

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HOME DEPOT U.S.A., INC.,
Petitioner

v.

RAVENWHITE SECURITY, INC.,
Patent Owner

Case IPR2024-01316
U.S. Patent No. 10,594,823

PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW

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I. INTRODUCTION

RavenWhite Security, Inc. (“Patent Owner”) requests Director Review of the panel’s decision instituting IPR of claims 1-10 of U.S. Patent No. 10,594,823 (“the ’823 patent”). Paper 12 (“Decision on Institution” or “DI”). In determining not to exercise its discretionary denial authority, the panel (i) misapplied its precedential *Fintiv* and *Sotera Wireless* decisions, and (ii) made erroneous factual findings. When properly evaluated, the *Fintiv* factors strongly favor denial of institution. To proceed forward would unnecessarily waste both the Board’s and the parties’ time and resources, particularly given Petitioner’s delay in filing this petition that results in the district court jury trial and Board’s final written decision scheduled to occur within a few weeks of each other. Accordingly, the Director should vacate the panel’s decision and deny institution of this proceeding.

II. STANDARDS FOR DIRECTOR REVIEW

“Requests for Director Review of a Board’s decision . . . shall be limited to decisions presenting (a) an abuse of discretion, (b) important issues of law or policy, (c) erroneous findings of material fact, or (d) erroneous conclusions of law.” USPTO Revised Interim Director Review Process,¹ § 2.B. “Both discretionary and merits-based issues may be raised,” subject to these limitations. *Id.* As part of its analysis of discretionary issues, the Director may consider factors

¹ <https://www.uspto.gov/patents/ptab/decisions/director-review-process>.

including “[t]he strength of the unpatentability challenge” and “[t]he extent of the petition’s reliance on expert testimony.” *See* Memorandum re: Interim Processes for PTAB Workload Management (Mar. 26, 2025) (“March 26th Memo”).

III. THE PANEL ERRED IN ITS ANALYSIS OF THE *FINTIV* FACTORS.

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 (P.T.A.B. Mar. 20, 2020) (“*Fintiv*”) articulated six nonexclusive factors for determining whether to institute an IPR when there is parallel litigation. The panel erred in its analysis of the *Fintiv* factors. Although it correctly found that factor 1 is neutral and factor 5 weighs in favor of denial, DI, 9-10, 12-13, the panel’s findings that factors 2, 3, 4, and 6 weigh against discretionary denial are erroneous. DI, 10-14. Factor 2 is neutral, and factors 3, 4, and 6 plainly weigh in favor of discretionary denial. The Director should thus vacate the panel’s decision and exercise her discretion to deny institution based on *Fintiv* and the Director’s guidance in the March 26th Memo.

A. The panel erred in analyzing factor 2, which is neutral due to the close proximity of the trial date and projected FWD deadline.

On February 28, 2025, the Office rescinded the previous Director’s June 21, 2022 memorandum addressing discretionary denial procedures, instructing that the Board’s precedential *Fintiv* decision should be followed for guidance. In *Fintiv*, the Board instructed, “[i]f the court’s trial date is *at or around the same time* as the projected statutory deadline . . . , the decision whether to institute will likely implicate other factors discussed herein. . . .” *Fintiv*, 9 (emphasis added). In other

words, factor two does not weigh against discretionary denial when the trial date is “around the same time” as the projected deadline for a final written decision, as here. *Id.* Rather, when these dates are in close proximity, *Fintiv* indicates that the analysis should focus on the other factors.

Here, the panel ran afoul of this guidance. The projected statutory deadline in this case is March 24, 2026, while trial in the parallel litigation² is set for April 20, 2026—less than one month after. EX2001, 1. The panel failed to appreciate the close proximity of the trial and final written decision dates, finding “this factor would weigh against discretionary denial.” DI, 11. That determination is erroneous under the guidance set forth in *Fintiv*, which counsels that factor two should be at least neutral.

B. The panel erred in analyzing factor 3 because the parties have made significant investments in the parallel proceeding and Petitioner was not diligent filing its Petition.

As Patent Owner pointed out in its Preliminary Response, the parties involved in this proceeding have been litigating for more than a year and a half, with an initial complaint filed on September 18, 2023. EX2002; POPR, 30-31. Finding that the parties and the court have “invested some effort” in the parallel

² *RavenWhite Licensing LLC v. The Home Depot, Inc., et al.*, Case No. 2:24-cv-00688 (E.D. Tex.).

litigation thus far, the panel weighed this factor against discretionary denial, alleging that “[s]ignificant effort . . . remains to be expended.” DI, 12. The panel, again, weighed this factor incorrectly.

Discovery is well underway in the parallel district court proceeding, briefing on Petitioner’s motion to dismiss has been completed, and both infringement and invalidity contentions have been exchanged. EX2001, 4-5. Petitioner’s invalidity contentions alone (served on February 11, 2025) consist of thousands of pages, including 33 separate prior-art claim charts, as well as subject matter eligibility, written description, enablement, and indefiniteness challenges.³ Thus, the parties have already invested substantial time and resources in the parallel district court proceeding, regardless of the effort remaining. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 14 (P.T.A.B. May 13, 2020) (“*Fintiv II*”) (finding that *Fintiv* factor three “weighs somewhat in favor of discretionary denial” when, similar to this case, the parties exchanged both “infringement and invalidity contentions,

³ Patent Owner is cognizant of the prohibition on submission of new evidence with a Request for Director Review. Concurrent with the filing of this Request, Patent Owner has submitted an email requesting authorization to submit evidence of Petitioner’s served invalidity contentions.

including detailed invalidity claim charts addressing the prior art cited in th[e] Petition.”).

Moreover, the panel wholly ignored that Petitioner waited until the second-to-last day before the one-year bar to file its petition—almost exactly one year after being served with a complaint—and provided no explanation as to its filing delay. DI, 11-12. Patent Owner identified this delay as favoring discretionary denial, POPR, 31 (citing Pet., 67-71; 35 U.S.C. § 315(b)), but the panel overlooked this argument and failed to factor Petitioner’s delay into its analysis, DI, 11-12. Patent Owner first identified asserted claims on December 4, 2023—*more than nine months* before Petitioner filed its Petition for IPR—and those claims remain asserted in the pending litigation. *See* EX1008. As the Board outlined in *Fintiv*, this fact weighs heavily in favor of discretionary denial. *Fintiv*, 11-12 (“[I]t is often reasonable for a petitioner to wait to file its petition until it learns which claims are being asserted against it in the parallel proceeding,” but if “the evidence shows that the petitioner did not file the petition expeditiously, . . . these facts have favored denial.”).

Accordingly, *Fintiv* factor three weighs in favor of discretionary denial.

C. The panel erred in analyzing factor 4 because it placed too much weight on Petitioner’s *Sotera* stipulation, which does not establish this IPR as a true alternative to the district court proceeding.

Between the time that Patent Owner filed its Preliminary Response and when the panel issued its DI, Petitioner filed a *Sotera* stipulation. *See* Paper 11. Citing this stipulation, the panel found that Petitioner’s “*Sotera* stipulation ‘mitigates any concerns of duplicative efforts between the district court and the Board, as well as concerns of potentially conflicting decisions.’” DI, 12 (citing *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 19 (P.T.A.B. Dec. 1, 2020) (“*Sotera*”). The panel’s finding should be reconsidered and reversed in light of system-based art asserted in Petitioner’s February 2025 invalidity contentions.

Fintiv factor four seeks to evaluate “concerns of duplicative efforts,” such that “*inter partes* review is a true alternative to the district court proceeding.” *Sotera*, 19 (cleaned up). While Petitioner’s stipulation may mitigate some concern of duplicative effort, it does not establish this IPR as a true alternative to district court litigation. The Petition presents three grounds: (1) obviousness over Hinton, (2) obviousness over Varghese, and (3) obviousness over Varghese and Hinton. Pet., 1. In Petitioner’s invalidity contentions in the parallel litigation, Petitioner identifies (among other references) Hinton, Varghese, and numerous prior art systems. Petitioner alleges that Hinton and/or Varghese, alone or in combination

with the prior art systems, render claims of the '823 patent obvious. The prior art systems are detailed in hundreds of pages of claim charts.

As in the recent Director Review Decision in *Motorola Solutions, Inc. v. Stellar, LLC*, Petitioner's invalidity arguments in the district court are thus "more expansive and include combinations of the prior art asserted in these proceedings with unpublished system prior art."⁴ IPR2024-01205, Paper 19 (Order Granting Director Review) at 3-4 (citing *Sotera*, 19). Indeed, if Patent Owner were to prevail in this proceeding, the district court and parties would still need to grapple with thousands of pages of materials related to system prior art, resulting in little reduction in duplicative effort in district court. *Id.*, 4.

Therefore, *Fintiv* factor four should weigh in favor of discretionary denial.

D. The panel erred in analyzing factor 6 because the merits are fatally flawed.

Fintiv factor six concerns "other circumstances that impact the Board's exercise of discretion, including the merits." *Fintiv*, 14. As part of this analysis, the Board's consideration include, among others, "[t]he strength of the unpatentability

⁴ In *Motorola*, the Director suggested that the petitioner's stipulation "is not likely to moot" a combination of prior art asserted in the IPR proceeding and system prior art. *Motorola*, 4. Patent Owner takes no position whether a *Sotera* stipulation is not likely to moot such a combination of prior art.

challenge.” *See* March 26th Memo. Relatedly, the March 26th Memo explained that “[t]he extent of the petition’s reliance on expert testimony” is a factor to consider when assessing discretionary denial. *See id.* As both considerations relate to the merits of Petitioner’s challenge, each consideration is addressed here and counsels in favor of discretionary denial.

The Petition presents two single-reference obviousness grounds challenging independent claims 1 and 6 of the ’823 patent: one based on Hinton, and one based on Varghese. Pet., 1. After reviewing the parties’ arguments, the panel determined that *Fintiv* factor six “weighs against discretionary denial” because, according to the panel, Petitioner’s “arguments and evidence for the asserted ground of unpatentability based on Hinton appear strong with respect to at least one claim.” DI, 13-14. The panel, however, overlooked key arguments and evidence in making that erroneous determination.

Independent claims 1 and 6 are directed to the use of first and second network cookies, reciting “*a first cookie of a first type that was caused to be stored to the client device during a **first previous network session**,*” and “*a second cookie . . . [that] was caused to be stored at the client device during a **second previous network session**.*” EX1001, 15:35-54, 16:30-49 (emphasis added). In other words, each independent claim requires the cookies to be stored in ***previous*** network

sessions, thereby excluding session cookies (which are valid only for a current session). POPR, 12-16.

As Patent Owner explained in its Preliminary Response, Hinton’s “e-community cookie (eCC),” relied on by Petitioner as the recited “*second cookie*,” is a session cookie that “is valid only for the duration of a browser session, and it is expired when a user invokes logout functionality.” *Id.*, 13-15 (citing EX1005, ¶249). Indeed, Petitioner and its own technical expert readily admit that Hinton’s “eCC cookie is a session cookie,” and that “session cookies are temporary and are deleted when your browser is shut down or logged off.” EX1002, ¶15. As such, Hinton’s eCC cannot exist after a “*previous network session*” as claimed because it would expire at the end of the previous network session.

The Board wholly ignored Patent Owner’s argument and, in turn, this requirement of the claims. Instead, the Board merely found that Hinton’s eCC appears to be created in “a different network session that occurs later in time from the network session” used to create the “*first cookie*.” DI, 33-34. That finding is beside the point and ignores that the “network session that occurs later in time” is not a “*previous network session*,” as the claims require. Consistent with *both* parties’ arguments and evidence, Hinton’s eCC is a session cookie that cannot be created and stored in a previous session. Indeed, as Patent Owner explained, Petitioner does not even address whether Hinton’s eCC was stored in a “*previous*

network session.” POPR, 15 (citing Pet., 18-19). This oversight by Petitioner dooms the Petition, and it would be a waste of the Board’s limited resources to conduct a trial only to determine that claims 1 and 6 exclude Hinton’s session cookies.

Independent claims 1 and 6 also contain a limitation that excludes flash cookies and thereby distinguishes the claims from the Varghese reference. Specifically, claims 1 and 6 require that the cookies are stored in “browser storage” areas. Patent Owner agrees with Petitioner that Varghese discloses flash cookies that “are generated and stored by the Flash software on the user device.” Pet., 37. Thus, flash cookies are neither generated by a browser nor stored by a browser. This operation is also demonstrated by one of the references relied upon by Petitioner’s technical expert and considered during prosecution of the ’823 patent, Exhibit 1014. Petitioner’s expert relies upon that document to describe where flash cookies are stored—namely, flash cookies are stored in “Windows C:\Documents and Settings\[username]\Application Data\Macromedia\Flash Player” for the Windows operating system, and in similar locations for Macintosh and Linux operating systems. EX1002, ¶168 (citing EX1014). But neither Petitioner nor its expert ever explain why these Flash software storage areas are “*browser storage*” areas. Pet., 48-49; EX1002, ¶¶167-168. Nor did the panel opine that the Varghese grounds appear strong in its discretionary denial analysis. DI, 13-14. Accordingly,

Petitioner cannot prevail on the Varghese-based challenges, and it would be a waste of the Board's resources to conduct trial proceedings.

Relatedly, per the March 26th Memo, Petitioner's heavy reliance on expert testimony and the "knowledge of a POSITA" is further evidence of a weak unpatentability challenge and weighs in favor of discretionary denial. For the Hinton-based ground for claim 1 alone, Petitioner relies on the declaration of its expert to support statements that "a POSITA would have understood and found [] obvious" various gaps in Hinton's disclosure *no fewer than 16 times*. See Pet., 10-30. Similarly, for the Varghese-based ground for claim 1, Petitioner relies on its expert declaration to support similar statements to address gaps in Varghese's disclosure *no fewer than 10 times*. See Pet., 40-60. Claim 6 is the method analog to claim 1, so Petitioner merely incorporates all the reliance on its expert declaration into its challenges to claim 6. Pet., 33-34, 61-63.

Importantly, Petitioner's expert largely repeats the Petition verbatim without providing additional analysis or corroborating evidence. *Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper 9 at 15 (P.T.A.B. Aug. 24, 2022). Therefore, Petitioner's abundant reliance on its expert's unsubstantiated testimony as to what a "POSITA" would allegedly know—instead of arguing and showing that the claim limitations are actually disclosed in Hinton, Varghese, and other

references—lays bare Petitioner’s recognition that these references simply do not disclose multiple claim limitations in the challenged claims.

Because the merits of the grounds raised in the petition are weak, *Fintiv* factor six should weigh in favor of discretionary denial. *Fintiv*, 14-15.

* * *

No *Fintiv* factor weighs against discretionary denial. The trial date in the parallel litigation is set less than four weeks after the projected statutory deadline here, the parties have already made substantial investment into the litigation, Petitioner’s *Sotera* stipulation is unlikely to reduce duplicative invalidity efforts, and an IPR evaluating the merits of Petitioner’s unpatentability challenge would be a waste of both the Board’s and the parties’ resources. Denial of institution is, therefore, warranted.

IV. CONCLUSION

For at least the foregoing reasons, the Board should vacate the Board’s Decision on Institution and deny institution of this proceeding.

Respectfully submitted,

KRAMER ALBERTI LIM & TONKOVICH, LLP

/David Alberti/

David L. Alberti
Registration No. 43,465
Lead Attorney for Patent Owner

Date: April 7, 2025

950 Tower Lane
Suite 1725
Foster City, California 94404
(650) 825-4300

CERTIFICATE OF SERVICE (37 C.F.R. § 42.6(e))

I certify that the above-captioned **PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW** was served in its entirety on April 7, 2025, upon the following parties via electronic mail:

Jennifer Librach Nall (Lead Counsel)
Nicholas G. Papastavros (Back-up Counsel)
Safraz W. Ishmael (Back-up Counsel)
Joseph Wolfe (Back-up Counsel)
DLA PIPER LLP (US)
Jennifer.nall@us.dlapiper.com
Nick.papastavros@us.dlapiper.com
Safraz.ishmael@us.dlapiper.com
Joseph.wolfe@us.dlapiper.com
DLA-HD-RW@us.dlapiper.com

Respectfully submitted,

KRAMER ALBERTI LIM & TONKOVICH, LLP

/David Alberti/

David L. Alberti
Registration No. 43,465
Lead Attorney for Patent Owner

Date: April 7, 2025

950 Tower Lane
Suite 1725
Foster City, California 94404
(650) 825-4300