

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MASTERCARD INTERNATIONAL INCORPORATED,
Petitioner,

v.

JOHN D'AGOSTINO,
Patent Owner.

Case IPR2014-00544
Patent 7,840,486 B2

Before SALLY C. MEDLEY, KARL D. EASTHOM, and
KALYAN K. DESHPANDE, *Administrative Patent Judges*.

DESHPANDE, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
35 U.S.C. § 318(a); 37 C.F.R. § 42.73

I. INTRODUCTION

A. Background

MasterCard International Incorporated (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 1–30 of U.S. Patent No. 7,840,486 B2 (Ex. 1001; “the ’486 patent”). Paper 1 (“Pet.”). John D’Agostino (“Patent Owner”) filed a Preliminary Response. Paper 6 (“Prelim. Resp.”). Pursuant to 35 U.S.C. § 314, we instituted *inter partes* review of the ’486 patent, on September 4, 2014, as to claims 1–15 and 22–30 under 35 U.S.C. § 102(e) as anticipated by Cohen,¹ and as to claims 16–21 under 35 U.S.C. § 103(a) as obvious over Cohen and Musmanno.² Paper 7 (“Dec.”).

Patent Owner filed a Response (Paper 11, “PO Resp.”), and Petitioner filed a Reply (Paper 12, “Pet. Reply”). Petitioner filed a Motion to Exclude evidence (Paper 14, “Mot.”), Patent Owner filed an Opposition to Petitioner’s Motion to Exclude evidence (Paper 17, “Opp. to Mot.”), and Petitioner filed a Reply in support of its Motion to Exclude (Paper 18, “Reply to Opp. to Mot.”). Oral hearing was held on May 12, 2015, and the hearing transcript has been entered in the record. Paper 21 (“Tr.”).

The Board has jurisdiction under 35 U.S.C. § 6(c). This Final Written Decision is issued pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73. For the reasons discussed below, we are persuaded that Petitioner has shown by a preponderance of the evidence that claims 1–30 of the ’486 patent are unpatentable. Petitioner’s Motion to Exclude is *denied*.

¹ U.S. Patent No. 6,422,462 B1 (Ex. 1004, “Cohen”).

² U.S. Patent No. 5,826,243 (Ex. 1006, “Musmanno”).

B. Related Proceedings

Petitioner identifies the following related district court proceeding involving the '486 patent and in which Petitioner is a party: *D'Agostino v. MasterCard, Inc.*, No. 1:13-cv-00738 (D. Del. filed Apr. 26, 2013).
Pet. 58.

In related proceeding IPR2014-00543, Petitioner seeks review of U.S. Patent No. 8,036,988 C1 ("the '988 patent"), which claims priority to the '486 patent. *Id.* Petitioner also identifies the '988 patent as the subject of *Ex Parte* Reexamination proceeding No. 90/012,517. *Id.* at 6–13.

Petitioner previously sought a covered business method patent review of the '486 patent in proceeding CBM2013–00058, but we had denied institution of review. *Id.* at 13–14; *Mastercard Int'l Inc. v. D'Agostino*, Case CBM2013-00058 (PTAB Mar. 7, 2014) (Paper 10). Specifically, we denied institution of review because Petitioner had not demonstrated that Cohen or Flitcroft qualifies as prior art under Section 18(a)(1)(C) of the AIA,³ because

³ Under section 18(a)(1)(C) of AIA, a petitioner in a transitional proceeding who challenges the validity of one or more claims in a covered business methods patent on grounds of of unpatentability under §§ 102 and 103 may only support such grounds on the following basis:

- (i) prior art that is described by section 102(a) of such title (as in effect on the day before such effective date); or
- (ii) prior art that—
 - (I) discloses the invention more than 1 year before the date of the application for patent in the United States; and
 - (II) would be described by section 102(a) of such title (as in effect on the day before the effective date set forth in section 3(n)(1)) if the disclosure has been made by another before the invention thereof by the applicant for patent.

neither Cohen nor Flitcroft was published prior to the effective filing date of the '486 patent. *Mastercard Int'l Inc. v. D'Agostino*, Case CBM2013-00058, slip op. at 8–9 (PTAB Mar. 7, 2014).

C. The '486 Patent

The '486 patent discloses a method and system of performing secure credit card purchases. Ex. 1001, Abstract. The method and system increase overall security by minimizing access to credit card numbers, without having to deviate substantially from existing credit card transaction practices. *Id.* at 1:13–23.

AIA Section 18(a)(1)(C). This section does not apply to an *inter partes* review. 35 U.S.C. § 311(b) allows for a challenge in an *inter partes* review to be raised “on the basis of prior art consisting of patents or printed publications.” Accordingly, Cohen and Flitcroft qualify as prior art in an *inter partes* review.

Figure 3 of the '486 patent follows:

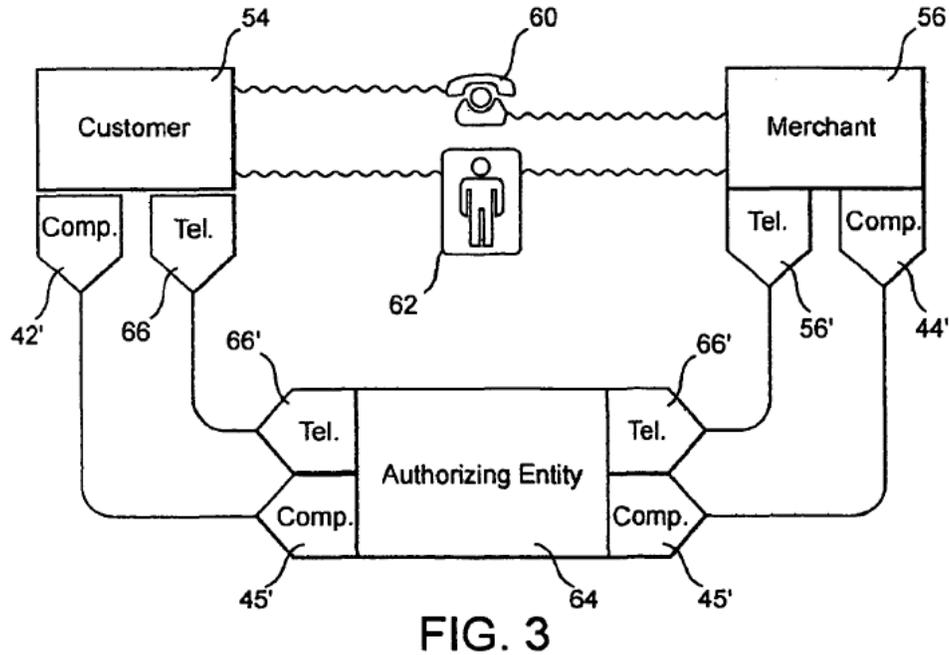


Figure 3, depicted above, schematically represents a secure credit card transaction system, where the customer-to-merchant contact is by phone or in person. As shown above in Figure 3, customer 54 receives promotional information from merchant 56, either by telephone 60 or in person 62. Ex. 1001, 7:25–30. Customer 54 then contacts custodial authorizing entity 64, by either telephone 66' or computer 45', for authorization. *Id.* at 7:30–38. After confirming authorization, authorizing entity 64 establishes details of the anticipated transaction to determine a payment category, and then issues a transaction code to the customer. *Id.* at 7:38–41. The customer can utilize the transaction code to consummate a transaction within the defined parameters of the payment category, and the merchant can obtain verification and subsequent payment utilizing the transaction code only. *Id.* at 7:41–50.

D. Illustrative Claim

Petitioner challenges claims 1–30 of the '486 patent. Pet. 17–58.

Claim 1 is illustrative of the claims at issue and is reproduced below:

1. A method of performing secure credit card purchases, said method comprising:
 - a) contacting a custodial authorizing entity having custodial responsibility of account parameters of a customer's account that is used to make credit card purchases;
 - b) supplying said custodial authorizing entity with at least account identification data of said customer's account;
 - c) defining a payment category including at least limiting purchases to a single merchant for at least one transaction, said single merchant limitation being included in said payment category prior to any particular merchant being identified as said single merchant;
 - d) designating said payment category thereby designating at least that transaction code generated in accordance with said payment category can be used by only one merchant;
 - e) generating a transaction code by a processing computer of said custodial authorizing entity, said transaction code reflecting at least the limits of said designated payment category to make a purchase within said designated payment category;
 - f) communicating said transaction code to a merchant to consummate a purchase with defined purchase parameters;
 - g) verifying that said defined purchase parameters are within said designated payment category; and
 - h) providing authorization for said purchase so as to confirm at least that said defined purchase parameters are within said designated payment category and to authorize payment required to complete the purchase.

Ex. 1001, 8:52–9:14.

E. Claim Construction

The Board interprets claims of an unexpired patent using the broadest reasonable interpretation in light of the specification of the patent in which

they appear. *See* 37 C.F.R. § 42.100(b); *see also In re Cuozzo Speed Techs., LLC*, No. 2014-1301, 2015 WL 4097949 at *7–*8 (Fed. Cir. July 8, 2015) (“Congress implicitly approved the broadest reasonable interpretation standard in enacting the AIA,” and “the standard was properly adopted by PTO regulation.”). Under the broadest reasonable interpretation standard, claim terms are given their ordinary and customary meaning, as would be understood by one of ordinary skill in the art in the context of the entire disclosure. *In re Translogic Tech. Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007).

1. “*generating a transaction code*”

Independent claims 1, 24, 25, and 29 recite “generating a transaction code.” Petitioner, in its Petition, proposes this limitation means “creating a code usable as a substitute for a credit card number in a purchase transaction, the number pre-coded to be indicative of a specific credit card account.” Pet. 15 (citation omitted). In our Decision to Institute, we construed “generating a transaction code,” under the broadest reasonable construction, to mean “creating or producing a code that is usable as a substitute for a credit card number in a purchase transaction, the transaction code is pre-coded to be indicative of a specific credit card account.” Dec. 6–7.

Patent Owner argues that “generating a transaction code” means “producing a code that is usable in substitution for a credit card number in a purchase transaction, the code being *indicative of a customer account and a payment category*.” PO Resp. 4–5 (emphasis added). Patent Owner specifically argues that our construction of “generating a transaction code” is overly narrow by requiring that the transaction code is pre-coded to be

indicative of only a “credit card account,” and should be broadly construed to include both a credit card account or debit card account. *Id.* at 5–8.

Patent Owner additionally argues that the ’486 patent claims specifically require that the generated transaction code indicates or reflects the payment category. *Id.* at 6–7. Petitioner responds that such a broadening of this limitation is unnecessary because the claims limit the scope of this limitation to “credit card” purchases. Pet. Reply 2. Petitioner also responds that claim differentiation, specifically claim 8, precludes “generating a transaction code” from indicating or reflecting a “payment category.” *Id.*

We agree with Petitioner. Claim 1 recites “generating a transaction code . . . said transaction code reflecting at least the limits of said designated payment category to make a purchase within said designated payment category.” In contrast to the ’988 patent under review in IPR2014-00543, the claims do not require the “transaction code [to be] associated with said account.” Accordingly, the ’486 patent claims and specification do not require that the “transaction code” is associated with the account and we decline to import such a limitation in to its meaning.

Claim 1 additionally recites “[a] method of . . . performing secure credit card purchases” and “a customer’s account that is used to make credit card purchases.” Accordingly, the ’486 patent claims limit the scope of the “account” to “credit card purchases.” Based on the foregoing discussion, under the broadest reasonable interpretation and based on the ’486 patent claim limitations, we construe “generating a transaction code to mean “creating or producing a code that is usable as a substitute for a credit card number in a purchase transaction, the transaction code is reflecting the limits of the payment category.”

2. “*defining at least one payment category*”

Independent claim 1 recites “defining a payment category.” Claim 1 further recites the payment category includes “limiting purchases to a single merchant” and “said single merchant limitation being included in said payment category prior to any particular merchant being identified as said single merchant.” Independent claims 24, 25, and 29 recite similar limitations. Based on the context of the ’486 patent specification, and under the broadest reasonable interpretation, we construed this limitation to mean “specifying the type of limitation (or limitations) that are available to be applied to a transaction code in order to limit its use.” Dec. 7–8.

Patent Owner argues that this construction is not the broadest reasonable interpretation, and should be construed to mean “specifying the limit (or limits) of a payment category that are applied to a transaction code in order to limit its use.” PO Resp. 9–10. Patent Owner specifically argues that the “defining” is to “mark the limits of the payment category.” *Id.* Petitioner argues that Patent Owner’s construction fails to give meaning to the term “payment category” and, therefore, Patent Owner’s construction is not the broadest reasonable interpretation. Pet. Reply 2–3.

We agree with Petitioner. Patent Owner’s proposed construction does not provide any meaning to the term “payment category.” As we had determined in our Decision to Institute, the ’486 patent does not provide a definition for the term “payment category.” Dec. 6–7. Rather, the ’486 patent describes a variety of possibilities, for example: 1) “[e]ach of the payment categories are reflective of a different type of payment desired or required to consummate the intended purchase”; 2) payment categories “may include a single transaction involving a specific dollar amount for a purchase

within a specific time period”; or, 3) “a single transaction may be involved . . . [with] a maximum limit or a dollar amount.” Ex. 1001, 3:48–59.

Accordingly, we construe “defining a payment category” to mean “specifying the type of limitation (or limitations) that are available to be applied to a transaction code in order to limit its use.” See Dec. 6–7; Pet. 15.

3. *“particular merchant” and “said single merchant limitation being included in said payment category prior to any particular merchant being identified as said single merchant”*

We previously construed the term “particular merchant” to mean “the merchant with whom the customer is transacting.” Dec. 8. We also construed “[said] single merchant limitation being included in said payment category prior to any particular merchant being identified as [said] single merchant” to mean “any group, category, or type of merchant is included in the payment category prior to the customer selecting a particular merchant for a transaction.” *Id.* at 7–8. Patent Owner argues this is not the broadest reasonable interpretation of “particular merchant” and submits that “particular merchant” should be construed to mean “a specific merchant with whom a customer can engage in a purchase transaction.” PO Resp. 11–13. Patent Owner does not provide any further explanation for their proposed construction. Petitioner argues that Patent Owner’s construction is incorrect because Patent Owner argued “the exact opposite to obtain allowance during the *ex parte* prosecution of the parent ’486 patent.” Pet. Reply 3 (citing Ex. 1013, 187).

We decline to adopt Patent Owner’s construction of “particular merchant.” We are not persuaded that adding the term “specific” to our construction alters the meaning of our construction of “particular merchant.” Independent claim 1 recites “said single merchant limitation being included

in said payment category prior to any particular merchant being identified as said single merchant.” Patent Owner fails to provide us with a meaningful explanation as to how transactions are limited to a single merchant, without identifying any particular merchant.⁴ Accordingly, we determine that the “single merchant” includes the “particular merchant” without identifying the particular merchant. Absent such a relationship, the claim language would be indefinite as ambiguously limiting transactions to an unidentified particular merchant. Accordingly, we maintain our construction of “particular merchant” to mean “the merchant with whom the customer is transacting.”

Patent Owner further argues that the plain and ordinary meaning of “merchant” is “someone who buys and sells goods.” PO Resp. 15 (citing Ex. 2007 ¶ 17; Ex. 2005, 3). We agree with Patent Owner. We note that this broad definition for “merchant” is not limited by any business association or corporate relationship.

Patent Owner further argues that “said single merchant limitation” simply refers to and is synonymous with the recited phrase ‘limiting

⁴ In addition to a number of other arguments, Patent Owner made this same argument before the Examiner during the Reexamination of the ’988 patent:

Further, the examiner’s argument fails because the examiner incorrectly construes “a particular merchant” to apparently mean a merchant that is defined by its location, which is an improper construction. In light of the ’988 patent specification, the correct meaning of a particular merchant is simply an identifiable merchant that a customer can use the transaction code with to make purchases.

Reexamination Proceeding No. 90/012,517, App. Br. 18. This argument is not a clear disavowal as it obfuscates any clear meaning of “particular merchant” for the reasons noted.

purchases to a single merchant” and is not limited to “groups, categories, or types of merchants.” *Id.* We agree with Patent Owner. Independent claim 1 recites “defining a payment category including at least *limiting* purchases to a single merchant for at least one transaction, said single merchant *limitation* being included in said payment category.” (Emphasis added). Patent Owner explained that the “single merchant limitation” limits the number of merchants to a single merchant. PO Resp. 14; Tr. 32:1–5; Ex. 2007 ¶ 15. Accordingly, we construe the limitation “said single merchant limitation being included in said payment category prior to any particular merchant being identified as said single merchant” to mean “the merchant transactions are limited to a single merchant and are included in the payment category prior to the customer selecting a particular merchant for a transaction.”

II. ANALYSIS⁵

A. *Anticipation of Claims 1–15 and 22–30 by Cohen*

1. *Overview*

Petitioner contends that claims 1–15 and 22–30 of the ’486 patent are unpatentable under 35 U.S.C. § 102(e) as anticipated by Cohen. Pet. 17–31. Petitioner provides citations for where each claim limitation is described by

⁵ Petitioner states that in the ’486 patent prosecution history, Patent Owner “disclaimed the ability to enforce the ’988 patent beyond the term of the ’486 Patent – conceding that the claims of the ’486 patent and those of the ’988 patent are not patentably distinct from each other” because Patent Owner filed a Terminal Disclaimer. Pet. 6; *see* Ex. 1013, 130–133. Patent Owner argues that the filing of a terminal disclaimer serves the statutory function of removing a double patenting rejection and is not an acquiescence as to the merits of a double patenting rejection. PO Resp. 33–34 (citing *Quad Envtl. Techs. Corp. v. Union Sanitary Dist.*, 946 F.2d 870, 874 (Fed. Cir. 1991)). We, however, do not reach this argument because it is not material to the challenges asserted against the claims in the ’486 patent.

Cohen. *Id.* We have reviewed the Petition and supporting evidence and find that Petitioner has shown that Cohen anticipates the challenged claims. *See id.*

2. *Cohen (Ex. 1004)*

Cohen describes a system of disposable credit card numbers, where the credit card numbers are generated for a one-time, single transaction basis, after which they are disposed of, or thrown away. Ex. 1004, 2:35–37. In general, a user dials into her credit card company and provides the ordinary credit card number and verification data, and may further indicate the transaction for which the customized credit card number will be used. *Id.* at 3:41–53. The user then is provided with a disposable or customized credit card number for a single or limited range use. *Id.*

For example, an employee’s credit card may be authorized to purchase a computer system, thereby transforming the credit card to a customized credit card that is valid for only that particular type of purchase. *Id.* at 8:24–35. The card also can be customized for use in a particular store or a particular chain of stores. *Id.*

3. *Analysis*

Petitioner contends that claims 1–15 and 22–30 of the ’486 patent are unpatentable under 35 U.S.C. § 102(e) as anticipated by Cohen. Pet. 17–31. Patent Owner argues that Cohen fails to disclose “said single merchant limitation being included in said payment category prior to any particular merchant being identified as said single merchant,” as recited by claim 1. PO Resp. 18–26. Patent Owner specifically argues that (a) Cohen’s merchant type limit fails to disclose “prior to any particular merchant being identified,” (b) Cohen’s type of store limit and type of charges fail to

disclose a “single merchant limitation,” (c) Cohen’s certain store limit cannot be made before identifying a specific merchant as the certain store, (d) Cohen’s group of stores limit is not a limit to a single merchant and cannot be made before identifying specific stores as members of the group of stores, and (e) Cohen’s particular chain of stores limit cannot be made before identifying a particular merchant.⁶ *Id.* Patent Owner further argues that Cohen fails to disclose “designating/selecting a payment category that places limitations on a transaction code before the transaction code is generated.” *Id.* at 28–32. In other words, Patent Owner argues that Cohen fails to disclose (a) the single merchant limitation, (b) said single merchant

⁶ Patent Owner further argues that the Ex Parte Reexamination of the ’988 patent confirmed claims 21 and 23–30 because Cohen fails to disclose “single merchant limitation being included in said payment category prior to any particular merchant being identified as said single merchant.” PO Resp. 32; *see* Ex. 2002, 4. However, unless Patent Owner made arguments creating a clear disavowal of claim scope that demonstrates how Cohen fails to meet a disputed limitation, we are not bound, under statute or otherwise, by such arguments. Given that this proceeding and the Reexamination proceeding were concurrent, Patent Owner failed in its duty to clarify its claim meaning during the Reexamination proceeding. *See supra*, note 4. We instituted review of the claims prior to the issuance of the Reexamination Certificate. Patent Owner also had an opportunity to amend claims in each proceeding. Moreover, this case involves a different evidentiary record that has been supplemented by arguments and evidence by Petitioner that was not before the Examiner in the Reexamination proceeding. These supplemental arguments and evidence include those impacting the claim construction and application of a “single merchant” to passages in Cohen not discussed in the Reexamination proceeding. *See Tempo Lighting, Inc. v. Tivoli, LLC*, 742 F.3d 973, 978 (Fed. Cir. 2014) (The “court . . . observes that the PTO is under no obligation to accept a claim construction proffered as a prosecution history disclaimer, which generally only binds the patent owner.”).

limitation is included *prior* to any particular merchant being identified as the single merchant, and (c) designating/selecting a payment category that places limitations on a transaction code before the transaction code is generated.

a. Single Merchant Limitation

Patent Owner argues that Cohen’s disclosure of limiting a credit card’s use to a type of store, a type of charge, or to a group of stores does not meet the “single merchant” limitation. PO Resp. 21–25. Patent Owner specifically argues that Cohen “cannot meet the disputed claim limitation, because the claim limitation requires a payment category that limits transactions to only a [sic] one merchant.” *Id.* at 23 (citing Ex. 2007 ¶¶ 39, 40). Patent Owner also argues that Cohen’s disclosure of a group of stores does not meet this limitation because the “phrase ‘group of stores’ itself means more than one store.” *Id.* at 24–25. Patent Owner further argues that Cohen’s particular chain of stores disclosure fails to meet the “single merchant” limitation. *Id.* at 25–26. We disagree with Patent Owner. As discussed above, we construe the “single merchant” limitation as limiting purchase to a single merchant. *See supra* Section I.E.3. We further agree with Patent Owner’s broad construction of “merchant” to mean “someone who buys and sells goods.” *Supra* Section I.E.3. Accordingly, under the broadest reasonable construction, the “single merchant” limitation includes limiting transactions to any chain of stores or group of stores that is identified as a single merchant.

Petitioner contends that Cohen discloses a card that can be customized such that it can be valid only for purchases in a particular store or a particular chain of stores, such as a particular restaurant or a particular chain

of restaurants. Pet. Reply 6 (citing Ex. 1004, 8:25–39); Pet. 27–28 (citing Ex. 1004, 8:25–39); Ex. 1004, 8:25–39. As discussed above, the “particular merchant” is “the merchant with whom the customer is transacting,” and the “single merchant” includes the “particular merchant” in a broad manner without identifying the particular merchant. *See supra* Section I.E.3. The relationship between a chain of stores and a particular store satisfies the relationship between the “single merchant” and the “particular merchant.” For example, the “single merchant” could be Target or McDonald’s chain of stores, where a “particular merchant” could be a specific Target or McDonald’s store, e.g., at a particular location or online. *See* PO Resp. 25–26; Tr. 33:19–37:2. Patent Owner argues that in such a scenario Target or McDonald’s is both the “single merchant” and the “particular merchant” (Tr. 33:1–37:5), however, Patent Owner has not directed us to evidence or provided a rationale to rebut our construction that the chain of stores is the “single merchant limitation” and the specific store in the chain of restaurants is the “particular merchant.” Accordingly, we find that Cohen discloses the recited “single merchant” limitation.

b. Single merchant limitation being included in said payment category prior to any particular merchant being identified as said single merchant

Patent Owner argues that Cohen’s particular chain of stores requires identifying a specific chain of stores prior to limiting to that particular store or particular chain of stores, and, therefore, does not meet the disputed claim limitation. PO Resp. 25–26. Patent Owner specifically argues that “[i]t is known that a chain of stores consists of series of stores selling the same goods and that are owned by one ownership,” and, as such, the particular merchant necessarily must have been identified when the single merchant

was identified—contrary to the claim limitation. *See id.* at 25 (citing Ex. 2007 ¶¶ 34–35).

We disagree with Patent Owner. As discussed above, we construe the relationship between the recited “particular merchant” and “single merchant” such that the “single merchant” includes the particular merchant as a member of the single merchant chain, without identifying the particular merchant. *See supra* Section I.E.3. In other words, for example, a “single merchant” can be the chain of stores, whereas the “particular merchant” is a single store of that chain of stores. *Supra* Section I.E.3; *see supra* Section II.A.3.a. Patent Owner agrees that a chain of stores may have single ownership. *See* Tr. 36:21–37:2. Given such single ownership, Patent Owner has not set forth persuasive evidence or rationale to demonstrate that it precludes our construction of a “single merchant” as the chain of stores and a “particular merchant” as a specific store in that chain of stores. *See supra* Section I.E.3; Section II.A.3.a. As discussed above, our claim construction of a “single merchant” as the chain of stores and a “particular merchant” as a specific store in that chain of stores constitutes the broadest reasonable construction of the term. *See id.* Accordingly, we agree with Petitioner that Cohen’s disclosure of a credit card that is valid only for purchases in a specific chain of stores, such as a specific chain of restaurants, meets this disputed limitation. Pet. Reply 6 (citing Ex. 1004, 8:25–39); Pet. 19.

c. Designating/selecting a payment category that places limitations on a transaction code before the transaction code is generated

Patent Owner argues that independent claims 1, 24, 25, and 29 require that the step of “generating the transaction code” is performed after identifying an account and designating or selecting a payment category. PO

Resp. 28–29. Patent Owner argues that although Cohen discloses customizing a credit card, Cohen fails to disclose “defining/selecting customized use of the credit card number before the credit number is generated.” *Id.* at 29–32.

Although the claims require designating/selecting a payment category before the generation of the transaction code, we disagree with Patent Owner that Cohen fails to disclose this limitation. Cohen discloses that “a user dials into her credit card company before making a transaction, and . . . is provided with a disposable or customized number.” Ex. 1004, 3:42–49. Cohen also discloses that “a user can indicate in advance of purchase, on the telephone call with the credit card company, what the single use or the customized credit card number is to be used for.” *Id.* at 3:50–53. Although Patent Owner argues that Cohen does not explicitly disclose the step of designating or selecting a payment category precedes the generation of a transaction code, we find, based on the record before us, that a person with ordinary skill in the art would have understood from this disclosure that a user dials in to her credit card company and performs both the task of requesting a disposable or customized number and indicates what the customized credit card number is to be used for. Pet. Reply 12–13; Tr. 57:11–21; *see* Ex. 1004, 3:42–53. We find that a reading of Cohen that precludes a user from performing both steps in a single call is unreasonable. *Id.*

Additionally, Cohen discloses that customized cards “can either be preset for certain uses, or the cards can be ready and waiting in the user’s office or home for setting to the desired use when the user is ready.” Pet. Reply 13 (emphasis omitted)(citing Ex. 1004, 3:63–67). With this

disclosure, Cohen is setting forth that the customized use for a card can be preset, or set subsequent to the issuance of the card. *Id.* We find that a person with ordinary skill in the art would have understood that Cohen presents two options, where the preset option limits the customized card prior to the generation of the transaction code. *Id.*

Even further, Cohen discloses that “relevant information (such as the expiration date etc.) can either be printed on the card or verbally transmitted to the user. Likewise, the limited use nature of the card (either in a general sense or the specific limitations), the disposability of the card, the range of dates or validity of the card, etc. may either be printed on the card or transmitted to the user, whether verbally or in writing.” Ex. 1004, 3:19–25. Again, we find that a person with ordinary skill in the art would have understood that the designation of the limited use card and the subsequent printing of the limits on the card suggests that the designation of the limits is done prior to the step of generating the transaction code and printing of all of the information on the customized card. Tr. 17:17–22, 51:4–52:19; *see* Ex. 1004, 3:19–25.

4. Conclusion

We have reviewed the Petition and supporting evidence and find that Petitioner has shown that Cohen anticipates all of the limitations of the challenged claims. *See* Pet. 17–31.

B. Obviousness of Claims 16–21 over Cohen and Musmanno

Petitioner contends that claims 16–21 would have been obvious over the combination of Cohen and Musmanno. *Id.* at 31–36. Petitioner provides a detailed explanation, including citations to Cohen and Musmanno, as to how the combination of Cohen and Musmanno discloses each limitation of

claims 16–21. *Id.* Petitioner further provides an articulated reasoning with a rational underpinning to support its conclusion of obviousness. *Id.* For example, Petitioner contends that Cohen discloses claim 1, as discussed above, and further discloses that Cohen’s transaction code can be used repeatedly for a range of dates or a series of dates, as recited by claim 16. *Id.* at 33 (citing Ex. 1004, 7:44–62). Petitioner further argues that Musmanno discloses that a predetermined amount from a master account is transferred to at least two subaccounts at a fixed time interval. *Id.* (citing Ex. 1006, 5:53–59). Petitioner also argues that applying the repeating transaction steps of Musmanno to the transaction code generation steps of Cohen would not change the respective functions of each step and such a combination would have yielded the predictable result of the ability to use Cohen’s transaction code for repeating transactions for a fixed amount at fixed intervals. *Id.* at 32–33 (citing Ex. 1008 ¶ 64).

Patent Owner argues that claims 16–21 depend from independent claim 1, and, therefore, the combination of Cohen and Musmanno fails to disclose dependent claims 16–21 for the same reasons discussed above with regard to claim 1. PO Resp. 33. We are not persuaded by Patent Owner’s arguments in support of claim 1 for the reasons discussed above, and, therefore, are not persuaded that claims 16–21 would not have been obvious for the same reasons. *See supra* Section II.A.3.

We have reviewed the Petition and supporting evidence and find that Petitioner has shown that the combination of Cohen and Musmanno meets all of the limitations of claims 16–21. *See* Pet. 31–36. We further agree with the rationale for this combination of references articulated by Petitioner. *See id.* (citing Ex. 1008 ¶ 64).

C. Petitioner's Motion to Exclude

Petitioner moves to exclude the declaration of Mr. Edward L. Gussin, under Federal Rules of Evidence 702, as not qualified as an expert on the subject matter of the '486 patent. Mot. 1. Petitioner argues that both Mr. Gussin and Petitioner's declarant, Dr. Jack D. Grimes, agree that a person with ordinary skill in the art has (1) a bachelor of science degree in electrical engineering or computer science, or the equivalent, and (2) at least three years of experience in "payment card payment technologies, including experience in existing, accepted remote payment card transaction practices" at the time of the invention. *Id.* at 3 (emphasis omitted) (citing Ex. 1008 ¶¶ 18; Ex. 2007 ¶¶ 22–23). Petitioner argues that "to be qualified as an expert, one must at least be a person of ordinary skill" and there is no evidence that Mr. Gussin has the qualifications he agrees are required for a person with ordinary skill in the art. *Id.* at 1 (citing *Sundance, Inc. v. Demonte Fabricating Ltd.*, 550 F.3d 1356, 1363 (Fed. Cir. 2008)). Specifically, Petitioner argues that Mr. Gussin does not have at least three years of experience in the payment industry, card payment technologies, or with remote payment card transaction practices. *Id.* at 4; Reply to Opp. to Mot. 2–4.

Patent Owner argues that Mr. Gussin has (1) a master of science degree in electrical engineering, (2) thirty-nine years of electrical engineering experience developing hardware and software systems related to the present invention, and (3) served as an expert on claim construction issues and is listed as an inventor on software patents. Opp. to Mot. 2–5. Patent Owner asserts that this experience provides Mr. Gussin with the

necessary skill and knowledge relevant to the technology of the '486 patent. *Id.* at 3–4.

We are not persuaded that we should exclude Mr. Gussin's testimony. Mr. Gussin's extensive experience and education certainly qualify him to provide expert testimony in general hardware and software technologies. *See Ex. 2007, Appendix A.* To the extent Mr. Gussin is more familiar with general hardware and software technologies and less familiar with "payment card payment technologies," we weigh Mr. Gussin's testimony accordingly. *See Yorkey v. Diab*, 601 F.3d 1279, 1284 (Fed. Cir. 2010) (holding the Board has discretion to give more weight to one item of evidence over another "unless no reasonable trier of fact could have done so"); *In re Am. Acad. of Sci. Tech Ctr.*, 367 F.3d 1359, 1368 (Fed. Cir. 2004) ("[T]he Board is entitled to weigh the declarations and conclude that the lack of factual corroboration warrants discounting the opinions expressed in the declarations."). Accordingly, Petitioner's argument goes more to the weight we should accord Mr. Gussin's testimony, rather than its admissibility, and it is within our discretion to assign the appropriate weight to Mr. Gussin's testimony.

Petitioner further moves to exclude Mr. Gussin's declaration because it relies on claim constructions inconsistent with our Decision to Institute. Mot. 5–6; Reply to Opp. to Mot. 4–5. Patent Owner responds that "[n]othing requires Mr. Gussin's testimony to be consistent with or constrained by the Board's preliminary claim constructions." Opp. to Mot. 6. We agree with Patent Owner. Our preliminary Decision is not a final determination. *See Dec. 18.* Accordingly, Patent Owner is permitted to

provide evidence towards claim construction, regardless of our initial determinations.

For the reasons discussed above, we are not persuaded to exclude Mr. Gussin's testimony. Petitioner's Motion to Exclude is *denied*.

III. CONCLUSION

We are persuaded that Petitioner has demonstrated by a preponderance of the evidence that claims 1–30 of the '486 patent are unpatentable.

IV. ORDER

Accordingly, it is hereby:

ORDERED that, based on the grounds under review, claims 1–30 of U.S. Patent No. 7,840,486 have been shown by a preponderance of the evidence to be unpatentable; and

FURTHER ORDERED that this is a Final Written Decision of the Board under 35 U.S.C. § 318(a), and parties to the proceeding seeking judicial review of this decision must comply with the notice and service requirements of 37 C.F.R. § 90.2.

IPR2014-00544
Patent No. 7,840,486 B2

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