

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CSC SERVICEWORKS, INC.,
Petitioner,

v.

PAYRANGE, INC.,
Patent Owner.

IPR2023-01188
U.S. Patent No. 10,891,608

**PETITIONER’S REPLY TO PATENT
OWNER’S PRELIMINARY RESPONSE**

I. INTRODUCTION

The Board should reject PayRange’s argument that Petitioner CSC ServiceWorks, Inc. (“CSC”) failed to name all real-parties in interest (“RPI”). Under Federal Circuit authority, neither Kiosoft Technologies, LLC nor TechTrex, Inc. are RPIs for purposes of 35 U.S.C. § 312 because CSC did not file this petition at the behest of these parties. Neither Kiosoft Technologies, LLC nor TechTrex, Inc. have funded, directed, or controlled—or otherwise collaborated with CSC on—this proceeding. PayRange’s arguments to the contrary rely on incorrect and unsupported factual assumptions. Because CSC properly identified itself as the sole RPI, this Petition is timely under 35 U.S.C. § 315(b).

II. ARGUMENT

A. CSC Properly Identified All Real-Parties-In-Interest.

Kiosoft Technologies, LLC and its parent, TechTrex, Inc. (collectively “Kiosoft”), are not RPIs of CSC in these proceedings. The RPI inquiry focuses on “whether a petition has been filed at the party’s behest.” *Uniloc 2017 LLC v. Facebook Inc.*, 989 F.3d 1018, 1027-28 (Fed. Cir. 2021) (internal alterations omitted) (citing *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1351 (Fed. Cir. 2018)). Relevant considerations include whether a party exercises or could exercise control over a petitioner’s participation in a proceeding and whether a party is funding or directing the proceeding. *Id.* The instant IPR was not filed at

Kiosoft’s behest. Kiosoft has not funded, directed, controlled, or collaborated with CSC on this proceeding. Thus, Kiosoft is not an RPI in this proceeding.

i. PayRange’s argument is both legally and factually flawed.

PayRange lacks both legal and factual support for its argument that Kiosoft is an RPI. First, PayRange claims—without legal support—that the customer-supplier relationship between CSC and Kiosoft makes Kiosoft an RPI. But, decisions by both the Federal Circuit and the Board indicate the opposite: a mere customer-supplier relationship does not make Kiosoft an RPI. *See, e.g., WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1321 (Fed. Cir. 2018) (“ION and PGS had a contractual and fairly standard customer-manufacturer relationship regarding the accused product,” which “does not necessarily suggest that the relationship is sufficiently close . . . that the parties were litigating . . . the IPRs as proxies for the other.”); *Samsung Elecs. Co., Ltd. et al. v. Seven Networks, LLC*, IPR2018-01108, Paper No. 22 at 11-13 (PTAB Nov. 28, 2018) (“[T]he customer-supplier relationship between Samsung and Google does not indicate that Google is an RPI.”); *NOF Corporation v. Nektar Therapeutics*, IPR2019-01394, Paper No. 22 at 10-13 (PTAB Feb. 5, 2020) (“[T]he current record suggests Petitioner and Bayer have a continuing relationship and that both parties would benefit from invalidation of the challenged claims. There is insufficient evidence, however, to suggest that Petitioner is

representing Bayer’s interests in this proceeding or that the Petition was filed at Bayer’s behest. Thus, we are not persuaded that Bayer is an RPI[.]”).

Second, PayRange mischaracterizes the facts of separate litigations to manufacture support for its flawed legal theory. Citing testimony from Kiosoft’s CEO in an earlier litigation filed by PayRange against KioSoft in 2020—which did not involve CSC—PayRange asserts that Kiosoft has “indemnified CSC against PayRange’s infringement claims” in a litigation filed three years later by PayRange against CSC (in 2023). PayRange’s assertion is incorrect. Kiosoft did not agree to indemnify CSC for PayRange’s infringement claims in its pending lawsuit against CSC. Ex.1014, ¶4. Instead, Kiosoft agreed to indemnify its customer, CSC, for the expenses associated with third-party discovery PayRange sought from CSC in connection with PayRange’s 2020 patent infringement lawsuit against Kiosoft. *See PayRange, Inc. v. Kiosoft Techs., LLC et al.*, Case No. 1:20-cv-20970 (S.D. Fla.).¹

¹ The Federal Circuit has held that responding to a third-party subpoena in a prior litigation is insufficient to create an RPI relationship between parties. *See WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1320-21 (Fed. Cir. 2018) (“Nor does the record show that PGS controlled or funded the prior litigation. Other than responding to a third-party subpoena issued by Western Geco, PGS lacked any substantive involvement in the ION litigation.”).

Ex.1014, ¶5. Indeed, at the time of the referenced testimony in July 2021, PayRange had not yet sued CSC for alleged infringement of any PayRange patent. *Id.* As such, the only “evidence” cited by PayRange in support of its incorrect assertion shows that Kiosoft had agreed to indemnify CSC for third-party discovery in an unrelated litigation to which CSC was not a party.

Third, while PayRange asserts the ‘608 patent against both CSC and Kiosoft in separate lawsuits, “a common desire among multiple parties to see a patent invalidated” does not make those parties RPIs. *See WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1320-21 (Fed. Cir. 2018). The evidence demonstrates that CSC filed its IPR petition against the ‘608 patent in response to PayRange asserting the ‘608 patent directly against CSC in the 2023 district court litigation, where PayRange accused two products of infringement, only one of which was provided by Kiosoft. Ex.1014, ¶¶6-9. CSC filed its own IPR petition using its own counsel to protect its own interests, such as combating infringement assertions against products that Kiosoft had no role in developing. Ex.1014, ¶¶6-9; *see also Uniloc*, 989 F.3d at 1029; *Wi-Fi One, LLC v. Broadcom Corp.*, 887 F.3d 1329, 1340 (Fed. Cir. 2018) (finding no RPI, in part, based on Petitioner’s own interests in filing an IPR that were unrelated to the interests of the alleged unnamed RPI).

ii. The record shows that Kiosoft and TechTrex are not RPIs.

CSC is the sole party that has funded, directed, and controlled its participation in this proceeding. Ex.1014, ¶¶6-8. PayRange provides no evidence suggesting any coordination between CSC and Kiosoft, much less any evidence of joint funding or control of this proceeding. CSC and Kiosoft are unrelated corporate entities who used separate counsel to file separate challenges against the ‘608 patent on different prior art and different grounds. Ex.1014, ¶6. Kiosoft has never exercised direction or control over CSC’s decision to file the present IPR petition or the bases for invalidity presented in this petition. Ex.1014, ¶8. Kiosoft also has not funded this proceeding. Ex.1014, ¶8. “Without such evidence of control, in addition to no evidence of joint funding, or even any evidence of substantial coordination between the parties as to their respective decisions to bring [this] proceeding[], a finding that [Kiosoft] is an RPI of . . . [CSC] here would be improper.” *See Uniloc 2017 LLC v. Facebook Inc.*, 989 F.3d 1018, 1029 (Fed. Cir. 2021).

PayRange argues that seven “tightly spaced” challenges (four IPR petitions filed by CSC and three PGR petitions filed by Kiosoft) evidence a “coordinated effort to undermine PayRange’s intellectual property.” But, a review of the relevant filing date for this petition demonstrates that it was not filed as a coordinated attack, but rather to preserve CSC’s ability to challenge the ‘608 patent in an IPR proceeding. PayRange first filed suit against CSC on April 19, 2022. CSC waived

service of that Complaint on July 18, 2022, and PayRange voluntarily dismissed the suit on August 23, 2022. PayRange re-filed its suit on March 15, 2023, and CSC filed the ‘608 IPR petition on July 17, 2023, the day before CSC would be statutorily barred from doing so under § 315(b). *See* IPR2023-01188, Paper 1 at 6. Thus, the timing of CSC’s IPR challenge was based on statutory requirements—not a coordinated attack with Kiosoft as PayRange speculates. The evidence and litigation history show that CSC filed its IPR petitions against the ‘608 patent, and other patents asserted against CSC, on its own to preserve its own interests in challenging these patents, rather than at Kiosoft’s behest. *See WesternGeco*, 889 F.3d at 1321.

PayRange has set forth no evidence showing that CSC filed its IPR petitions at the behest of Kiosoft. PayRange also provides no evidence that CSC filed this petition to advance Kiosoft’s interests rather than its own. The record proves the opposite: CSC filed this petition to challenge the validity of a patent that PayRange asserts directly against CSC in a separate district court proceeding. In sum, PayRange’s evidence shows only that CSC is a customer of Kiosoft for one of two products at issue in a pending parallel district court litigation asserted by PayRange against CSC. This evidence falls far short of establishing Kiosoft is an RPI of CSC.

III. CONCLUSION

For the foregoing reasons, Petitioner respectfully requests the Board reject PayRange’s arguments that Kiosoft and/or TechTrex are real-parties-in-interest.

Respectfully submitted,

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Petitioner's Exhibit List

Ex. 1001	U.S. Patent No. 10,891,608
Ex. 1002	Prosecution History of U.S. Patent No. 10,891,608
Ex. 1003	[Declaration]
Ex. 1004	U.S. Patent Publication No. 2010/0227671A1 to Laaroussi et al. ("Laaroussi")
Ex. 1005	U.S. Patent No. 4,374,557 to Sugimoto et al. ("Sugimoto")
Ex. 1006	U.S. Patent No. 10,121,318 to LeMay et al. ("LeMay")
Ex. 1007	U.S. Patent No. 6,840,860 to Okuniewicz ("Okuniewicz")
Ex. 1008	Reserved
Ex. 1009	Reserved
Ex. 1010	Waiver of Service of Complaint (July 18, 2022)
Ex. 1011	Specification of the Bluetooth System, Version 1.2 (November 5, 2003)
Ex. 1012	Specification for RFID Air Interface, Version 1.2.0 (October 23, 2009)
Ex. 1013	Curriculum Vitae of Dr. Clifford Neuman
Ex. 1014	Declaration of Chris Maxie