UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAP AMERICA, INC.,
Petitioner,

v.

CYANDIA, INC.,
Patent Owner.

Case IPR2024-01496
U.S. Patent No. 8,595,641

AUTHORIZED RESPONSE TO DIRECTOR REVIEW REQUEST

I. INTRODUCTION

Cyandia respectfully requests that the Director deny Petitioner's Director Review Request ("DRR") because the Board correctly determined that Petitioner's *Sotera*-style stipulation "has limited practical effect in reducing the overlapping efforts here and in the Litigation" because it would not "prevent Petitioner from asserting an invalidity defense in the district court based on the public use or sale of the WebSphere system." Paper 13, Decision Institution ("DI"), 8-9. None of Petitioner's arguments have merit: It waived its argument that the Board's decision contradicts *Sotera*, the Director's Order in *Motorola* confirms that the Board correctly applied *Sotera* in this case, and Petitioner's attempt to manufacture a conflict with the recent *Dell* decision fails because, unlike here and in *Motorola*, the *Dell* panel did not have record evidence identifying the overlapping issues.

II. PETITIONER WAVIED ITS ARGUMENTS

Petitioner waived its argument that its *Sotera*-style stipulation would sufficiently mitigate the risks attendant to its decision to raise overlapping system and documentary art between the District Court and PTAB. Cyandia first raised this argument in its Preliminary Response and repeated it in its Supplemental *Fintiv* Brief. Paper 6, 10-11 (arguing overlapping system and printed publication art would make even a *Sotera*-style stipulation meaningless); Paper 10, 2 (citing Ex. 2007, ¶ 3). Petitioner's response was to file a *Sotera*-style stipulation. Ex. 1045.

Accordingly, although Petitioner had a chance to address Cyandia's argument in its own Supplemental *Fintiv* Brief or by offering a broader stipulation, it chose not to. Paper 9, 2. Petitioner's arguments to the Director are untimely and waived.

III. ARGUMENT

A. Petitioner Misstates the Record and the Purpose of Stipulations

Petitioner's complaint that "[n]o evidence in the record supports the Board's apparent assumption that Petitioner would at trial . . . assert the same WebSphere publications" is misleading and beside the point. DRR, 5-7. The Board did not find it likely that Petitioner would "assert the same WebSphere publications" at trial despite its *Sotera* stipulation, it found the stipulation ineffective because Petitioner raised the WebSphere product in the District Court and the "WebSphere publications . . . describing the WebSphere system" in its Petition. DI, 9. In fact, SAP recently served its election of prior art for trial, which includes the WebSphere product and other system art.[1]

Petitioner also misunderstands the nature and purpose of case-narrowing stipulations. DRR,7-8. Such stipulations narrow the grounds that a petitioner ***may*** raise at trial; they do not define the grounds that the petitioner ultimately will raise. Crucially, the scope of a petitioner's stipulation and what grounds a petitioner chooses to raise at trial are fully within the ***petitioner's*** control. If Petitioner wanted

[1] Cyandia will file confirmatory evidence upon request.

to convince the Board that it would ***not*** raise the admittedly overlapping WebSphere product at trial, it could have offered a broader stipulation prior to the institution decision, but it did not. Paper 9, 2; Ex. 1045. Accordingly, the Board did not "speculate" about anything, and the alleged problem that Petitioner raises is one of its own making.

B. The Board's Decision is Consistent with *Sotera*

The Board correctly found that Petitioner's *Sotera* stipulation would not provide a "true alternative" to the district court proceeding. DI, 9. Accordingly, *Sotera* is distinguishable on the facts because it did not concern the issue of overlapping publication art and system art. *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 18-19 (P.T.A.B. Dec. 1, 2020); *cf*. DRR, 7-8.

Petitioner recognizes that the Director came to this conclusion in *Motorola Sols., Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19 (P.T.A.B. Mar. 28, 2025), and its arguments attempting to distinguish that case are meritless. DRR at 9. First, whether or not the Board cited *Motorola* is irrelevant because it came to the same conclusion on essentially the same fact pattern. *Id*. Second, whether or not Petitioner had "a realistic opportunity to address" *Motorola* (DRR at 9) (it did), it had ***every*** opportunity to address ***Patent Owner's argument*** on the ***same issue***, which was first raised in the January 9, 2025 Preliminary Response (and it did not). *Supra* § II. Third, there was no need for *Motorola* to "rescind *Sotera*" (DRR, 9)

because the decisions are consistent. Fourth, while the *Motorola* decision stated that a *Sotera* stipulation "may mitigate some concern of duplication," in this case the Board weighed Factor 4 in favor of denial because it found that Petitioner has raised ***actually*** overlapping system art in the District Court. *Motorola*, 4 (determining that Petitioner's stipulation did not reach actually overlapping system art); DI, 8-9.

C. There is No Panel Split

Petitioner's panel split argument wrongly presumes that there is an inconsistency between this case and *Dell, Inc. v. Universal*, IPR2024-01428, Paper 12 (P.T.A.B. Apr. 8, 2025); DRR,10. In *Dell*, the panel found that Factor 4 weighed in favor of institution because the patent owner "[did] not identify any art asserted by [p]etitioner in the litigation that might fall within this reservation." *Dell*, Paper 12, 8. Here, however, Cyandia repeatedly identified the WebSphere product as "art asserted by [p]etitioner in the litigation that" falls within Petitioner's reservation. *Id.*; Paper 6 at 1, 10-11, Paper 10 at 2; Ex. 2007, ¶ 3. The Board agreed. DI, 9. There is no "split." DRR at 10. Even to the extent that there is a split, the Director's *Motorola* decision confirms that this issue should be resolved in favor of Cyandia.

D. The Board Did Not Ignore Evidence on Dropped Claims Because None Existed

Petitioner argues that the Board failed to consider record evidence "that only a small subset of the challenged claims remain in the district court case." DRR, 12. But no evidence identifying the subset existed on record. Petitioner's *Fintiv*

supplemental brief stated in conclusory form that "most of the challenged claims will be dropped." Paper 9, 2. That statement did not identify the dropped claims or explain how the (unidentified) dropped claims favored institution. With no record evidence, the Board was left with only speculation. This is unlike the case in *Apple Inc. v. Seven Networks, LLC*, IPR2020-00156, Paper 10 (cited at DRR at 12-13), where the Board had record evidence identifying dropped claims. *Apple*, 12-13.

E. The *Fintiv* Factors Favored Discretionary Denial

The decision to exercise discretionary denial was based on the "holistic weighing of all six *Fintiv* factors." DI at 11. The Board found that if they instituted, "Petitioner would remain free to pursue a system-based invalidity challenge in the district court." *Id*. That finding spoils Petitioner's assertion that Factor 4 "strongly favors not exercising discretionary denial." DRR at 13. Accordingly, Factor 1 remains neutral, Factors 2 and 5 undisputedly weigh in favor of denial, and the parties continue to expend significant resources in the District Court. As relevant to Factor 3, the *Markman* hearing was held on April 24, and expert reports are due May 12.

IV. CONCLUSION

For at least these reasons, the Institution Decision should not be disturbed.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned certifies, in accordance with 37 C.F.R. § 42.6(e), and pursuant to agreement by the parties that filing with the Board through the P-TACTS constitutes electronic service if Patent Owner sends an email notifying Petitioner of the filing, service was made on the Petitioner as detailed below.

Date of service	April 24, 2025
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