶89. Specifically, *Barnett* discloses an unrestricted system that relies on NFC-enabled devices to quickly and easily exchange information within the context of shopping in a store. Ex. 2010, ¶¶89-90. Notably, the *Barnett* system is not restricted to using NFC at the point of sale, but discloses using NFC to “enable a consumer to obtain information regarding the availability, location, and/or price of the goods or services provided in the shopping list by using either the NFC capability of the mobile phone . . . to receive information from the retailer within a retail stores.” *Barnett*, ¶[0016]; Ex. 2010, ¶89. *Barnett* also discloses using NFC to “provide the display 32 [of the store computing system] with the identity of the customer. Thus, informing the store computing system 28 that the consumer is in the store 30.” *Barnett*, ¶[0021]; Ex. 2010, ¶89.

Barnett, in fact, discloses the use of “[s]tand-alone NFC-enabled devices 34 that have been programmed with specific information [] located around the store 30.” *Barnett*, ¶[0023]; *see also id.*, ¶[0033] (“[A]s the consumer travels through the store 30, the consumer may see other items of interest. The consumer may hold their mobile phone next to a product identifier 34 and retrieve and store information

regarding the product, such as the identity of the product.”); Ex. 2010, ¶90. *Barnett* also contemplates using NFC information “to direct the consumer” and “to analyze traffic flows through the store.” *Barnett*, ¶[0025]; Ex. 2010, ¶90. The system of *Barnett* relies “information to be transmitted to and from a[n] NFC-enabled mobile phone.” *Barnett*, ¶[0044]; Ex. 2010, ¶90. Thus, *Barnett* relies on the consumer’s device being NFC-enabled—not restricted—otherwise the *Barnett* system would not work. Ex. 2010, ¶90.

Barnett discloses using NFC for financial transactions and proposes a novel security regime for conducting these financial transactions. Ex. 2010, ¶91. Petitioner and its expert overlook the security regime put into place by *Barnett*. *Id.* Specifically, *Barnett* addresses security concerns through its design: it restricts where specific cards can be used and enables automatic payments exclusively at approved locations. *Id.* By limiting card usage to authorized environments, *Barnett* effectively mitigates risk without imposing unnecessary barriers to NFC functionality. *Id.* In fact, the *Barnett* system not only obviates the need for further security measures, but affirmatively teaches away from any additional protocols that would impede the efficient use of NFC—particularly in the context of completing purchases. *See Barnett*, ¶[0032] (“Thus, the consumer does not have to scroll through menus or follow any other time consuming process simply to configure the mobile phone 14 each time they make a purchase.”); Ex. 2010, ¶91. A POSITA would have

understood that the security features in *Barnett* are both sufficient and intentionally streamlined to support the system's core objectives. Ex. 2010, ¶91.

In sharp contrast, *Waters* precisely discloses and relies on oppressive restriction protocols. Ex. 2010, ¶92. *Waters* outlines additional security protocols implemented solely for enabling or disabling NFC functionality in dependence on some data. *See Waters*, 2 (“there is provided apparatus for controlling use of a near field communication device, wherein [a] smart card means is operable to receive from the mobile telecommunications network data for controlling use of the near field communication device and is operable to selectively enable the near field communication device in dependence upon the data”); Ex. 2010, ¶92. For example, *Waters* discloses an embodiment requiring a PIN or password, describing that, until the correct PIN or password is entered, NFC is not enabled for *any* purpose. *See Waters*, 14; Ex. 2010, ¶92. Thus, *Waters*'s measures for restricting NFC usage involves time-consuming and multi-step input validations that may ultimately end up failing validation and delaying the use of NFC indefinitely. Ex. 2010, ¶¶92-93.

Petitioner relies on embodiments of *Waters* in which “various types of sensors can be used to activate the near field/RF tag, such as a pressure sensor (in combination with a fingerprint or skin resistance sensor) or heat sensor.” Pet., 15 (citing *Waters*, 15-16 and Ex. 1002, ¶63). These embodiments exemplify the unresolvable tension between *Waters*'s disclosure and the connected store

experience of *Barnett*. Ex. 2010, ¶93. For example, the “pressure sensor” combined with a fingerprint scanner could prevent legitimate transactions. *Id.* *Barnett* in fact explicitly contemplates a scenario where “the mobile phone 14 may have an ‘anonymous’ option so that the consumer may use some of the features the store provides, but the mobile phone 14 does not reveal the consumer’s name to the store.” *Barnett*, ¶[0031]; Ex. 2010, ¶93. Use of *Waters*’s sensor would render *Barnett*’s retail environment embodiment non-functional. Ex. 2010, ¶93. That is, because *Barnett* is directed to unrestricted, seamless NFC operation, any combination with *White* is fundamentally incompatible with *Barnett*’s approach to seamless user experience and transaction efficiency.

Moreover, in asserting that a POSITA would have been motivated to combine *Barnett* and *Waters*, Petitioner misrepresents *Barnett*’s disclosures. Ex. 2010, ¶94. Specifically, Petitioner relies on paragraph [0043] of *Barnett* and the misinformed opinions of its expert to argue that the security measures of *Waters* would have benefitted *Barnett*’s system so as to reduce the number of staff members. Pet., 17-18; Ex. 2010, ¶94. Petitioner incorrectly states that *Barnett*’s “NFC readers are largely unmonitored by retail workers, since *Barnett*’s invention aims to reduce the number of higher cost human employees in the store.” Pet., 17 (citing *Barnett*, ¶[0043]). Petitioner alleges that “[a] POSITA would have thus recognized the importance of implementing security features at each user’s mobile phone in an

environment with fewer employees, so as to reduce the risk of unauthorized access by an unauthorized NFC reader.” Pet., 18. But Petitioner is wrong. *Barnett* never contemplates reducing the total number of employees in a store, but instead just suggests replacing those that are highly compensated (due to product-specific expertise) with lower-cost employees. Ex. 2010, ¶94; *Barnett*, ¶[0043] (“A retail store does not need as many people employed at the store to handle tasks like finding out if the item is in stock, finding out technical questions, etc. By not requiring product experts to be employed in each store, lower cost employees can be employed to work in the store.”). That is, *Barnett* is trying to reduce the cost of “people employed at the store to handle tasks like finding out if the item is in stock, finding out technical questions, etc.,” not reduce the overall headcount. *Barnett*, ¶[0043]; Ex. 2010, ¶94. Indeed, *Barnett* says nothing about removing or reducing the number of low-cost employees at checkout or in such a way that security would be impaired. Ex. 2010, ¶94.

A POSITA would have understood that *Barnett* is designed for efficiency and seamless transactions. *Barnett* enables automatic credit card use for pre-approved cards at approved locations, eliminating the need for manual selection, configuration, or authorization. Ex. 2010, ¶¶88-94. In contrast, *Waters* introduces time-consuming validation steps—such as input validation and device configuration—that directly undermine *Barnett*’s objectives. *Id.*

In sum, Petitioner’s asserted motivation to combine *Barnett* and *Waters* is unsubstantiated and is plagued by hindsight. Indeed, rather than identifying a clear, credible reason for integration, Petitioner selectively extracts features from each reference without regard for their underlying purposes or technical incompatibility. *Sanofi-Aventis Deutschland GmbH v. Mylan Pharm. Inc.*, 66 F.4th 1373 (Fed. Cir. 2023). Thus, *Barnett-Waters-White* does not disclose or render obvious claim limitations 1[a] and 10[a] of the ’432 Patent, and as a result, Ground 1 does not disclose and would not have rendered obvious independent claims 1 and 10, and all dependent claims. Ex. 2010, ¶95. Petitioner’s discussion of Ground 2, which is directed only to certain dependent claims, does not alter this analysis or conclusion. *Id.*

iii. A POSITA Would Not Have Been Motivated to Combine Barnett, Waters, and White.

Next, Petitioner alleges that “a POSITA would have been motivated to further modify the *Barnett-Waters* system/method in view of *White* such that it performs the following bolded/italicized features: ‘**responsive to at least one physiological parameter having been sensed by at least one sensor of the smartphone, enabling a mode to communicate by the smartphone information requesting an authorization.**’” Pet., 19-20 (underlining and emphasis in original); Ex. 2010, ¶96. Here, Petitioner’s approach ignores that *White*’s remote authorization process, like *Waters*’s restrictive validation steps, directly conflicts with *Barnett*’s core objective

of efficient, seamless NFC use throughout the shopping experience. Ex. 2010, ¶¶96-101. By conflating fundamentally different systems, Petitioner’s arguments lack support in the prior art and fail to demonstrate any legitimate motivation to combine. Ex. 2010, ¶¶96-102.

At best, *White* is directed to limiting or restricting purchases. *See* Pet., 20-25; Ex. 2010, ¶¶98-100. The approval/authorization process disclosed by *White* is for completing a single *pending* purchase, on a *purchase-by-purchase* basis. Ex. 2010, ¶100. *White*’s disclosed processes include an authorization process that is admittedly time consuming. Ex. 2010, ¶98. For example, *White* contemplates the use of a “subscriber approval local server” through which the operator of a “second communication device 130” may “view pending purchase information, and . . . approve the pending purchase.” *White*, 7:27-34 Ex. 2010, ¶98. *White* also discloses the purchasing user communicating with the approving user mid-purchase, such as a child whose purchase request is denied, and “may subsequently communicate with the parent to further describe and discuss the pending purchase with the parent, which may be referred to as disputing the rejection of the pending purchase.” *White*, 6:49-56; *see also id.*, 7:46-52; Ex. 2010, ¶98. *White* contemplates the request for approval timing out, disclosing that “if the subscriber approval local server 132 is unable to respond to a request for approval from the subscriber approval client 122

after a pre-determined time the process 210 may proceed to block 214 or to block 216.” *White*, 7:53-62; Ex. 2010, ¶98.

Petitioner’s assertion that a POSITA would have been motivated to “modify the Barnett-Waters system/method to incorporate such an authorization feature, similar to that disclosed by *White*,” is entirely unsupported. Pet., 26. Petitioner offers no substantive reason for this modification, instead relying on the generic assertions that remote authorization rules were well known at the time. Pet., 26-27 (arguing, for example, that “[i]t was well known at the time of the alleged invention that authorization rules could be established such that one individual (or their device) could remotely authorize transactions performed by another individual using a mobile phone,” and then making a conclusory jump to conclude that “[t]hus, a POSITA would have been motivated to consider various authorization methods in order to allow for purchase approval in the Barnett-Waters system/method”); Ex. 2010, ¶99.

Petitioner goes on to argue that “*White*’s authorization method would have allowed for enhanced flexibility, while still offering the security benefits of an authorization process that allows a card owner to approve transactions performed by authorized users.” Pet., 27. This is nonsensical in view of the *Barnett-Waters* system, and is pure hindsight as well. *White*’s authorization is not “flexible” simply because

a second device is remotely authorizing transactions on a ***purchase-by-purchase basis***—such an approach is more constrained. Ex. 2010, ¶100.

Moreover, *Barnett* is so concerned with security and time-savings that it discloses pre-authorizing specific credit cards to be used in specific stores so as to maintain security while reducing time spent by the shopper. *See Barnett*, ¶[0032] (“the mobile phone 14 may be programmed to provide a first credit card number when the consumer is in a first store and provide a second credit card number when the consumer is in a second store” so that “the consumer does not have to scroll through menus or follow any other time consuming process simply to configure the mobile phone 14 each time they make a purchase”); Ex. 2010, ¶101.

Petitioner’s arguments do not address why a POSITA would have sought to introduce time-consuming remote authorization procedures into *Barnett*’s system, which is designed for efficiency and seamless transactions. Introducing the step of remote approval request and authorization, as disclosed in *White*—and doing so *in addition to* restrictive NFC-security functionality Petitioner already suggested applying from *Waters*—would eliminate the time savings desired in *Barnett*. Ex. 2010, ¶¶96-101.

Accordingly, a POSITA would not have been motivated to modify *Barnett* in view of *Waters* and *White* as Petitioner suggests, and as a result, the *Barnett-Waters-White* system fails to disclose or render obvious limitations 1[a] and 10[a] of the

'432 Patent, and as a result, Ground 1 does not disclose and would not have rendered obvious independent claims 1 and 10, and all dependent claims. Ex. 2010, ¶102. Petitioner's discussion of Ground 2, which is directed only to certain dependent claims, does not alter this analysis or conclusion. *Id.*

iv. Petitioner Relies on Impermissible Hindsight.

Petitioner's approach not only fails to address the technical requirements of the claims, but also disregards established principles of obviousness. Indeed, Petitioner's argument rises and falls on the testimony of its expert, Dr. Chatterjee, who impermissibly applies hindsight to combine *Barnett*, *Waters*, and *White*. *InTouch Techs., Inc. v. VGO Commc'ns, Inc.*, 751 F.3d 1327, 1351 (Fed. Cir. 2014) ("It appears that [the expert] relied on the . . . patent itself as her roadmap for putting what she referred to as pieces of a 'jigsaw puzzle' together."). As described *supra* in §§VI.A.1.ii-VI.A.1.iii, the references do not suggest, and in fact teach away from, Petitioner's proposed combination. Petitioner's hand-waving arguments that a POSITA would have been motivated to combine all three references (*Barnett*, *Waters*, and *White*) based on security considerations lacks proper and sufficient evidentiary support. *See, e.g.*, Pet., 18 ("A POSITA would have thus recognized the importance of implementing security features at each user's mobile phone in an environment with fewer employees, so as to reduce the risk of unauthorized access by an unauthorized NFC reader."), 27 ("White's authorization method would have

improved security by increasing oversight of transactions and reducing the risk of unauthorized or inappropriate transactions, consistent with both Barnett's and Waters' security goals.").

Petitioner's and its expert's impermissible use of hindsight is especially clear considering that Petitioner inexplicably splits limitations, such as limitations 1[a] and 10[a], into multiple, discrete subparts and applies different references to each isolated subpart. *See* Pet., 29-31, 58 (incorporating the analysis of 1[a] for 10[a]). Similar to Petitioner's (and its expert's) faults in this case, in a recent decision the Board noted that the petitioner's overarching rationale for combining two references was "gleaned only from applicant's disclosure, not the art." *Iriusrisk, Inc. v. Threatmodeler Software Inc.*, No. IPR2023-00656, Paper 33, 50 (P.T.A.B. Oct. 2, 2024). The Board found that "[g]iven this context, we find no evidence of record sufficiently showing why the skilled artisan would have taken the fabric of [the primary reference] and stitched it together" with very particular disclosures in the secondary reference that were not contemplated therein. *Id.* at 52 ("Petitioner's reach to reasons to [combine the references' components] like improving [the] systems or creating more effective, efficient, or faster [] systems to be insufficiently supported (if at all) and unpersuasive. We also find this context shows that Petitioner's proffered reasons for combining [the references] to achieve the subject limitations lack rational underpinning, and that Petitioner's proposed combination of teachings

plainly takes into account knowledge gleaned only from applicant’s disclosure, i.e., impermissible hindsight.”) (citing *In re McLaughlin*, 443 F.2d 1392, 1313–14 (CCPA 1971)). The same is true here.

2. *Barnett-Waters-White* Does Not Disclose or Render Obvious “while the mode is enabled, transmitting by the smartphone first data to a first device, the first data relating to a plurality of financial transactions to be conducted.”

As recited in limitations 1[b] and 10[b], the claimed “transmitting [] first data” step occurs “*while the mode is enabled.*” ’432 Patent, cls. 1[b], 10[b]. In arguing that *Barnett-Waters-White* meets the requirements of limitation 1[b], Petitioner incorporates the analysis for claim element 1[a] and explains that “while communication between a consumer’s mobile device [] and an approver’s device [] is enabled (‘while the mode is enabled’), a consumer’s device requests authorization for a transaction by sending a subscriber approval request to the approver’s device (‘transmitting by the smartphone first data to a first device’), upon which a subscriber approval response is returned if the transaction is authorized.” Pet., 31 (underlining in original); *see also id.*, 60. That is, Petitioner maps “a consumer’s device requests authorization for a transaction by sending a **subscriber approval request** to the approver’s device” to the claim recitation of “transmitting by the smartphone first data to a first device.” Pet., 31. But Petitioner overlooks that it relied on the **same subscriber approval request** for limitation 1[a]— “enabling a mode to

communicate by the smartphone information requesting an authorization.” Pet., 30; Ex. 2010, ¶104.

To be clear, Petitioner is relying on the same subscriber approval request for multiple distinct elements of the claims:

This would trigger the consumer’s device to begin an authorization/approval process *by sending a subscriber approval request to a specific approver’s device* (e.g., the owner of the specific card for which the consumer is an authorized user), (“enabling a mode to communicate by the smartphone information requesting an authorization”).

Pet., 30 (underlining in original).

[A] consumer’s device *requests authorization for a transaction by sending a subscriber approval request* to the approver’s device (“transmitting by the smartphone first data to a first device”), upon which a subscriber approval response is returned if the transaction is authorized. (Section IX.A.1.ii. [referring to limitation 1[a]]).

Pet., 31 (underlining in original).

A mobile device requesting authorization for a transaction by sending a *subscriber approval request* cannot be both “enabling a mode to communicate by the smartphone information requesting an authorization” and “transmitting by the smartphone first data to a first device.” Ex. 2010, ¶106. Thus, Petitioner’s *Barnett-Waters-White* system does not disclose or render obvious “while the mode is enabled, transmitting by the smartphone first data to a first device, the first data

relating to a plurality of financial transactions to be conducted” of limitation 1[b], and the similar requirements of limitation 10[b]. Ex. 2010, ¶106. Thus, *Barnett-Waters-White* does not disclose or render obvious claim limitations 1[b] and 10[b] of the '432 Patent, and as a result, Ground 1 does not disclose and would not have rendered obvious independent claims 1 and 10, and all dependent claims. *Id.* Ground 2, which is directed only to certain dependent claims, does not alter this analysis or conclusion. *Id.*

VII. CONCLUSION

For the foregoing reasons, institution should be denied.

Date: November 19, 2025

Respectfully Submitted,

By: / Christopher TL Douglas /
Christopher TL Douglas, Reg. No. 56,950

CERTIFICATION UNDER 37 CFR § 42.24(d)

Under the provisions of 37 CFR § 42.24(d), the undersigned hereby certifies that the word count for the foregoing Patent Owner's Preliminary Response to Petition totals 7,141 which is less than the 14,000 allowed under 37 CFR § 42.24(b)(1).

Date: November 19, 2025

By: / Christopher TL Douglas /
Christopher TL Douglas,
Reg. No. 56,950

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e)(4), the undersigned certifies that true and correct copies of the above-captioned **PATENT OWNER'S PRELIMINARY RESPONSE and Exhibits 2010-2016** were served in its entirety on November 19, 2025 via filing through the Patent Trial and Appeal Case Tracking System (P-TACTS) and electronic mail on the following counsel of record for Petitioner:

Naveen Modi
naveenmodi@paulhastings.com

Daniel Zeilberger
danielzeilberger@paulhastings.com

Quadeer Ahmed
quadeerahmed@paulhastings.com

Alexa Lowman
alexalowman@paulhastings.com

Maksim Mints
maksimmints@paulhastings.com

Service email
PH-Google-Telcom-IPR@paulhastings.com

Date: November 19, 2025

By: / Christopher TL Douglas /
Christopher TL Douglas,
Reg. No. 56,950