

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

INTERNATIONAL BUSINESS MACHINES CORPORATION
Petitioner,

v.

DIGITAL DOORS, INC.
Patent Owner.

Case IPR2023-00973
U.S. Patent 8,468,244

**PATENT OWNER DIGITALDOORS, INC.'S
PRELIMINARY RESPONSE**

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Preliminary Response
IPR2023-00973 (U.S. Patent 8,468,244)

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LIST OF EXHIBITS

Exhibit Number	Document
2001	U.S. Patent No. 7,313,825 to Redlich et. al (“Redlich”)
2002	Terminal Disclaimer Filed for U.S. Application No. 10/390,807, dated May 14, 2007
2003	Applicant Amendment for U.S. Application No. 10/390,807 (“Redlich” application), dated March 19, 2003
2004	U.S. Patent No. 7,322,047 to Redlich et. al (“Redlich Parent”)
2005	Order re Motion to Stay, <i>DigitalDoors, Inc. v. International Business Machines Corporation</i> , Case No. 2:22-cv-457, Eastern District of Texas
2006	Invalidity Contentions of Defendant IBM, <i>DigitalDoors, Inc. v. International Business Machines Corporation</i> , Case No. 2:22-cv-457, Eastern District of Texas

I. Introduction

Pursuant to 37 C.F.R. § 42.107, Patent Owner DigitalDoors, Inc. (“DigitalDoors”) submits this Preliminary Response to the above-captioned Petition for *Inter Partes* Review (“Pet.,” Paper 2) of United States Patent No. 8,468,244 (“the ’244 Patent,” EX1001), filed by International Business Machines Corporation (“Petitioner” or “IBM”). That Petition argues that U.S. Patent Publication No. 2003/0182435 (“Redlich,” EX1005), alone (Ground 1) or in combination with U.S. Patent No. 8,601,598 (“Ozzie,” EX1006) (Ground 2), renders claim 1 of the ’244 Patent unpatentable. Redlich is the published application of what ultimately issued as U.S. Patent No. 7,313,825 (the “’825 Patent”). EX2001. Both the challenged ’244 Patent and Redlich/’825 Patent share the same inventors (Ron Redlich and Martin Nemzow), but they are from different patent families.

The Petition does not present a reasonable likelihood that Petitioner will prevail with respect to any of the challenged claims under 35 U.S.C. § 314(a) for at least two reasons:

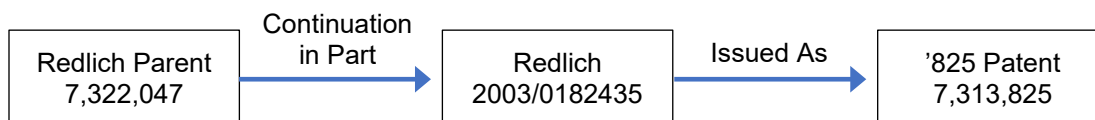
1. The Petition exclusively relies on the same or substantially the same prior art and arguments previously presented to the USPTO (the “Office”). Petitioner fails to acknowledge that its primary reference, Redlich, was considered by the examiner, let alone try to demonstrate examiner error, during that process. And the examiner considered and rejected Petitioner’s arguments related to

its secondary reference, Ozzie. Denial pursuant to 35 U.S.C. § 325(d) is warranted.

2. The *Fintiv* factors dictate discretionary denial of institution on both Grounds.

II. Background

DigitalDoors filed the application for the challenged '244 Patent, on April 29, 2009. EX1001. On November 24, 2010, the examiner initially issued a non-final rejection of *original claims 1-4* for non-statutory obviousness-type double patenting over the claims of twelve U.S. Patents, including U.S. Patent No. 7,313,825 (the "'825 Patent") and U.S. Patent No. 7,322,047 (the "Redlich Parent"). EX1002 Part 5, 2219-2228. The Redlich Parent is the immediate parent of the '825 Patent, of which it is a continuation in part:



The examiner also rejected the original claims under 35 U.S.C. § 103(a) in view of two references, "Fahlman" and "Hoffberg." *Id.*, 2230-2233.

DigitalDoors responded to the double-patenting rejection by promising to submit a disclaimer near the end of the prosecution. EX1002 Part 5, 2256. Applicant then submitted amended versions of claims 3-4 and withdrew claims 1-2. EX1002 Part 5, 2252-2254, 2331-2333.

On August 10, 2012, in view of DigitalDoors's claim election and amendment, the examiner withdrew the double-patenting rejection based on claims of six patents, including the '825 Patent. EX1002 Part 5, 2341-2350. The examiner also declined to pursue the § 103(a) rejection against ***amended claims 3-4***. *Id.* 2341-2353. Because DigitalDoors had not yet submitted the terminal disclaimer, however, the examiner maintained the non-statutory obviousness-type double patenting rejection for ***amended claims 3-4*** based on the claims of six patents, including the Redlich Parent. EX1002 Part 5, 2343-2350.

As promised, DigitalDoors then filed a terminal disclaimer for the terminal part of the '244 patent that would extend beyond the expiration date of those six U.S. Patents. EX1002 Part 5, 2375-2377. The USPTO approved the terminal disclaimer and withdrew the double-patenting rejection, allowing ***amended claims 3-4***. EX1002 Part 5, 2384-2391. As a result of this and other terminal disclaimers, the challenged '244 Patent and the '825 Patent expire on the same date. *Compare* EX1002 Part 5, 2376 and EX2002.

Petitioner's primary reference is Redlich, the publication of the application that issued as the '825 Patent. The specifications of Redlich and the '825 Patent are substantively identical. *See* EX2003 (redline showing typographical corrections and minor clarifications of Redlich before it issued as the '825 Patent).

Petitioner's secondary reference is U.S. Patent No. 8,601,598 (EX1006, Ozzie). Petitioner relies on Ozzie for only one element of the challenged claim: (a) a plurality of select content data stores in a server cloud. Pet., 39-42. The addition of Ozzie's "server cloud" to the prior art systems is substantially the same as an argument the examiner initially made and ultimately dropped during prosecution.

III. Governing Law

Institution of an IPR should be denied when the petition is based on the same or substantially the same prior art or arguments previously presented during prosecution. 35 U.S.C. § 325(d). This provision prevents duplicative challenges to a patent, promoting efficient administration of the Patent Office. *ZTE (USA), Inc. v. Fractus, S.A.*, IPR2018-01457, 2019 WL 994643, at *3 (PTAB Feb. 28, 2019).

The Board uses the two-step framework from *Advanced Bionics* to determine whether to deny institution based on 35 U.S.C. § 325(d):

- (1) whether the "same or substantially the same" art or arguments were previously presented to the USPTO; and
- (2) if so, whether the petitioner demonstrated that the USPTO "erred in a manner material to the patentability of challenged claims."

Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH, IPR2019-01469, 2020 WL 740292, at *3 (PTAB Feb. 13, 2020) (precedential).

When the same or substantially the same art or arguments were presented during prosecution, the petitioner has the burden of proving error by the Patent

Office. *Id.* at *3-4. If petitioner fails to demonstrate material error by the USPTO, denial under §325(d) is appropriate. *Id.* at *9. “This framework reflects a commitment to defer to previous Office evaluations of the evidence of record unless material error is shown.” *Id.* at *3.

The *Becton, Dickinson* factors provide insight into whether the petitioner has met its burden under the *Advanced Bionic* framework and 35 U.S.C. § 325(d). *Id.* at *4. Those factors include:

- (a) the similarities and material differences between the asserted art and the prior art involved during examination;
- (b) the cumulative nature of the asserted art and the prior art evaluated during examination;
- (c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection;
- (d) the extent of the overlap between the arguments made during examination and the manner in which petitioner relies on the prior art;
- (e) whether petitioner has pointed out sufficiently how the examiner erred in its evaluation of the asserted prior art; and
- (f) the extent to which additional evidence and facts presented in the petition warrant reconsideration of the prior art or arguments.

See Becton, Dickinson & Co. v. B. Braun Melsungen AG, IPR2017-01586, Paper 8, § III.C.5, first paragraph, 2017 WL 6405100, at *6 (PTAB Dec. 15, 2017) (precedential as to § III.C.5, first paragraph) (“*Becton, Dickinson*”).

Factors (a), (b), and (d) concern whether the same or substantially the same art or arguments were previously presented, while factors (c), (e), and (f) concern whether the petitioner has met its burden of proving a material error by the Patent Office. *Advanced Bionics*, at *4.

IV. Denial Under 35 U.S.C. § 325(d) is Appropriate.

A. The USPTO Has Already Considered the Same Art, Substantially the Same Art, and the Same Arguments During Prosecution.

The U.S. Patent Office considered *all three types* of art and arguments during prosecution of the '244 Patent: the same art ('825 Patent), substantially the same art (Redlich Parent), and substantially the same arguments (adding Ozzie's cloud system to eliminate the need for additional security clearances/credentials and improve the efficiency of the storage system). Denial under 35 U.S.C. § 325(d) is appropriate based on each of these independently.

i. Redlich is the same art as the '825 Patent.

Petitioner's primary reference for both Grounds 1 and 2, Redlich, is the same art as the '825 Patent, which the examiner considered and overcame during the '244 Patent's prosecution. EX1002 Part 5, 2223-2225. A pre-grant publication of an application and the patent that issues from it are the same for § 325(d) purposes. *Microsoft Corp. v. Koninklijke Philips NV*, IPR2018-00279, Paper 11, 2018 WL 2943417 (PTAB June 8, 2018). As already explained, Redlich is merely the pre-

grant publication of the application that led to the '825 Patent.¹ EX2001. The Patent Office rejected the initial claim set based upon that '825 Patent while later allowing the amended claim set to issue over that '825 Patent. There is, therefore, no dispute that the Patent Office considered the same art during prosecution as what Petitioner relies on as its primary reference. Yet Petitioner inexplicably denied this fact: “The PTO has not previously considered Redlich ...in connection with the claims of the '244 Patent.” Pet., 75.

Because the basis for both Grounds 1 and 2 rely on Redlich, which is the same as the '825 Patent that the examiner considered during prosecution, institution on both grounds should be denied.

ii. Redlich is substantially the same as the Redlich Parent.

Petitioner's primary reference for both Grounds 1 and 2 is also substantially the same as the Redlich Parent, which the Patent Office also considered and overcame during prosecution. A reference is “substantially the same” when it discloses “substantially the same information [as the asserted reference] in relevant

¹ None of the typographical corrections and minor clarifications that the applicant made to that application prior to issuance is substantive or material. *See* EX2003 (redline comparison of the published application's specification against that of the issued '825 Patent).

part[s]” and the references lack material differences *Advanced Bionics*, 2020 WL 740292, at **6-7; *Becton*, 2017 WL 6405100, at *6. In *Vital Connect, Inc. v. Bardy Diagnostics, Inc.*, the Board rejected a petition based on a prior art patent where the Patent Office had previously considered that patent’s parent during prosecution, and the portions of the patent that the petitioner relied on in its petition were present in that parent patent. IPR2023-00381, Paper 7, 2023 WL 5059771, at **5–6 (PTAB July 11, 2023).

This situation is identical to the one in *Vital Connect*. The examiner explicitly considered the Redlich Parent in two separate office actions during prosecution of the ’244 Patent. The examiner’s November 24, 2010 non-final rejection was based in part on the Redlich Parent. EX1002 Part 5, 2223-2225. So was the examiner’s August 10, 2012 non-final rejection. EX1002 Part 5, 2343-2348.

As already explained, the Redlich Parent is the parent of the ’825 Patent, which itself is the patent that issued from Redlich, the published application upon which Petitioner primarily relies. Not surprisingly, as in *Vital Connect*, everything that Petitioner relies upon from Redlich is present in Redlich Parent:

<i>Redlich Citations from Petition</i>	<i>Redlich Parent Considered by Examiner</i>
EX1005 ¶ 2	EX2004 at 1:22-31
EX1005 ¶ 34	EX2004 at 7:50-8:31
EX1005 ¶ 35	EX2004 at 8:32-9:3
EX1005 ¶ 37	EX2004 at 9:27-43
EX1005 ¶ 38	EX2004 at 9:44-10:3

EX1005 ¶ 46	EX2004 at 10:55-63
EX1005 ¶ 55	EX2004 at 12:48-63
EX1005 ¶ 64	EX2004 at 14:25-31
EX1005 ¶ 99	EX2004 at 17:15-27
EX1005 ¶ 103	EX2004 at 17:64-67
EX1005 ¶ 104	EX2004 at 18:1-67
EX1005 ¶ 105	EX2004 at 19:1-31
EX1005 ¶ 106	EX2004 at 19:32-42
EX1005 ¶ 122	EX2004 at 23:35-24:11
EX1005 ¶ 124	EX2004 at 24:41-58
EX1005 ¶ 125	EX2004 at 24:59-25:7
EX1005 ¶ 131	EX2004 at 26:55-27:5
EX1005 ¶ 134	EX2004 at 27:32-41
EX1005 ¶ 142	EX2004 at 29:20-54
EX1005 ¶ 143	EX2004 at 29:55-30:27
EX1005 ¶ 144-45	EX2004 at 30:28-48
EX1005 ¶ 127	EX2004 at 25:27-44
EX1005 ¶ 172	EX2004 at 32:34-44
EX1005 ¶ 176	EX2004 at 32:64-33:16
EX1005 ¶ 177	EX2004 at 33:17-46
EX1005 ¶ 200	EX2004 at 38:53-39:2
EX1005 ¶ 221	EX2004 at 44:12-45
EX1005 ¶ 231	EX2004 at 49:18-45
EX1005 ¶ 238	EX2004 at 50:61-51:35
EX1005 ¶ 245	EX2004 at 52:55-53:9
FIG. 1A	FIG. 1A
EX1005 at FIG.1A	EX2004 at FIG. 1A
FIG. 1B	FIG. 1B
EX1005 at Fig. 1B	EX2004 at FIG. 1B



EX1005 at FIG. 2



EX2004 at FIG. 2



EX1005 at FIG. 4



EX2004 at FIG. 4



EX1005 at FIG. 6



EX2004 at FIG. 6

FIG. 10 EX1005 at FIG. 10	FIG. 10 EX2004 at FIG. 10
EX1005 at Claim 124	EX2004 at Claims 65 and 79
EX1005 at Claim 13[8]	EX2004 at Claims 65 and 79

Thus, as in *Vital Connect*, Redlich is “cumulative of [Redlich] Parent and, therefore, ‘substantially the same art’ that was previously presented to the Office.” 2023 WL 5059771, at *5 (quoting *Advanced Bionics*, 8). Again, the Petition does not acknowledge this fact.

Institution on both Grounds 1 and 2 should also be denied because their primary reference, Redlich, is substantially the same as the Redlich Parent, which the examiner also considered during prosecution.

iii. Petitioner’s Ground 2 arguments concerning the Ozzie reference are the same as those the Patent Office considered during prosecution.

Petitioner’s Ground 2 argument for invalidation based on combining the Ozzie reference with Redlich is the same as an argument the examiner initially made and ultimately dropped during prosecution. When reviewing a petitioner’s arguments for similarity to those made during prosecution, the Board evaluates “the extent of the overlap between the arguments made during examination and the manner in which petitioner relies on the prior art.” *Becton, Dickinson*, IPR2017-01586, Paper 8, § III.C.5, first paragraph, 2017 WL 6405100, at *6 (PTAB Dec. 15, 2017). In *Microsoft Corp. v. Koninklijke Philips*, the Board rejected a petition based on a combination of two references not considered during prosecution because the petitioner’s rationale for the combination was the same as one for a combination the examiner had considered during that process. 2018 WL 2943417, at *6-7. The Board held that the petitioner’s failure to “substantively address differences” between the petition’s references and the references from prosecution warranted denial when the rationale for combination in each instance was the same. *Id.* at *7.

In this case, arguments for Petitioner’s purported combination and those for the combination considered during prosecution are the same. Petitioner relies on Ozzie for its disclosure of “cloud based systems”: “Ozzie discloses a system that ‘leverages the user-centric architecture of emerging ‘cloud based’ systems.’” Pet.,

28. *See also* Pet., 39 (“Ozzie discloses a system comprising a plurality of data stores for storing data in a server cloud.”); 40 (“Ozzie describes a ‘cloud’ that comprises of ‘many servers,’ i.e., ‘a group of one or more communicatively coupled “off-premise” servers”); 42 (Ozzie, therefore discloses the server cloud as required in Claim 1 of the ’244 Patent.”). Similarly, in its November 24, 2010 non-final § 103 rejection of what became challenged claim 1, the examiner relied on Hoffberg’s “cloud based computing” to rectify the absence of that element in Fahlman. EX1002 Part 5, 2230, 2233. The same art that Petitioner relies upon (in the form of the ’825 Patent) and substantially the same art (in the form of the Redlich Parent) were also before the Patent Office at that time and the subject of its rejection as well.

The two arguments for the combination to satisfy the claimed cloud-computing element are the same in both the Petition and during prosecution. In fact, in its “Reasons to Combine Redlich with Ozzie” section (Pet., 65-71), the Petition relies upon and actually quotes what the examiner considered one rationale for combining Fahlman and Hoffberg during prosecution, obviating the need for additional security clearance: “[D]uring prosecution of the ’244 Patent, Examiner explained that ‘[b]y allowing the computing environment to be a cloud, the devices contained within the environment can communicate without the need for additional security clearances/credentials.’” Pet., 68. This elimination of the need for additional security clearance or credentials because of Ozzie’s user-identity-based

storage is Petitioner's main argument for the combination. *See e.g.*, Pet., 66 (the "combination would merely involve using Ozzie's method of storing data in a cloud partitioned based on user identity"), 67 ("Ozzie's disclosure of storing data within a cloud that is partitioned by user identities, thereby securely and efficiently managing data storage"), 67 ("incorporating Ozzie's technique of storing data in a cloud partitioned based on user identities would allow for better organization and easier identification and access of a particular user's data"). And that rationale was one the examiner gave for combining Fahlman and Hoffberg: "By allowing the computing environment to be a cloud, the devices contained within the environment can communicate without the need for additional security clearances/credentials." EX1002 Part 5, 2233.

Petitioner's other main rationale for combining its two references is to allow for "efficient storage" and "efficiently managing data storage across multiple devices and services." Pet., 65-66. The examiner made the identical argument during prosecution, that adding Hoffberg's cloud environment to Fahlman would make the resulting system "more efficient." EX1002 Part 5, 2231. As in *Microsoft*, all Petitioner has done is substitute different references while keeping the argument for combination the same.

Because Petitioner relies on Ozzie's disclosure of cloud-based environments in the same manner, it carries the burden of proving that the asserted combination

“leads to any different argument or reasoning than that previously advanced” during prosecution. *Becton, Dickinson*, 2017 WL 6405100, at *8. It is not enough to rely on new references when the arguments are the same as those before the examiner. *Id.* Yet Petitioner makes no attempt whatsoever to do what the law requires. It does not even acknowledge its obligation to do so or that it was using the same rationale as the ones considered during prosecution.

Because Petitioner’s arguments are the same as those considered and overcome during prosecution, denial on Ground 2 is also warranted.

B. Petitioner Did Not and Cannot Show that the USPTO Materially Erred.

Denial of institution based on Petitioner’s Grounds 1 and 2 is warranted because Petitioner failed to prove that the Patent Office materially erred in allowing the ’244 Patent over the ’825 Patent, the Redlich Parent, and arguments about adding the cloud-computing reference to other art. *Advanced Bionics*. 2020 WL 740292, at *3. Finding error under this second step from *Advanced Bionics* involves *Becton, Dickinson* factors (c), (e), (f):

- (c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection;
- (e) whether petitioner has pointed out sufficiently how the examiner erred in its evaluation of the asserted prior art; and
- (f) the extent to which additional evidence and facts presented in the petition warrant reconsideration of the prior art or arguments.

Becton, Dickinson, Paper 8 at 17–18 (§ III.C.5, first paragraph); 2017 WL 6405100, at *6. The Board cannot conclude that the Patent Office erred when reasonable minds could disagree regarding the purported treatment of the art or arguments during prosecution. *Advanced Bionics*. 2020 WL 740292, at *3.

First, the '825 Patent, the Redlich Parent, and arguments about combining the cloud-computing reference were each evaluated during examination and were the basis for one or more rejections. The same art or arguments forming a basis for rejection during prosecution weighs in favor of denying a petition based upon that art and arguments. *Puma*, 2019 WL 5681212, at *4. Here, the '244 Patent examiner's first non-final rejection on November 24, 2010 was based on each of the '825 Patent (which is the same as Redlich), the Redlich Parent (which is substantially the same as Redlich), and the combination adding Hoffberg's cloud-based computing to Fahlman. EX1002 Part 5, 2219, 2225, and 2232-2233. The examiner then based its second non-final rejection in part on the Redlich Parent. EX1002 Part 5, 2347-2348. This factor, therefore, weighs in favor of denial of institution,

Second, the Petition fails to show that material error was made by the '244 Patent's examiner. A petition must adequately discuss material error with respect to "its relied-upon references (or their substantially identical disclosures)" when those references (or those "substantially identical") have already been presented to the Patent Office. *Vital Connect*, 2023 WL 5059771, at **6-7. Thus, the Petition needs

to “allege an error and/or substantively address § 325(d)” when the asserted reference, or a substantially similar reference, has previously been considered by the Patent Office. *Id.*

In *Vital Connect*, for example, the petition asserted that “[n]one of the references on which [its] grounds are based was applied by the Examiner during prosecution” of the challenged patent, even though the petition relied on multiple references either the same or substantially the same as those before the examiner during prosecution. *Id.* at *4-5. The Board based its denial of the petition on the petitioner’s failure to acknowledge and address this fact: “[It] is unclear to us why Petitioner did not allege an error and/or substantively address § 325(d).” *Id.* at *7.

This petition suffers from the same flaw as the one that doomed the *Vital Connect* petition. Petitioner here failed to allege a material error on the part of the Patent Office, nor did it make any effort to “address § 325(d),” substantively or otherwise, as required. Pet., 75. Instead, Petitioner incorrectly argues that denial of Ground 1 is unwarranted because the “PTO has not previously considered Redlich . . . in connection with the claims of the ’244 Patent.” *Id.* We demonstrate above how this statement is false: the PTO did consider the same art (the ’825 Patent) and substantially the same art (the Redlich Parent) as Redlich. And while the Petition does not even mention its obviousness argument, we also demonstrate above that the PTO considered that argument previously as well.

The Petition's complete failure to acknowledge these points and, as required, to prove *material* error by the Patent Office in how it handled these pieces of art and arguments, also weighs in favor of denial under § 325(d). In fact, this factor, by itself, is enough to warrant denial of institution: "If a condition in the first part of the framework is satisfied and the petitioner fails to make a showing of material error, the Director generally will exercise discretion not to institute *inter partes* review." *Vital Connect*, 2023 WL 5059771, at *7.

Third, Petitioner has not presented new facts or evidence warranting reconsideration of the references and arguments considered during the prior examination of the '244 Patent. Trying to do so via an expert report requires "persuasive technical evidence or explanation" in the report. *Becton*, 2017 WL 6405100, at *9. Reports that merely "reflect[] an opinion with respect to the same or substantially the same art that was applied or considered" during prosecution is insufficient to warrant reconsideration and institution. *Edge Endo, LLC v. Scianamblo*, IPR2018-01321, Paper 15, 2019 WL 190893, at *9 (PTAB Jan. 14, 2019). When, as here, a patent owner establishes that the disclosure of the asserted reference (or a similar variant thereof) was considered during examination, an expert report alone is generally insufficient to warrant reevaluation. *Juniper Networks, Inc. v. Mobile Telecomms. Techs., LLC*, IPR2017-00642, 2017 WL 3209154, at *5 (PTAB July 27, 2017).

This case is like *Edge Endo*, cited above. All Dr. Zadok does to support Petitioner's Ground 1 is recite his opinion about Redlich, which is the same as one reference (the '825 Patent) and substantially the same as another reference (the Redlich Parent) that the examiner considered during prosecution. *Compare* Pet., 30-64 and EX1003, ¶¶156-248. Similarly, his Ground 2 analysis merely recites his opinion about the rationales for adding Ozzie's cloud environment to Redlich—eliminating the need for additional security clearances and increasing efficiency—which are identical to those the examiner considered for adding a cloud environment to the art in prosecution. *Compare* Pet., 65-71 and EX1003, ¶¶275-307. His report, therefore, doesn't add anything beyond the fact that it is he who is stating the opinion. As in *Edge Endo*, a report like Dr. Zadok's is insufficient to warrant institution.

And Dr. Zadok's report is entitled to even less weight than the one in *Edge Endo*. Expert opinions that are essentially word-for-word regurgitations of the Petition are entitled to little weight. *Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper 9, 2022 WL 3648989, at **6-7 (PTAB Aug. 24, 2022); *NHK Spring Co., Ltd. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8, 2018 WL 4373643, at *6 (PTAB Sep. 12, 2018) (precedential) (finding an expert report that was substantially similar to the petition to be unpersuasive); *Juniper Networks*, 2017 WL 3209154, at *5 n.3 (“Petitioner relies on the Acampora Declaration to support its contentions. The

paragraphs cited . . . are a *verbatim* reiteration of the argument presented in the Petition and are not helpful.”). That is true for Dr. Zadok’s report; most of its statements are word-for-word copies of Petitioner’s brief. *Compare* EX1003, ¶¶156-248 *with* Pet., 30-64. Therefore, the little weight that Dr. Zadok’s report carries in light of *Edge Endo* is further minimized because the report’s analysis and the Petition’s analysis are mere restatements of each other.

All three factors Step 2 factors, therefore, weigh in favor of denial of the Petition under 35 U.S.C. § 325(d).

V. The Board Should Deny Institution of Grounds 1 and 2 Under *Fintiv*.

On February 24, 2023, DigitalDoors, filed its First Amended Complaint against IBM, the Petitioner, for infringement of seven patents, including the ’244 Patent, in the Eastern District of Texas. *Apple Inc. v. Fintiv, Inc.*, established six factors for determining whether to deny a petition based on a pending district court case. IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential). The process begins with the first five factors, and when they collectively weigh in favor of denial, the Board considers whether the merits are strong enough to overcome those factors and compel institution. *Commscope Technologies LLC v. Dali Wireless, Inc.*, IPR2022-01242, Paper 23 (PTAB Feb. 27, 2023) (precedential). That compelling-merits question requires a higher standard of proof, “highly likely to prevail,” than the statutory standard for institution, “reasonably likely to prevail.” USPTO

Memorandum, Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation (June 21, 2022) (EX1020); *Commscope*, IPR2022-01242, Paper 23.

A. The District Court is Unlikely to Grant a Stay.

The Petitioner has already filed one motion to stay the pending district court case, which that court denied. EX2005. That district court looks at specific criteria when deciding whether to grant stays for IPR proceedings, including whether review of all claims-in-suit has been instituted by the PTAB and whether the IPR petition and institution decision are timely – “where timely means a final written decision is expected in the ordinary course before the trial in this case would otherwise take place.” *Vill. Green Techs., LLC v. Samsung Elecs. Co.*, No. 2:22-CV-00099-JRG, 2023 WL 416419, at *3 (E.D. Tex. Jan. 25, 2023).

There are 54 claims and seven patents in the district court proceeding. That court has made clear that it will not grant a stay unless the PTAB institutes IPR proceedings for every asserted claim. EX2005, 5.

If instituted, a final written decision would be expected in the ordinary course five months after the trial is scheduled to take place, which also makes a stay less likely under the timeliness factor considered by the district court.

Because a stay is unlikely, initiating an IPR here would result in two parallel proceedings, which would be inefficient and burdensome. This factor, therefore, strongly favors denial.

B. The Trial is Scheduled to Finish Over Five Months Before the Final Written Decision Deadline.

Trial in the pending district court case is scheduled to end about five months before the deadline for a final written decision, so this factor also strongly favors denial. The Eastern District of Texas court scheduled trial to begin August 19, 2024, and patent trials in that venue typically take a week or less. Despite that fact, were the Board to institute an IPR based on this Petition, the Final Written Decision would not be due until late January 2025, well after trial. Accordingly, instituting a trial would be an inefficient use of Board resources. *See Fintiv*, IPR2020-00019, Paper 15 at 12-13 (denying institution where district court trial was scheduled two months before the final decision deadline); *NHK Spring Co., Ltd. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 at 20 (PTAB Sept. 12, 2018) (precedential) (institution of IPR when the district court trial would resolve validity “would not be consistent with ‘an objective of the AIA...to provide an effective and efficient alternative to district court litigation’”).

The Petitioner ignores this scheduled trial date and instead cites out-of-date statistics to suggest trial would not take place before the Final Written Decision

deadline. EX1020, 8 (“Parties may present evidence regarding *the most recent statistics* on median time-to-trial”) (emphasis added); Pet., 72 (relying on March 2022 statistics instead of March 2023 statistics). But even ignoring the actual scheduled trial date, the appropriate time-to-trial statistics still favor denial. The most recent of those statistics show an Eastern District of Texas median time-to-trial of just 19 months, which would be June 2024, even earlier than the actual trial date. EX1009. Petitioner’s purported reliance on older statistics is inappropriate.

C. Both Parties Have Invested Heavily in the District Court Proceedings.

The parties have expended substantial resources on the pending district court case in the eight months since this suit was filed. The Plaintiff/Respondent, DigitalDoors, prepared and served 1,067 pages of infringement contentions. IBM, the Defendant/Petitioner, drafted and served 10,171 pages of invalidity contentions. DigitalDoors produced over 4,150 documents, and IBM produced, and DigitalDoors reviewed over 25,780 documents. There have already been multiple fact witness depositions and multiple rounds of discovery requests and responses. Despite the court’s not having yet issued a *Markman* ruling, it still denied Petitioner’s motion to stay the parallel proceeding because “much discovery had occurred.” EX2005, 4.

Much of this activity occurred in the months between the filing of this case and the IPR petition. While not egregious, this delay does suggest that IBM did not

file its petition “promptly after becoming aware of the claims being asserted.” *Fintiv*, Paper 11 at 11.

D. Petitioner Has Not Submitted an Appropriate *Sotera* Stipulation.

Because the Petitioner asserts the Redlich reference separately and in combination with other references both here and in its invalidity contentions in district court, institution of an IPR risks duplication of resources and conflicting outcomes. In its district-court invalidity contentions for the '244 Patent claims, the Petitioner lists its grounds for invalidity as: the Asserted Claim of the '244 Patent are invalid under (1) 35 U.S.C. § 102 because U.S. Patent Publication No. 2003/018,2435 to Redlich (“Redlich”) meets each element of the claim, and/or (2) 35 U.S.C. § 103 because Redlich alone and/or in combination with other references renders the claim obvious. EX2006.

Petitioner’s stipulation that, if the IPR is instituted, it will not pursue the same grounds in the district court litigation is insufficient to overcome these concerns of duplicative efforts and conflicting outcomes based on the Board’s own current guidance on the *Fintiv* factors. That guidance requires petitioners to stipulate that they will not “pursue in a parallel proceeding the same grounds *or any grounds that could have reasonably been raised before the PTAB.*” EX1020, 3. (emphasis added). It is this second part that Petitioner notably left out of its purported stipulation, and this factor, therefore, still favors denial. Petitioner did not stipulate

that it would not pursue any ground raised or that could have been reasonably raised in an IPR. *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020).

E. The Petitioner and Defendant Are the Same Party.

Because IBM is both the Petitioner and the defendant in the pending district court case, this factor weighs in favor of denial of institution. *Fintiv*, Paper 11 at 13–14.

F. The Petition Does Not Present Other Circumstances Which Warrant Institution.

Consideration of the other circumstances is appropriate because four of the five factors above favor or strongly favor denial, and the fifth is either neutral or slightly favors denial. This factor “takes into account any other relevant circumstances” that may impact the Board’s decision to institute the IPR. *Verizon Bus. Network Servs. V. Huawei Techs. Co. Ltd.*, IPR2020-01709, Paper 8, 2021 WL 137907, at *16 (PTAB Jan. 14, 2021). This includes consideration of whether denial is warranted under 35 U.S.C. § 325(d). *See id.*

This factor also considers the merits of the petition. *Id.* The merits evaluation requires a “high likelihood” of the Petitioner prevailing for institution to take place under these circumstances. *Commscope*, IPR2022-01242, Paper 23. Because, as demonstrated above, the Petitioner exclusively relies on art and arguments already

considered and rejected by the examiner and provides no evidence of any error made during prosecution of the '244 Patent, Petitioner has not presented compelling evidence of unpatentability.

VI. CONCLUSION

Grounds 1 and 2 amount to nothing more than an improper duplicative attack on the '244 Patent. The Petition relies extensively on the same or substantially the same references and arguments considered by the Office during examination. Moreover, the Petition fails to explain how the Office materially erred during the prosecution of the '244 Patent, thus denial pursuant to 35 U.S.C. § 325(d) is appropriate. *Fintiv* prudential concerns also warrant denial.

Respectfully submitted,

Dated: October 24, 2023

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CERTIFICATE UNDER 37 CFR § 42.24(d)

Under the provisions of 37 CFR § 42.24(d), the undersigned hereby certifies that the word count for the foregoing Patent Owner's Preliminary Response totals 5,399 which is less than the 14,000 words allowed under 37 CFR § 42.24(b)(1).

Dated: October 24, 2023

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on October 24, 2023, a complete and correct copy of the foregoing PATENT OWNER'S PRELIMINARY RESPONSE and EXHIBITS was served via electronic mail on the following counsel of record for Petitioner:

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