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Paper No. 63
Filed: August 10, 2021

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO., LTD., SAMSUNG ELECTRONICS AMERICA, INC., SAMSUNG RESEARCH AMERICA, INC.,
Petitioner,

v.

DYNAMICS INC.,
Patent Owner.

IPR2020-00499
Patent 8,827,153

Before TREVOR M. JEFFERSON, GEORGIANNA W. BRADEN, and JON M. JURGOVAN, *Administrative Patent Judges*.

BRADEN, *Administrative Patent Judge*.

JUDGMENT
Final Written Decision
Determining No Challenged Claims Unpatentable
35 U.S.C. § 318(a)

We have jurisdiction to hear this *inter partes* review under 35 U.S.C. § 6, and this Final Written Decision is issued pursuant to 35 U.S.C. § 318(a). For the reasons that follow, we determine Petitioner has not shown by a preponderance of the evidence that claims 1 and 5–8 of U.S. Patent No. 8,827,153 B2 are unpatentable.

I. INTRODUCTION AND BACKGROUND

A. Procedural History

Samsung Electronics Co., Ltd., Samsung Electronics America, Inc., and Samsung Research America, Inc. (collectively "Petitioner") filed a Petition requesting an *inter partes* review of claims 1 and 5–8 of U.S. Patent No. 8, 827,153 B2 (Ex. 1001, "the '153 patent"). Paper 1 ("Pet."). Dynamics Inc. ("Patent Owner") timely filed a Preliminary Response. Paper 8 ("Prelim. Resp.").

After institution of trial, Patent Owner filed a Patent Owner Response (Paper 48, "PO Resp."), to which Petitioner filed a Reply (Paper 51, "Pet. Reply"). Patent Owner then filed a redacted Sur-Reply (Paper 53, "PO Sur-Reply").

An oral argument was held on May 12, 2021. A transcript of the oral argument is included in the record. Paper 61 ("Tr.").

B. Real Parties-in-Interest

Petitioner identifies itself (Samsung Electronics Co., Ltd., Samsung Electronics America, Inc., and Samsung Research America, Inc.) as the real parties-in-interest pursuant to 37 C.F.R. § 42.8. Pet. 62. Patent Owner identifies only itself as the real party-in-interest pursuant to 37 C.F.R. § 42.8. Paper 6, 1. There is no dispute regarding the identification of the real parties-in-interest.

C. Related Matters

Petitioner informs us of one pending district court proceeding based on the '153 patent that involves Petitioner, *Dynamics Inc. v. Samsung Elecs. Co., Ltd. et al.*, Case No. 1:19-cv-6479 (S.D.N.Y.), filed July 12, 2019, which was stayed on September 4, 2019. Pet. 62. Petitioner also informs us of one proceeding pending before the International Trade Commission ("ITC"), *In re Certain Mobile Devices With Multifunction Emulators*, Inv. No. 337-TA-1170 (U.S.I.T.C.), filed July 12, 2019. *Id.* Petitioner further informs us of concurrently filed IPR petitions for three other patents asserted in the above-referenced District Court and ITC cases. *Id.*

Patent Owner informs us of the same pending proceedings listed above. Paper 6 (Patent Owner's Mandatory Notice), 2–3.

D. The '153 Patent

The '153 patent was filed on July 17, 2012, issued on September 9, 2014, and is titled "Systems and Methods for Waveform Generation for Dynamic Magnetic Stripe Communications Devices." Ex. 1001, codes (22), (45), (54).

1. Written Description

The '153 patent relates to "[d]ynamic magnetic stripe communications devices" capable of communicating with payment terminals for carrying out purchase transactions without having to be in physical contact with the payment terminals through the use of magnetic emulation, rather than using data found on the magnetic stripe of payment cards. Ex. 1001, Abstract. According to the '153 patent, a dynamic magnetic communication device

includes two main components: (a) a magnetic emulator; and (b) a waveform generator. *Id.* at claim 1.

The '153 patent discloses that a magnetic emulator is a device that emulates the magnetic stripe of a traditional payment card. Ex. 1001, 1:22–37. By "emulating" a magnetic stripe, the magnetic stripe emulator is capable of interfacing with a magnetic stripe reader of a payment terminal. *Id.* According to the '153 patent, the magnetic stripe emulator can be "an inductor (e.g., a coil)" that "[c]urrent may be provided through . . . to create an electromagnetic field operable to communicate with the read-head of a magnetic stripe reader." *Id.*, 2:14–18.

The '153 patent describes one embodiment of a card with a magnetic stripe emulator, which is illustrated in Figure 1, reproduced below.

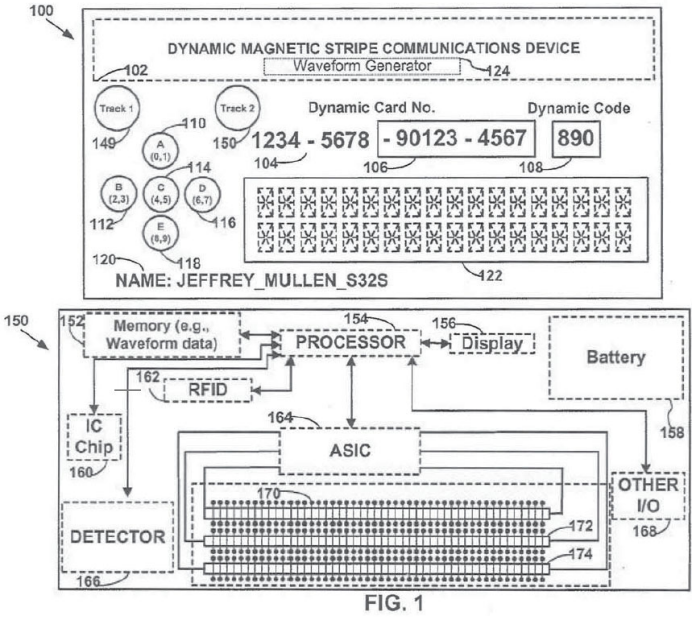

FIG. 1

Figure 1 "is an illustration of a card constructed in accordance with the principles of the present invention." Ex. 1001, 4:40–41. The '153 patent discloses that card **100** may include button **149.** *Id.* at 5:46. According to the '153 patent, button **149** may be used to communicate a waveform via

waveform generator **124** through dynamic magnetic stripe communications device **102** indicative of a user's desire to communicate a single track of magnetic stripe information. Ex. 1001, 5:46–50.

The '153 patent describes another embodiment of a card with a magnetic stripe emulator, which is illustrated in Figure 2, reproduced below.

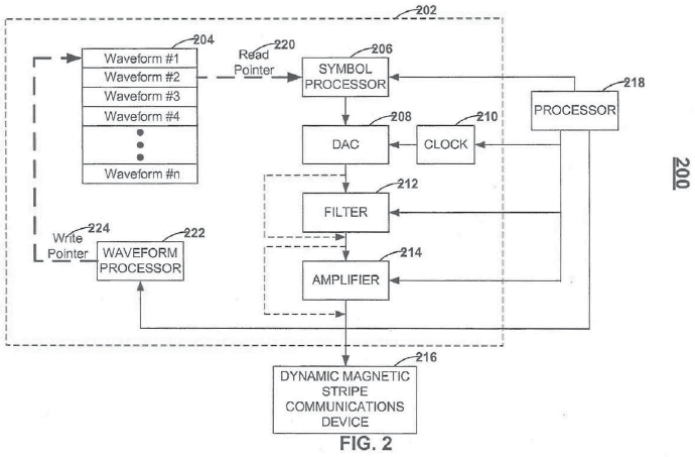

FIG. 2

Figure. **2** is an illustration of a card, which may include component **202** (e.g., an ASIC, a mixed-signal FPGA, a data acquisition microcontroller or system on a chip), processor **218,** and dynamic magnetic stripe communications device **216**. *Id.* at 8:21–24. Component **202** may include, for example, memory **204,** symbol processor **206**, DAC **208**, clock generator **210**, filter **212**, amplifier **214**, and waveform processor **222**. *Id.* at 8:24–27.

The '153 patent further discloses that waveform generator **222** retrieves data from memory and allows the device to generate waveforms from the retrieved data to be communicated by the magnetic stripe emulator and received by a magnetic stripe reader. *Id.* at Abstract, 2:18–22. The '153 patent discloses that the format of that retrieved data is similar to the format of data that is stored in a traditional payment card (e.g., "at least one track of magnetic stripe data"). *Id.* at 2:18–22. The '153 patent explains that the

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