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UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

FACETEC, INC., a Delaware corporation, Plaintiff, v. iProov LTD, a United Kingdom limited liability company, Defendant.	Case No. 2:21-cv-02252-ART-BNW Hon. Anne R. Traum **DEFENDANT IPROOV'S MOTION FOR PARTIAL STAY**
iProov LTD, a United Kingdom limited liability company, Counter-Claimant, v. FACETEC, INC., a Delaware corporation, Counter-Defendant.	

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Defendant and Counter-Defendant, iProov, Ltd. ("iProov") hereby moves to stay Plaintiff and Counter-Defendant, FaceTec, Inc. ("FaceTec")'s claims in this action pending the final resolution of petitions for inter partes review ("IPR") seeking invalidation of the patents asserted in this action by FaceTec.

I. INTRODUCTION

Years into this dispute, FaceTec sought to gain a tactical advantage by suing iProov's customer, Jumio Corporation ("Jumio") in a separate suit in the United States District Court for the Northern District of California. Jumio eventually filed petitions for inter partes review (proceeding Nos. IPR2025-00106, IPR2025-00107, IPR2025-00108, IPR2025-00109) (collectively, the "IPRs") before the Patent Trial and Appeal Board ("PTAB") of the United States Patent and Trademark Office ("USPTO") of all claims of the patents asserted in that action, which encompass the two patents asserted in this action and thus all claims asserted herein. Given the substantial impact that institution of those IPRs would have on this litigation, including invalidation of all of FaceTec's patent claims at issue in this case, as well as the overlap between FaceTec's patent and non-patent claims, iProov moves to stay FaceTec's claims in this case to prevent the unnecessary expenditure of party and court resources. At the very least, FaceTec's claims should be stayed for the short period until a decision as to whether the petitions will be instituted has issued, given that this case is approaching a more costly stage of litigation. If the parties and the Court expend resources on litigating FaceTec's claims only for the IPRs to be instituted, which would undoubtedly justify a stay, there is a substantial risk of effort being in vain due to the simplification the IPRs would offer. It is thus the most prudent course of action to stay FaceTec' claims immediately to avoid the potential waste of time and resources.

II. RELEVANT FACTS

A. The Instant Action

In December 2021, FaceTec sued iProov for infringement. In this action, both sides assert patent infringement claims. FaceTec asserts U.S. Patent Nos. 10,776,471 and 11,157,606 ("Asserted Patents"), Dkt. 19, ¶ 4, and iProov counterclaims that FaceTec infringes U.S. Patent No. 9,621,548 ("'548 Patent") by making, using, selling, and offering for sale the FaceTec 3D Liveness,

OCR & 3D Face Authentication system. ECF 22 at 11; Dkt. 22-3 at 1-153. FaceTec also asserts claims for breach of contract and intentional interference with contract ("Non-Patent Claims"). ECF No. 19 at ¶¶ 57-66.

A dispute between the parties relates to which iProov products have been adequately accused of infringement. The dispute arose because iProov objected to FaceTec's request for the source code for an iProov product that operates on iOS and Android mobile devices ("Mobile Products")—which had never been accused of infringement—prompting a Motion to Compel by FaceTec and a Motion to Strike by iProov, filed on May 10, 2024. ECF No. 99. FaceTec's previously-filed infringement contentions had not charted the Mobile Products at all, and instead only charted the web platform of iProov's product ("Web Product"). Id. iProov thus objected to FaceTec's Motion to Compel and moved to strike the overbroad definition of "Accused Instrumentalities" in FaceTec's infringement contentions such that it be limited to the Web Product. Id. This Court ordered a hearing on FaceTec's and iProov's competing motions on the question of whether the Mobile Product was excluded from this action for June 17, 2024. ECF No. 92.

Just three days before the hearing on the motion to strike, in an apparent effort to obtain an "insurance policy" against the motion to strike being granted, FaceTec filed a second lawsuit against Jumio on June 14, 2024 asserting both of the Asserted Patents as well as two additional related patents—and included claim charts referencing both the Web Product and the Mobile Products that were not accused in this case. See *FaceTec, Inc. v. Jumio Corporation*, No. 3:24-cv-03623-RFL, filed on June 14, 2024 in the United States District Court for the Northern District of California (the "California Action"); see also ECF No. 139 (iProov's Notice of Related Cases) at 2. FaceTec falsely represented to the Northern District of California that "[t]here are no related cases. The action between FaceTec and iProov in the District of Nevada is separate and unrelated to this litigation." Declaration of Ryan E. Hatch ("Hatch Decl."), Ex. A (Joint Case Management Statement in the California Action (Dkt. No. 32)) at 8.[1] Of course, the cases are related as the California Action encompasses the exact same patents, patent claims, and accused products.

[1] All exhibits referenced hereto are attached to the Hatch Declaration.

After briefing and a hearing on the question of excluding the Mobile Products from this Action, on September 10, 2024, the Court entered an order finding that FaceTec failed to put iProov on notice that the Mobile Product were accused of infringement because the claim charts were specific to the Web Product, but that FaceTec nonetheless charted the Web Product as a "representative product" and thus accused the Mobile Products. ECF No. 122. On October 10, 2024, believing that it no longer needing the "insurance policy" of a second lawsuit in the Northern District accusing the Mobile Products (those products apparently being allowed into this action in Nevada), FaceTec then requested dismissal of the California Action. ECF No. 139-1 (California Action Docket Entry No. 45: FaceTec's Request for Voluntary Dismissal). In requesting dismissal, FaceTec recanted its earlier position and admitted the California Action "adds little to the patent litigation against iProov that is already well underway in the District of Nevada." ECF No. 139-1 at 3:6–7. That request for dismissal, however, was denied, and at the same time iProov was permitted to intervene in the California Action, to defend its products accused of infringement. ECF No. 139-2 (California Action Docket Entry No. 52: Order Denying Motion to Voluntarily Dismiss Without Prejudice and Granting Motion to Intervene). Meanwhile, iProov objected to the Court's Order regarding its motion to strike under Fed. R. Civ. P. 72. ECF No. 126. On December 6, 2024, the Court entered an Amended Order construing iProov's objections as a motion for reconsideration and striking the previous order. ECF. No. 140. Upon reconsideration, the Court ruled that FaceTec's infringement contentions did <u>not</u> adequately identify the Mobile Products and Ordered FaceTec to amend its infringement contentions by January 20, 2025. Id. Those contentions were served, and iProov's amended invalidity contentions are due February 17, 2025. Id.

In addition to the patent contentions being reopened, the parties are currently in discovery, with only one deposition having taken place. Hatch Decl., ¶ 2. And claim construction is fully briefed but no claim construction hearing has been set or order issued, meaning discovery currently has no definitive cut-off date. ECF Nos. 40–46; see also ECF No. 37 (Discovery Plan and Scheduling Order) at 3 (providing that multiple deadlines, including the disclosure of amended contentions and discovery cut-off, are calculated from the date of the Claim Construction Order).

B. The Petitions for Inter Partes Review

On November 7, 2024, Jumio filed the IPRs directed to all claims of all four patents asserted in the California Action—and thus all claims of the two Asserted Patents in this action—and Jumio subsequently moved to stay the California Action pending final resolution of the IPRs. See Hatch Decl., Ex. B (Jumio Motion to Stay in the California Action (Dkt. No. 54)) at 8:3–5 ("Jumio respectfully requests that the Court stay this case pending final resolution of Jumio's recently filed IPR petitions, which challenge the patentability of all claims in all four asserted patents.") (emphasis added). On November 27, 2024, Jumio moved to stay the California Action pending final resolution of those IPRs. Id. at 8. That motion remains pending before Judge Rita F. Lin in the California Action. Preliminary responses to Jumio's IPRs are due no later than February 2025, and the PTAB will decide whether to institute the IPRs no later than May 2025. Id. at 11. On December 16, 2024, FaceTec opposed Jumio's Motion to Stay. Hatch Decl., Ex. C (FaceTec's Memorandum in Opposition to Jumio's Motion for Stay in the California Action (Dkt. No. 62)). Jumio's motion to stay the California Action has been taken under submission by the court in that action. Hatch Decl., ¶ 7.

III. LEGAL STANDARDS

"Courts have inherent power to manage their dockets and stay proceedings, including the authority to order a stay pending conclusion of a PTO reexamination." *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1426-27 (Fed. Cir. 1988) (citing *Landis v. North American Co.*, 299 U.S. 248, 254, 81 L. Ed. 153, 57 S. Ct. 163 (1936)). This Court's Local Patent Rules provide:

> The court may order a stay of litigation pending the outcome of any reexamination or review proceeding before the United States Patent and Trademark Office that concerns a patent at issue in the federal court litigation. Whether the court stays litigation upon the request of a party will depend on the circumstances of each particular case, including without limitation: (1) whether a stay will unduly prejudice or present a clear tactical disadvantage to the nonmoving party, (2) whether a stay will simplify the issues in question and the trial of the case, and (3) whether discovery is complete and a trial date has been set.

LPR 1-20. Indeed, courts routinely stay patent cases pending the outcome of IPRs, for the very good reason that it makes little sense to litigate patents that are being reexamined by the USPTO. See, e.g., *Acres 4.0 v. IGT*, No. 2:21-cv-01962-GMN-BNW, 2022 U.S. Dist. LEXIS 194805, at *9 (D. Nev. Oct. 25, 2022) (granting stay before USPTO had granted reexamination petitions); *Pragmatus AV, LLC v. Facebook, Inc.*, No. 11-CV-02168-EJD, 2011 U.S. Dist. LEXIS 117147, at *10 (N.D. Cal. Oct. 11, 2011) ("Indeed, it is not uncommon for this court to grant stays pending reexamination prior to the [US]PTO deciding to reexamine the patent.") (collecting cases).[2]

IV. ARGUMENT

All three factors weigh in favor of a stay. A stay will not prejudice or present a clear tactical disadvantage to FaceTec. A stay will simplify questions of invalidity (and by extension, infringement), including in pre-trial proceedings and at trial. And discovery is not close to being complete, nor is any trial date set.

A. FaceTec's Claims for Patent Infringement Should be Stayed

i. A Stay Will Not Unduly Prejudice or Present a Clear Tactical Disadvantage to FaceTec

"In examining the prejudice or tactical advantage factor, courts have looked to the timing of both requests for review and requests for stays, the status of the IPR proceedings, and the relationship between the parties." *Aavid Thermalloy, LLC v. Cooler Master, LTD.*, No. C 17-05363 JSW, 2019 U.S. Dist. LEXIS 144880, at *6 (N.D. Cal. Aug. 26, 2019). "Courts have repeatedly found no undue prejudice unless the patentee makes a specific showing of prejudice beyond the delay necessarily inherent in any stay." *PersonalWeb Techs., LLC v. Apple Inc.*, 69 F. Supp. 3d 1022, 1029 (N.D. Cal. 2014).

Jumio filed its IPRs on November 7, 2024, which was less than a month after an IPR petition for one of the patents was ripe for filing. Ex. B at 22. Moreover, Jumio's IPRs were filed within the statutory deadline to do so making them timely. Id. And iProov timely brings this motion;

[2] Cases discussing reexamination proceedings are persuasive because "[w]hile these cases discuss the framework applicable to motions to stay pending reexamination, district courts in the Ninth Circuit have applied the same framework to motions to stay pending IPR." *Robert Bosch Healthcare Sys. v. Cardiocom, LLC*, No. C-14-1575 EMC, 2014 U.S. Dist. LEXIS 92792, at *9 (N.D. Cal. July 3, 2014).

FaceTec's deadline to file its preliminary response to the petitions has not even passed. See PersonalWeb Techs., 69 F. Supp. 3d at 1030 (no undue prejudice when party waited one year to file IPRs and another to move to stay because motion to stay was not ripe until time of filing); see also *Cypress Semiconductor Corp. v. GSI Tech.*, Inc., No. 13-cv-02013-JST, 2014 U.S. Dist. LEXIS 142858, at *9 (N.D. Cal. Oct. 7, 2014) ("Other courts have found that waiting until after receiving infringement contentions to analyze the claims alleged and then filing petitions for review does not cause undue prejudice.").

While the PTAB has not yet instituted the IPRs, it is well within this Court's discretion to grant a stay prior to that decision. Acres 4.0, 2022 U.S. Dist. LEXIS 194805, at *9; Pragmatus, 2011 U.S. Dist. LEXIS 117147, at *10. "Moreover, should the PTO deny these petitions, the delay endured by the parties will have been relatively short; pursuant to statute, all initial decisions on the relevant petitions should be issued by early [May 2025]." *PersonalWeb Techs., LLC v. Facebook, Inc.*, No. 5:13-CV-01356-EJD, 2014 U.S. Dist. LEXIS 4095, at *17 (N.D. Cal. Jan. 13, 2014).

As for the relationship between the parties, while iProov and FaceTec compete in the same business space, "multiple other direct competitors in the marketplace attenuates this consideration." *Synthego Corp. v. Agilent Techs., Inc.*, No. 5:21-cv-07801-EJD, 2022 U.S. Dist. LEXIS 122933, at *10 (N.D. Cal. July 12, 2022) (citing *Lighting Sci. Grp. Corp. v. Shenzhen Jiawei Photovoltaic Lighting Co. Ltd.*, No. 16-CV-03886-BLF, 2017 U.S. Dist. LEXIS 94182, 2017 WL 2633131, at *4 (N.D. Cal. June 19, 2017)). FaceTec admits that at least Jumio is one other relevant competitor, stating "FaceTec and Jumio are direct competitors in providing verification services" and that "it appears that Jumio's proprietary technology does in fact infringe FaceTec's patents." Ex. C (FaceTec's Memorandum in Opposition to Jumio's Motion for Stay in the California Action (Dkt. No. 62)) at 14–15. And publicly available information on FaceTec's website lists iProov as among many other vendors in their space. Ex. D (January 31, 2025 Screen Capture of www.facetec.com) at 5 (chart listing ten companies in the space, including iProov). Moreover, FaceTec recently claimed that its valuation is "currently estimated by informed third parties at over one billion US dollars." ECF No. 146 at 5:25–26. These factors weigh against a finding of prejudice. Acres 4.0,

2022 U.S. Dist. LEXIS 194805, at *6 (finding fact that parties were not sole competitors weighed against finding of prejudice); Synthego Corp., 2022 U.S. Dist. LEXIS 122933, at *10 ("Since there are multiple companies with a range of services directly competing with Agilent at each of these three levels the Court does not find that Agilent faces undue prejudice due to direct competition.").

Moreover, it is not enough that the parties are competitors; FaceTec must prove that it will be prejudiced by a stay. Acres 4.0, 2022 U.S. Dist. LEXIS 194805, at *6 (finding of no prejudice supported by fact that "Defendant does not explain or provide evidence showing how a stay would cause market share or price erosion."); *Aevoe Corp. v. i-Blason LLC*, No. 2:15-cv-00149-RFB-CWH, 2016 U.S. Dist. LEXIS 2275, at *9 (D. Nev. Jan. 7, 2016) ("The Court further finds that plaintiff merely speculates as to its purported inability to obtain 'full' third-party discovery, without presenting facts in support of its assertion."); *Lighting Sci. Grp. Corp.*, 2017 U.S. Dist. LEXIS 94182, at *11 ("In evaluating claims that direct competition will result in prejudice from a stay, courts require evidence."). It cannot.

Further, "that [FaceTec] has not moved for a preliminary injunction also weakens its undue prejudice claim because even if a stay prejudiced [FaceTec], money damages could later make it whole." Acres 4.0, 2022 U.S. Dist. LEXIS 194805, at *7; *Autoalert, Inc. v. Dominion Dealer Sols., LLC*, No. SACV 12-1661-JST (JPRx), 2013 U.S. Dist. LEXIS 171890, at *9 (C.D. Cal. May 22, 2013) (failure to file for preliminary injunction undercuts claim of undue prejudice). Indeed, FaceTec contacted iProov in September 2021 but did not file suit until December of that same year. ECF No. 19, ¶¶ 35–37. This militates against a finding of prejudice. Synthego Corp., 2022 U.S. Dist. LEXIS 122933, at *11-12 ("Other considerations weaken Agilent's claims of undue prejudice. … Agilent did not bring suit asserting its patent rights for months even after licensing negotiations with Synthego were unsuccessful, indicating that there is less urgency.")

Lastly, iProov has not moved to stay—or timed this motion—to gain a tactical advantage. It was Jumio who petitioned for IPR of the Asserted Patents, and iProov simply timely moved to stay the case based on those petitions—iProov has not deliberately delayed or timed its motion. See *Aevoe Corp.*, 2016 U.S. Dist. LEXIS 2275, at *9 (finding factor favored stay because there was "nothing to indicate that defendant [was] somehow gaming the system"). Nor will iProov gain an

advantage by presenting arguments during the petitions that FaceTec will not be privy to, as iProov is not a party to the IPRs and will not be participating in those proceedings. See *Acres 4.0*, 2022 U.S. Dist. LEXIS 194805, at *8. This factor weighs in favor of granting a stay.

ii. A Stay Will Simplify the Issues

The IPRs could simplify the issues because they "could eliminate the need for trial if the claims are cancelled or, if the claims survive, facilitate trial by providing the court with expert opinion of the PTO and clarifying the scope of the claims." *Evolutionary Intelligence, LLC v. Facebook, Inc.*, No. C 13-4202 SI, 2014 U.S. Dist. LEXIS 9149, at *6 (N.D. Cal. Jan. 23, 2014); *Gordon Gould, REFAC Int'l, Ltd. v. Control Laser Corp.*, 705 F.2d 1340, 1342 (Fed. Cir. 1983) (review proceedings "eliminate trial of that issue (when the claim is canceled) or to facilitate trial of that issue by providing the district court with the expert view of the PTO"). This is particularly true when all asserted claims are challenged. Id. at *6–7.

Jumio's IPRs challenge all claims of the Asserted Patents, thereby providing the possibility to substantially simplify the issues in this Action and favoring stay. *Synthego Corp*., 2022 U.S. Dist. LEXIS 122933, at *6-7 (granting stay when all claims were challenged because "[a] final decision could result in canceled or modified claims, which could eliminate the need for a trial or narrow the issues at trial."); *Aavid Thermalloy, LLC v. Cooler Master, LTD.*, No. C 17-05363 JSW, 2019 U.S. Dist. LEXIS 144880, at *4-5 (N.D. Cal. Aug. 26, 2019) ("The PTAB's review could dispose of this matter in its entirety or significantly narrow the scope of the issues.").

Further, "statistical evidence showing a substantial likelihood that some claims will be invalidated militates in favor of a stay." *Barbaro Techs., LLC v. Niantic, Inc.*, No. 18-cv-02955-RS, 2019 U.S. Dist. LEXIS 246408, at *5 (N.D. Cal. Apr. 24, 2019). Sixty-eight percent (68%) of petitions for review were instituted in 2024. Ex. E at 6. Moreover, thirty percent (30%) of challenged claims and forty-nine percent (49%) of instituted claims were found unpatentable. Id. at 13. And fourteen percent (14%) of patents with proceedings ending in fiscal year 2024 were fully invalidated. Id. at 14. This favors a stay. *Barbaro Techs*., 2019 U.S. Dist. LEXIS 246408, at *5.

The issues will be simplified even if that IPRs are not instituted or some claims survive the proceedings. Indeed, "the possibility that the PTO may institute review has the potential to streamline and even resolve this action." *Finjan, Inc. v. Symantec Corp*., 139 F. Supp. 3d 1032, 1037 (N.D. Cal. 2015); *Aavid Thermalloy*, 2019 U.S. Dist. LEXIS 144880, at *4-5 ("The PTAB's review could dispose of this matter in its entirety or significantly narrow the scope of the issues. … Even if the PTAB did not find all claims invalid, its rulings would likely clarify claim construction positions for the parties, raise estoppel issues, and encourage settlement."); *Core Optical Techs., LLC v. Fujitsu Network Communs., Inc.*, No. SACV 16-00437-AG-JPRx, 2016 U.S. Dist. LEXIS 195061, at *4 (C.D. Cal. Sep. 12, 2016) ("Even if no patent claim is eliminated, the intrinsic record developed during the IPR may inform on issues like claim construction."). Simply put, as courts in this District have recognized, "[i]f the petition for review is granted, there is a good chance the review will simplify the case by rendering moot some or all of the claims regarding the '[asserted] patent. The case would be simplified, as it would either end this action or eliminate claims or arguments, while also providing the Court with the PTAB's expert opinion on the claims and patent at issue." *Aevoe Corp*., 2016 U.S. Dist. LEXIS 2275, at *9 (granting motion to stay before institution decision).

Some courts in this District have applied a rule that considered this factor "indeterminable" before any decision has been issued as to whether to institute review. See *Unwired Planet, LLC v. Square, Inc.*, No. 3:13-cv-00579-RCJ-WGC, 2014 U.S. Dist. LEXIS 140831, at *15 (D. Nev. Oct. 3, 2014). Accordingly, those courts look to whether the remaining factors support a stay in the absence of the "simplification of the issues" factor. Id. But, as discussed above and herein, other courts have not adopted this rule. For example, "courts in [the Central District of California] have adopted the majority position that even if IPR has not yet been instituted, the simplification factor may still weigh in favor of a stay." *Purecircle United States, Inc. v. SweeGen, Inc.*, No. SACV 18-1679 JVS (JDEx), 2019 U.S. Dist. LEXIS 124444, at *6 (C.D. Cal. June 3, 2019) (emphasis added) (granting motion to stay). Indeed, at least one court in this District has not applied the Unwired rule and instead simply assessed whether the possibility of a petition being instituted would simplify the issues. *Aevoe Corp.*, 2016 U.S. Dist. LEXIS 2275, at *9. Moreover, even if the Court is inclined

to apply the Unwired rule, it is not dispositive. In Acres 4.0, the court applied Unwired in finding that the fact that the petition was yet to be instituted "[did] not weigh against one side or another." 2022 U.S. Dist. LEXIS 194805, at *9. There, the court ultimately granted the stay because the remaining factors favored staying the case. Id. Ultimately, "the risk of delay attending an unnecessary stay is minimal relative to the risk of unnecessary expenditure of resources should the stay be denied and an IPR subsequently commence." *Wonderland Nurserygoods Co. v. Baby Trend, Inc.*, No. EDCV 14-01153-VAP (SPx), 2015 U.S. Dist. LEXIS 53053, at *8 (C.D. Cal. Apr. 20, 2015) (granting motion to stay).

This factor favors granting a stay.

iii. Discovery is Not Complete and a Trial Date Has Not Been Set

Although this case was filed just over three years ago, it has not advanced beyond a stage at which a stay is appropriate. The parties are currently in discovery, with only one deposition having taken place. Hatch Decl., ¶ 2. And while a first phase of claim construction is fully briefed, there will likely need to be further briefing in view of the parties' amended contentions. In any event, no claim construction hearing has been set or order issued, meaning discovery currently has no definitive cut-off date, nor any trial date. ECF Nos. 40–46; see also ECF No. 37.

FaceTec admitted as much in opposing Jumio's Motion to Stay the California Action:

> [T]he Nevada case is not close to reaching a resolution. Although there has been significant activity in that case, important aspects have been on hold since the parties completed the briefing of claim construction in January 2023—with no Markman hearing scheduled to date and only one deposition taken.

Ex. C at 14 (emphasis in original).

Courts routinely grant stays of cases at similar stages. *Aevoe Corp.*, 2016 U.S. Dist. LEXIS 2275, at *11 ("While the case is not in its early stages but in the midst of discovery, a significant amount of work still remains, including expert discovery, summary judgment motions, claim construction, and trial."); Finjan, 139 F. Supp. 3d at 1035 (granting stay despite the fact that claim construction briefing was complete and a hearing had been conducted because "substantial work"

remained before trial, including depositions, expert discovery, summary judgment, pre-trial motions, and trial); *Apple Inc. v. AliveCor, Inc.*, No. 22-cv-07608-HSG, 2023 U.S. Dist. LEXIS 230980, at *4-5 (N.D. Cal. Dec. 29, 2023) ("While the Court recognizes that claim construction has begun, the Court finds that this case is still at a relatively early stage overall. Discovery is far from complete, and no trial date has been set."); *Barbaro Techs., LLC v. Niantic, Inc.*, No. 18-cv-02955-RS, 2019 U.S. Dist. LEXIS 246408, at *4 (N.D. Cal. Apr. 24, 2019) (favored stay despite fact that claim construction briefing was complete and discovery underway because the "costlier stages of pretrial preparation remain.") (quoting *Contour IP Holding, LLC v. GoPro, Inc.*, No. 17-cv-04738, 2018 U.S. Dist. LEXIS 209837, 2018 WL 6574188, at *3 (N.D. Cal. Dec. 12, 2018) ("Although claim construction is complete and some substantial discovery has already occurred, several costlier stages of pretrial preparation remain, not to mention the trial itself.").

This factor favors a stay.

B. The Stay Should Extend to FaceTec's Non-Patent Claims

"Even outside the IPR context, '[a] district court has inherent power to control the disposition of the causes on its docket in a manner which will promote economy of time and effort for itself, for counsel, and for litigants.'" *Cywee Grp. Ltd. v. HTC Corp.*, No. C17-0932JLR, 2019 U.S. Dist. LEXIS 139075, at *19 (W.D. Wash. June 13, 2019) (quoting *CMAX, Inc. v. Hall*, 300 F.2d 265, 268 (9th Cir. 1962)). "Where it is proposed that a pending proceeding be stayed, the competing interests which will be affected by the granting or refusal to grant a stay must be weighed." CMAX, 300 F.2d at 268 (9th Cir. 1962). "Among these competing interests are the possible damage which may result from the granting of a stay, the hardship or inequity which a party may suffer in being required to go forward, and the orderly course of justice measured in terms of the simplifying or complicating of issues, proof, and questions of law which could be expected to result from a stay." Id. (citing *Landis v. North American Co.*, 299 U.S. 248, 254-255, 57 S.Ct. 163, 81 L.Ed. 153).

As discussed above, FaceTec will not be prejudiced by the stay of this action, and thus it will suffer no "hardship or inequity." See § IV(A)(i), supra. As with its patent claims, FaceTec chose not to pursue a preliminary injunction on its Non-Patent Claims, which "undercuts" assertion

of prejudice. *Cywee Grp.,* 2019 U.S. Dist. LEXIS 139075, at *22 (staying patent claims and non-patent claims). Further, any stay would remain in place only until the resolution of the IPRs, at which point FaceTec could pursue its claims. Id. The "orderly course of justice" also favors staying FaceTec's Non-Patent Claims because they stem from the same facts as its patent claims—iProov's provision of its Liveness Assurance software, which FaceTec claims incorporates its technology. Id. at *21 ("Wee Group's patent infringement claims, HTC's unfair business practices claim, and CyWee Motion's counterclaims all arise from the same transaction: CyWee Motion's provision of the CyWee Software to HTC."). For example, FaceTec alleges "iProov makes software called 'Liveness Assurance,' which competes with FaceTec's software. This offering – with aspects copied from FaceTec – performs biometric liveness detection." ECF No. 19, ¶29. FaceTec's allegations also demonstrate that its patent claims and Non-Patent Claims are intertwined because FaceTec claims iProov "reverse engineered" FaceTec's product. Id., ¶ 30 ("As alleged herein, iProov's Liveness Assurance product infringes at least FaceTec's '471 and '606 patents. In addition, the Liveness Assurance product also improperly incorporates aspects of FaceTec's technology that iProov learned through its participation in the Spoof Bounty Program and unauthorized use of the FaceTec software outside of the Spoof Bounty Program."). Such overlapping facts justifies a stay of FaceTec's Non-Patent Claims as well. See *C.R. Laurence Co., Inc. v. Frameless Hardware Co. Ltd. Liab. Co*., No. 2:21-cv-01334-JWH-RAO, 2022 U.S. Dist. LEXIS 247028, at *10 (C.D. Cal. Dec. 9, 2022) (staying patent claims and relating non-patent claims arising out of "the same alleged theft of intellectual property" because the "non-patent claims [were] plainly linked to [the] alleged misappropriation of protected information and technology");[3] *PopSockets LLC v. Quest USA Corp.*, No. 17-CV-3653 (FB) (CLP), 2018 U.S. Dist. LEXIS 168219, at *5 (E.D.N.Y. Sep. 28, 2018) ("Though the patent and non-patent claims are legally unrelated, the underlying factual disputes are intertwined.").

[3] The *C.R. Laurence* considered a motion to sever the non-patent claims in connection with the motion to stay the patent claims. The court's analysis is instructive as relevant factors in deciding a motion to sever include "whether (1) the claims arise out of the same transaction or occurrence; (2) the claims present some common questions of law or fact; (3) settlement of the claims or judicial economy would be facilitated; (4) prejudice would be avoided if severance were granted; and (5) different witnesses and documentary proof are required for the separate claims." *C.R. Laurence*, 2022 U.S. Dist. LEXIS 247028, at *7 (citation omitted).

C. iProov's Counterclaim Should Not be Stayed

It is within the Court's discretion not to stay iProov's counterclaim. *CMAX*, 300 F.2d at 268 (9th Cir. 1962). Staying iProov's counterclaim would force iProov to suffer infringement of its own patent while the IPRs are pending—IPRs filed by a third-party that do not relate to iProov's own patent. Further, a stay of iProov's counterclaim would not simplify any issues. iProov's counterclaim stems from FaceTec's misappropriation of iProov's patent technology and requires different evidence and involve different questions of law and fact. There is no dispute that FaceTec has not filed any proceedings challenging the patentability of iProov's asserted '548 Patent. Indeed, it is not uncommon for courts to partially stay only those patent claims that are subject to patent office review even when the same patentee has other asserted patents in the same litigation. *Hewlett-Packard Co. v. ServiceNow, Inc.*, No. 14-cv-00570-BLF, 2015 U.S. Dist. LEXIS 139383, at *8 (N.D. Cal. Oct. 13, 2015) (granting partial stay as to those asserted patents for which IPRs were instituted but denying stay with respect to asserted patents for which IPRs were not instituted); *Parity Networks, LLC v. Juniper Networks, Inc.*, No. 18-cv-06452-JSW, 2019 U.S. Dist. LEXIS 231122, at *10 (N.D. Cal. July 3, 2019) (same).[4] Accordingly, iProov's counterclaim should not be stayed.

V. IF THE COURT DENIES THE MOTION TO STAY, IT SHOULD DO WITHOUT PREJUDICE TO RENEW SHOULD THE IPRS BE INSTITUTED

If the Court denies iProov's motion and decides it is not appropriate to stay FaceTec's claims at this time, iProov respectfully requests the Court preserve the right for iProov to move for a stay should the PTAB institute the IPRs. See *Applications in Internet Time, LLC v. Salesforce.com, Inc.*, No. 3:13-cv-00628-RCJ-VPC, 2015 U.S. Dist. LEXIS 162901, at *9 (D. Nev. Dec. 4, 2015) ("If the PTAB chooses to institute the petitions, then Defendant may submit another motion to stay the case, which the Court will consider based on the facts at that time."). The basis for staying FaceTec's claims will be even stronger at that point.

[4] The court's ruling in *Parity* also suggests that severing the non-stayed claims is not necessary. There, the court also considered but denied a motion to sever the non-stayed claims, noting "if the Court agrees that a partial stay is appropriate, there would be no need to sever the claims at this time." *Parity Networks*, 2019 U.S. Dist. LEXIS 231122, at *5.

VI. CONCLUSION

iProov respectfully requests that the Court stay FaceTec's claims until conclusion of the IPRs.

Dated: February 10, 2025

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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

FACETEC, INC., a Delaware corporation, Plaintiff, v. JUMIO CORPORATION, a Delaware corporation, Defendant.	Case No. 3:24-cv-03623-RFL Hon. Rita F. Lin **JOINT CASE MANAGEMENT STATEMENT** Complaint Filed: June 14, 2024

Pursuant to the Clerks' Notice Setting Case Management Conference Upon Reassignment (Dkt. 13), Civil Local Rule 16-9, and Federal Rule of Civil Procedure 26(f), Plaintiff FaceTec, Inc. ("FaceTec") and Defendant Jumio Corporation ("Jumio") (collectively, "the Parties"), hereby provide the following joint case management statement:

1. Jurisdiction and Service

This is an action for patent infringement. This Court has subject matter jurisdiction over FaceTec's claims arising under the Patent Act, including 35 U.S.C. § 271, pursuant to 28 U.S.C. §§ 1331 and 1338. This Court also has subject matter jurisdiction over Jumio's counterclaims for declaratory relief regarding noninfringement and invalidity of the FaceTec Asserted Patents pursuant to 28 U.S.C. §§ 1331, 1338, 2201, and 2202. As discussed in Section 5, below, Jumio intends to file amended counterclaims to allege infringement of its patents, and any such claims will also arise under the Patent Act, including 35 U.S.C. § 271.

Neither party is aware of any issues regarding personal jurisdiction or venue. While no parties remain to be served, Jumio understands that iProov Ltd. ("iProov") intends to file a Motion to Intervene. FaceTec reserves the right to oppose any such motion.

2. Facts

FaceTec's Position:

FaceTec is the owner of multiple patents, including for purposes of this litigation, U.S. Patent No. 10,776,471 (Tussy) "Facial Recognition Authentication System Including Path Parameters" (Dkt. No. 1-1), U.S. Patent No. 11,157,606 (Tussy) "Facial Recognition Authentication System Including Path Parameters" (Dkt. No. 1-2), U.S. Patent No. 11,693,938 "Facial Recognition Authentication System Including Path Parameters" (Dkt. No. 1-3), and U.S. Patent No. 11,874,910 (Tussy) "Facial Recognition Authentication System Including Path Parameters" (Dkt. No. 1-4).[1]

FaceTec provides biometric liveness detection technology. Simply explained, this technology utilizes face image data to verify the physical presence of a live human with high

[1] Collectively, the "FaceTec Asserted Patents."

confidence. FaceTec's technology operates to verify that the biometric data collected (face images) came from a three-dimensional human face before – for example – creating a new digital account, providing authorized access to an existing account, or allowing access to a protected computing device.

FaceTec alleges that Defendant Jumio makes, uses, offers for sale and sells in the United States products, systems, and/or services (collectively, "Jumio Accused Instrumentalities" or "Jumio Liveness Detection Technology") that infringe one or more claims of each of the FaceTec Patents-in-Suit.

Jumio previously contracted with FaceTec to use FaceTec's patented liveness detection technology. FaceTec contends that Jumio broke that contract with FaceTec and contracted with another FaceTec competitor, iProov Ltd., which thereafter deployed for Jumio a liveness detection technology that infringes on FaceTec's patent rights.

FaceTec sued iProov in late 2021 in the United States District Court for the District of Nevada. *See* FaceTec Inc. v. iProov Ltd., Case No. 2:21-cv-02252-ART-BNW. FaceTec asserts in its complaint against iProov claims for infringement of both the '471 and '606 patents as well as claims for breach of contract and tortious interference.

Jumio has persisted in using iProov's infringing technology. FaceTec contends that iProov's infringing liveness detection technology used by Jumio includes multiple aspects that are copied directly from FaceTec and that infringe the FaceTec Patents-in-Suit as shown in the charts in the Complaint. FaceTec contacted Jumio in writing on or about August 23, 2023, and demanded that Jumio immediately cease and desist any further infringement of FaceTec's patent rights or other intellectual property, including ceasing all use of any technology that falls within the scope of the FaceTec Patents-in-Suit. Jumio refused to cease and desist and has continued since that date to persist in its infringement of FaceTec's patent rights, including its infringement of the FaceTec Patents-in-Suit. This lawsuit then ensued.

Jumio has also recently introduced Jumio-branded liveness detection technologies and has begun offering them in addition to liveness detection technologies provided to Jumio by iProov. FaceTec's reasonable and diligent pre-filing investigation indicated that the Jumio-branded

liveness detection technologies are the same as or substantially similar to the infringing iProov technologies used by Jumio. FaceTec contends that Jumio's own-branded liveness detection technologies infringe FaceTec's asserted patents for the same reasons that the infringing iProov technologies used by Jumio do, and —for this reason—FaceTec's Complaint identifies this Jumio-branded technology as an Accused Instrumentality. But in recent communications, Jumio has indicated that its "own" liveness detection technology is different from iProov's. To date, Jumio has provided no specific information about any such differences or about the features and operations of any such supposedly different Jumio liveness detection technology. Early determination of this information will clarify the appropriate scope of and issues in this case and could make it necessary or appropriate to amend FaceTec's complaint and/or infringement contentions.

Jumio's Position:

Jumio is a pioneer in the field of online identity verification and one of the world's leading providers of automated online identity verification services. Jumio offers its customers the ability to verify the identity of online users through a process similar to that used in the real world—by looking at an ID and comparing it to the user's face. Jumio's services are used by both regulated and non-regulated industries to onboard and verify the identity of new customers. Customers in regulated industries are often required by law to use a service like Jumio's to verify their online users. Jumio's regulated industry customers include some of the world's largest traditional banks and challenger banks, and many of the world's largest online gaming sites, and telehealth companies. Jumio's nonregulated customers include major airlines, ridesharing companies, shared office companies, social networks, and many others.

In recent years, many companies have added an additional security feature to the selfie capture commonly called a "Liveness Check." The purpose of the Liveness Check is to make sure that the individual using the technology is a live person, as opposed to, for example, an image of a person. A Liveness Check confirms that the person seeking access is a living human being reacting in real-time, to further help deter fraud.

In October 2018, Jumio contracted with FaceTec for FaceTec to provide some Liveness Check technology for Jumio (and, thus, for Jumio's business customers). But in early 2021, Jumio began migrating some of its customers to a different Liveness Check vendor, iProov (a company based in England).[2] Following migration to iProov, iProov provided Liveness Checks to some of Jumio's customers. Indeed, with some minor exceptions, the claim charts attached to FaceTec's complaint appear to show iProov's technology, not Jumio's.

In July 2022, Jumio acquired, among other things, the intellectual property assets of EyeVerify. EyeVerify was an early developer of Liveness Check technology. EyeVerify patented its own Liveness Check systems and methods as early as 2012—some two years *before* the earliest possible priority date of FaceTec's patents. Based, at least in part, on the technology taught in the EyeVerify (now Jumio) patents, Jumio has since developed its own Liveness Check technology and is transitioning away from iProov's.

It is unclear from the Complaint whether FaceTec is asserting infringement against iProov's technology, Jumio's technology, or both. But because it appears that FaceTec is, at minimum, asserting that iProov's technology infringes its patents (it does not), Jumio understands that iProov intends to request that the Court permit it to intervene to defend itself. Jumio does not object to iProov's intervention but reserves its right to a separate trial under, for example, 35 U.S.C. § 299. To the extent that iProov asserts infringement against Jumio, Jumio's technology does not infringe FaceTec's patents, and predates FaceTec's patents. Moreover, FaceTec was obligated *before* filing its complaint to engage in a reasonable investigation. Attempting to reverse the burden of proof, FaceTec now asks Jumio to explain to FaceTec why it does not infringe. Had FaceTec engaged in proper prefiling investigation, it would have known that Jumio's systems do not infringe and would not have improperly accused Jumio of infringement.

Finally, the Court should be aware of the related pending litigation initiated by FaceTec in the United States District Court for the District of Nevada, Case No. 21-cv-02252-ART-BNW (the

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[2] In FaceTec's portion of this paper, FaceTec claims that Jumio breached this agreement. That is both untrue and irrelevant; it was FaceTec that breached the agreement. FaceTec and Jumio's contract dispute is in arbitration and has nothing whatsoever to do with this patent dispute.

"Nevada Case"). In the Nevada Case, FaceTec asserts that iProov's liveness detection infringes two of the four patents asserted here—U.S. Patent No. 10,776,471 B2 ("the '471 patent") and U.S. Patent No. US 11,157,606 B2 ("the '606 Patent"). Discovery remains open, claim construction has not been completed, and no trial date has been set in the Nevada Case.

3. Legal Issues

FaceTec's Position:

FaceTec asserts that Jumio infringes its patents under 35 U.S.C. § 271. Jumio denies infringement. Jumio currently asserts claims for declaratory relief of noninfringement and invalidity. FaceTec anticipates that the disputed points of law will relate to patent infringement and patent validity. Specifically, the parties will no doubt disagree as to the appropriate construction of claims of each of the asserted patents, such that this Court will need to conduct claim construction for each asserted patent. Further, Jumio has asserted multiple defenses challenging the validity of FaceTec's patents, which FaceTec disputes.

Jumio's Position:

FaceTec asserts that Jumio infringes its patents under 35 U.S.C. § 271. Jumio denies infringement. Jumio currently asserts claims for declaratory relief of noninfringement and invalidity. Jumio intends to file amended counterclaims to assert patent infringement under 35 U.S.C. § 271 against FaceTec.

4. Motions

There are no motions currently pending before the Court. However, Jumio expects iProov to file a motion to intervene pursuant to Fed. R. Civ. P. 24 prior to the Initial Case Management Conference, currently set for September 18, 2024.

Further, in the ordinary course of litigation, after the parties have exchanged infringement and invalidity contentions pursuant to the Local Patent Rules, after the Court has conducted a claim construction hearing, and issues a claim construction order, the Parties anticipate filing cross-motions for summary judgment.

5. Amendment of Pleadings

Jumio intends to file amended counterclaims asserting that FaceTec infringes certain of its patents in accordance with the deadlines provided in Fed. R. Civ. P. 15(a)(1)(B).

Depending on the information determined, FaceTec may seek to amend its complaint and/or its infringement contentions upon obtaining discovery or disclosures concerning Jumio-branded liveness detection technologies.

6. Evidence Preservation

The Parties certify that they have reviewed the ESI Guidelines, and met and conferred pursuant to Fed. R. Civ. P. 26(f) regarding reasonable and proportionate steps to preserve evidence relevant to the issues reasonably evident in this action on August 29, 2024.

7. Disclosures

Pursuant to Fed. R. Civ. P. 26(a)(1), the Parties will exchange initial disclosures no later than September 12, 2024.

8. Discovery

The Parties have not yet propounded discovery.

FaceTec believes that the scope of discovery will include the technologies used by Jumio, including a review of the source code for Jumio's products and services, changelogs related to Jumio's source code, emails between within Jumio, emails between Jumio and iProov, internal documents related to Jumio technology, and documents related to prior art. Jumio believes that discovery will include technologies used by FaceTec, including a review of source code for FaceTec's products and services, changelogs related to FaceTec's source code, emails within FaceTec, FaceTec's communications with other vendors of Liveness Detection, internal documents related to FaceTec's technology, and documents related to prior art.

The Parties do not currently have any proposed limitations or modifications to the discovery rules. The Parties have considered entering into a stipulated e-discovery order and discussed a discovery plan pursuant to Fed. R. Civ. P. 26(f), but have not yet reached any agreement(s). The Parties have not identified any discovery disputes to date.

9. Class Actions

This is not a class action.

10. Related Cases

FaceTec's Position:

There are no related cases. The action between FaceTec and iProov in the District of Nevada is separate and unrelated to this litigation.

Jumio's Position:

As noted above, the pending Nevada Case (No. 21-cv-02252-ART-BNW) between FaceTec and iProov is related to this case. In the Nevada Case, FaceTec has asserted against iProov two of the four patent asserted here against Jumio—the '471 and '606 Patents. FaceTec's infringement allegations are, at least in part, directed to iProov's technology and, therefore, substantially overlap with its allegations in the Nevada case.

11. Relief

FaceTec's Position:

FaceTec seeks relief in this action in the form of damages consisting of a reasonable royalty for every infringement by Jumio of FaceTec's patented technologies.

Jumio's Position:

Jumio denies that it has infringed any valid claim of the FaceTec Asserted Patents and, therefore, FaceTec is not entitled to any relief whatsoever, including monetary damages. Jumio further contends that it is entitled to a declaratory judgment that (1) Jumio's products do not infringe the FaceTec Asserted Patents, and (2) the FaceTec Asserted Patents are invalid. To the extent FaceTec could establish liability (it cannot), it is Jumio's position that damages should be calculated as a reasonable royalty pursuant to the hypothetical negotiation framework and non-exhaustive *Georgia-Pacific* factors.

12. Settlement and ADR

The Parties have met and conferred regarding an ADR process for the case pursuant to ADR Local Rule 3-5 (*see* Dkts. 30 & 31), and intend to stipulate to an ADR process, the negotiation of which is ongoing.

13. Other References

The Parties do not believe that this case is suitable for reference to binding arbitration, a special master, or the Judicial Panel on Multidistrict Litigation.

14. Narrowing of Issues

FaceTec's Position:

Based on the information presently available, FaceTec believes that narrowing the following issues may be consequential to the case:

- Discovery into—or voluntary disclosure of—the details of Jumio-branded liveness detection technologies, which Jumio has recently begun offering in addition to liveness detection technologies provided to Jumio by iProov. FaceTec's pre-filing investigation suggested that the Jumio-branded liveness detection technologies are the same as or substantially similar to the infringing iProov technologies used by Jumio. In recent communications, Jumio has indicated that its "own" liveness detection technology is different from iProov's; but Jumio has provided no specific information about any such differences or about the features and operations of any such supposedly different Jumio liveness detection technology. Early determination of this information will clarify the appropriate scope of and issues in this case.
- Claim construction to resolve any disagreements about the scope of the asserted patent claims that may be important to—or even dispositive of—issues of infringement or validity in this case.

Jumio's Position:

Jumio anticipates that it will file challenges to the patentability of the FaceTec Asserted Patents before the Patent Trial and Appeal Board. Those challenges will significantly narrow the issues for trial, or eliminate the need for trial in its entirety, if successful. Jumio will consider moving for a stay of this action pending the PTAB's review to simplify the issues.

15. Scheduling

Below is a proposed schedule encompassing the relevant dates for FaceTec's claims, and Jumio's forthcoming counterclaims, of infringement. Where the parties disagree, the parties' respective proposals are set out side by side.

Event	FaceTec's Proposed Date	Jumio's Proposed Date
Initial Case Management Conference	9/18/2024	
FaceTec PLR 3-1 Disclosure of Asserted Claims and Infringement Contentions, and PLR 3-2 Document Production	11/12/2024 (Same date as Jumio's agreed PLR 3-1 and 3-2 date below)	10/2/2024 (14 days after the Initial Case Management Conference)
Jumio PLR 3-1 Disclosure of Asserted Claims and Infringement Contentions, and PLR 3-2 Document Production	11/12/2024	
Last Day to Amend Pleadings	12/17/2024 (90 days after the Initial Case Management Conference, allowing FaceTec time to respond to Jumio amendments and conduct discovery on recent Jumio products)	11/17/2024 (60 days after the Initial Case Management Conference)
Jumio PLR 3-3 Disclosure of Invalidity Contentions, and PLR 3-4 Document Production	12/27/2024 (45 days after PLR 3-1 disclosures)	11/18/2024 (45 days after FaceTec's PLR 3-1 disclosures)
PLR 4-1 Exchange of Proposed Terms for Construction (FaceTec Asserted Patents)	1/10/2025 (14 days after PLR 3-3 disclosures)	12/2/2024 (14 days after Jumio's PLR 3-3 disclosures)

Event	FaceTec's Proposed Date	Jumio's Proposed Date
PLR 4-2 Exchange of Preliminary Claim Constructions and Extrinsic Evidence (FaceTec Asserted Patents)	1/31/2025 (21 days after PLR 4-1 exchange)	12/23/2024 (21 days after relevant PLR 4-1 exchange)
FaceTec PLR 3-3 Disclosure of Invalidity Contentions, and PLR 3-4 Document Production	12/27/2024 (45 days after Jumio's PLR 3-1 disclosures)	
PLR 4-1 Exchange of Proposed Terms for Construction (Jumio Asserted Patents)	1/10/2025 (14 days after FaceTec's PLR 3-3 disclosures)	
FaceTec PLR 3-8 Disclosure of Damages Contentions	2/17/2025 (50 days after PLR 3-3 disclosures)	1/7/2025 (50 days after Jumio's PLR 3-3 disclosures)
PLR 4-3 Joint Claim Construction and Prehearing Statement and Expert Reports (FaceTec Asserted Patents)	2/25/2025 (60 days after PLR 3-3 disclosures)	1/17/2025 (60 days after Jumio's PLR 3-3 disclosures)
PLR 4-2 Exchange of Preliminary Claim Constructions and Extrinsic Evidence (Jumio Asserted Patents)	1/31/2025 (21 days after relevant PLR 4-1 exchange)	
Jumio PLR 3-9 Disclosure of Responsive Damages Contentions	3/19/2025 (30 days after PLR 3-8 disclosures)	2/6/2025 (30 days after FaceTec's PLR 3-8 disclosures)
PLR 4-4 Deadline for Completion of Claim Construction Discovery (FaceTec Asserted Patents)	3/27/2025 (30 days after PLR 4-3 deadline)	2/18/2025 (30 days after relevant PLR 4-3 deadline)
Jumio PLR 3-8 Disclosure of Damages Contentions	2/17/2025 (50 days after FaceTec's PLR 3-3 disclosures)	
PLR 4-3 Joint Claim Construction and Prehearing Statement and Expert Reports (Jumio Asserted Patents)	2/25/2025 (60 days after FaceTec's PLR 3-3 disclosures)	

Event	FaceTec's Proposed Date	Jumio's Proposed Date
PLR 4-5 Deadline for FaceTec to file Opening Claim Construction Brief	4/11/2025 (45 days after PLR 4-3 deadline)	3/3/2025 (45 days after relevant PLR 4-3 deadline)
PLR 4-5 Deadline for Jumio to file Responsive Claim Construction Brief	4/25/2025 (14 days after opening brief)	3/17/2025 (14 days after opening brief)
FaceTec PLR 3-9 Disclosure of Responsive Damages Contentions	3/19/2025 (30 days after Jumio's PLR 3-8 disclosures)	
PLR 4-5 Deadline for FaceTec to file Reply Claim Construction Brief	5/2/2025 (7 days after response brief)	3/24/2025 (7 days after response brief)
PLR 4-4 Deadline for Completion of Claim Construction Discovery (Jumio Asserted Patents)	3/27/2025 (30 days after PLR 4-3 deadline)	
PLR 3-10 Damages Contentions Meeting and Certification (FaceTec Asserted Patents)	5/19/2025 (60 days after PLR 3-9 disclosures)	4/7/2025 (60 days after Jumio's PLR 3-9 disclosures)
PLR 4-6 Claim Construction Hearing (FaceTec Asserted Patents)	On or after 5/16/2025, at the Court's convenience (two weeks after reply brief)	On or after 4/8/2025, at the Court's convenience (two weeks after reply brief)
PLR 3-7 Deadline to disclose intent to rely on Advice of Counsel for any claim or defense related to the FaceTec Asserted Patents	30 days after service by the Court of its Claim Construction Ruling	
PLR 4-5 Deadline for Jumio to file Opening Claim Construction Brief	4/11/2025 (45 days after relevant PLR 4-3 deadline)	
PLR 4-5 Deadline for FaceTec to file Responsive Claim Construction Brief	4/25/2025 (14 days after opening brief)	

Event	FaceTec's Proposed Date	Jumio's Proposed Date
PLR 4-5 Deadline for Jumio to file Reply Claim Construction Brief	5/2/2025 (7 days after response brief)	
PLR 3-10 Damages Contentions Meeting and Certification (Jumio Asserted Patents)	5/19/2025 (60 days after FaceTec's PLR 3-9 disclosures)	
PLR 4-6 Claim Construction Hearing (Jumio Asserted Patents)	On or after 5/16/2025, at the Court's convenience (two weeks after reply brief)	On or after 5/20/2025, at the Court's convenience (two weeks after reply brief)
PLR 3-7 Deadline to disclose intent to rely on Advice of Counsel for any claim or defense related to the Jumio Asserted Patents	30 days after service by the Court of its Claim Construction Ruling	
Last Day to Notice Depositions	30 days before Fact Discovery Cut-Off	
Further Case Management Conference	4 weeks before Fact Discovery Cut-Off	
Fact Discovery Cut-Off	90 days after service by the Court of its Claim Construction Ruling on the Jumio Asserted Patents[3]	
Opening Expert Disclosures	60 days after Fact Discovery Cut-Off	
Rebuttal Expert Disclosures	60 days after Opening Expert Disclosures	
Expert Discovery Cut-Off	30 days after Rebuttal Expert Disclosures	
Deadline to File Dispositive Motions, Motions to Strike Experts, and *Daubert* Motions In the event of cross-motions for summary judgment, deadline for patent owner to file opening brief	60 days after Expert Discovery Cut-Off	

[3] Or 90 days after service by the Court of its Claim Construction Ruling on the FaceTec Asserted Patents, whichever is later.

Event	FaceTec's Proposed Date	Jumio's Proposed Date
Deadline to File Responses to Dispositive Motions, Motions to Strike Experts, and *Daubert* Motions In the event of cross-motions for summary judgment, deadline for [counter-]defendant to file opening/opposition brief	30 days after motions are filed	
Deadline to File Replies in support of Dispositive Motions, Motions to Strike Experts, and *Daubert* Motions	14 days after responses are filed	
In the event of cross-motions for summary judgment, deadline for patent owner to file opposition/reply brief	30 days after opening/opposition brief is filed	
In the event of cross-motions for summary judgment, deadline for [counter-]defendant to file reply brief	14 days after opposition/reply brief is filed	
Hearing on Dispositive Motions, Motions to Strike Experts, and *Daubert* Motions	At least 14 days after final motion briefs are filed, at the Court's convenience	
Pretrial Conference	Approx. 3 months after the Motions Hearing, at the Court's convenience	
Trial	Approx. 4 weeks after the Pretrial Conference, at the Court's convenience	

16. Trial

FaceTec's Position:

Plaintiff has demanded a jury trial in this action and believes that trial will take five to seven days. Jumio has not asserted any patents of its own in this case; if Jumio amends its pleadings, FaceTec will respond accordingly.

Jumio's Position:

Jumio demands a jury trial on all issues so triable. Given that both parties will be asserting patents in this case, Jumio expects the length of the trial to be two weeks (10 court days).

17. Disclosure of Non-party Interested Entities or Persons

FaceTec's Position:

FaceTec has filed its "Certification of Interested Entities or Persons" pursuant to Civil Local Rule 3-15. (Dkt. No. 4.) Plaintiff hereby identifies the following persons, firms, partnerships, corporations (including parent corporations) or other entities known by the party to have either: (i) a financial interest in the subject matter in controversy or in a party to the proceeding; or (ii) any other kind of interest that could be substantially affected by the outcome of the proceeding: iProov Ltd., Defendant in District of Nevada case no. 2:21-cv-02252-ART-BNW, FaceTec, Inc. v. iProov Ltd.

Jumio's Position:

Jumio has filed its Certification of Conflicts and Interested Entities or Persons pursuant to Civil Local Rule 3-15 (*see* Dkt. 17) and reaffirms that, as of the date of this joint statement, there is no conflict or interest (other than the named parties) to report. As noted above, however, Jumio expects iProov to file a motion to intervene in this case and does not intend to oppose such a motion.

18. Professional Conduct

All attorneys of record for the Parties have reviewed the Guidelines for Professional Conduct for the Northern District of California.

19. Other Topics Pursuant to Patent Local Rules 2-1(b)

(1) The Parties have no proposed modifications of the obligations or deadlines set forth in the Patent Local Rules and believe the Patent Local Rules to be suitable for this case. However, as indicated in the proposed schedule set forth in Section 15, above, the Parties believe that certain deadlines set forth in the Civil Local Rules and this Court's Standing Order should be extended based on the nature and complexities of this case.

(2) The proposed schedule set forth in Section 15, above, includes the timing of claim construction and damages discovery. The Parties have not yet proposed or agreed upon any limits to the scope of such discovery.

(3) The Parties agree that the Court should not hear live testimony at the Claim Construction Hearings. The order of presentation should follow the order of briefing for each disputed claim term. That is, at the Claim Construction Hearing for the FaceTec Asserted Patents, for each disputed claim term, FaceTec should have the opportunity to present its position and Jumio should have the opportunity to respond before either party addresses the next term (and vice versa at the hearing for Jumio's patents). The Parties estimate that each hearing can be completed in approximately 3 to 5 hours.

(4) The Parties will educate the Court on the technology at issue through tutorials offered by both sides.

(5) FaceTec is currently unable to provide an estimate of the damages range expected for this case because it currently lacks knowledge as to the number of liveness verifications performed by Jumio using infringing technology. FaceTec will need discovery into Jumio's activities as well as Jumio's technology before it can do so. FaceTec will be in a position to provide such estimate and information within one week of receiving discovery responses in the form of documents and information from Jumio.

Dated: September 12, 2024

ONE LLP

By: */s/ Nathaniel L. Dilger*
Nathaniel L. Dilger
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Dated: September 12, 2024

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ATTESTATION PURSUANT TO LOCAL RULE 5-1(i)(3)

Pursuant to Local Rule 5-1(i)(3) I, Nathaniel L. Dilger, attest that all other signatories listed and on whose behalf the filing is submitted concur in this filing's content and have authorized this filing.

Dated: September 12, 2024

ONE LLP

By: */s/ Nathaniel L. Dilger*
Nathaniel L. Dilger

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EXHIBIT B

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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

FACETEC, INC., *Plaintiff*, *v.* JUMIO CORPORATION, *Defendant* and IPROOV LTD., *Defendant-Intervenor*.	Case No. 3:24-cv-3623-RFL JUMIO CORPORATION'S NOTICE OF MOTION AND MOTION TO STAY CASE PENDING *INTER PARTES* REVIEW Date: January 7, 2025 Time: 10:00 AM Place: Courtroom 15 Hon. Rita F. Lin

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NOTICE OF MOTION

PLEASE TAKE NOTICE that Defendant Jumio Corporation ("Jumio") hereby moves for a stay of this case pending *inter partes* review ("IPR") proceedings before the United States Patent and Trial Appeal Board ("PTAB") regarding all four patents asserted by Plaintiff FaceTec, Inc. ("FaceTec"), and seeks a hearing on the Motion on January 7, 2025, at 10:00 AM, or as soon thereafter as it may be heard by the Court, located at the San Francisco Federal District Courthouse, 450 Golden Gate Avenue, Courtroom 15, 18th Floor before the Honorable Rita F. Lin. Jumio's Motion is based on this Notice of Motion, the following Memorandum of Points and Authorities, the accompanying Declaration of Grant E. Kinsel and attached exhibit, the pleadings and papers on file, and such other materials and oral arguments as the Court may permit.

RELIEF SOUGHT

To greatly simplify the issues before the Court, and to preserve both the parties' and the Court's resources, Jumio seeks an order staying this case pending final (i.e., non-appealable) resolution of the IPR petitions it recently filed challenging the validity of all claims of all four asserted patents.

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Jumio respectfully requests that the Court stay this case pending final resolution of Jumio's recently filed IPR petitions, which challenge the patentability of all claims in all four asserted patents. Normally, Jumio would have waited to bring this motion until the IPRs are instituted by the PTAB, which it expects to happen in approximately six months, but the unique facts and circumstances of this case justify entering a stay now.

One such unique circumstance is that FaceTec essentially requested a stay last month when it sought to dismiss this case without prejudice, and consequently, cannot now plausibly assert that it would be prejudiced by Jumio's requested stay. One of the primary bases for FaceTec's requested dismissal was "to avoid the potential for unnecessarily expending party resources, to preserve scarce judicial resources, and to prevent the possibility of contradictory rulings and judicial findings." Dkt. 45 (FaceTec Request to Dismiss) at 3. While concerns about duplicative litigation were and remain true, as explained below, Jumio nevertheless opposed FaceTec's request because the without-prejudice nature of the dismissal sought by FaceTec would have forced Jumio into a "use it or lose it" position with respect to its IPR petitions and thus, as the Court agreed, subjected Jumio to "plain legal prejudice." Dkt. 52 (Order Denying Request to Dismiss) at 2. Following the Court's denial of FaceTec's request, Jumio, once again, attempted to explain to FaceTec why that this case was unnecessary in view of FaceTec's case against iProov in Nevada, and to dispose of it by agreement. Yet, despite conceding that it "has not been able to independently confirm" whether any Jumio products actually infringe its patents, FaceTec insists on continuing this case against Jumio, thereby forcing Jumio's hand with respect to the IPR petitions. Dkt. 51 (FaceTec Reply re Request to Dismiss) at 2, 4. With the IPR petitions filed, a stay is now appropriate. Indeed, courts in this district routinely grant motions to stay once IPRs are filed—and

before they are instituted—due to the likelihood that such proceedings will narrow and simplify the parties' disputes, if not dispose of the case altogether. Such is the case here.

A second unique circumstance justifying an immediate stay of this case is the undisputed fact that this case is, as FaceTec puts it, "largely duplicative of the District Court of Nevada patent litigation between FaceTec and iProov, which (1) has been ongoing for nearly 3 years and is now at a more advanced stage, and (2) involves the same technology and several of the same FaceTec patents that have been asserted here." Dkt. 45 (FaceTec Request to Dismiss) at 4. Any outcome in the "duplicative" and "more advanced" Nevada case will necessarily and meaningfully narrow—if not entirely dispose of—FaceTec's claims against Jumio in this case. This is so because FaceTec's claims against Jumio will, as a matter of law, either be exhausted (if FaceTec prevails) or barred (if iProov prevails) as to the accused iProov technology, which is the primary target of FaceTec's infringement claims in this case. A stay is, thus, warranted for the additional reason—separate from the likely simplification resulting from the IPRs—that it would prevent duplicative litigation and potentially inconsistent rulings.

This case is at its earliest stage and its makeup will be dramatically affected by either (or both) of the IPR proceedings and the Nevada proceedings. As such, the Court should enter an order immediately staying this case at least until a final, non-appealable judgment is entered in the IPRs.

II. FACTS

A. Procedural History of this Case

On June 14, 2024, FaceTec filed this lawsuit alleging that Jumio infringes four of its patents, primarily, by "using iProov's infringing technology." Dkt. 1, ¶ 32; *see generally id*. Indeed, while the Complaint included vague allegations regarding "recently introduced Jumio-branded liveness detection technologies," the accompanying charts largely focused on liveness-detection technology provided by

iProov—the same technology at issue in FaceTec's case against iProov in the District of Nevada. *Id.*; Dkts. 1-5 – 1-8; Dkt. 45 (FaceTec Request to Dismiss) at 2 ("The products accused of infringement in [the Nevada] case include liveness detection technology that iProov supplies to Jumio and that Jumio provides to many of its customers."). Jumio immediately informed FaceTec that its allegations in this case appeared to be largely (if not entirely) duplicative of those in its separate case against iProov and accordingly requested that FaceTec dismiss this case against Jumio (with prejudice). *E.g.*, Dkt. 49-1, ¶ 2. FaceTec refused.

On September 18, 2024, the Court held its initial case management conference at which it set the case schedule, including setting trial for August 10, 2026. *See* Dkt. 38. At the conference, Jumio confirmed that it intended to file (1) IPR petitions with respect to all four patents asserted by FaceTec, (2) the instant motion to stay this litigation pending resolution of those IPRs, and (3) counterclaims of patent infringement against FaceTec. *See* Dkt. 32 at 9. The parties subsequently agreed to discuss potential resolution of their disputes and to extend the deadline for Jumio to file its counterclaims in view of such ongoing discussions. *See* Dkts. 43, 43-1, 44. But less than 24 hours before the agreed-upon extended deadline for Jumio to file its counterclaims, FaceTec—unilaterally and without warning or explanation—filed a request for voluntary dismissal without prejudice.[1] Dkt. 45. Jumio opposed this request, arguing that the Court should instead dismiss FaceTec's claims against it *with* prejudice, in part, because a dismissal without prejudice (as FaceTec requested) would confront Jumio with a "choice to 'use-it-or-lose-it'" for filing IPRs. Dkt. 52 at 2. On November 1, the Court denied FaceTec's request, agreeing that dismissal without prejudice was "not appropriate" because it would "affect [Jumio's] ability to defend against the refiled claims" contemplated by

[1] Because FaceTec filed its unilateral request to dismiss one day before the extended deadline for Jumio to file counterclaims, Jumio has not yet filed its counterclaims. Jumio reserves the right to request that the Court grant leave for Jumio to file those counterclaims should the Court deny this Motion to Stay.

FaceTec "in case it later learns that Jumio's non-iProov products do infringe." *Id*. at 3; Dkt. 51 (FaceTec Reply re Request to Dismiss) at 4. The Court also granted iProov's motion to intervene in this case. Dkt. 52.

Following the Court's denial of FaceTec's request for voluntary dismissal, Jumio again approached FaceTec to attempt to resolve this case by agreement. But FaceTec refused, leaving Jumio with no choice but to file its IPR petitions. So, on November 7, Jumio filed IPR petitions directed to all claims of all four Asserted Patents. The PTAB has not yet accorded a filing date to the petitions, but when it does, FaceTec will have three months to file a preliminary response to each. *See* 35 U.S.C. § 313; 37 C.F.R. § 42.107(b). The PTAB will then decide whether to institute each petition within three months from the date of FaceTec's response. *See* 35 U.S.C. § 314(b). In accordance with these statutory deadlines, Jumio expects FaceTec to file its preliminary responses no later than February 2025, and the PTAB to decide whether to institute the IPRs no later than May 2025. For each IPR that is instituted, the PTAB can be expected to issue a Final Written Decision by approximately May 2026—some three months before this case is currently set for trial.

B. FaceTec's Co-Pending Litigation Against iProov, and FaceTec's duplicative infringement allegations.

On December 28, 2021, FaceTec filed suit against iProov in the District of Nevada, alleging that iProov infringes two of its patents, both of which FaceTec now asserts against Jumio in this case. *FaceTec, Inc. v. iProov Ltd*., No. 2:21-cv-02252-ART-BNW (D. Nev. 2021) (the "Nevada case"). The Nevada case is significantly farther along than this case. There, claim-construction briefing has been completed[2] and the discovery process is underway. *See generally id*. at Dkts. 40–46, 68, 89, 117. Jumio is not named as a defendant in the Nevada case, but as FaceTec acknowledges, the "products accused of infringement in that case include

[2] A claim construction order has not yet been issued.

liveness detection technology that iProov supplies to Jumio and that Jumio provides [or at some point provided] to many of its customers." Dkt. 45 (FaceTec Request to Dismiss) at 2.

FaceTec's allegations against Jumio in this case are largely focused on these same products. Recently, FaceTec served its infringement contentions, which, as with the Complaint, do not materially expand its allegations against Jumio beyond its allegations against iProov. Indeed, the only non-iProov products charted in FaceTec's infringement contentions are the Jumio Showcase Applications, i.e., demonstrative mobile applications that illustrate the look and feel of certain identity-verification solutions from a user's perspective, such as liveness checks, but are not (and cannot be) used by customers to perform actual liveness checks. Importantly, FaceTec's contentions do not allege that the Jumio Showcase Applications meet each and every limitation of any asserted claim. Rather, FaceTec's contentions rely extensively—and for some limitations, exclusively—on information regarding iProov's liveness technology. FaceTec's contentions further confirm that FaceTec and its legal team did not conduct an adequate prefiling investigation of *Jumio's* products and do not have a good-faith basis for maintaining claims against any of *Jumio's* products. As a result, this case is all but entirely duplicative of the Nevada case. A copy of the letter Jumio recently served FaceTec detailing these issues—in particular, FaceTec's failure to fulfill its obligations under Federal Rule of Civil Procedure 11 and the Patent Local Rules—is attached as Exhibit A to the Declaration of Grant E. Kinsel, filed concurrently herewith. In this letter, Jumio, once again, requested that FaceTec dismiss its claims against Jumio.

III. LEGAL STANDARDS

"A district court has inherent power to control the disposition of the causes on its docket in a manner which will promote economy of time and effort for itself, for counsel, and for litigants." *CMAX, Inc. v. Hall*, 300 F.2d 265, 268 (9th Cir. 1962) (citing *Landis v. N. Am. Co.*, 299 U.S. 248, 254–55 (1936)). When determining

whether a stay is appropriate, courts consider three factors: (1) "the possible damage which may result from the granting of a stay," (2) "the hardship or inequity which a party may suffer in being required to go forward," and (3) "the orderly course of justice measured in terms of the simplifying or complicating of issues, proof, and questions of law which could be expected to result from a stay." *Id*.

A court may, for example, "find it is efficient for its own docket and the fairest course for the parties to enter a stay of an action before it, pending resolution of independent proceedings which bear upon the case." *Dependable Highway Exp., Inc. v. Navigators Ins. Co.*, 498 F.3d 1059, 1066 (9th Cir. 2007) (quoting *Leyva v. Certified Grocers of Cal. Ltd.*, 593 F.2d 863-64 (9th Cir. 1979)). This applies "whether the separate proceedings are judicial, administrative, or arbitral in character, and does not require that the issues in such proceedings are necessarily controlling of the action before the court." *Id*.

Courts in this District have recognized a "liberal policy in favor of granting motions to stay proceedings pending the outcome of USPTO [] proceedings." *Finjan, Inc. v. Symantec Corp.*, 139 F. Supp. 3d 1032, 1035 (N.D. Cal. 2015) (quoting *Pragmatus AV, LLC v. Facebook, Inc.*, No. 11-CV-02168-EJD, 2011 WL 4802958, at *2 (N.D. Cal. Oct. 11, 2011)); *see also*, *e.g.*, *Sec. People, Inc. v. Ojmar US, LLC*, No. 14-cv-04968-HSG, 2015 WL 3453780, at *2 (N.D. Cal. May 29, 2015) (same). Indeed, "judicial efficiency and the desire to avoid inconsistent results may, after careful consideration of the relevant factors, counsel in favor of a limited stay, even before the PTAB has acted on a petition for IPR." *Id*. (quoting *Delphix Corp. v. Actifio, Inc.*, No. 13-cv-04613-BLF, 2014 WL 6068407, at *2 (N.D. Cal. Nov. 13, 2014)); *see also*, *e.g.*, *Sec. People*, 2015 WL 3453780, at *2 (same).

Courts consider three factors, in particular, "when determining whether to grant a stay pending IPR: '(1) whether discovery is complete and whether a trial date has been set; (2) whether a stay will simplify the issues in question and trial of the case; and (3) whether a stay would unduly prejudice or present a clear tactical

disadvantage to the non-moving party.'" *Finjan*, 139 F. Supp. 3d at 1035 (quoting *Evolutionary Intel., LLC v. Facebook, Inc.*, No. 13-cv-04202-SI, 2014 WL 261837, at *1 (N.D. Cal. Jan. 23, 2014)).

IV. ARGUMENT

Jumio's recently filed IPR petitions, as well as FaceTec's ongoing litigation against iProov in Nevada, each form an independent and compelling basis for staying this case. This case is still in its infancy and FaceTec, by its own admission, will not suffer any damage or prejudice if it is stayed. Indeed, resolution of either or both of these concurrent proceedings will inherently narrow and simplify the issues in this case, thereby saving FaceTec (and the Court) significant time and resources. Proceeding with this case before any such resolution, on the other hand, will undoubtedly result in duplicative efforts, wasted resources, and potentially conflicting rulings on key issues. Accordingly, an immediate stay at least pending final resolution of the IPRs is warranted.

A. A Stay is Appropriate in View of Jumio's IPRs

Courts in this District routinely stay cases pending resolution of IPRs (and other post-grant proceedings) even before such proceedings are instituted where, as here, the case is still in an early stage, resolution of such proceedings will simplify the issues, and the stay will not result in any undue prejudice on the patent owner.

1. The early stage of this case weighs in favor of a stay.

There is no dispute that this "litigation is still in its early stages." Dkt. 52 at 3. The Complaint was filed just over five months ago, a case schedule was entered just over two months ago, the claim-construction hearing is set for over six months from now, and no party has served discovery requests. *See* Dkts. 1, 38; *see also* Dkt. 45 (FaceTec Request to Dismiss) at 3 (noting that, as of October 10, "this litigation is at an early stage, neither party has served discovery or infringement or invalidity contentions, and no depositions have been noticed or taken place"); Dkt. 52 (11/1/24 Order Denying Request to Dismiss) at 3 ("The Complaint was filed less

than five months ago, and a case schedule was set less than two months ago. Claim construction is not for another seven months."). Indeed, no party has even requested, and the Court has not entered, a protective order or an e-discovery order.

While FaceTec has now served its infringement contentions, it did so only *after* Jumio requested that FaceTec stipulate to this motion to avoid having to do so. In any event, a patent owner's service of infringement contentions does not constitute "material progress in the litigation" sufficient for this factor to weigh against entering a stay. *Pragmatus AV*, 2011 WL 4802958, at *2–3 ("Beyond the infringement contentions and possibly the invalidity contentions, no discovery has been produced, and no trial date has been set. When, as here, there has been no material progress in the litigation, courts in this district strongly favor granting stays pending inter partes reexamination."). And while the trial date has been set for August 10, 2026, that is nearly two years away—well after the PTAB is expected to issue Final Written Decisions on the IPRs—and "does not tip this factor against a stay." *Pi-Net Int'l, Inc. v. Focus Bus. Bank*, No. C-12-4958-PSG, 2013 WL 4475940, at *3 (N.D. Cal. Aug. 16, 2013); *see also*, *e.g.*, *Anza Tech., Inc. v. Toshiba Am. Elec. Components Inc.*, No. 17-CV-07289-LHK, 2018 WL 4859167, at *1 (N.D. Cal. Sep. 28, 2018) ("Although the Court did set a trial date, that date is not until [seventeen months later.] Thus, the Court concludes this first factor [weighs] in favor of granting the stay."). Indeed, "it is the stage of the instant action, not the [PTAB proceeding], that is germane to whether a stay is appropriate." *Pragmatus Telecom, LLC v. NETGEAR, Inc.*, No. C 12–6198 SBA, 2013 WL 2051636, * 2 (N.D. Cal. May 14, 2013) (collecting cases).

At bottom, the costliest parts of litigation have yet to occur, which "weighs heavily in favor of stay." *E.g.*, *Sec. People*, 2015 WL 3453780, at *2–3; *Ho Keung Tse v. Apple Inc.*, No. C 06-06573 SBA, 2007 WL 2904279, at *2 (N.D.Cal. Oct. 4, 2007) ("A stay is particularly appropriate for cases in the initial stages of litigation or in which there has been little discovery."); *Target Therapeutics, Inc. v. SciMed*

Life Sys., Inc., No. C-94-20775 RPA, 1995 WL 20470, at *2 (N.D. Cal.1995) (finding this factor weighed in favor of a stay given the absence of "significant discovery" or "substantial expense and time ... invested" in the litigation); *Tse v. Apple Inc.*, 2007 U.S. Dist. LEXIS 76521, at *5 (N.D. Cal. Oct. 4, 2007) ("A stay is particularly appropriate for cases in the initial stages of litigation or in which there has been little discovery."); *AbCellera Biologics Inc. v. Berkeley Lights, Inc.*, No. 20-CV-08624-LHK, 2021 WL 4499231, at *1 (N.D. Cal. Aug. 26, 2021) (noting that "the parties are still at the beginning of fact discovery" and "have not yet filed any of their clam construction briefs, which demonstrates that the case is still in its early stages").

Indeed, courts in this District have found on countless occasions "that this factor weighed in favor of a stay in cases where the parties had invested far more resources and moved their cases closer to resolution than is the case here." *Uniloc USA Inc. v. LG Elecs. U.S.A. Inc.*, No. 18-cv-06737-JST, 2019 WL 1905161, *3 (N.D. Cal Apr. 29, 2019) (collecting cases); *see also*, *e.g.*, *Finjan*, 139 F. Supp. 3d at 1035–36 (finding this factor weighed in favor of a stay "[g]iven the relatively early stage of th[e] litigation and the substantial work necessary for the case to proceed through trial," even though the parties had engaged in discovery and "already submitted their claims construction briefs and the Court ha[d] held a claims construction hearing"); *Apple Inc. v. AliveCor, Inc.*, No. 22-cv-07608-HSG, 2023 WL 9187388, *2 (N.D. Cal. Dec. 29, 2023) ("While the Court recognizes that claim construction has begun, the Court finds that this case is still at a relatively early stage overall. Discovery is far from complete… Accordingly, this factor weighs in favor of a stay, certainly at least until the USPTO issues institution decisions as to the AliveCor IPR petitions."); *Barbaro Techs., LLC v. Niantic, Inc.*, No. 18-cv-02955-RS, 2019 WL 13232979, at *2 (N.D. Cal. Apr. 24, 2019) (finding this factor weighed in favor of a stay because the "costlier stages of pretrial preparation remain," even though the parties had already "completed their claim construction

briefing" and discovery was "already underway") (quoting *Contour IP Holding, LLC v. GoPro, Inc.*, No. 17-cv-04738, 2018 WL 6574188, at *3 (N.D. Cal. Dec. 12, 2018) ("Although claim construction is complete and some substantial discovery has already occurred, several costlier stages of pretrial preparation remain, not to mention the trial itself. … This case is not too advanced to make a stay improper or untenable.")); *Cypress Semiconductor Corp. v. LG Elecs., Inc.*, No: C 13-4034 SBA, 2014 WL 5477795, at *2 (N.D. Cal. Oct. 29, 2014) (similar); *DSS Tech. Mgmt., Inc. v. Apple, Inc.*, No. 14-cv-05330-HSG, 2015 WL 1967878, at *1–3 (N.D. Cal. May 1, 2015) (finding this factor weighed in favor of a stay where "significant work" remained and fact discovery was "not scheduled to close for another six months," even though the parties had, among other things, exchanged "multiple sets of infringement and invalidity contentions and interrogatories" and "three sets of written interrogatories," "collectively produced over 100,000 pages of documents," and "fully briefed claim construction issues"); *PersonalWeb Techs., LLC v. Facebook, Inc.*, No. 13-cv-01356-EJD, 2014 WL 116340, at *3–4 (N.D. Cal. Jan. 13, 2014) (finding this factor weighed in favor of a stay "[c]onsidering that the parties ha[d] yet to engage in the significant and costly work of conducting expert discovery and preparing summary judgment motions," even though a claim construction order had been issued and the close of fact discovery was "fast approaching").

Accordingly, the early stage of this case weighs in favor of granting a stay pending resolution of the IPRs.

2. The potential simplification of issues pending resolution of Jumio's IPRs weighs in favor of a stay.

It is axiomatic that, in "the event that the PTAB grants relief on some or all of the petitions, the scope of this litigation may be narrowed, particularly since the petitions involve all of the patent claims alleged in this action." *Cypress Semiconductor*, 2014 WL 5477795, at *2 (citing *AT&T Intellectual Prop. I v. Tivo, Inc.*, 774

F. Supp. 2d 1049, 1053 (N.D. Cal. 2011)); *see also LELO, Inc. v. Standard Innovation (US) Corp.*, No. 13–cv–01393–JD, 2014 WL 2879851, at *3 (N.D.Cal. June 24, 2014) (under this factor, the "standard is simplification of the district court case, not complete elimination of it by the PTAB"); *Finjan*, 139 F. Supp. 3d at 1035 ("Granting a stay pending IPR is 'particularly' likely to simplify the case 'when a party has obtained PTO review of each of the asserted claims in the patents-in-suit.'") (quoting *Evolutionary Intelligence*, 2014 WL 261837, at *2). Although the PTAB has not yet instituted the petitions, "the available statistical evidence showing a substantial likelihood that some claims will be invalidated militates in favor of a stay." [3] *Barbaro Techs.*, 2019 WL 13232979, at *2 (citing *Roche Molecular Systems, Inc. v. Cepheid*, No. C-14-3228, 2015 WL 124523, at *4 (N.D. Cal. Jan. 7, 2015) ("Several cases have granted a stay even where, as here, the PTAB has not yet decided whether to institute an IPR.")). Indeed, courts routinely find that because even "the *possibility* that the PTO may institute review has the *potential* to streamline and even resolve [an] action" in which IPRs are filed on all claims at issue (as Jumio has done here), staying the case is "the most efficient use of resources."[4] *Finjan*, 139 F. Supp. 3d at 1037.

"Moreover, even if some of [FaceTec's] claims survive IPR, the Court will still benefit from the PTAB's rulings." *Cypress Semiconductor*, 2014 WL 5477795, at *2 (citing *AT&T Intellectual Prop. I*, 774 F. Supp. 2d at 1053). As explained by the Federal Circuit, post-grant proceedings not only "eliminate trial of [an] issue (when [a] claim is canceled)," but also "facilitate trial of [an] issue by providing the district court with the expert view of the PTO (when a claim survives the

[3] The institution rate for IPR and PGR petitions for the 2024 fiscal year was 68%. https://www.uspto.gov/sites/default/files/documents/ptab_aia_fy2024__roundup.pdf at 6; *see also id*. at 3, 5 (showing that the vast majority of such petitions were IPRs). The institution rate has steadily increased every year since 2020, and is typically higher for "Electrical/Computer" technology. *Id*. at 6, 8. In addition, of the 6,891 challenged claims that were subject to a Final Written Decision in fiscal year 2024, 5,400 (or roughly 78%) were found to be unpatentable. *Id.* at 13.

[4] All emphasis added unless otherwise indicated.

reexamination proceedings)." *Gould v. Control Laser Corp.*, 705 F.2d 1340, 1342 (Fed. Cir. 1983)); *see also Yodlee, Inc. v. Ablaise Ltd*, No. C-06-07222 SBA, 2009 WL 112857, at *2 (N.D. Cal. Jan. 16, 2009) ("Patent validity is a commonly asserted defense, and courts are cognizant of Congress's intent to utilize the PTO's specialized expertise to reduce costly and time-consuming litigation."). In addition, Jumio will be estopped from asserting any invalidity ground in this case that it "raised or reasonably could have raised" for any surviving claims. 35 U.S.C. § 315(e); *see also*, *e.g.*, *Finjan*, 139 F. Supp. 3d at 1036 ("Staying the case pending the outcome of IPR could simplify the case by rendering some or all of Finjan infringement claims moot, estopping Symantec from asserting any arguments it raised or reasonably could have raised in the IPR, and providing the Court with PTAB's expert opinion on the claims at issue.") (citing *Evolutionary Intelligence*, 2014 WL 261837, at *2).

And "even if the PTO decides to institute review and affirms the validity of every asserted claim, the case would still be simplified because 'such a strong showing would assist in streamlining the presentation of evidence and benefit the trier of fact by providing the expert opinion of the PTO.'" *Finjan*, 139 F. Supp. 3d at 1036–37 (quoting *PersonalWeb Techs.*, 2014 WL 116340, at *4); *see also*, *e.g.*, *Sec. People*, 2015 WL 3453780 at *3 ("Even if the PTAB does not invalidate any claims, the PTAB's claim construction and invalidity analyses 'would likely prove helpful to this Court,' whether or not the standard applied is identical to the one this Court must apply in the litigation.") (quoting *Black Hills Media, LLC v. Pioneer Elecs. (USA) Inc.*, No. 14–cv–00471–SJO, 2014 WL 4638170, at *6 (C.D. Cal. May 8, 2014)); *Core Optical Techs. LLC, v. Fujitsu Network Commc'ns, Inc.*, No. SACV 16-00437-AG-JPRx, 2016 WL 7507760, at *2 (C.D. Cal. Sept. 12, 2016) ("Even if no claim is eliminated, the intrinsic record developed during the IPR may inform on issues like claim construction").

Finally, any concern or argument by FaceTec that this motion is premature is "alleviated by the short time frame" before the PTAB is expected to issue decisions regarding institution, after which FaceTec may file a motion to lift the stay in the unlikely event that, in FaceTec's view, the PTAB does not institute review of enough claims to meaningfully simplify the issues in this case. *See Finjan*, 139 F. Supp. 3d at 1037. But unless and until the PTAB—against all odds—denies institution of every IPR petition filed by Jumio, there is simply no upside to moving forward with this case until final resolution of each petition that is instituted. *Finjan*, 139 F. Supp. 3d at 1037 ("Were the Court to deny the stay until a decision on institution is made, the parties and the Court would expend significant resources on issues that could eventually be mooted by the IPR decision."); *see also*, *e.g.*, *PersonalWeb Techs.*, 2014 WL 116340, at *4 (finding that the four-month delay before PTAB's institution decision would issue was "relatively short" and did not outweigh anticipated simplification of issues).

Accordingly, the likelihood that the IPRs will simplify the issues in this case weighs in favor of granting a stay pending resolution thereof.

3. A stay will not unduly prejudice or present a clear tactical disadvantage to FaceTec.

Based on FaceTec's representations to the Court when it sought to dismiss this case without prejudice just last month, it is hard to fathom any basis on which FaceTec could claim that a stay would subject it to undue prejudice or a clear tactical disadvantage. As an initial matter, FaceTec's request to dismiss was, in effect, a request to stay.[5] Indeed, FaceTec made abundantly clear that although it has no

[5] FaceTec even effectively equated the two, arguing that "filing the IPRs while this case is dismissed is ***better*** than filing the IPRs and then asking the Court to stay the case: the work associated with the IPRs is the same, while the litigation burden is reduced or eliminated without having to request a stay or wait until the stay takes effect." Dkt. 51 at 5–6 (emphasis in original). Of course, FaceTec's assertion that *Jumio* would somehow benefit from this case being dismissed *without prejudice* was manifestly incorrect. *E.g.*, Dkt. 52 at 3 ("FaceTec argues that no prejudice would result from voluntary dismissal without prejudice because Jumio remains free to initiate IPR now. (Dkt. No. 51 at 5.) But where there are significant costs associated with pursuing the defense, and the choice to pursue such defense must be made before its necessity is established, the choice to use-it-or-lose-it amounts

desire to pursue its claims against Jumio *now*, it certainly does not want to lose the opportunity to pursue them in the future. *E.g.*, Dkt. 51 at 2 ("To be clear, FaceTec has requested only dismissal ***without*** prejudice and does not request and cannot agree to dismissal with prejudice." (emphasis in original)), 3 ("[S]hould the Court decide to mandate that any dismissal be with prejudice, then FaceTec would expect to continue prosecuting this case."), 7 ("Should the Court instead agree with Jumio that any dismissal must be with prejudice, then FaceTec requests a reasonable opportunity to withdraw its request for dismissal."). FaceTec's "legitimate reasons" for seeking to temporarily extricate itself from prosecuting its claims against Jumio are also equally applicable to the instant motion. Dkt. 51 at 2. For example, FaceTec's stated desire "to avoid the potential for unnecessarily expending party resources, to preserve scarce judicial resources, and to prevent the possibility of contradictory rulings and judicial findings" will be achieved if the case is stayed pending resolution of the IPRs. Dkt. 45 at 3, 5 (similar).

Moreover, FaceTec disclaimed any argument that it will be prejudiced or disadvantaged if it cannot move its affirmative claims forward while defending against Jumio's IPRs by explicitly suggesting this ***exact*** scenario just one month ago. *E.g.*, Dkt. 51 at 2 ("Jumio's rights and ability to pursue [its declaratory-judgment invalidity counterclaims and IPR] proceedings will not be changed by the dismissal without prejudice of FaceTec's claims. ***Jumio remains free to do both***."), 5 ("Jumio will not have lost any rights to [its IPRs] by virtue of the requested dismissal without prejudice."); *see also* *PersonalWeb Techs.*, 2014 WL 116340 at *3 ("Courts have long acknowledged that a delay inherent to a stay does not, in and of itself, constitute prejudice.").

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to no real choice at all. … Being forced to choose between expending considerable resources or losing the defense of initiating IPR amounts to legal prejudice. Accordingly, FaceTec's motion for voluntary dismissal without prejudice is denied."). However, FaceTec cannot now logically argue that *defending* the IPRs while this case is *stayed* would not be ***better*** than doing so while also actively litigating this case.

For these reasons, Jumio believed that FaceTec would agree to (or, at minimum, have no basis to oppose) a stay and proposed that the parties enter into a stipulation (subject to the Court's approval) to avoid unnecessary briefing on the issue. FaceTec refused. In any event, as explained below, none of the four subfactors courts specifically consider when evaluating prejudice weigh against a stay: "(1) the timing of the IPR petition; (2) the timing of the stay request; (3) the status of review; and (4) the relationship of the parties." *Apple*, 2023 WL 9187388 at *3.

First, Jumio filed its IPR petitions on November 7, 2024—less than five months after being sued by FaceTec on June 14, 2024. This is well-within the timeframe required by 35 U.S.C. § 315(b) and far from a potentially prejudicial "undue delay." *See*, *e.g.*, *Cypress Semiconductor*, 2014 WL 5477795 at *3; *Evolutionary Intel.*, 2013 WL 6672451 at *9. In fact, one of the asserted patents (U.S. Patent No. 11,874,910) did not issue until January 16, 2024, and, thus, was not even IPR-eligible until October 16, 2024[6]—less than a month before Jumio filed an IPR on that patent.

Second, Jumio brings this motion less than three weeks after filing its IPR petitions on November 7, 2024. FaceTec cannot credibly argue that such timing constitutes undue delay or suggests any "dilatory motives or tactics" on Jumio's part. *See*, *e.g.*, *Pi-Net Int'l*, 2013 WL 4475940 at *4; *Abcellera Biologics Inc.*, 2021 WL 4499231 at *2. In fact, Jumio informed FaceTec on multiple occasions that it intended to request a stay after filing its IPRs. *E.g.*, Dkts. 32 at 9 & 51 at 2.

Third, given that Jumio acted expeditiously in filing this motion, the PTAB has not yet instituted its IPRs. However, based on the statutory deadlines for IPR proceedings, the PTAB will issue institution decisions in or around May 2025 and Final Written Decisions in or around May 2026—well before the currently-scheduled trial date of August 10, 2026. In any event, delays "based on the length of the

[6] Pursuant to 35 U.S.C. § 311(c)(1), an IPR petition cannot be filed less than "9 months after the grant of a patent."

PTO's review *standing alone* do not amount to undue prejudice." *Pi-Net Int'l*, 2013 WL 4475940 at *4 (emphasis in original). Nor do delays in receiving institution decisions. *PersonalWeb Techs.*, 2014 WL 116340 at *4 (finding a four-month delay before receiving the Board's institution decision was "relatively short" and did not outweigh the likelihood of simplification of issues); *Barbaro Techs.*, 2019 WL 13232979 at *3 (finding a five-month delay before receiving the Board's institution decision did not prejudice the plaintiff).

Finally, FaceTec cannot proffer any credible "evidence to substantiate an argument that direct competition will result" in prejudice, as required for this sub-factor, *Apple*, 2023 WL 9187388 at *3, at least based on the positions it took when requesting to dismiss this case without prejudice last month.

Accordingly, because FaceTec has no basis for claiming that a stay would result in undue prejudice or a clear tactical advantage, a stay pending resolution of the IPRs is warranted.

B. A Stay is Appropriate in View of the Duplicative Nevada Case

This case should be stayed to prevent duplicative litigation and potentially inconsistent rulings between this case and FaceTec's separate case against iProov in Nevada, regardless of the disposition with respect to the IPRs. When considering motions to stay outside the context of post-grant proceedings, courts generally focus on: (1) "the possible damage which may result from the granting of a stay," (2) "the hardship or inequity which a party may suffer in being required to go forward," and (3) "the orderly course of justice measured in terms of the simplifying or complicating of issues, proof, and questions of law which could be expected to result from a stay." *CMAX, Inc. v. Hall*, 300 F.2d 265, 268 (9th Cir. 1962). All three factors weigh in favor of a stay.

1. A stay will not result in any damage to FaceTec.

FaceTec has no reasonable basis for claiming that it would suffer any damage as a result of staying this case for at least the same reasons it has no basis for

claiming any prejudice or tactical disadvantage, as explained above. *See supra* Section IV.A.3. These reasons include positions FaceTec took when, just last month, it requested to dismiss its claims against Jumio without prejudice. Perhaps most compelling with respect to this factor is FaceTec's admission that it does not currently have ***any*** basis for accusing any Jumio products—that is, any products that are not already subject to its claims in the Nevada case—of infringement. *E.g.*, Dkt. 51 at 2 ("It now appears … that Jumio's infringing products are all source through iProov—***which FaceTec is already suing in the District of Nevada***. … FaceTec might need to contemplate asserting its rights ***if it later finds*** that the representations of Jumio's counsel about non-infringement [of Jumio products] have been inaccurate."), 3 ("Dismissal with prejudice would risk loss of rights with regard to products that Jumio's counsel say do not infringe without verification of that assertion…"), 4 ("FaceTec is faced with the following circumstances: … The products that Jumio has actually developed without iProov ***probably do not infringe*** … but ***FaceTec does not have any definitive or independent source of confirmation of this***."; "dismissal without prejudice will protect FaceTec's interests ***in case it later learns that Jumio's non-iProov products do infringe***"); *see also* Ex. A. Accordingly, because FaceTec does not have any basis for asserting any claims of infringement beyond those already subject to adjudication in the Nevada case, it cannot logically suffer any damage as a result of being temporarily unable to pursue such elusive claims here.

Nor can FaceTec claim that any delay in resolving its claims against iProov products in this case will be harmful because such claims are moving forward—and are currently much farther along—in the Nevada case. *E.g.*, Dkt. 45 at 3 ("…the present lawsuit … adds little to the patent litigation against iProov that is already well underway in the District of Nevada, which involves the same technology and two of the same asserted FaceTec patents. It now appears likely that the current litigation will largely be an unnecessary and wasteful duplication of that ongoing

Nevada litigation."); *Vance v. Google LLC*, No. 5:20-cv-04696-BLF, 2021 WL 534363, at *5 (N.D. Cal. Feb. 12, 2021) ("Because Vance is the plaintiff in both the instant case and in the IBM action, Google's request for a stay does not require that Vance's claims be litigated by another party. Any generalized risk of delayed litigation is minimized by the fact that the IBM action is moving quickly, with discovery set to end in July 2021, and therefore any delay will likely be minimal."). Simply put, "this is not a scenario where [FaceTec] must sit idly by while other parties litigate issues the bear upon their legal rights." *Id*.

To the contrary, FaceTec is actively litigating the same issues against one of the same defendants (iProov) in multiple jurisdictions, thereby "unnecessarily expending [] resources" every step of the way. Dkt. 45 at 3, 5 (similar), 4 ("As such, this litigation appears to be largely duplicative of the District Court of Nevada patent litigation between FaceTec and iProov, which (1) has been ongoing for nearly 3 years and is now at a more advanced stage, and (2) involves the same technology and several of the same FaceTec patents that have been asserted here. *See Case No. 2:21-cv-02252-ART-BNW*. This concern becomes particularly important given iProov's request to intervene in this case."). If anything, staying this case while the "more advanced" Nevada case continues on will *benefit* FaceTec.

2. It is Jumio, not FaceTec, who is at risk of suffering hardship or inequity.

Although Jumio is not a defendant in the Nevada case, the outcome of that case will necessarily moot FaceTec's duplicative claims in this case—either by way of exhaustion or estoppel, as explained below. *See infra* Section IV.B.3. Forcing Jumio to nonetheless defend against such claims is a recognized potential hardship that further tips the scale in favor of staying this case. *Vance*, 2021 WL 534363, at *5 ("Where a denial of stay would cause both parties to incur significant expenses on litigation that may be rendered moot, 'the potential hardship from denying the stay weighs slightly in favor of granting it.'") (quoting *Lal v. Capital One Fin.*

Corp., No. 16-CV-00674-BLF, 2017 WL 282895, at *3 (N.D. Cal. Jan 23, 2017)). So, too, is "the potential for inconsistent rulings and resulting confusion." *Id*. (quoting *Hawai'i v. Trump*, 233 F. Supp. 3d 850, 854 (D. Haw. 2017)).

Accordingly, even though Jumio "is not being asked to litigate on two fronts, it will nonetheless shoulder additional burdens if a stay is not granted." *Vance*, 2021 WL 534363, at *6. Any differences between the Nevada case and the instant case "do not negate the presence of substantial overlapping factual and legal questions, which need not be litigated twice, causing burden to [Jumio]" and, thus, weighing in favor of a stay. *Id*.

3. Granting a stay case will significantly narrow the parties' disputes and simplify the issues, while denying the stay will risk complicating and confusing the issues.

The Nevada court will be addressing all of the same issues with respect to two of the four patents asserted, and the same iProov technology accused of infringement, in this case. *See*, *e.g.*, Dkt. 45 at 2 ("For almost three years, FaceTec has been pursuing a patent infringement case against iProov Ltd. in the District of Nevada (Case No. 2:21-cv-02252-ART-BNW), asserting two of the same patents involved in this case. The products accused of infringement in that case include liveness detection technology that iProov supplies to Jumio and that Jumio provides to many of its customers."). For example, the Nevada court will soon issue claim constructions for these patents, which may be relevant to this Court's understanding of the same claims. Conversely, if this Court conducts claim construction without the benefit of the Nevada court's decisions, there is a risk of potentially conflicting constructions between the two cases, which may then lead to conflicting determinations regarding infringement (with respect to the same accused technology) and invalidity. The implications of such conflicting determinations may very well extend beyond the two patents asserted in both cases given the significant overlap between the subject matter claimed in those patents and the two additional patents asserted here.

Just as importantly, if the Nevada court determines that the accused iProov technology does not infringe, FaceTec will likely be barred by collateral estoppel (or the *Kessler* doctrine[7]) from asserting claims based on iProov's technology in this case. *See*, *e.g.*, *Phil-Insul Corp. v. Airlite Plastics Co.* 854 F.3d 1344, 1353–57 (Fed. Cir. 2017) (finding collateral estoppel prevented the patentee from bringing a patent infringement claim in a second suit where the accused product was essentially the same as the product in the first suit that was found to not infringe); *Reese v. Verizon Cal., Inc.*, 498 Fed. Appx. 980, 982 (Fed. Cir. 2012) ("collateral estoppel in a patent case prevents a plaintiff who previously litigated a claim that certain technology infringed its patent (and lost) from taking 'another bite at the apple" by asserting that the same technology infringes the same patent"); *Khan v. Artivion, Inc.*, No. 2023-2347, 2024 WL 3419942, at *2–3 (Fed. Cir. July 16, 2024) (affirming that collateral estoppel applied to a noninfringement judgment entered against the patentee in a separate infringement action that involved the same accused product and identical issues of noninfringement); *Glover v. Cohen*, 2021-2126, 2022 WL 5082130, at *2–2 (Fed. Cir. Oct. 5, 2022) (finding the patentee's suit was barred by collateral estoppel due to a noninfringement judgment in a previous litigation regarding the same accused product).

Conversely, if FaceTec recovers on its claims against iProov in Nevada, its claims against Jumio will likely be exhausted as to the iProov technology accused here. *See, e.g., Fleming v. Escort, Inc.*, 2013 WL 3995259, at *4 (D. Idaho Aug. 5, 2013) (dismissing the patentee's claims in a second suit against customer defendants involving the same product, finding that, to the degree the patentee's claims sought recovery from the defendants for reselling the same devices, "the claims seek a double recovery that cannot be allowed"); *Papst Licensing GmbH & Co., KG v. Samsung Elecs. Co., Ltd*, 403 F. Supp. 3d 571, 589 (E.D. Tex. 2019) ("If a

[7] *Kessler v. Eldred*, 206 U.S. 285 (1907) (patentee precluded from pursuing users or resellers of noninfringing products).

patentee has collected actual damages from a manufacturer or seller, and those damages fully compensate the patentee for infringement by users, then the patentee cannot recover damages from users of an infringing product").

As such, allowing FaceTec's claims to play out in the Nevada case will likely narrow FaceTec's claims in this case to the benefit of all parties, as well as the Court. *Fuller v. Amerigas Propane, Inc.*, No. 09-2493 TEH, 2009 WL 2390358 at *2 (N.D. Cal. Aug. 3, 2009) ("Duplication of case management tasks by multiple courts is not an economical use of judicial resources."). Because the "factual issues to be resolved in both cases are similar" and "[j]udicial economy … is the primary basis courts consider when ruling on motions to stay," this case should be stayed while such issues are resolved, at least in the first instance, by the Nevada court.

V. CONCLUSION

An immediate stay of this case is warranted, both in view of the PTAB's anticipated institution of IPR proceedings on all four patents asserted by FaceTec in this case and of FaceTec's duplicative claims against Defendant-Intervenor iProov in the District of Nevada. Both concurrent proceedings have the potential to significantly narrow and simplify the issues in this case. Allowing such proceedings to play out while this case is stayed will cause no prejudice or harm to FaceTec, and will prevent both the Court and the parties from wasting resources litigating a case that even the plaintiff does not want to litigate.

Accordingly, Jumio respectfully requests that the Court stay this case pending final resolution of its IPRs.

Dated: November 27, 2024

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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

FACETEC, INC., a Delaware corporation, Plaintiff, v. JUMIO CORPORATION, a Delaware corporation, Defendant, and IRPOOV, LTD., a United Kingdom limited company, Defendant-Intervenor. AND RELATED COUNTERCLAIMS	Case No. 3:24-cv-03623-RFL Hon. Rita F. Lin **FACETEC, INC.'S MEMORANDUM IN OPPOSITION TO MOTION FOR STAY** Date: January 7, 2024 Time: 10:00 AM Crtrm: 15 Complaint Filed: June 14, 2024

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I. INTRODUCTION

The Court should deny Jumio Corporation's ("Jumio") motion to stay this case pending completion of inter partes review proceedings at the Patent Trial and Appeal Board ("PTAB"). At best, a stay would be premature—for at least two reasons.

First, Jumio filed its request with the Court without even acknowledging – much less explaining – the existence of a troubling conflict caused by Perkins Coie LLP ("Perkins") representation of Jumio in a matter directly adverse to its former client, FaceTec. Because of this conflict, FaceTec, Inc., has filed a motion to disqualify Perkins from continuing to represent Jumio in connection with this case. (*See* Dkt. No. 61.) As described in detail in FaceTec's concurrent disqualification motion, Perkins represented and received extensive confidential information from FaceTec regarding precisely the ***same*** FaceTec product and ***same*** FaceTec patent family that are squarely at issue here. (*See id*. at 2-9; *infra* § V.B.) Indeed, current Perkins partner Lowell Ness ***remains*** a corporate officer of FaceTec, and Perkins itself, via a holding company, remains one of the largest holders of FaceTec common stock. Perkins thus violates its duties of loyalty and confidentiality owed to its former client by representing Jumio in a matter directly adverse to FaceTec related to precisely the same subject matter as its prior representation. (*See* Dkt. No. 61 at 9-14.)

Absent a ruling on disqualification—even with a stay in place—Perkins Coie would be free to continue to work in the background on this case, engaging in activities adverse to its former client FaceTec, using confidential information, and giving Jumio information and advice about facts and issues substantially related to Perkins Coie's previous representation of FaceTec, in violation of Perkins Coie's professional duties and FaceTec's rights. It would be unfair and inappropriate for Perkins Coie to continue representing and advising Jumio for months or even years while a stay is in effect. At a minimum, the Court should prevent this manifest prejudice to FaceTec and should first rule on FaceTec's pending motion for disqualification before entertaining a stay.

Second, even apart from the disqualification motion, a stay would be premature because the Patent Trial and Appeal Board ("PTAB") has not decided whether to institute *inter partes*

review of any of the four patents in suit. It is likely that the PTAB will not make that decision until at least May. (*See infra* § V.A.) And there is serious reason to doubt that the PTAB will decide to institute a review, since the most important prior art asserted by Jumio was already considered by the Patent Office in allowing FaceTec's patents, and the other art is cumulative or only marginally relevant. (*See infra* § V.B.) This case should not be left in abeyance for five months or more based on a scant possibility that may never come to pass.

The memorandum supporting Jumio's motion is twenty-one pages long (exclusive of tables, notice of motion, and signature page), exceeding the Court's 15-page limit by 6 pages. But Jumio's overlength motion papers lack any analysis—or even any meaningful description—of its IPR petitions or the purported bases for them. This notable omission highlights the dubious prospects of these petitions. Further, Jumio has failed to show any likelihood that a stay prior to the PTAB's determination decision will result in simplification of this case. The Court can revisit the issue of a stay ***if*** the PTAB institutes *inter partes* reviews of the subject patents.

II. FACTUAL BACKGROUND

A. Jumio's IPR Petitions

In November 2024, Jumio filed four petitions for *inter partes* review, asking the PTAB of the U.S. Patent and Trademark Office ("USPTO") to cancel the claims of the four patents asserted by FaceTec in this case. (IPR2025-00106, IPR2025-00107, IPR2025-00108, IPR2025-00109.) The PTAB sent out a notice a few days ago, giving FaceTec three months to file its preliminary responses to the IPR petitions. (*See, e.g.,* IPR2025-00106, Patent 10,776,471 B2, Paper 5, page 1 "Patent Owner may file a preliminary response to the petition no later than three months from the date of this notice.") After receiving those preliminary responses, the PTAB will decide whether to institute *inter partes* reviews on the patents. That decision is not likely to take place until May. (*See* Jumio's Mot., Dkt. No. 54 at 8:6-7.)

The centerpiece of each of Jumio's IPR petitions is U.S. Patent No. 8,437,513 issued to Derakhshani (the "Derakhshani Patent"), on which each IPR petition relies as a primary reference. But the Patent Examiner ***already*** considered this reference's teachings during prosecution of the asserted patents and allowed the patents in view of them. Indeed, it was the Examiner who located

and cited Derakhshani's teachings when he reviewed a published Derakhshani patent application that has the same disclosure as the Derakhshani Patent. (*See* Dilger Decl., Exh. A (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 patents)). The Examiner thus had the teachings of the Derakhshani Patent in front of him during prosecution of each of the asserted patents and nevertheless issued the patents over this reference. (*See, e.g.*, U.S. Patent No. 10,776,471 at 3 ("References Cited" include U.S. Patent Application Publication 2014/0198959 to Derakhshani, which contains the same teachings as the Derakhshani patent relied on by Jumio in its IPRs).)

Jumio acknowledges that Derakhshani's teachings were before the Examiner in ***only*** one place in each IPR petition. (IPR2025-00106, Paper 1 at 83; IPR2025-00107, Paper 1 at 77; IPR2025-00108, Paper 1 at 80; IPR2025-00109, Paper 1 at 86.). More troubling, in other, more prominent passages, Jumio misrepresented this history, misleadingly emphasizing that it was relying on new prior art or saying that only one other, minor reference had been previously considered. *See, e.g.*, IPR2025-00106, Paper 1 at 5 ("The only reference relied upon here that was cited—but not applied—during prosecution is a later-issued patent from the Hoyos application."); IPR2025-00108, Paper 1 at 5 ("None of the prior art presented here was before the Examiner."). This is not a casual oversight either, as the applicable rules authorizes the PTAB exercise its discretion and deny institution of IPRs when "the same or substantially the same prior art or arguments previously were presented to the Office." 35 U.S.C. § 325(d)

Jumio's expert declarant attempted to likewise hide that Derakhshani's teachings had been previously considered by the Office. (*See* IPR2025-00106, IPR2025-00107, IPR2025-00108, IPR2025-00109, Paper 3 at 44 (for the '471 Patent, "[t]he only prior-art reference that I rely upon below that appeared during prosecution is Hoyos."); *id.* at 51 (for the '938 Patent, "[n]one of the prior art presented here was before the Examiner during prosecution.").

Other prior art cited by Jumio is either redundant with Derakhshani's teachings or of only marginal significance. (*See infra* § V.B.)

Given the above, FaceTec intends to ask the PTAB to exercise its discretion under 35 U.S.C. § 325(d) and deny institution of Jumio's IPRs as based on "the same or substantially the same prior art or arguments previously were presented to the Office."

B. FaceTec's Disqualification Motion

As discussed more thoroughly in FaceTec's motion to disqualify Perkins Coie LLP (Dkt. No. 61), Perkins represented FaceTec for several years in connection with patenting and monetizing the very same technology at issue in this litigation: FaceTec's innovative methods and techniques for biometric user authentication, face verification, and facial recognition. This included Perkins directly prosecuting multiple patent applications filed by FaceTec on software for user authentication, face verification, and facial recognition, referred to as "ZoOm," and also counseling FaceTec—and receiving highly confidential information from FaceTec—regarding the parent patent applications on which the patents asserted in this litigation are based. (*See* Dkt. No. 61 at 2-9.) Further, current Perkins partner Lowell Ness ***remains*** to this day the corporate secretary of FaceTec, and Perkins partners (through a related investment entity) own a significant and valuable stake in the company. (*See id.* at 14.)[1]

Laying out these facts, FaceTec's present counsel has demanded that Perkins withdraw from representing Jumio in this case, in the IPRs, and in any related matters. (*See* Dilger Decl. Exh. B.) But Perkins has refused and days after receiving FaceTec withdrawal demand, Perkins filed the present stay motion without even identifying for the Court the existence of this troubling issue. (*Id.*)

Accordingly, FaceTec has moved this Court to disqualify Perkins under at least California Rules of Professional Conduct 1.9 and 1.10. (*See* Dkt. No. 61 at 9-11.)

III. THE COURT HAS DISCRETION TO DECIDE WHETHER TO ORDER A STAY

The Court's decision whether to order a stay—and when to do so—is highly discretionary. "While the case law states several general considerations that are helpful in determining whether

[1] During much of this time, FaceTec was operating under its former name, "Facial Network"; but Perkins Coie was aware of the name change and indeed did the legal work necessary to implement the name change.

to order a stay, ultimately the Court must decide stay requests on a case-by-case basis." *TPK Touch Solutions, Inc. v. Wintek Electro-Optics Corp.*, Case No. 13-cv-02218 JST, 2013 U.S. Dist. LEXIS 162521, 2013 WL 6021324, at *1 (N.D. Cal. Nov. 13, 2013) (denying motion to stay based on filed IPR); *accord*, *GoPro, Inc. v. C&A Mktg.*, No. 16-cv-03590-JST, 2017 U.S. Dist. LEXIS 92480, at *5 (N.D. Cal. June 15, 2017) (denying motion to stay as to IPR); *Asetek Holdings, Inc. v. Cooler Master Co., Ltd.*, No. 13-cv-00457-JST, 2014 U.S. Dist. LEXIS 47134 at *19-20 (N.D. Cal. Apr. 3, 2014) (denying motion to stay as to instituted IPR).

"A court is under no obligation to stay proceedings pending parallel litigation in the PTAB." *Skillz Platform Inc. v. Aviagames Inc.*, No. 21-cv-02436-BLF, 2022 U.S. Dist. LEXIS 73230, at *4-5 (N.D. Cal. Apr. 13, 2022) (denying stay prior to institution without prejudice) (citing *Aylus Networks, Inc. v. Apple, Inc.*, No. C-13-4700 EMC, 2014 WL 5809053, at *1 (N.D. Cal. Nov. 6, 2014) (denying motion to staying pending institution of IPR) ("A district court has inherent power to manage its own docket and stay proceedings")); *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) ("Courts have inherent power to manage their dockets and stay proceedings . . ."). The moving party bears the burden of proof that a stay is appropriate. *See Skillz Platform*, 2022 U.S. Dist. LEXIS 73230 at *4-5.

Courts look to multiple factors in deciding whether to order a stay pending the filing or institution of an IPR.[2] A stay should be denied where it would unduly prejudice and tactically disadvantage the opposing party, which would obviously be the case here given the troubling issue of Perkin's prior representation of Facetec. A stay would mean Perkins could continue to engage in ongoing ethical violations. Nor is it clear that a stay would simplify the issues in this case when it remains wholly unclear and highly questionable whether an IPR will ever be instituted. The Court should therefore exercise its discretion to deny Jumio's motion.

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[2] The factors that courts in this District consider when determining whether to stay litigation are: (1) whether discovery is complete and whether a trial date has been set; (2) whether a stay will simplify the issues in question and trial of the case; and (3) whether a stay would unduly prejudice or present a clear tactical disadvantage to the nonmoving party. *Telemac Corp. v. Teledigital, Inc.*, 450 F. Supp. 2d 1107, 1111 (N.D. Cal. 2006) (denying motion to stay); *Avago Techs. Fiber IP*, 2011 U.S. Dist. LEXIS 82665 at *12 (denying motion to stay despite pending reexamination). "Case-specific equitable concerns are also often taken into account." *Id.*

IV. PERKINS SHOULD NOT BE ALLOWED TO EVADE A RULING ON ITS DISQUALIFICATION.

Ordering a stay before ruling on FaceTec's disqualification motion would "present a clear tactical disadvantage" to FaceTec and unduly prejudice it. *Entangled Media, LLC v. Dropbox Inc.*, No. 23-cv-03264-PCP, 2024 U.S. Dist. LEXIS 81672, at *5 (N.D. Cal. May 3, 2024) (denying motion to stay based on filed IPR). FaceTec should not be forced to endure ongoing ethical violations by its former counsel just because of the filing of IPRs and a motion to stay, particularly when Perkins (1) participated in the development of FaceTec's ZoOm biometric security software and the prosecution of the patent portfolio related to this product (including the very patents asserted here), (2) continues to serve as FaceTec's corporate secretary, and (3) to date owns a large stake in FaceTec's company. (*See* Dkt. No. 61 at 10.)

The Court should promptly resolve these ethical issues and put an end to such violations by Perkins prior to considering any potential stay.

V. ANY STAY SHOULD AWAIT THE PTAB'S DECISIONS WHETHER TO INSTITUTE ANY IPR PROCEEDINGS.

A. Jumio Has Failed to Show that a Stay Will Simplify the Issues.

The Court should decline to stay this case at least until the PTAB decides whether to institute the IPRs filed by Jumio. Regarding the question of simplification, Jumio's arguments are entirely speculative and lack any meaningful factual support. "[T]he filing of an IPR request does not by itself simplify the issues in a case." *DiCon Fiberoptics, Inc. v. Preciseley Microtechnology Corp.*, No. 15-cv-1362-BLF, 2015 U.S. Dist. LEXIS 188626, at *2 (N.D. Cal. Oct. 13, 2015) (denying motion to stay); *see Haptic, Inc. v. Apple, Inc.*, No. 3:24-cv-02296-JSC, 2024 U.S. Dist. LEXIS 211402, at *7 (N.D. Cal. Nov. 20, 2024) (denying motion to stay based on filed IPR).

"[T]he question of whether a stay will simplify and streamline the issues in this litigation depends entirely on whether the PTAB decides to grant the IPR petition." *Dicon Fiberoptics*, 2015 U.S. Dist. LEXIS 188626, at *5. "Since the PTAB may decide not to institute IPR, there is a possibility that a 5-month stay would only delay the case without any benefit to the Court or the parties." *Skillz Platform*, 2022 U.S. Dist. LEXIS 73230, at *13; *see also id*. at *9 (citing

VirtualAgility Inc. v. Salesforce.com, Inc., 759 F.3d 1307, at 1315-16 (Fed. Cir. 2014) ("[I]t was not error for the district court to wait until the PTAB made its decision to institute [ ] review before it ruled on the motion. Indeed, while some district courts ruled on motions to stay before the PTAB granted the petition for post-grant review . . . others have waited until post-grant review was instituted[.]")).

Accordingly, courts in this district have frequently found that "any simplification of the issues is speculative because the PTAB has not yet instituted review" and have denied motions to stay on that ground. *See Entangled Media,* 2024 U.S. Dist. LEXIS 81672, at *8 (denying motion to stay based on filed IPR) (finding that any prediction as to whether the PTAB will institute the IPRs is speculative and "untethered from the specific facts of this case," and as such provides little guidance to the Court); *Skillz Platform*, 2022 U.S. Dist. LEXIS 73230, at *8-9 ("The Court finds that simplification from the IPRs is purely speculative at this stage.") (citing *Lighting Science Grp. Corp. v. Shenzhen Jiawei Photovoltaic Lighting Co., Ltd.*, No. 16-cv-03886-BLF, 2017 U.S. Dist. LEXIS 94182 at *8-9 (N.D. Cal. June 19, 2017) ("[W]hen the PTAB has never before considered the patentability of particular patent claims, the simple fact that a petition has been filed gives little indication as to the future course of the IPR.")); *Int'l Test Sols., Inc. v. Mipox Int'l Corp.*, No. 16-CV-00791-RS, 2017 U.S. Dist. LEXIS 54627 at *6 (N.D. Cal. Apr. 10, 2017) (denying motion to stay) ("[S]everal courts in this district have recently declined to grant a stay, where, as here, 'the PTAB has not yet acted on the petitions.'") (quoting *Hewlett-Packard Co. v. ServiceNow, Inc.*, No. 14-cv-00570-BLF, 2015 U.S. Dist. LEXIS 47754 at *6 (N.D. Cal. April 9, 2015) (denying motion to stay)); *SAGE Electrochromics, Inc. v. View, Inc.*, 2015 U.S. Dist. LEXIS 1056 at *10 (N.D. Cal. Jan. 5, 2015) ("the uncertainty surrounding whether the PTO will elect to institute IPR proceedings weighs against a finding of likelihood of simplification of the issues"); *DiCon Fiberoptics, Inc.*, 2015 U.S. Dist. LEXIS 188626, at *6 (denying motion to stay pending IPR) ("Absent unusual circumstances, the Court finds that the filing of an IPR request does not by itself simplify the issues in a case."); *TPK Touch Sols.*, 2013 U.S. Dist. LEXIS 162521, at *12 (denying motion to stay as to filed IPR) ("While an IPR proceeding might simplify a case once IPR has been granted, at this point it is too early to draw that conclusion.");

see also Entropic Commc'ns, LLC v. DIRECTV, LLC, No. 2:22-cv-07775, 2023 U.S. Dist. LEXIS 86017, at *7 (C.D. Cal. Apr. 17, 2023) (denying motion to stay) ("This case is in its early stages, but any simplification of the issues is speculative because the PTAB has not yet decided to institute review of DISH's petitions."). This Court should do the same.

B. It Is Doubtful that the PTAB Will Institute the IPRs.

The IPRs filed by Jumio are weak and may never be instituted. Indeed, they all share a potentially fatal flaw—which Jumio has misleadingly attempted to obscure from the PTAB—namely that both 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. *See, e.g.*, IPR2025-00106, Paper 1 at 5 ("The only reference relied upon here that was cited—but not applied—during prosecution is a later-issued patent from the Hoyos application."); IPR2025-00108, Paper 1 at 5 ("None of the prior art presented here was before the Examiner."); IPR2025-00106, IPR2025-00107, IPR2025-00108, IPR2025-00109, Paper 3 at 44 (for the '471 Patent, "[t]he only prior-art reference that I rely upon below that appeared during prosecution is Hoyos."); *id.* at 51 (for the '938 Patent, "[n]one of the prior art presented here was before the Examiner during prosecution.").

But in fact, the very centerpiece of each and every one of Jumio's IPR petitions—the Derakhshani Patent—***was*** considered by the Patent Examiner during prosecution of the asserted patents. Indeed, the Examiner originally located and cited a Derakhshani patent publication having the identical disclosure as the Derakhshani Patent. (*See* Dilger Decl., Exh. A (July 17, 2017, Office Action, Notice of References Cited in Application No. 14/839,505). Derakhshani's teachings were then placed in front of the Examiner during prosecution of each of the asserted patents. (*See, e.g.*, Dkt. No. 1-1, Complaint Exh. A, U.S. Patent No. 10,776,471 at 3 ("References Cited" include U.S. Patent Application Publication 2014/0198959 to Derakhshani, which contains the same teachings as the Derakhshani patent relied on by Jumio in its IPRs).)

These misrepresentations undermine the credibility of Jumio's petitions and raise a strong prospect that the PTAB will exercise its discretion to deny institution of the requested IPRs under

35 U.S.C. § 325(d), which applies when "the same or substantially the same prior art or arguments previously were presented to the Office." Here, Derakhshani's teachings were well-known to the Examiner in one of the earliest applications in the challenged patents' family, and he was reminded of it during prosecution of every asserted patent. The PTAB has regularly exercised its Section 325(d) denial discretion, and there is good reason to believe it may do so here. *See, e.g., Siemens Mobility, Inc. et al. v. Metrom Rail, LLC*, IPR2024-00947, Paper 12 (P.T.A.B. Nov. 19, 2024) (denying institution under § 325(d); *Helena Labs. Corp. v. Sebia*, IPR2024-00801, Paper 10 (P.T.A.B. Oct. 23, 2024) (same).

While Jumio also provided an alternative reference, the Zhang Patent, as the primary reference in Ground 2 of each IPR, that patent does not appear to add anything meaningful beyond the teachings of the already-considered Derakhshani Patent. Jumio indeed relies on the Zhang Patent as teaching the same claim limitations as Derakhshani for many of the challenged claims. (*Compare* IPR2025-00106, Paper 1 at 16-27, *with id.* at 53-63 (Jumio relying on Zhang and Derakhshani for the same limitations for claim 1).) When a reference provides teachings that are cumulative of those that were already considered by the Office, the PTAB has invoked Section 325(d) to deny institution. *See, e.g., Helena Labs. Corp.*, IPR2024-00801, Paper 10 at 8 ("We determine below that each of the asserted references are the same as, or cumulative to, references presented to the Examiner during prosecution and, thus, we determine that the 'same or substantially the same prior art' previously was presented to the Office."); *Roku, Inc. v. Universal Elecs., Inc.*, IPR2019-01619, Paper 11 at 16-17 (P.T.A.B. Apr. 2, 2020) (denying institution where asserted reference was cumulative of a reference previously considered).

Jumio's IPR petitions also rely on a reference to Tanii, but Tanii focuses on correcting image warp where the perspective is exaggerated due to an image being captured with a user's face at close range. The Tanii reference has nothing to do with liveness detection, detecting three-dimensionality, authentication, spoofing, or any other salient aspect related to the challenged patents. Jumio suggests it would have been obvious to incorporate Tanii's imaging techniques into the anti-spoofing systems of Derakhshani and Zhang, but there was no motivation to do so without improper hindsight based on the teachings and claims of the challenged patents. *See, e.g.,*

IriusRisk, Inc. v. Threatmodeler Software Inc., Paper 33 at 50 (P.T.A.B. Oct. 2, 2024) ("We agree with Patent Owner and find Petitioner's arguments unpersuasive, because Petitioner's proffered reasons for combining Zheng and Baker are plagued by impermissible hindsight."). In short, Jumio is basically recycling prior-art teachings that the Patent Office already considered in approving FaceTec's patents and has failed to offer the PTAB any compelling basis for *inter partes* review.

C. The Nevada Case Does Not Justify a Stay.

Besides citing the IPR petitions, Jumio tries to raise the litigation between FaceTec and iProov in Nevada as somehow supporting a stay in this case. But Jumio provides no persuasive argument or authority for staying this case on that basis. This case involves two patents that are not asserted in the Nevada case, and the Nevada case is not close to reaching a resolution. Although there has been significant activity in that case, important aspects have been on hold since the parties completed the briefing of claim construction in January 2023—with no *Markman* hearing scheduled to date and only ***one*** deposition taken.

In addition to including two different patents, this case is likely to involve different products as well. While it appeared for a time that – based on the representations of Jumio's counsel – FaceTec was mistaken in identifying Jumio's proprietary liveness assurance technology, it now appears that FaceTec was correct. Ironically, while accusing FaceTec's counsel of violating Rule 11, Jumio's counsel has repeatedly and profoundly contradicted clear representations that he made to FaceTec's counsel—representations that led FaceTec to believe that Jumio's proprietary liveness assurance technology was not at issue. Based on the statements that Jumio's counsel made in his Rule 11 letter, it appears that Jumio's proprietary technology does in fact infringe FaceTec's patents and provides another reason why this case should proceed independently of the Nevada case.[3]

[3] It is meaningless for Jumio's counsel to argue that FaceTec cited a demonstration version of Jumio's liveness verification technology. If the demonstration shows how Jumio's technology works—which is its whole purpose—then it can show infringement.

D. The Direct Competition Between FaceTec and Jumio Militates Against a Stay.

Another significant factor for the Court to consider is that FaceTec and Jumio are direct competitors in providing verification services. (*See* Complaint, Docket No. 1 ¶ 30, "Jumio is a direct competitor of FaceTec and provides competing biometric liveness detection software products.") Courts are particularly reluctant to order stays under such circumstances. *See Hewlett-Packard Co.*, 2015 U.S. Dist. LEXIS 47754, at *6 ("In similar circumstances, other judges in this district have been reluctant to grant a stay, especially where – as here – the patent holder and the accused infringer are direct competitors.") (citing *Boundaries Solutions, Inc. v. Corelogic, Inc.*, No. 5:14-cv-00761-PSG, 2014 U.S. Dist. LEXIS 175590 at *3, n.5 (N.D. Cal. Dec. 19, 2014) (stay denied when PTAB had not yet acted on petition for IPR and parties were direct competitors)); *Avago Techs. Fiber IP (Sing.) Pte Ltd. v. Iptronics Inc.*, No. 10-CV-02863-EJD, 2011 U.S. Dist. LEXIS 82665, at *5 (N.D. Cal. Jul. 28, 2011) (denying motion to stay case) ("Unlike patent infringement actions involving non-practicing entities, infringement among competitors can cause harm in the marketplace that is not compensable by readily calculable money damages."); *Asetek Holdings*, 2014 U.S. Dist. LEXIS 47134, at *17 (denying motion to stay) ("Courts recognize that, when the parties are direct competitors, the risk of prejudice is higher to the non-moving party than it would be otherwise.") (citing *Tric Tools, Inc. v. TT Technologies, Inc.*, No. 12-cv-3490-YGR, 2012 U.S. Dist. LEXIS 153820 at *6-7 (N.D. Cal. Oct. 25, 2012) (denying motion to stay pending reexaminations), *on reconsideration*, 2012 U.S. Dist. LEXIS 174149, 2012 WL 6087483 (N.D. Cal. Dec. 6, 2012) (citing *Allergan Inc. v. Cayman Chemical Co.*, No. 07-cv-1316-JVS, 2009 U.S. Dist. LEXIS 131889 at *5-7 (C.D. Cal. 2009) (denying stay partly because parties are direct competitors)); *Interwoven, Inc. v. Vertical Comput. Sys.*, No. C 10-04645 RS, 2012 U.S. Dist. LEXIS 30946, at *7-8 (N.D. Cal. Mar. 8, 2012) (denying motion to stay pending *ex parte* reexamination). ("The parties' status as direct competitors also weighs against a stay because it increases the likelihood of undue prejudice.") (citing *Avago Tech. Fiber IP*, 2011 U.S. Dist. LEXIS 82665 at *17 (denying motion to stay pending reexamination) ("[E]ven 'ordinary' competition can justify denial of a stay when that competition is based on alleged infringement and has effects that would be difficult to reverse

after the fact.")).[4] Where – as is the case here – parties are direct competitors, "courts presume that a stay will prejudice the nonmovant." *ADA Solutions, Inc. v. Engineered Plastics, Inc.*, 826 F.Supp.2d 348, 351 (D. Mass. 2011); *see also Allergan*, 2009 U.S. Dist. LEXIS 131889 at *5 (denying stay partly because parties are direct competitors); *Nat'l. Oilwell Varco, L.P. v. Auto-Dril, Inc.*, 2010 U.S. Dist. LEXIS 90963, 2010 WL 8923337 at * 1 (E.D. Tex. 2010) (denying stay because parties are direct competitors)). Given this obvious prejudice, Jumio's motion should be denied.

VI. CONCLUSION

As set forth above, the Court should decide FaceTec's motion for disqualification of Perkins prior to entertaining any stay. Even then, the Court should deny Jumio's motion to stay this case pending the PTAB's determination whether to institute any IPRs.

Dated: December 16, 2024

ONE LLP

By: */s/ Nathaniel L. Dilger*
Nathaniel L. Dilger
Peter R. Afrasiabi
William J. O'Brien
Taylor C. Foss

Attorneys for Plaintiff and Counter-Defendant, FaceTec, Inc.

[4] Case law regarding stays for patent reexaminations applies to stays for IPR proceedings. *See Oil States Energy Servs., LLC*, 138 S. Ct. at 1370-71 ("The America Invents Act replaced inter partes reexamination with inter partes review."); *see also CANVS Corp. v. United States*, 118 Fed. Cl. 587, 591 n.5 (2014) ("Although inter partes review is a new means to challenge patent validity, the same general principles that governed stays pending the old inter partes reexamination process should apply with equal force to stays pending the new inter partes review."); *Robert Bosch Healthcare Sys. Inc. v. Cardiocom, LLC*, No. C-14-1575 EMC, 2014 U.S. Dist. LEXIS 92792 at *9 (N.D. Cal. July 3, 2014) ("While these cases discuss the framework applicable to motions to stay pending reexamination, district courts in the Ninth Circuit have applied the same framework to motions to stay pending IPR").

CERTIFICATE OF SERVICE

I hereby certify that on December 16, 2024, I electronically filed the foregoing document with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to all counsel of record for the parties.

By: */s/ Nathaniel L. Dilger*
Nathaniel L. Dilger

EXHIBIT D

facetec anchoring identity

SAY GOODBYE TO

TRUSTED TO PROVIDE OVER

3,400,000,000

3D LIVENESS CHECKS ANNUALLY

3D LIVENESS, KYC & 3D FACE VERIFICATION SOFTWARE

Certified Anti-Spoofing + $600,000 Spoof Bounty Program
Leading 3D Face Matching: 1/125M FAR + UR Codes

Try the FaceTec Demos Now:

App Store | Google Play | Webcam

3D Liveness, Photo ID Scan, NFC, Matching & Age Checks for >**10 Billion Smart Devices** & **Webcams**.

Ends Identity Theft & User Fraud. UnSharable, UnPhishable & Virtually **Spoof-Proof**.

Patented ZoOm-in FaceScan® Creates a **3D FaceMap**® with a 2-Second Video-Selfie.

FaceTec Anchors Digital Identity

UR Codes, 3D Liveness, OCR, Barcode/NFC for KYC Onboarding + 3D Face Matching for Ongoing Re-Verification

VERIFIES
CAMERA SECURITY

VERIFIES
3D LIVENESS

VERIFIES
BIOMETRIC IDENTITY

FaceTec proves the Correct User is physically present by Matching them to their ID Photo or 3D FaceMap.

Frictionless Security for Real Users

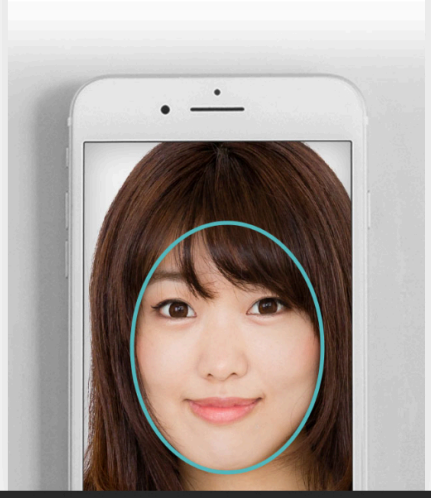
Liveness Checks, Face Matches & Photo ID Scans are now fast, easy, and secure for everyone, regardless of their device. During onboarding, FaceTec's software records a quick video-selfie, verifies 3D Liveness, matches the 3D FaceMap® to the photo on the ID, OCRs ID text, checks for signs of ID tampering, and scans other enrolled 3D faces for duplicates. Upon their return, another video-selfie confirms the user's 3D Liveness and their new 3D FaceMap is compared to the old one from onboarding. If they match, the positively identified user can be granted account access. Watch the 5-Minute Video Tour

Brick Wall for Bad Actors

Use your 3D face to unlock anything from a car door to a bank account. Real users get easy access, but bad actors and bots are rebuffed by anti-spoofing AI certified by a NIST/NVLAP lab and relentlessly tested via our $600,000

FOR ALL MODERN
SMART DEVICES & WEBCAMS

Spoof Bounty. FaceTec is the industry leader that invented the 3D FaceMap, the 3D biometric modality created solely to provide the most secure, intuitive, and cost-effective biometric security for remote digital identity.



CERTIFIED LIVENESS DETECTION IN 2-3 SECONDS

WORKS IN REAL-WORLD LIGHTING CONDITIONS

GREAT WITH GLASSES, MAKEUP & BEARDS

Certified Liveness + 3D Face Matching

Try the FaceTec Demo Apps

Available on the App Store | Get it on Google Play | Try FaceTec on your Webcam

SECURITY CERTIFIED #1 IN THE WORLD

FaceTec's Encrypted 3D FaceMaps:

- Can't Be Phished From Users
- Aren't a Biometric Honeypot
- Stop Credential Sharing
- Stop Botnet Attacks
- 1:1 Match at 1/125M FAR

Can a Simple Selfie Really Provide Security?

No, because 2D photos of most people are available all over the Internet. But FaceTec isn't just a "selfie"; it's a real-time 3D FaceScan that collects time-stamped, un-reusable Liveness data and creates a 3D FaceMap, which IS NOT publicly available online. FaceTec's software isn't fooled by photos, masks, or deepfakes, and ensures that the user is actually physically present.

FaceTec's Liveness Detection AI must observe so many concurrent human traits that spoof artifacts are unable to recreate them all in real-time. For ongoing user re-verification, FaceTec's 3D face matching compares a new Liveness-proven 3D FaceMap with the user's previously-stored 3D FaceMap. If they match highly (1/125M FAR), the user can be granted access.
Try our $600,000 Spoof Bounty Program for yourself!

Time-Stamped 3D Liveness = No Security Honeypot Risk

Two types of data are required for every face verification: 3D Face data for matching and real-time 3D Liveness data to prove the Face data was collected from a physically present person. 3D Liveness data is time-stamped, valid

- 1:N De-duplicate up to 1/1B FAR
- Match 2D Photos up to 1/2M FAR
- Provide Anonymous Age Checks

Want To Learn More?

Read The WHITE PAPERS

only for a few minutes, and can be deleted immediately. New 3D Liveness data must be collected for every subsequent 3D FaceScan.

FaceTec's Customers don't create security honeypot risk by storing 3D FaceMaps because they contain "face data" without the Liveness data required in a new 3D FaceScan session, so they cannot be re-used to spoof FaceTec's 3D Liveness AI.

HOW FaceTec WORKS

As the camera's view of the 3D user changes, it observes perspective distortion in the video. FaceTec's AI processes the 100+ frames over two-to-three seconds and then interpolates that data into a 3D FaceMap from any .3MP+ 2D camera.

UnZoOmed view **12 inches away**

NORMAL, NO DISTORTION

ZoOmed view **7-8 inches away**

FISH-EYE, PERSPECTIVE DISTORTION

CERTIFIED LIVENESS DETECTION

We've devoted more time to anti-spoofing than anyone, ever. Over nearly a decade we've performed hundreds-of-millions of spoof attempts with every conceivable type of media and learned how to stop them. For more info see: www.Liveness.com

Attack Vectors include:

- 2D paper photos & digital images
- High resolution videos
- Paper masks with eye & mouth cutouts
- Hollywood masks, wax figures & lifelike dolls
- Photos or video frames animated into avatars
- Video projections on 3D heads
- Sleeping users with closed eyes
- Device Emulators & Virtual Camera programs
- Impostors, lookalikes & doppelgangers
- Hardware Video Injection adapters

Operating a Spoof Bounty Program since October 2019, and passing NIST/NVLAP Lab Level 1 & 2 PAD testing with 0% FAR years before that is proof that FaceTec is the biometric modality that is virtually impossible to fool using today's media technology.

iBeta LEVEL 1 ISO 30107-3 CERTIFIED

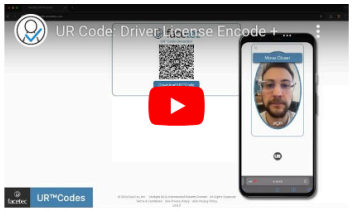
iBeta LEVEL 2 ISO 30107-3 CERTIFIED

UR® CODES

What are UR Codes?
UR Codes contain digitally signed biometric data and enable privacy-preserving in-person and remote Identity Verification. Codeholders can prove, with high confidence, their legal identity, age, and right to access their accounts or privileges, both in-person and remotely. Because they store unique, signed face data, personal info, and legal identity data, UR Codes enable secure, low-cost, two-party identity verification at unlimited scale.

Learn More at URCodes.com and in the Intro to UR Codes.pdf
Look for the UR Code Seal for secure remote identity verification:

View the UR Code Developer Docs here



Immutably bind Anyone to their identity data from any Issuing Authority (DMV, school, employer, etc.).

BIOMETRIC BEST PRACTICES

- Demand 3D Liveness Detection backed by a Spoof Bounty Program. Without it, you cannot trust unsupervised users and will be put at risk by images on Facebook/Google/YouTube, and those in data breaches. With strong 3D Liveness & 3D Matching, 2D photos stored online (or breached) can't be leveraged against your users. Whitepaper
- Delete Liveness Data after each login and collect new Liveness Data for every new session. This prevents biometric honeypots and allows for safe, centralized biometric storage. See www.Liveness.com
- You store all of your User's biometric data & PII on your servers which run FaceTec's software inside your firewall. 3D is the only way to verify biometric identity remotely, enable cross-platform logins, simplify device upgrades, & allow multiple users /device.
- Only true 3D Algorithms that measure the shape of the user's face can be unbiased to skin tone. FaceTec trained its 3D Algorithms with the help of over **half-a-million volunteer testers** from over 180 countries.
- Get the Acuity Research Report: Face Verification & Liveness Synonymous with Remote Onboarding

Certified Liveness + 3D Face Matching
Try the FaceTec Demo Apps

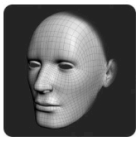
Available on the App Store | Get it on Google Play | Try FaceTec on your Webcam

2D VS. 3D FACE MATCHING

2D Matching will never have the accuracy needed for true Unsupervised Identity Verification. There's just too much variability in how the same 3D human face appears when flattened into 2D at different image capture distances. This variability creates significant overlapping

similarity between the 2D features of different humans and confuses the 2D algorithms, preventing them from achieving highly accurate FARs at usable FRRs.

Apple, Google, and Intel understand this, so their 3D Face Matching systems use 3D infrared cameras, but that, of course, requires each device to include special hardware. In contrast, FaceTec securely performs 3D Matching from virtually any device with a 2D camera.

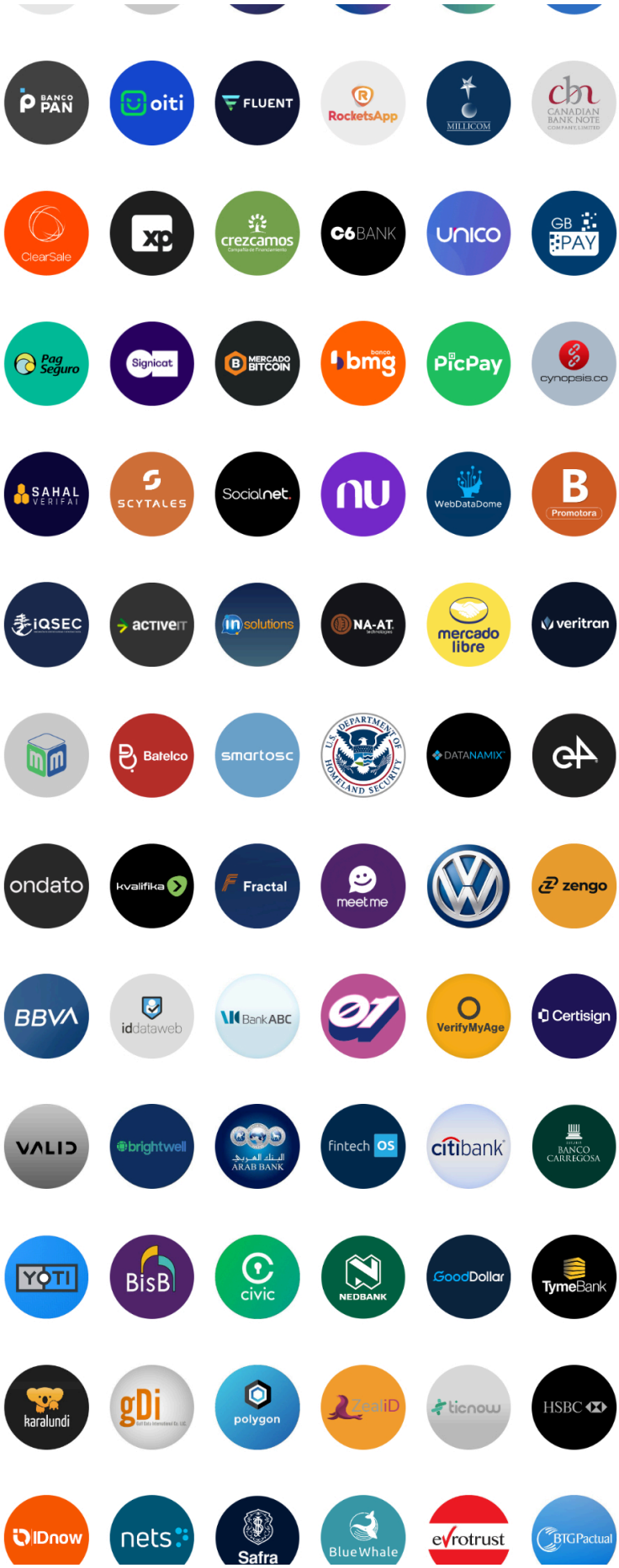


TYPE	2D SOFTWARE	3D HARDWARE	FaceTec® 3D SOFTWARE
AXES	X,Y	X,Y,Z	X,Y + TIME
Vendors	Aware, BioID, Daon, FacePhi, Idemia, iProov, ID R&D, etc	Apple FaceID, Google Pixel 4, Intel RealSense®	FaceTec + > 90 Channel Partners Worldwide
Purpose	Face Matching	Unlock Mobile Phones	3D Face Matching
Installed Base	10+ Billion Smart Devices (Android-85% + iOS-14% & Webcams)	Only new iPhones have FaceID & Pixel 4 = < 12% of market	10+ Billion Smart Devices (Android-85% + iOS-14% & Webcams)
Portable Biometric	Varies	None, re-enroll on each device	Cross-Device & Cross-Platform
Technology	Legacy 2D Matching Software	Hardware: Infrared Camera Array & Neural Network Chip	Software: Real-time Computer Vision + 100% proprietary AI
Interface	Varies	Glance to unlock phone	3D Video Selfie: ~2 Seconds
Skin Tone Bias	Most 2D Algos have bias at published FARs	None-Reported	None observable in the Lab or Real-World usage
Device SDK Info	Varies	No SDK possible, special hardware required	Device SDKs for Android/iOS, web + Server SDK
Liveness Method	Blink, Smile, Turn Head or Flashing Lights, etc	Infrared dots + neural network chip determine if user is 3D	Measures 3D Depth, skin texture, eye reflections, etc
Liveness Strength	Fairly Weak	Fairly Strong	Very Strong
3D Depth Detection	Weak	Very Strong	Very Strong
Intellectual Property	Legacy tech, too old for meaningful patents	20+ infrared related patents acquired in 2013	20+ Patents on 3D process issued globally
FAR/FRR	Varies, but 1/<75,000 at real world usable FRRs	1/1M - No FRR stated	1/125,000,000 FAR @ <1% FRR
Identical Twin Differentiation	Very Weak	"If you have a Twin, use a PIN."	High 1:1 FAR provides Best Possible Twin Differentiation
Liveness Testing Certifications	No, only non-standardized conformances, no camera feed security tested	No Official 3rd Party Testing	Certified Level 1 & 2 Spoof Detection by NIST/NVLAP LAB - Liveness.com
Age Estimation	2D = poor Age Estimates	Not Available	"Better than Human" Face-only Anonymous Age Estimation
Match to Photo ID	Low-detail & problems with aged photos = low match rates	Not Available	Up to 1/2,000,000 Match Confidence with 3D:2D
Password Replacement?	Not secure enough, Liveness too Weak & FAR too low	No, only used for convenience	Yes, universal device support, highly secure & convenient
Spoof Bounty Programs?	No, 2D is easily spoofed	No, no motivation	$600,000, SpoofBounty.com

CLIENTS & PARTNERS

FaceTec is proud to highlight a few of the hundreds of organizations around the world utilizing our leading biometric security software.

FaceSign · BV banco · TRUST ID · Serasa experian · Fully-Verified · ncon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oiti
FLUENT
RocketsApp
MILLICOM
cbn CANADIAN BANK NOTE
ClearSale
xp
crezcamos
C6BANK
unico
GB PAY
Pag Seguro
Signicat
MERCADO BITCOIN
bmg
PicPay
cynopsis.co
SAHAL VERIFAI
SCYTALES
Socialnet
nu
WebDataDome
B Promotora
IQSEC
ACTIVEIT
insolutions
NA-AT
mercado libre
veritran
Batelco
smartosc
DATANAMIX
ondato
kvalifika
Fractal
meetme
zengo
BBVA
iddataweb
Bank ABC
VerifyMyAge
Certisign
VALID
brightwell
ARAB BANK
fintech OS
citibank
BANCO CARREGOSA
YOTI
BisB
civic
NEDBANK
GoodDollar
TymeBank
karalundi
gDi
polygon
ZealiD
ticnow
HSBC
IDnow
nets
Safra
BlueWhale
evrotrust
BTGPactual

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Available on the App Store | Get it on Google Play | Try FaceTec on your Webcam

DEVELOPERS: USE THE BEST BIOMETRIC

Thoroughly test 3D Liveness, 3D Face Matching, Age Estimation, Photo ID OCR & Barcode / NFC Scanning instantly with a FREE Developer Account.

Get your FREE Developer Account

- Supports iOS 12+ & Android 5+ devices & webcams
- Available in 30+ languages, easy to localize
- Portable, cross-device, cross-platform 3D Face Matching
- Unrivaled 3D Liveness Security, Certified PAD Levels 1&2
- False Acceptance Rate (FAR): 1/125,000,000 @ <1% FRR
- All Data Processed & Stored on YOUR Server or Cloud
- NONE of Your Production User Data is sent to FaceTec
- Photo ID OCR & Barcode / NFC Scanning included
- Lightweight & easy-to-integrate SDKs (~4MB)
- Start fast with our straightforward RESTful API
- Codebase Tested by Praetorian Security

View the FaceTec Software – Configuration Options

Available for organizations of all sizes – Get Pricing

Ready to get started for FREE?

Get a FREE Developer Account

FaceTec PRICING

FaceTec is available to organizations of all sizes, but they must run the FaceTec software on their servers and will be billed monthly for 3D Liveness usage (minimum monthly commitment required). In addition to many other free features, FaceTec Customers & Partners get Unlimited Photo ID Scans for KYC/AML for free. If your organization can't afford FaceTec's monthly minimums, there are numerous FaceTec distribution Partners who will provide access to FaceTec's ID Scan software without ANY monthly minimum commitments whatsoever. Please contact FaceTec for a full list of participating Partners.

FaceTec's Demo & Sample Apps Are Free for:

- Organizations To Try the UI
- Internal POCs (proof-of-concept)
- Developer Software Testing
- Business Development Demos

FaceTec Invoices Per 3D Liveness Check, or Per User for

- Large & Small Businesses
- Enterprise Accounts
- Government Agencies
- Not-For-Profits

Get A Pricing Quote

Certified Liveness + 3D Face Matching
Try the FaceTec Demo Apps

Available on the App Store | Get it on Google Play | Try FaceTec on your Webcam

CASE STUDIES & RESOURCES

Learn more about Certified 3D Liveness and 3D Face Matching's use cases, security and 3rd-party testing, below.

Case Studies:

FaceTec® – ZenGo Wallet Case Study
FaceTec® – Turbi Car Sharing Case Study
FaceTec® – IAV Smart Car Case Study
& Hundreds More Clients Worldwide

White Papers & Interviews:

3D:3D Matching Report: 1/125M FAR@<1%
3D:2D IDScan Face Matching Report
$600,000 Spoof Bounty Program Details
FaceTec's 2024 Liveness Security Report
NIST FRVT-PAD Testing Commentary
FindBiometrics Interview: FaceTec CEO

Tests & Resources:

FaceTec – Identity Check: Photo ID Match
FaceTec – Private Cloud Architecture
FaceTec – Govt Remote ID Verification
ENISA – 2024 EU ID Proofing Guidelines
BIXELAB – 3D:2D Face Matching Test
BIXELAB – Level 2 PAD Testing
Developer Documentation & Demos

Independent 3rd-Party Testing & Certifications

PRAETORIAN
OWASP: Black & White-Box Pen Testing
FaceTec SDK Penetration Test Summary

iBeta LEVEL 1 ISO 30107-3 Presentation Attack Detection CERTIFIED
ISO 30107-3: Level 1 Spoof Detection
EPCS-DEA: Biometric FAR Certification

iBeta LEVEL 2 ISO 30107-3 Presentation Attack Detection CERTIFIED
ISO 30107-3: Level 2 Spoof Detection
$600,000 Spoof Bounty Program Levels 1-5

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BIOMETRIC UPDATE.COM

Outdated biometric liveness tests create 'false sense of security,' FaceTec argues
September 18, 2024

Biometrics are replacing legacy knowledge-based authentication for remote and unsupervised authentication scenarios.

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FaceTec Clocks 2.6B Annual Liveness Checks, Other Milestones in 2024 Liveness Detection Security Report
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The technology is designed to enhance the security and accuracy of online identity verification, a process that has faced...
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September 2024 — ID Talk: How to Make Biometric Data Useful – and Useless – with FaceTec's Jay Meier — September 4, 2024

September 2024 — FaceTec's 'UR Codes' Offer Transformative Potential—for Free — September 4, 2024

September 2024 — ID Talk: How to Make Biometric Data Useful – and Useless – with FaceTec's Jay Meier — September 4, 2024

Press Archive

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Try the FaceTec Demo Apps

Available on the App Store | Get it on Google Play | Try FaceTec on your Webcam

ABOUT FACETEC

Founded in 2013, FaceTec is the world leader in 3D Face Liveness & Matching software with staff in the United States, Canada, United Kingdom, Brazil, Portugal, Singapore, Mexico, and over 100 Channel Partners globally.

Management Team

Kevin Alan Tussy - CEO
Systems architect, 4-time tech founder with +30 issued patents, Editor-in-Chief: Liveness.com
LinkedIn

Josh Rose - CTO

Advisory Board

Alfred Koh - CEO Microsoft Korea
Former CEO of Samsung SDS, Hewlett-Packard Malaysia and IBM
LinkedIn

Patrick Flynn - Fritz Duda Family Professor of

Top 3D face matching, liveness and artificial intelligence expert, formerly with Microsoft
LinkedIn

Satya Yenigalla - COO
M.S. (Computer Science), formerly with Samsung, Oracle, Cloudscape/IBM
LinkedIn

Trevor Chaplick - CLO & EVP, Corp. Dev
Former Head - Wash., DC Corporate & Securities practice of Greenberg Traurig. Former Managing Partner - DC offices of Proskauer & Wilson Sonsini
LinkedIn

Geoff Slagle - EVP, Digital Identity
+25 year Digital Identity Veteran. Formerly with Scytáles AB, AAMVA, Intelli-Check, US State Dept
LinkedIn

Owen McShane - VP Government Relations
Adjunct Prof. College of Homeland Sec. & Cybersecurity, Former Deputy Com. NY DMV, NYS FOP, Intl. Chiefs of Police Assoc. & AAMVA

John Bernhard - Chief Scientist
M.S. (Computer Science), University of Notre Dame, M.S. (Statistics), Stephen F. Austin State University, B.S. (Mathematics & CompSci), Rose-Hulman Institute of Tech., formerly with Verizon
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Gregory Perez - VP of Engineering
B.S. (Computer Science), UCSD, formerly with GILT and Microsoft
LinkedIn

Andrew Hughes - VP of Global Standards
Chair of the Kantara Initiative Board, Identity Assurance Work Group, and Deepfakes/AI Impact on ID Verification Systems group
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Jase Kurasz - Sr. Algorithm Dev. Engineer
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Engineering
Computer Science & Engineering at Notre Dame
Google Scholar

Kevin Bowyer - Schubmehl-Prein Professor
Computer Science & Engineering at Notre Dame
Google Scholar

Chad Miller - Partner at Miller IP
Juris Doctorate (Intellectual Property), Lewis & Clark Law School, B.S. (Elec. Engineering), UNLV
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Terry A. Coffing - Board Member
Former co-chair of litigation at Marquis Aurbach Coffing. Serves on the Board of Governors of the Nevada State Bar. 2021 "Lawyer of the Year" for 1st Amendment Law & The Best Lawyers in America© 2015-2022 - Commercial Litigation.
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Doctor of Law (J.D.), Pepperdine University School of Law, B.S. (Accounting), So. Utah University
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Investor & Advisor. Formerly with Darden Restaurant Group, and Golf Channel. Graduate of Tulane Law School.
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EXHIBIT E

UNITED STATES
PATENT AND TRADEMARK OFFICE

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PTAB Trial Statistics
FY24 End of Year Outcome Roundup
IPR, PGR

Patent Trial and Appeal Board
Fiscal Year 2024

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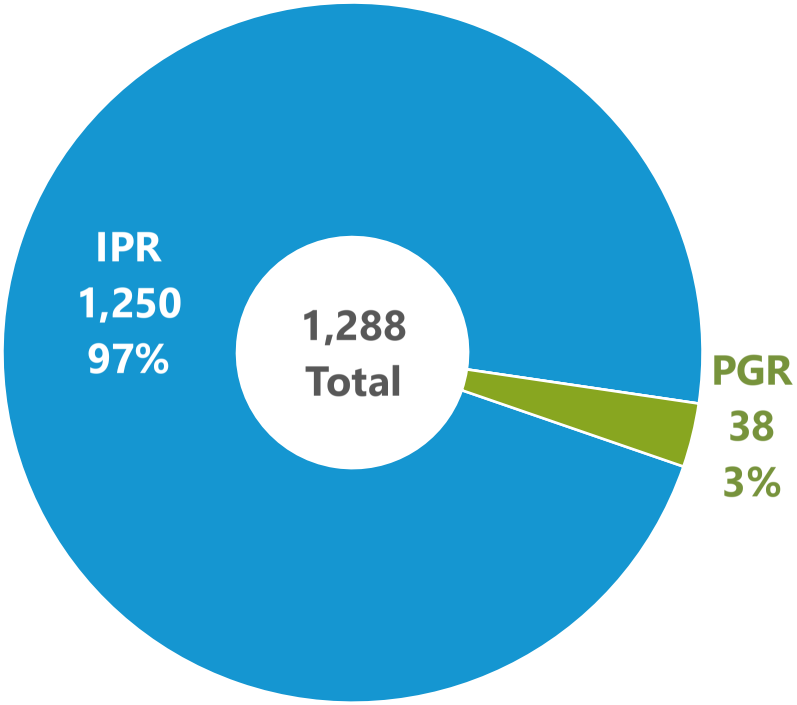
Petitions filed by trial type

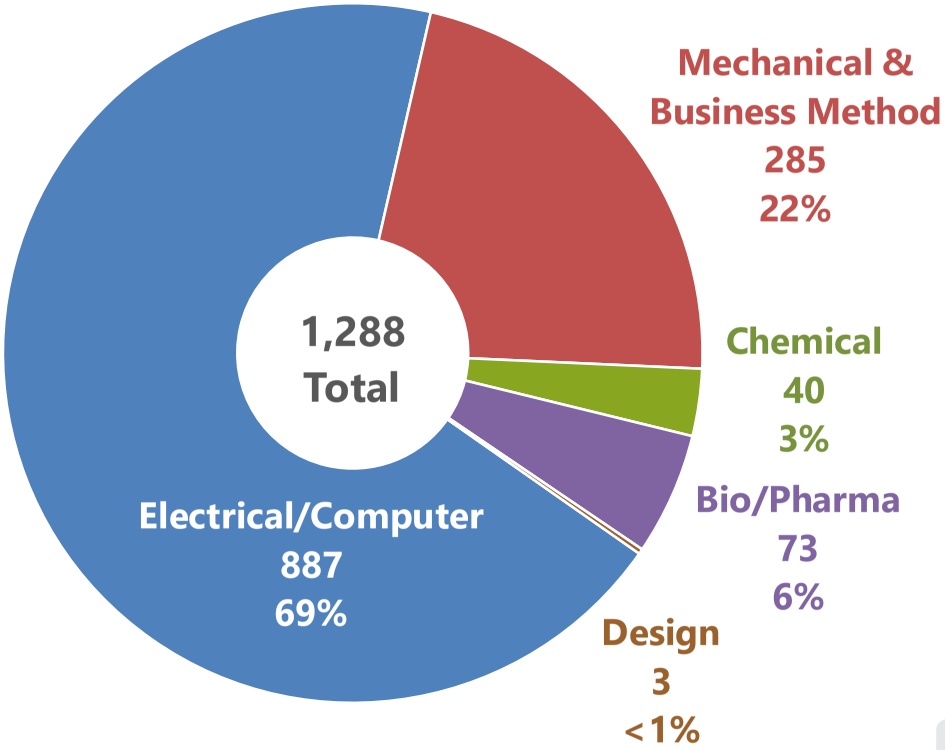
(FY24: Oct. 1, 2023 to Sept. 30, 2024)



Trial types include Inter Partes Review (IPR) and Post Grant Review (PGR).

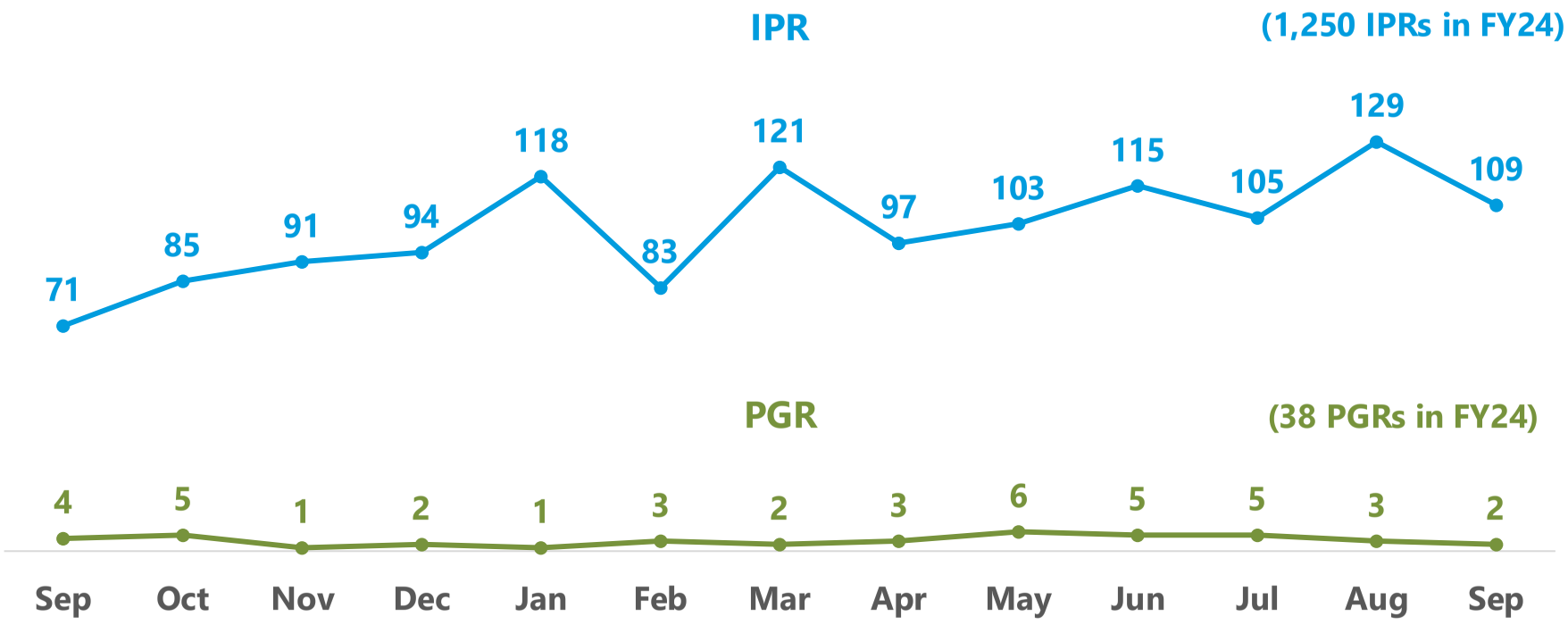
Petitions filed by technology

(FY24: Oct. 1, 2023 to Sept. 30, 2024)



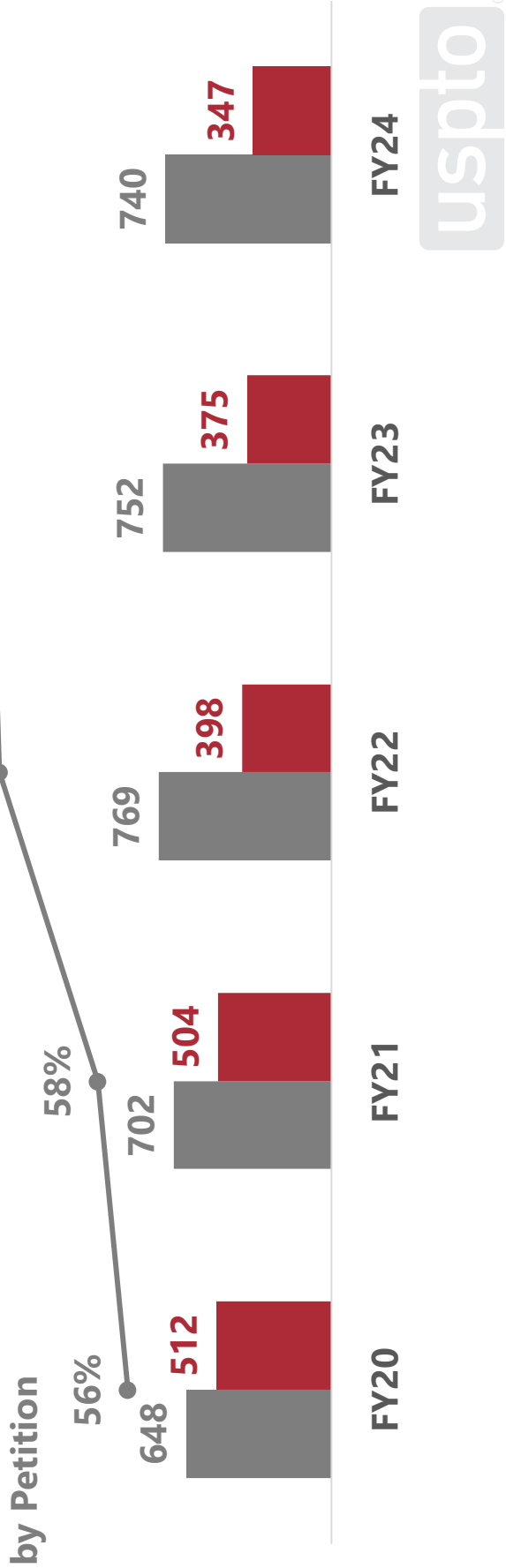
Petitions filed by month

(September 2024 and Prior 12 Months: Sept. 1, 2023 to Sept. 30, 2024)



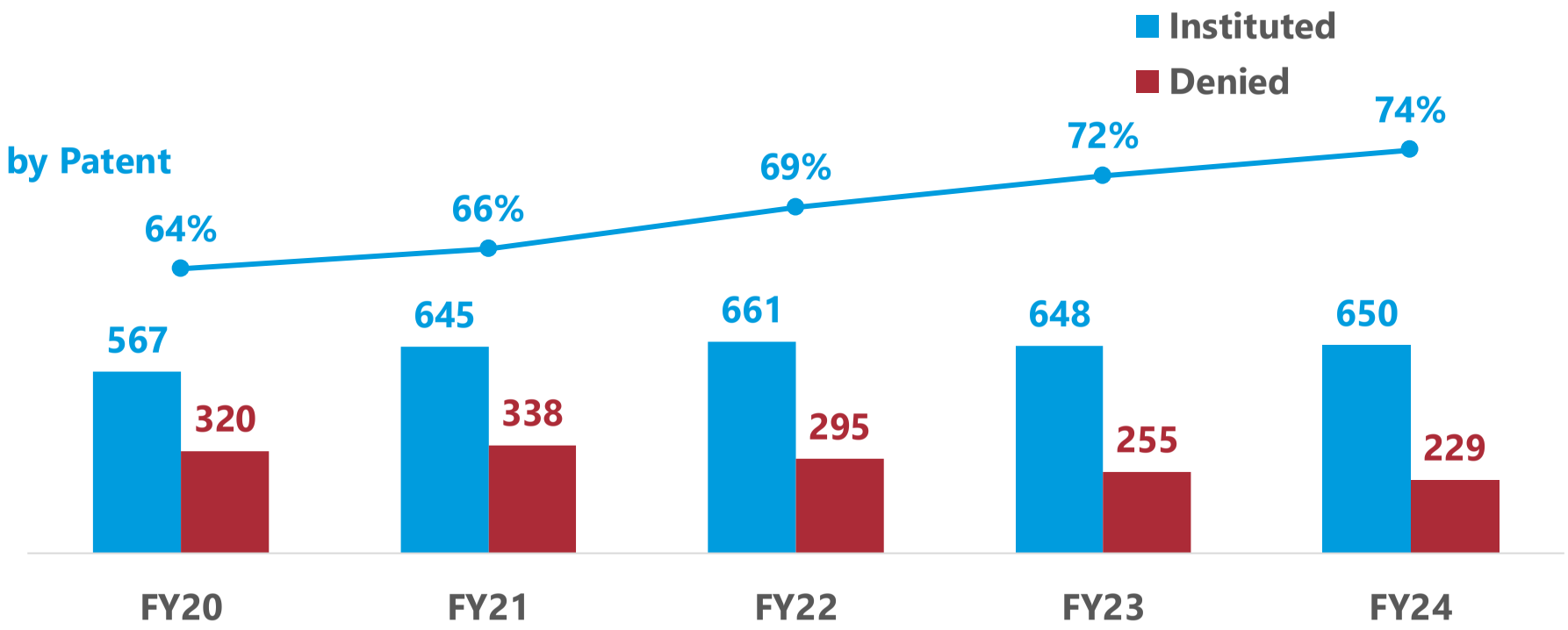
Institution rates by petition

(FY20 to FY24: Oct. 1, 2019 to Sept. 30, 2024)



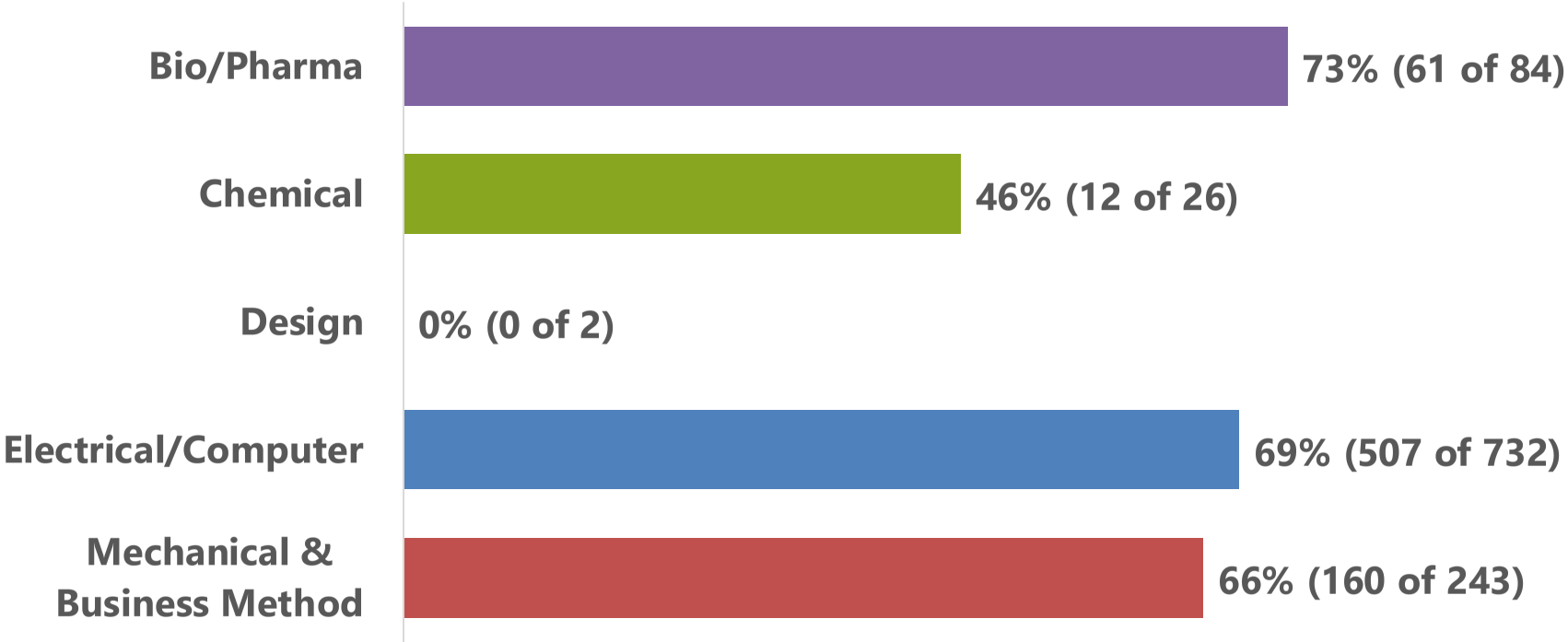
Institution rates by patent

(FY20 to FY24: Oct. 1, 2019 to Sept. 30, 2024)



Institution rates by technology

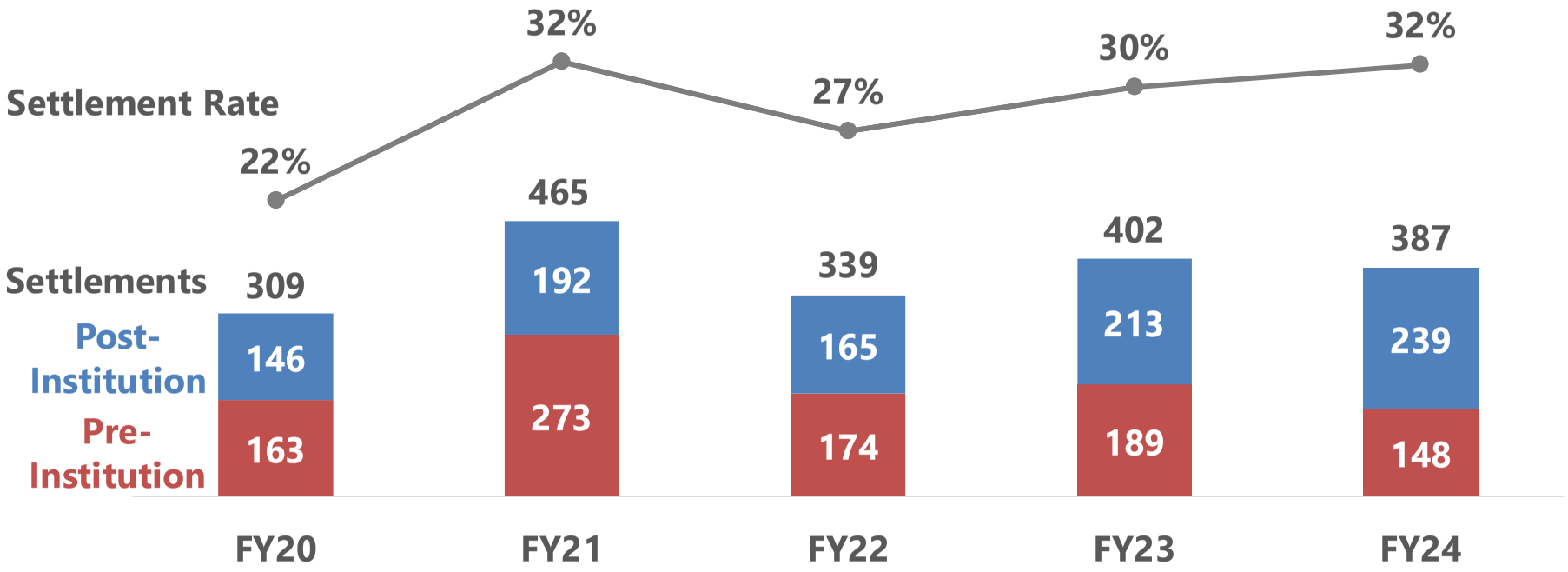
(FY24: Oct. 1, 2023 to Sept. 30, 2024)



Institution rate for each technology is calculated by dividing petitions instituted by decisions on institution (i.e., petitions instituted plus petitions denied). The outcomes of decisions on institution responsive to requests for rehearing are excluded.

Settlements

(FY20 to FY24: Oct. 1, 2019 to Sept. 30, 2024)



Settlement rate is calculated by dividing total settlements by concluded proceedings in each fiscal year (i.e., denied institution, settled, dismissed, requested adverse judgment, and final written decision), excluding joined cases.

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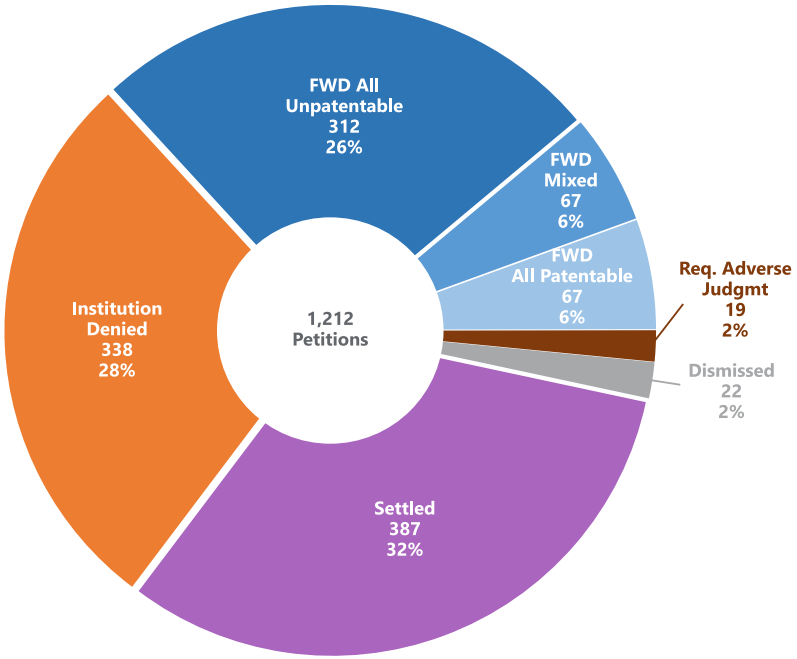
Outcomes by petition

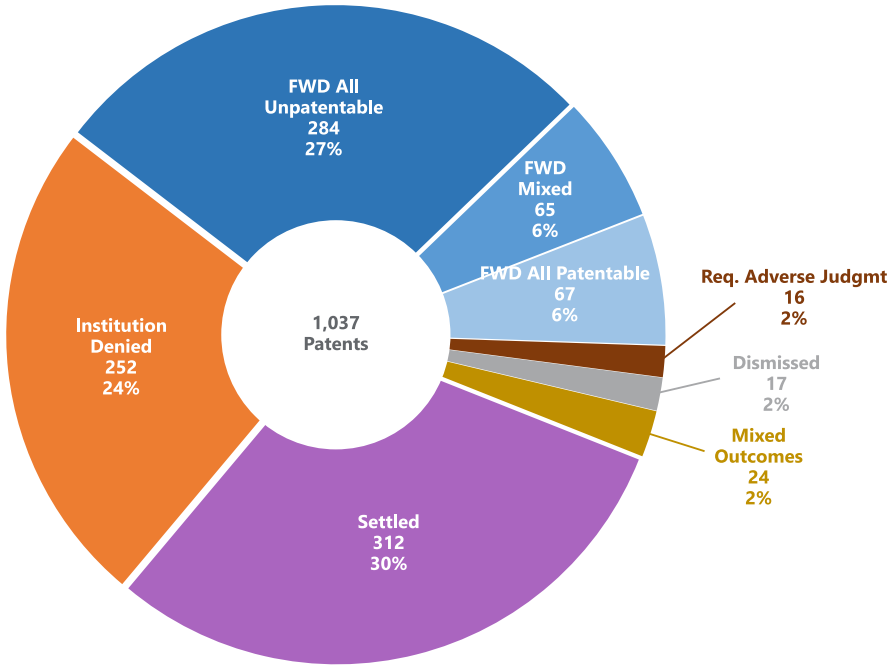
(FY24: Oct. 1, 2023 to Sept. 30, 2024)



FWD patentability or unpatentability reported with respect to the claims at issue in the FWD. Joined cases are excluded.

Outcomes by patent

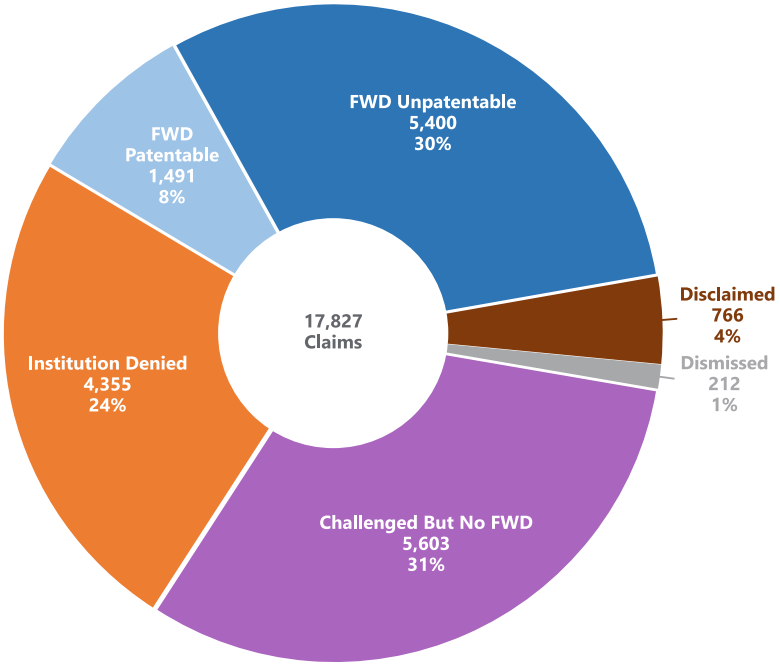
(FY24: Oct. 1, 2023 to Sept. 30, 2024)



FWD patentability or unpatentability reported with respect to the claims at issue in the FWD. "Mixed Outcome" is shown for patents receiving more than one type of outcome from the list of: denied, settled, dismissed, and/or req. adverse judgement only. A patent is listed in a FWD category if it ever received a FWD, regardless of other outcomes.

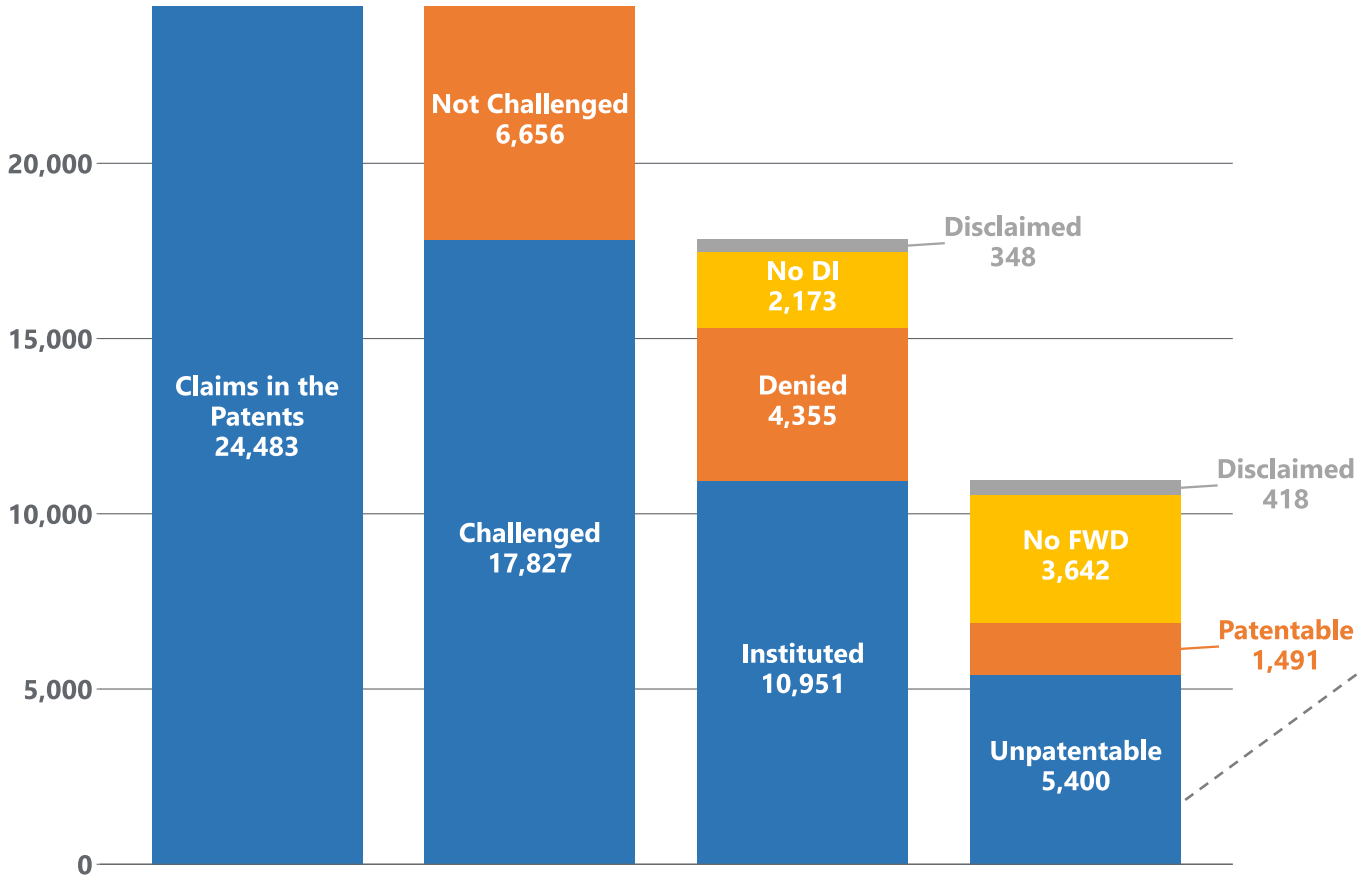
Outcomes by claim challenged

(FY24: Oct. 1, 2023 to Sept. 30, 2024)



Claim outcomes

(FY24: Oct. 1, 2023 to Sept. 30, 2024)

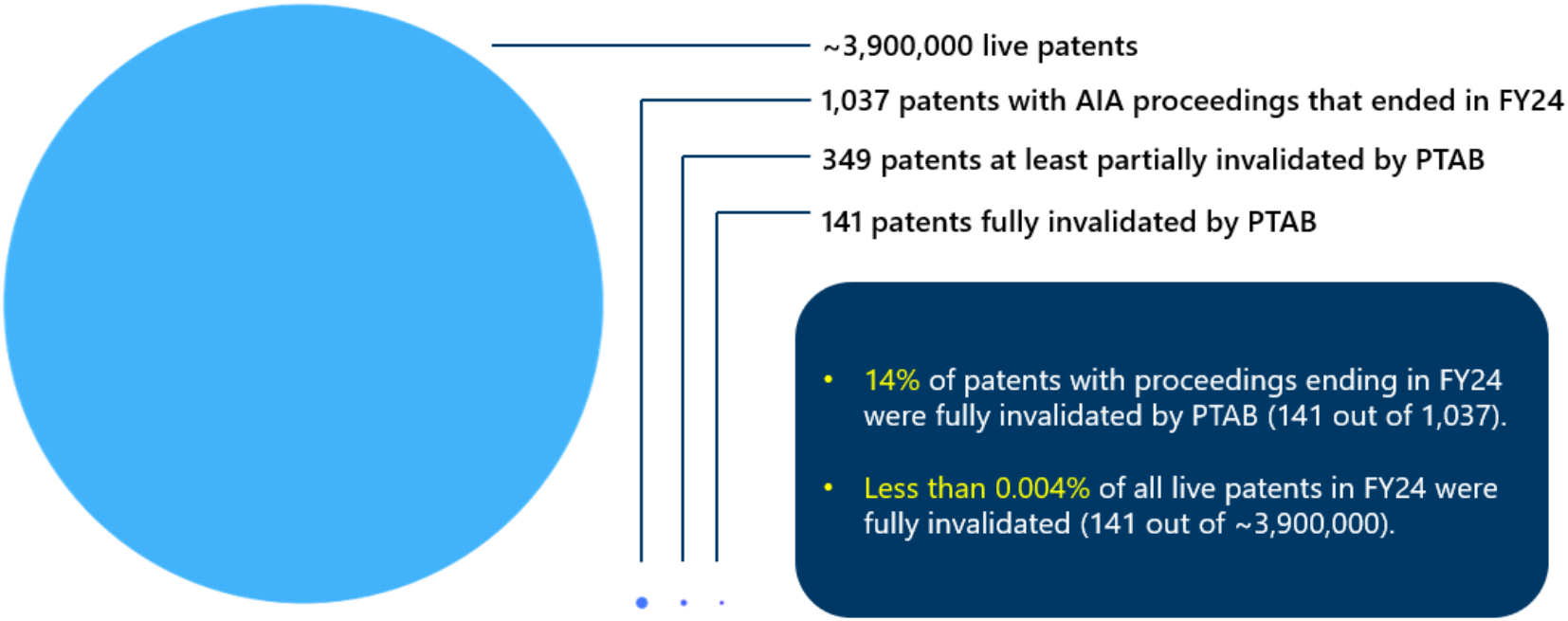


"No DI" and "No FWD" mean the claim was challenged but not addressed in a DI/FWD, e.g., due to settlement.

30% of challenged claims and 49% of instituted claims were found unpatentable by a preponderance of the evidence.

All patents: Fiscal Year 2024

(FY24: Oct. 1, 2023 to Sept. 30, 2024)



Events that end an AIA proceeding include final written decisions (FWD), settlements, dismissals, requests for adverse judgment, and denials of institution. A patent is listed in an FWD category if it ever received an FWD.

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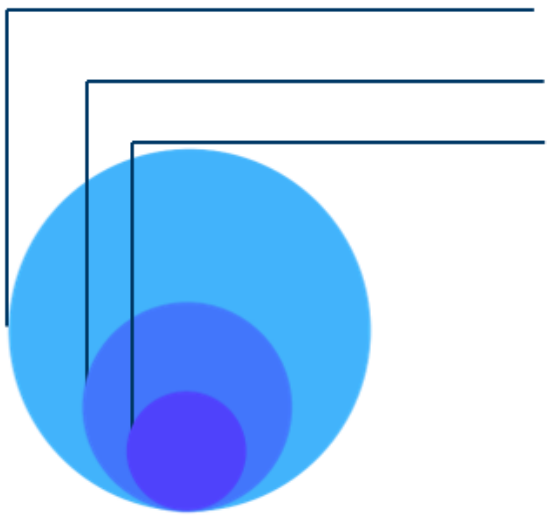
All patents: All time

(All time: Sept. 16, 2012 to Sept. 30, 2024)



10% of challenged patents were fully invalidated by PTAB (1,176 out of 11,272).

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Attorney for Defendant/Counterclaimant iProov Ltd.

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

FACETEC, INC., a Delaware corporation, Plaintiff, v. iPROOV LTD, a United Kingdom limited liability company, Defendant.	Case No. 2:21-cv-02252-ART-BNW **DECLARATION OF RYAN E. HATCH IN SUPPORT OF DEFENDANT IPROOV'S MOTION FOR PARTIAL STAY**
iPROOV LTD, a United Kingdom limited liability company, Counter-Claimant, v. FACETEC, INC., a Delaware corporation, Counter-Defendant.	

I, Ryan E. Hatch, declare as follows:

1. I am an attorney duly licensed to practice law before all courts of the State of California and am principle at Hatch Law, PC, 13323 W. Washington Blvd., Suite 302, Los Angeles, CA 90066. I am an attorney for Defendant and Counterclaimant iProov, Ltd. ("iProov") in this action against Plaintiff and Counterdefendant FaceTec, Inc. ("FaceTec"). I have personal knowledge of the facts stated therein. If called upon to testify, could and would testify competently to the following facts.

2. The parties are still in discovery in the above-caption action, and, to date, only one deposition has taken place.

3. I also represent iProov in connection with *FaceTec, Inc. v. Jumio Corporation*, No. 3:24-cv-03623-RFL, filed by FaceTec on June 14, 2024 in the United States District Court for the Northern District of California (the "California Action").

4. Attached hereto as Exhibit A is a true and correct copy of the parties' Joint Case Management Statement filed in the California Action on September 12, 2024 as Docket Entry 32.

5. Attached hereto as Exhibit B is a true and correct copy of Jumio Corporation ("Jumio")'s Motion to Stay filed in the California Action on November 27, 2024 as Docket Entry 54.

6. Attached hereto as Exhibit C is a true and correct copy of FaceTec's Memorandum in Opposition to Jumio's Motion to Stay filed in the California Action on December 16, 2024 as Docket Entry 62.

7. On February 6, 2025 the Clerk in the California Action entered Docket Entry 82 giving notice that Jumio's Motion to Stay, along with other pending motions, was "submitted without oral argument" and that "[t]the Court will issue a written order on the motions."

8. Attached hereto as Exhibit D is a true and correct copy of a screenshot of FaceTec's publicly available website, available at www.facetec.com and accessed on January 31, 2025.

9. Attached hereto as Exhibit E is a true and correct copy of the PTAB Trial Statistics FY24 End of Year Outcome Roundup IPR, PGR (available at https://www.uspto.gov/sites/default/files/documents/ptab_aia_fy2024__roundup.pdf).

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this day of February 10, 2025, at Los Angeles, California.

By: */s/ Ryan E. Hatch*

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Attorney for Defendant/Counterclaimant iProov Ltd.