UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CLOVER NETWORK, LLC,

Petitioner,

v.

CLOUDOFCHANGE, LLC,

Patent Owner.

Case IPR2023-00287

Patent 11,226,793

PATENT OWNER'S PRELIMINARY RESPONSE TO PETITION FOR *INTER PARTES* REVIEW OF U.S. PATENT NO. 11,226,793

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EXHIBIT LIST

Petitioner's Exhibits	
Exhibit	**Description**
1001	U.S. Patent No. 11,226,793 to Baratta et al. ("the '793 patent")
1002	Expert Declaration of Todd Mowry
1003	Prosecution History of the '793 patent
1004	U.S. Patent Publication No. 2007/0265935 ("*Woycik*")
1005	U.S. Patent Publication No. 2005/0049921 ("*Tengler*")
1006	U.S. Patent Publication No. 2008/0208696 ("*Olson*")
1007	U.S. Patent Publication No. 2004/0181454 ("*Manno*")
1008	U.S. Patent Publication No. 2006/0235755 ("*Mueller*")
1009	U.S. Patent Publication No. 2004/0128199 ("*Cusack*")
1010	United Kingdom Patent Application GB2369201 ("*Tomlinson*")
1011	U.S. Pat. No. 5,818,428 ("*Eisenbrandt*")
1012	Plaintiff's Response in Opposition to Defendant's Motion for Summary Judgment, *CloudofChange, LLC v. NCR Corporation*, 6-19-cv-00513 (W.D. Tex.)
1013	WO 02/39226 A2 ("*Thompson*")
1014	Plaintiff's Motion in *Limine*, *CloudofChange, LLC v. NCR Corporation*, 6-19-cv-00513 (W.D. Tex.)
1015	U.S. Patent Publication No. 2004/0103037 ("*Wetmore*")
1016	RESERVED
1017	Plaintiff's First Amended Preliminary Infringement Contentions Exhibit A3, *CloudofChange, LLC v. Lightspeed POS Inc.*, 6-21-cv-01102 (W.D. Tex.)
1018	First Amended Scheduling Order, *CloudofChange, LLC v. Lightspeed POS Inc.*, 6-21-cv-01102, D.I. 31 (W.D. Tex.)
1019	U.S. Patent Publication No. 2002/0194074 ("*Jacobs*")
1020	U.S. Patent No. 7,051,091 ("*Cohen*")
1021	U.S. Patent No. 6,384,850 ("*McNally*")
1022	U.S. Patent No. 6,002,395 ("*Wagner*")
1023	RESERVED
1024	Final Claim Constructions of the Court, *CloudofChange, LLC v. NCR Corporation*, 6-19-cv-00513 (W.D. Tex.)

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1025	Supplemental Claim Construction Order, *CloudofChange, LLC v. NCR Corporation*, 6-19-cv-00513 (W.D. Tex.)
1026	U.S. Patent No. 6,247,032 ("*Bernardo*")
1027	Plaintiff's Preliminary Infringement Contentions for the '793 patent, *CloudofChange, LLC v. Clover Network, Inc.*, 6-22-cv-00634 (W.D. Tex.)
1028	Scheduling Order, *CloudofChange, LLC v. Clover Network, Inc.*, 6-22-cv-00634 (W.D. Tex., Oct. 24, 2022)
1029	Final Claim Constructions of the Court, *CloudofChange, LLC v. Lightspeed POS Inc.*, 6-21-cv-01102 (W.D. Tex., Sep. 16, 2022)
1030	Transcript of Feb. 3, 2023

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2001	Opposed Motion to Stay Pending *Inter Partes* Review of U.S. Patent Nos. '640, '793, and '012, *CloudofChange, LLC v. Clover Network, Inc.*, 6-22-cv-00634 (W.D. Tex. December 5, 2022)
2002	Davis, Ryan, *Albright Says He'll Very Rarely Put Cases On Hold For PTAB*, Law 360 (May 11, 2021, 6:50 PM EDT), https://www.law360.com/articles/1381597/print?section=ip (last visited July 22, 2021)
2003	Joint Motion to Amend Scheduling Order, *CloudofChange, LLC v. Clover Network, Inc.*, 6-22-cv-00634 (W.D. Tex. February 2, 2023)
2004	National Judicial Caseload Profile https://www.uscourts.gov/sites/default/files/fcms_na_distprofile0930.2022.pdf
2005	Waco's second federal magistrate judge sworn in to help manage growing patent litigation docketthttps://www.kwtx.com/2022/04/01/wacos-second-federal-magistrate-judge-sworn-help-manage-growing-patent-litigation-docket/
2006	PACER Docket Report, *CloudofChange, LLC v. Clover Network, Inc.*, 6-22-cv-00634 (W.D. Tex.) (as of February 24, 2023)
2007	Petitioner's Preliminary Invalidity Contentions, *CloudofChange, LLC v.*

Patent Owner's Exhibits	
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	Clover Network, Inc., 6-22-cv-00634 (W.D. Tex.)
2008	Declaration of Alex Cheng
2009	Trial Transcript (Vol. 1 of 4)
2010	Trial Transcript (Vol. 2 of 4)
2011	Trial Transcript (Vol. 3 of 4)
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2014	Olson Declaration
2015	Ackerman Declaration
2016	Kutay Kalkan, Francis Kwansa, Cihan Cobanoglu, "Payment Card Industry Data Security Standards (PCI DSS) Compliance in Restaurants," Journal of Hospitality Financial Management, Volume 13, Issue 2, March 2010, https://scholarworks.umass.edu/cgi/viewcontent.cgi?article=1188&context=jhfm
2017	Tim Wilson, Many Retailers Will Not Make PCI Compliance Deadline," Dark Reading, September 26, 2007, https://www.darkreading.com/analytics/many-retailers-will-not-make-pci-compliance-deadline
2018	Forrester Research, "Launch of Forrester's 2010 Security Survey," Forrester, April 15, 2010, https://www.forrester.com/blogs/launch-of-forresters-2010-security-survey/
2019	34 Clover's Opposed Motion for Protective Order
2020	19 Clover's Opposed MTN to Transfer Venue to the Northern District of California_Redacted
2021	Trial Transcript (Vol. 4 of 4)
2022	Clover's Motion to Stay
2023	TJX data breach At 45.6M card numbers, it's the biggest ever
2024	PACER Docket Report, *CloudofChange, LLC v. Lighspeed POS Inc.*
2025	Lightspeed's Final Invalidity Contentions
2026	Director Katherine K. Vidal Memorandum (dated June 21, 2022) https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621_.pdf

I. INTRODUCTION

Pursuant to 35 U.S.C. § 313 and 37 C.F.R. § 42.107, Patent Owner CloudofChange, LLC ("CloudofChange") submits this Preliminary Response to the Petition for *Inter Partes* Review ("Petition") of Claims 1-4, 7-28, and 31-44 of U.S. Patent No. 11,226,793 ("the '793 Patent") (the "Challenged Claims") filed by Petitioner Clover Network, Inc. ("Petitioner"). CloudofChange respectfully requests that the Board deny institution because Petitioner failed to demonstrate a reasonable likelihood that it will prevail with respect to any of the Challenged Claims and/or exercise its discretion and deny institution of *inter partes* review ("IPR") in view of the parallel district court litigation.

Petitioner challenges the patentability of the Challenged Claims based on two references: *Woycik* and *Tengler*, utilized in two grounds. Specifically, Petitioner asserts the following challenges to the Challenged Claims:

Ground	References	Basis	Claims
1	*Woycik*	§103	1-4, 7-28, and 31-44
2	*Tengler*	§103	1-4, 7-28, and 31-44

Petition, 4.

The Petition should be denied.

First, the Office has already considered the asserted prior art during the original examination of the '793 Patent, now advanced in Grounds 1-2.

Second, the Board should exercise its discretion to deny institution under 35 U.S.C. § 314(a) in view of the complete overlapping issues in the parallel district court litigation and the fact that Petitioner failed to offer any stipulation to mitigate the concerns of overlap. Further, the parallel district court litigation is expected to be completed before the Final Written Decision in this proceeding. Additionally, the Parties have already invested significant resources in the district court litigation, including preparing and responding to various motions and amendments, preparing infringement contentions, invalidity contentions, and resolving all claim construction issues, and will be soon engaged in general fact discovery. Accordingly, the Board should deny institution to avoid inefficiency and duplication of efforts.

Third, the Petition fails to demonstrate that there is a reasonable likelihood that the Petitioner would prevail as to at least one of the Challenged Claims. In particular, Grounds 1 and 2 fail because neither of the references (*Woycik* and *Tengler*) teach a "web-based point of sale (POS) builder system," as recited in the Challenged Claims. EX1001, Claims 1, 27, 42, 43, and 44. Indeed, Petitioner relies exclusively on references that require an in-store local server to operate the point of sale systems. In contrast, the POS claimed and embodied in the '793

Patent is a "web-based POS builder system" that operates completely on the web. EX1001, Claims 1, 27, 42, 43, and 44.

Fourth, the objective evidence weighs in favor of nonobviousness, but the Petition fails to even address this issue.

II. BACKGROUND

On June 17, 2022, CloudofChange filed a lawsuit against Petitioner for infringement of three patents in the United States District Court for the Western District of Texas, Waco Division ("WDTX"). *CloudofChange, LLC v. Clover Network, Inc.*, 6-22-cv-00634 (W.D. Tex.) (the "Clover Litigation"). Since CloudofChange filed suit, Petitioner has filed three IPR petitions challenging each asserted patent owned by CloudofChange.[1] Petitioner filed this Petition on December 1, 2022.

A. State of the Art

In 2008, when U.S. Patent No. 9,400,640[2] (the parent application of the '793 Patent) was filed, how POS content was created and implemented was important to the claimed invention. EX2008, ¶35. It remains important today. Prior to the '640

[1] Petitioner has filed the following related IPRs: IPR 2023-00232, IPR2023-00287 (present case), and IPR2023-00288.

[2] The '793 Patent claims priority to the '640 Patent. EX1001, 1. There is not a dispute of the priority date. Petition, *passim*.

Patent, typically each POS vendor had its own proprietary set of technologies and methods in place to create, implement, and manage POS content. *Id.* POS hardware vendors' business model typically included a services division that produced revenues for the company to create this content for merchants. *Id.* Additionally, many third parties existed which charged merchants to maintain this content. *Id.* Accordingly, there were business reasons in place that provided incentives for companies to make these technologies difficult for merchants to use. *Id.* That is, prior to the effective filing date of the '793 Patent, point of sale (POS) systems were tethered to in-store local servers and required expensive and time-consuming manual software configuration for store and restaurant owners to make even minor changes to menu items or product offerings. Historically, "only specially trained people" could build or change these POS systems, which were still "difficult" and "prone to error" leading to store owners to "to retain older, inaccurate, out-of-date POS screens in order to avoid the POS screen editing process." EX1001, 1:46-52. The patented invention, a web-based POS builder system, eliminated these challenges by providing an inexpensive and efficient method for "assist[ing] non-expert business operators in building, editing and testing a [POS] system to manage their businesses" while simultaneously removing

the requirement of purchasing and maintaining on site computer servers for POS systems. *Id.* at Abstract, 5:47-48.

"Web-based" technologies started to take hold in the mid-to-late 2000s when wide-spread adoption started taking place. EX2008, ¶36. Prior to this time, legacy technologies—mainframes and client/server technologies—were the most predominant and the legacy computing style was typically centralized and proprietary. *Id.* Most POS venders managed POS content using a large, centralized computer with connected remote computers, all under a proprietary connection. *Id.* Outside of the POS industry, "web-based" technologies began to server this link and allowed for open source (generally free, standardized technology stacks) as well as standardized computing languages that allowed for an expanded pool of resources and benefits for lay persons. *Id.*

In contrast to the legacy computing environment, with private, proprietary connections, the Internet (web-based) allowed for more open, more prolific, and more standardized connectivity. *Id.* at ¶37. This connectivity enabled what is now called the "Cloud." *Id.* While "cloud" based technology is prolific in today's computing environment, tactical application of cloud computing was in its formative stages in the mid-to-late 2000s. *Id.* The term itself had not proliferated widely, but the use of the underlying technologies for the business model of

Software as a Service (SaaS) and "hosted" solutions were becoming common in the mid to late 2000s. *Id.* Cloud computing, which put simply is a computing style in which the actual computations or data is location agnostic.

Additionally, in February 2008, developers and maintainers of POS systems were struggling with finding solution to problems related to access management, application security, and encryption. EX2008, ¶37; EX1001, 4:56-62. Access management (login and password), application security (segregated database instances), and encryption are well known requirements for web servers. EX2008, ¶38. These requirements are documented in the '640 Patent specification to describe the web server of the Patent.

Due to data breaches, by February 2008, to maintain consumer trust in the use of credit and debit cards, the Payment Card Industry Data Security Standard ("PCI DSS") was established. EX2008, ¶39. PCI DSS compliance by June 30, 2007 would grant safe harbor for retailers from fines of $500,000 per breach. EX2016; EX2008, ¶39. In turn, this would require providers of POS systems and services to be PCI DSS compliant as well. Even with the motivation to avoid the risk of stiff fines, a 2007 Forrester Research survey revealed that only 60 percent of US respondents planned to be PCI DSS compliant by the end of 2008. The three largest reasons for the delay were identified as **access management,**

application security and encryption. EX2017 (emphasis added); EX2008, ¶39. These problems proved to be so severe that, by 2010, it was reported that PCI compliance from 2007 to 2009, only rose from 46% to 51%. North American organizations are still not where they should be, and the level of PCI compliance in Europe is especially poor." EX2018; EX2008, ¶39. Consequently, in February 2008, a POSITA would be strongly motivated away from solutions that introduce requirements for access management, application security, and encryption. EX2008, ¶39.

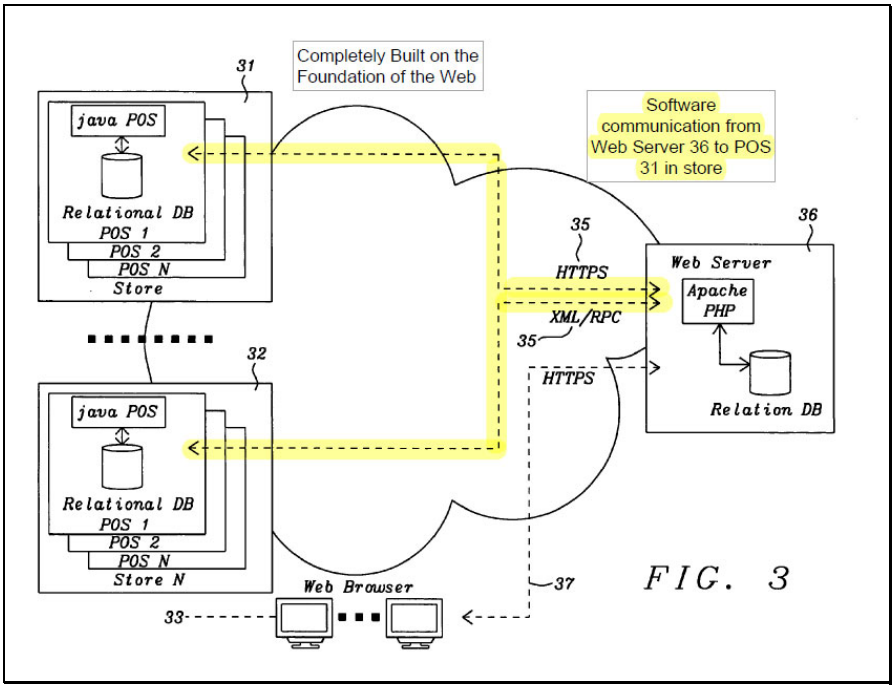
B. Overview of the '793 Patent

The '793 Patent is titled a "Web-Based Point of Sale Builder" and involves technology for point of sale (POS) systems, services, and products. EX1001, Title. The technology includes "a system and a method for online, web-based [POS] building and configuration, which can assist non-expert business operators in building, editing and testing a [POS] system to manage their businesses." EX1001, Abstract. "The key advantages of the Web-based POS builder are that it is completely built on the foundation of the Web. The POS builder is accessible anywhere in the world. The POS builder builds, edits, and tests new POS terminals in real time." EX1001, 5:43-47.

Some embodiments disclosed in the '793 Patent relate to a customizable system having a POS terminal that can be edited and built from a server-accessible

POS builder interface, which may be, for example, a centralized interface used by a remote or local POS system controller. EX1001, 5:57-66.

On November 30, 2017, CloudofChange filed U.S. Patent Application No. 15/827,948 ("the '948 Application"). The '948 Application published on March 29, 2018 as U.S. Patent Publication No. 2018/0088909 and issued on January 18, 2022, as the '793 Patent, which is the subject of this proceeding.



Id. at Fig. 3 (annotated).

C. Prosecution History

On July 11, 2019, the Examiner issued a Non-Final Office Action rejecting pending claims 2-44 "on the ground of nonstatutory double patenting as being unpatentable over claims 1-28 of [the '640 Patent]." EX1003, 493-497. A

Terminal Disclaimer was filed on October 11, 2019. EX1033, 485.[3] On January 27, 2020, the Examiner issued a Notice of Noncompliant Amendment. EX1003, 478. On March 27, 2020, CloudofChange filed a response attaching a copy of the pending claims without amendment. EX1003, 465-474.

On July 9, 2020, the Examiner issued a Non-Final Office Action rejecting pending claims 3-44 under pre-AIA 35 U.S.C. § 103(a) over *Wagner* (U.S. Patent No. 6,002,395), in view of Sullivan (U.S. Patent No. 7,015,945) and *McCue* (U.S. Patent Publication No. 2008/0109535). EX1003, 404. CloudofChange filed a response amending claims 3, 8, 10-11, 16-19, 21, 23, 26, 32, 34-36, and 39-43. EX1003, 381-390.

During prosecution, *Woycik* (U.S. Patent Publication No. 2007/0265935) and *Tengler* (U.S. Patent Publication No. 2005/0049921) were disclosed in an Information Disclosure Statement ("IDS") on May 18, 2020. EX1003, 415. Further, the Examiner was made aware of the NCR Litigation and the invalidity contentions concerning the '640 Patent and the '012 Patent. EX1003, 377-379. Specifically, NCR's Invalidity Contentions along with claim chart Exhibits were

[3] A Terminal Disclaimer was filed to expedite prosecution and CloudofChange made no, and continues to make no, admission that the present application's claims are patentably indistinct from the claims of the '640 Patent. EX1003, 473, 481-482.

expressly cited and disclosed to the Examiner during prosecution in an IDS, which cited both *Woycik* and *Tengler* as prior art references with claim charts. EX1003, 377-379.

NON PATENT LITERATURE DOCUMENTS			
Examiner Initials	Cite No.	Include name of the author (in CAPITAL LETTERS), title of the article (when appropriate), title of the item (book, magazine, journal, serial, symposium, catalog, etc.), date, page(s), volume-issue number(s), publisher, city and/or country where published.	T[1]
	12	Defendant's Invalidity Contentions in Case No: 6:19-CV-00513-ADA, CloudofChange, LLC, v. NCR Corporation, dated February 24, 2020 in 27 pages.	
	13	Exhibit A1: Invalidity of U.S. Patent No. 9,400,640 based on US2007265935 ("Woycik") in 10 pages.	
	14	Exhibit A2: Invalidity of U.S. Patent No. 10,083,012 based on US2007265935 ("Woycik") in 10 pages.	

EX1003, 377.

	23	Exhibit A11: Invalidity of U.S. Patent No. 9,400,640 based on US20050049921 ("Tengler") in 9 pages.	
	24	Exhibit A12: Invalidity of U.S. Patent No. 10,083,012 based on US20050049921 ("Tengler") in 9 pages.	

Id. at 378.

On November 15, 2020, the Examiner signed and initialed the IDS indicating that "ALL REFERENCES CONSIDERED EXCEPT WHERE LINED THROUGH. /R.M./." EX1003, 379. Neither *Woycik* nor *Tengler* were lined through. *Id.*

Further, the Examiner's search history shows that the Examiner expressly searched both *Woycik* and *Tengler* on January 2, 2021. EX1003, 150-151.

S22	8	(("20060235755") or ("20070265935") or ("20070175995") or ("20050049921") or ("20070175992") or ("5920312") or ("20020194074") or ("6384850")).PN.	US-PGPUB; USPAT; USOCR	OR	OFF	2021/01/02 15:34
S23	319	(inventory price cost sales) and ((web adj server) server same database) same(hardware software) same ((cash adj register) POS (point adj of adj sale)) and (subscriptS4 subscrib$4)	US-PGPUB; USPAT; USOCR; FPRS; EPO; DERWENT; IBM_TDB	OR	OFF	2021/01/02 17:34
S24	39	S23 @py<"2008"	US-PGPUB; USPAT; USOCR; FPRS; EPO; DERWENT; IBM_TDB	AND	OFF	2021/01/02 17:34
S25	319	(inventory price cost sales) and ((web adj server) server same database) same(hardware software) same ((cash adj register) POS (point adj of adj sale)) and (subscriptS4 subscrib$4)	US-PGPUB; USPAT; USOCR; FPRS; EPO; DERWENT; IBM_TDB	OR	OFF	2021/01/02 17:35

Id. (highlighted).

Both *Woycik* and *Tengler* were made of record in the Office Action dated January 7, 2021. Specifically, the Examiner issued a Non-Final Office Action rejecting (i) claims 3-6, 10-27, 30-36 and 39-43 under pre-AIA 35 U.S.C. § 102(a)(1) as being anticipated by *Mueller* (U.S. 2006/0235755); and (ii) claims 8-9 and 28-29 under pre-AIA § 103(a) as being obvious over *Mueller* in view of *Tengler* (U.S. Patent Publication No. 2005/0049921). Specifically, the Examiner stated:

> Mueller discloses all of the limitations above but does not explicitly disclose the feature of wherein the at least one web server is further configured to receive from the one or more POS terminals one or more videos captured by one or more cameras, wherein the one or

> more videos are correlated with the one or more POS transactions and wherein the one or more videos and the one or more POS transactions are indexed using a same clock.
>
> However, Tengler teaches the feature wherein the at least one web server is further configured to receive from the one or more POS terminals one or more videos captured by one or more cameras, wherein the one or more videos are correlated with the one or more POS transactions and wherein the one or more videos and the one or more POS transactions are indexed using a same clock (paragraphs [0018] and [0103]).

EX1003, 142-143. In response, CloudofChange amended claims 3, 8, 10, 26, and 41-43, and added new claims 45-48. EX1003, 111-121. On July 22, 2021, the Examiner issued a Final Office Action rejecting claims 3-6, 8-36, 39-43, and 45-48. EX1003, 94. The Examiner repeated his rejection under §§ 102 and 103. EX1003, 93-103. In response, CloudofChange amended claims 3, 26, and 41-43. EX1003, 72-83.

On December 1, 2021, the Examiner issued a Notice of Allowance and included a Notice of References Cited, which listed both *Tengler* and *Woycik*. EX1003, 19 and 29. Additionally, in the Notice of Allowance the Examiner expressly indicated that reasons for allowance were:

> [t]he **primary reason for the allowance** of these claims is the inclusion of the limitation of claim 1 of **configuring the one or more POS terminals with the information over the network to create or modify based on the further Information** regarding one or more POS transactions the one or more POS screens displayed on the one or more POS terminals; and wherein the further information regarding the one or more POS transactions, the information used for creating or modifying the one or more POS screens, or a combination thereof comprises one or more of employee clock information, customer add/update information, item add/update information, promotion information, loyalty point information, discount information, taxation information, item cost information, or inventory information; wherein said further information regarding the one or more POS transactions relate to one or more transactions by corresponding customers respectively associated with at least one of said one or more POS terminals, which is not found in the prior art of records. The other independent claims contain similar subject matter and the dependent claims are also allowable based on their dependency on the independent claims.

EX1003, 26.

Notice of References Cited	Application/Control No. 15/827,948	Applicant(s)/Patent Under Reexamination BARATTA et al.	
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U.S. PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Name	CPC Classification	US Classification
*	A	US-20060235755-A1	10-2006	Mueller; Raymond J.	G06Q30/06	705/15
*	B	US-20050049921-A1	03-2005	Tengler, Craig D.	G06Q10/087	705/15
*	C	US-20070265935-A1	11-2007	Woycik; Thomas E.	G07G1/14	705/65
*	D	US-6384850-B1	05-2002	McNally; Keith R.	G06F16/9577	715/810
*	E	US-20020194074-A1	12-2002	Jacobs, Eric L.L.	G07G1/145	705/16

Id. at 145. On January 18, 2022, the '793 Patent issued.

D. The '793 Patent's Litigation History

CloudofChange has filed suit against Petitioner for infringement of the '793 Patent, the related '640 Patent, and the related '012 Patent. EX2006. The related '640 Patent and '012 Patent (and not the '793 Patent) were previously involved in a lawsuit *CloudofChange, LLC v. NCR Corporation*, 6-19-cv-00513 (W.D. Tex. Aug. 30, 2019) ("NCR Litigation"). The NCR Litigation resulted in a jury verdict that: (i) Claims 1, 3-6, and 11-13 of the '640 Patent are not invalid and were infringed; and (ii) Claims 1, 2, 3, 4, and 9 of the '012 Patent are not invalid and that Claims 1, 2, 3, and 4 were infringed. EX2012 (Dkt. 159, Jury Verdict).[4]

[4] The Jury in the NCR Litigation expressly rejected invalidity arguments based on *Woycik*. EX2012; EX2009, 56-57, and 100-102; EX2010, 243-300; and EX2011, 126-132, 137-139, 144-147, 152-153, 225-227, 245-246, and 254.

Besides the parallel district court Clover Litigation, Patent Owner has also filed a lawsuit against Lightspeed POS Inc., on October 22, 2021, asserting the '793 Patent. EX2024.

III. LEVEL OF ORDINARY SKILL IN THE ART

The definition of a hypothetical "person of ordinary skill in the art" ("POSITA") is relevant to issues of claim construction, anticipation, and obviousness. *In re Abbott Diabetes Care, Inc.*, 696 F.3d 1142, 1149 (Fed. Cir. 2012).

Petitioner proposes that a POSITA at the Critical Date,

> would have had a **working knowledge of designing and developing web-based software and systems**. A POSITA would have had a Bachelor of Science in computer science or a related field, and approximately **two years of professional experience or equivalent study in the design and development of web-based software and systems, including web-based POS systems**. Additional graduate education could substitute for professional experience, or significant experience in the field could substitute for formal education.

Petition, 8 (citation omitted) (emphasis added).

In contrast, Patent Owner proposes that a POSITA in the field of the '793 Patent at the time of the effective filing date of the '793 Patent would have a Bachelor of Science in computer science or a related field, and approximately two

years of professional experience or equivalent study in the design and development of retail point of sale ("POS") systems, including experience with building POS screens. EX2008, ¶¶27-33. Additional graduate education could substitute for professional experience, or significant experience in the field could substitute for formal education. *Id.* at 29.

Petitioner's proposed definition of a POSITA does not require any experience with retail POS systems—let alone **building POS screens**—that are the field of the '793 Patent. Instead, Petitioner proposes a definition for a POSITA that references "**approximately two years of professional experience** or equivalent study in the design and development of web-based software and systems, **including web-based POS systems**." Petition, 8 (emphasis added). Petitioner's proposed definition of a POSITA makes experience in retail POS systems optional. So, a POSITA could have general professional experience in web-based software, yet no experience with the technology, state of the art, and problems particular to the entire field systems at the time of the filing of the '793 Patent. Patent Owner's proposed definition of a POSITA remedies this deficiency by including experience or equivalent study in the field of the '793 Patent, retail point of sale ("POS") systems, including experience with building POS screens.

Additionally, Petitioner has provided a declaration of Dr. Todd Mowry. EX1001. Dr. Mowry's basis for being a POSITA is merely his academic experience and other experience, which does not include "design and development of web-based software and systems, including web-based POS systems" let alone "two years of professional experience or equivalent study in the design and development of retail POS systems, including experience with building POS screens." EX1002, ¶¶2-8 and Appendix A. Indeed, neither Petitioner nor Petitioner's Declarant, Dr. Mowry, offer any experience with: (i) **two years of professional experience or equivalent study in the design and development of web-based software and systems, including web-based POS systems**,[5] or (ii) **two years of professional experience or equivalent study in the design and development of retail POS systems, including experience with building POS screens**. EX1002, ¶¶1-5 and Appendix A. Therefore, under a proper definition of a POSITA that includes experience or additional study in the field of web-based POS builder software and systems, or even Dr. Mowry's definition of a POSITA, Dr. Mowry is not a POSITA with reference to the '793 Patent. *Id.* "To offer expert testimony from the perspective of a skilled artisan in a patent case—like for

[5] Indeed, Dr. Mowry's resume does not refer to web-based POS systems, let alone "point of sale systems." EX1002, Appendix A.

claim construction, validity, or infringement—a witness must at least have ordinary skill in the art." *Kyocera Senco Indus. Tools v. Int'l Trade Comm'n*, 22 F.4th 1369, 1376-77 (Fed. Cir. 2022). Testimony of an expert that fails to meet the definition a POSITA should be excluded. *Id.* at 1377-78 (holding that the administrative law judge abused their discretion by admitting the testimony of an expert that lacked experience required by the adopted definition of a POSITA). EX2015, ¶33. The Board should exclude Dr. Mowry's testimony.

IV. CLAIM CONSTUCTION

Claim terms should be given their "ordinary and customary meaning" as understood by a POSITA in question at the time of the invention. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312-13 (Fed. Cir. 2005). CloudofChange disputes Petitioner's assertion that "[p]rior Markman orders do not impact the Petition's grounds." Petition, at 9 n.2 (citing EX1002, EX1024, EX1025, EX1029). Proper claim construction starts with an analysis of intrinsic evidence because claim construction is "highly fact and case-specific." *Emerson Elec. Co. v. SIPCO, LLC*, 826 F. App'x 904, 914 (Fed. Cir. 2020).

In related litigation, the Western District of Texas construed the terms, as follows:

Claims	Claim Term	Court's Construction in the Lightspeed Litigation EX2019
All Claims	"a point-of-sale terminal" or "POS terminal"	Plain and ordinary meaning Cl. 1, 3, 42, 44
All Claims	"POS screens"	"a POS terminal's visual display depicting selection keys or buttons" Cl. 1, 42, 44
	"wherein the further information regarding the one or more POS transactions, the information used for creating or modifying the one or more POS screens, or a combination thereof comprises one or more of" and "further information regarding one or more POS transactions corresponding to the one or more items	Plain and ordinary meaning Cl. 44
	"The web-based point of sale (POS) builder system of claim 1, wherein the received information comprises information indicative of at least one of a number, shape, or arrangement of the one or more display interfaces"	Plain and ordinary meaning Cl. 10
	"The web-based point of sale (POS) builder system of claim 1, wherein the POS builder interface is configured to run on a computing device"	Plain and ordinary meaning Cl. 2

CloudofChange proposes that the PTAB adopt Judge Albright's constructions in the Lightspeed Litigation and final constructions in the NCR

Litigation that are applicable to this case. Specifically, the Board should adopt the Court's construction for "POS screens" and "web-based point of sale (POS) builder system."[6]

A. "a web-based point of sale (POS) builder system"

The preamble of Claims 1, 27, and 44 recites "a web-based point of sale (POS) builder system." EX1001, Claims 1, 27, 44. Similarly, the preamble of Claims 42 and 43 recites "[a] method of implementing **a web-based point of sale (POS) builder system**, the method comprising." *Id.* at Claims 42, 43 (emphasis added). The Federal Circuit recently reaffirmed that, "[i]n general, a preamble limits the invention if it recites essential structure or steps, or if it is necessary to give life, meaning, and vitality' to the claim." *Arctic Cat Inc. v. GEP Power Products, Inc.*, 919 F.3d 1320, 1327 (Fed. Cir. 2019) (internal quotations omitted). The WDTX correctly construed the preamble as "a point of sale (POS) builder system **that requires the internet**." EX1024, 1 (emphasis added).

Here, the specification confirms the "web-based" nature of the POS builder system is important. EX2008, ¶¶62-68. "[W]hen reciting additional structure …

[6] In the NCR Litigation, the Court construed the term "web-based point of sale (POS) builder system" to mean "a point of sale (POS) builder system that requires the internet." EX1024; EX1025. The '793 Patent uses the same term in all of the Challenged Claims.

underscored as important by the specification, the preamble may operate as a claim limitation." *Deere & Co. v. Bush Hog, LLC*, 703 F.3d 1349, 1357-58 (Fed. Cir. 2012) (quotations omitted). The '793 Patent states: "**this invention relates to an online, web-based** point of sale builder method." EX1001, 1:26-27 (emphasis added). "The **key advantages** of the Web-based POS builder are that it is **completely built on the foundation of the Web**." *Id.* at 5:43-44 (emphasis added).

As such, the preambles of Claims 1, 27, 42, 43, and 44 are limiting, and "a web-based point of sale (POS) builder system" is properly construed as "a point of sale (POS) builder system that requires the internet."

B. "display interfaces"

The phrase "display interfaces" does not require construction beyond the plain and ordinary meaning. *Phillips*, 415 F.3d at 1312-13. Petitioner improperly seeks to add a limitation that appears in a dependent claim. Under the doctrine of claim differentiation, if a dependent claim includes a term not included in the independent claim then there is a presumption that the independent claim does not include the term's limitation. *InterDigital Commc'ns, LLC v. Int'l Trade Comm'n*, 690 F.3d 1318, 1324 (Fed. Cir. 2012); *Liebel-Flarsheim Co. v. Medrad, Inc.*, 358 F.3d 898, 910 (Fed. Cir. 2004) ("[T]he presence of a dependent claim that adds a particular limitation raises a presumption that the limitation in question is not

found in the independent claim."). The "presumption can be overcome if the circumstances suggest a different explanation, or if the evidence favoring a different claim construction is strong." *Liebel-Flarsheim*, 358 F.3d at 910.

Here, Petitioner seeks to add the limitation "buttons or keys for display on POS screens" to independent Claim 1. In two (2) sentences, Petitioner opines that "display interfaces at least include buttons or keys for display on POS screens." Petition, 10 (citing Ex. 1001, Claim 9). Petitioner has not overcome the presumption that "display interfaces" does not include the limitation "buttons or keys …" that appear in dependent Claim 9. Therefore, the term should have its plain and ordinary meaning. As detailed in the specification, the term "display interfaces" is not limited to "buttons or keys" because embodiments also include boxes and other templates. EX2008, 69 (citing EX1001, 2:53-3:3, 4:63-5:7, 5:22-35, FIGs 1-2, 4a-4b).

CloudofChange reserves the right to further address claim construction in the event that review is instituted.

V. THE BOARD SHOULD EXERCISE ITS DISCRETION UNDER 35 U.S.C. § 325(d) TO DENY INSTITUTION BECAUSE PETITIONER RELIES ON THE SAME PRIOR ART PREVIOUSLY CONSIDERED BY THE OFFICE

The Board should exercise its discretion to deny institution under 35 U.S.C. § 325(d) because the art and arguments presented in this Petition were previously presented to the Office. 35 U.S.C. § 325(d) (stating the Board may deny institution under where the petition includes "the same or substantially the same prior art or arguments [that] previously were presented to the Office"); *R.J. Reynolds Vapor Co. v. Fontem Holdings 1 B.V.*, IPR2018-00626, Paper 7, 19-21 (P.T.A.B. Sept. 27, 2018) (denying institution under § 325(d) where petitioner's asserted references were substantially the same as the references cited on an IDS, listed on the face of the patent, and considered by the Examiner).

As further described below, the prosecution history of the '793 Patent makes clear that both *Woycik* and *Tengler* were expressly considered by the Examiner during prosecution. Therefore, the present facts favor denying institution under § 325(d) based on the two-part test set forth in *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019- 01469, Paper 6 (P.T.A.B. Feb. 13, 2020) (precedential).

The *Advanced Bionics* test first considers *Becton, Dickinson* factors (a), (b), and (d), and "whether the same or substantially the same art previously was

presented to the Office or whether the same or substantially the same arguments previously were presented to the Office." *Id.* at 8; *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8, at 18 (PTAB Dec. 15, 2017) (precedential). "[I]f either condition" is satisfied then *Advanced Bionics* provides for consideration of *Becton, Dickinson* factors (c), (e), and (f), and asks "whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims." *Advanced Bionics*, IPR2019-01469, Paper 6, at 8; *Becton, Dickinson*, IPR2017-01586, Paper 8, at 18.

Here, as shown below, the prior art asserted in Grounds 1-2 of the Petition fall squarely within the class of cases for which denial under § 325(d) is warranted—*i.e.*, art expressly considered by the Examiner during prosecution. *Advanced Bionics*, IPR2019-01469, Paper 6, at 9 (stating the *Advanced Bionic* "framework reflects a commitment to defer to previous Office evaluations of the evidence of record unless material error is shown").

A. *Woycik* and *Tengler* Were Presented to the Office and Considered by the Office Satisfying Part 1 of the *Advanced Bionics* Test

First, Petitioner fails to acknowledge the Examiner's express consideration of *Woycik* and *Tengler*. Petitioner merely argues that "*Woycik* was not used in any rejection or otherwise discussed during prosecution" and argues in a footnote that "the Examiner erroneously identified *Woycik* … because no rejection

addresses *Woycik*." Petition, 12, n.4. Next, even though *Tengler* was expressly cited by the Examiner in a rejection, Petitioner argues that "[t]he *Tengler*-based ground … was not considered by the Examiner." Petition, 12. In truth, the Examiner had expressly considered both *Woycik* and *Tengler* and rejected both *Woycik* and *Tengler* as teaching all the claimed limitations in allowing the present claims. Indeed, the Examiner's search history shows that the Examiner expressly searched both *Woycik* and *Tengler* on January 2, 2021. EX1003, 150-151, 415, 379 (showing both *Woycik* and *Tengler* marked considered in an IDS by Examiner on November 15, 2020).

S22	8	(("20060235755") or ("20070265935") or ("20070175995") or ("20050049921") or ("20070175992") or ("5920312") or ("20020194074") or ("6384850")).PN.	US-PGPUB; USPAT; USOCR	OR	OFF	2021/01/02 15:34
S23	319	(inventory price cost sales) and ((web adj server) server same database) same(hardware software) same((cash adj register) POS (point adj of adj sale)) and (subscriptS4 subscrib$4)	US-PGPUB; USPAT; USOCR; FPRS; EPO; DERWENT; IBM_TDB	OR	OFF	2021/01/02 17:34
S24	39	S23 @py<"2008"	US-PGPUB; USPAT; USOCR; FPRS; EPO; DERWENT; IBM_TDB	AND	OFF	2021/01/02 17:34
S25	319	(inventory price cost sales) and ((web adj server) server same database) same(hardware software) same((cash adj register) POS (point adj of adj sale)) and (subscriptS4 subscrib$4)	US-PGPUB; USPAT; USOCR; FPRS; EPO; DERWENT; IBM_TDB	OR	OFF	2021/01/02 17:35

EX1003, 150-151.

Second, both *Woycik* and *Tengler* were made of record in the Office Action dated January 7, 2021 when the Examiner (i) asserted *Woycik* in the "Notice of References Cited" attached to the Office Action, and (ii) both cited *Tengler* in a rejection and asserted *Tengler* in the "Notice of References Cited" attached to the Office Action. *See* EX1003, 135, 146. Additionally, in the Notice of Allowance dated December 1, 2021, the Examiner expressly cited the Notice of References Cited (PTO-892) listing both *Woycik* and *Tengler*. EX1003, 23, 29. The Examiner noted that,

> [t]he primary reason for the allowance of these claims is the inclusion of the limitation of claim 1 of configuring the one or more POS terminals with the information over the network to create or modify based on the further Information regarding one or more POS transactions the one or more POS screens displayed on the one or more POS terminals; and wherein the further information regarding the one or more POS transactions, the information used for creating or modifying the one or more POS screens, or a combination thereof comprises one or more of employee clock information, customer add/update information, item add/update information, promotion information, loyalty point information, discount information, taxation information, item cost information, or inventory information; wherein said further information regarding the one or more POS transactions relate to one or more transactions by corresponding customers respectively associated with at least one of said one or more POS terminals, which is not found in the prior art of records.

EX1003, 26.

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U.S. PATENT DOCUMENTS

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*	A	US-20060235755-A1	10-2006	Mueller; Raymond J.	G06Q30/06	705/15
*	B	US-20050049921-A1	03-2005	Tengler, Craig D.	G06Q10/087	705/15
*	C	US-20070265935-A1	11-2007	Woycik; Thomas E.	G07G1/14	705/65
*	D	US-6384850-B1	05-2002	McNally; Keith R.	G06F16/9577	715/810
*	E	US-20020194074-A1	12-2002	Jacobs, Eric L.L.	G07G1/145	705/16

EX1003, 145.

Third, the Examiner was made aware of the NCR Litigation and the specific invalidity contentions concerning the '640 Patent and the '012 Patent. EX1003, 377-379. Specifically, NCR's Invalidity Contentions along with claim chart Exhibits, the defendant in the NCR Litigation, were expressly cited and disclosed to the Examiner during prosecution in an IDS. *See* EX1003, 377-379.

NON PATENT LITERATURE DOCUMENTS

Examiner Initials	Cite No.	Include name of the author (in CAPITAL LETTERS), title of the article (when appropriate), title of the item (book, magazine, journal, serial, symposium, catalog, etc.), date, page(s), volume-issue number(s), publisher, city and/or country where published.	T[1]
	12	Defendant's Invalidity Contentions in Case No: 6:19-CV-00513-ADA, CloudofChange, LLC, v. NCR Corporation, dated February 24, 2020 in 27 pages.	
	13	Exhibit A1: Invalidity of U.S. Patent No. 9,400,640 based on US2007265935 ("Woycik") in 10 pages.	
	14	Exhibit A2: Invalidity of U.S. Patent No. 10,083,012 based on US2007265935 ("Woycik") in 10 pages.	

EX1003, 377.

	23	Exhibit A11: Invalidity of U.S. Patent No. 9,400,640 based on US20050049921 ("Tengler") in 9 pages.	
	24	Exhibit A12: Invalidity of U.S. Patent No. 10,083,012 based on US20050049921 ("Tengler") in 9 pages.	

EX1003, 378. The Examiner signed the IDS and initialed the IDS indicating that "ALL REFERENCES CONSIDERED EXCEPT WHERE LINED THROUGH.

/R.M./." EX1003, 377-379. Accordingly, the Office had considered both *Woycik* and *Tengler* during the prosecution of the '793 Patent. Further, since the references were: (i) cited and considered by the Examiner; (ii) NCR'S Invalidity Contentions citing both *Woycik* and *Tengler*—including NCR's Invalidity Claim Charts for the '640 Patent and the '012 Patent (Exhibit A1, A2, A11, and A12); (iii) made of record, by the Examiner; and (iv) expressly searched by the Examiner, the art was "previously presented" to the Office within the meaning of § 325. *See Advanced Bionics*, IPR2019-01469, Paper 6 at 7-8 ("Previously presented art includes art made of record by the Examiner."). Therefore, under these facts, the first part of the *Advanced Bionics* test is plainly satisfied.

B. Petitioner has Not Demonstrated that the Office Erred in a Manner Material to the Patentability of the Challenged Claims

Petitioner separately failed to meet its burden to show that "the Office erred in a manner material to the patentability of the challenged claims." *Advanced Bionics*, IPR2019-01469, Paper 6 at 7-11; *Fanduel, Inc. v. Interactive Games LLC*, 966 F.3d 1334, 1341 (Fed. Cir. 2020). In fact, Petitioner did not allege any "material error" in the Office's prior consideration of the overlapping art/argument.

Indeed, Petitioner is silent on its obligations under § 325(d) with respect to this issue. *See ABS Global, Inc. v. Cytonome LLC*, IPR2021-00306, Paper 13, 13-

14 (P.T.A.B. June 7, 2021) ("[W]here Petitioner has made no allegation of material error beyond the allegation that the Examiner did not apply the [prior art] reference and has not pointed out any specific disclosure from [the prior art reference] that was overlooked by the Office, … Petitioner fails to demonstrate material error."). The Board cannot step into the shoes of the Petitioner to cure this deficiency. *In re Magnum Oil Tools Int'l, Ltd.*, 829 F.3d 1364, 1381 (Fed. Cir. 2016).

Because Petitioner fails to identify any error that the Examiner made in finding the limitations of the '793 Patent patentable over *Woycik* and *Tengler*, references that the Examiner expressly searched, Petitioner cannot satisfy its burden of showing that the Office committed "material error" in allowing the '793 Patent.

Petitioner also offers no persuasive evidence that the Examiner overlooked anything material in the record before him. Indeed, Petitioner ignored the fact that the Examiner expressly searched both references. Instead, Petitioner baldly contends that "both grounds rely on noncumulative prior art and arguments not previously considered, which favors institution." Petition, 12. However, as shown above, (i) **both *Woycik* and *Tengler* were expressly considered by the Examiner**; (ii) *Tengler* was cited in a rejection of the claims; and (iii) the

Examiner allowed the claims in view of *Woycik* and *Tengler*, two (2) references made of record by the Examiner. For each of these reasons, Petitioner has not met their burden of showing that the Office committed "material error" in allowing the '793 patent. Therefore, the second prong of the *Advanced Bionics* test (including *Becton, Dickinson* factors (c), (e), and (f)) strongly favor denying institution, and the Board should exercise its discretion accordingly.

VI. THE BOARD SHOULD EXERCISE ITS DISCRETION UNDER 35 U.S.C. § 314(a) TO DENY INSTITUTION

The Board has discretion to decline to institute any IPR proceeding. *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (citing 35 U.S.C. § 314(a): "[a] decision to deny a petition is a matter committed to the Patent Office's discretion"); 35 U.S.C. §314(a); *Oil States Energy Servs. LLC v. Greene's Energy Grp., LLC*, 138 S. Ct. 1365, 1371 (2018) ("The decision whether to institute [IPR] is committed to the Director's discretion."). The Board should do so here.

The Board's discretion should be exercised if institution would be counter to the goals of the America Invents Act (AIA)—"to establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs," and to "provide[] quick and cost effective alternatives to litigation." H.R. REP. NO. 112-98, pt. 1, pp. 40, 48 (2011); *General Plastic Indus. Co., LTD. v. Canon Kabushiki Kaisha*, No. IPR2016-01357,

Paper 19, 16-17 (P.T.A.B. Sept. 6, 2017). The Board has declined to institute in cases where a parallel district court trial would determine the same issues before the requested Board trial, rendering the review cumulative and inefficient. *NHK Spring Co., Ltd. v. Intri-Plex Technologies, Inc.*, IPR2018-00752, slip op., Paper 18, 19-20 (P.T.A.B. Sept. 12, 2018) (precedential) (quoting *General Plastic*, IPR2016-01357, Paper 19, 16-17 (precedential)); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, 12 (P.T.A.B. Mar. 20, 2020) (precedential). Further, the Director of the USPTO issued a Memorandum, dated June 21, 2022, on the "Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation." The Director recently clarified that "[t]he Board should **first assess *Fintiv* factors 1-5**." *Commscope Techs. LLC v. Dali Wireless, Inc.*, IPR2022-01242, Paper 23, 4-6 (P.T.A.B. Feb. 27, 2023) (designated precedential on Feb. 10, 2023). Under *Commscope*, "the Board must provide reasoning to explain and support its determination" that compelling merits exist. *Id.* at 5-6. Moreover, "the compelling merits standard is a higher standard than the standard for institution set by statute," and "the lower institution standard is insufficient to demonstrate that the Petition presents a compelling unpatentability challenge." *Id.* at 3, 5. Only, then "if that analysis supports discretionary denial,

the Board should engage the compelling merits question" of *Fintiv* Factor 6.[7] *Id.* As clarified by *Commscope*, "the Board must provide reasoning to explain and support its determination" that this higher compelling merits standard is met. *Id.* at 5-6. Moreover, "the compelling merits standard is a higher standard than the standard for institution set by statute," and "the lower institution standard is **insufficient** to demonstrate that the Petition presents a compelling unpatentability challenge" where *Fintiv* factors 1-5 are in favor of discretionary denial. *Id.* at 3, 5.

Here, the factors weigh overwhelmingly in support of discretionary denial. Accordingly, the Board should exercise discretion to deny institution so that the cumulative issues Petitioners have raised in both the district court and the Petition can be decided efficiently, with the least amount of duplication and at the next available opportunity under the facts and circumstances here: in the district court.

A. There is a Complete Overlap between the Issues Raised in the Petition and in the Parallel Litigation (Factor 4)

Factor 4 is favors denial because there is a **complete** overlap between the issues raised in the Petition and the parallel Clover Litigation. The facts that:

[7] The Board bases its discretionary decision whether to institute or deny institution under § 314(a) on "a balanced assessment of all relevant circumstances in the case, including the merits" and "events in other proceedings related to the same patent, either at the Office, in district courts, or the ITC." P.T.A.B. Consolidated Trial Practice Guide, 58 (Nov. 2019).

(i) Petitioner failed to offer **any** stipulation to mitigate concerns of overlap[8] and (ii) the petition "includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding" favors denial. *Fintiv*, IPR2020-00019, Paper 11, 12. All of the issues raised in the Petition are already presented, and are already being litigations, between the same Parties in the United States District Court for the Western District of Texas in Case No. 6:22-cv-00634.

Here, contrary to the controlling case law and Director Vidal's guidance, Clover did not offer **any** stipulation to mitigate concerns of potentially conflicting decisions and duplicative efforts between the district court and the PTAB. *Sotera Wireless, Inc., v. Masimo Corp.*, IPR2020-01019, Paper 12 (P.T.A.B. Dec. 1, 2020); EX2026 ("Consistent with *Sotera* … the PTAB will not discretionarily deny institution in view of parallel district court litigation where a petitioner presents a stipulation not to pursue in a parallel proceeding the same grounds or any grounds that could have reasonably been raised before the PTAB.") (emphasis omitted) (citations and footnote omitted).

Furthermore, Petitioner's challenges to the '793 Patent are substantially the same as the invalidity challenges presented in the parallel litigation because

[8] Further, when given a chance to offer a stipulation, Petitioner declined. EX1030, 19:4-21:5.

Petitioner relies on substantially the same invalidity arguments for each independent claim, the same primary reference, and substantially the same secondary references. EX2007.

Petition	Preliminary Invalidity Contentions
Woycik (EX1004)	EX1017, 5 EX2007, 12
Tengler (EX1005)	EX1017, 5 EX2007, 12
Olson (EX1006)	EX1017, 5 EX2007, 12
Manno (EX1007)	EX1017, 5 EX2007, 12
Mueller (EX1008)	EX1017, 7 EX2007, 14
Cusack (EX1009)	EX1017, 5 EX2007, 12
Tomlinson (EX1010)	EX1017, 7 EX2007, 14
Eisenbrandt (EX1011)	EX1017, 7 EX2007, 14
Jacobs (EX1019)	EX1017, 7 EX2007, 14
Cohen (EX1020)	EX1017, 7 EX2007, 14
McNally (EX1021)	EX1017, 7 EX2007, 14
Wagner (EX1022)	EX1017, 7 EX2007, 14
Bernardo (EX1026)	EX1017, 7 EX2007, 14

Furthermore, the additional claims do not weigh against discretionary denial because: (i) Petitioner has failed to show evidence of harm; and (ii) the resolution

of independent Claim 1 at the district court will necessarily resolve key issues in the Petition because Petitioner relies on substantially the same arguments for independent Claims 1, 27, and 42-44. For instance, Petitioner does not argue that the non-asserted claims differ significantly in some way from the Asserted Claims. Instead, Petitioner argues the elements of Claims 1, 27, and 42-44 are "similar." Petition at 64, 69-71, 122. For example, for independent Claim 27, Petitioner relies on the same arguments for each Ground for claim elements 27[pre], 27[a], 27[b], 27[c], 27[d], 27[e], 27[f], 27[g], and 27[h] as stated for Claim 1. Petition, 64-68 and 122-124. For Claims 42-44, Petitioner relies on the same arguments for Claim 1 or Claim 27 for each Ground, as indicated in the charts reproduced below.

<table>
<tr><th>Ground 1</th><th>Ground 2</th></tr>
<tr><td colspan="2">Claim 42</td></tr>
<tr><td>
<table>
<tr><th>Claim</th><th>Corresponding Section</th></tr>
<tr><td>42[pre]</td><td>1[pre], § XII.A.1.</td></tr>
<tr><td>42[a]</td><td>1[a]-1[b], § XII.A.2.</td></tr>
<tr><td>42[b]</td><td>1[c], § XII.A.3.</td></tr>
<tr><td>42[c], 42[f]</td><td>1[d], 1[g], § XII.A.4.</td></tr>
<tr><td>42[d][9]</td><td>1[e], § XII.A.5.</td></tr>
<tr><td>42[e]</td><td>1[f], § XII.A.6.</td></tr>
</table>
Petition, 70.
</td><td>
<table>
<tr><th>Claim</th><th>Corresponding Section</th></tr>
<tr><td>42[pre]</td><td>1[pre], § XIII.A.1.</td></tr>
<tr><td>42[a]</td><td>1[a]-1[b], § XIII.A.2.</td></tr>
<tr><td>42[b]</td><td>1[c], § XIII.A.3.</td></tr>
<tr><td>42[c], 42[f]</td><td>1[d], 1[g], § XIII.A.4.</td></tr>
<tr><td>42[d]</td><td>1[e], § XIII.A.5.</td></tr>
<tr><td>42[e]</td><td>1[f], § XIII.A.6.</td></tr>
</table>
Petition, 127.
</td></tr>
</table>

Claim 43

Claim	Corresponding Section
43[pre]	27[pre], § XII.U.1 (1[pre], § XII.A.1)
43[a]-43[b]	27[a]-27[b], § XII.U.2 (1[a]-1[b], § XII.A.2)
43[c]	27[c], § XII.U.3 (1[c], § XII.A.3)
43[d]	27 [d], § XII.U.4
43[e], 43[h]	27[e], 27[h], § XII.U.5 (1[d], 1[g], § XII.A.4)

Claim	Corresponding Section
43[f]	27[f], § XII.U.6 (1[e], § XII.A.5) Woycik discloses POS terminals configured to create and modify POS screens based on information provided by a manager using the administrative tool ("received information" of 43[f]) and based on further information about POS transactions transmitted from POS terminals to the central server ("transmitted information" of 43[e]). EX1002, ¶163.
43[g]	27[g], § XII.U.7 (1[f], § XII.A.6)

Petition, 70-71.

Claim	Corresponding Section
43[pre]	27[pre], § XIII.U.1 (1[pre], § XIII.A.1)
43[a]-43[b]	27[a]-27[b], § XIII.U.2 (1[a]-1[b], § XIII.A.2)
43[c]	27[c], § XIII.U.3 (1[c], § XIII.A.3)
43 [d]	27 [d], § XIII.U.4
43[e], 43[h]	27[e], 27[h], § XIII.U.5 (1[d], 1[g], § XIII.A.4)
43[f]	27[f], § XIII.U.6 (1[e], § XIII.A.5) Tengler discloses POS terminals configured to create and modify POS screens based on information provided by a manager using the POS builder interface ("received information" of 43[f]) and based on further information about POS transactions transmitted from POS terminals to the central server ("transmitted information" of 43[e]). EX1002, ¶274.
43[g]	27[g], § XIII.U.7 (1[f], § XIII.A.6)

Petition, 127-128.

Claim 44

Claim	Corresponding Section
44[pre]	1[pre], § XII.A.1.
44[a]-44[b]	1[a]-1[b], § XII.A.2.
44[c]	1[c], § XII.A.3.
44[d], 44[g]	1[d], 1[g], § XII.A.4.
44[e]	1[e], § XII.A.5.
44[f]	1[f], § XII.A.6.

Petition, 71-72.

Claim	Corresponding Section
44[pre]	1[pre], § XIII.A.1.
44[a]-44[b]	1[a]-1[b], § XIII.A.2.
44[c]	1[c], § XIII.A.3.
44[d], 44[g]	1[d], 1[g], § XIII.A.4.
44[e]	1[e], § XIII.A.5.
44[f]	1[f], § XIII.A.6.

Petition, 128.

Thus, if independent Claim 1 is not invalid in view of the art, so too, are independent Claims 27 and 42-44, which incorporate Petitioner's same arguments. The remaining additional claims depend from Claim 27, and are thus not invalid

for the same reasons as Claim 27. Therefore, these additional claims are irrelevant to the Board's consideration here.

Therefore, due to: (i) Petitioner's lack of stipulation, and (ii) the fact that the prior art cited in each Ground in the Petition overlap invalidity theories put forth in the Clover Litigation, including *Woycik* (Grounds 1) and *Tengler* (Ground 2), Factor 4 favors denial.

Thus, without **any** stipulation in this Proceeding to mitigate concerns of overlap, Factor 4 strongly favors discretionary denial.

B. The Investment of the Court and the Parties in the District Court Litigation, Addressing Identical Issues to be Decided Before the Board's Final Written Decision, Warrants Discretionary Denial Under 35 U.S.C. §314(a) (Factors 1-3, 5)

First, this proceeding involves facts that strongly support discretionary denial. There is no stay, and thus nothing to "allay[] concerns about inefficiency and duplication of efforts." *Fintiv*, Paper 11 at 6; EX2027 (denying a stay). This proceeding and the parallel district court litigation overlap on the substantive issues to be decided—both with respect to Petitioners' invalidity arguments and proposed claim construction. A jury trial is set for April 22, 2024 and will be completed before the statutory date for a final written decision in this proceeding (June 13, 2024). EX2004, 5 (entering Scheduling Order setting trial date for April 22, 2024). The court and the Parties' investment in the parallel proceeding is substantial—the

district court held *Markman* hearing and issued its claim construction ruling, general fact discovery will have closed, and expert discovery will be almost complete before the statutory date for an institution decision here. *Id*. at 2-4.

1. A stay was denied (Factor 1)

This Factor weighs in favor of discretionary denial. *Fintiv*, IPR2020-00019, Paper 11, 6-9. Factor 1 considers whether "the district court may be willing to avoid duplicative efforts and wait the PTAB's final resolution of the patentability issues raised in the petition before proceeding with the parallel litigation." *Id.*.

Here, since filing this Petition, Petitioner filed a Motion to Stay in the underlying litigation based on Institution of IPRs in the Lightspeed Litigation[9] as well as this Petition, the related petitions,[10] and motions to join in each respective IPR. EX2001. Since the requested stay was denied, Factor 1 weighs in favor of discretionary denial.

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[9] IPR2022-00779 ('640 Patent), IPR2022-00997 ('012 Patent), IPR2022-01143 ('793 Patent).

[10] Petitioner has filed petitions seeking review of the three asserted patents at issue in the WDTX litigation, and requested a stay of the co-pending WDTX litigation, which was denied. EX2001.IPR2023-00232 ('640 Patent), IPR2023-00288 ('012 Patent).

2. A Jury Trial will conclude before any final written decision (Factor 2)

This factor favors denial because the parallel litigation will reach a final decision before a final written decision is issued in the IPR, if instituted. The Board will often exercise its direction to deny institution where a parallel proceeding, covering the same issues, will reach a decision prior to the Board's projected final written decision date. *NHK Spring*, IPR2018-00752, Paper 8 at 19-20.

Here, the district court issued an order setting the jury trial for April 22, 2024, which is about two (2) months before the statutory deadline for a final written decision (June 13, 2024). 35 U.S.C. § 141(c). The Board has found this factor to favor denial under the same or similar circumstances. *See, e.g., Fintiv*, IPR2020-0019, Paper 11 at 13 ("[i]f the court's trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution"); *E-One, Inc. v. Oshkosh Corp.*, IPR2019-00161, Paper 16, 6 (P.T.A.B. May 15, 2019) (denying institution where trial was scheduled to **start one month** before the expected final written decision); *Ericsson Inc. v. Collision Communications, Inc.*, IPR2022-01233, Paper 12, 13 (P.T.A.B. Jan. 19, 2023) (Factor weighs in favor of denying institution because a final written decision would issue several months after the jury trial). Therefore, Factor 2

favors denial because the jury trial is scheduled to start about (2) months before a Final Written Decision.

Although the WDTX median time from filing to trial in civil cases is 28.9 months (as of September 2022), this time will likely decrease with the addition of a magistrate judge for the WDTX Waco Division on April 1, 2022. EX2004; EX2005. In fact, a jury trial has been scheduled for April 22, 2024 in the WDTX Waco Division where Clover (the Petitioner in this IPR) is raising the same validity issues that are raised in the Petition. EX1028. Thus, the jury trial is scheduled to end before the statutory deadline for a final written decision since a final written decision would not be expected to issue until June 13, 2024. 35 U.S.C. § 141(c).

Petitioner improperly attempts to rely on a date for the final written decision of November 10, 2023, assuming that its pending Motion for Joinder is successful. However, the joinder provision states: "**If** the Director institutes an inter partes review, the Director in his or her discretion, **may join**." 35 U.S.C. § 315(c) (emphasis added). That is, the Petition must be instituted **on its own merits**, and **only then** may joinder be considered. *Facebook, Inc. v. Windy City Innovations, LLC*, 973 F.3d 1321, 1323 (Fed. Cir. 2020) (the time bar exception of the joinder provision of § 315(c) "only applies if there is an instituted IPR"); *Apple, Inc. v.*

Uniloc 2017 LLC, IPR2020-00854, Paper 9, 5 (P.T.A.B. Oct. 28, 2020) (precedential) ("the discretion of the Director to join a party to an ongoing IPR is premised on the Director's determination that the petition warrants institution"). As the Director recently reaffirmed, *Fintiv* Factors 1-5 are analyzed first. *Commscope*, IPR2022-01242, Paper 23 at 4-6. The proper reference date of the final written decision for *Fintiv* Factor 2 corresponds to the present Petition, not an already-instituted IPR, and is thus June 13, 2024.

Therefore, Factor 2 favors denial.

3. Petitioner is the named Defendant (Factor 5)

Petitioner is the named defendant in the parallel Clover Litigation. Therefore, Factor 5 weighs in favor of denying institution. *Fintiv*, Paper 11, 13-14.

4. There has been and will continue to be significant investment in the parallel litigation (Factor 3)

Factor 3 weighs in favor of discretionary denial because substantial resource have already been expended in the district court case, and will continue to be expended. Further, instituting this Petition would be inefficient and waste the investment made by the Parties and the district court in the parallel litigation. *Fintiv*, IPR2020-00019, Paper 11 at 9 (considering the amount and type of work already completed in the parallel litigation by the court and the parties at the time of the institution decision); *Intel Corp. v. VLSI Tech. LLC*, IPR2019-01192, Paper

15, 11 (P.T.A.B. Jan. 9, 2020) ("When considering the impact of parallel litigation in a decision to institute, the Board seeks … to minimize the duplication of work by two tribunals to resolve the same issue.").

Here, the district court has already issued four (4) substantive orders related to the '793 Patent. For example, the district court has issued: (i) a claim construed order—related to the '793 Patent; (ii) an order denying a stay; (iii) an order denying in-part Clover's Motion for a Protective Order; and (iv) an order denying Clover's venue-related discovery request. Additionally, the Parties have engaged in venue-related discovery, which included deposing a Clover representative. Furthermore, the Parties have exchanged detailed invalidity and infringement contentions. EX2006, Dkt. 34. As further explained above, Petitioner's preliminary invalidity contentions raise substantially the same issues, evidence, and arguments—duplication what has been and will continue to be litigated in the parallel litigation. EX2007. In addition, by the anticipated date of a statutory decision on institution (June 13, 2023), (i)) the Parties will have served their final infringement contentions and final invalidity contentions; and (ii) general fact discovery will have opened. EX1028; EX2003.

Thus, Factor 3 favors denial.

C. Merits and Other Circumstances (Factor 6)

As discussed above, each of Factors 1-5 favors discretionary denial, and an analysis under Factor 6 does not support a determination that the higher "compelling merits" standard favors institution. *Commscope*, IPR2022-01242, Paper 23 at 3-6. Factor 6 relates to other circumstances that impact the Board's exercise of discretion. *Fintiv*, IPR2020-00019, Paper 15, 15. As the Board explained in *Fintiv*, the goal of Factor 6 is to determine "whether efficiency and integrity of the system are best served by denying or instituting review." *Fintiv*, IPR2020-00019, Paper 11, 6. Part of the assessment requires consideration of the "strengths or weaknesses regarding the merits." *Id.* at 15-16.

First, as discussed herein, the Petition is weak, and the Board should deny institution on the merits. For example, regarding Grounds 1-2, Petitioner fails to demonstrate that *Woycik* or *Tengler* teach a web-based point of sale (POS) system. At the very least, Petitioner fails to establish a reasonable likelihood of success for at least one claim because the Petition fails to show a clear *prima facie* argument that any Challenged Claims are invalid.

Second, as discussed herein, the Petition is deficient for failing to address evidence of secondary considerations at all. There is no credible justification for Petitioner's failure to address evidence of secondary considerations. *KSR*, 550 U.S. at 406; *Graham*, 383 U.S. at 17-18. Petitioner's failure is fatal to its

obviousness arguments. If the IPR is instituted, and Petitioner's Motion for Joinder is successful, Petitioner will improperly be allowed to circumvent the requirement to address secondary considerations imposed by *Graham*. *KSR*, 550 U.S. at 406; *Graham*, 383 U.S. at 17-18. Once a petition is deficient, it is always deficient. 35 U.S.C. § 312(a)(3); 37 C.F.R. § 42.104(b).

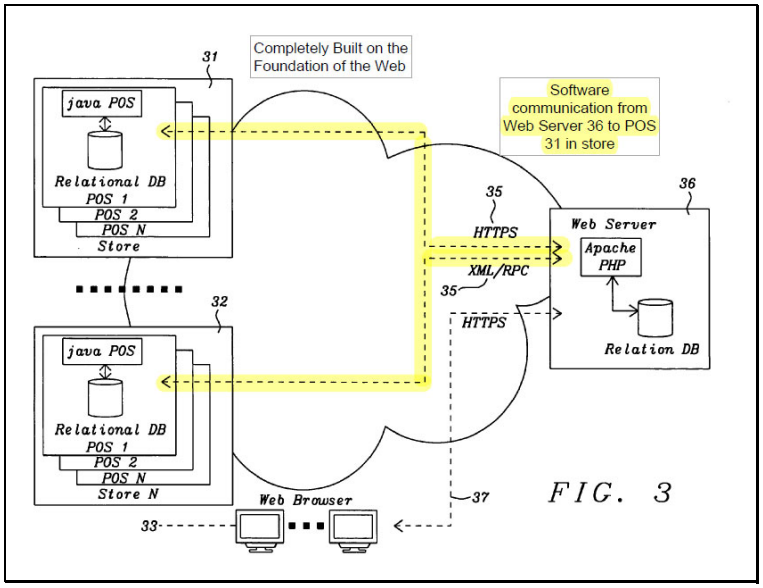
Therefore, institution should be denied.

VII. PETITIONER'S GROUNDS ARE DEFICIENT

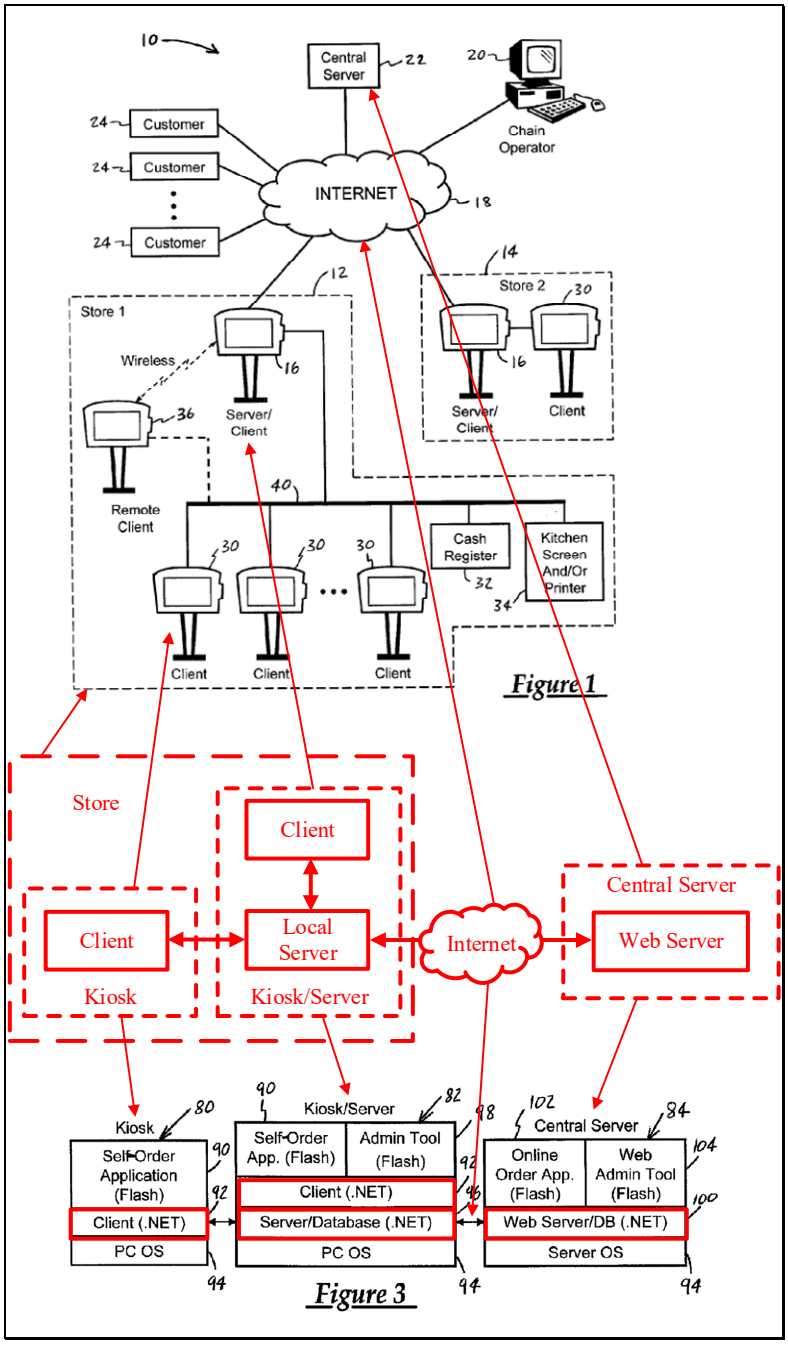
Each of the Grounds identified in the Petition fails to demonstrate that there is a reasonable likelihood that the petitioner would prevail as to at least one of the claims challenged. Petitioner has the burden of demonstrating unpatentability by the preponderance of the evidence, and it must identify and explain how the asserted prior art satisfies each element of the claims and how the claims are to be construed. 37 C.F.R. § 42.104(b)(3)-(b)(4). Denial of institution is warranted because Petitioner has failed to carry its evidentiary burden with respect to any of the Challenged Claims. Moreover, the portions of Dr. Mowry's declaration that purportedly fill the gaps of *Woycik* and *Tengler* merely recite the conclusory statements of the Petition, and cannot be relied upon. *Xerox*, IPR2022-00624, Paper 9 at 16.

A. Ground 1 - *Woycik*

As an initial matter Ground 1 fails because Petitioner fails to demonstrate that *Woycik* discloses at least one server configured to: communicate one or more POS terminals over a network comprising the Internet and receiving over the network from a POS builder interface, information used for creating or modifying the one or more POS screens. EX1001, Claims. Indeed, as shown below, unlike in the '793 Patent (Fig. 3), Woycik servers **do not** communicate with POS terminals "over a network comprising the Internet." Instead, the local server of *Woycik* (FIGs. 1 and 3), not the POS builder interface" communicates over the Internet with central server 22. EX2008, ¶70.



EX1001, Fig. 3 (annotated)



EX1004, Fig. 1 and 3 (annotated)

1. Overview of *Woycik*

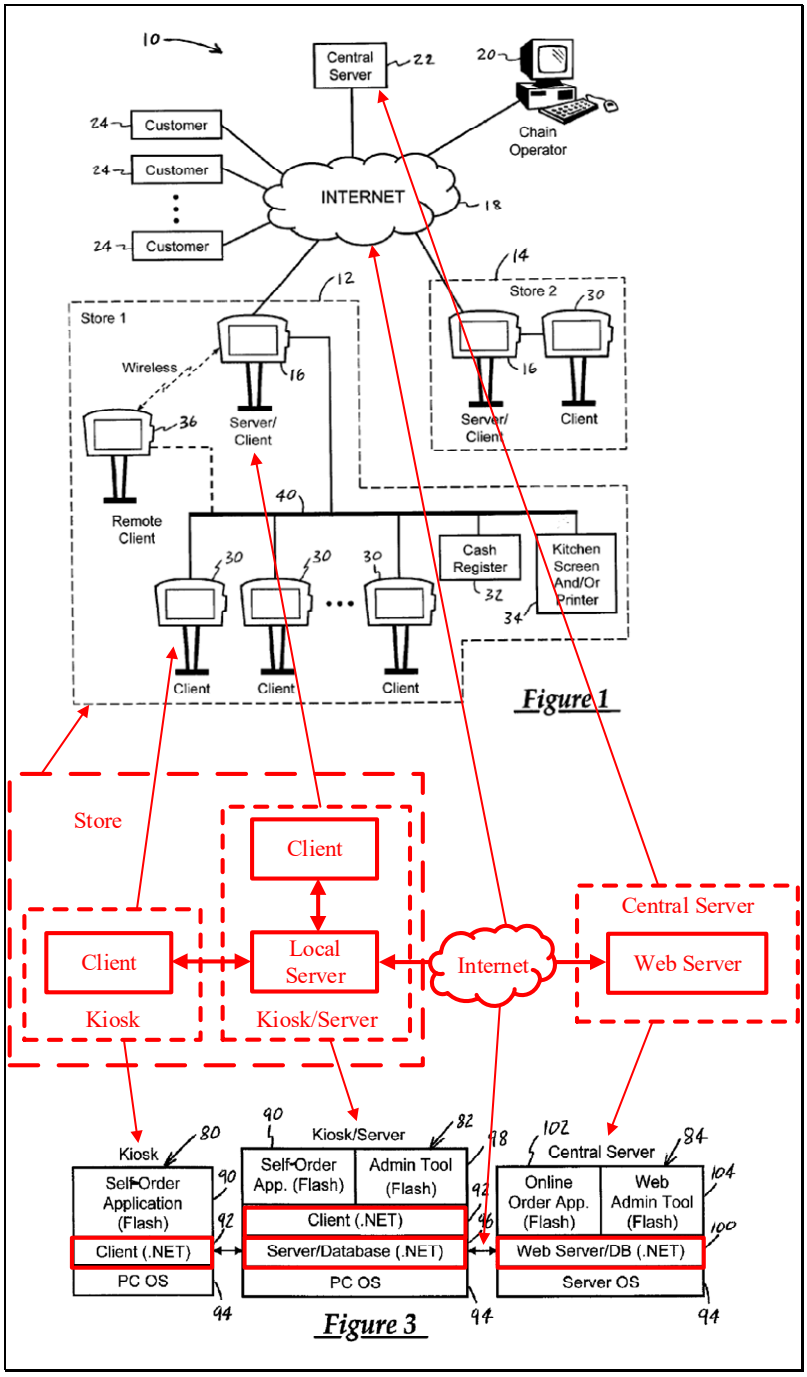
Woycik discloses a "computer-based ordering system for ordering goods and services." EX1004, Abstract; EX2008, ¶72. A "self-service ordering system 10 constructed in accordance with the invention" includes store locations "each having a plurality of kiosks arranged in a client-server configuration." EX2008, ¶73 (quoting EX1004, [0071]). In addition to standalone kiosks, each store includes **a local server that is on-site**, and may be a standalone server or a joint server/kiosk. EX2008, ¶73 (citing EX1004, [0071]). "In general, a single store location will include at least one local server 16 and at least one client kiosk 30." EX1004, [0071]. In other words, *Woycik* teaches an on-premises server requirements and does not contain a hosted over the Internet. EX2008, ¶73. Such kiosks may be used by customers to order food that is available at the store location using a self-order application. EX2008, ¶74. (citing EX1004, [0072]). The order then appears at a "kitchen build screen or printer" so that the ordered food can be prepared. EX1004, [0071]. *Woycik* expressly identifies the local server as an "advantage":

> The local server kiosk … An ***advantage*** of this approach is that it enables administrators and store owners to make changes to the store offerings and customer interface without requiring any knowledge of the underlying code. In addition, administration is available from any client kiosk (30, FIG. 1; 80, FIG. 3)

configured to communicate with the server 16, 82.

Id. at [0095] (emphasis added). The kiosks, local servers, and kitchen devices can **communicate via a local area network**. EX1004, [0074]). For example, "[t]he local kiosks 30, cash register 32, and kitchen screen/printer 34 are connected together via a local area network 40 that uses TCP/IP over an Ethernet connection." EX1004, [0074].

An annotated version of Figures 1 and 3 of *Woycik* follows:



In addition to the self-order application, *Woycik* discloses an administrative tool that can be installed to run locally on a server kiosk that is in the store, or remotely to access the local version of the administrative tool installed in-store on

the local server kiosk. EX1004, [0073], [0095]; EX2008, ¶76. The administrative tool can "perform various administrate functions such as configuring kiosks, creating and editing menus and available food items, and specifying tax and payment features of the system." EX1004, [0073]. The administrative tool "**provides an administrative user interface to the client program**" and can be run from a local client "**by loading the administrative tool on each client computer 30**." EX2008, ¶76 (quoting EX1004, [0073]) (emphasis added).

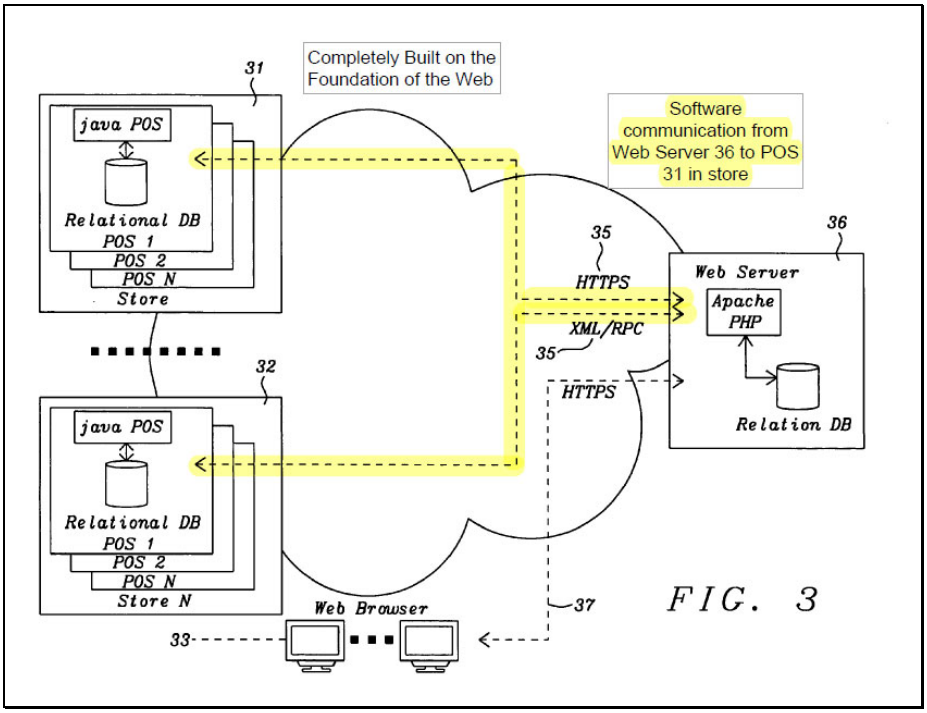
In addition to running on the server kiosks, the administrative tool may be loaded on remote computers to administer and update the in-store local servers (server of the server kiosk 16, 82). EX2008, ¶77 (quoting EX1004, [0075] ("Remote access also allows the chain operator **20** to **remotely run** the administrative tool.") (emphasis added)). *Woycik* notes that this remote access of the in-store local servers (server of the server kiosk 16, 82) "can be done several ways," including via loading the tool on a remote computer to "update the local server **16**," loading the tool on a central server that "accesses and stores updated configuration information on the local server **16**," or using a "web interface to the administrative tool on the local server **16**." EX2008, ¶77 (quoting EX1004, [0075]). In each different version of the administrative tool, the tool is used to

update the configuration information at the in-store local server 16 (server of the server kiosk 16, 82). EX2008, ¶77 (citing EX1004, [0075]).

2. Petitioner misrepresents *Woycik*

Petitioner misconstrues *Woycik* to avoid the novel and nonobvious features of the claimed invention. Indeed, unsupported expert testimony cannot be relied upon "to supply a limitation missing from the prior art." *Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper 9, 16 (P.T.A.B. Aug. 24, 2022) (designated precedential on Feb. 10, 2023). In particular, an expert declaration that "merely repeats, *verbatim*, the conclusory assertion for which it is offered to support," and does not cite to addition supporting evidence or provide technical reasoning to support the statements in the declaration, "is entitled to little weight." *Id.* at 15-17 (declining to institute *inter partes* review).

Here, For example, the claimed technology includes "an online, web-based point of sale builder method, which can assist non-expert business operators in assembling a point of sale system to manage their businesses" and whose operation "can range from a single branch to a large chain of stores or branches." EX1001, Abstract. Indeed, "[t]he key advantages of the Web-based POS builder are that it is completely built on the foundation of the Web." *Id.*



EX1001, Fig. 3 (annotated).

In contrast, for the system described and taught in *Woycik*, each store is required to have **a local server that is on-site** for the described system. EX1004, [0071] ("In general, a single store location will include at least one local server 16 and at least one client kiosk 30.").

Indeed, Petitioner and Dr. Mowry fundamentally misunderstand the claimed technology.[11] This is shown in the annotated Figure 3 drawing from Dr. Mowry's

[11] Petitioner's burden of proof is not satisfied by employing "mere conclusory statements." *TQ Delta, LLC v. Cisco Systems, Inc.*, 942 F.3d 1352, 1359 (Fed. Cir. 2019) (citing *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007)). Obviousness determinations based on "conclusory and unsupported" statements

declaration. Unlike the claimed technology, which communicates directly from the webserver to the POS system located in the store, *Woycik's* system and software communicates from the central server 22/84 to the in-store local server 16/82 to the kiosk 780. EX1004, Fig. 3. As shown in Fig. 3, central server 22/84 does not communicate to kiosk 80 via the Internet. Dr. Mowry fundamentally misunderstands the role, functionality, and "advantages" of the local server described and claimed in *Woycik*. *Id.* at [0095]; EX2008, ¶¶89-92. As shown in Fig. 3, the functionality and advantage of the system described by *Woycik* is the local server 16/82 which communicates with central server 22/84. EX2008, ¶92. In fact, as shown in the annotations to Fig. 1 and Fig. 3 of *Woycik*, local kiosk 80 communicates with local server 16/82 via LAN 40, and never communicates directly with central server 22/84. *Id.* (citing EX1004, [0095], Figs. 1 and 3 (annotated)).

"risks allowing the challenger to use the challenged patent as a roadmap to reconstruct the claimed invention using disparate elements from prior art—*i.e.*, the impermissible ex post reasoning and hindsight bias that KSR warned against." *Id.* at 1361.

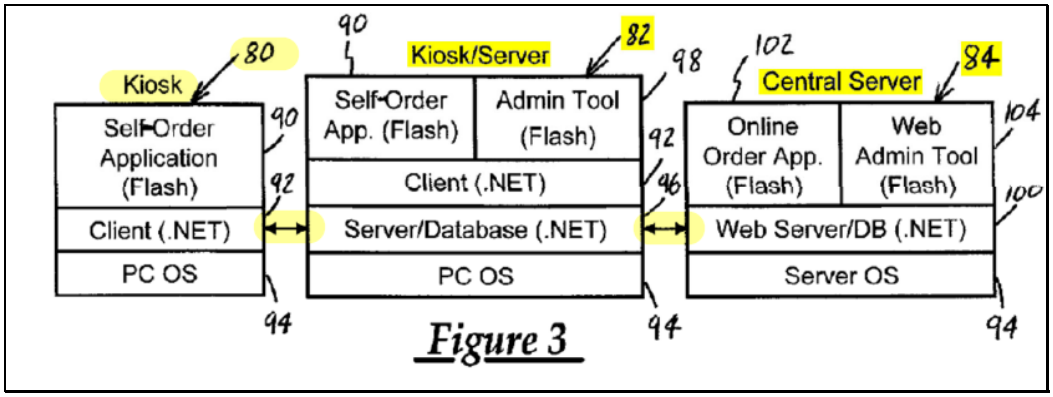


Figure 3

EX1004, Fig. 3 (highlighted).

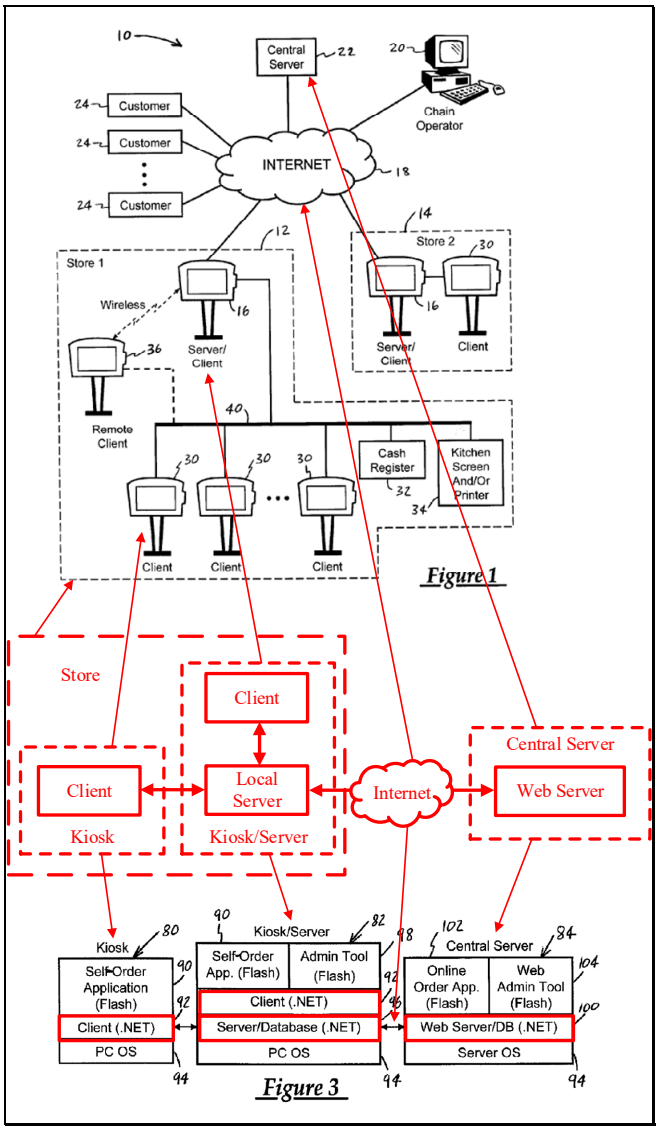


Figure 1

Figure 3

EX1004, Fig. 1 and Fig. 3 (annotated).

3. *Woycik* does not teach a web-based point of sale (POS) builder system

Woycik does not disclose a "web-based point of sale (POS) builder system,"[12] at least because *Woycik* requires an in-store local server (server of the server kiosk 16, 82), with the administration tool installed thereon, which communicates over LAN 40, not the Internet. EX1001, Claim 1 (Appendix A, 1[pre]). Like the prior art before the '793 Patent, *Woycik* teaches a server at each store. EX2008, ¶93 (citing EX1004, [0071], [0095]). In fact, each embodiment in *Woycik* has a local server in the store, including the "local server kiosk" that **"includes an administrative tool."** EX2008, ¶93 (quoting EX1004, [0095] (emphasis added)).

For example, referring to Figure 1, *Woycik* states: "[i]n each store, the local (on-site) server **16** is connected to the Internet **18** which allows remote access by the restaurant chain operator **20** and enables the local server **16** to access a central server **22** for software and media updates." EX2008, ¶93 (quoting EX1004, [0071]). *Woycik* continues: "a single store location will include **at least one local server 16** and at least one client kiosk **30**." EX2008, ¶93 (quoting EX1004, [0071]

[12] Properly construed, a "web-based point of sale (POS) builder system" is "a point of sale (POS) builder system that requires the internet." *See supra* Section IV.

(emphasis added)). In some cases, a "server kiosk" may function as a "local server" for the other kiosks in the store. EX2008, ¶93 (citing EX1004, [0095]). *Woycik* explains, "one of the kiosks 16 is used both as **a client** … and as **the local server** to interface to the Internet 18 and to respond to requests from the local client kiosks 30." EX2008, ¶93 (quoting EX1004, [0072]). Furthermore, *Woycik* explains that in the case of the computer of the server kiosk, the client portion of the server kiosk and the server portion of the server kiosk **have independent roles**. EX2008, ¶93 (citing EX1004, [0072] ("This is accomplished by providing **separate client and server software** both on a single one of the kiosks **16**.") (emphasis added)).

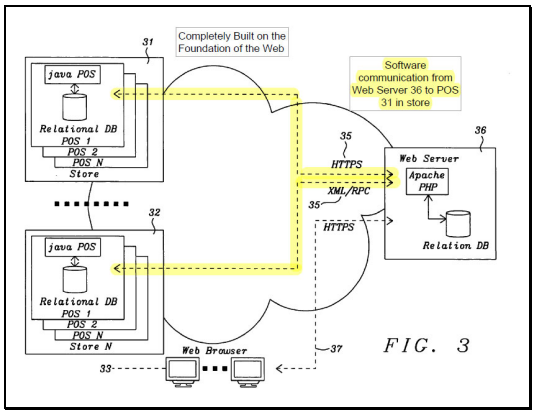
4. *Woycik* requires an in-store server that communicates with central server 22

Woycik does not disclose "at least one server configured to: … communicate with one or more POS terminals over a network comprising the Internet [and] … receive over the network from a POS builder interface, information used for creating or modifying the one or more POS screens" because the administrative tool and web server identified by Petitioner are co-located at the central server. EX2008, ¶94 (citing EX1004, Figs. 1 and 3, [0071], [0095]); EX1001, Claim 1. Petitioner improperly ignores the express teachings of *Woycik*. *Impax Labs., Inc. v. Lannett Holdings Inc.*, 893 F.3d 1372, 1379 (Fed. Cir. 2018) ("[I]n an

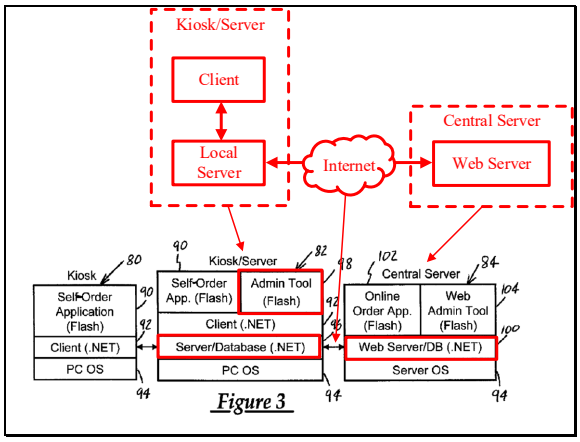
obviousness analysis, prior art should be viewed as a whole."); *Dennison Mfg. Co. v. Panduit Corp.*, 475 U.S. 809, (1986) (noting it is improper to pick and choose isolated elements from the prior art and combine them so as to yield the invention in question if such a combination would not have been obvious at the time of the invention).

Here, Petitioner ignores *Woycik's* express teachings which disclose that the administrative tool and web server, identified by Petitioner, are co-located at the central server. EX2008, ¶94; *compare* Petition, 22-23 *with* Ex. 1004, FIG. 1, FIG. 3, [0071]-[0072], [0095]. For example, Figure 1 discloses that the kiosk/server 16/82, **not kiosk 80,** is connected to the central server via the Internet. EX2008, ¶95 (citing EX1004, [0071]). Furthermore, the portions of *Woycik* that reference using the administrative tool via a network (the Internet), refer to the remote version of the administrative tool (from the central server), which accesses the **local version** of the administrative tool **at the local server** via the network. EX2008, ¶95 (citing EX1004, [0122]). The administrative tool accessing the **local server** is different than accessing the **central server over a network comprising the Internet**, as depicted in Fig. 3 below. EX2008, ¶95. The portions of *Woycik* where the administrative tool is separated from the web server via a network (the Internet), the administrative tool is the local version modifying kiosk

configurations **at the local server**, not accessing the web server via a network comprising the Internet. EX2008, ¶95 (citing EX1004, [0095] ("**All** of these settings are **stored on the local server 16, 82**. The administrative tool **98** allows an administrator to **modify these settings via a local kiosk touch screen**.") (emphasis added)). Indeed, unlike in the '793 Patent (Fig. 3), the local server of *Woycik* (Figs. 1 and 3), not the "POS builder interface" communicates over the Internet with central server 22.

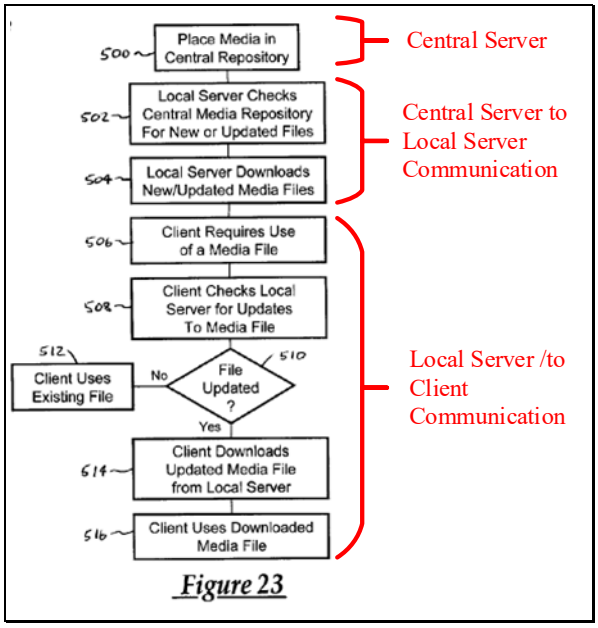


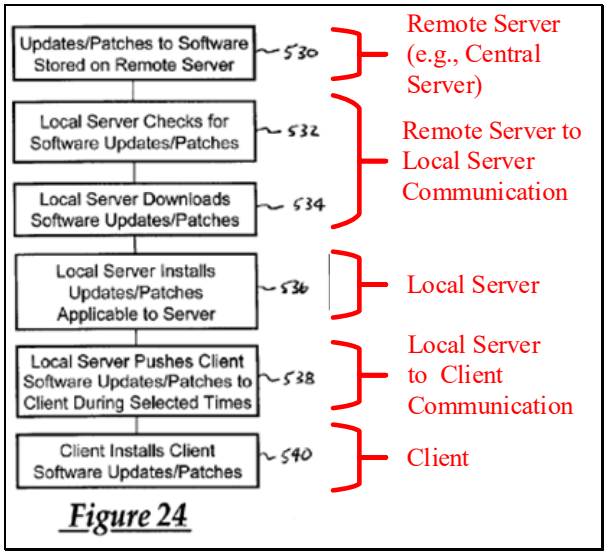
EX1001, Fig. 3 (annotated)

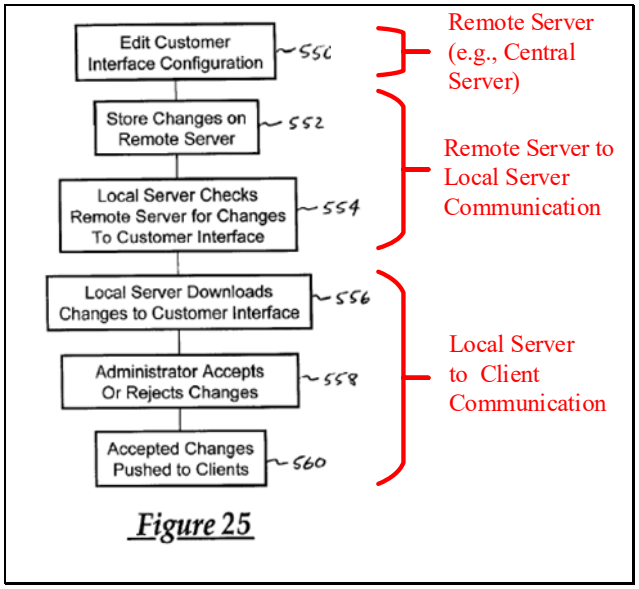


EX1004, Fig. 1 and 3 (annotated)

Additionally, each of Figures 23, 24, and 25 of *Woycik* illustrate examples of *Woycik*'s reliance on an in-store, local server (server of the server kiosk 16, 82), even when a client receives communications from the central server; Figure 3 illustrates the components referenced in Figures 23, 24, and 25:







EX1004, Figs. 23-25 (annotated); EX2008, ¶96. In each example, the local server of the server kiosk acts as the middleman for all communications: the "remote server such as the central server **22** of FIG. 1" communicates only with the local server, while the client likewise only communicates with the local server (and not

the remote server, which has the web server). EX2008, ¶96 (citing EX1004, [0117]).

Therefore, *Woycik* does not disclose "at least one server configured to: … communicate with one or more POS terminals over a network comprising the Internet [and] … receive over the network from a POS builder interface, information used for creating or modifying the one or more POS screens," as recited in Claim 1. EX2008, ¶¶97-98.

5. *Woycik* does not teach receiving further information from POS terminals over a network comprising the Internet

Woycik does not disclose "at least one server configured to: … receive, from at least one of the one or more POS terminals over the network, further information regarding one or more POS transactions corresponding to the one or more items" at least because *Woycik* expressly relies on an in-store, local server (local server of server kiosk 16, 82), to communicate with the central server. EX2008, ¶99; EX1001, Claim 1. As explained above, Figures 23-25 demonstrate *Woycik*'s express reliance on an in-store, local server to act as the middleman for all communications to the central server over a network (the Internet). EX2008, ¶99 (citing EX1004, [0117]). The reliance on an in-store local server (server of the server kiosk 16, 82) to communicate to the central server over a network (the Internet) is further depicted in Figure 3.

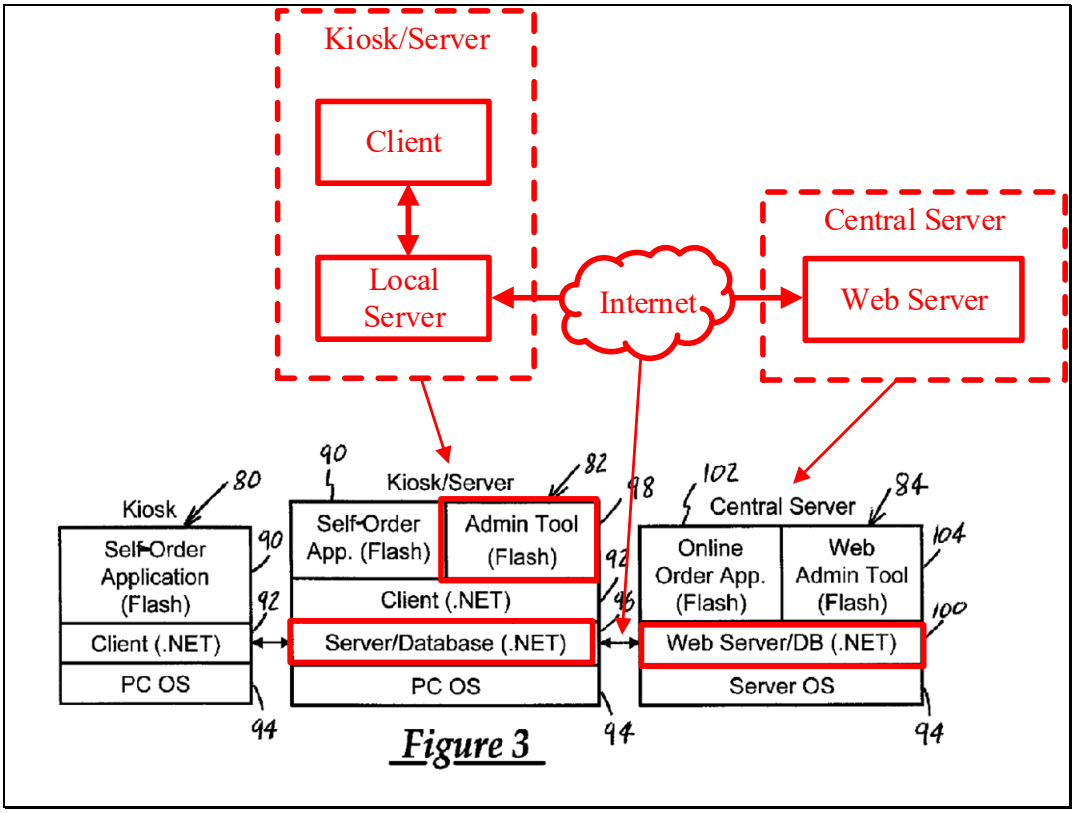


Figure 3

EX1004, Fig. 3 (annotated). *Woycik* does not disclose "a POS builder interface configured to be accessible via network communication with said web server over a communications network" at least because the administrative tool and web server identified by Petitioner are **co-located at the central server**. *Woycik* does not teach a POS builder interface accessible **over a communications network** with a web server. EX2008, ¶100.

Therefore, *Woycik* does not disclose "at least one server configured to: … receive, from at least one of the one or more POS terminals over the network [comprising the Internet], further information regarding one or more POS transactions corresponding to the one or more items," as recited in Claim 1. *Id.*

6. *Woycik* does not teach configuring POS terminals with the information over a network comprising the internet

Woycik does not teach "at least one server configured to: … configure the one or more POS terminals with the information over the network to create or modify based on the further information regarding one or more POS transactions the one or more POS screens displayed on the one or more POS terminals" at least because the central server does not configure kiosk 80 over a network (*e.g.*, the Internet). EX2008, ¶101. Instead, as explained above, *Woycik* expressly relies on an in-store, local server (server of the server kiosk 16, 82) to communicate with the central server. *Id.* Furthermore, the administrative tool identified is not the same as the "web-admin tool" expressly taught by *Woycik*. Again, Petitioner improperly ignores the express teachings of *Woycik*. *Impax Labs., Inc.*, 893 F.3d at 1379 ("[I]n an obviousness analysis, prior art should be viewed as a whole.").

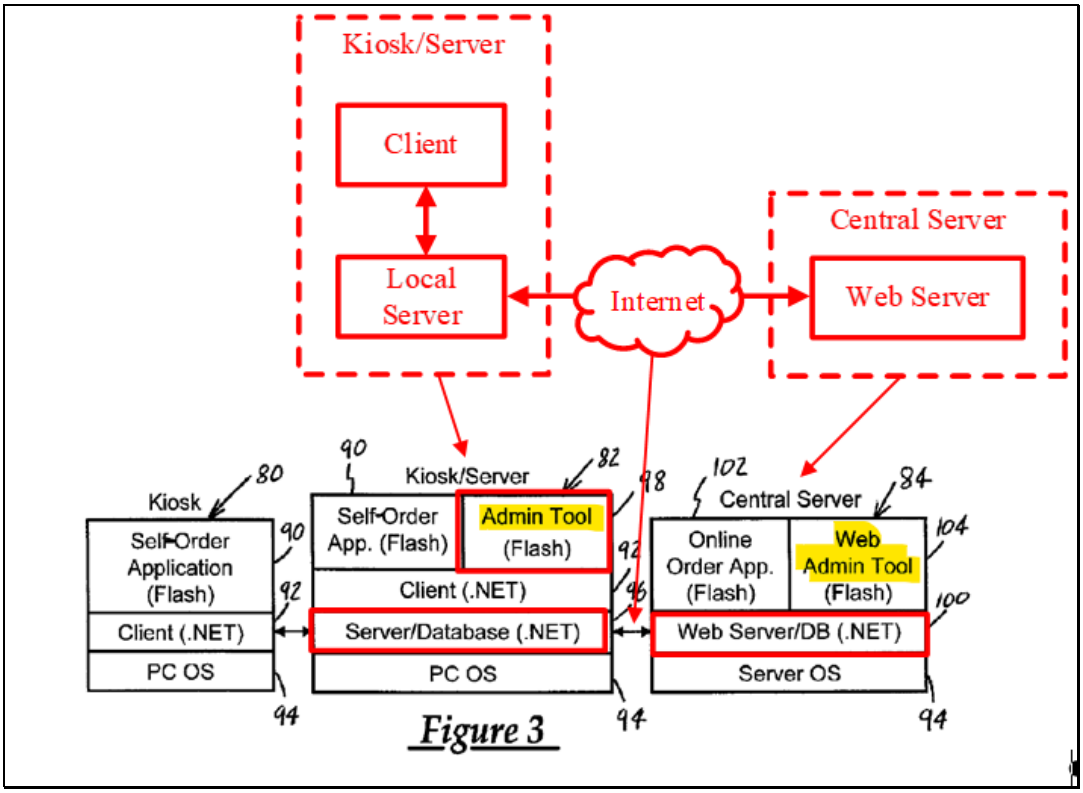


Figure 3

As explained in *Woycik*, a key advantage of the systems is the local server. EX2008, ¶102 (citing EX1004, [0095]). The local "admin tool" 98, **not** the web admin tool 104, of modifies (*e.g.*, configures) kiosk configurations **at the local server**. *Id.* (citing EX1004, Fig. 3). Indeed, the administrative tool accessing the **local server** is different than accessing the **web server at the central server**. Contrary to Petitioner's assertion, the portions of *Woycik* that reference using the administrative tool via a network (the Internet), refer to the remote version of the administrative tool, which accesses the **local version** of the administrative tool **at the local server** via a network. *Id.* (citing EX1004, [0122]).

When viewed in its entirety, the portions of *Woycik* where the administrative tool is separated from the web server via a network (*e.g.*, the Internet), the administrative tool is the local version 98 that configures the kiosks **at the local server** over LAN 40, not a network comprising the Internet, as recited in the claims. EX2008, ¶103 (citing EX1004, [0095] ("**All** of these settings are **stored on the local server 16**, **82**. The administrative tool **98** allows an administrator to **modify these settings via a local kiosk touch screen**.") (emphasis added)).

Therefore, *Woycik* fails to disclose "at least one server configured to: … configure the one or more POS terminals with the information over the network [comprising the Internet] to create or modify based on the further information regarding one or more POS transactions the one or more POS screens displayed on the one or more POS terminals," as recited in Claim 1.

Claims 27, 42, 43, and 44 recites similar features as Claim 1, and *Woycik* fails to disclose these features for the same reasons. Each of claims 2-4, 7-26, 28, and 31-41 depend from Claims 1 or 27, and therefore Ground 1 for Claims 2-4, 7-26, 28, and 31-41 fails for the same reasons as for Claims 1 and 27.

Accordingly, Ground 1 fails and institution should be denied.

B. Ground 2 - *Tengler*

1. Overview of *Tengler*

Tengler discloses an order processing systems for goods or services. EX1005, [0048]. In *Tengler*, the "commercial context in which orders for goods or services are processed" includes a "quick-serve restaurant," that "uses restaurant management software and a database to manage the placing of orders, the entry of orders, the preparation of the food …, and the assembly and delivery of the orders." EX1005, [0049].

Below, Figures 14 and 15 disclose the complex software architecture of *Tengler*'s restaurant management software, which includes a local server (RMS system server 604), web server (store-resident web server 620), one or more registers and/or kiosks, and a Microsoft Data Engine ("MSDE") database[13] for the local server. For example, *Tengler* requires a complete server installation for each store. EX2008, ¶¶80-81 (citing EX1005, Figs. 1-2 and 11-15 (illustrating single store installations with a server)).

Consistent with the State of the Art when the '793 Patent was filed (as discussed above) *Tengler* requires an in-store local server. To address the

[13] MSDE databases are proprietary databases that require programmers to implement. EX2015, ¶58 n.1.

complications associated with each store requiring its own server, *Tengler* teaches a "Multi-Unit-Management-Interface (MUMI) software application." EX2008, ¶¶81, 135-136 (citing EX1005, [0108]). The MUMI software helps address the problems associated with each restaurant having its own in-store server and Internet Service Providers. For example, the MUMI software of *Tengler* helps address problems associated with (i) Internet Service Providers Internet connectivity requirements for each restaurant; and (ii) the allocation and reallocation of each restaurant's IP address. EX2008, ¶¶81, 135-136 (citing EX1005, [0109]-[0111). *Tengler* discloses an in-store local server that includes store-resident web server software to enable offsite connection to the in-store local server. Referring to Figure 14, *Tengler* states: "the restaurant management software 600 includes a portion that runs on a central server in the restaurant and is called the restaurant management system (RMS) server 604." EX1005, [0088]. *Tengler* describes the store-resident web server and the user interface designer as two separate applications. EX1005, [0107] ("store-resident web server 620 and the user interface designer 614 directly connect with database 602"). As shown in Figures 14 and 15, the "software architecture" of *Tengler*'s restaurant management software includes a local server (RMS system server 604), web server (store-

resident web server 620), and one or more registers and/or kiosks. EX1005, [0044], [0088]; EX2008, ¶82.

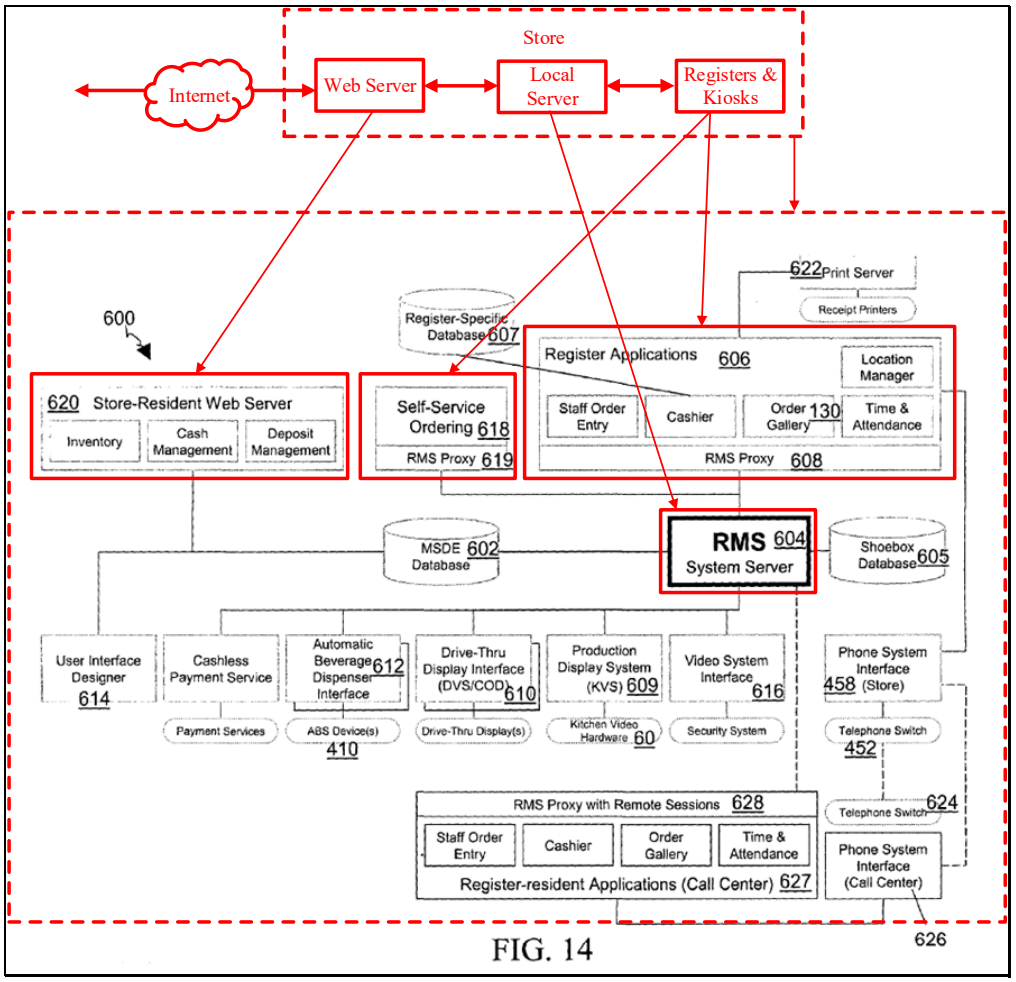


FIG. 14

EX1005, FIG. 14 (annotated); EX2008, ¶83. *Tengler* teaches that the "restaurant management system 604" and "store-resident web server 620" are hosted by an in-store "main server computer 464" that is physically located in the "office 24" of each location (*i.e.*, "restaurant 2"). EX1005 ¶¶[0056], [0088], [0116]. The "registers, stations, terminals, and other devices [are] connected to a local area network." EX1005, ¶[0088], FIG. 15.

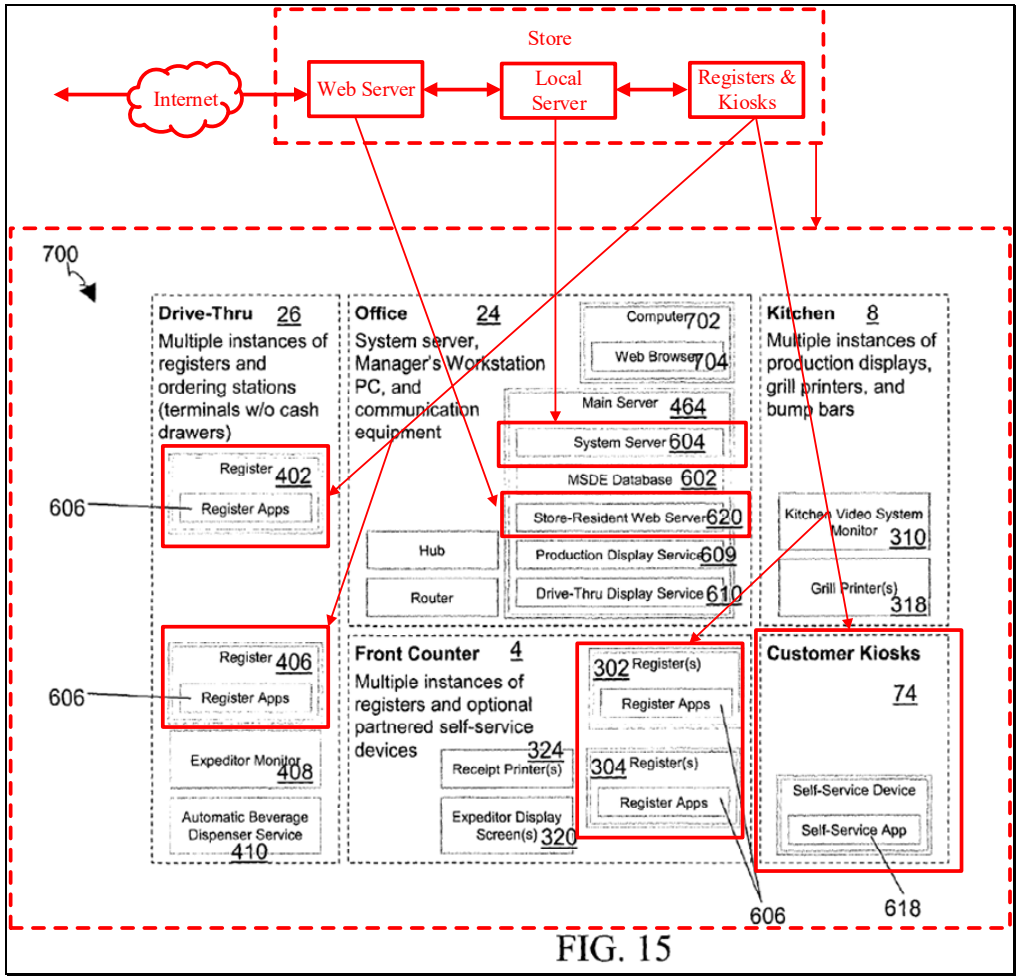


FIG. 15

EX1005, FIG. 15 (annotated); EX2008, ¶83-84.

Tengler discloses that the store has a main server that includes both an **in-store server for the local, in-store devices,** as well as a web server to provide access allowing management to view status within the store. EX2008, ¶84 (citing EX1005, [0116] ("main server computer 464 runs the system server software 604, the database 602, the store-resident web server software 620")). For example, "[t]he server **604** stores restaurant status and order status information for local

viewing at registers, stations, terminals, and other devices connected to a local area network." EX1005, [0088].

The in-store, local server (RMS system server 604) is consistently described by *Tengler* as central to communications with and between in-store devices, and necessary to support in-store functions and status-keeping. EX2008, ¶85 (citing EX1005, [0088] ("server **604** stores restaurant status"), [0095] ("RMS server **604** keeps restaurant system status, receives order updates from the stations …, broadcasts order status changes to the stations …, updates the database **602** and the shoebox database as required, supports shared cashless payment methods …, and synchronizes [between databases]")).

The "store-resident web server **620** enables external managers to view restaurant status information." EX1005, [0103]. Managers may also "edit the user interface of the register and self-service applications and also save the specifications in the database **602**." EX2008, ¶86 (quoting EX1005, [0103]). The web server provides access "from off-site (such as the manager's home or a central corporation office)." *Id.*

2. *Tengler* does not teach a web-based point of sale (POS) builder system

Tengler does not disclose a "web-based point of sale (POS) builder system"[14] at least because *Tengler* requires an in-store local server that does not require the Internet. EX2008, ¶133. Like the prior art before the '793 Patent, *Tengler* teaches a server at each store. *Id.*

For example, referring to FIG. 14, *Tengler* expressly requires "a central server in the restaurant." *Id.* (quoting EX1005, [0088] ("the restaurant management software 600 includes a portion that runs on a central server in the restaurant and is called the restaurant management system (RMS) server 604")). Furthermore,

> [t]he server 604 stores restaurant status and order status information for local viewing at registers, stations, terminals, and other devices connected to a **local area network**. The RMS server 604 tracks the current state of restaurant 2 (for example, open or closed) and also tracks the state of all pending orders at all times and stores this information in a "shoebox" database 605.

Id. (quoting EX1005, [0088]). Indeed, each embodiment in *Tengler* has a local server in the store. EX2008, ¶¶133-134.

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[14] Properly construed, a "web-based point of sale (POS) builder system" is "a point of sale (POS) builder system that requires the internet." *See supra* Section IV.

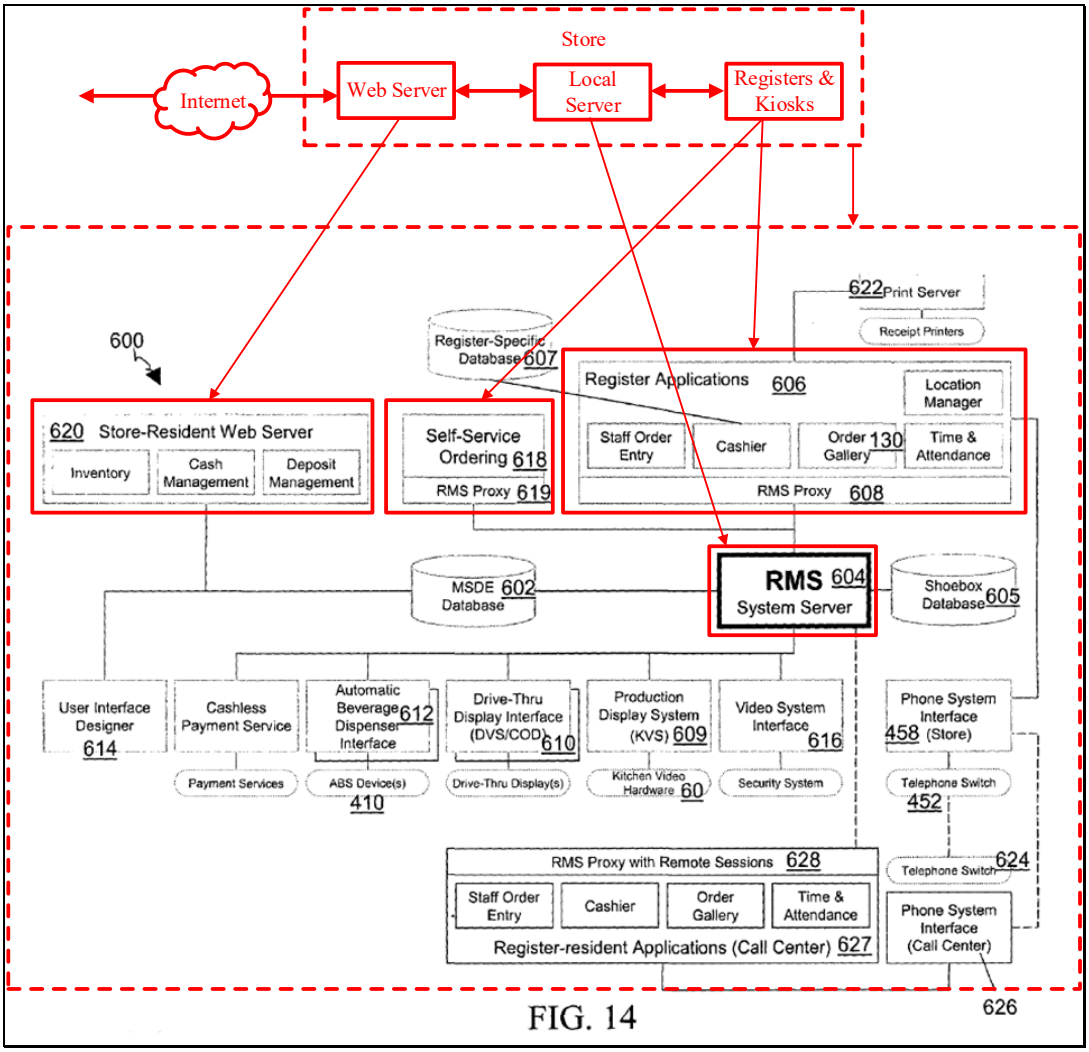


FIG. 14

EX1005, FIG. 14 (annotated).

Tengler does not teach or describe any POS builder software installed on a web server. EX2008, ¶133. Rather, *Tengler* relies on in-store application servers (*i.e.*, local servers) to run its deficient computer-based ordering system. "For example, the JavaBeans API used in JavaPOS communicates with Java servers such as J2EE servers and not a web server." *Id.* (citing EX1005, [0115], [0121]).

Therefore, *Tengler* does not disclose a "web-based point of sale (POS) builder system" as recited in Claim 1.

3. *Tengler* does not teach "communicate with one or more POS terminals over a network comprising the Internet"

Contrary to Petitioner's assertions, when *Tengler* is considered in its entirety, a POSITA would not have been motivated "to use the Internet to connect the central (web) server to in-store POS terminals (e.g., via server 464) providing a simple, ubiquitous, and inexpensive network connection to stores in different locations managed from the central server." EX2008, ¶135. For example, *Tengler* discloses a Multi-Unit-Management-Interface (MUMI) to connect a central computer to a set of restaurants with a requirement for "guaranteed message delivery." Ex. 1005, [0108].

However, the Internet does not guarantee message delivery. EX2008, ¶135. Petitioner's proposal to use the Internet to connect server 464 at each restaurant to a central server fails to address *Tengler's* MUMI requirement for guaranteed message delivery, which is cannot be provided by the Internet because it is not a guaranteed message delivery. EX2008, ¶135 (citing Petition, 76-77, Mowry, [0172]).

Therefore, *Tengler*, does not teach "communicate with one or more POS terminals over a network comprising the Internet."

4. *Tengler* does not teach receiving, over a network comprising the Internet from a POS builder interface, information used for creating or modifying one or more POS Screens[15]

Tengler does not teach or disclose "at least one server configured to: … receive, over the network from a POS builder interface, information used for creating or modifying the one or more POS screens" because the administrative tool and web server identified by Petitioner are co-located at the central server. EX2008, ¶136. Petitioner considers the "user interface designer 614" as corresponding to "a POS builder." Petition, 80. Then in a footnote, Petitioner concludes that "references herein to 'user interface designer' include related software and system objects." *Id*. at n.9. However, the "manager GUI interfaces **192**, **196**" and "user interface designer **614**" are two separate systems disclosed in *Tengler.* EX2008, ¶136 (citing EX1005, [0105]).

[15] Claim 1 recites "at least one server configured to: … receive, over the network from a POS builder interface, information used for creating or modifying the one or more POS screens." EX1001, Claim 1. Similarly, Claim 42 recites "receiving, over the network from a POS builder interface, information used for creating or modifying the one or more POS screens." EX1001, Claim 42. Claim 44 recites "at least one server configured to: … receive, over the network from a POS builder interface, information for creating or modifying functionality of the one or more POS terminals." EX1001, Claim 44.

Petitioner combines two separate systems disclosed in *Tengler* in an attempt to recreate the elements of the claimed invention. This attempt is futile because Petitioner has failed to demonstrate that *Tengler* teaches that the manager GUI interfaces **192** and **196** are used to access the user interface designer **614**. EX2008, ¶138.

To the contrary, *Tengler* teaches that the manager interfaces **192** and **196** and the user interface designer **614** are two distinct ways to "edit the user interface of the register and self-service applications." *Id.* (citing EX1005, [0103]). For example, *Tengler* states, "[a] user interface designer **614** allows management to edit the user interface of the register and self-service applications and also saves the specifications in the database **602**." *Id.* (quoting EX1005, [0103]). Indeed, "[t]he store resident web server **620** also allows managers to edit the user interface of the register and self-service applications and also saves the specifications in the database **602**." *Id.* Managers utilize the manager interfaces **192** and **196** to edit the user interface of the register and self-service applications using the web server **620**. *Id.* (citing EX1005, [0109], [0073]). Furthermore, "the store-resident web server **620** and the user interface designer **614** [both] directly connect with the database **602**," *Id.* (quoting EX1005, [0107], Fig. 14). Finally, *Tengler* states, "[t]he manager's interface[s **192** and **196** are] linked directly to the database in the

restaurant (**without the intervention of any intermediary database or process**)." *Id.* (quoting EX1005, [0073]) (emphasis added). Therefore, the manager GUI interfaces **192** and **196** are not used to access the user interface designer **614** allowing managers to create/modify POS screens**.** *Id.*

In fact, *Tengler* teaches two methods for "edit[ing] the user interface of the register and self-service applications": *first*, via the user interface designer **614**; and *second*, via the manager interfaces **192** and **196** accessed through the web server **620**. *Id.* If, as Petitioner contends, the manager interfaces **192** and **196** are utilized to access user interface designer **614**, there would be no need for **both** the user interface designer **614** and the store resident web server **620** to possess the capability to save the updated specifications to the database **602**. *Id*.

Additionally, *Tengler* teaches away from using any intermediary process between the manager interfaces **192** and **196** and the database because *Tengler* teaches "the manager's interface[s **192** and **196** are] linked directly to the database in the restaurant (**without the intervention of any intermediary database or process**)." EX2008, ¶138 (quoting EX1005, [0073]) (emphasis added).

Thus, *Tengler* fails to teach "receive, over the network from a POS builder interface, information used for creating or modifying the one or more POS screens including creating or modifying one or more display interfaces for display on the

one or more POS screens, the one or more display interfaces being associated with one or more items," as recited in Claim 1. *Id.*

Claims 27, 42, 43, and 44 recites similar features as Claim 1, and *Tengler* fails to disclose these features for the same reasons. Each of Claims 2-4, 7-26, 28, and 31-41 depend from Claims 1 or 27, and therefore Ground 2 for Claims 2-4, 7-26, 28, and 31-41 fails for the same reasons as for Claims 1 and 27.

Accordingly, Ground 2 fails and institution should be denied.

VIII. SECONDARY CONSIDERATIONS

A. Evidence of Secondary Considerations

Secondary considerations further confirm the patentability of Claims 1-4, 7-28, and 31-44. EX2008, ¶¶163-167. Objective indicia of non-obviousness "can be the most probative evidence of nonobviousness in the record, and enables the [Board] to avert the trap of hindsight." *Leo Pharm. Prods., Ltd. v. Rea*, 726 F.3d 1346, 1358 (Fed. Cir. 2013). "Secondary considerations evidence can establish that 'an invention appearing to have been obvious in light of the prior art was not.'" *Apple Inc. v. Int'l Trade Comm'n*, 725 F.3d 1356, 1366 (Fed. Cir. 2013). "[A]ll evidence pertaining to the objective indicia of nonobviousness must be considered before reaching an obviousness conclusion." *Dome Patent L.P. v. Lee*, 799 F.3d 1372, 1383 (Fed. Cir. 2015).

1. There is a strong nexus between CloudofChange's claimed invention and the evidence

The Board must consider whether the offered "evidence of secondary considerations is the 'direct result of the unique characteristics of the claimed invention.'" *Lectronsonics, Inc., v. Zaxcom, Inc.*, IPR2018-01129, Paper 33 (P.T.A.B. Jan. 24, 2021) (precedential) (quoting *Fox Factory, Inc. v. SRAM, LLC,* 944 F.3d 1366, 1373-74 (Fed. Cir. 2019)). "[T]here is no requirement that 'objective evidence must be tied exclusively to claim elements that are not disclosed in a particular prior art reference in order for that evidence to carry substantial weight.'" *Id.* (quoting *WBIP, LLC v. Kohler Co.*, 829 F.3d 1317, 1331 (Fed. Cir. 2016)). Indeed, evidence that the "claimed combination as a whole … serves as a nexus for the objective evidence proof of nexus is not limited to only when objective evidence is tied to the supposedly 'new' feature(s)." *Id.*

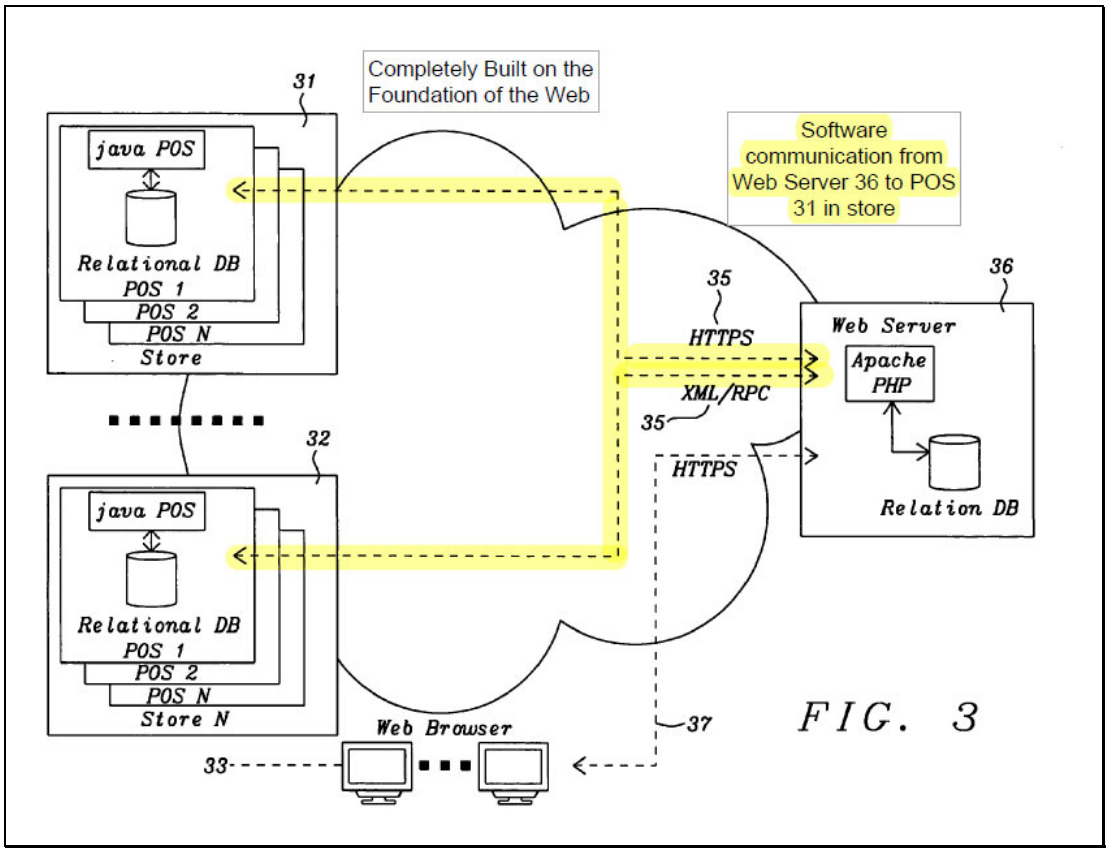
There is a strong nexus between CloudofChange's claimed invention and CloudofChange's secondary consideration evidence. As discussed below, there is evidence that the long-felt of the present invention is due to the novel and unique combination of elements of CloudofChange's claimed web-based POS builder system.

2. Long-Felt need

The claimed web-based point of sale builder system embodied in the ’793 Patent solved a long felt, but unresolved need. EX2008, ¶164. While traditional point of sale (POS) systems were tethered to in-store local servers and required expensive and time-consuming manual software configuration for store and restaurant owners to make even minor changes to menu items or product offerings. *Id*. In contrast, the claimed web-based point of sale system, allowed for more open, more prolific, and more standardized connectivity. More specifically, the patented invention, a web-based point of sale builder system, eliminated these challenges by providing an inexpensive and efficient method for “assist[ing] non-expert business operators in building, editing and testing a point of sale system to manage their businesses” while simultaneously removing the requirement of purchasing and maintaining on site computer servers for POS systems. EX2008, ¶164 (citing EX1001, Abstract, 5:56-58). Accordingly, a need existed for a web-based point of sale builder system embodied in the ’793 Patent. The inventors of the ’793 Patent recognized this need, and invented the claimed technology to address the need.

Indeed, prior attempts were unsuccessful, and the prior art teaches away from the claimed solution. EX2008, ¶164. For example, *Woycik* discussed at length above, focuses on the advantage of using a local server and not the web-

based point of sale system as embodied by the claims of the '793 Patent. By contrast, as CloudofChange explains above, the web-based POS builder system is built completely on the web and the software communicates from web server 36 to POS 31 in-store, as recited in claims. EX1001, Claims 1, 27, 42, 43, and 44.



EX1001, Fig. 3 (annotated). The invention of the '793 Patent is directed at an integral solution that allowed for more open, more prolific, and more standardized connectivity. EX2008, ¶165. The invention of the '793 Patent satisfied the long-felt need by replacing traditional point of sale (POS) systems with a web-based POS builder system built completely on the web. *Id.* As a result, the invention

provides an inexpensive and efficient method for "assist[ing] non-expert business operators in building, editing and testing a point of sale system to manage their businesses" while simultaneously removing the requirement of purchasing and maintaining on site computer servers for POS systems. *Id*. (quoting EX1001, 2:22-24. Therefore, the claimed invention embodied in the '793 Patent satisfied a long-felt need. *Id*.

B. Petitioner Fails to State of *Prima Facie* Case of Obviousness Because Petitioner Does Not Address Secondary Considerations (*Graham* Factor 4)

Obviousness under 35 U.S.C. § 103 (Pre-AIA) is a question of law premised on underlying issues of fact, all of which must be considered, including: (i) the scope and content of the prior art; (ii) the level of ordinary skill in the art; (iii) the differences between the claimed invention and the prior art; and (iv) secondary considerations of nonobviousness, such as commercial success, long-felt need, and the failure of others. *KSR*, 550 U.S. at 406; *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966). Each element of a claim must be disclosed in the prior art references for a claim to be found obvious. *St. Jude Med., Inc. v. Access Closure, Inc.*, 729 F.3d 1369, 1381 (Fed. Cir. 2013) (guarding against "hindsight bias" and "ex post reasoning," the Court rejected an argument of obvious where the reference failed to disclose all the elements of a challenged claim). However, "a patent … is not proved obvious merely by demonstrating that each of its elements was,

independently, known in the prior art." *KSR*, 550 U.S. at 418. Hindsight reconstruction of the claimed invention must be carefully guarded against. *Id*. at 421 (citing *Graham*, 383 U.S. at 36); *Kinetic Concepts, Inc. v. Smith & Nephew, Inc.*, 688 F.3d 1342, 1368 (Fed. Cir. 2012) (citations omitted); *St. Jude*, 729 F.3d at 1381.

Here, Petitioner failed to address secondary considerations at all when making out its *prima facie* case of obviousness. There is no credible justification for Petitioner's failure to address evidence of secondary considerations. *KSR,* 550 U.S. at 406; *Graham*, 383 U.S. at 17-18. Petitioner's failure is fatal to its obviousness arguments. Indeed, Petitioner has the burden of persuasion to prove invalidity, and this burden never shifts to Patentee. *Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1380 (Fed. Cir. 2015). Petitioner's failure to address known secondary considerations evidence makes the Petition deficient. *KSR*, 550 U.S. at 406; *Graham*, 383 U.S. at 17-18. And, once a petition is deficient, it is always deficient. 35 U.S.C. § 312(a)(3); 37 C.F.R. § 42.104(b).

Even if the PTAB does not "impose a requirement on Petitioner to predict and address, proactively, the particular evidence of secondary considerations that Patent Owner may or may not assert based on past proceedings" (IPR2022-00779, Paper 10, Decision, p. 8), here Petitioner failed to address secondary considerations

evidence at all. Paper 1, *passim* (no mention of secondary considerations). Thus, Clover's obviousness analysis and its Petition are deficient for the failure to address secondary considerations.

Without a proper obviousness analysis in the Petition, institution should be denied in view of the compelling merits questions of *Fintiv* Factor 6. *Commscope Techs. LLC v. Dali Wireless, Inc.*, IPR2022-01242, Paper 23, 4-6 (P.T.A.B. February 27, 2023) (precedential) ("the compelling merits standard is a higher standard than the standard for institution set by statute").

IX. CONCLUSION

For reasons stated herein, the Board should deny institution.

Dated: March 13, 2023

Respectfully submitted,
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CERTIFICATION OF SERVICE

I hereby certify that on March 13, 2023, I caused a true and correct copy of the foregoing to be served upon counsel of record via email:

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CERTIFICATE OF COMPLIANCE

Pursuant to 37 C.F.R. § 42.24(d), the undersigned hereby certifies that this brief complies with the type-volume limitation of 37 C.F.R. § 42.24 because this brief contains 13,973 words, excluding the parts of the brief exempted by 37 CFR § 42.24(a).

Dated: March 13, 2022

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