

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

JUMIO CORPORATION,
Petitioner

v.

FACETEC, INC.,
Patent Owner

Case IPR2025-00108

U.S. Patent No. 11,693,938

PATENT OWNER'S PRELIMINARY RESPONSE

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I. Introduction

FaceTec is a global leader in biometric liveness detection. It invented a highly accurate and yet convenient solution to a problem that has bedeviled businesses and government agencies conducting sensitive online transactions: verifying the physical presence of an online user during an online transaction. If a fraudster presents a camera with a two-dimensional photo of a bank account holder in an attempt to gain unauthorized access to the user's account, FaceTec's technology helps prevent access by analyzing face image data to recognize with a degree of high confidence whether a live person is in front of the camera. FaceTec's technology has proven to be exceptionally effective, leading to impressive commercial success and copying by multiple competitors, including Petitioner Jumio and its supplier/indemnifier/partner in litigation, iProov.

The Board should decline to institute for several reasons, including:

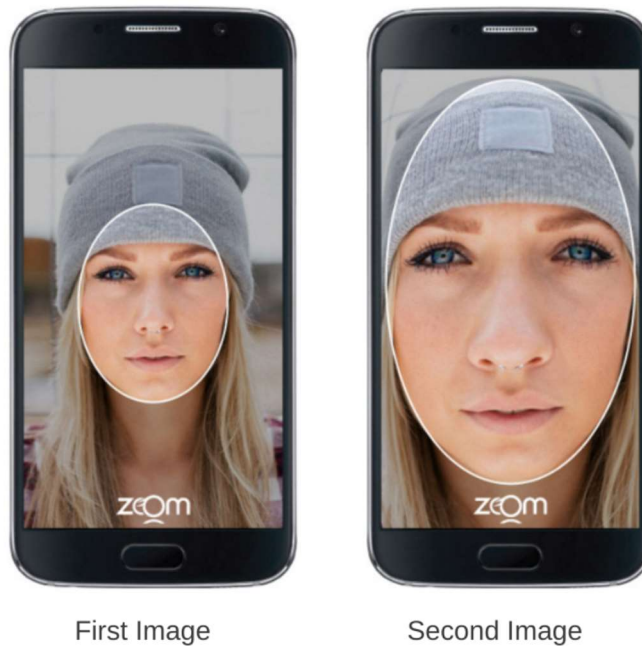
- Petitioner failed to name all real parties in interest, including iProov, so the Petition should be denied under 35 U.S.C. § 312(a)(2);
- The same or substantially the same prior art was previously before the Office, so discretionary denial under 35 U.S.C. § 325(d) is warranted;
- Tanii, which Petitioner relies on in each of its grounds, is non-analogous art;
- Even if Tanii were analogous, Petitioner has not demonstrated a motivation to combine Tanii with the other asserted references;

- The Petition includes several defects that make it lack particularity under 35 U.S.C. § 312(a)(3); and
- The Petition represents a wasteful duplication of efforts in view of two district court cases, one of which has been pending since 2021, so the Board should deny the Petition under *Fintiv*.

II. Technology of the '938 Patent

To perform liveness detection, the '938 patent teaches examining optical phenomena, such as “perspective distortion,” to verify the three-dimensionality of a purported user seeking to access a sensitive online resource. It discloses collecting one or more images of the user taken at a first distance between the user and the camera, collecting one or more additional user images at a second distance from the camera, and then comparing data based on these images to confirm whether there are appropriate indicia of the user’s three-dimensionality. *See, e.g.*, Ex. 1001, claim 1. These indicia are referred to in the '938 patent as “expected differences” or “expected distortion,” and they include “perspective distortion” (also referred to as “fish-eye type distortion”), which can indicate that a three-dimensional user is being imaged by the device’s camera. *See, e.g., id.*, 29:14-18, 30:1-7, 30:16-21, claims 1, 8, 17, and 20.

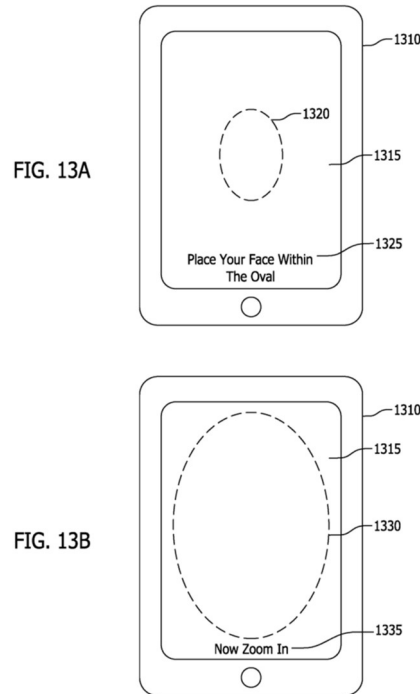
The images below provide examples of some of the “expected differences” and “expected distortion” that can be seen when images of a three-dimensional user are captured at a first and then a second distance between the user and the camera.



For example, the user’s nose seems to swell in proportion to the rest of her face, the relative distance between her eyes appears to change, and there are other subtle but detectable distortions in the second image relative to the first.

The ’938 patent teaches how to conveniently obtain user images at a first distance and then at a second distance. For example, as shown in Figures 13A and 13B below, an oval can be presented on the user’s screen, guiding the user to fill that oval with his or her face during image capture. *See, e.g., id.*, 27:52-31:15. The size of the oval can then be changed, guiding the user to change the distance between his

or her face and the camera so the facial image corresponds to the size of the resized oval. *Id.*



After capturing images taken at different distances, “processing occurs on both images.” *Id.*, 31:30-31. “The processing may include calculations to verify a difference between the two images, or a difference in biometrics obtained from the two images, that indicates that a real person is being imaged.” *Id.*, 31:32-35. The processing “may occur on only the mobile device, only a remote server, or a combination there[of].” *Id.*, 31:51-52.

Importantly, the techniques described and claimed in the ’938 patent avoid the need for specialized hardware to perform liveness detection, such as complex and expensive three-dimensional camera systems or infrared cameras (such as those built

into Apple's iPhones™ to perform Face ID™). In contrast, FaceTec's technology is usable on virtually any device having a two-dimensional camera and a screen, which includes an estimated 10 billion computers, smartphones, and tablets.

III. Petitioner Failed to Name All Real Parties in Interest Under 35 U.S.C. § 312(a)(2)

Congress permits the Board to consider an IPR petition “only if . . . the petition identifies all real parties in interest.” 35 U.S.C. § 312(a)(2). As explained in detail below, iProov is a real party in interest, but Jumio failed to name iProov as such in its Petition. *See* Pet., 80 (naming only Petitioner Jumio as a real party in interest). By failing to name iProov, the Board is unable to conduct a proper inquiry into whether its judges have any conflicts of interest. *See* Patent Trial and Appeal Board Consolidated Trial Practice Guide (“Consolidated Trial Practice Guide”), 84 Fed. Reg. 64,280, 12 (Nov. 2019) (“The core functions of the ‘real party-in-interest’ and ‘privies’ requirements are to assist members of the Board in identifying potential conflicts, and to assure proper application of the statutory estoppel provisions.”).

Moreover, two of the four IPR petitions Jumio filed (IPR2025-00106 and IPR2025-00107) are time-barred under 35 U.S.C. § 315(b) because iProov was served a complaint alleging infringement of the challenged patents more than one year before Jumio filed the petitions. Therefore, the Board should analyze whether iProov is a real party-in-interest to assess the time-bar in two of the four cases, and

it should apply the same result of that analysis to the other two cases where the time-bar is not implicated.¹ To do otherwise would apply inconsistent results to the same facts and same parties, which would permit the non-time-barred petitions to be considered despite not meeting the basic statutory requirements for doing so.

A. Legal Overview

“Determining whether a non-party is a ‘real party in interest’ demands a flexible approach that takes into account both equitable and practical considerations, with an eye toward determining whether the non-party is a clear beneficiary that has a preexisting, established relationship with the petitioner.” *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1351 (Fed. Cir. 2018) (“*AIT*”); *see also Ventex Co. v. Columbia Sportswear N. Am., Inc.*, IPR2017-00651, Paper 152, 6 (P.T.A.B. Jan. 24, 2019) (precedential). The real-party-in-interest analysis considers the following non-exhaustive factors: (1) whether a nonparty “desires review of the patent”; (2) “whether a petition has been filed at a nonparty’s ‘behest’”; (3) “who, from a ‘practical and equitable’ standpoint, will benefit from the redress that the chosen tribunal might provide”; (4) “the extent to which [the nonparty] has

¹ This case is unlike *SharkNinja Operating LLC et al. v. iRobot Corp.*, IPR2020-00734, Paper 11 (P.T.A.B. Oct. 6, 2020) (precedential), where the alleged unnamed real party in interest was not time-barred in related cases.

an interest in and will benefit from [the petitioner’s] actions”; and (5) whether the petitioner “can be said to be representing that interest after examining its relationship with” the nonparty. *AIT*, 897 F.3d at 1349, 1351, 1353.

At its core, the real party in interest requirement in AIA proceedings is “designed to avoid harassment and preclude [sufficiently close] parties from getting ‘two bites at the apple’ by allowing such parties to avoid either the estoppel provision or the time-bar.” *RPX Corp. v. Applications in Internet Time, LLC*, IPR2015-01750, Paper 128, 9 (P.T.A.B. Oct. 2, 2020) (precedential).

B. iProov and Jumio Have Close Business and Legal Relationships

FaceTec has been offering its award-winning technology for years, and Jumio was once a FaceTec customer. Jumio later entered an agreement with iProov, but iProov’s technology could not match FaceTec’s. iProov turned to FaceTec’s “Spoof Bounty Program” for answers, where FaceTec offered compensation to people who could identify vulnerabilities in its liveness detection software. From mid-2020 to early 2021, an iProov employee gained access to FaceTec’s technology through the Spoof Bounty Program and spent an estimated 80 hours attempting “attacks” of a type that carried no financial bounty at the time. Shortly after this extensive use of FaceTec’s systems, iProov launched its own competing product that resembled FaceTec’s.

In response, in December 2021, FaceTec sued iProov in Nevada for, among other things, infringement of related U.S. Patent No. 10,776,471, which is involved in IPR2025-00106. Ex. 2024. iProov accepted service on January 26, 2022. Ex. 2025. FaceTec then amended its complaint to assert related U.S. Patent No. 11,157,606, which is now at issue in IPR2025-00107. FaceTec served the amended complaint on March 1, 2022. Ex. 2026. FaceTec's service of these complaints started iProov's one-year time-bar clock in those cases under 35 U.S.C. § 315(b). iProov chose not to file an IPR petition by the one-year deadline, barring it from doing so in the future on the '471 and '606 patents, which are related to the challenged '938 patent.

Instead of approaching the PTAB on those related patents, iProov chose to litigate invalidity before the district court. It served non-public invalidity contentions in September 2022 that include the primary references currently before the Board. In particular, iProov identified Zhang as a "primary reference," (Ex. 2003, 17-18), and provided 44 pages of claim charts mapping Zhang to a subset of the related '471 patent's claims (Ex. 2004) and 68 pages mapping Zhang to a subset of the related '606 patent's claims (Ex. 2028). iProov also identified U.S. Patent No. 9,971,920 to Derakhshani, which is a continuation patent having the same disclosure as the Derakhshani reference Jumio relies on in this IPR. Ex. 2003, 14; Ex. 2005, 1-2 (identifying continuation chain leading back to U.S. 8,437,513). Thus, over two

years before the Petition was filed, iProov began litigating invalidity against related patents based on the same primary references now before the Board.

By that time, iProov had already established close business and legal relationships with Petitioner Jumio—relationships that continue to this day. On November 23, 2020, iProov and Jumio entered into an agreement where, according to a declaration from iProov’s counsel, “iProov provides its Liveness Detection Software to Jumio for use in Jumio’s own products. iProov maintains the source code for its Liveness Detection Software, as well as the technical documentation and employs the personnel involved in its development. iProov provides binary files to Jumio, who then embeds iProov technology into its products.” Ex. 2006, 23 (*see* Dkt. 47-1, ¶8).

The resulting relationship goes well beyond a typical arms-length customer/supplier relationship. Both iProov and Jumio publicly tout their relationship as “partners,” and Jumio’s Chief Revenue Officer went as far as to describe Jumio and iProov as “working together” as “**kind of one team.**” Ex. 2001, 2-3 (emphasis added). In addition to this close business relationship regarding the accused technology, iProov’s counsel admitted that the iProov/Jumio agreement also “includes an indemnification obligation” from iProov to Jumio, creating a close legal relationship as well. Ex. 2006, 23 (*see* Dkt. 47-1, ¶7).

Due to these relationships, FaceTec sought third-party discovery from Jumio in Nevada. Not surprisingly, Jumio was represented by the same counsel who represented iProov. *Compare* Ex. 2007 (listing Ryan Hatch and Alan Sege as counsel for Jumio), *with* Ex. 2002, 2-4 (listing Ryan Hatch and Alan Sege as counsel for iProov). Jumio agreed to provide discovery regarding liveness verifications it performed using iProov's technology. Ex. 2007, 1 (listing document requests), 1-2 (noting that the parties had resolved their disputes regarding document requests 2 and 3).

FaceTec later sued Jumio in California on the related '471 and '606 patents, as well as the challenged '938 patent, based in large part on Jumio's use of iProov's technology. Ex. 2008, 5 (*see* Dkt. 1). iProov moved to intervene so it could defend itself and Jumio. iProov explained that "FaceTec's claims against Jumio are indistinct from its claims against iProov (apart from the assertion of two new patents)." Ex. 2009, 6. "The resolution of this action will affect iProov because FaceTec's allegations are so intimately tied to iProov's liveness detection technology. Any decision concerning whether Jumio infringes the Patents-in-Suit would necessarily include a determination of whether iProov's liveness detection technology infringes." *Id.*, 11-12. iProov also explained how its knowledge regarding infringement was superior to Jumio's, stating that "iProov would bring deep expertise concerning the operation of its liveness detection technology, which

would be crucial to determining whether the technology infringes the Patents-in-Suit. Indeed, iProov is better situated than Jumio to make such arguments as Jumio embeds the iProov technology into its own applications.” *Id.*, 14.

But iProov’s and Jumio’s interests are not only aligned on infringement, they are also aligned on validity challenges. As iProov explained, “[t]here are common issues of law and fact between iProov’s and Jumio’s defenses – namely, the noninfringement and **invalidity of the asserted patents** and accompanying factual and legal determinations.” Ex. 2009, 6 (emphasis added); *see also id.*, 16 (iProov stating that “there exist many common questions of law and fact between iProov’s defenses and the main action, including, . . . invalidity, and whether iProov’s customers, including Jumio, infringe the Patents-in-Suit by using the accused liveness detection technology, which may subject iProov to discovery and, as discussed above, result in a judgment that would affect iProov”).

In seeking to intervene in the California action, iProov refused to take a limited role. Instead, it demanded full-party status because “iProov must not be hamstrung in its efforts to defend its customer from FaceTec’s claims of infringement.” Ex. 2006, 7. iProov repeatedly stressed its need to defend Jumio and its other customers. *See, e.g., id.*, 9 (“iProov demonstrated that it has legally protectable interests in this action in the form of its products that are accused of infringement and in defending its customer”); *id.*, 10 (“[E]ven if there were no

indemnification agreement, which is not the case, iProov would still have a significant protectable interest in defending its customers.”).

In response, the district court permitted iProov to intervene, finding that “iProov has an economic interest in the litigation because it has indemnified Jumio.” Ex. 2010, 4. It also found that “[a] finding of infringement based on accused technology owned by iProov would effectively be a finding of infringement by iProov.” *Id.* In addition to these overlapping interests, the court also found that Jumio had its own interests in the litigation, such as defending its own non-iProov technology. *Id.*, 5. It permitted iProov to intervene to account for these limited divergent interests. *Id.*

After iProov intervened, it once again pursued invalidity of the related ’471 and ’606 patents, in addition to the challenged ’938 patent. It sought an extension of time to prepare its invalidity contentions, which the district court granted due to “the need for iProov to coordinate finalizing invalidity contentions with Jumio, in light of the holidays.” Ex. 2008, 12-13 (*see* Dkt. 74). iProov and Jumio have now served those contentions, and both have continued to rely on the references iProov identified in its 2022 invalidity contentions (Derakhshani and Zhang), as well as other references relied on in this Petition. Ex. 2011, 15 (Zhang), 127 (Tanii), 128 (Derakhshani), 193 (“all prior art and documents submitted to or considered by the

Patent Trial and Appeal Board” in this IPR); Ex. 2012, 20 (Jumio relying on Derakhshani, Zhang, Tanii, and Tahk).

Thus, iProov is litigating invalidity of the related ’471 and ’606 patents both in the Nevada action and, in coordination with Jumio in the California action, is litigating invalidity of those patents plus the ’938 patent at issue in this IPR.

C. iProov Is a Real Party in Interest

The first real-party-in-interest factor identified in *AIT* (*see* Section III.A above)—whether the nonparty “desires review of the patent”—is unquestionably present here. iProov has challenged the validity of the related ’471 and ’606 patents in two separate litigations where it has served invalidity contentions, and it has served invalidity contentions against the challenged ’938 patent in the California action where it is coordinating with Jumio. Not only does iProov desire review of the ’938 patent, it desires review based on the teachings of the *same primary references* that are at issue here. In its original invalidity contentions against related patents, it provided 44 pages of claim charts regarding Zhang for the ’471 patent, 68 pages of claim charts regarding Zhang for the ’606 patent, and also identified a continuation of Derakhshani as a “primary reference.” Ex. 2003, 14, 17-18; Ex. 2004; Ex. 2028. And in its most recent invalidity contentions in California, it identified the key references at issue in this Petition, plus any other references at

issue in this IPR. Ex. 2011, 15 (Zhang), 127 (Tanii), 128 (Derakhshani), 193 (all prior art in this IPR).

The second factor—“whether a petition has been filed at a nonparty’s ‘behest’”—appears to be present here as well. Although iProov’s September 2022 invalidity contentions are not confidential, they were not filed publicly. To obtain a copy, Jumio would have had to get them directly from iProov. While we do not have details about any communications that may have occurred, we do know that Jumio’s Petition here relies on two of the same “primary references” that appear in iProov’s non-public invalidity contentions regarding the related ’471 and ’606 patents, including the Zhang reference where iProov provided 44 and 68 pages of invalidity charts, respectively. In addition, iProov and Jumio later coordinated on sets of invalidity contentions that also identify those same references. These facts are consistent with iProov controlling or at least suggesting the prior art Jumio relies upon in this IPR.

In addition, iProov has publicly stated it is obligated to indemnify Jumio. Ex. 2006, 23 (*see* Dkt. 47-1, ¶7). The extent of this obligation is confidential, and FaceTec’s IPR counsel has not accessed the indemnification agreement. However, indemnification obligations commonly require the indemnitor (here, iProov) to directly defend, have the opportunity to defend, or pay the costs of defending against patent assertions, including funding IPRs as part of an overall litigation strategy.

While iProov has not publicly disclosed the terms of its obligation, even in a situation where the petitioner had argued that its indemnification agreement is “little more than a routine statement of the obligations between indemnitor and indemnitee,” the Board has found the agreement to support a finding of privity, which has factors that overlap with the real-party-in-interest inquiry. *Ericsson Inc. et al. v. Regents of the Univ. of Minn.*, IPR2017-01186, Paper 58, 8 (P.T.A.B. June 19, 2020).

To the extent iProov is paying or reimbursing Jumio for the cost of this IPR, which is common under indemnification agreements, this fact would further support a real-party-in-interest finding. *See, e.g.*, Consolidated Trial Practice Guide, 17 (“a party that funds and directs and controls an IPR or PGR petition or proceeding constitutes a ‘real party-in-interest’”). Moreover, Jumio bore the burden of proving that its Petition correctly named all real parties in interest. *See AIT*, 897 F.3d at 1356. It opted not to address other real parties in interest at all, although it appears that Jumio had originally contemplated naming additional parties. A typo left in the Petition states that “Petitioner identifies itself as real *parties* [plural] in interest.” Pet., 80 (emphasis added). And in related IPR2025-00106, Jumio was only willing to identify “itself” as “a” real party in interest, not that Jumio was “the” real party in interest or that there were no other real parties in interest. *Jumio Corp. v. FaceTec, Inc.*, IPR2025-00106, Paper 1, 83 (emphases added). Jumio further opted not to discuss the effect of iProov’s indemnification obligations on the real-party-in-

interest-inquiry. *See id.*, 78-80. Given the close Jumio/iProov relationship outlined above and the related indemnification obligation, the Board would be well within its discretion to find that Jumio has not met its burden of demonstrating that iProov is not a real party in interest.

The third factor—“who, from a ‘practical and equitable’ standpoint, will benefit from the redress that the chosen tribunal might provide”—strongly favors finding iProov to be a real party in interest. In fact, iProov stands to benefit even more than Jumio from both a practical and equitable standpoint because iProov’s interests extend to customers other than Jumio. As iProov itself explained, “[t]he implications of FaceTec’s infringement allegations extend far beyond iProov and Jumio, potentially impacting iProov’s business with the remainder of its customer base.” Ex. 2009, 11; *see also id.*, 12 (“iProov’s interest in its products, as well as its interest in protecting its customers, are placed directly at risk via this action.”). The Board has found that this same type of customer-protection rationale supports finding that a nonparty is a real party in interest. *Ventex*, IPR2017-00651, Paper 152, 8-9 (explaining that desiring to protect customers’ interests supports a finding of real party in interest).

It is irrelevant that Jumio may have an additional interest in invalidating the ’938 patent to defend its products that may not incorporate iProov’s technology. As *AIT* explains, there can be multiple real parties in interest; “it is not an either-or

proposition.” *AIT*, 897 F.3d at 1353. Even if Jumio were deemed to have its own interests, this does not preclude a finding that iProov is also a real party in interest.

The fourth factor—“the extent to which [the nonparty] has an interest in and will benefit from [the petitioner’s] actions”—is met based on the facts discussed above regarding the third factor. In fact, iProov has an even stronger interest than Jumio in pursuing unpatentability due to iProov’s participation in multiple lawsuits where its products or its indemnitee Jumio’s products are accused of infringing the ’938 patent or related patents. iProov will directly benefit from Jumio’s actions in filing this Petition.

The fifth factor—whether the petitioner “can be said to be representing that interest after examining its relationship with” the nonparty—is met because Jumio is challenging the ’938 patent based on the same primary prior-art references iProov is relying on in the district court actions against the ’938 patent and related patents. This is true even if iProov and Jumio never formally agreed that Jumio would do so. *AIT*, 897 F.3d at 1357 (“[d]epending on the nature of the parties’ relationship, an entity can serve as an agent to a principal and file an IPR on the principal’s behalf even without the two formally agreeing that the agent will do so”).

For these reasons, iProov is an unnamed real party in interest, so the Petition fails to satisfy 35 U.S.C. § 312(a)(2).

Jumio should not be permitted to now list iProov. Jumio had its chance to properly name all real parties in interest, and admits that it was aware that FaceTec would likely argue that iProov is at least a privy of Jumio's. *See, e.g., Jumio Corp. v. FaceTec, Inc.*, IPR2025-00106, Paper 1, 81 ("PO may argue Petitioner is a privy of iProov"). Jumio understood the issues and what was at stake, yet it made a conscious decision not to name iProov. It should now live with the consequences of that decision. The Board should deny institution.

IV. The Petition Should Be Denied Under 35 U.S.C. § 325(d)

Nearly every reference Petitioner relies on was already considered by the Office during prosecution or is cumulative of a considered reference. Thus, the Board should exercise its discretion to deny institution under 35 U.S.C. § 325(d), which permits the Board to deny institution where "the same or substantially the same prior art or arguments previously were presented to the Office."

A. Nearly Every Asserted Reference Was Either Considered During Prosecution or Is Cumulative of Those References

1. Primary Reference Derakhshani

The Examiner himself located the teachings of Derakhshani—the primary reference Petitioner relies on in Grounds 1A and 1B. In a grandparent application of the challenged patent, the Examiner cited Derakhshani publication 2014/0198959, which has the same disclosure as the Derakhshani patent (U.S. 8,437,513) relied on

by Petitioner.² *See* Ex. 2013, 411 (July 17, 2017, Office Action, Notice of References Cited in Application No. 14/839,505, which issued as U.S. 9,953,149 (a grandparent to the challenged patent)). It appears among a small list of twelve references that the Examiner found, reviewed, and considered during examination. *Id.* Despite being a focal point of the Examiner's prior art review, he did not issue a rejection based on Derakhshani's teachings.

The same Derakhshani teachings were presented to the Examiner repeatedly during prosecution of other patents in the same family. *See, e.g.,* Ex. 2027, 4 (IDS listing U.S. Publication 2014/0198959 as considered during prosecution of related U.S. Patent No. 10,614,204). The publication was again presented to the Examiner during prosecution of the challenged '938 patent. Ex. 1002, 139 (IDS listing U.S. Publication 2014/0198959 as considered). The Examiner plainly knew about and fully considered Derakhshani's teachings. Indeed, the Examiner was the first to cite the reference, and he then repeatedly considered it during prosecution.

² U.S. Patent Application Publication 2014/0198959 is a published version of an application that ultimately claims priority to the application that issued as the Derakhshani reference relied on by Petitioner. *See* Ex. 2015, 1 (reference (63) listing Related U.S. Application Data).

Despite these facts, Petitioner attempted to give the impression that Derakhshani's teachings had not been previously considered by the Patent Office. For example, Petitioner broadly stated that "[n]one of the prior art presented here was before the Examiner" (Pet., 5), and that "the same or substantially the same art or arguments were not previously presented to or considered by the Office" (Pet., 79). Petitioner's expert made similar statements. *See, e.g.*, Ex. 1003, ¶80 ("None of the prior art presented here was before the Examiner during prosecution.").

FaceTec notified Petitioner that Petitioner had misrepresented whether Derakhshani's teachings had been previously considered, quoting misrepresentations in FaceTec's December 16, 2024, opposition to Jumio's motion to stay the related district court case pending these IPRs. *See, e.g.*, Ex. 2016, 12 ("Jumio's counsel and its expert declarant have falsely stated multiple times in their IPR filings that the prior art on which they are relying consists almost entirely of 'new' references that were not before the Patent Office when it issued the challenged patents.").

Petitioner thus had full notice of these misrepresentations and the opportunity to approach the Board to correct them, but chose to leave them as is. Even if Petitioner could argue that the original misrepresentations were inadvertent, which would be questionable given that they appear multiple times and were also made

separately by Petitioner’s expert under oath, there can be no doubt that failing to correct them was a conscious decision. In fact, Petitioner doubled down, telling the district court that “Jumio’s related statements to the PTAB have been, at all times, forthcoming and accurate.” Ex. 2017, 7. This is false and further demonstrates Petitioner’s disregard for its duty of candor to both the PTAB and the district court. *See, e.g.*, 37 C.F.R. § 42.11(a) (“Parties and individuals involved in the proceeding have a duty of candor and good faith to the Office during the course of a proceeding.”). While Petitioner does admit in one place that “a related Derakhshani publication (2014/0198959) was cited” during prosecution (Pet., 79), this short statement does not outweigh the multiple misstatements elsewhere that Petitioner left uncorrected.

2. Primary Reference Zhang

Zhang—the primary reference Petitioner relies on in Grounds 2A, 2B, and 2C—fares no better as it is cumulative of Derakhshani. Petitioner itself demonstrates Zhang’s cumulative nature by relying on Zhang for a nearly identical set of claim features in Ground 2 as Petitioner relies on Derakhshani to teach in Ground 1. The table below illustrates the overlap, which is so extensive that instead of bolding the similarities, we have bolded the minor differences.

Claim	Ground 1	Ground 2
1[pre]	Derakhshani	Zhang
1[a]	Derakhshani	Zhang

Claim	Ground 1	Ground 2
1[b]	Derakhshani alone or with Tanii	Zhang alone or with Tanii
1[c]	Derakhshani alone or with Tanii	Zhang alone or with Tanii
1[d]	Derakhshani with Tanii	Zhang with Tanii
2	Derakhshani alone or with Tanii	Zhang alone or with Tanii
3	Derakhshani alone or with Tanii	Zhang
4	Derakhshani alone or with Tanii	Zhang with Tanii and Takh
5[a]	Derakhshani	Zhang
5[b]	Derakhshani	Zhang
6	Derakhshani alone or with Tanii	Zhang alone or with Tanii
7	Derakhshani	Zhang
8[pre]	Derakhshani	Zhang
8[a]	Derakhshani	Zhang
8[b]	Derakhshani	Zhang
8[c]	Derakhshani alone or with Tanii	Zhang alone or with Tanii
8[d]	Derakhshani alone or with Tanii	Zhang alone or with Tanii
8[e]	Derakhshani alone or with Tanii	Zhang alone or with Tanii
8[f]	Derakhshani alone or with Tanii	Zhang alone or with Tanii
8[g]	Derakhshani alone or with Tanii	Zhang with Tanii
9[a]	Derakhshani alone or with Tanii	Zhang alone or with Tanii
9[b]	Derakhshani alone or with Tanii	Zhang alone or with Tanii
9[c]	Derakhshani alone or with Tanii	Zhang alone or with Tanii
10	Derakhshani alone or with Tanii	Zhang with Tanii and Takh
11	Derakhshani with Tanii and Takh	Zhang with Tanii and Takh
12	Derakhshani alone or with Tanii	Zhang alone or with Tanii
13	Derakhshani alone or with Tanii ³	Zhang alone or with Tanii
14	Derakhshani alone or with Tanii	Zhang alone or with Tanii
15	Derakhshani	Zhang with Tanii and/or Suzuki
16	Derakhshani alone or with Tanii	Zhang alone or with Tanii
17[pre]	Derakhshani	Zhang
17[a]	Derakhshani	Zhang

³ Petitioner only mentions Derakhshani for claim 13 in Ground 1. Pet., 32.

However, Petitioner refers back to its analysis for claim element 1[b], which further relies on Tanii. Pet., 17-19, 32-33.

Claim	Ground 1	Ground 2
17[b]	Derakhshani alone or with Tanii	Zhang alone or with Tanii
17[c]	Derakhshani alone or with Tanii	Zhang alone or with Tanii
17[d]	Derakhshani alone or with Tanii	Zhang alone or with Tanii
17[e]	Derakhshani alone or with Tanii	Zhang alone or with Tanii
17[f]	Derakhshani alone or with Tanii	Zhang alone or with Tanii
17[g]	Derakhshani with Tanii ⁴	Zhang with Tanii ⁵
18	Derakhshani	Zhang
19	Derakhshani	Zhang
20[pre]	Derakhshani	Zhang
20[a]	Derakhshani	Zhang
20[b]	Derakhshani ⁶	Zhang ⁷
20[c]	Derakhshani alone or with Tanii	Zhang alone or with Tanii
20[d]	Derakhshani alone or with Tanii	Zhang alone or with Tanii

⁴ Petitioner mentions Tanii as optional for element 17[g] (Pet., 37), but this appears to be an error. Petitioner refers back to its analysis for element 1[d], which requires Tanii. Pet., 21-22.

⁵ Petitioner mentions Tanii as optional for element 17[g] (Pet., 70), but this appears to be an error. Petitioner refers back to its analysis for element 1[d], which requires Tanii. Pet., 57-58.

⁶ Petitioner mentions Tanii for element 20[b] (Pet., 38), but this appears to be an error. Petitioner refers back to its analysis for element 1[a], which does not rely on Tanii (Pet., 16-17).

⁷ Petitioner mentions Tanii for element 20[b] (Pet., 71), but this appears to be an error. Petitioner refers back to its analysis for element 1[a], which does not rely on Tanii (Pet., 53).

Claim	Ground 1	Ground 2
20[e]	Derakhshani alone or with Tanii	Zhang alone or with Tanii
20[f]	Derakhshani	Zhang with Tanii
20[g]	Derakhshani alone or with Tanii	Zhang alone or with Tanii
20[h]	Derakhshani	Zhang ⁸
20[h1]	Derakhshani alone or with Tanii	Zhang with Tanii
20[h2]	Derakhshani alone or with Tanii	Zhang with Tanii⁹
21	Derakhshani alone or with Tanii	Zhang with Tanii and Takh
22	Derakhshani alone or with Tanii	Zhang alone or with Tanii
23	Derakhshani alone or with Tanii ¹⁰	Zhang alone or with Tanii
24	Derakhshani	Zhang

As the bolded portions illustrate, Petitioner treats Zhang as a weaker reference than Derakhshani, generally requiring additional teachings from Tanii, Takh, and/or Suzuki for claims 4, 8, 10, 15, 20, and 21, where those teachings were not required in the corresponding Derakhshani-based ground. And while Zhang is listed alone in Ground 2 for claim 3, Petitioner also identifies Derakhshani alone for that claim (in addition to relying on Derakhshani combined with Tanii). Thus, Petitioner's own

⁸ Petitioner mentions Tanii (Pet., 73), but this appears to be an error. Petitioner never analyzes Tanii in relation to claim element 20[h] in Ground 2.

⁹ Petitioner mentions Tanii as optional (Pet., 74), but this appears to be an error. Petitioner refers back to its analysis for element 20[h1], which requires Tanii.

¹⁰ Petitioner only mentions Derakhshani for claim 23 in Ground 1. Pet., 32. However, Petitioner refers back to its analysis for claim element 1[b], which further relies on Tanii. Pet., 17-19, 32-33.

arguments make clear that Zhang's teachings are a subset of Derakhshani's teachings in relation to the challenged claims. In other words, as far as the challenged claims are concerned, Zhang is cumulative of Derakhshani, and the Office already considered Derakhshani's teachings during prosecution. Petitioner cannot reasonably dispute this, given its treatment of the references and its failure to articulate any advantage of Zhang over Derakhshani.

3. Secondary Reference Tanii

The Petition demonstrates that Tanii is cumulative of teachings that were already considered by the Office and by the same Examiner. Todoroki (U.S. Patent Application Publication 2014/0169643) (Ex. 2018) teaches a face authentication system. Ex. 2018, ¶[0001]. It is listed on the face of the '938 patent. Ex. 1001, 3.

Todoroki was used in a rejection during prosecution of the challenged '938 patent. In rejecting claim 29, the Examiner cited paragraphs [0018], [0019], [0064], and [0089]. Ex. 1002, 98-99. In particular, the Examiner asserted that Todoroki teaches "determining whether differences between the first data and the second data indicate an expected type of distorting change in at least one image that is consistent with a real person being imaged." *Id.*

Applicant argued that Todoroki failed to teach these elements because it teaches "removing the influence of photographic environments from an input image and a registered image when face authentication is performed." *Id.*, 75. The

Examiner agreed; on the next action, he allowed claim 29 (which became issued claim 8) with minor amendments to other claim elements. *Id.*, 20-21.

Todoroki was also applied in an Office Action by the same Examiner in the '505 application, which is in the same patent family as the '938 patent. Ex. 2013, 408-09. In rejecting a dependent claim of the '505 application, the Examiner again cited the same paragraphs: [0018], [0019], [0064], and [0089] of Todoroki. *Id.*, 409. These paragraphs are cumulative of the teachings of Tanii that Petitioner relies upon.

Todoroki recognizes that face authentication is difficult because of distortions in images. To address this perceived problem, Todoroki “provid[es] a technique capable of satisfactorily removing the influence of photographic environments from an input image and a registered image when face authentication is performed.” Ex. 2018, ¶[0018]. Todoroki works to correct an input image to enable it to pass a face authentication process. *Id.*, ¶[0019]. As one example, ¶[0057] of Todoroki explains that position distortion of an input face can occur when a face is captured at an angle.

The input image input by the image input unit 102 may not be considered as having a face in a front-oriented state in a predetermined range, and thereby a position distortion may occur in the face. In the face authenticating unit 112, when the input image is compared with the registered

image, in the case where authentication is performed based on the correlation coefficient of the pixel value, the accuracy of a calculation value of the correlation coefficient may be deteriorated due to the face position distortion.

(Emphases added). Todoroki states that correcting position distortion improves on user authentication accuracy. *See id.; see also id.*, ¶¶[0064] (distortion amount correcting unit 106 correcting input images “with respect to [an] average face image”), [0089] (further discussing correcting position distortion).

Todoroki teaches correcting for distortion by modifying the image based on its difference from another image. For example, Todoroki explains that a motion vector is calculated between two images: the “input face region image 201” and an “average face image 220.” *Id.*, ¶¶[0067]. The calculated vector (“Mvec”) may indicate “forward and rearward distortion” of the image, which indicates “enlargement or reduction” of one image relative to the other. *Id.*, ¶[0068]. A “position distortion correcting unit 134” corrects for distortion in the input face region image 201 based on that motion vector. *Id.*, ¶[0069].

The Petition relies on teachings in Tanii relating to distortion correction that are cumulative to those the Office considered in Todoroki. Petitioner admits that Tanii teaches correcting distortion by enlarging “the image’s peripheral areas relative to the center.” Pet., 10-11. Just as Todoroki identifies “forward and

rearward distortion,” Petitioner explains that Tanii teaches identifying “distance-induced distortions.” *Id.*, 14. And in discussing elements such as 1[c] and 1[d], the Petition asserts that Tanii also compares data from first and second images to determine the “amount of distance-induced distortion” present in one image as compared to the other. *Compare id.*, 19-22 with Ex. 2018, ¶¶[0067]-[0069] (correcting distortion of an input image with enlargement/reduction based on a calculated difference with an average image).

The Office—and indeed the same Examiner—have already considered Todoroki’s teachings during prosecution. Tanii’s comparison of two images to determine distortion is cumulative with these already-considered teachings of Todoroki.

4. Secondary Reference Suzuki

Petitioner relies on Suzuki exclusively for features added by dependent claim 15. Pet., 78. But just like Derakhshani, Zhang, and Tanii, Suzuki is cumulative of teachings that were already considered by the Office and by the same Examiner. Davis (U.S. Patent Application Publication 2017/0161906) (Ex. 2029) teaches a face authentication system. Ex. 2029, ¶[0001]. Davis is listed on the face of the ’938 patent. Ex. 1001, 4.

The Examiner rejected pending dependent claim 37 over Davis during prosecution of this patent. Ex. 1002, 101. Applicant argued against the applicability

of Davis for reasons related to the independent claims. *Id.*, 73-76. The Examiner agreed; on the next action, he allowed claim 37 (which became issued claim 15). *Id.*, 19-20.

Davis recognizes that existing face authentication algorithms do not perform well because non-optimal lighting can make performing authentication difficult. Ex. 2029, ¶[0008]. To address this perceived problem, Davis illuminates a user's face by varying "lighting levels of [a] touchscreen 10 by varying the power levels and brightness settings of the display." *Id.*, ¶[0093]. Davis's system repeatedly adjusts lighting levels to achieve a reliable identification of a user. *Id.*, ¶[0084].

The Petition relies on teachings in Suzuki relating to illumination that are cumulative of Davis. The Petition asserts that Suzuki teaches "using a user-facing screen to serve as a camera's illumination source" Pet., 78. This is the same as Davis, which teaches "varying the power levels and brightness settings of the display" to illuminate the user's face. Ex. 2029, ¶[0093]. And the rationale that the Petition provides to use Suzuki—"improv[ing] the quality of the image"—is the same reasoning behind the lighting in Davis. Compare *id.*, ¶[0084] with Pet., 78.

The Office—and indeed the same Examiner—have already considered Suzuki's teachings during prosecution. Suzuki's use of a screen to illuminate a user's face is cumulative with these already-considered teachings of Davis.

B. Part 1 of *Advanced Bionics*: Substantially the Same Prior Art and Arguments Were Considered During Prosecution of the '938 Patent and Related Patents

In determining whether to exercise discretion to deny institution under § 325(d), the Board analyzes:

- (1) 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; and
- (2) if either condition of [the] first part of the framework is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.

Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH, IPR2019-01469, Paper 6, 8 (P.T.A.B. Feb. 13, 2020) (precedential) (“*Advanced Bionics*”). Both prongs involve analyzing factors set forth in *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 (P.T.A.B. Dec. 15, 2017) (precedential as to § III.C.5, first paragraph) (“*Becton, Dickinson*”).

In evaluating the first *Advanced Bionics* prong, the Board looks to *Becton, Dickinson* factors (a), (b), and (d). *Advanced Bionics*, 9-10. Factor (a) assesses “the similarities and material differences between the asserted art and the prior art involved during examination.” *Id.*, 9 n.10. Factor (b) considers “the cumulative nature of the asserted art and the prior art evaluated during examination.” *Id.*

Factor (d) weighs “the extent of the overlap between the arguments made during examination and the manner in which petitioner relies on the prior art.” *Id.*

Here, although Petitioner and its expert misrepresented that Derakhshani’s teachings were not before the Office, the record demonstrates that the Examiner located a related Derakhshani reference having the same substantive disclosure in the grandparent ’149 patent’s prosecution, early in the challenged patent’s family, and was repeatedly reminded of it. *See* Section IV.A.1. As the same Examiner examined both the ’938 and ’149 patents, the idea that the Examiner was not aware of or did not review the teachings of Derakhshani during the prosecution of the ’938 patent strains credibility. Petitioner ultimately admits that Derakhshani’s teachings were considered. Pet., 79.

Regarding Zhang, Tanii, Tahk, and Suzuki, Petitioner never addresses whether these references are cumulative of other art considered by the Examiner. As the Board has explained, “Petitioner’s failure to conduct *any* analysis of whether its art was cumulative is, by itself, fatal under *AB* [*Advanced Bionics*] part one.” *Parse Biosciences, Inc. v. 10X Genomics, Inc.*, IPR2023-01033, Paper 8, 14 (P.T.A.B. Dec. 19, 2023) (emphasis in original).

But even if the Board further evaluates whether this art is cumulative, the record demonstrates that it is. In particular, Petitioner utilizes Zhang in a nearly identical fashion as Derakhshani. *See* Section IV.A.2. (comparing Grounds 1 and

2). The Board relied on similar overlapping grounds to demonstrate that a reference was cumulative in *Parse Biosciences*. There, the petitioner had asserted that a claim was “rendered obvious by a combination of prior art references that include Saleh and/or Song,” where Song was previously considered by the Examiner. *Parse Biosciences*, IPR2023-01033, Paper 8, 14. The Board supported its finding that Saleh was cumulative of Song because “we note that Petitioner, in its Ground 2, relies on Saleh and Song in the alternative for a similar teaching.” *Id.* Here, too, Petitioner relies on Zhang in the alternative for similar teachings as Derakhshani, so it is cumulative of teachings that were before the Office during prosecution.

Regarding Tanii, Petitioner contends that “the Examiner never considered . . . any prior-art combination involving Tanii.” Pet., 79. But Petitioner once again provided no analysis of whether Tanii was cumulative. And as shown above in Section IV.A.3., Tanii is cumulative of Todoroki, which was considered by the Examiner and applied to reject claims in an earlier application in the same family as the challenged patent. This rejection demonstrates that the Examiner was intimately aware of the teachings of Todoroki, and it is appropriate to consider rejections in the same patent family that share overlapping written descriptions. *ZTE (USA), Inc. v. Fractus S.A.*, IPR2018-01461, Paper 10, 14 (P.T.A.B. Feb. 28, 2019) (“this history relates to different patents that involve different claims. . . . But it is relevant that

the written description involved in the respective proceedings was substantially the same . . .”).

Regarding Suzuki, its teachings are cumulative of Davis’s teachings for the reasons discussed in Section IV.A.4. And regarding Tahk, Petitioner relies on this reference only for features in dependent claims 4, 10, 11, and 21. Petitioner once again provides no analysis of whether Tahk is cumulative of references already considered by the Examiner. But even if it was not, its minimal use in the Petition should not otherwise alter the § 325(d) analysis. Indeed, Petitioner never mentions Tahk (or Suzuki) in its § 325(d) section. *See* Pet., 79-80. Thus, Petitioner appears to agree that even if minimally-used references (like Tahk) were deemed to be new, it should not swing the § 325(d) analysis.

Because nearly all of Petitioner’s asserted references were either considered by the Examiner or are cumulative of a reference that was, *Becton, Dickinson* factors (a) and (b) favor discretionary denial. Under similar circumstances, the Board has found that there is no need to also consider factor (d), and the analysis proceeds to part 2 of *Advanced Bionics*. *Parse Biosciences*, IPR2023-01033, Paper 8, 14 (“Because we determine that the same, or substantially the same, art was before the Examiner during examination, we need not consider *Becton, Dickinson* factor (d), and we turn to the second step of the *Advanced Bionics* framework.”).

C. Part 2 of *Advanced Bionics*: Petitioner Failed to Demonstrate that the Office Erred in a Manner Material to the Patentability of the Challenged Claims

Part 2 of the *Advanced Bionics* framework turns to *Becton, Dickinson* factors (c), (e), and (f), which “relate to whether the petitioner has demonstrated a material error by the Office.” *Advanced Bionics*, 10. Factor (c) assesses “the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection.” *Id.*, 9 n.10. Factor (e) analyzes “whether petitioner has pointed out sufficiently how the examiner erred in its evaluation of the asserted prior art.” *Id.* Factor (f) considers “the extent to which additional evidence and facts presented in the petition warrant reconsideration of the prior art or arguments.” *Id.*

Petitioner bears the burden of demonstrating material error, but relies solely on a cursory statement that “the Examiner materially erred by failing to apply Derakhshani’s teachings, alone or in combination with other art” Pet., 80. This is wrong: the Examiner originally located Derakhshani, considered it multiple times in each patent in the family, and specifically decided *not* to apply it in a ground of rejection. While Petitioner has not provided the Board with a basis to conclude there has been a material error, even if the Board were to further analyze the issue, it should still conclude that no material error has been shown.

In particular, regarding factor (c), the Examiner himself located Derakhshani’s teachings multiple times and was repeatedly reminded of them

throughout prosecution of the challenged patent's family. *See* Section IV.A.1. There can be little doubt that the Examiner thoroughly considered Derakhshani's teachings when he was the first to bring them to the applicant's attention. The Board previously found an examiner's citation of a reference to weigh in favor of denial, even when the reference was not relied on in a rejection. *Microsoft Corp. v. IPA Techs. Inc.*, IPR2019-00840, Paper 9, 17 (P.T.A.B. Nov. 12, 2019) ("FIPA97 was specifically cited by the Examiner and is listed on the second page of the '128 patent. Although the Examiner did not base a rejection upon FIPA97, the Examiner's citation of the reference reflects that the Examiner evaluated the reference."). Zhang's teachings are cumulative of Derakhshani's for the reasons discussed in Section IV.A.2, so the Examiner similarly should be deemed to have considered Zhang in detail. *See, e.g., Helena Labs. Corp. v. Sebia*, IPR2024-00801, Paper 10 (P.T.A.B. Oct. 23, 2024) (finding several references to be cumulative of considered references).

Tanii's teachings are cumulative of Todoroki's teachings, which the Examiner relied on to reject claims in a related patent in the challenged patent's family. *See* Section IV.A.3. The Board has considered rejections in related cases to favor discretionary denial numerous times. *See, e.g., ZTE*, IPR2018-01461, Paper 10, 14 ("We recognize that this history relates to different patents that involve different claims. . . . But it is relevant that the written description involved in the respective

proceedings was substantially the same as for the '421 patent”); *Edge Endo, LLC v. Michael Scianamblo*, IPR2018-01321, Paper 15, 15-16 (P.T.A.B. Jan. 14, 2019) (“respective prosecutions of the related [patents examined by the same examiner] are pertinent for consideration”).

And Suzuki’s teachings are cumulative of Davis’s teachings, which the Examiner relied on to reject the same claim that Petitioner relies on Suzuki to challenge. *See* Section IV.A.4; Pet., 78 (relying on Suzuki to challenge claim 15 in Ground 2).

Regarding factors (e) and (f), Petitioner only addresses Ground 1, alleging that “the Examiner materially erred by failing to apply Derakhshani’s teachings, alone or combined with other art, related to verifying the three-dimensionality of a face presented for authentication.” Pet., 80. Petitioner makes no mention of the Zhang-based challenges in Ground 2. In addition, Petitioner has not provided additional evidence or facts that warrant reconsideration. To the contrary, as explained in more detail in Sections V and VI, the Tanii reference, which Petitioner relies on in each of its grounds, is not analogous art and a person of ordinary skill would not have been motivated to combine it in the manner Petitioner proposes.

For these reasons, the Board should exercise its discretion to deny institution under 35 U.S.C. § 325(d).

V. Tanii Is Non-Analogous Art

Petitioner's admissions make clear that Tanii is not analogous art to the '938 patent.

Dr. Daft states unequivocally that Tanii's "critical feature" is correcting image distortion. Ex. 1003, ¶113 (emphasis added). But the Petitioner admits that the problem addressed by the '938 patent is preventing spoofing in a facial recognition system by detecting whether an image includes a three-dimensional face. Pet., 4-5; *see also* Ex. 1003, ¶77. Tanii is thus not in the same field of endeavor as the '938 patent.

Tanii's distortion correction is also not reasonably pertinent to any problems faced by the inventor. Tanii's critical feature in fact works against solving the '938 patent problems, by removing the very thing that enabled the inventor to solve the spoofing problem.

Because Tanii is not in the same field of endeavor and is not reasonably pertinent, it is not analogous to the '938 patent and cannot be used in an obviousness combination. *See Donner Tech., LLC v. Pro Stage Gear, LLC*, 979 F.3d 1353, 1359 (Fed. Cir. 2020).

Finally, even if Tanii were deemed analogous, a POSITA would not have been motivated to combine it with Derakhshani or Zhang. Tanii's "critical feature" would

destroy each reference's principle of operation and prevent them from operating as taught by the '938 patent.

All grounds rely on Tanii. *See* Pet., 3. Thus, all grounds should fail.

A. A prior art reference that is not reasonably pertinent to a patent's particular problem is not analogous to the patent

A finding of a prior art reference being “analogous” to a challenged patent requires determining:

(1) whether the art is from the same field of endeavor, regardless of the problem addressed and, (2) if the reference is not within the field of the inventor's endeavor, whether the reference still is reasonably pertinent to the particular problem with which the inventor is involved.

Sanofi-Aventis Deutschland GmbH v. Mylan Pharms., 66 F.4th 1373, 1377 (Fed. Cir. 2023) (emphasis added) (quoting *In re Bigio*, 381 F.3d 1320, 1325 (Fed. Cir. 2004)).

A prior art reference is only “reasonably pertinent” to a particular problem if “[it] logically would have commended itself to an inventor's attention in considering his problem.” *In re Clay*, 966 F.2d 656, 659 (Fed. Cir. 1992). This pertinence is determined with respect to the claimed invention of the patent, not the general disclosure of the patent. “If a reference disclosure has the same purpose as the claimed invention, the reference relates to the same problem, and that fact supports

use of that reference in an obviousness rejection.” *Id.* (emphasis added). Tanii fails on all of these tests, and is thus not analogous to the ’938 patent.

B. Petitioner does not argue that any reference is analogous art

Petitioner takes no position in the Petition on whether *any* reference is analogous to the ’938 patent. This failure is not surprising given that the Petition here left less than 100 words of the 14,000-word limit, while the Petition in IPR2025-00106 is two words shy of the limit. *See* Pet., 83 (“13,907”); IPR2025-00106, Pet., 86 (“13,998”).

C. Tanii is not from the “same field of endeavor”

As Petitioner tacitly admits, Tanii is not from the “same field of endeavor.” *Sanofi-Aventis*, 66 F.4th at 1377. Petitioner’s expert declaration specifically argues that Derakhshani, Zhang, and Tahk are all analogous to the ’938 patent as allegedly from the same field of endeavor (“anti-spoofing countermeasures for biometric security”). Ex. 1003, ¶¶101, 116, 123.¹¹

¹¹ Reliance on the expert’s declaration without corresponding discussion in the Petition is an improper incorporation of arguments by reference. 37 C.F.R. § 42.6(a)(3); *see, e.g., Quest USA Corp. v. Popsockets LLC*, No. IPR2018-00497, Paper 59, 83-84 (P.T.A.B. Aug. 12, 2019) (finding incorporation of analogousness arguments by reference improper).

But Tanii’s “critical feature” is “providing a procedure to correct ... distance-induced distortion by enlarging the image’s peripheral areas relative to the center to produce an undistorted image.” *Id.*, ¶113 (emphases added). The Declaration argues that Tanii is analogous not because it is from the same field of endeavor, but because both it and the ’938 patent “are concerned with identifying and accounting for distortions of three-dimensional faces in images captured using a camera.” *Id.*, ¶110 (emphasis added).

D. Tanii’s distortion correction shows that it is not “reasonably pertinent” to the problems faced in the ’938 patent

As Petitioner admits, the problem faced by the ’938 patent’s inventor relates to “distinguish[ing] real, three-dimensional faces from two-dimensional pictures of a face.” Pet., 4. Facial-recognition systems can be fooled (or “spoofed”) by an impostor presenting a picture of an authorized face. *Id.*; *see also* Ex. 1003, ¶77 (“the ’938 Patent describes countermeasures to prevent ‘spoofing’ attacks on facial-recognition systems”). The ’938 patent solves the spoofing problem by “evaluating” images for “well-known optical effects” such as the “perspective” or “fish-eye” distortion that occurs because of the distance between a three-dimensional face and a camera. Pet., 4-5; Ex. 1003, ¶77; *see also* Ex. 1001, 29:6-22 (the “expected” “fish-eye effect” is used to “prevent a two-dimensional picture...from being used for authentication”) and 30:1-44 (determining that a “two-dimensional

picture” is not being presented by validating an “expected distortion of intermediary images” at different distances).

Tanii’s method of accounting for distortion stands in stark contrast to the problems faced by the inventor of the ’938 patent. According to the Petition, Tanii “recognizes a well-known issue:” capturing objects at close range can produce image distortion. Pet., 9. Tanii “correct[s] this distortion” by enlarging peripheral areas of the image relative to the center. *Id.*, 9-11. As Petitioner’s expert explains, this is Tanii’s “critical feature”—“correct[ing] . . . distance-induced distortion.” Ex. 1003, ¶113 (emphasis added); *see also id.*, ¶110; *see also* Ex. 1007, Abstract (“warp corrector 201 [] corrects warp in which the perspective is exaggerated”), ¶¶[0005], [0008] (object is to correct “warp” or “distortion” in an image), [0047]-[0050] (warp is corrected in a phone that takes the picture), Fig. 4B (¶[0021]: “drawing showing a warped image”) and Fig. 9 (¶[0026]: “drawing showing a corrected image displayed on the display”):

Fig.4B

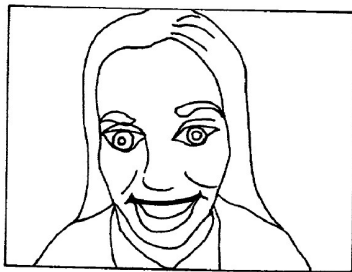
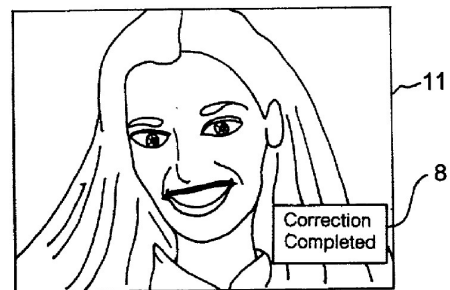


Fig.9



The '938 patent solves the problem of spoofing by detecting and utilizing image distortion. Removing this distortion, as Tanii does, would break and is contrary to the '938 patent's claimed technology. A POSITA would not have reasonably expected to solve this problem using Tanii, the "critical feature" of which corrects image distortion. Tanii is thus not reasonably pertinent to the '938 patent. *See Clay*, 966 F.2d at 659-660.

E. Tanii does not have the "same purpose as the claimed invention"

Tanii is not reasonably pertinent for the additional reason that it does not have the "same purpose as the claimed invention" of the '938 patent. *Id.*, 659 (emphasis added).

Tanii's purpose is to correct image distortion, rather than use it. *See, e.g.*, Ex. 1003, ¶113; *see also id.*, ¶110. The claimed invention's purpose is to determine three-dimensionality *utilizing* image distortion. *See, e.g.*, Ex. 1001, claim 1:

compare the first biometric data with second biometric data **for expected differences that result** from characteristics of a human face and the at least one first image and the at least one second image being captured at different distances from the user;

determine that the three-dimensional shape is not exhibited when the second biometric data does not have expected differences compared to the first

biometric data, the expected differences comprising at least differences due to the **change in the relative distance between the user's facial features and the camera** when the at least one first image was captured at the first distance and the at least one second image was captured at the second distance, wherein the **expected differences result from fish-eye type distortion** in at least one of the at least one first image and the at least one second image and **due to the three-dimensional nature of the human face and the change in distance** between the camera and the user.

Ex. 1001, 38:25-43 (emphases added); *see also id.*, 3:47-62, 29:6-22, 30:1-44; Pet., 4-5; Ex. 1003, ¶78. Far from having the “same purpose,” Tanii has an entirely different purpose from the claimed invention. A POSITA would not have considered it at all. *Clay*, 966 F.2d at 659.

VI. Petitioner Fails to Prove a Motivation to Combine

Tanii is not analogous art to the '938 patent and thus does not qualify for use under § 103. But even if it were deemed analogous, there would have been no motivation to combine Derakhshani or Zhang with Tanii. For this separate reason, Petitioner's grounds must fail.

A combination (like Derakhshani/Tanii or Zhang/Tanii) that destroys the basic objective of a primary reference and renders it inoperable for its intended

purpose is not one a POSITA would have made. *See Medtronic, Inc. v. Teleflex Innovations SARL*, 69 F.4th 1341, 1349-50 (Fed. Cir. 2023) (explaining that it would have been “error for the Board to ignore evidence that a proposed modification would interfere with a reference’s stated purpose,” affirming finding that challenged patent was non-obvious in part because “the destruction of [a prior art reference’s] ‘entire premise’ ‘counsel[ed] strongly against’ obviousness”); *Trivascular, Inc. v. Samuels*, 812 F.3d 1056, 1068-69 (Fed. Cir. 2016) (affirming the Board’s finding that a POSITA would not have had motivation to replace barbs in a primary reference with gripping protuberances from a secondary reference because the modification “would destroy the basic objective of the barbs”); *In re Gordon*, 733 F.2d 900, 902 (Fed. Cir. 1984) (reversing determination of obviousness where the modification to the primary reference that turned it upside down as needed to meet the claim would have rendered the primary reference “inoperable for its intended purpose”).

Petitioner admits that Derakhshani and Zhang require distortions to operate. The Petition admits Derakhshani determines whether a face is three-dimensional using distortions—“different amounts of blur” or “parallax”—across multiple images. Pet., 7-8; Ex. 1003, ¶¶182 (“Derakhshani’s focus-distance approach looks for expected distortions in the blurriness or clearness of facial landmarks . . .”) (emphasis added), 400 (“there may be other optical effects (e.g., distance-induced

distortion) that are more apparent in the closer image than the further one”) (emphasis added), 885 (“more parallax” between images helps to “verify the face as three-dimensional”) (emphasis added). Similarly, Petitioner asserts that Zhang generates a “warped” first image of a face. Pet., 47. The warped image is matched to a second image to determine whether the differences meet a threshold; if so, the warped image is determined to represent a real (three-dimensional) face. *Id.*, 48.

Tanii works to correct the distortion that Derakhshani and Zhang require to operate. Petitioner admits that Tanii’s “critical feature” is to provide a “procedure to correct . . . distance-induced distortion . . . to produce an undistorted image.” Ex. 1003, ¶113 (emphases added); *see also id.*, ¶¶110-112.

A POSITA would have had no motivation to modify Derakhshani or Zhang with Tanii. Correcting image distortion would prevent Derakhshani and Zhang from detecting three-dimensionality of a face, rendering a system which is non-functional for its intended purpose and would destroy the principle of operation of those references. Consequently, there would have been no motivation to combine Derakhshani or Zhang with Tanii.

VII. The Petition Lacks Particularity Under 35 U.S.C. § 312(a)(3)

A petition that lacks particularity does not comply with statute or Board regulations. *See, e.g.*, 35 U.S.C. § 312(a)(3) (“in writing and *with particularity*, each claim challenged, the grounds on which the challenge to each claim is based”)

(emphasis added); *see also* 37 C.F.R. § 42.104 (b)(4). Here, Petitioner’s admissions contradict each other multiple times and the Petition includes several other errors that leave FaceTec and the Board to guess what Petitioner actually intended.

The Board is not required to—and should not—sift through contradictory and incomplete allegations. Instead, it should deny institution. And to the extent the Petition can be understood, Petitioner has not established a viable *prima facie* case of obviousness.

A. Petitioner’s mapping of the claims to Derakhshani is internally inconsistent

Petitioner contradicts its own mapping of Derakhshani to claims 1 and 5 of the ’938 patent.

Claim 1 requires, in part, to “receive or derive first biometric data from at least one first image of a user” and “receive or derive second biometric data from at least one second image of the user.” Ex. 1001, 38:17-18, 20-21 (emphasis added). The Petition appears to map Derakhshani’s “landmarks” in an image to the “first data” and “second data.” *See* Pet., 16 (“A POSITA would have understood Derakhshani’s facial-landmark identification constitutes deriving ‘biometric data’”) (emphasis added), 19 (“Derakhshani discloses deriving biometric data by processing the captured images—including the second image—to identify biometric ‘landmarks’ in the face”) (emphasis added).

Claim 5 depends on claim 1 and further requires “determining the user is not authenticated when the first data, the second data, or both do not sufficiently correspond to the enrollment data” (element 5[b])). Ex. 1001, 38:59-62 (emphasis added). The Petition abandons its mapping of “landmarks” to “data” and instead maps “features extracted from the first and second image” to the “first data” or “second data.” Pet., 26 (emphasis added):

Derakhshani calculates a match score by comparing
features extracted from the first and second image to the
corresponding features in a reference record.

See also Ex. 1003, ¶¶647-650 (discussing matching “features” for claim 5; not discussing “landmarks”).

Furthermore, Petitioner offers no evidence that Derakhshani’s “features” are equivalent to its “landmarks.” And they are not. A landmark is used to determine a spatial metric and may be a non-facial feature such as “a background object.” Ex. 1005, 3:13-14, 16:44-54 (focus distance approach), 17:45-64 (parallax approach); *see also* Pet., 16, 19. Features, in contrast, relate to the “vasculature visible in that region of the user's eye” used to authenticate a user. Ex. 1005, 13:9-14; *see also id.*, 4:19-24 (“[d]istinctive features of an individual's visible vasculature

in the whites of the eyes may be used to identify or authenticate the individual”).¹²
To the extent Petitioner’s argument can be understood, there is no consistent mapping presented that could establish a *prima facie* case of obviousness.

B. Petitioner’s reliance on Zhang is inconsistent

Petitioner also contradicts itself in addressing Zhang’s alleged teachings of all independent claims. Claim 1 requires the following three elements, among others:

receive or derive first biometric data from at least one first image of a user . . . ;
receive or derive second biometric data from at least one second image of the user . . . ; [and]
compare the first biometric data with second biometric data for expected differences that result from characteristics of a human face and the at least one first image and the at least one second image being captured at different distances from the user

Ex. 1001, claim 1 (emphases added). Petitioner maps extracted and derived “feature-point biometric data” of a face from a first image and a second image to

¹² Petitioner’s citations to entirely different portions of Derakhshani for the alleged “first data” and “second data” is further evidence that features and landmarks are not equivalent. *Compare* Pet., 16 (citing columns 16-17), *with* 25-26 (citing columns 13-14).

“first data” and “second data,” respectively. Pet., 53 (“*Zhang* then processes the [first] image to derive feature-point biometric data *Zhang* then processes the [second] image to derive feature-point biometric data”) (emphasis added).

But for the “comparing” element, Petitioner abruptly abandons its original position. Petitioner now maps the “first data” in element 1[c] to biometric data from a warped version of the first image, alleging that this warped biometric data is used for comparison with the second image. Pet., 61:

A POSITA would have understood that Zhang discloses comparing a first biometric data (e.g., the facial-feature locations in the first warped image) and second biometric data (e.g., the facial-feature locations in the second image) for determining whether differences between the two exist

(Emphases added.) This inconsistency alone dooms Petitioner’s claim as failing to identify its grounds “with particularity.” 35 U.S.C. § 312(a)(3). And to the extent the ground is understood, it cannot establish a *prima facie* case of obviousness.

VIII. The Petition Should Be Denied Under *Fintiv*

There is no requirement that the Board institute IPR. *See, e.g., Harmonic Inc. v. Avid Tech.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“[T]he PTO is permitted, but never compelled, to institute an IPR proceeding.”). Rather, the decision to institute is discretionary, and 35 U.S.C. § 314(a) gives the Board discretion to deny institution

when it would be inefficient to proceed in light of parallel proceedings on the same patent. *See NHK Spring Co. v. Intrix-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (P.T.A.B. Sept. 12, 2018) (precedential).

In its precedential *Apple, Inc. v. Fintiv* decision, the Board set forth six factors that “relate to whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding,” and include the following:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner[(s)] and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board’s exercise of discretion, including the merits.

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11, 5-6 (P.T.A.B. Mar. 20, 2020) (precedential) (“*Fintiv I*”); *see also Apple Inc. v. Fintiv, Inc.*, IPR2020-00019,

Paper 15, 7-8 (P.T.A.B. May 13, 2020) (decision denying institution) (informative) (“*Fintiv II*”). In evaluating these factors, “the Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Fintiv I*, 5-6.

The Board should deny institution here because all six *Fintiv* factors favor discretionary denial.

A. Factor 1 Favors Denial

Factor 1—regarding the existence of a stay or potential stay—weighs in favor of denial. There is a district court case involving the ’938 patent pending in the Northern District of California against Petitioner Jumio and iProov (after iProov intervened). That case represents a duplication of efforts regarding validity/patentability. FaceTec moved to dismiss the California action, but Petitioner Jumio opposed. Exs. 2021-2022. Jumio persuaded the district court to keep the case pending, and Jumio now asks the Board to institute litigation in yet another forum. The Board should reject Jumio’s wasteful request.

In the California case, Jumio moved to stay but the court has not yet ruled on Jumio’s motion. Instead, the California court has acted as though it may not issue a stay pending this IPR. The judge took the stay motion off her argument calendar and instead heard argument for over an hour and a half on a motion to disqualify Jumio’s counsel. Ex. 2008, 13-14(see Dkts. 82, 83, 85). If the court were inclined

to stay the case, the judge could have done so without holding this extended hearing on a different issue. In addition, a major basis for Jumio’s stay motion was the more advanced stage of a parallel case pending in Nevada (asserting other patents in the family) and that the case is ongoing, with Jumio devoting about a third of its motion to the overlap between the two cases. Ex. 2020, 9, 11-12, 23-28. But iProov has now asked the court to halt the Nevada case pending IPR, undermining Jumio’s arguments. Ex. 2002, 21 (Dkt. 151).

Because a stay is far from certain and there are good reasons why a stay would be denied, this factor weighs against institution.

B. Factor 2 Favors Denial

Factor 2—regarding the proximity between a trial date and the statutory deadline for a final written decision (“FWD”)—weighs in favor of denial. An FWD in this matter would not be due until June 2026. 35 U.S.C. §§ 314(b); 316(a)(11). Meanwhile, trial in the California case has been set for August 10, 2026. Ex. 2008, 8-9 (*see* Dkt. 38). Thus, an FWD would issue just two months before the scheduled jury trial in California and after the lion’s share of the caseload and pretrial work had been completed. And while no trial date has been set in the Nevada case, Jumio states that it is an “undisputed fact” that the Nevada case “has been ongoing for nearly 3 years and is now at a more advanced stage.” Ex. 2020, 9 (quoting statements from FaceTec). Accordingly, it is likely that the Nevada case, which

involves patents related to the '938 patent, will conclude even earlier than the California case.

Allowing this IPR to proceed simultaneously with the Nevada and California cases would be wasteful and inefficient. Indeed, granting institution here would frustrate one of the primary objectives of the America Invents Act, which is “to provide an effective and efficient alternative” to parallel litigation. *NHK Spring*, IPR2018-00752, Paper 8, 19-20 (quoting *Gen. Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19, 16-17 (P.T.A.B. Sept. 6, 2017)) (precedential). Instituting IPR here would not provide an “alternative” to litigation but would simply add a third litigation to the already pending cases. This factor weighs against institution.

C. Factor 3 Favors Denial

Factor 3—regarding the courts’ and parties’ investment in the two parallel proceedings—weighs in favor of denial. Indeed, a significant amount of work has been completed.

In the California case, fact discovery is ongoing, and the parties have served lengthy infringement and invalidity contentions. Ex. 2012. By the date the institution decision is due, the parties were scheduled to have presented a technology tutorial to the court and completed *Markman* briefing and argument (scheduled for

June 5, 2025). Ex. 2008, 8-9 (*see* Dkt. 38).¹³ Thus, the parties and the courts have already expended considerable resources in the Nevada and California litigations. *See Fintiv II*, 14 (“based on the level of investment and effort already expended on claim construction and invalidity contentions in the District Court, this factor weighs somewhat in favor of discretionary denial in this case.”).

And as explained in Section VIII.B, by the time of institution, and especially by the deadline for the FWD, the California case may be even further along and may even be concluded or close to concluding. Thus, this factor favors denial.

D. Factor 4 Favors Denial

Regarding Factor 4, “if the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial.” *Fintiv I*, 12. Here, a subset of the challenged claims is asserted in the California district court litigation. And as discussed in Section III.B, iProov’s invalidity contentions from almost two and half years ago identified many of the same references asserted in the Petition against other patents in the same family as the ’938 patent. Ex. 2003. And iProov’s and Jumio’s recently updated

¹³ The district court recently issued a temporary stay of all case deadlines while she considers motions that have already been briefed, including a disqualification motion and a motion to stay. Ex. 2008, 14 (Dkt. 92).

invalidity contentions addressing the challenged '938 patent in particular cover all of the asserted references in the Petition. Thus, the arguments presented here completely overlap with the district court litigations.

That the invalidity contentions in district court case involve additional prior art references not asserted in this IPR is “not relevant to the question of the degree of overlap for this factor.” *Fintiv II*, 15. Notably, Petitioner Jumio and iProov have not stipulated to forgo in either parallel district court proceeding the same grounds as in the Petition or any grounds that reasonably could have been raised in the Petition (*i.e.*, a *Sotera* stipulation). Thus, concerns regarding potentially conflicting decisions and duplicative efforts across all the proceedings remain.

Because the Petition and the district court cases involve the same claims, prior art, and parties (as discussed below), this factor weighs in favor of discretionary denial. *See Fintiv II*, 15-16; *NHK Spring*, IPR2018-00752, Paper 8, 19-20.

E. Factor 5 Favors Denial

Factor 5—regarding the similarity between the parties in the parallel proceedings—weighs in favor of denial. Each party here is now a party in the California case. And iProov, who should be considered a real party in interest, is similarly involved in the Nevada case on related patents, with Jumio also participating in that case as a third party. Ex. 2007. “Because the petitioner and the

defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial.” *Fintiv II*, 15.

F. Factor 6 Favors Denial

Factor 6—regarding other circumstances that impact the Board’s exercise of discretion, including the merits—weighs in favor of denial. As demonstrated above, the Petition fails to put forth a meaningful challenge to the patent’s claims. There is no reasonable likelihood of success, and “if the merits of the grounds raised in the petition are a closer call, then that fact has favored denying institution when other factors favoring denial are present.” *See Fintiv I*, 15.

Because all six *Fintiv* factors favor denial, FaceTec requests that the Board deny institution.

IX. Conclusion

FaceTec respectfully requests that the Board deny institution for at least the reasons discussed above.

Date: March 12, 2025

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

Pursuant to 37 C.F.R. § 42.24(c)(1), the undersigned hereby certifies that the foregoing PATENT OWNER'S PRELIMINARY RESPONSE contains 12,326 words, excluding the parts exempted under 37 C.F.R. § 42.24(c), as measured by the word-processing system used to prepare this paper.

Dated: March 12, 2025

/Joshua L. Goldberg/
Joshua L. Goldberg (Reg. No. 59,369)

Attorney for Patent Owner FaceTec, Inc.

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), the undersigned certifies that the foregoing
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